



Keith Lambert, Mayor
Jay Miller, Mayor Pro Tem
Alan Lambert, Councilor
Jonathan Rice, Councilor
Jennifer Sanborn, Councilor
Jeanette Thompson, 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
September 7, 2011**

**WORKSHOP 6:00 P.M.
CONFERENCE ROOM**

- | | |
|-----------|--|
| 6:00 P.M. | Special event liquor permits (Lisa Cain and Blair Bracken) |
| 6:15 P.M. | Encana (Charles) |
| 6:30 P.M. | Colorado Municipal League and ColoTrust updates (Sam Mamet and Jim Berger) |

**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: <ul style="list-style-type: none">A. Minutes from the August 17, 2011 Regular MeetingB. Liquor License Renewals: Rifle Brewing Company; CheermeisterC. Rifle Airpark PUD Utility Stub-Out Dedication AgreementD. Memorandum of Understanding with Bureau of Land Management for Cooperating Agency Status on the Oil Shale Tar Sands Programmatic Environmental Impact StatementE. Intergovernmental Agreement with Garfield County Clerk for use of County’s ballot counting equipment |

- F. Purchase vehicles for Water and Wastewater Departments
- G. Adopt Health Reimbursement Arrangement and Cafeteria Plan – Resolution No. 12, Series of 2011
- H. Parks and Recreation Advisory Board Appointments
- I. Visitor Improvements Fund Advisory Board Recommendation for Board Appointments
- J. July Sales Tax Report
- K. July Financial Statements
- L. Accounts Payable

- 7:08 p.m. 3. Citizen Comments and Live Call-In
(For issues NOT on the Agenda. Please limit comments to 3 minutes.)
- 7:11 p.m. 4. Action, if any, on Workshop Items (Mayor Lambert)
- 7:15 p.m. 5. Proclamation honoring Annie Schmidt for winning If I Were Mayor contest (Mayor Lambert)
- 7:20 p.m. 6. Receive presentation concerning the Colorado Municipal League (Sam Mamet)
- 7:25 p.m. 7. Receive presentation concerning ColoTrust (Jim Berger)
- 7:35 p.m. 8. Acknowledge Councilor Jeanette Thompson’s Years of Service (Mayor Lambert)
- 7:40 p.m. 9. Executive Session for a conference with the City Attorney for the purpose of receiving legal advice on specific legal questions under CRS 24-6-402(4)(b); and for the purpose of determining positions relative to matters that may be subject to negotiations, developing strategy for negotiations, and/or instructing negotiators, under CRS Section 24-6-402(4)(e) (Jim Neu)
- 8:00p.m. 10. Consider Intergovernmental Agreement with Garfield Clean Energy (GCE) (Jim Neu)
- 8:10 p.m. 11. Consider awarding contract for Rifle Creek Plaza landscaping (Dick Deussen)
- 8:15 p.m. 12. Consider revising Public Works Manual’s retention provisions - Resolution No. 13, Series of 2011 (Jim Neu)
- 8:20 p.m. 13. Consider awarding contract for solid waste collection services to Mountain Rolloffs, Inc. (John Hier)
- 8:30 p.m. 14. Administrative Reports
 - A. City Manager Verbal Report
 - B. Other Reports
- 8:45p.m. 15. 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: September 21, 2011 at 7:00 p.m.

STATE OF COLORADO

COLORADO DEPARTMENT OF REVENUE

Liquor/Tobacco Enforcement Division
1881 Pierce Street, Suite 108A
Lakewood, Colorado 80214
Phone (303) 205-2300
FAX (303) 205-2341



E-mail: LED@spike.dor.state.co.us

Website: www.Colorado.gov/revenue/liquor

July 5, 2011

John W. Hickenlooper
Governor

Roxanne Huber
Executive Director

Laura K. Harris
Division Director

To: Local Licensing Authorities
Municipal and County Clerks

From: Daniel J. Gunter, Licensing Supervisor
Laura K. Harris, Division Director

A handwritten signature in blue ink, appearing to read "LKH", is written over the name "Laura K. Harris" in the "From:" field.

Re: **Senate Bill 11-066 - Issuance of Special Events Permits**

Greetings:

As you may already know, Senate Bill 11-066 "Concerning the Issuance of Special Events Permits" has been signed by Governor Hickenlooper, and will be effective August 10, 2011.

SB 11-066 authorizes a local licensing authority to issue special event permits to qualifying organizations and political candidates without sending the application to the state authority for approval. Prior to this statutory change, local authorities were only authorized to *approve* applications for special event permits and the state authority actually issued the permit. Of course, local authorities may opt to maintain the status quo by keeping the state licensing authority involved in the approval process. In either case, special event permit applications will remain a priority for the division's licensing staff, and we will continue to provide any technical assistance.

The proposed procedures are as follows, depending upon which option a local authority selects:

If a local authority elects to approve an application and issue a permit without state approval:

- No state fees are due and local fees remain the same.
- All other statutory requirements must be met.
- Local authorities should continue to use the state application (form DR8439).
- A copy of the locally-approved application must be submitted to the Liquor Enforcement Division within ten (10) days from the date of permit issuance. Inclusion of supporting documents is not necessary. This form may be faxed
- (303-205-2341), emailed (www.LED@spike.dor.state.co.us), or sent via U.S. mail to Liquor Enforcement Division, 1881 Pierce Street, Room 108, Lakewood, CO 80214.

July 5, 2011

Issuance of Special Event Permits

Page 2 of 2

- To ensure that organizations and political candidates do not exceed the number of annual permit days (now 15 per year) local authorities are required to review the state's website to determine an organization's permitting activity prior to approval (see LED website proposal below).
- Issuance of permits under this method may not occur prior to August 10, 2011.

If a local authority elects to include the state licensing authority in the application approval process as it has historically done:

- State and local fees remain the same.
- The application and all supporting documents must be submitted to the Liquor Enforcement Division in the historic manner.
- All other statutory requirements must be met.
- Local authorities are not required to review the organization's permitting activity on the division's website.

Other changes to the Special Events Code:

SB 11-066 increased the number of permit days from ten (10) days to fifteen (15) days per calendar year.

SB 11-066 repealed the requirement that an applicant demonstrate that existing facilities are inadequate.

SB 11-066 repealed the authority to require the posting of monetary bond prior to, and as a condition for, the issuance of a permit.

Liquor Enforcement Division Website:

The division is currently preparing the website to contain information concerning the statewide permitting activity of organizations that have been issued special event permits.

URL www.colorado.gov/revenue/liquor will take user to the division's homepage. From there select "state liquor licenses", and scroll down the "Special Events Permit" page. You will find a PDF format document that contains the information concerning special event permits issued during 2011. Please use the "find" function to locate the name of the organization and its permitting activity.

RIFLE CITY COUNCIL MEETING

Wednesday, August 17, 2011

REGULAR MEETING

7:00 p.m. * Council Chambers

The regular meeting of the Rifle City Council was called to order at 7:00 p.m. by Mayor Keith Lambert.

PRESENT ON ROLL CALL: Councilors Alan Lambert, Jay Miller, Jonathan Rice, Jen Sanborn, Jeanette Thompson, Randy Winkler, and Mayor Keith Lambert.

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; Dick Deussen, Utility Director; Daryl Meisner, Police Chief; Louis Beauchamp, Water Treatment Plant Operator; Charles Kelty, Finance Director; Marie George, Senior Center Director; David Keithley; Anita Beauchamp; Monique Krelovich; Suleiman Abuhalmeh; Clint Smith; Mandi Cooper; Helen Rogers; Gil Frontella; Don Van Devander; Herman Aardsma; Betty Fitzgibbon; Hilda Sykes; Irene Burgoon; Shirley Parks; and Heidi Rice.

CONSENT AGENDA - APPROVE THE FOLLOWING ITEMS:

- A. Minutes from the August 3, 2011 Regular Meeting
- B. Liquor License Renewal: Loyal Order of Moose – Lodge #1345
- C. Appointment to Parks and Recreation Advisory Board
- D. Recreation Fee Schedule – Resolution No. 11, Series of 2011
- E. Memorandum of Understanding with the Rifle Regional Economic Development Corporation-Rifle Recreation and Fitness Center Project on Metro Park
- F. Appoint Election Judges
- G. VIF Recommendation for Expenditures
- H. Accounts Payable

Councilor Rice moved to approve Consent Agenda Items A, C, E, F, G, and H; seconded by Councilor Thompson.

Roll Call: Yes – A. Lambert (abstaining as to Item A), Miller, Rice, Sanborn (abstaining as to Item A), Thompson, Winkler (abstaining as to Item H), K. Lambert

With respect to the Liquor License Renewal for Loyal Order of Moose – Lodge #1345 (Consent Agenda Item B), Police Chief Daryl Meisner verified that his department had no record of previous Liquor Code violations by the applicant, other than a failed compliance check conducted by the Colorado Liquor Enforcement Division in October 2010. Councilor Miller moved to approve the Liquor License Renewal for Loyal Order of Moose – Lodge #1345; seconded by Councilor A. Lambert.

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

With respect to the Recreation Fee Schedule – Resolution No. 11, Series of 2011(Consent Agenda Item D), Councilor Miller noted that there were errors on the schedule that was included in the original packet for this

meeting. Council has since received a corrected schedule. Councilor Miller moved to approve the Recreation Fee Schedule – Resolution No. 11, Series of 2011; seconded by Councilor Sanborn.

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

CITIZEN COMMENTS AND LIVE CALL-IN

There were no citizen comments or live call-ins.

PRESENTATION TO LOUIS BEAUCHAMP

Louis Beauchamp, Lead Operator at the Water Treatment Plant, is leaving his employment to accept a position at a larger new plant in Wolf Point, Montana. This represents a significant promotion for Louis. Council presented a plaque to Mr. Beauchamp thanking him for his 13 years of service to the City and wished him well in his new endeavor.

PUBLIC HEARING – TAVERN LIQUOR LICENSE APPLICATION BY MONIQUE C. KRELOVICH D/B/A X POINT

Mayor Lambert opened the public hearing and swore in Monique C. Krelovich, who presented her application for a tavern liquor license while doing business as X Point at 139 West 3rd Street. City Clerk Lisa Cain stated that the hearing was properly noticed, the application is complete, and the fees have been paid.

Councilor Winkler moved to approve the application for a tavern liquor license by Monique C. Krelovich doing business as X Point at 139 West 3rd Street; seconded by Councilor Sanborn.

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

PUBLIC HEARING – APPLICATION TO TRANSFER TAVERN LIQUOR LICENSE FROM SULEIMAN ABUHALIMEH D/B/A CHEERMEISTER TO CHEERMEISTER CORPORATION

Mayor Lambert opened the public hearing and swore in Suleiman Abuhalmeh and Clinton Smith, who presented the application to transfer the tavern liquor license at 401 Railroad Avenue from Suleiman Abuhalmeh doing business as Cheermeister to Cheermeister, a corporation. Mr. Abuhalmeh is President of Cheermeister, and Mr. Smith is Vice President. Ms. Cain stated that the hearing was properly noticed, the application is complete, and the fees have been paid. She informed Council that staff’s investigation of Mr. Smith revealed recent criminal citations, and therefore, staff recommended that Council conduct this hearing to consider Mr. Smith’s character in accordance with Rifle Municipal Code Section 6-5-80.

Mr. Smith said he had been cited for driving under the influence of alcohol on March 9, 2011 by the Garfield County Sheriff’s Department, and on July 8, 2011 by the Rifle Police Department. Both citations have yet to be adjudicated. Mr. Smith noted that the tavern is now conducting fundraisers to benefit the community. Mr. Abuhalmeh vouched for Mr. Smith’s good character. Mr. Smith added that he attended alcohol classes prior to 2000 and would be willing to attend additional classes to resolve his issues with alcohol. Council Members expressed concern about Mr. Smith’s inability to consume alcohol responsibly.

Councilor Miller moved to disapprove the application to transfer the tavern liquor license at 401 Railroad Avenue from Suleiman Abuhalmeh doing business as Cheermeister to Cheermeister, a corporation; seconded by Councilor Rice.

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

CONSIDER RECOMMENDATION OF VISITOR IMPROVEMENTS FUND ADVISORY BOARD CONCERNING ENGINEERING SERVICES FOR BOAT RAMP

The Visitor Improvements Fund Advisory Board recommended the selection of Colorado River Engineering for the development of the Rifle Boat Ramp design for \$7,500.

Councilor Sanborn moved to award a contract for design of the Rifle Boat Ramp to Colorado River Engineering for an amount not to exceed \$7,500; seconded by Councilor Rice.

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

CONSIDER FINANCIAL ADVISORY SERVICES ENGAGEMENT FOR WATER TREATMENT PLANT

Finance Director Charles Kelty requested that Council approve the engagement of BLX Group LLC to provide financing consulting services related to a new water treatment plant. BLX Group LLC would receive a retainer of \$900 per quarter during the term of the engagement, plus a transaction fee ranging from \$12,500 to \$39,500 at closing of financing, depending on the amount issued in the financing.

Councilor Miller moved to engage BLX Group LLC to provide financing consulting services related to a new water treatment plant for a retainer of \$900 per quarter, not to exceed \$1,800; seconded by Councilor A. Lambert.

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

CONSIDER AUTHORIZING PURCHASE OF USED DUMP TRUCK

City Manager John Hier asked Council to authorize the purchase of a used dump truck to haul sludge from the wastewater treatment plant to the Cacaloco composting operation. Staff is currently using a borrowed trailer to haul the sludge. The estimated cost of an older used dump truck is \$6,000 to \$8,000. This item was not included in the 2011 budget, but there are adequate funds available in the fleet revolving loan fund.

Councilor A. Lambert moved to authorize the purchase of a used dump truck for an amount not to exceed \$8,000; seconded by Councilor Miller.

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

CONSIDER AWARDING CONTRACT FOR SOLID WASTE COLLECTION SERVICES TO MOUNTAIN ROLLOFFS, INC.

Don Van Devander, General Manager, and Herman Aardsma, Operations Director, Mountain Roll-Offs, Inc. (MRI), were present. Mr. Hier informed Council that staff has been negotiating with MRI to take over the City's solid waste removal services and provide curbside recycling to Rifle residents. These are the key provisions of the proposed Solid Waste Removal and Recyclables Collection Agreement:

- MRI will have the exclusive right to serve the City's residential trash customers. It will serve any commercial customers currently handled by the City.
- The City will continue to bill the customers on their utility bill, but MRI will handle all other aspects of solid waste removal and recyclables collection, including customer service.
- The fees that MRI will charge the City will not require the City to raise the fees it charges its customers.
- MRI will reduce its fees by 20% for residential services to Senior Citizens above 65 years in age.
- MRI may petition the City for rate adjustments at reasonable times on the basis of unusual changes in the cost of doing business.
- The term of the Agreement is for 5 years subject to annual appropriations.
- MRI will follow the same collection routes, on the same days, and during the same times during the day, as on the City's current schedule. MRI observes fewer holidays than the City; those holidays will cause a 1-day delay on the regular pick up schedule.

- MRI will continue to utilize the City containers currently in use.
- MRI will pick up all of the City's buildings and facilities' solid waste at no cost to the City.
- Customers will have 2 separate recycling bins: one for comingled recyclables and one for compost materials that will assist CacaLoco with its composting endeavor. Recycling will occur the same day as solid waste collection. MRI will be required to provide educational materials and information regarding recycling.
- MRI will continue to provide the same special pickups and on the same schedule that the City performs today.
- MRI will hire the City's current collection truck driver with similar benefits and pay rate.

Council asked Messrs. Van Devander and Aardsma to appear at its September 7, 2011 meeting with answers to these questions:

- Plastics 1 through 7 are transported to the Eagle County recycling facility. That facility is able to market Plastics 1 and 2. What does the facility do with Plastics 3 through 7?
- What percentage of collected Plastics 1 through 7 do Plastics 1 and 2 comprise?

ADMINISTRATIVE REPORTS

Mr. Hier reported to Council on the following issues: personnel changes; street work; compost operation; budget; and city survey.

Ms. Cain updated Council on the September 13 municipal election.

Assistant City Manager / Director of Planning Matt Sturgeon provided an update on Rifle Creek Plaza development.

COMMENTS FROM MAYOR AND COUNCIL

Councilor Sanborn visited other communities during a recent vacation, but none compare to Rifle.

Councilor A. Lambert jokingly warned citizens to lock their doors during zucchini season.

Councilor Miller asked citizens to vote for him for Council.

Councilor Rice noted that today was the first day of the 2011-2012 school year.

Councilor Thompson's family enjoyed a reunion at Rifle Mountain Park.

Mayor K. Lambert encouraged citizens to watch the Council Candidate Forum that Channel 10 will show again on August 23 and 24. He said the Rifle Fitness Center is open and will celebrate its grand opening on August 27.

EXECUTIVE SESSION

EXECUTIVE SESSION 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 Rice moved to adjourn to executive session to discuss personnel matters; seconded by Councilor Miller (9:00 p.m.).

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

Councilor Sanborn moved to adjourn from Executive Session; seconded by Councilor Rice (9:53 p.m.).

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

Meeting adjourned at 9:53 p.m.

Lisa H. Cain
City Clerk

Keith Lambert
Mayor



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

From: Lisa Cain, City Clerk

Date: August 30, 2011

Subject: Liquor License Renewal Application – Rifle Brewing Company

Rifle Brewing Company has submitted an application to renew its Brew Pub Liquor License at 412 Park Avenue. The application is complete, and the renewal application fees have been paid.

On July 12, 2011, the Rifle Police Department conducted compliance checks of liquor-licensed premises in Rifle. Police Chief Daryl Meisner has informed me that Rifle Brewing Company failed the compliance check along with other establishments in the City. Action is pending in Rifle Municipal Court against Rifle Brewing Company for alleged violations of the Colorado Liquor Code, based on the failed compliance check.

City Council also has the authority to take action against Rifle Brewing Company for alleged violations of the Colorado Liquor Code, based on the failed compliance check. However, I recommend that Council wait to take action until after disposition of the Municipal Court action has occurred. This will allow the City to gain additional information from the Municipal Court action and benefit from any stipulated facts in those proceedings.

Based on the above information, and because the failed compliance check is only an allegation at this point, I recommend approval of this renewal application. We will update you on all of the failed compliance checks as they become resolved.

**LIQUOR OR 3.2 BEER LICENSE
 RENEWAL APPLICATION**



RIFLE BREWING COMPANY
 ROBERT FOGLIA
 P O BOX 733
 RIFLE CO 81650-0733

License Number 42-51187-0000	License Type 1975
Liability Information 24 035 722110 C 101309	
Business Location 412 PARK AVENUE RIFLE CO	
Current License Expires OCT 12, 2011	
DEPARTMENTAL USE ONLY	
Total Amount Due	
Total Paid \$	Date

- 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 <i>Samuel J. Curcio</i>	Date 8-30-2011	Business Phone 970-625-8008
Title General Manager	Sales Tax Number 42-51187-0000	

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

**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 RIFLE BREWING	LICENSE NUMBER (Use for all reference) 42-51187-0000		PERIOD 10-12
TYPE OF LICENSE ISSUED BREW PUB LICENSE - MALT, VINOUS, AND SPIRITUOUS	CASH FUND 2320-100(999) \$ 50.00	STATE FEE 1975-750(999) \$ 275.00	CITY 85% DAP 2180-100(999) \$ 425.00

\$ 750.00

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 RIFLE Brewing Company		State License Number 42-51187-0000
1. Operating Manager Daniel J. Currie	Home Address, 1	Date of Birth
2. Do you have legal possession of the premises for which this application for license is made? Are the premises owned or rented: <u>owned</u> If rented, expiration date of lease: _____		Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
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.		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
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.		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
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.		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
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.		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
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.		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
8. Sole proprietorships, Husband-Wife Partnerships or Partners in General Partnerships: <b style="text-align: center;">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): <input type="checkbox"/> I am a United States Citizen <input type="checkbox"/> I am not a United States Citizen but I am a Permanent Resident of the United States <input type="checkbox"/> I am not a United States Citizen but I am lawfully present in the United States pursuant to Federal Law <input type="checkbox"/> 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



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

From: Lisa Cain, City Clerk

Date: Thursday, September 01, 2011

Subject: Liquor License Renewal

THIS BUSINESS HAS FILED A LIQUOR LICENSE RENEWAL APPLICATION:

<u>Business Name/Address</u>	<u>Type of License</u>
Suleiman Abuhalmeh d/b/a Cheermeister 401 Railroad Avenue	Tavern Liquor License

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.

**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 Individual
 Corporation Limited Liability Company
 Partnership (includes Limited Liability and Husband and Wife Partnerships) Association or Other

2. Applicant If an LLC, name of LLC; if partnership, at least 2 partner's names; if corporation, name of corporation Fein Number
 _____ 20-0709543

2a. Trade Name of Establishment (DBA) State Sales Tax No. Business Telephone
 Cheermeister 42-45060 970 625-9602

3. Address of Premises (specify exact location of premises)
 401 Railroad Ave

City County State ZIP Code
 Rifle Garfield CO 81650

4. Mailing Address (Number and Street) City or Town State ZIP Code
 401 Railroad Ave 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
 Cheermeister 42-45060-0000 Tavern 5-14-11

LIAB	SECTION A	NONREFUNDABLE APPLICATION FEES	LIAB	SECTION B (CONT.)	LIQUOR LICENSE FEES
2300	<input type="checkbox"/>	Application Fee for New License	1985	<input type="checkbox"/>	Resort Complex License (City)
2302	<input type="checkbox"/>	Application Fee for New License - w/Concurrent Review	1986	<input type="checkbox"/>	Resort Complex License (County)
2310	<input type="checkbox"/>	Application Fee for Transfer	1988	<input type="checkbox"/>	Add Related Facility to Resort Complex ... \$ 75.00 X _____ Total _____
			1990	<input type="checkbox"/>	Club License (City)
			1991	<input type="checkbox"/>	Club License (County)
			2010	<input checked="" type="checkbox"/>	Tavern License (City)
			2011	<input type="checkbox"/>	Tavern License (County)
			2012	<input type="checkbox"/>	Manager Registration - Tavern
			2020	<input type="checkbox"/>	Arts License (City)
			2021	<input type="checkbox"/>	Arts License (County)
			2030	<input type="checkbox"/>	Racetrack License (City)
			2031	<input type="checkbox"/>	Racetrack License (County)
			2040	<input type="checkbox"/>	Optional Premises License (City)
			2041	<input type="checkbox"/>	Optional Premises License (County)
			2045	<input type="checkbox"/>	Vintners Restaurant License (City)
			2046	<input type="checkbox"/>	Vintners Restaurant License (County)
			2220	<input type="checkbox"/>	Add Optional Premises to H & R
			2370	<input type="checkbox"/>	Master File Location Fee
			2375	<input type="checkbox"/>	Master File Background

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

LIABILITY INFORMATION

County	City	Industry Type	License Account Number	Liability Date	License Issued Through
				FROM	TO
State -750 (999)	City 2180-100 (999)	County 2190-100 (999)	Managers Reg -750 (999)		
Cash Fund New License 2300-100 (999)				Cash Fund Transfer License 2310-100 (999)	
				TOTAL	
				\$	

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).

6. 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 beverage 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
Bookchild Lodge #45	Cheermeister OR Suleiman Abdul	Nov/1/2014

Attach a diagram and outline or designate the area to be licensed (including dimensions) which shows the bars, 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

Attach copies of all notes and security instruments, and any written agreement, 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 agreement 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** Yes No
 Has a local ordinance or resolution authorizing optional premises been adopted?
 Number of separate Optional Premises areas requested: _____ (See License Fee Chart)

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

15. **Club Liquor License** applicants answer the following and attach: Yes No
 (a) Is the applicant organization operated solely for a national, social, fraternal, patriotic, political or athletic purpose and not for pecuniary gain?
 (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)** _____ (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

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 8404-1 (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 owner Date 8/29/2011

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

Date application filed with local authority 8-31-2011 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. N/A - renewal

THE LOCAL LICENSING AUTHORITY HEREBY AFFIRMS:

- That each person required to file DR 8404-1 (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	<input type="checkbox"/> TOWN, CITY <input type="checkbox"/> COUNTY
Signature	Title	Date
Signature (attest)	Title	Date

**RIFLE AIRPARK PUD
UTILITY STUB-OUT DEDICATION AGREEMENT**

THIS AGREEMENT is made and entered into this ____ day of _____, 2011 by and between the CITY OF RIFLE, COLORADO, a Colorado home-rule municipality (hereinafter ACity@), and AIRPORT LAND PARTNERS LIMITED, a Colorado limited partnership (hereinafter AALP”).

W I T N E S S E T H:

WHEREAS, ALP is a duly-organized Colorado limited partnership and is the owner of Rifle Airpark PUD located adjacent to the Garfield County Regional Airport (the AAirport@); and

WHEREAS, the City of Rifle by Ordinance No. 15, Series of 2008 approved the annexation of Rifle Airpark PUD and that certain Rifle Airpark Annexation Agreement, which Agreement provides, among other terms, that ALP is responsible for extending water and wastewater infrastructure to serve Rifle Airpark PUD; and

WHEREAS, the City and the Board of County Commissioners of Garfield County (the “County”) subsequently entered into the Garfield County Regional Airport Runway Improvement Road and Utility Relocation Intergovernmental Agreement (the “Runway IGA”) whereby the County agreed to construct and convey to the City certain public improvements and facilities in the vicinity of Rifle Airpark PUD affected by the County’s extension and realignment of the airport runway; and

WHEREAS, among the utilities constructed by the County and to be conveyed to the City pursuant to the Runway IGA are two sewer lines stub-outs and one water line stub-out, together with corresponding easements shown as Easement Nos. 9, 10, and 11 on Exhibit A attached hereto and incorporated herein by this reference (collectively described as the “Airpark Utilities”), which utilities and easements will serve a portion of Rifle Airpark PUD known as Parcel No. 2177-243-00-398 in the Garfield County Assessor records (the “Subject Airpark Property”); and

WHEREAS, the City is willing to accept dedication and ownership of the Airpark Utilities for the benefit of Subject Airpark Property pursuant to the terms and conditions set forth herein.

NOW THEREFORE, for and in consideration of the mutual covenants and agreements of the parties as set forth herein, the parties agree as follows:

1. Incorporation of Recitals. The foregoing recitals are incorporated herein as if set forth in full.
2. Airpark Utilities. In accordance with the Runway IGA, the City agrees to accept the conveyance of the Airpark Utilities from the County for the benefit of the Subject Airpark Property when it develops; provided, however, that the parties agree and acknowledge that the

City shall have no duty to maintain the Airpark Utilities until the public improvements for the Subject Airpark Property are dedicated to the City as set forth below.

3. Public Improvements for Subject Airpark Property. As part of the construction of public improvements for the Subject Airpark Property when it develops, ALP shall provide inspection reports of the Airpark Utilities for the City's review and approval, in the City's sole discretion, that the Airpark Utilities are fit to serve the Subject Airpark Property. The Airpark Utilities shall be considered part of the public improvements for the Subject Airpark Property and upon completion of construction of the public improvements and as part of the acceptance process, ALP's engineer shall certify in writing that the Airpark Utilities meet the plans and specifications for the public improvements to serve the Subject Airpark Property. In the event that the Airpark Utilities fail the inspection and/or cannot be certified to serve the Subject Airpark Property, ALP shall be solely responsible to repair, replace, and/or upgrade the Airpark Utilities as necessary. ALP shall further be responsible for removing any plugs used to isolate the systems from the active mains.

4. Indemnity. ALP shall indemnify and hold harmless the City and the City's agents and employees from and against any and all claims, damages, losses, and expenses, including but not limited to attorneys' fees and costs, arising out of or related to construction of the Airpark Utilities by the County, ongoing maintenance, repair and replacement of the Airpark Utilities by ALP, or any other claim, damage, loss, and expense incident of the City's ownership of the Airpark Utilities until the City accepts the public improvements for the Subject Airpark Property.

5. Successors. This Agreement shall be binding upon and inure to the benefit of the parties and their respective heirs, successors, and assigns.

6. Waiver of Defects. In executing this Agreement, ALP waives all objections it may have over defects, if any, in the form of this Agreement, the formalities for execution, concerning the power of the City to impose conditions on ALP as set forth herein or over the procedure, substance, and form of the ordinances or resolutions adopting this Agreement.

7. Final Agreement. This Agreement supersedes and controls all prior written and oral agreements and representations of the parties, and is the total integrated agreement between the parties.

8. Modifications. This Agreement shall not be amended or modified, except by subsequent written agreement of the parties.

9. Release of Liability. It is expressly understood that the City cannot be legally bound by the representations of any of its officers or agents, or their designees, except in accordance with the Rifle Municipal Code and ordinances and the laws of the State of Colorado, and that ALP, when dealing with the City, acts at its own risk as to any representation or undertaking by the City or its officers or agents, or their designees, which is subsequently held unlawful by a court of law, which is in accordance with the laws of the State of Colorado; provided, however, that this paragraph shall not be construed to limit the rights and remedies of the parties otherwise provided by law, including under equitable doctrines of estoppel and the

like.

10. Attorney Fees; Survival. Should this Agreement become the subject of litigation between the City and ALP, the prevailing party shall be entitled to attorneys' fees and costs of suit actually incurred, including expert witness fees.

WHEREFORE, the parties hereto have executed duplicate originals of this Agreement on the day and year first written above.

CITY OF RIFLE, COLORADO

By _____
Mayor

ATTEST:

Clerk

AIRPORT LAND PARTNERS LIMITED
a Colorado Limited Partnership

By: Airport Business Park Corporation,
a Colorado corporation, General Partner

By: _____
Robert A. Howard, President

STATE OF COLORADO)
) ss.
COUNTY OF GARFIELD)

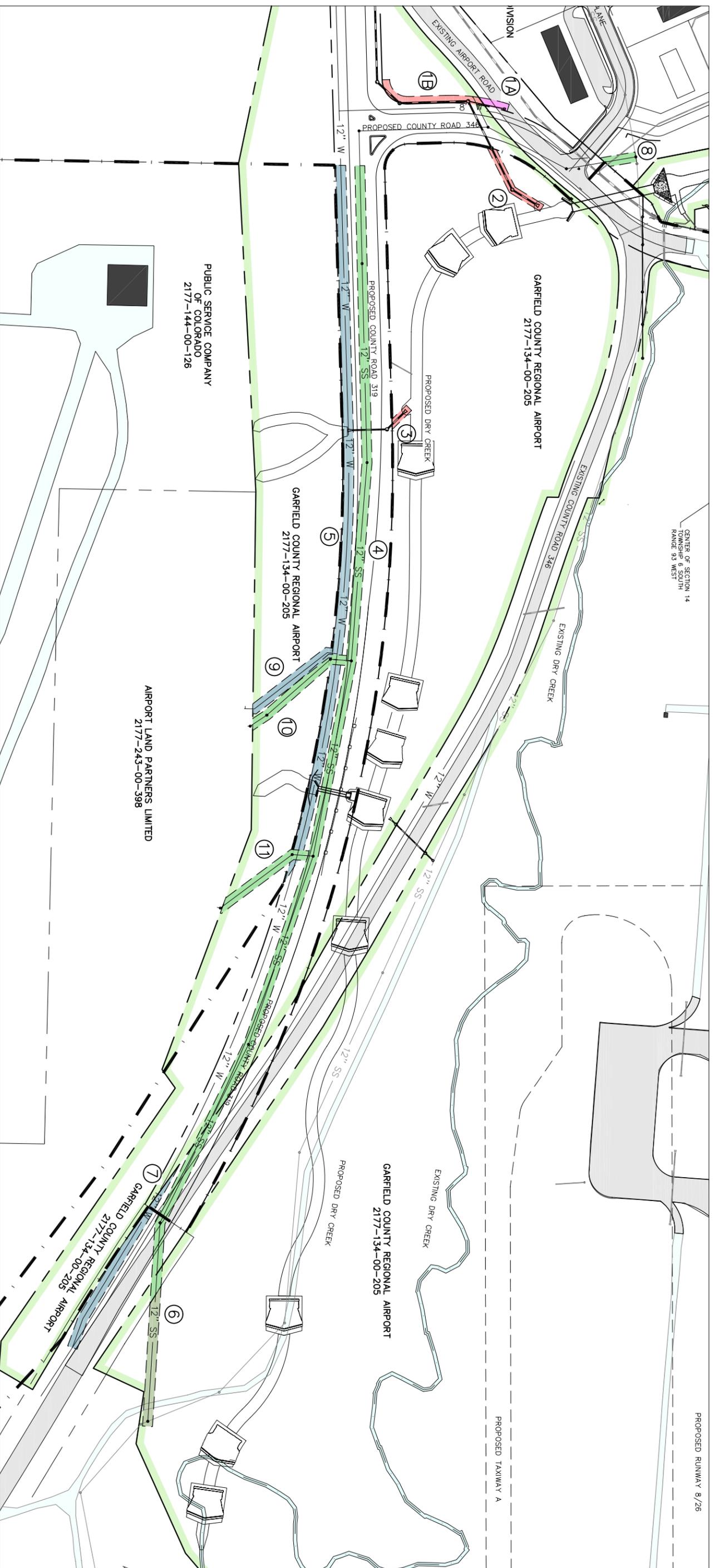
Acknowledged before me this _____ day of _____ 2011 by _____, as Mayor, and by _____, as Clerk, on behalf of the City of Rifle, Colorado.

WITNESS my hand and official seal. My Commission expires: _____.

Notary Public

EXHIBIT A

UTILITY EASEMENTS TO BE CONVEYED THE CITY OF RIFLE



DRAFT



MEMORANDUM

To: John Hier, City Manager

From: Mike Braaten, Government Affairs Coordinator

Date: September 1, 2011

Re: MOU with BLM for Oil Shale PEIS/Plan Amendment

Earlier this summer, City Council indicated their interest in pursuing cooperating agency status with the BLM for their "fresh look" at the Oil Shale and Tar Sands Resource Management Plan Amendments to address the land use allocation in Colorado (and UT/WY) and the programmatic Environmental Impact Statement.

In moving forward as a cooperating agency, the City of Rifle gets a seat at the table to provide comment, input and help guide the development of the document – with the primary issue being the size of the RD&D leases for new projects and the amount of land the BLM makes available for leasing.

BLM provided the following MOU for consideration. Staff, in consultation with City Attorney Neu, worked with BLM to develop agreeable terms in the MOU. The noted sticking point was (provision V. E. in the MOU) documentation of disagreement or inconsistency. Originally, the BLM would be the sole documenter of any disagreement, without input from the cooperators. Staff worked with BLM to get inserted into the MOU language that the summary (of disagreement or inconsistency) will be prepared in consultation with the cooperator. Staff initially requested that the City be able to document our concern/disagreement, but BLM's attorneys denied the request and suggested the agreed upon language in the final MOU.

Other cooperating agencies include the States of Colorado, Utah and Wyoming, Garfield County, Various Federal Agencies, and numerous impacted counties in Wyoming and Utah.

Staff recommends approval of the memorandum of understanding the BLM
--

Memorandum of Understanding
Between
The Department of the Interior, Bureau of Land Management,
And
The City of Rifle, Colorado
As a Cooperating Agency

I. Introduction

This Memorandum of Understanding (MOU) establishes a cooperating agency relationship between the Bureau of Land Management (“BLM”) and the City of Rifle, Colorado (“Cooperator”) for the purpose of preparing the Oil Shale and Tar Sands Resource Management Plan Amendments to Address Land Use Allocations in Colorado, Utah, and Wyoming and Programmatic Environmental Impact Statement (RMPA/PEIS). The BLM is the lead federal agency for development of the Oil Shale and Tar Sands Resource Management Plan Amendments to Address Land Use Allocations in Colorado, Utah, and Wyoming RMPA/PEIS. The BLM acknowledges that the Cooperator has jurisdiction by law and special expertise applicable to the RMPA/PEIS effort, as defined at 40 CFR 1508.15 and 1508.26. This MOU describes responsibilities and procedures agreed to by the City of Rifle, Colorado as a Cooperating Agency and the BLM (“the Parties”).

The cooperating agency relationship established through this MOU shall be governed by all applicable statutes, regulations, and policies, including the Council on Environmental Quality’s National Environmental Policy Act (NEPA) regulations (in particular, 40 CFR 1501.6 and 1508.5), the BLM’s planning regulations (in particular, 43 CFR 1601.0-5, 1610.3-1, and 1610.4), and the Department of the Interior’s NEPA implementing regulations at 43 CFR Part 46.

II. Purpose

The purposes of this MOU are:

- A. To designate the City of Rifle, Colorado as a Cooperating Agency in the RMPA/PEIS process.
- B. To provide a framework for cooperation and coordination between the BLM and the Cooperator that will ensure successful completion of the RMPA/PEIS in a timely, efficient, and thorough manner.
- C. To recognize that the BLM is the lead agency with responsibility for the completion of the RMPA/PEIS and the Record of Decision (ROD).
- D. To describe the respective responsibilities, jurisdictional authority, and expertise of each of the Parties in the planning process.

III. Authorities for the MOU

A. The authorities of the BLM to enter into and engage in the activities described within this MOU include, but are not limited to:

- 1. National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.).
- 2. Federal Land Policy and Management Act of 1976 (43 U.S.C. 1701 et seq.).

B. Regulations implementing the above authorities:

1. Council on Environmental Quality regulations (40 CFR 1501 et seq.)
2. Bureau of Land Management planning regulations (43 CFR 1601 et seq.)

IV. Roles and Responsibilities

A. BLM Responsibilities:

1. As lead agency, the BLM retains final responsibility for the content of all planning and NEPA documents, which include the Draft RMPA/Draft PEIS, the Proposed RMPA/Final PEIS, and the ROD. The BLM's responsibilities include determining the purpose of and need for the RMPA/PEIS, selecting alternatives for analysis, identifying effects of the proposed alternatives, selecting the preferred alternative, and determining appropriate mitigation measures. In meeting these responsibilities, the BLM will follow all applicable statutory and regulatory requirements.
2. To the fullest extent consistent with its responsibilities as lead agency, the BLM will consider the comments, recommendations, data, and/or analyses provided by the Cooperator in the RMPA/PEIS planning process, giving particular consideration to those topics on which the Cooperator is acknowledged to possess jurisdiction by law or special expertise.
3. The BLM will provide the Cooperator with copies of documents underlying the RMPA/PEIS relevant to the Cooperator's responsibilities, including technical reports, data, analyses, comments received, working drafts related to environmental reviews, and draft and final RMPA/PEISs, subject to the exception contained in section V.F. (Management of Information).

B. Cooperating Agency Responsibilities:

1. The City of Rifle, Colorado is a Cooperating Agency in this planning process and is recognized to have jurisdiction by law and special expertise in the following areas:
 - a. History, institutions, social and economic conditions of the jurisdiction and immediate region.
 - b. Other such information that is relevant to planning issues or data needs.
2. As resources permit, the Cooperator will provide information, comments, and technical expertise to the BLM regarding those elements of the RMPA/PEIS, and the data and analyses supporting them, in which it has jurisdiction or special expertise or for which the BLM requests its assistance. In particular, the Cooperator will provide information on the following topics:
 - a. Transportation information, socio-economic information and trends, and land use information.
 - b. Other such information that is relevant to planning issues or data needs.
3. Within the areas of their jurisdiction or special expertise, the Cooperator may participate in any of the activities identified in Attachment A. These activities include, but are not limited to: providing guidance on public involvement strategies, identifying data needs, suggesting management actions to resolve planning issues, providing input to the draft Analysis of the Management Situation, identifying effects of alternatives, suggesting mitigation measures, and providing written comments on working drafts of the RMPA/PEIS and supporting documents. (See also Section C.4.)

C. Responsibilities of the Parties:

1. The Parties agree to participate in this planning process in good faith and make all reasonable efforts to resolve disagreements.
2. The Parties agree to comply with the planning schedule provided as Attachment B, which includes dates for RMPA/PEIS milestones and timeframes for Cooperator's reviews and submissions.
3. Each Party agrees to fund its own expenses associated with the Oil Shale and Tar Sands Resource Management Plan Amendments to Address Land Use Allocations in Colorado, Utah, and Wyoming and Programmatic Environmental Impact Statement RMPA/PEIS process, except that the BLM may contract with a Cooperator for technical studies within its jurisdiction or special expertise, as provided for in Section IV.B.4.
4. The Parties agree to carefully consider whether proposed meetings or other activities would waive the Unfunded Mandates Reform Act exception to the Federal Advisory Committee Act (2 U.S.C. 1534(b) and 5 U.S.C App.).

V. Other Provisions

A. Authorities not altered. Nothing in this MOU alters, limits, or supersedes the authorities and responsibilities of any Party on any matter within their respective jurisdictions. Nothing in this MOU shall require any of the Parties to perform beyond its respective authority.

B. Financial obligations. Nothing in this MOU shall require any of the Parties to assume any obligation or expend any sum in excess of authorization and appropriations available.

C. Immunity and Defenses Retained. Each Party retains all immunities and defenses provided by law with respect to any action based on or occurring as a result of this MOU.

D. Conflict of interest. The Parties agree not to utilize any individual or organization for purposes of plan development, environmental analysis, or Cooperator representation, including officials, employees, or third party contractors, having a financial interest in the outcome of the Oil Shale and Tar Sands Resource Management Plan Amendments to Address Land Use Allocations in Colorado, Utah, and Wyoming and Programmatic Environmental Impact Statement RMPA/PEIS. Questions regarding potential conflicts of interest should be referred to BLM HQ or Field Ethics Counselors for resolution.

E. Documenting disagreement or inconsistency. Where the BLM and one or more Cooperators disagree on substantive elements of the RMP/EIS (such as designation of the alternatives to be analyzed or analysis of effects), and these disagreements cannot be resolved, the BLM will include a summary of the Cooperator's views in the Draft RMPA/Draft PEIS and the Proposed RMPA/Final PEIS. This summary will be prepared in consultation with the Cooperator. The BLM will also describe substantial inconsistencies between its proposed action(s) and the objectives of state, local, or tribal land use plans and policies.

F. Management of information.

The Cooperator acknowledges that all supporting materials and draft documents may become part of the administrative record and may be subject to the requirements of the Freedom of Information Act (FOIA) and other federal statutes. The BLM acknowledges that the Cooperator's handling of these materials may be impacted by the Colorado Open Records Act. The Parties agree that the BLM at its discretion may withhold from the Cooperator those documents that would otherwise be available for public release under the Colorado Open Records Act.

G. Conflict Resolution

The Parties agree to make reasonable efforts to resolve procedural or substantive conflicts, and may agree to initiate an Alternative Dispute Resolution (ADR) process. The Parties acknowledge that BLM retains final responsibility for the decisions identified in the Oil Shale and Tar Sands Resource Management Plan Amendments to Address Land Use Allocations in Colorado, Utah, and Wyoming and Programmatic Environmental Impact Statement RMPA/PEIS and ROD.

H. Coordination with BLM contractors. Argonne National Laboratory serves as the BLM's contractor for public involvement, data collection, environmental analysis, and RMPA/PEIS preparation. Cooperators may communicate with the contractor only through BLM's representative. The Cooperator acknowledges that the BLM retains the exclusive responsibility to authorize modifications to the contract with Argonne National Laboratory, and that the Cooperator is not authorized to provide technical or policy direction regarding the performance of this contract.

VI. Agency Representatives

Each Party will designate a representative and alternate representative, as described in Attachment C, to ensure coordination between the Cooperator[s] and the BLM during the planning process. Each Party may change its representative at will by providing written notice to the other Party.

VII. Administration of the MOU

A. Approval. This MOU becomes effective upon signature by the authorized officials of all the parties.

B. Amendment. This MOU may be amended through written agreement of all signatories.

C. Termination. If not terminated earlier, this MOU will end when the ROD for the Oil Shale and Tar Sands Resource Management Plan Amendments to Address Land Use Allocations in Colorado, Utah, and Wyoming and Programmatic Environmental Impact Statement RMPA/PEIS is approved by the BLM. Any Party may end its participation in this MOU by providing written notice to the other Party.

VIII. Signatures

The Parties hereto have executed this MOU on the dates shown below.

The City of Rifle, Colorado
P.O. Box 1908
Rifle, Colorado 81650

Keith Lambert, Mayor, City of Rifle

Date_____

Bureau of Land Management
Washington Office-WO320
20 M Street, SE
Washington D.C. 20003

Michael D. Nedd, Assistant Director, Minerals and Realty Management

Date_____

Attachment A

Cooperating Agency Participation in the Oil Shale and Tar Sands Resource Management Plan Amendments to Address Land Use Allocations in Colorado, Utah, and Wyoming and Programmatic Environmental Impact Statement RMPA/PEIS

	RMPA/PEIS Stage	Potential Activities of Cooperating Agencies (CAs) within their acknowledged areas of expertise
1	Conduct scoping and identify issues	Identify coordination requirements based on CA plans; identify significant issues; identify relevant local and regional organizations and interest groups; provide non-financial sponsorship of public forums with the BLM; identify connected, similar, and cumulative actions; identify other relevant agencies.
2	Collect inventory data	Identify data needs; provide data and technical analyses within the CA's expertise.
3	Analyze management situation	Provide input on the Draft Analysis of the Management Situation (AMS) and aid in interpreting the AMS to constituents.
4	Formulate alternatives	Suggest land allocations or management actions to resolve issues. [Decision to select alternatives for analysis is reserved to the BLM.]
5	Estimate effects of alternatives	Provide effects analysis within the CA's expertise; identify direct, indirect, and cumulative effects within the CA's expertise; suggest mitigation measures for adverse effects.
6	Select the preferred alternative; issue Draft RMPA/PEIS	Collaborate with project manager in evaluating alternatives and in developing criteria for selecting the preferred alternative; provide input on Preliminary Draft RMPA-DPEIS. The CAs may provide written, public comments on draft if desired. [Decision to select a preferred alternative and to issue a draft is reserved to the BLM.]
7	Respond to comments	As appropriate, review comments within the CA's expertise and provide assistance in preparing BLM's responses.
7a	Issue Proposed RMPA/FPEIS	[Action reserved to BLM.]
7b	Initiate Governor's Consistency Review	Once initiated by the BLM, State CAs should contribute to the Governor's Consistency Review.
8	Sign Record of Decision (ROD) [or]	[Action reserved to the BLM.]
8a	Resolve protests; modify Proposed RMP/FEIS if needed; sign ROD	[Action reserved to the BLM.] A CA that has provided information relevant to a protest may be asked for clarification.

Attachment B
Schedule

	Potential Activities of Cooperating Agencies (CAs) within their acknowledged areas of expertise	Input Needed By
1	Identify coordination requirements based on CA plans; identify significant issues; identify relevant local and regional organizations and interest groups.	May 9, 2011
2	Identify data needs; provide data and technical analyses within the CA's expertise.	May 15, 2011
4	Suggest land allocations or management actions to resolve issues. Decision to select alternatives for analysis is reserved to the BLM.	May 9, 2011
5	Collaborate with project manager in evaluating alternatives and in developing criteria for selecting the preferred alternative; provide input on Preliminary Draft RMP-DEIS. The CAs may provide written, public comments on draft if desired. Decision to select a preferred alternative is reserved to the BLM.	July 22, 2011 Preferred alternative selection: October 7-November 1, 2011; Preliminary Draft review: October 7-November 1, 2011; Public comment period: December 30, 2011-March 31, 2012
6	Provide effects analysis within the CA's expertise; identify direct, indirect, and cumulative effects within the CA's expertise; suggest mitigation measures for adverse effects.	July 22-August 22, 2011
7	Review comments within the CA's expertise and assist in preparing responses, as appropriate.	April 1-May 1, 2012
7a	Issue Proposed PEIS/PA. Action reserved to the BLM.	October 26, 2012
7b	Initiate Governors' Consistency Reviews. Action reserved to the BLM, in coordination with State cooperators. Expedited review requested.	October 26-December 26, 2012
8	Resolve Protests. Action reserved to the BLM. A CA that has provided information relevant to a protest may be asked for clarification.	November 26-December 26, 2012
8a	Sign Record of Decision. Action reserved to the BLM.	December 31, 2012

Attachment C
Agency Representatives

Bureau of Land Management

Plan: The Oil Shale and Tar Sands Resource Management Plan Amendments to Address Land Use Allocations in Colorado, Utah, and Wyoming and Programmatic Environmental Impact Statement (RMPA/PEIS)

Primary Representative: Sherri Thompson
Project Manager
303.239.3758

Backup Representative: Mitchell Leverette
Division Chief, Solid Minerals
202.912.7113

The City of Rifle, Colorado

Primary Representative: Mike Braaten
Government Affairs Coordinator
970-665-6408

Backup Representative: Keith Lambert
Mayor
970-665-6403

**INTERGOVERNMENTAL AGREEMENT
FOR ELECTION SERVICES**

This Intergovernmental Agreement for election services is entered into this ____ day of _____, 2011 by and between the CITY OF RIFLE, a Colorado Home Rule Municipality (hereinafter the “City”), and the GARFIELD COUNTY CLERK & RECORDER, (hereinafter the “Clerk”), collectively referred to as the “Parties”.

WHEREAS, the City has requested the assistance of the Clerk for the 2011 Rifle City Council election to be held on September 13, 2011; and

WHEREAS, the Clerk is willing to assist the City in certain aspects of the 2011 Rifle City Council Election to effectuate a smooth and efficient election process.

NOW THEREFORE, for and in consideration of the mutual covenants and agreements of the parties as set forth herein, the parties agree as follows:

1. Term of Agreement. This Agreement applies to the September 13, 2011 Rifle City Council Election and is effective from date of execution to the conclusion of any appeal or contest of the September 13, 2011 Rifle City Council election.

2. Clerk’s Duties. The Clerk agrees to:

a. Designate members of her staff to be the Election Staff to assist the City in the 2011 Rifle City Council Election and to provide the names of those individuals to the City.

b. Use the ballot content provided by the City to set-up the ballot design for the 2011 Rifle City Council Election and send proofs to the City by e-mail when completed.

c. Provide an extract to the City’s designated printer so ballots compatible with the Hart Voting equipment will be printed for the City’s mail ballot election by _____.

d. Provide training to designated City employees on how to prepare the ballots for processing through eScans.

e. Provide three eScans (optical ballot scanners) for use in processing the voted ballots on September 13, 2011. A Clerk Election Staff member will deliver the eScans to the City of Rifle and remain at that site until all the ballots are processed and tabulated. Clerk Election Staff will be responsible for the security of the eScans and bring the equipment back to the Clerk’s office in Glenwood Springs for secure storage, once tabulation is completed.

f. Use the Servo/Tally software to tabulate the results of the election once all voted ballots have been processed through the eScans and to produce reports of the election results.

g. Provide an additional Election Staff member to arrive at the City prior to the close of the election to assist with ballot tabulation.

h. Bill the City of Rifle within thirty (30) days after the election for staff time spent in setting up the ballot, logic and accuracy testing, ballot counting and tabulation process on election night, and mileage for staff members to and from the City on Election Day. If any race is close enough for a recount, the Clerk will additionally charge the City for staff time needed to assist with the recount process.

3. City's Duties. City agrees to:

a. Provide the Clerk with certified ballot content at the earliest possible date.

b. Proof and return signed verification that the ballot proof is acceptable either by e-mail or fax to the Clerk.

c. Provide Clerk Election Staff with the name and contact information for their printer.

d. Provide at least two staff members to assist with the logic and accuracy testing of the election equipment. This testing will be done at the Clerk's office in Glenwood Springs. Both City and Clerk staffs will test ballots that are marked to ensure that all ballot marking choices are being tested, including hand tabulation of paper ballots and processing of all marked ballots through the eScans to verify that the equipment is counting the ballots accurately.

e. Provide to the Clerk no later than close of business Tuesday, August 30, 2011 copies of CBI background checks on all City staff and Election Judges who will be processing the voted ballots on election night.

f. Reimburse the Clerk for staff time spent in setting up the ballot, logic and accuracy testing, assisting with the ballot counting and tabulation process on election night, and mileage for staff members traveling to and from the City on Election Day. If any race is close enough for a recount, the City agrees to reimburse the Clerk for staff time needed to assist with the recount process.

g. The City Clerk will provide a flash drive so all reports for the election can be downloaded from the Servo/Tally laptop for printing.

4. **INDEMNIFICATION.** The City agrees to indemnify, defend and hold harmless the Clerk from any and all loss, costs, demands or actions, arising out of or related to any actions, errors or omissions of the City in completing its responsibilities relating to the election.



TO: John Hier, City Manager
FROM: Dick Deussen, Director of Utilities *DD*
Mike Taylor, City Mechanic
CC: Matt Sturgeon, Assistant City Manager
RE: New Vehicles for Water and Wastewater Department
DATE: August 30, 2011

Bids were opened for a ½ ton truck for the Water Department to replace an older truck (1993) and for a ¾ ton truck for the Collection and Distribution Division to also replace an existing older truck. Both will be regular cab with bed liners and CNG ready. The ½ ton pickup low bid was from Berthod Motors in the amount of \$24,763.26. The budget is \$25,000 (310-4331-4-900).

The ¾ ton pickup low bid was from Glenwood Springs Ford in the amount of \$31,878 which includes HD suspension and trailer brake control. Budget is \$35,000 (320-4325-400-900).

We did not receive a bid from Columbine Ford.

We will discuss with Council during the 2012 budget review whether to include a CNG kit for each vehicle in next year's budget.

Staff recommends award of the ½ ton vehicle to Bethod Motors in the amount of \$24,763.26 and the ¾ ton vehicle to Glenwood Springs Ford in the amount of \$31,878.

Attachment:



½ ton, regular cab , standard bed	✓ Berthod Motors \$24,113.26	\$24,763.26 Total ✓ Add \$650 for spray in bed liner
½ ton, extended cab , standard bed	Berthod Motors \$28,092.10	\$28,742.10 Total Add \$650 for spray in bed liner
½ ton, crew cab , standard bed	Berthod Motors \$30,199.90	\$30,849.9 Total Add \$650 for spray in bed liner
¾ ton, regular cab , utility box with pipe rack	Berthod Motors \$31,890.75	\$32,540.75 Total Add \$650 for spray in bed liner Includes HD suspension Trailer brake controller Power Windows/Locks
	✓ Glenwood Springs Ford \$31,209	\$32,621 Total CNG Ready ✓ Add \$104 for HD suspension ✓ Add \$191 for trailer brake control ✓ Add \$374 for spray in bed liner Add \$743 for Power windows/locks
¾ ton, extended cab , utility box with pipe rack	Berthod Motors \$34,131.41	\$34,781.41 Total Add \$650 for spray in bed liner Includes HD suspension Trailer brake controller Power Windows/Locks
	Glenwood Springs Ford \$33,227	\$34,639 Total CNG Ready Add \$104 for HD suspension Add \$191 for trailer brake control Add \$374 for spray in bed liner Add \$743 for Power windows/locks

**CITY OF RIFLE, COLORADO
RESOLUTION NO. 12
SERIES OF 2011**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RIFLE,
COLORADO, ADOPTING THE CITY OF RIFLE HEALTH
REIMBURSEMENT ARRANGEMENT BASIC PLAN DOCUMENT AND
SUMMARY PLAN DESCRIPTION, AND THE CITY OF RIFLE CAFETERIA
PLAN AND SUMMARY PLAN DESCRIPTION.

WHEREAS, as the governing body of the City of Rifle, Colorado (“City” or “Employer”), the Rifle City Council has specific authority to provide certain benefits to its employees, including, but not limited to, health benefits; and

WHEREAS, the City Council wishes to recognize the contribution made to the City by its employees by allowing them to be reimbursed for certain out-of-pocket medical expenses and dependent care expenses.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF RIFLE, COLORADO, THAT:

1. The aforementioned recitals are hereby fully incorporated herein and adopted as findings and determinations by the City Council.
2. The Health Reimbursement Arrangement effective July 1, 2011 (“HRA Plan”), presented to this meeting is hereby approved and adopted. The proper officers of the Employer are hereby authorized and directed to execute and deliver to the Administrator of the HRA Plan one or more counterparts of the HRA Plan. The Administrator shall be instructed to take such actions that are deemed necessary and proper in order to implement the HRA Plan, and to set up adequate accounting and administrative procedures to provide benefits under the HRA Plan.
3. The form of amended Cafeteria Plan including a Dependent Care Flexible Spending Account and Health Flexible Spending Account effective July 1, 2011 (“Cafeteria Plan”) presented at this meeting is hereby approved and adopted. The duly authorized agents of the Employer are hereby authorized and directed to execute and deliver to the Administrator of the Cafeteria Plan one or more counterparts of the Cafeteria Plan. The Administrator shall be instructed to take such actions that are deemed necessary and proper in order to implement the Cafeteria Plan, and to set up adequate accounting and administrative procedures to provide benefits under the Cafeteria Plan.
4. The duly authorized agents of the Employer shall act as soon as possible to notify the employees of the Employer of the adoption of the HRA Plan and the Cafeteria Plan by delivering to each employee a copy of the summary descriptions of the HRA Plan and the Cafeteria Plan in the form of the Summary Plan Descriptions presented to this meeting, which forms are hereby approved.

THIS RESOLUTION was read, passed, and adopted by the Rifle City Council at a regular meeting held this 7th day of September, 2011.

CITY OF RIFLE, COLORADO

By: _____
Mayor

ATTEST:

City Clerk

**CITY OF RIFLE
HEALTH REIMBURSEMENT
ARRANGEMENT**

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HEALTH REIMBURSEMENT ARRANGEMENT

As used in this Plan, the following words and phrases shall have the meanings set forth herein unless a different meaning is clearly required by the context:

ARTICLE I DEFINITIONS

- 1.1 “Administrator”** means the Employer or the person or persons designated by the Employer to administer the Plan on behalf of the Employer. If the Employer is the Administrator, the Employer may appoint any person, including, but not limited to, the Employees of the Employer, to perform the duties of the Administrator. Any person so appointed shall signify acceptance by filing written acceptance with the Employer. Upon the resignation or removal of any individual performing the duties of the Administrator, the Employer may designate a successor.
- 1.2 “Affiliated Employer”** means any corporation which is a member of a controlled group of corporations (as defined in Code Section 414(b)) which includes the Employer; any trade or business (whether or not incorporated) which is under common control (as defined in Code Section 414(c)) with the Employer; any organization (whether or not incorporated) which is a member of an affiliated service group (as defined in Code Section 414(m)) which includes the Employer; and any other entity required to be aggregated with the Employer pursuant to Treasury regulations under Code Section 414(o).
- 1.3 “Code”** means the Internal Revenue Code of 1986, as amended.
- 1.4 “Coverage Period”** means the time period as set forth in the Adoption Agreement.
- 1.5 “Dependent”** means any individual who qualifies as a dependent under Code Section 152 (as modified by Code Section 105(b)). Any child of a Participant who is an "alternate recipient" under a qualified medical child support order under ERISA Section 609 shall be considered a Dependent under this Arrangement.

Notwithstanding anything in the Plan to the contrary, a Participant's Child may remain on the Plan until the end of the calendar year in which the dependent attains age 26. A Participant's “Child” includes his natural child, and adopted child, or a child placed with the Employee for adoption. It may also include step children and/or foster children if elected on the Adoption Agreement. A Participant's Child will be an eligible Dependent until reaching the limiting age of 26, without regard to student status, marital status, financial dependency or residency status with the Employee or any other person. When the child reaches the applicable limiting age, coverage will end at the end of the calendar year.

The phrase "placed for adoption" refers to a child whom the Employee intends to adopt, whether or not the adoption has become final, who has not attained the age of 18 as of the date of such placement for adoption. The term "placed" means the assumption and retention by such Employee of a legal obligation for total or partial support of the child in anticipation of adoption of the child. The child must be available for adoption and the legal process must have commenced.

- 1.6 “Effective Date”** means the date specified in the Adoption Agreement.
- 1.7 “Eligible Employee”** means any Eligible Employee as elected in the Adoption Agreement and as provided herein. An individual shall not be an “Eligible Employee” if such individual is not reported on the payroll records of the Employer as a common law employee. In particular, it is expressly intended that individuals not treated as common law employees by the Employer on its payroll records are not “Eligible Employees” and are excluded from Plan participation even if a court or administrative agency determines that such individuals are common law employees and not independent contractors. Furthermore, Employees of an Affiliated Employer will not be treated as “Eligible Employees” prior to the date the Affiliated Employer adopts the Plan as a Participating Employer.

However, a self-employed individual as defined under Code Section 401(c) or a 2-percent shareholder as defined under Code Section 1372(b) shall not be eligible to participate in this Plan.

- 1.8 “Employee”** means any person who is employed by the Employer. The term “Employee” shall also include any person who is an employee of an Affiliated Employer and any Leased Employee deemed to be an Employee as provided in Code Section 414(n) or (o).
- 1.9 “Employer”** means the entity specified in the Adoption Agreement, any successor which shall maintain this Plan and any predecessor which has maintained this Plan. In addition, unless the context means otherwise, the term “Employer” shall include any Participating Employer which shall adopt this Plan.
- 1.10 “Employer Contribution”** means the amounts contributed to the Plan by the Employer.
- 1.11 “ERISA”** means the Employee Retirement Income Security Act of 1974, as amended from time to time.
- 1.12 “Leased Employee”** means, effective with respect to Plan Years beginning on or after January 1, 1997, any person (other than an Employee of the recipient Employer) who, pursuant to an agreement between the recipient Employer and any other person or entity (“leasing organization”), has performed services for the recipient (or for the recipient and related persons determined in accordance with Code Section 414(n)(6)) on a substantially full time basis for a period of at least one year, and such services are performed under primary direction or control by the recipient Employer. Contributions or benefits provided a Leased Employee by the leasing organization which are

attributable to services performed for the recipient Employer shall be treated as provided by the recipient Employer. Furthermore, Compensation for a Leased Employee shall only include Compensation from the leasing organization that is attributable to services performed for the recipient Employer.

A Leased Employee shall not be considered an employee of the recipient Employer if: (a) such employee is covered by a money purchase pension plan providing: (1) a nonintegrated employer contribution rate of at least ten percent (10%) of compensation, as defined in Code Section 415(c)(3), but for Plan Years beginning prior to January 1, 1998, including amounts contributed pursuant to a salary reduction agreement which are excludable from the employee's gross income under Code Sections 125, 402(e)(3), 402(h)(1)(B), 403(b), or for Plan Years beginning on or after January 1, 2001 (or as of a date, no earlier than January 1, 1998, as specified in an addendum to the Adoption Agreement), 132(f)(4), (2) immediate participation, and (3) full and immediate vesting; and (b) leased employees do not constitute more than twenty percent (20%) of the recipient Employer's nonhighly compensated workforce.

- 1.13 "Participant"** means any Eligible Employee who has satisfied the requirements of Section 2.1 and has not for any reason become ineligible to participate further in the Plan.
- 1.14 "Plan"** means this Basic Plan Document and the Adoption Agreement as adopted by the Employer, including all amendments thereto. "Plan" means the "Health Reimbursement Arrangement."
- 1.15 "Premiums"** mean the Participant's cost for any health plan coverage.
- 1.16 "Qualifying Medical Expenses"** means any expense eligible for reimbursement under the Health Reimbursement Arrangement which would qualify as a "medical expense" (within the meaning of Code Section 213(d) and as allowed under Code Sections 105 and 106 and the rulings and Treasury regulations thereunder) of the Participant, the Participant's spouse or a Dependent and not otherwise used by the Participant as a deduction in determining the Participant's tax liability under the Code or reimbursed under any other health coverage, including a health Flexible Spending Account. Qualifying Medical Expenses covered by this Plan are limited as elected in the Adoption Agreement. Effective January 1, 2011, notwithstanding anything in this Arrangement to the contrary, a Participant may not be reimbursed for the cost of any medicine or drug that is not "prescribed" as defined in Code Section 106(f) or is not insulin. Furthermore, a Participant may not be reimbursed for "qualified long-term care services" as defined in Code Section 7702B(c). If the Employer provides Health Savings Accounts for Participants, Qualifying Medical Expenses reimbursed shall be limited to those allowed under Code Section 223. "Incurred" means when the Participant is provided with the medical care that gives rise to the Qualifying Medical Expense and not when the Participant formally billed or charged for, or pays for, the medical care.

ARTICLE II

PARTICIPATION

2.1 Eligibility

Any Eligible Employee shall be eligible to participate hereunder on the date such Employee satisfies the conditions of eligibility elected in the Adoption Agreement.

An Eligible Employee may make or change an election that corresponds with the special enrollment rights provided in Code Section 9801(f), including those authorized under the provisions of the Children's Health Insurance Program Reauthorization Act of 2009 (SCHIP); provided that such Participant meets the sixty (60) day notice requirement imposed by Code Section 9801(f) (or such longer period as may be permitted by the Plan and communicated to Participants). Such change shall take place on a prospective basis, unless otherwise required by Code Section 9801(f) to be retroactive.

2.2 Effective Date of Participation

An Eligible Employee who has satisfied the conditions of eligibility pursuant to Section 2.1 shall become a Participant effective as of the date elected in the Adoption Agreement.

If an Employee, who has satisfied the Plan's eligibility requirements and would otherwise have become a Participant, shall go from a classification of a noneligible Employee to an Eligible Employee, such Employee shall become a Participant on the date such Employee becomes an Eligible Employee or, if later, the date that the Employee would have otherwise entered the Plan had the Employee always been an Eligible Employee.

If an Employee, who has satisfied the Plan's eligibility requirements and would otherwise become a Participant, shall go from a classification of an Eligible Employee to a noneligible class of Employees, such Employee shall become a Participant in the Plan on the date such Employee again becomes an Eligible Employee, or, if later, the date that the Employee would have otherwise entered the Plan had the Employee always been an Eligible Employee.

2.3 Termination of Participation

This Section shall be applied and administered consistent with any rights a Participant and the Participant's Dependents may be entitled to pursuant to Code Section 4980B, Section 7.13 of the Plan, or any election on the Adoption Agreement. In the case of the death of the Participant, any remaining balances may only be paid out as reimbursements for Qualifying Medical Expenses of the Participant, his or her spouse and/or his or her dependent, and shall not constitute a death benefit to the Participant's estate and/or the Participant's beneficiaries.

ARTICLE III

BENEFITS

3.1 Establishment of Plan

- (a) This Health Reimbursement Arrangement is intended to qualify as a Health Reimbursement Arrangement under Code Section 105 and shall be interpreted in a manner consistent with such Code Section and the Treasury regulations thereunder.
- (b) Participants in this Health Reimbursement Arrangement may submit claims for the reimbursement of Qualifying Medical Expenses as defined under the Plan and the Adoption Agreement. Unless otherwise elected in the Adoption Agreement, this Plan shall reimburse any expenses only after amounts in all other Plans that could reimburse the expense have been exhausted.
- (c) The Employer shall make available to each Participant an Employer Contribution as elected in the Adoption Agreement, for the reimbursement of Qualifying Medical Expenses. No salary reductions may be made to this Health Reimbursement Arrangement.
- (d) This Plan shall not be coordinated or otherwise connected to the Employer's cafeteria plan (as defined in Code Section 125), except as permitted by the Code and the Treasury regulations thereunder, to the extent necessary to maintain this Plan as a Health Reimbursement Arrangement.
- (e) If the Employer maintains Health Savings Accounts for Participants, this Arrangement shall be operated in accordance with the restrictions under Code Section 223.

3.2 Nondiscrimination Requirements

- (a) It is the intent of this Health Reimbursement Arrangement not to discriminate in violation of the Code and the Treasury regulations thereunder.
- (b) If the Administrator deems it necessary to avoid discrimination under this Health Reimbursement Arrangement, it may, but shall not be required to reduce benefits provided to "highly compensated individuals" (as defined in Code Section 105(h)) in order to assure compliance with this Section. Any act taken by the Administrator under this Section shall be carried out in a uniform and nondiscriminatory manner.

3.3 Health Reimbursement Arrangement Claims

- (a) The Administrator shall direct the reimbursement to each eligible Participant for all Qualifying Medical Expenses. All Qualifying Medical Expenses eligible for reimbursement pursuant to Section 3.1(b) shall be reimbursed during the Coverage Period, even though the submission of such a claim occurs after his participation hereunder ceases; but provided that the Qualifying Medical Expenses were incurred during a Coverage Period. Claims must include receipts or

documentation that the expense being incurred is eligible for reimbursement, in order to claim reimbursement. Expenses may be reimbursed in subsequent Coverage Period, subject to the provisions of Number 21 on the Adoption Agreement and Section 3.3(c) below. However, a Participant may not submit claims incurred prior to beginning participation in the Plan and/or the Effective Date of the Plan, whichever is earlier.

- (b) Notwithstanding the foregoing, if elected in the Adoption Agreement, Qualifying Medical Expenses shall not be reimbursable under this Plan if eligible for reimbursement and claimed under the Employer's Health Flexible Spending Account or Health Savings Account, if applicable.
- (c) Claims for the reimbursement of Qualifying Medical Expenses incurred in any Coverage Period shall be paid as soon after a claim has been filed as is administratively practicable. However, if a Participant fails to submit a claim within the period elected at Question 21 on the Adoption Agreement immediately following the end of the Coverage Period or calendar year, as selected, those Medical Expense claims shall not be considered for reimbursement by the Administrator.
- (d) Reimbursement payments under this Plan shall be made directly to the Participant.
- (e) If the maximum amount available for reimbursement for a Coverage Period is not utilized in its entirety, such remainder shall be carried forward to another Coverage Period or forfeited, as elected in the Adoption Agreement.

3.4 Debit and Credit Cards

- (a) Participants may, subject to a procedure established by the Administrator and applied in a uniform nondiscriminatory manner, use debit and/or credit (stored value) cards ("cards") provided by the Administrator and the Plan for payment of Qualifying Medical Expenses, subject to the following terms:
- (b) Each Participant issued a card shall certify that such card shall only be used for Medical Expenses. The Participant shall also certify that any Medical Expense paid with the card has not already been reimbursed by any other plan covering health benefits and that the Participant will not seek reimbursement from any other plan covering health benefits.
- (c) Such card shall be issued upon the Participant's Effective Date of Participation and reissued for each Coverage Period the Participant remains a Participant in the Health Reimbursement Arrangement. Such card shall be automatically cancelled upon the Participant's death or termination of employment, or if such Participant withdraws from the Health Reimbursement Arrangement.
- (d) The dollar amount of coverage available on the card shall be the amount provided by the employer to the Participant for the Plan Year. The maximum dollar amount of coverage available shall be the maximum amount for the Plan Year as set forth on the Adoption Agreement.

- (e) The cards shall only be accepted by such merchants and service providers as have been approved by the Administrator.
- (f) The cards shall only be used for Medical Expense purchases at these providers, including, but not limited to, the following:
 - (i) Co-payments for doctor and other medical care;
 - (ii) Purchase of drugs obtained with a prescription;
 - (iii) Purchase of medical items such as eyeglasses, syringes, insulin, crutches, etc.
- (g) Such purchases by the cards shall be subject to substantiation by the Administrator, usually by submission of a receipt from a service provider describing the service, the date and the amount. The Administrator shall also follow the requirements set forth in Revenue Ruling 2003-43 and Notice 2006-69. All charges shall be conditional pending confirmation and substantiation.
- (h) If such purchase is later determined by the Administrator to not to qualify as a Qualifying Medical Expense, the Administrator, in its discretion, shall use the one of the following correction methods to make the Plan whole. Until the amount is repaid, the Administrator shall take further action to ensure that further violations of the terms of the card do not occur, up to and including denial of access to the card.
 - (i) Repayment of the improper amount by the Participant;
 - (ii) Withholding the improper payment from the Participant's wages or other compensation to the extent consistent with applicable federal or state law;
 - (iii) Claims substitution or offset of future claims until the amount is repaid.
 - (iv) if subsections (i) through (iii) fail to recover the amount, consistent with the Employer's business practices, the Employer may treat the amount as any other business indebtedness.

**ARTICLE IV
ERISA PROVISIONS**

4.1 Claim for Benefits

Any claim for Benefits shall be made to the Administrator. The following timetable for claims and rules below apply:

Notification of whether claim is accepted or denied	30 days
Extension due to matters beyond the control of the Plan	15 days

Insufficient information on the Claim:

Notification of	15 days
Response by Participant	45 days
Review of claim denial	60 days

The Administrator will provide written or electronic notification of any claim denial. The notice will state:

- (1) The specific reason or reasons for the denial.
- (2) Reference to the specific Plan provisions on which the denial was based.
- (3) A description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why such material or information is necessary.
- (4) A description of the Plan's review procedures and the time limits applicable to such procedures. This will include a statement of the right to bring a civil action under section 502 of ERISA following a denial on review.
- (5) A statement that the claimant is entitled to receive, upon request and free of charge reasonable access to, and copies of, all documents, records, and other information relevant to the Claim.
- (6) If the denial was based on an internal rule, guideline, protocol, or other similar criterion, the specific rule, guideline, protocol, or criterion will be provided free of charge. If this is not practical, a statement will be included that such a rule, guideline, protocol, or criterion was relied upon in making the denial and a copy will be provided free of charge to the claimant upon request.

When the Participant receives a denial, the Participant shall have 180 days following receipt of the notification in which to appeal the decision. The Participant may submit written comments, documents, records, and other information relating to the Claim. If the Participant requests, the Participant shall be provided, free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the Claim.

The period of time within which a denial on review is required to be made will begin at the time an appeal is filed in accordance with the procedures of the Plan. This timing is without regard to whether all the necessary information accompanies the filing.

A document, record, or other information shall be considered relevant to a Claim if it:

- (1) was relied upon in making the claim determination;

- (2) was submitted, considered, or generated in the course of making the claim determination, without regard to whether it was relied upon in making the claim determination;
- (3) demonstrated compliance with the administrative processes and safeguards designed to ensure and to verify that claim determinations are made in accordance with Plan documents and Plan provisions have been applied consistently with respect to all claimants; or
- (4) constituted a statement of policy or guidance with respect to the Plan concerning the denied claim.

The review will take into account all comments, documents, records, and other information submitted by the claimant relating to the Claim, without regard to whether such information was submitted or considered in the initial claim determination. The review will not afford deference to the initial denial and will be conducted by a fiduciary of the Plan who is neither the individual who made the adverse determination nor a subordinate of that individual.

4.2 Named Fiduciary

The “named Fiduciaries” of this Plan are (1) the Employer and (2) the Administrator. The named Fiduciaries shall have only those specific powers, duties, responsibilities, and obligations as are specifically given them under the Plan including, but not limited to, any agreement allocating or delegating their responsibilities, the terms of which are incorporated herein by reference. In general, the Employer shall have the sole responsibility for providing benefits under the Plan; and shall have the sole authority to appoint and remove the Administrator; and to amend the elective provisions of the Adoption Agreement or terminate, in whole or in part, the Plan. The Administrator shall have the sole responsibility for the administration of the Plan, which responsibility is specifically described in the Plan. Furthermore, each named Fiduciary may rely upon any such direction, information or action of another named Fiduciary as being proper under the Plan, and is not required under the Plan to inquire into the propriety of any such direction, information or action. It is intended under the Plan that each named Fiduciary shall be responsible for the proper exercise of its own powers, duties, responsibilities and obligations under the Plan. Any person or group may serve in more than one Fiduciary capacity.

4.3 General Fiduciary Responsibilities

The Administrator and any other fiduciary under ERISA shall discharge their duties with respect to this Plan solely in the interest of the Participants and their beneficiaries and for the exclusive purpose of providing Benefits to Participants and their beneficiaries and defraying reasonable expenses of administering the Plan; with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims; and in accordance with

the documents and instruments governing the Plan insofar as such documents and instruments are consistent with ERISA.

4.4 Nonassignability of Rights

The right of any Participant to receive any reimbursement under the Plan shall not be alienable by the Participant by assignment or any other method, and shall not be subject to the rights of creditors, and any attempt to cause such right to be so subjected shall not be recognized, except to such extent as may be required by law.

ARTICLE V ADMINISTRATION

5.1 Plan Administration

The operation of the Plan shall be under the supervision of the Administrator. It shall be a principal duty of the Administrator to see that the Plan is carried out in accordance with its terms, and for the exclusive benefit of Employees entitled to participate in the Plan. The Administrator shall have full power to administer the Plan in all of its details, and determine all questions arising in connection with the administration, interpretation, and application of the Plan. The Administrator may establish procedures, correct any defect, supply any information, or reconcile any inconsistency in such manner and to such extent as shall be deemed necessary or advisable to carry out the purpose of the Plan. The Administrator shall have all powers necessary or appropriate to accomplish the Administrator's duties under the Plan. The Administrator shall be charged with the duties of the general administration of the Plan as set forth under the Plan, including, but not limited to, in addition to all other powers provided by this Plan:

- (a) To make and enforce such procedures, rules and regulations as the Administrator deems necessary or proper for the efficient administration of the Plan;
- (b) To interpret the provisions of the Plan, the Administrator's interpretations thereof in good faith to be final and conclusive on all persons claiming benefits under the Plan;
- (c) To decide all questions concerning the Plan and the eligibility of any person to participate in the Plan and to receive benefits provided under the Plan;
- (d) To limit benefits for certain highly compensated individuals if it deems such to be desirable in order to avoid discrimination under the Plan in violation of applicable provisions of the Code;
- (e) To review and settle all claims against the Plan, to approve reimbursement requests, and to authorize the payment of benefits if the Administrator determines such shall be paid if the Administrator decides in its discretion that the applicant is entitled to them. This authority specifically permits the

Administrator to settle disputed claims for benefits and any other disputed claims made against the Plan;

- (f) To appoint such agents, counsel, accountants, consultants, and other persons or entities as may be required to assist in administering the Plan.
- (g) To establish and communicate procedures to determine whether a medical child support order is qualified under ERISA Section 609.
- (h) To provide Employees with a reasonable notification of their benefits available by operation of the Plan and to assist any Participant regarding the Participant's rights, benefits or elections under the Plan; and
- (i) To keep and maintain the Plan documents and all other records pertaining to and necessary for the administration of the Plan;

Any procedure, discretionary act, interpretation or construction taken by the Administrator shall be done in a nondiscriminatory manner based upon uniform principles consistently applied and shall be consistent with the intent that the Plan shall continue to comply with the terms of Code Section 105(h) and the Treasury regulations thereunder.

5.2 Examination of Records

The Administrator shall make available to each Participant, Eligible Employee and any other Employee of the Employer such records as pertain to their interest under the Plan for examination at reasonable times during normal business hours.

5.3 Indemnification of Administrator

The Employer agrees to indemnify and to defend to the fullest extent permitted by law any Employee serving as the Administrator or as a member of a committee designated as Administrator (including any Employee or former Employee who previously served as Administrator or as a member of such committee) against all liabilities, damages, costs and expenses (including attorney's fees and amounts paid in settlement of any claims approved by the Employer) occasioned by any act or omission to act in connection with the Plan, if such act or omission is in good faith.

5.4 Coordination of Benefits

When a Participant is covered by this Plan and another plan, or the Participant's Spouse is covered by this Plan and by another plan or the Participant's dependents are covered under two or more plans, the plans will coordinate benefits when a claim is received.

The plan that pays first according to the rules will pay as if there were no other plan involved. The secondary and subsequent plans will pay the balance due up to 100% of the allowable Qualified Medical Expenses.

The plan that pays first according to the rules will pay as if there were no other plan involved. The secondary and subsequent plans will pay the balance up to each one's plan formula minus whatever the primary plan paid (non-duplication of benefits). The total reimbursement will never be more than the amount that would have been paid if the secondary plan had been the primary plan -- 50% or 80% or 100% -- whatever it may be. The balance due, if any, is the responsibility of the Participant.

Benefit plan. This provision will coordinate the medical and dental benefits of a benefit plan. The term benefit plan means this Plan or any one of the following plans:

- (1) Group or group-type plans, including franchise or blanket benefit plans.
- (2) Blue Cross and Blue Shield group plans.
- (3) Group practice and other group prepayment plans.
- (4) Federal government plans or programs. This includes, but is not limited to, Medicare and Tricare.
- (5) Other plans required or provided by law. This does not include Medicaid or any benefit plan like it that, by its terms, does not allow coordination.
- (6) No Fault Auto Insurance, by whatever name it is called, when not prohibited by law.

Automobile limitations. When medical payments are available under vehicle insurance, the Plan shall always be considered the secondary carrier regardless of the individual's election under PIP (personal injury protection) coverage with the auto carrier.

Benefit plan payment order. When two or more plans provide benefits for the same Allowable Charge, benefit payment will follow these rules:

- (1) Plans that do not have a coordination provision, or one like it, will pay first. Plans with such a provision will be considered after those without one.
- (2) Plans with a coordination provision will pay their benefits up to the Allowable Charge:
 - (a) The benefits of the plan which covers the person directly (that is, as an employee, member or subscriber) ("Plan A") are determined before those of the plan which covers the person as a dependent ("Plan B").
 - (b) The benefits of a benefit plan which covers a person as an Employee who is neither laid off nor retired are determined before those of a benefit plan which covers that person as a laid-off or Retired Employee. The benefits of a benefit plan which covers a person as a Dependent of an Employee who is neither laid off nor retired are determined before those of a benefit plan which covers a person as a Dependent of a laid off or Retired

Employee. If the other benefit plan does not have this rule, and if, as a result, the plans do not agree on the order of benefits, this rule does not apply.

- (c) The benefits of a benefit plan which covers a person as an Employee who is neither laid off nor retired are determined before those benefits of a benefit plan which covers that person as a laid-off or Retired Employee. If the other benefit plan does not have this rule, and if, as a result, the plans do not agree on the order of benefits, this rule does not apply.
- (d) The benefits of a benefit plan which covers a person as an Employee who is neither laid off nor retired or a Dependent of an Employee who is neither laid off nor retired are determined before those of a plan which covers the person as a COBRA beneficiary.
- (e) When a child is covered as a Dependent and the parents are not separated or divorced, these rules will apply:
 - (i) The benefits of the benefit plan of the parent whose birthday falls earlier in a year are determined before those of the benefit plan of the parent whose birthday falls later in that year;
 - (ii) If both parents have the same birthday, the benefits of the benefit plan which has covered the parent for the longer time are determined before those of the benefit plan which covers the other parent.
- (f) When a child's parents are divorced or legally separated, these rules will apply:
 - (i) This rule applies when the parent with custody of the child has not remarried. The benefit plan of the parent with custody will be considered before the benefit plan of the parent without custody.
 - (ii) This rule applies when the parent with custody of the child has remarried. The benefit plan of the parent with custody will be considered first. The benefit plan of the stepparent that covers the child as a Dependent will be considered next. The benefit plan of the parent without custody will be considered last.
 - (iii) This rule will be in place of items (i) and (ii) above when it applies. A court decree may state which parent is financially responsible for medical and dental benefits of the child. In this case, the benefit plan of that parent will be considered before other plans that cover the child as a Dependent.
 - (iv) If the specific terms of the court decree state that the parents shall share joint custody, without stating that one of the parents is responsible for the health care expenses of the child, the plans

covering the child shall follow the order of benefit determination rules outlined above when a child is covered as a Dependent and the parents are not separated or divorced.

- (v) For parents who were never married to each other, the rules apply as set out above as long as paternity has been established.
- (g) If there is still a conflict after these rules have been applied, the benefit plan which has covered the patient for the longer time will be considered first. When there is a conflict in coordination of benefit rules, the Plan will never pay more than 50% of Allowable Charges when paying secondary.
- (3) Medicare will pay primary, secondary or last to the extent stated in federal law. When Medicare is to be the primary payer, this Plan will base its payment upon benefits that would have been paid by Medicare under Parts A and B regardless of whether or not the person was enrolled under any of these parts. The Plan reserves the right to coordinate benefits with respect to Medicare Part D. The Plan Administrator will make this determination based on the information available through CMS.
- (4) If a Plan Participant is under a disability extension from a previous benefit plan, that benefit plan will pay first and this Plan will pay second.
- (5) The Plan will pay primary to Tricare and a State child health plan to the extent required by federal law.

Claims determination period. Benefits will be coordinated on a Calendar Year basis. This is called the claims determination period.

Right to receive or release necessary information. To make this provision work, this Plan may give or obtain needed information from an insurer or any other organization or person. This information may be given or obtained without the consent of or notice to any other person. A Participant will give this Plan the information it asks for about other plans and their payment of Qualified Medical Expenses.

Facility of payment. This Plan may repay other plans for benefits paid that the Plan Administrator determines it should have paid. That repayment will count as a valid payment under this Plan.

Right of recovery. This Plan may pay benefits that should be paid by another benefit plan. In this case this Plan may recover the amount paid from the other benefit plan or the Participant and his or her dependents. That repayment will count as a valid payment under the other benefit plan.

Further, this Plan may pay benefits that are later found to be greater than the Allowable Charge. In this case, this Plan may recover the amount of the overpayment from the source to which it was paid.

Exception to Medicaid. In accordance with ERISA, the Plan shall not take into consideration the fact that an individual is eligible for or is provided medical assistance through Medicaid when enrolling an individual in the Plan or making a determination about the payments for benefits received by a Participant and his or her dependents under the Plan.

5.5 Right of Subrogation and Refund

When this provision applies. The Participant and his or her dependents may incur medical or dental charges due to Injuries which may be caused by the act or omission of a Third Party or a Third Party may be responsible for payment. In such circumstances, the Participant and his or her dependents may have a claim against that Third Party, or insurer, for payment of the medical or dental charges. Accepting benefits under this Plan for those incurred medical or dental expenses automatically assigns to the Plan any rights the Participant and his or her dependents may have to Recover payments from any Third Party or insurer. This Subrogation right allows the Plan to pursue any claim which the Participant and his or her dependents has against any Third Party, or insurer, whether or not the Participant and his or her dependents chooses to pursue that claim. The Plan may make a claim directly against the Third Party or insurer, but in any event, the Plan has a lien on any amount Recovered by the Participant and his or her dependents whether or not designated as payment for medical expenses. This lien shall remain in effect until the Plan is repaid in full.

The payment for benefits received by a Participant and his or her dependents under the Plan shall be made in accordance with the assignment of rights by or on behalf of the Participant and his or her dependents as required by Medicaid.

In any case in which the Plan has a legal liability to make payments for benefits received by a Participant and his or her dependents, to the extent that payment has been made through Medicaid, the payment for benefits under the Plan shall be made in accordance with any state law that has provided that the state has acquired the rights of the Participant and his or her dependents to the payments of those benefits.

The Participant and his or her dependents:

- (1) automatically assigns to the Plan his or her rights against any Third Party or insurer when this provision applies; and
- (2) must repay to the Plan the benefits paid on his or her behalf out of the Recovery made from the Third Party or insurer.

Amount subject to Subrogation or Refund. The Participant and his or her dependents agrees to recognize the Plan's right to Subrogation and reimbursement. These rights provide the Plan with a 100%, first dollar priority over any and all Recoveries and funds paid by a Third Party to a Participant and his or her dependents relative to the Injury or Sickness, including a priority over any claim for non-medical or dental charges, attorney fees, or other costs and expenses. Accepting benefits under this Plan for those incurred medical or dental expenses automatically assigns to the Plan any and all rights the Participant and his or her dependents may have to recover payments from any responsible

third party. Further, accepting benefits under this Plan for those incurred medical or dental expenses automatically assigns to the Plan the Participant and his or her dependents' Third Party Claims.

Notwithstanding its priority to funds, the Plan's Subrogation and Refund rights, as well as the rights assigned to it, are limited to the extent to which the Plan has made, or will make, payments for medical or dental charges as well as any costs and fees associated with the enforcement of its rights under the Plan. The Plan reserves the right to be reimbursed for its court costs and attorneys' fees if the Plan needs to file suit in order to recover payment for medical or dental expenses from the Participant and his or her dependents. Also, the Plan's right to Subrogation still applies if the Recovery received by the Participant and his or her dependents is less than the claimed damage, and, as a result, the claimant is not made whole.

When a right of Recovery exists, the Participant and his or her dependents will execute and deliver all required instruments and papers as well as doing whatever else is needed to secure the Plan's right of Subrogation as a condition to having the Plan make payments. In addition, the Participant and his or her dependents will do nothing to prejudice the right of the Plan to Subrogate.

Conditions Precedent to Coverage. The Plan shall have no obligation whatsoever to pay medical or dental benefits to a Participant and his or her dependents if a Participant and his or her dependents refuses to cooperate with the Plan's reimbursement and Subrogation rights or refuses to execute and deliver such papers as the Plan may require in furtherance of its reimbursement and Subrogation rights. Further, in the event the Participant and his or her dependents is a minor, the Plan shall have no obligation to pay any medical or dental benefits incurred on account of Injury or Sickness caused by a responsible Third Party until after the Participant and his or her dependents or his authorized legal representative obtains valid court recognition and approval of the Plan's 100%, first dollar reimbursement and Subrogation rights on all Recoveries, as well as approval for the execution of any papers necessary for the enforcement thereof, as described herein.

"Recover," "Recovered," "Recovery" or "Recoveries" means all monies paid to the Participant and his or her dependents by way of judgment, settlement, or otherwise to compensate for all losses caused by the Injury or Sickness, whether or not said losses reflect medical or dental charges covered by the Plan. "Recoveries" further includes, but is not limited to, recoveries for medical or dental expenses, attorneys' fees, costs and expenses, pain and suffering, loss of consortium, wrongful death, lost wages and any other recovery of any form of damages or compensation whatsoever.

"Refund" means repayment to the Plan for medical or dental benefits that it has paid toward care and treatment of the Injury or Sickness.

"Subrogation" means the Plan's right to pursue and place a lien upon the Participant and his or her dependents' claims for medical or dental charges against the other person.

"Third Party" means any Third Party including another person or a business entity.

Recovery from another plan under which the Participant and his or her dependents is covered. This right of Refund also applies when a Participant and his or her dependents recovers under an uninsured or underinsured motorist plan (which will be treated as Third Party coverage when reimbursement or Subrogation is in order), homeowner's plan, renter's plan, medical malpractice plan or any liability plan.

Rights of Plan Administrator. The Plan Administrator has a right to request reports on and approve of all settlements.

ARTICLE VI AMENDMENT OR TERMINATION OF PLAN

6.1 Amendment

The Employer, at any time or from time to time, may amend any or all of the provisions of the Plan without the consent of any Employee or Participant.

6.2 Termination

The Employer is establishing this Plan with the intent that it will be maintained for an indefinite period of time. Notwithstanding the foregoing, the Employer reserves the right to terminate the Plan, in whole or in part, at any time. In the event the Plan is terminated, no further reimbursements shall be made.

ARTICLE VII MISCELLANEOUS

7.1 Plan Interpretation

All provisions of this Plan shall be interpreted and applied in a uniform, nondiscriminatory manner. This Plan shall be read in its entirety and not severed except as provided in Section 7.11.

7.2 Gender and Number

Wherever any words are used herein in the masculine, feminine or neuter gender, they shall be construed as though they were also used in another gender in all cases where they would so apply, and whenever any words are used herein in the singular or plural form, they shall be construed as though they were also used in the other form in all cases where they would so apply.

7.3 Written Document

This Plan, in conjunction with any separate written document which may be required by law, is intended to satisfy the written Plan requirement of Code Section 105 and any Treasury regulations thereunder.

7.4 Exclusive Benefit

This Plan shall be maintained for the exclusive benefit of the Employees who participate in the Plan.

7.5 Participant's Rights

This Plan shall not be deemed to constitute an employment contract between the Employer and any Participant or to be a consideration or an inducement for the employment of any Participant or Employee. Nothing contained in this Plan shall be deemed to give any Participant or Employee the right to be retained in the service of the Employer or to interfere with the right of the Employer to discharge any Participant or Employee at any time regardless of the effect which such discharge shall have upon him as a Participant of this Plan.

7.6 Action by the Employer

Whenever the Employer under the terms of the Plan is permitted or required to do or perform any act or matter or thing, it shall be done and performed by a person duly authorized by its legally constituted authority.

7.7 No Guarantee of Tax Consequences

Neither the Administrator nor the Employer makes any commitment or guarantee that any amounts paid to or for the benefit of a Participant under the Plan will be excludable from the Participant's gross income for federal or state income tax purposes, or that any other federal or state tax treatment will apply to or be available to any Participant. It shall be the obligation of each Participant to determine whether each payment under the Plan is excludable from the Participant's gross income for federal and state income tax purposes, and to notify the Employer if the Participant has reason to believe that any such payment is not so excludable. Notwithstanding the foregoing, the rights of Participants under this Plan shall be legally enforceable.

7.8 Indemnification of Employer by Participants

If any Participant receives one or more payments or reimbursements under the Plan that are not for a permitted Medical Expense such Participant shall indemnify and reimburse the Employer for any liability it may incur for failure to withhold federal or state income tax or Social Security tax from such payments or reimbursements. However, such indemnification and reimbursement shall not exceed the amount of additional federal and state income tax (plus any penalties) that the Participant would have owed if the payments or reimbursements had been made to the Participant as regular cash compensation, plus the Participant's share of any Social Security tax that would have been paid on such compensation, less any such additional income and Social Security tax actually paid by the Participant.

7.9 Funding

Unless otherwise required by law, amounts made available by the Employer need not be placed in trust, but may instead be considered general assets of the Employer. Furthermore, and unless otherwise required by law, nothing herein shall be construed to require the Employer or the Administrator to maintain any fund or segregate any amount for the benefit of any Participant, and no Participant or other person shall have any claim against, right to, or security or other interest in, any fund, account or asset of the Employer from which any payment under the Plan may be made.

7.10 Governing Law

This Plan and Trust shall be construed and enforced according to the Code, ERISA, and the laws of the state or commonwealth in which the Employer's principal office is located (unless otherwise designated in the Adoption Agreement), other than its laws respecting choice of law, to the extent not pre-empted by ERISA.

7.11 Severability

If any provision of the Plan is held invalid or unenforceable, its invalidity or unenforceability shall not affect any other provisions of the Plan, and the Plan shall be construed and enforced as if such provision had not been included herein.

7.12 Headings

The headings and subheadings of this Plan have been inserted for convenience of reference and are to be ignored in any construction of the provisions hereof.

7.13 Continuation of Coverage

Notwithstanding anything in the Plan to the contrary, in the event any benefit under this Plan subject to the continuation coverage requirement of Code Section 4980B becomes unavailable, each qualified beneficiary (as defined in Code Section 4980B) will be entitled to continuation coverage as prescribed in Code Section 4980B. This Section shall only apply if the Employer employs at least twenty (20) employees on more than 50% of its typical business days in the previous calendar year.

7.14 Family and Medical Leave Act

Notwithstanding anything in the Plan to the contrary, in the event any benefit under this Plan becomes subject to the requirements of the Family and Medical Leave Act and regulations thereunder, this Plan shall be operated in accordance with Regulation 1.125-3.

7.15 Health Insurance Portability and Accountability Act

Notwithstanding anything in this Plan to the contrary, this Plan shall be operated in accordance with HIPAA and regulations thereunder.

7.16 Uniformed Services Employment and Reemployment Rights Act

Notwithstanding any provision of this Plan to the contrary, contributions, benefits and service credit with respect to qualified military service shall be provided in accordance with USERRA and the regulations thereunder.

7.17 HIPAA Privacy Standards

- (a) If this Plan is subject to the Standards for Privacy of Individually Identifiable Health Information (45 CFR Part 164, the “Privacy Standards”), then this Section shall apply.
- (b) The Plan shall not disclose Protected Health Information to any member of Employer’s workforce unless each of the conditions set out in this Section are met. “Protected Health Information” shall have the same definition as set forth in the Privacy Standards but generally shall mean individually identifiable information about the past, present or future physical or mental health or condition of an individual, including information about treatment or payment for treatment.
- (c) Protected Health Information disclosed to members of Employer’s workforce shall be used or disclosed by them only for purposes of Plan administrative functions. The Plan’s administrative functions shall include all Plan payment functions and health care operations. The terms “payment” and “health care operations” shall have the same definitions as set out in the Privacy Standards, but the term “payment” generally shall mean activities taken to determine or fulfill Plan responsibilities with respect to eligibility, coverage, provision of benefits, or reimbursement for health care.
- (d) The Plan shall disclose Protected Health Information only to members of the Employer’s workforce who are authorized to receive such Protected Health Information, and only to the extent and in the minimum amount necessary for that person to perform his or her duties with respect to the Plan. “Members of the Employer’s workforce” shall refer to all employees and other persons under the control of the Employer. The Employer shall keep an updated list of those authorized to receive Protected Health Information.
 - (1) An authorized member of the Employer’s workforce who receives Protected Health Information shall use or disclose the Protected Health Information only to the extent necessary to perform his or her duties with respect to the Plan.
 - (2) In the event that any member of the Employer’s workforce uses or discloses Protected Health Information other than as permitted by this Section and the Privacy Standards, the incident shall be reported to the Plan’s privacy officer. The privacy officer shall take appropriate action, including:

- (i) investigation of the incident to determine whether the breach occurred inadvertently, through negligence or deliberately; whether there is a pattern of breaches; and the degree of harm caused by the breach;
 - (ii) appropriate sanctions against the persons causing the breach which, depending upon the nature of the breach, may include oral or written reprimand, additional training, or termination of employment;
 - (iii) mitigation of any harm caused by the breach, to the extent practicable; and
 - (iv) documentation of the incident and all actions taken to resolve the issue and mitigate any damages.
- (e) The Employer must provide certification to the Plan that it agrees to:
 - (1) Not use or further disclose the information other than as permitted or required by the Plan documents or as required by law;
 - (2) Ensure that any agent or subcontractor, to whom it provides Protected Health Information received from the Plan, agrees to the same restrictions and conditions that apply to the Employer with respect to such information;
 - (3) Not use or disclose Protected Health Information for employment-related actions and decisions or in connection with any other benefit or employee benefit plan of the Employer;
 - (4) Report to the Plan any use or disclosure of the Protected Health Information of which it becomes aware that is inconsistent with the uses or disclosures permitted by this Section, or required by law;
 - (5) Make available Protected Health Information to individual Plan members in accordance with Section 164.524 of the Privacy Standards;
 - (6) Make available Protected Health Information for amendment by individual Plan members and incorporate any amendments to Protected Health Information in accordance with Section 164.526 of the Privacy Standards;
 - (7) Make available the Protected Health Information required to provide an accounting of disclosures to individual Plan members in accordance with Section 164.528 of the Privacy Standards;

- (8) Make its internal practices, books and records relating to the use and disclosure of Protected Health Information received from the Plan available to the Department of Health and Human Services for purposes of determining compliance by the Plan with the Privacy Standards;
- (9) If feasible, return or destroy all Protected Health Information received from the Plan that the Employer still maintains in any form, and retain no copies of such information when no longer needed for the purpose for which disclosure was made, except that, if such return or destruction is not feasible, limit further uses and disclosures to those purposes that make the return or destruction of the information infeasible; and
- (10) Ensure the adequate separation between the Plan and members of the Employer's workforce, as required by Section 164.504(f)(2)(iii) of the Privacy Standards and set out in (d) above.

7.18 HIPAA Electronic Security Standards

If this Plan is subject to the Security Standards for the Protection of Electronic Protected Health Information (45 CFR Part 164.300 et. seq., the "Security Standards"), then this Section shall apply as follows:

- (a) The Employer agrees to implement reasonable and appropriate administrative, physical and technical safeguards to protect the confidentiality, integrity and availability of Electronic Protected Health Information that the Employer creates, maintains or transmits on behalf of the Plan. "Electronic Protected Health Information" shall have the same definition as set out in the Security Standards, but generally shall mean Protected Health Information that is transmitted by or maintained in electronic media.
- (b) The Employer shall ensure that any agent or subcontractor to whom it provides Electronic Protected Health Information shall agree, in writing, to implement reasonable and appropriate security measures to protect the Electronic Protected Health Information.
- (c) The Employer shall ensure that reasonable and appropriate security measures are implemented to comply with the conditions and requirements set forth in Section 7.17.
- (d) The Plan shall not disclose Protected Health Information to any member of Employer's workforce unless each of the conditions set out in this Section are met. "Protected Health Information" shall have the same definition as set forth in the Privacy Standards but generally shall mean individually identifiable information about the past, present or future physical or mental health or condition of an individual, including information about treatment or payment for treatment.
- (e) Protected Health Information disclosed to members of Employer's workforce shall be used or disclosed by them only for purposes of Plan administrative

functions. The Plan's administrative functions shall include all Plan payment functions and health care operations. The terms "payment" and "health care operations" shall have the same definitions as set out in the Privacy Standards, but the term "payment" generally shall mean activities taken to determine or fulfill Plan responsibilities with respect to eligibility, coverage, provision of benefits, or reimbursement for health care.

- (f) The Plan shall disclose Protected Health Information only to members of the Employer's workforce, who are authorized to receive such Protected Health Information, and only to the extent and in the minimum amount necessary for that person to perform his or her duties with respect to the Plan. "Members of the Employer's workforce" shall refer to all employees and other persons under the control of the Employer. The Employer shall keep an updated list of those authorized to receive Protected Health Information.
 - (1) An authorized member of the Employer's workforce who receives Protected Health Information shall use or disclose the Protected Health Information only to the extent necessary to perform his or her duties with respect to the Plan.
 - (2) In the event that any member of the Employer's workforce uses or discloses Protected Health Information other than as permitted by this Section and the Privacy Standards, the incident shall be reported to the Plan's privacy officer. The privacy officer shall take appropriate action, including:
 - (i) investigation of the incident to determine whether the breach occurred inadvertently, through negligence or deliberately; whether there is a pattern of breaches; and the degree of harm caused by the breach;
 - (ii) appropriate sanctions against the persons causing the breach which, depending upon the nature of the breach, may include oral or written reprimand, additional training, or termination of employment;
 - (iii) mitigation of any harm caused by the breach, to the extent practicable; and
 - (iv) documentation of the incident and all actions taken to resolve the issue and mitigate any damages.

- (g) The Employer must provide certification to the Plan that it agrees to:
- (1) Not use or further disclose the information other than as permitted or required by the Plan documents or as required by law;
 - (2) Ensure that any agent or subcontractor, to whom it provides Protected Health Information received from the Plan, agrees to the same restrictions and conditions that apply to the Employer with respect to such information;
 - (3) Not use or disclose Protected Health Information for employment-related actions and decisions or in connection with any other benefit or employee benefit plan of the Employer;
 - (4) Report to the Plan any use or disclosure of the Protected Health Information of which it becomes aware that is inconsistent with the uses or disclosures permitted by this Section, or required by law;
 - (5) Make available Protected Health Information to individual Plan members in accordance with Section 164.524 of the Privacy Standards;
 - (6) Make available Protected Health Information for amendment by individual Plan members and incorporate any amendments to Protected Health Information in accordance with Section 164.526 of the Privacy Standards;
 - (7) Make available the Protected Health Information required to provide an accounting of disclosures to individual Plan members in accordance with Section 164.528 of the Privacy Standards;
 - (8) Make its internal practices, books and records relating to the use and disclosure of Protected Health Information received from the Plan available to the Department of Health and Human Services for purposes of determining compliance by the Plan with the Privacy Standards;
 - (9) If feasible, return or destroy all Protected Health Information received from the Plan that the Employer still maintains in any form, and retain no copies of such information when no longer needed for the purpose for which disclosure was made, except that, if such return or destruction is not feasible, limit further uses and disclosures to those purposes that make the return or destruction of the information infeasible; and
 - (10) Ensure the adequate separation between the Plan and members of the Employer's workforce, as required by Section 164.504(f)(2)(iii) of the Privacy Standards and set out in (d) above.

7.19 Mental Health Parity and Addiction Equity Act

Notwithstanding anything in the Plan to the contrary, the Plan will comply with the Mental Health Parity and Addiction Equity Act and ERISA Section 712.

7.20 Genetic Information Nondiscrimination Act (GINA)

Notwithstanding anything in the Plan to the contrary, the Plan will comply with the Genetic Information Nondiscrimination Act.

7.21 Women's Health and Cancer Rights Act

Notwithstanding anything in the Plan to the contrary, the Plan will comply with the Women's Health and Cancer Rights Act of 1998.

7.22 Newborns' and Mothers' Health Protection Act

Notwithstanding anything in the Plan to the contrary, the Plan will comply with the Newborns' and Mothers' Health Protection Act.

CERTIFICATE OF ADOPTING RESOLUTION

The undersigned Principal of _____ (the Employer) hereby certifies that the following resolutions were duly adopted by the board on _____, and that such resolutions have not been modified or rescinded as of the date hereof:

RESOLVED, that the Health Reimbursement Arrangement effective _____, presented to this meeting is hereby approved and adopted and that the proper officers of the Employer are hereby authorized and directed to execute and deliver to the Administrator of the Plan one or more counterparts of the Plan.

RESOLVED, that the Administrator shall be instructed to take such actions that are deemed necessary and proper in order to implement the Plan, and to set up adequate accounting and administrative procedures to provide benefits under the Plan.

The undersigned further certifies that attached hereto is a true copy of the Health Reimbursement Arrangement and the Summary Plan Description approved and adopted in the foregoing resolutions.

Principal

Date

CITY OF RIFLE
HEALTH REIMBURSEMENT
ARRANGEMENT

SUMMARY PLAN DESCRIPTION

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INTRODUCTION

We are pleased to establish this Health Reimbursement Arrangement to provide you with additional health coverage benefits. The benefits available under this Plan are outlined in this summary plan description. We will also tell you about other important information concerning the Plan, such as the rules you must satisfy before you become eligible and the laws that protect your rights.

Read this summary plan description carefully so that you understand the provisions of our Plan and the benefits you will receive. You should direct any questions you have to the Administrator. There is a plan document on file, which you may review if you desire. In the event there is a conflict between this summary plan description and the plan document, the plan document will control.

I ELIGIBILITY

1. What Are the Eligibility Requirements for Our Plan?

You will be eligible to join the Plan once you have satisfied the conditions for coverage under our group medical plan.

2. When is My Entry Date?

You can join the Plan on the same day you can enter our group medical plan.

3. Are There Any Employees Who Are Not Eligible?

Yes, there are certain employees who are not eligible to join the Plan. They are:

-- Employees who are not enrolled in the PPO B1000 Medical Plan.

II BENEFITS

1. What Benefits Are Available?

The plan allows you to be reimbursed for certain out-of-pocket medical, dental and vision expenses which are incurred by you and your dependents. These would include drugs obtained through a prescription, and insulin. The expenses, which qualify, are those permitted by Section 213 of the Internal Revenue Code. A list of some of the expenses that qualify is available from the Administrator.

The plan allows you to be reimbursed by the Employer for insurance co-pays under our group medical plan which are incurred by you or your dependents.

The plan allows you to be reimbursed by the Employer for any deductibles which you have to meet under our group medical plan which are incurred by you or your dependents.

The maximum allowed each year is \$360 for employee only and \$600 for employee with dependents, plus any unused amounts from prior Coverage Periods.

We will provide you with a debit or credit card to use to pay for your medical expenses such as co-pays, deductibles, medical equipment, prescription drug and insulin costs. The Administrator will provide you with further details.

Expenses are considered “incurred” when the service is performed, not necessarily when it is paid for. Any amounts reimbursed to you under the Plan may not be claimed as a deduction on your personal income tax return nor reimbursed by other health plan coverage including our health flexible spending account. You must first use all amounts in our health flexible spending account before submitting any claims to this plan.

You may submit expenses for yourself, your spouse or your dependents. You may be reimbursed for expenses for any child until the end of the calendar year in which the child reaches age 26. A child is a natural child, stepchild, foster child, adopted child, or a child placed with you for adoption

Women's Health and Cancer Rights Act: This plan, as required by the Women's Health and Cancer Rights Act of 1998, will reimburse up to plan limits for benefits for mastectomy-related services including reconstruction and surgery to achieve symmetry between the breasts, prostheses, and complications resulting from a mastectomy (including lymphedema). Contact your Plan Administrator for more information.

2. When Must Expenses Be Incurred?

You may submit expenses that you incur each “Coverage Period.” A new “Coverage Period” begins each January 1, with exception of the Short Plan Year beginning July 1, 2011 to December 31, 2011. Expenses under this Plan are treated as being "incurred" when you are provided with the care that gives rise to the expenses, not when you are formally billed or charged, or you pay for the medical care.

3. When Will I Receive Payments From the Plan?

During the course of the Coverage Period, you may submit requests for reimbursement of expenses you have incurred. However, you must make your requests for reimbursements no later than 75 days after the end of the Coverage Period. The Administrator will provide you with acceptable forms for submitting these requests for reimbursement. In addition, you must submit to the Administrator proof of the expenses you have incurred and that they have not been paid by any other health plan coverage. If the request qualifies as a benefit or expense that the Plan has agreed to pay, you will receive a reimbursement payment soon thereafter. Remember, reimbursements made from the Plan are generally not subject to federal income tax or withholding. Nor are they subject to Social Security taxes.

4. What Happens If I Terminate Employment?

If your employment is terminated during the Plan Year for any reason, your participation in the Plan will cease and any unused amounts are forfeited. However, you must make your requests for reimbursements no later than 30 days after the date of termination for expenses you incurred prior to termination.

5. Family and Medical Leave Act (FMLA)

If you take leave under the Family and Medical Leave Act, you may revoke or change your existing elections for health insurance. If your coverage in these benefits terminates, due to your revocation of the benefit while on leave or due to your non-payment of contributions, you will be permitted to reinstate coverage for the remaining part of the Plan Year upon your return.

If you continue your coverage during your unpaid leave, you may pre-pay for the coverage, you may pay for your coverage on an after-tax basis while you are on leave, or you and your Employer may arrange a schedule for you to “catch up” your payments when you return.

6. Uniformed Services Employment and Reemployment Rights Act (USERRA)

If you are going into or returning from military service, you may have special rights to health care coverage under your Health Reimbursement Arrangement under the Uniformed Services Employment and Reemployment Rights Act of 1994. These rights can include extended health care coverage. If you may be affected by this law, ask your Administrator for further details.

7. Newborns' and Mothers' Health Protection Act

Group health plans generally may not, under Federal law, restrict benefits for any hospital length of stay in connection with childbirth for the mother or newborn child to less than 48 hours following a vaginal delivery, or less than 96 hours following a cesarean section. However, Federal law generally does not prohibit the mother's or newborn's attending provider, after consulting with the mother, from discharging the mother or her newborn earlier than 48 hours (or 96 hours as applicable). In any case, plans and issuers may not, under Federal law, require that a provider obtain authorization from the plan or the issuer for prescribing a length of stay not in excess of 48 hours (or 96 hours).

8. Qualified Medical Child Support Order

A medical child support order is a judgment, decree or order (including approval of a property settlement) made under state law that provides for child support or health coverage for the child of a participant. The child becomes an "alternate recipient" and can receive benefits under the health plans of the Employer, if the order is determined to be “qualified.” You may obtain, without charge, a copy of the procedures governing the determination of qualified medical child support orders from the Plan Administrator.

III GENERAL INFORMATION ABOUT OUR PLAN

This Section contains certain general information which you may need to know about the Plan.

1. General Plan Information

City of Rifle HRA Plan is the name of the Plan.

Your Employer has assigned Plan Number 505 to your Plan.

The provisions of your Plan become effective on July 1, 2011.

2. Employer Information

Your Employer's name, address, and identification number are:

City of Rifle
202 Railroad Ave.
Rifle, CO 81650
94-6000715

The Plan allows other employers to adopt its provisions. You or your beneficiaries may examine or obtain a complete list of employers, if any, who have adopted your Plan by making a written request to the Administrator.

3. Plan Administrator Information

The name, address and business telephone number of your Plan's Administrator are:

City of Rifle
202 Railroad Ave.
Rifle, CO 81650
970-665-6405

The Plan Administrator keeps the records for the Plan and is responsible for the administration of the Plan. The Administrator will also answer any questions you may have about our Plan. The Plan Administrator has the exclusive right to interpret the appropriate plan provisions. Decisions of the Administrator are conclusive and binding. You may contact the Administrator for any further information about the Plan.

4. Third Party Claims Administrator Information

The name, address and business telephone number of the Third Party Claims Administrator are:

MGIS
P.O. Box 16110
Salt Lake City, UT 84116-0110
1-866-937-3539

The Third Party Claims Administrator is responsible for the actual processing of claims on behalf of the Plan Administrator.

5. Service of Legal Process

The Employer is the Plan's agent for service of legal process.

6. Type of Administration

The Plan is a health reimbursement arrangement and the administration is provided through a Third Party Claims Administrator. The Plan is not funded or insured. Benefits are paid from the general assets of the Employer.

IV ADDITIONAL PLAN INFORMATION

1. Your Rights Under ERISA

Plan Participants, eligible employees and all other employees of the Employer may be entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA) and the Internal Revenue Code. These laws provide that Participants, eligible employees and all other employees are entitled to:

- (a) Examine, without charge, at the Administrator's office, all Plan documents, including insurance contracts, collective bargaining agreements, and a copy of the latest annual report (Form 5500 Series) filed by the Plan with the U.S. Department of Labor, and available at the Public Disclosure Room of the Employee Benefits Security Administration.
- (b) Obtain copies of all Plan documents and other Plan information upon written request to the Administrator. The Administrator may charge a reasonable fee for the copies.
- (c) Continue health care coverage for a Plan Participant, Spouse, or other dependents if there is a loss of coverage under the Plan as a result of a qualifying event. Employees or dependents may have to pay for such coverage.

- (d) Review this summary plan description and the documents governing the Plan on the rules governing COBRA continuation coverage rights.

If your claim for a benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

If you have a claim for benefits, which is denied or ignored, in whole or in part, you may file suit in a state or Federal court.

Under ERISA there are steps you can take to enforce the above rights. For instance, if you request materials from the Plan and do not receive them within thirty (30) days, you may file suit in a Federal court. In such a case, the court may request the Administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Administrator. If you have a claim for benefits, which is denied or ignored, in whole or in part, you may file suit in a state or Federal court.

In addition, if a Plan Participant disagrees with the Plan's decision or lack thereof concerning the qualified status of a medical child support order, he or she may file suit in federal court.

In addition to creating rights for Plan Participants, ERISA imposes obligations upon the individuals who are responsible for the operation of the Plan. The individuals who operate the Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the interest of the Plan Participants and their beneficiaries. No one, including the Employer or any other person, may fire a Plan Participant or otherwise discriminate against a Plan Participant in any way to prevent the Plan Participant from obtaining benefits under the Plan or from exercising his or her rights under ERISA.

If it should happen that Plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a Federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees; for example, if it finds your claim is frivolous.

If you have any questions about the Plan, you should contact the Administrator. If you have any questions about this statement, or about your rights under ERISA or the Health Insurance Portability and Accountability Act (HIPAA), or if you need assistance in obtaining documents from the Administrator, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in the telephone directory or the Division of Technical Assistance and Inquiries, Pension and Welfare Benefits Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

2. How to Submit a Claim

When you have a Claim to submit for payment, you must:

- (1) Obtain a claim form from the Plan Administrator.
- (2) Complete the Employee portion of the form.
- (3) Attach copies of all bills from the service provider for which you are requesting reimbursement.

A Claim is defined as any request for a Plan benefit, made by a claimant or by a representative of a claimant that complies with the Plan's reasonable procedure for making benefit Claims. The times listed are maximum times only. A period of time begins at the time the Claim is filed. Decisions will be made within a reasonable period of time appropriate to the circumstances. "Days" means calendar days.

Notification of whether Claim is accepted or denied	30 days
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Extension due to matters beyond the control of the Plan	15 days
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Insufficient information on the Claim:

Notification of	15 days
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Response by Participant	45 days
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Review of Claim denial	60 days
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The Plan Administrator will provide written or electronic notification of any Claim denial. The notice will state:

- (1) The specific reason or reasons for the denial.
- (2) Reference to the specific Plan provisions on which the denial was based.

- (3) A description of any additional material or information necessary for the claimant to perfect the Claim and an explanation of why such material or information is necessary.
- (4) A description of the Plan's review procedures and the time limits applicable to such procedures. This will include a statement of your right to bring a civil action under Section 502 of ERISA following a denial on review.
- (5) A statement that the claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the Claim; and
- (6) If the denial was based on an internal rule, guideline, protocol, or other similar criterion, the specific rule, guideline, protocol, or criterion will be provided free of charge. If this is not practical, a statement will be included that such a rule, guideline, protocol, or criterion was relied upon in making the denial and a copy will be provided free of charge to the claimant upon request.

When you receive a denial, you will have 180 days following receipt of the notification in which to appeal the decision. You may submit written comments, documents, records, and other information relating to the Claim. If you request, you will be provided, free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the Claim.

The period of time within which a denial on review is required to be made will begin at the time an appeal is filed in accordance with the procedures of the Plan. This timing is without regard to whether all the necessary information accompanies the filing.

A document, record, or other information shall be considered relevant to a Claim if it:

- (1) was relied upon in making the Claim determination;
- (2) was submitted, considered, or generated in the course of making the Claim determination, without regard to whether it was relied upon in making the Claim determination;
- (3) demonstrated compliance with the administrative processes and safeguards designed to ensure and to verify that Claim determinations are made in accordance with Plan documents and Plan provisions have been applied consistently with respect to all claimants;
- (4) or constituted a statement of policy or guidance with respect to the Plan concerning the denied Claim.

The review will take into account all comments, documents, records, and other information submitted by the claimant relating to the Claim, without regard to whether such information was submitted or considered in the initial Claim determination. The review will not afford deference to the initial denial and will be conducted by a fiduciary of the Plan who is neither the individual who made the adverse determination nor a subordinate of that individual.

V CONTINUATION COVERAGE RIGHTS UNDER COBRA

Under federal law, the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), certain employees and their families covered under this Arrangement will be entitled to the opportunity to elect a temporary extension of health coverage (called “COBRA continuation coverage”) where coverage under the Arrangement would otherwise end. This notice is intended to inform Participants and beneficiaries, in summary fashion, of their rights and obligations under the continuation coverage provisions of COBRA, as amended and reflected in final and proposed regulations published by the Department of the Treasury. This notice is intended to reflect the law and does not grant or take away any rights under the law.

The Plan Administrator or its designee is responsible for administering COBRA continuation coverage. Complete instructions on COBRA, as well as election forms and other information, will be provided by the Plan Administrator or its designee to Participants who become Qualified Beneficiaries under COBRA. The Arrangement itself can provide group health benefits and may also be used to provide health benefits through insurance. Whenever “Arrangement” is used in this section, it means any of the health benefits under this Plan.

1. What is COBRA Continuation Coverage?

COBRA continuation coverage is the temporary extension of group health plan coverage that must be offered to certain Participants and their eligible family members (called “Qualified Beneficiaries”) at group rates. The right to COBRA continuation coverage is triggered by the occurrence of a life event that results in the loss of coverage under the terms of the Arrangement (the “Qualifying Event”). The coverage must be identical to the coverage that the Qualified Beneficiary had immediately before the Qualifying Event, or if the coverage has been changed, the coverage must be identical to the coverage provided to similarly situated active employees who have not experienced a Qualifying Event).

2. Who Can Become a Qualified Beneficiary?

In general, a Qualified Beneficiary can be:

- (1) Any individual who, on the day before a Qualifying Event, is covered under the Arrangement by virtue of being on that day either a covered Employee, the Spouse of a covered Employee, or a Dependent child of a covered Employee. If, however, an individual who otherwise qualifies as a Qualified Beneficiary is denied or not offered coverage under the Arrangement under circumstances in which the denial or failure to offer constitutes a violation of applicable law, then the individual will be considered to have had the coverage and will be considered a Qualified Beneficiary if that individual experiences a Qualifying Event.
- (2) Any child who is born to or placed for adoption with a covered Employee during a period of COBRA continuation coverage, and any individual who is covered by the Arrangement as an alternate recipient under a qualified medical support order. If, however, an individual who otherwise qualifies as a Qualified Beneficiary is denied or not offered coverage under the Arrangement under circumstances in which the denial or failure to offer constitutes a violation of applicable law, then the individual will be considered to have had the coverage and will be considered a Qualified Beneficiary if that individual experiences a Qualifying Event.

The term “covered Employee” includes any individual who is provided coverage under the Arrangement due to his or her performance of services for the employer sponsoring the Arrangement. However, this provision does not establish eligibility of these individuals. Eligibility for Plan coverage shall be determined in accordance with Plan Eligibility provisions.

An individual is not a Qualified Beneficiary if the individual’s status as a covered Employee is attributable to a period in which the individual was a nonresident alien who received from the individual’s Employer no earned income that constituted income from sources within the United States. If, on account of the preceding reason, an individual is not a Qualified Beneficiary, then a Spouse or Dependent child of the individual will also not be considered a Qualified Beneficiary by virtue of the relationship to the individual. A domestic partner is not a Qualified Beneficiary.

Each Qualified Beneficiary (including a child who is born to or placed for adoption with a covered Employee during a period of COBRA continuation coverage) must be offered the opportunity to make an independent election to receive COBRA continuation coverage.

3. What is a Qualifying Event?

A Qualifying Event is any of the following if the Arrangement provided that the participant would lose coverage (i.e., cease to be covered under the same terms and conditions as in effect immediately before the Qualifying Event) in the absence of COBRA continuation coverage:

- (1) The death of a covered Employee.
- (2) The termination (other than by reason of the Employee's gross misconduct), or reduction of hours, of a covered Employee's employment.
- (3) The divorce or legal separation of a covered Employee from the Employee's Spouse. If the Employee reduces or eliminates the Employee's Spouse's Plan coverage in anticipation of a divorce or legal separation, and a divorce or legal separation later occurs, then the divorce or legal separation may be considered a Qualifying Event even though the Spouse's coverage was reduced or eliminated before the divorce or legal separation.
- (4) A covered Employee's enrollment in any part of the Medicare program.
- (5) A Dependent child's ceasing to satisfy the Arrangement's requirements for a Dependent child (for example, attainment of the maximum age for dependency under the Arrangement).

If the Qualifying Event causes the covered Employee, or the covered Spouse or a Dependent child of the covered Employee, to cease to be covered under the Arrangement under the same terms and conditions as in effect immediately before the Qualifying Event (or in the case of the bankruptcy of the Employer, any substantial elimination of coverage under the Arrangement occurring within 12 months before or after the date the bankruptcy proceeding commences), the persons losing such coverage become Qualified Beneficiaries under COBRA if all the other conditions of COBRA are also met. For example, any increase in contribution that must be paid by a covered Employee, or the Spouse, or a Dependent child of the covered Employee, for coverage under the Arrangement that results from the occurrence of one of the events listed above is a loss of coverage.

The taking of leave under the Family and Medical Leave Act of 1993 ("FMLA") does not constitute a Qualifying Event. A Qualifying Event will occur, however, if an Employee does not return to employment at the end of the FMLA leave and all other COBRA continuation coverage conditions are present. If a Qualifying Event occurs, it occurs on the last day of FMLA leave and the applicable maximum coverage period is measured from this date (unless coverage is lost at a later date and the Arrangement provides for the extension of the required periods, in which case the maximum coverage date is measured from the date when the coverage is lost.) Note that the covered Employee and family members will be entitled to COBRA continuation coverage even if they failed to pay the employee portion of premiums for coverage under the Arrangement during the FMLA leave.

4. What Factors Should Be Considered When Determining to Elect COBRA Continuation Coverage?

You should take into account that a failure to continue your group health coverage will affect your rights under federal law. First, you can lose the right to avoid having pre-existing condition exclusions applied by other group health plans if there is more than a 63-day gap in health coverage and election of COBRA continuation coverage may help you avoid such a gap. Second, if you do not elect COBRA continuation coverage and pay the appropriate premiums for the maximum time available to you, you will lose the right to convert to an individual health insurance policy, which does not impose such pre-existing condition exclusions. Finally, you should take into account that you have special enrollment rights under federal law (HIPAA). You have the right to request special enrollment in another group health plan for which you are otherwise eligible (such as a plan sponsored by your Spouse's employer) within 30 days after Plan coverage ends due to a Qualifying Event listed above. You will also have the same special right at the end of COBRA continuation coverage if you get COBRA continuation coverage for the maximum time available to you.

5. What is the Procedure for Obtaining COBRA Continuation Coverage?

The Arrangement has conditioned the availability of COBRA continuation coverage upon the timely election of such coverage. An election is timely if it is made during the election period.

6. What is the Election Period and How Long Must It Last?

The election period is the time period within which the Qualified Beneficiary must elect COBRA continuation coverage under the Arrangement. The election period must begin no later than the date the Qualified Beneficiary would lose coverage on account of the Qualifying Event and must not end before the date that is 60 days after the later of the date the Qualified Beneficiary would lose coverage on account of the Qualifying Event or the date notice is provided to the Qualified Beneficiary of her or his right to elect COBRA continuation coverage.

Note: If a covered employee who has been terminated or experienced a reduction of hours qualifies for a trade readjustment allowance or alternative trade adjustment assistance under a federal law called the Trade Act of 2002, and the employee and his or her covered dependents have not elected COBRA coverage within the normal election period, a second opportunity to elect COBRA coverage will be made available for themselves and certain family members, but only within a limited period of 60 days or less and only during the six months immediately after their group health plan coverage ended. Any person who qualifies or thinks that he or she and/or his or her family members may qualify for assistance under this special provision should contact the Plan Administrator or its designee for further information.

The Trade Act of 2002 also created a tax credit for certain TAA-eligible individuals and for certain retired employees who are receiving pension payments from the Pension Benefit Guaranty Corporation (PBGC) (eligible individuals). Under the new tax provisions, eligible individuals can either take a tax credit or get advance payment of a percentage of the premiums paid for qualified health insurance, including continuation coverage. If you have questions about these new tax provisions, you may call the Health Coverage Tax Credit Consumer Contact Center toll-free at 1-866-628-4282. TTD/TTY callers may call toll-free at 1-866-626-4282. More information about the Trade Act is also available at www.doleta.gov/tradeact/2002act_index.asp.

7. Is a Covered Employee or Qualified Beneficiary Responsible for Informing the Plan Administrator of the Occurrence of a Qualifying Event?

The Arrangement will offer COBRA continuation coverage to Qualified Beneficiaries only after the Plan Administrator or its designee has been timely notified that a Qualifying Event has occurred. The Employer will notify the Plan Administrator or its designee of the Qualifying Event within 30 days following the date coverage ends when the Qualifying Event is:

- (1) the end of employment or reduction of hours of employment,
- (2) death of the employee,
- (3) commencement of a proceeding in bankruptcy with respect to the Employer, or
- (4) enrollment of the employee in any part of Medicare,

IMPORTANT:

For the other Qualifying Events (divorce or legal separation of the employee and spouse or a dependent child's losing eligibility for coverage as a dependent child), you or someone on your behalf must notify the Plan Administrator or its designee in writing within 60 days after the Qualifying Event occurs, using the procedures specified below. If these procedures are not followed or if the notice is not provided in writing to the Plan Administrator or its designee during the 60-day notice period, any spouse or dependent child who loses coverage will not be offered the option to elect continuation coverage. You must send this notice to the Plan Administrator or its designee.

NOTICE PROCEDURES:

Any notice that you provide must be ***in writing***. Oral notice, including notice by telephone, is not acceptable. You must mail, fax or hand-deliver your notice to the person, department or firm listed below, at the following address:

City of Rifle
202 Railroad Ave.
Rifle, CO 81650
970-665-6405

If mailed, your notice must be postmarked no later than the last day of the required notice period. Any notice you provide must state:

- the **name of the plan or plans** under which you lost or are losing coverage,
- the **name and address of the employee** covered under the plan,
- the **name(s) and address(es) of the Qualified Beneficiary(ies)**, and
- the **Qualifying Event** and the **date** it happened.

If the Qualifying Event is a **divorce or legal separation**, your notice must include **a copy of the divorce decree or the legal separation agreement**.

Be aware that there are other notice requirements in other contexts, for example, in order to qualify for a disability extension.

Once the Plan Administrator or its designee receives *timely notice* that a Qualifying Event has occurred, COBRA continuation coverage will be offered to each of the qualified beneficiaries. Each Qualified Beneficiary will have an independent right to elect COBRA continuation coverage. Covered employees may elect COBRA continuation coverage for their spouses, and parents may elect COBRA continuation coverage on behalf of their children. For each Qualified Beneficiary who elects COBRA continuation coverage, COBRA continuation coverage will begin on the date that coverage would otherwise have been lost (if under your coverage the COBRA period begins on the date of the Qualifying Event, even though coverage actually ends later (e.g., at the end of the month) substitute the appropriate language, e.g. “on the date of the Qualifying Event”). If you or your spouse or dependent children do not elect continuation coverage within the 60-day election period described above, the right to elect continuation coverage will be lost.

8. Is a Waiver Before the End of the Election Period Effective to End a Qualified Beneficiary’s Election Rights?

If, during the election period, a Qualified Beneficiary waives COBRA continuation coverage, the waiver can be revoked at any time before the end of the election period. Revocation of the waiver is an election of COBRA continuation coverage. However, if a waiver is later revoked, coverage need not be provided retroactively (that is, from the date of the loss of coverage until the waiver is revoked). Waivers and revocations of waivers are

considered made on the date they are sent to the Plan Administrator or its designee, as applicable.

9. Is COBRA Coverage Available If a Qualified Beneficiary Has Other Group Health Plan Coverage or Medicare?

Qualified Beneficiaries who are entitled to elect COBRA continuation coverage may do so even if they are covered under another group health plan or are entitled to Medicare benefits on or before the date on which COBRA is elected. However, a Qualified Beneficiary's COBRA coverage will terminate automatically if, after electing COBRA, he or she becomes entitled to Medicare or becomes covered under other group health plan coverage (but only after any applicable preexisting condition exclusions of that other plan have been exhausted or satisfied).

10. When May a Qualified Beneficiary's COBRA Continuation Coverage Be Terminated?

During the election period, a Qualified Beneficiary may waive COBRA continuation coverage. Except for an interruption of coverage in connection with a waiver, COBRA continuation coverage that has been elected for a Qualified Beneficiary must extend for at least the period beginning on the date of the Qualifying Event and ending not before the earliest of the following dates:

- (1) The last day of the applicable maximum coverage period.
- (2) The first day for which Timely Payment is not made to the Arrangement with respect to the Qualified Beneficiary.
- (3) The date upon which the Employer ceases to provide any group health plan (including a successor plan) to any employee.
- (4) The date, after the date of the election, that the Qualified Beneficiary first becomes covered under any other Plan that does not contain any exclusion or limitation with respect to any pre-existing condition, other than such an exclusion or limitation that does not apply to, or is satisfied by, the Qualified Beneficiary.
- (5) The date, after the date of the election that the Qualified Beneficiary first enrolls in the Medicare program (either part A or part B, whichever occurs earlier).
- (6) In the case of a Qualified Beneficiary entitled to a disability extension, the later of:
 - (a) (i) 29 months after the date of the Qualifying Event, or (ii) the first day of the month that is more than 30 days after the date of a final determination under Title II or XVI of the Social Security Act that the disabled Qualified Beneficiary whose disability resulted in the Qualified Beneficiary's entitlement to the disability extension is no longer disabled, whichever is earlier; or

- (b) the end of the maximum coverage period that applies to the Qualified Beneficiary without regard to the disability extension.

The Arrangement can terminate for cause the coverage of a Qualified Beneficiary on the same basis that the Arrangement terminates for cause the coverage of similarly situated non-COBRA beneficiaries, for example, for the submission of a fraudulent claim.

In the case of an individual who is not a Qualified Beneficiary and who is receiving coverage under the Arrangement solely because of the individual's relationship to a Qualified Beneficiary, if the Arrangement's obligation to make COBRA continuation coverage available to the Qualified Beneficiary ceases, the Arrangement is not obligated to make coverage available to the individual who is not a Qualified Beneficiary.

11. What Are the Maximum Coverage Periods for COBRA Continuation Coverage?

The maximum coverage periods are based on the type of the Qualifying Event and the status of the Qualified Beneficiary, as shown below.

- (1) In the case of a Qualifying Event that is a termination of employment or reduction of hours of employment, the maximum coverage period ends 18 months after the Qualifying Event if there is not a disability extension and 29 months after the Qualifying Event if there is a disability extension.
- (2) In the case of a covered Employee's enrollment in the Medicare program before experiencing a Qualifying Event that is a termination of employment or reduction of hours of employment, the maximum coverage period for Qualified Beneficiaries other than the covered Employee ends on the later of:
 - (a) 36 months after the date the covered Employee becomes enrolled in the Medicare program; or
 - (b) 18 months (or 29 months, if there is a disability extension) after the date of the covered Employee's termination of employment or reduction of hours of employment.
- (3) In the case of a Qualified Beneficiary who is a child born to or placed for adoption with a covered Employee during a period of COBRA continuation coverage, the maximum coverage period is the maximum coverage period applicable to the Qualifying Event giving rise to the period of COBRA continuation coverage during which the child was born or placed for adoption.
- (4) In the case of any other Qualifying Event than that described above, the maximum coverage period ends 36 months after the Qualifying Event.

12. Under What Circumstances Can the Maximum Coverage Period Be Expanded?

If a Qualifying Event that gives rise to an 18-month or 29-month maximum coverage period is followed, within that 18- or 29-month period, by a second Qualifying Event that gives rise to a 36-months maximum coverage period, the original period is expanded to 36-months, but only for individuals who are Qualified Beneficiaries at the time of and with respect to both Qualifying Events. In no circumstance can the COBRA maximum coverage period be expanded to more than 36-months after the date of the first Qualifying Event. The Plan Administrator must be notified of the second qualifying event within 60 days of the second qualifying event. This notice must be sent to the Plan Administrator or its designee and in accordance with the procedures above.

13. How Does a Qualified Beneficiary Become Entitled to a Disability Extension?

A disability extension will be granted if an individual (whether or not the covered Employee) who is a Qualified Beneficiary in connection with the Qualifying Event that is a termination or reduction of hours of a covered Employee's employment, is determined under Title II or XVI of the Social Security Act to have been disabled at any time during the first 60 days of COBRA continuation coverage. To qualify for the disability extension, the Qualified Beneficiary must also provide the Plan Administrator with notice of the disability determination on a date that is both within 60 days after the date of the determination and before the end of the original 18-month maximum coverage. This notice must be sent to the Plan Administrator or its designee and in accordance with the procedures above.

14. Does the Arrangement Require Payment for COBRA Continuation Coverage?

For any period of COBRA continuation coverage under the Arrangement, Qualified Beneficiaries who elect COBRA continuation coverage may be required to pay up to 102% of the applicable premium and up to 150% of the applicable premium for any expanded period of COBRA continuation coverage covering a disabled Qualified Beneficiary due to a disability extension. Your Plan Administrator will inform you of any costs. The Arrangement will terminate a Qualified Beneficiary's COBRA continuation coverage as of the first day of any period for which timely payment is not made.

15. Must the Arrangement Allow Payment for COBRA Continuation Coverage to Be Made in Monthly Installments?

Yes. The health coverage is also permitted to allow for payment at other intervals.

16. What is Timely Payment for Payment for COBRA Continuation Coverage?

Timely Payment means a payment made no later than 30 days after the first day of the coverage period. Payment that is made to the Arrangement by a later date is also considered Timely Payment if either under the terms of the Arrangement, covered employees or Qualified Beneficiaries are allowed until that later date to pay for their coverage for the period or under the terms of an arrangement between the Employer and the entity that provides benefits on the Employer's behalf, the Employer is allowed until that later date to pay for coverage of similarly situated non-COBRA beneficiaries for the period.

Notwithstanding the above paragraph, the Arrangement does not require payment for any period of COBRA continuation coverage for a Qualified Beneficiary earlier than 45 days after the date on which the election of COBRA continuation coverage is made for that Qualified Beneficiary. Payment is considered made on the date on which it is postmarked to those providing coverage.

If Timely Payment is made to the Arrangement in an amount that is not significantly less than the amount the Arrangement requires to be paid for a period of coverage, then the amount paid will be deemed to satisfy the Arrangement's requirement for the amount to be paid, unless the Arrangement notifies the Qualified Beneficiary of the amount of the deficiency and grants a reasonable period of time for payment of the deficiency to be made. A "reasonable period of time" is 30 days after the notice is provided. A shortfall in a Timely Payment is not significant if it is no greater than the lesser of \$50 or 10% of the required amount.

17. Must a Qualified Beneficiary Be Given the Right to Enroll in a Conversion Health Plan at the End of the Maximum Coverage Period for COBRA Continuation Coverage?

If a Qualified Beneficiary's COBRA continuation coverage under a group health plan ends as a result of the expiration of the applicable maximum coverage period, the Arrangement will, during the 180 day period that ends on that expiration date, provide the Qualified Beneficiary with the option of enrolling under a conversion health plan if such an option is otherwise generally available to similarly situated non-COBRA beneficiaries under the Arrangement. If such a conversion option is not otherwise generally available, it need not be made available to Qualified Beneficiaries.

IF YOU HAVE QUESTIONS

If you have questions about your COBRA continuation coverage, you should contact the Plan Administrator or its designee. For more information about your rights under ERISA, including COBRA, the Health Insurance Portability and Accountability Act (HIPAA), and other laws affecting group health plans, contact the nearest Regional or District Office of the U.S. Department of Labor's Employee Benefits Security Administration (EBSA). Addresses and phone numbers of Regional and District EBSA Offices are available through EBSA's Web site at www.dol.gov/ebsa.

KEEP YOUR PLAN ADMINISTRATOR INFORMED OF ADDRESS CHANGES

In order to protect your family's rights, you should keep the Plan Administrator informed of any changes in the addresses of family members. You should also keep a copy, for your records, of any notices you send to the Plan Administrator or its designee.

**CITY OF RIFLE
CAFETERIA PLAN**

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CITY OF RIFLE
CAFETERIA PLAN

INTRODUCTION

The Employer has amended this Plan effective July 1, 2011, to recognize the contribution made to the Employer by its Employees. Its purpose is to reward them by providing benefits for those Employees who shall qualify hereunder and their Dependents and beneficiaries. The concept of this Plan is to allow Employees to choose among different types of benefits based on their own particular goals, desires and needs. This Plan is a restatement of a Plan which was originally effective on January 1, 2002. The Plan shall be known as City of Rifle Cafeteria Plan (the "Plan").

The intention of the Employer is that the Plan qualify as a "Cafeteria Plan" within the meaning of Section 125 of the Internal Revenue Code of 1986, as amended, and that the benefits which an Employee elects to receive under the Plan be excludable from the Employee's income under Section 125(a) and other applicable sections of the Internal Revenue Code of 1986, as amended.

ARTICLE I
DEFINITIONS

1.1 **"Administrator"** means the Employer unless another person or entity has been designated by the Employer pursuant to Section 9.1 to administer the Plan on behalf of the Employer. If the Employer is the Administrator, the Employer may appoint any person,

including, but not limited to, the Employees of the Employer, to perform the duties of the Administrator. Any person so appointed shall signify acceptance by filing written acceptance with the Employer. Upon the resignation or removal of any individual performing the duties of the Administrator, the Employer may designate a successor.

1.2 **"Affiliated Employer"** means the Employer and any corporation which is a member of a controlled group of corporations (as defined in Code Section 414(b)) which includes the Employer; any trade or business (whether or not incorporated) which is under common control (as defined in Code Section 414(c)) with the Employer; any organization (whether or not incorporated) which is a member of an affiliated service group (as defined in Code Section 414(m)) which includes the Employer; and any other entity required to be aggregated with the Employer pursuant to Treasury regulations under Code Section 414(o).

1.3 **"Benefit"** or **"Benefit Options"** means any of the optional benefit choices available to a Participant as outlined in Section 4.1.

1.4 **"Cafeteria Plan Benefit Dollars"** means the amount available to Participants to purchase Benefit Options as provided under Section 4.1. Each dollar contributed to this Plan shall be converted into one Cafeteria Plan Benefit Dollar.

1.5 **"Code"** means the Internal Revenue Code of 1986, as amended or replaced from time to time.

1.6 **"Compensation"** means the amounts received by the Participant from the Employer during a Plan Year.

1.7 **"Dependent"** means any individual who qualifies as a dependent under Code Section 152 (as modified by Code Section 105(b)).

"Dependent" shall include any Child of a Participant who is covered under an Insurance Contract, as defined in the Contract, or under the Health Flexible Spending Account or as allowed by reason of the Affordable Care Act.

For purposes of the Health Flexible Spending Account, a Participant's "Child" includes his natural child, stepchild, foster child, adopted child, or a child placed with the Participant for adoption. A Participant's Child will be an eligible Dependent until reaching the limiting age of 26, without regard to student status, marital status, financial dependency or residency status with the Employee or any other person. When the child reaches the applicable limiting age, coverage will end at the end of the calendar year.

The phrase "placed for adoption" refers to a child whom the Participant intends to adopt, whether or not the adoption has become final, who has not attained the age of 18 as of the date of such placement for adoption. The term "placed" means the assumption and retention by such Employee of a legal obligation for total or partial support of the child in anticipation of adoption of the child. The child must be available for adoption and the legal process must have commenced.

1.8 **"Effective Date"** means January 1, 2002.

1.9 **"Election Period"** means the period immediately preceding the beginning of each Plan Year established by the Administrator, such period to be applied on a uniform and nondiscriminatory basis for all Employees and Participants. However, an Employee's initial Election Period shall be determined pursuant to Section 5.1.

1.10 **"Eligible Employee"** means any Employee who has satisfied the provisions of Section 2.1.

An individual shall not be an "Eligible Employee" if such individual is not reported on the payroll records of the Employer as a common law employee. In particular, it is expressly intended that individuals not treated as common law employees by the Employer on its payroll records are not "Eligible Employees" and are excluded from Plan participation even if a court or administrative agency determines that such individuals are common law employees and not independent contractors.

1.11 **"Employee"** means any person who is employed by the Employer. The term Employee shall include leased employees within the meaning of Code Section 414(n)(2).

1.12 **"Employer"** means City of Rifle and any successor which shall maintain this Plan; and any predecessor which has maintained this Plan. In addition, where appropriate, the term Employer shall include any Participating, Affiliated or Adopting Employer.

1.13 **"Grace Period"** means, with respect to any Plan Year, the 45 day period after the end of such Plan Year, during which Medical Expenses and Employment-Related Dependent Care Expenses incurred by a Participant will be deemed to have been incurred during such Plan Year.

1.14 **"Key Employee"** means an Employee described in Code Section 416(i)(1) and the Treasury regulations thereunder.

1.15 **"Participant"** means any Eligible Employee who elects to become a Participant pursuant to Section 2.3 and has not for any reason become ineligible to participate further in the Plan.

1.16 **"Plan"** means this instrument, including all amendments thereto.

1.17 **"Plan Year"** means the 12-month period beginning January 1 and ending December 31. The Plan Year shall be the coverage period for the Benefits provided for under this Plan. In the event a Participant commences participation during a Plan Year, then the initial coverage period shall be that portion of the Plan Year commencing on such Participant's date of entry and ending on the last day of such Plan Year.

1.18 **"Salary Redirection"** means the contributions made by the Employer on behalf of Participants pursuant to Section 3.1. These contributions shall be converted to Cafeteria Plan Benefit Dollars and allocated to the funds or accounts established under the Plan pursuant to the Participants' elections made under Article V.

1.19 **"Salary Redirection Agreement"** means an agreement between the Participant and the Employer under which the Participant agrees to reduce his Compensation or to forego all or part of the increases in such Compensation and to have such amounts contributed by the Employer to the Plan on the Participant's behalf. The Salary Redirection Agreement shall apply

only to Compensation that has not been actually or constructively received by the Participant as of the date of the agreement (after taking this Plan and Code Section 125 into account) and, subsequently does not become currently available to the Participant.

1.20 **"Spouse"** means the "spouse," as defined under Federal law, of a Participant, unless legally separated by court decree.

ARTICLE II

PARTICIPATION

2.1 ELIGIBILITY

Any Eligible Employee shall be eligible to participate hereunder as of the date he satisfies the eligibility conditions for the Employer's group medical plan, the provisions of which are specifically incorporated herein by reference. Regardless of the preceding, an Eligible Employee shall be eligible to participate hereunder with respect to the Health Flexible Spending Account 0 day(s) after his initial date of employment with the Employer. However, any Eligible Employee who was a Participant in the Plan on the effective date of this amendment shall continue to be eligible to participate in the Plan.

2.2 EFFECTIVE DATE OF PARTICIPATION

An Eligible Employee shall become a Participant effective as of the first day of the month coinciding with or next following the date on which he met the eligibility requirements of Section 2.1.

2.3 APPLICATION TO PARTICIPATE

An Employee who is eligible to participate in this Plan shall, during the applicable Election Period, complete an application to participate in a manner set forth by the Administrator. The election shall be irrevocable until the end of the applicable Plan Year unless the Participant is entitled to change his Benefit elections pursuant to Section 5.4 hereof.

An Eligible Employee shall also be required to complete a Salary Redirection Agreement during the Election Period for the Plan Year during which he wishes to participate in this Plan. Any such Salary Redirection Agreement shall be effective for the first pay period beginning on or after the Employee's effective date of participation pursuant to Section 2.2.

2.4 TERMINATION OF PARTICIPATION

A Participant shall no longer participate in this Plan upon the occurrence of any of the following events:

(a) **Termination of employment.** The Participant's termination of employment, subject to the provisions of Section 2.5;

(b) **Death.** The Participant's death, subject to the provisions of Section 2.6; or

(c) **Termination of the plan.** The termination of this Plan, subject to the provisions of Section 10.2.

2.5 TERMINATION OF EMPLOYMENT

If a Participant's employment with the Employer is terminated for any reason other than death, his participation in the Benefit Options provided under Section 4.1 shall be governed in accordance with the following:

(a) **Dependent Care FSA.** With regard to the Dependent Care Flexible Spending Account, the Participant's participation in the Plan shall cease and no further Salary Redirection contributions shall be made. However, such Participant may submit claims for employment related Dependent Care Expense reimbursements for claims incurred up to the date of termination and submitted within 30 days after termination, based on the level of the Participant's Dependent Care Flexible Spending Account as of the date of termination.

(b) **COBRA applicability.** With regard to the Health Flexible Spending Account, the Participant may submit claims for expenses that were incurred during the portion of the Plan Year before the end of the period for which payments to the Health Flexible Spending Account have already been made. Thereafter, the health benefits under this Plan including the Health Flexible Spending Account shall be applied and administered consistent with such further rights a Participant and his Dependents may be entitled to pursuant to Code Section 4980B and Section 11.13 of the Plan.

2.6 DEATH

If a Participant dies, his participation in the Plan shall cease. However, such Participant's spouse or Dependents may submit claims for expenses or benefits for the remainder of the Plan Year or until the Cafeteria Plan Benefit Dollars allocated to each specific benefit are exhausted. In no event may reimbursements be paid to someone who is not a spouse or Dependent. If the Plan is subject to the provisions of Code Section 4980B, then those provisions and related regulations shall apply for purposes of the Health Flexible Spending Account.

ARTICLE III

CONTRIBUTIONS TO THE PLAN

3.1 SALARY REDIRECTION

Benefits under the Plan shall be financed by Salary Redirections sufficient to support Benefits that a Participant has elected hereunder. The salary administration program of the Employer shall be revised to allow each Participant to agree to reduce his pay during a Plan Year by an amount determined necessary to purchase the elected Benefit Options. The amount of such Salary Redirection shall be specified in the Salary Redirection Agreement and shall be applicable for a Plan Year. Notwithstanding the above, for new Participants, the Salary Redirection Agreement shall only be applicable from the first day of the pay period following the Employee's entry date up to and including the last day of the Plan Year. These contributions shall be converted to Cafeteria Plan Benefit Dollars and allocated to the funds or accounts established under the Plan pursuant to the Participants' elections made under Article V.

Any Salary Redirection shall be determined prior to the beginning of a Plan Year (subject to initial elections pursuant to Section 5.1) and prior to the end of the Election Period and shall be irrevocable for such Plan Year. However, a Participant may revoke a Benefit election or a Salary Redirection Agreement after the Plan Year has commenced and make a new election with respect to the remainder of the Plan Year, if both the revocation and the new election are on account of and consistent with a change in status and such other permitted events as determined under Article V of the Plan and consistent with the rules and regulations of the Department of the Treasury. Salary Redirection amounts shall be contributed on a pro rata basis for each pay period during the Plan Year. All individual Salary Redirection Agreements are deemed to be part of this Plan and incorporated by reference hereunder.

3.2 APPLICATION OF CONTRIBUTIONS

As soon as reasonably practical after each payroll period, the Employer shall apply the Salary Redirection to provide the Benefits elected by the affected Participants. Any contribution made or withheld for the Health Flexible Spending Account or Dependent Care Flexible Spending Account shall be credited to such fund or account.

3.3 PERIODIC CONTRIBUTIONS

Notwithstanding the requirement provided above and in other Articles of this Plan that Salary Redirections be contributed to the Plan by the Employer on behalf of an Employee on a level and pro rata basis for each payroll period, the Employer and Administrator may implement a procedure in which Salary Redirections are contributed throughout the Plan Year on a periodic basis that is not pro rata for each payroll period. However, with regard to the Health Flexible Spending Account, the payment schedule for the required contributions may not be based on the rate or amount of reimbursements during the Plan Year.

ARTICLE IV BENEFITS

4.1 BENEFIT OPTIONS

Each Participant may elect any one or more of the following optional Benefits:

- (1) Health Flexible Spending Account
- (2) Dependent Care Flexible Spending Account
- (3) Health Savings Account Benefit

4.2 HEALTH FLEXIBLE SPENDING ACCOUNT BENEFIT

Each Participant may elect to participate in the Health Flexible Spending Account option, in which case Article VI shall apply.

4.3 DEPENDENT CARE FLEXIBLE SPENDING ACCOUNT BENEFIT

Each Participant may elect to participate in the Dependent Care Flexible Spending Account option, in which case Article VII shall apply.

4.4 HEALTH SAVINGS ACCOUNT BENEFIT

Each Participant may elect to have a portion of his Salary Redirections contributed to a Health Savings Account, as defined in Code Section 223. The amounts contributed shall be subject to the terms of the Health Savings Account as established.

4.5 NONDISCRIMINATION REQUIREMENTS

(a) **Intent to be nondiscriminatory.** It is the intent of this Plan to provide benefits to a classification of employees which the Secretary of the Treasury finds not to be discriminatory in favor of the group in whose favor discrimination may not occur under Code Section 125.

(b) **25% concentration test.** It is the intent of this Plan not to provide qualified benefits as defined under Code Section 125 to Key Employees in

amounts that exceed 25% of the aggregate of such Benefits provided for all Eligible Employees under the Plan. For purposes of the preceding sentence, qualified benefits shall not include benefits which (without regard to this paragraph) are includible in gross income.

(c) **Adjustment to avoid test failure.** If the Administrator deems it necessary to avoid discrimination or possible taxation to Key Employees or a group of employees in whose favor discrimination may not occur in violation of Code Section 125, it may, but shall not be required to, reject any election or reduce contributions or non-taxable Benefits in order to assure compliance with this Section. Any act taken by the Administrator under this Section shall be carried out in a uniform and nondiscriminatory manner. If the Administrator decides to reject any election or reduce contributions or non-taxable Benefits, it shall be done in the following manner. First, the non-taxable Benefits of the affected Participant (either an employee who is highly compensated or a Key Employee, whichever is applicable) who has the highest amount of non-taxable Benefits for the Plan Year shall have his non-taxable Benefits reduced until the discrimination tests set forth in this Section are satisfied or until the amount of his non-taxable Benefits equals the non-taxable Benefits of the affected Participant who has the second highest amount of non-taxable Benefits. This process shall continue until the nondiscrimination tests set forth in this Section are satisfied. With respect to any affected Participant who has had Benefits reduced pursuant to this Section, the reduction shall be made proportionately among Health Flexible Spending Account Benefits and Dependent Care Flexible Spending Account Benefits. Contributions which are not utilized to provide Benefits to any

Participant by virtue of any administrative act under this paragraph shall be forfeited and deposited into the benefit plan surplus.

ARTICLE V
PARTICIPANT ELECTIONS

5.1 INITIAL ELECTIONS

An Employee who meets the eligibility requirements of Section 2.1 on the first day of, or during, a Plan Year may elect to participate in this Plan for all or the remainder of such Plan Year, provided he elects to do so on or before his effective date of participation pursuant to Section 2.2.

5.2 SUBSEQUENT ANNUAL ELECTIONS

During the Election Period prior to each subsequent Plan Year, each Participant shall be given the opportunity to elect, on an election of benefits form to be provided by the Administrator, which Benefit options he wishes to select. Any such election shall be effective for any Benefit expenses incurred during the Plan Year which follows the end of the Election Period. With regard to subsequent annual elections, the following options shall apply:

- (a) A Participant or Employee who failed to initially elect to participate may elect different or new Benefits under the Plan during the Election Period;

(b) A Participant may terminate his participation in the Plan by notifying the Administrator in writing during the Election Period that he does not want to participate in the Plan for the next Plan Year, or by not electing any Benefit options;

(c) An Employee who elects not to participate for the Plan Year following the Election Period will have to wait until the next Election Period before again electing to participate in the Plan, except as provided for in Section 5.4.

5.3 FAILURE TO ELECT

Any Participant failing to complete an election of benefits form pursuant to Section 5.2 by the end of the applicable Election Period shall be deemed to have elected not to participate in the Plan for the upcoming Plan Year. No further Salary Redirections shall therefore be authorized for such subsequent Plan Year.

5.4 CHANGE IN STATUS

(a) **Change in status defined.** Any Participant may change a Benefit election after the Plan Year (to which such election relates) has commenced and make new elections with respect to the remainder of such Plan Year if, under the facts and circumstances, the changes are necessitated by and are consistent with a change in status which is acceptable under rules and regulations adopted by the Department of the Treasury, the provisions of which are incorporated by reference.

Notwithstanding anything herein to the contrary, if the rules and regulations conflict, then such rules and regulations shall control.

Regardless of the consistency requirement, if the individual, the individual's Spouse, or Dependent becomes eligible for continuation coverage under the Employer's group health plan as provided in Code Section 4980B or any similar state law, then the individual may elect to increase payments under this Plan in order to pay for the continuation coverage. However, this does not apply for COBRA eligibility due to divorce, annulment or legal separation.

Any new election shall be effective at such time as the Administrator shall prescribe, but not earlier than the first pay period beginning after the election form is completed and returned to the Administrator. For the purposes of this subsection, a change in status shall only include the following events or other events permitted by Treasury regulations:

- (1) Legal Marital Status: events that change a Participant's legal marital status, including marriage, divorce, death of a Spouse, legal separation or annulment;
- (2) Number of Dependents: Events that change a Participant's number of Dependents, including birth, adoption, placement for adoption, or death of a Dependent;

(3) Employment Status: Any of the following events that change the employment status of the Participant, Spouse, or Dependent: termination or commencement of employment, a strike or lockout, commencement or return from an unpaid leave of absence, or a change in worksite. In addition, if the eligibility conditions of this Plan or other employee benefit plan of the Employer of the Participant, Spouse, or Dependent depend on the employment status of that individual and there is a change in that individual's employment status with the consequence that the individual becomes (or ceases to be) eligible under the plan, then that change constitutes a change in employment under this subsection;

(4) Dependent satisfies or ceases to satisfy the eligibility requirements: An event that causes the Participant's Dependent to satisfy or cease to satisfy the requirements for coverage due to attainment of age, student status, or any similar circumstance; and

(5) Residency: A change in the place of residence of the Participant, Spouse or Dependent, that would lead to a change in status (such as a loss of HMO coverage).

For the Dependent Care Flexible Spending Account, a Dependent becoming or ceasing to be a "Qualifying Dependent" as defined under Code Section 21(b) shall also qualify as a change in status.

Notwithstanding anything in this Section to the contrary, the gain of eligibility or change in eligibility of a child, as allowed under Code Sections 105(b) and 106, and IRS Notice 2010-38, shall qualify as a change in status.

(b) **Special enrollment rights.** Notwithstanding subsection (a), the Participants may change an election for accident or health coverage during a Plan Year and make a new election that corresponds with the special enrollment rights provided in Code Section 9801(f), including those authorized under the provisions of the Children's Health Insurance Program Reauthorization Act of 2009 (SCHIP); provided that such Participant meets the sixty (60) day notice requirement imposed by Code Section 9801(f) (or such longer period as may be permitted by the Plan and communicated to Participants). Such change shall take place on a prospective basis, unless otherwise required by Code Section 9801(f) to be retroactive.

(c) **Qualified Medical Support Order.** Notwithstanding subsection (a), in the event of a judgment, decree, or order (including approval of a property settlement) ("order") resulting from a divorce, legal separation, annulment, or change in legal custody which requires accident or health coverage for a Participant's child (including a foster child who is a Dependent of the Participant):

(1) The Plan may change an election to provide coverage for the child if the order requires coverage under the Participant's plan; or

(2) The Participant shall be permitted to change an election to cancel coverage for the child if the order requires the former Spouse to provide coverage for such child, under that individual's plan and such coverage is actually provided.

(d) **Medicare or Medicaid.** Notwithstanding subsection (a), a Participant may change elections to cancel accident or health coverage for the Participant or the Participant's Spouse or Dependent if the Participant or the Participant's Spouse or Dependent is enrolled in the accident or health coverage of the Employer and becomes entitled to coverage (i.e., enrolled) under Part A or Part B of the Title XVIII of the Social Security Act (Medicare) or Title XIX of the Social Security Act (Medicaid), other than coverage consisting solely of benefits under Section 1928 of the Social Security Act (the program for distribution of pediatric vaccines). If the Participant or the Participant's Spouse or Dependent who has been entitled to Medicaid or Medicare coverage loses eligibility, that individual may prospectively elect coverage under the Plan if a benefit package option under the Plan provides similar coverage.

(e) **Addition of a new benefit.** If, during the period of coverage, a new benefit package option or other coverage option is added, an existing benefit package option is significantly improved, or an existing benefit package option or other coverage option is eliminated, then the affected Participants may elect the newly-added option, or elect another option if an option has been eliminated prospectively and make corresponding election changes with respect to other benefit package options providing similar coverage. In addition, those Eligible

Employees who are not participating in the Plan may opt to become Participants and elect the new or newly improved benefit package option.

(f) **Loss of coverage under certain other plans.** A Participant may make a prospective election change to add group health coverage for the Participant, the Participant's Spouse or Dependent if such individual loses group health coverage sponsored by a governmental or educational institution, including a state children's health insurance program under the Social Security Act, the Indian Health Service or a health program offered by an Indian tribal government, a state health benefits risk pool, or a foreign government group health plan.

(g) **Change in dependent care provider.** A Participant may make a prospective election change that is on account of and corresponds with a change by the Participant in the dependent care provider. The availability of dependent care services from a new childcare provider is similar to a new benefit package option becoming available. A cost change is allowable in the Dependent Care Flexible Spending Account only if the cost change is imposed by a dependent care provider who is not related to the Participant, as defined in Code Section 152(a)(1) through (8).

(h) **Health FSA cannot change due to insurance change.** A Participant shall not be permitted to change an election to the Health Flexible Spending Account as a result of a cost or coverage change under any health insurance benefits.

(i) **Health Savings Account changes.** With regard to the Health Savings Account Benefit specified in Section 4.4, a Participant who has elected to make elective contributions under such arrangement may modify or revoke the election prospectively, provided such change is consistent with Code Section 223 and the Treasury regulations thereunder.

ARTICLE VI

HEALTH FLEXIBLE SPENDING ACCOUNT

6.1 ESTABLISHMENT OF PLAN

This Health Flexible Spending Account is intended to qualify as a medical reimbursement plan under Code Section 105 and shall be interpreted in a manner consistent with such Code Section and the Treasury regulations thereunder. Participants who elect to participate in this Health Flexible Spending Account may submit claims for the reimbursement of Medical Expenses. All amounts reimbursed shall be periodically paid from amounts allocated to the Health Flexible Spending Account. Periodic payments reimbursing Participants from the Health Flexible Spending Account shall in no event occur less frequently than monthly.

6.2 DEFINITIONS

For the purposes of this Article and the Cafeteria Plan, the terms below have the following meaning:

(a) **"Health Flexible Spending Account"** means the account established for Participants pursuant to this Plan to which part of their Cafeteria Plan Benefit Dollars may be allocated and from which all allowable Medical Expenses incurred by a Participant, his or her Spouse and his or her Dependents may be reimbursed.

(b) **"Highly Compensated Participant"** means, for the purposes of this Article and determining discrimination under Code Section 105(h), a participant who is:

- (1) one of the 5 highest paid officers;
- (2) a shareholder who owns (or is considered to own applying the rules of Code Section 318) more than 10 percent in value of the stock of the Employer; or
- (3) among the highest paid 25 percent of all Employees (other than exclusions permitted by Code Section 105(h)(3)(B) for those individuals who are not Participants).

(c) **"Medical Expenses"** means any expense for medical care within the meaning of the term "medical care" as defined in Code Section 213(d) and the rulings and Treasury regulations thereunder, and not otherwise used by the Participant as a deduction in determining his tax liability under the Code. "Medical Expenses" can be incurred by the Participant, his or her Spouse and his or her Dependents. "Incurred" means, with regard to Medical Expenses, when the Participant is provided with the medical care that gives rise to the Medical Expense and not when the Participant is formally billed or charged for, or pays for, the medical care.

A Participant who contributes to a Health Savings Account may only be reimbursed for medical expenses that are considered to be for dental, vision or preventive care expenses as allowed under Code Section 223.

Effective January 1, 2011, a Participant may not be reimbursed for the cost of any medicine or drug that is not "prescribed" within the meaning of Code Section 106(f) or is not insulin.

A Participant may not be reimbursed for the cost of other health coverage such as premiums paid under plans maintained by the employer of the Participant's Spouse or individual policies maintained by the Participant or his Spouse or Dependent.

A Participant may not be reimbursed for "qualified long-term care services" as defined in Code Section 7702B(c).

(d) The definitions of Article I are hereby incorporated by reference to the extent necessary to interpret and apply the provisions of this Health Flexible Spending Account.

6.3 FORFEITURES

The amount in the Health Flexible Spending Account as of the end of any Plan Year (and after the processing of all claims for such Plan Year pursuant to Section 6.7 hereof) shall be forfeited and credited to the benefit plan surplus. In such event, the Participant shall have no further claim to such amount for any reason, subject to Section 8.2.

6.4 LIMITATION ON ALLOCATIONS

Notwithstanding any provision contained in this Health Flexible Spending Account to the contrary, the maximum amount that may be allocated to the Health Flexible Spending Account by a Participant in or on account of any Plan Year is \$3,000.

6.5 NONDISCRIMINATION REQUIREMENTS

(a) **Intent to be nondiscriminatory.** It is the intent of this Health Flexible Spending Account not to discriminate in violation of the Code and the Treasury regulations thereunder.

(b) **Adjustment to avoid test failure.** If the Administrator deems it necessary to avoid discrimination under this Health Flexible Spending Account, it may, but shall not be required to, reject any elections or reduce contributions or Benefits in order to assure compliance with this Section. Any act taken by the Administrator under this Section shall be carried out in a uniform and nondiscriminatory manner. If the Administrator decides to reject any elections or reduce contributions or Benefits, it shall be done in the following manner. First, the Benefits designated for the Health Flexible Spending Account by the member of the group in whose favor discrimination may not occur pursuant to Code Section 105 that elected to contribute the highest amount to the fund for the Plan Year shall be reduced until the nondiscrimination tests set forth in this Section or the Code are satisfied, or until the amount designated for the fund equals the amount designated for the fund by the next member of the group in whose favor discrimination may not occur pursuant to Code Section 105 who has elected the second highest contribution to the Health Flexible Spending Account for the Plan Year. This process shall continue until the nondiscrimination tests set forth in this Section or the Code are satisfied. Contributions which are not utilized to provide Benefits to any Participant by virtue of any administrative act under this paragraph shall be forfeited and credited to the benefit plan surplus.

6.6 COORDINATION WITH CAFETERIA PLAN

All Participants under the Cafeteria Plan are eligible to receive Benefits under this Health Flexible Spending Account. The enrollment under the Cafeteria Plan shall constitute enrollment under this Health Flexible Spending Account. In addition, other matters concerning contributions, elections and the like shall be governed by the general provisions of the Cafeteria Plan.

6.7 HEALTH FLEXIBLE SPENDING ACCOUNT CLAIMS

(a) **Expenses must be incurred during Plan Year.** All Medical Expenses incurred by a Participant, his or her Spouse and his or her Dependents during the Plan Year including the Grace Period shall be reimbursed during the Plan Year subject to Section 2.5, even though the submission of such a claim occurs after his participation hereunder ceases; but provided that the Medical Expenses were incurred during the applicable Plan Year. Medical Expenses are treated as having been incurred when the Participant is provided with the medical care that gives rise to the medical expenses, not when the Participant is formally billed or charged for, or pays for the medical care.

(b) **Reimbursement available throughout Plan Year.** The Administrator shall direct the reimbursement to each eligible Participant for all allowable Medical Expenses, up to a maximum of the amount designated by the Participant for the Health Flexible Spending Account for the Plan Year. Reimbursements shall be made available to the Participant throughout the year

without regard to the level of Cafeteria Plan Benefit Dollars which have been allocated to the fund at any given point in time. Furthermore, a Participant shall be entitled to reimbursements only for amounts in excess of any payments or other reimbursements under any health care plan covering the Participant and/or his Spouse or Dependents.

(c) **Payments.** Reimbursement payments under this Plan shall be made directly to the Participant. However, in the Administrator's discretion, payments may be made directly to the service provider. The application for payment or reimbursement shall be made to the Administrator on an acceptable form within a reasonable time of incurring the debt or paying for the service. The application shall include a written statement from an independent third party stating that the Medical Expense has been incurred and the amount of such expense. Furthermore, the Participant shall provide a written statement that the Medical Expense has not been reimbursed or is not reimbursable under any other health plan coverage and, if reimbursed from the Health Flexible Spending Account, such amount will not be claimed as a tax deduction. The Administrator shall retain a file of all such applications.

(d) **Grace Period.** Notwithstanding anything in this Section to the contrary, Medical Expenses incurred during the Grace Period, up to the remaining account balance, shall also be deemed to have been incurred during the Plan Year to which the Grace Period relates.

(e) **Claims for reimbursement.** Claims for the reimbursement of Medical Expenses incurred in any Plan Year shall be paid as soon after a claim has been filed as is administratively practicable; provided however, that if a Participant fails to submit a claim within 30 days after the end of the Grace Period, those Medical Expense claims shall not be considered for reimbursement by the Administrator. Non-prescription drug costs incurred during the Grace Period related to the 2010 Plan Year shall not be reimbursed. However, if a Participant terminates employment during the Plan Year, claims for the reimbursement of Medical Expenses must be submitted within 30 days after termination of employment.

6.8 DEBIT AND CREDIT CARDS

Participants may, subject to a procedure established by the Administrator and applied in a uniform nondiscriminatory manner, use debit and/or credit (stored value) cards ("cards") provided by the Administrator and the Plan for payment of Medical Expenses, subject to the following terms:

(a) **Card only for medical expenses.** Each Participant issued a card shall certify that such card shall only be used for Medical Expenses. The Participant shall also certify that any Medical Expense paid with the card has not already been reimbursed by any other plan covering health benefits and that the Participant will not seek reimbursement from any other plan covering health benefits.

(b) **Card issuance.** Such card shall be issued upon the Participant's Effective Date of Participation and reissued for each Plan Year the Participant remains a Participant in the Health Flexible Spending Account. Such card shall be automatically cancelled upon the Participant's death or termination of employment, or if such Participant has a change in status that results in the Participant's withdrawal from the Health Flexible Spending Account.

(c) **Maximum dollar amount available.** The dollar amount of coverage available on the card shall be the amount elected by the Participant for the Plan Year. The maximum dollar amount of coverage available shall be the maximum amount for the Plan Year as set forth in Section 6.4.

(d) **Only available for use with certain service providers.** The cards shall only be accepted by such merchants and service providers as have been approved by the Administrator.

(e) **Card use.** The cards shall only be used for Medical Expense purchases at these providers, including, but not limited to, the following:

(1) Co-payments for doctor and other medical care;

(2) Purchase of drugs prescribed by a health care provider, including, if permitted by the Administrator, over-the-counter medications as allowed under IRS regulations;

(3) Purchase of medical items such as eyeglasses, syringes, crutches, etc.

(f) **Substantiation.** Such purchases by the cards shall be subject to substantiation by the Administrator, usually by submission of a receipt from a service provider describing the service, the date and the amount. The Administrator shall also follow the requirements set forth in Revenue Ruling 2003-43 and Notice 2006-69. All charges shall be conditional pending confirmation and substantiation.

(g) **Correction methods.** If such purchase is later determined by the Administrator to not qualify as a Medical Expense, the Administrator, in its discretion, shall use one of the following correction methods to make the Plan whole. Until the amount is repaid, the Administrator shall take further action to ensure that further violations of the terms of the card do not occur, up to and including denial of access to the card.

(1) Repayment of the improper amount by the Participant;

(2) Withholding the improper payment from the Participant's wages or other compensation to the extent consistent with applicable federal or state law;

(3) Claims substitution or offset of future claims until the amount is repaid; and

(4) if subsections (1) through (3) fail to recover the amount, consistent with the Employer's business practices, the Employer may treat the amount as any other business indebtedness.

ARTICLE VII

DEPENDENT CARE FLEXIBLE SPENDING ACCOUNT

7.1 ESTABLISHMENT OF ACCOUNT

This Dependent Care Flexible Spending Account is intended to qualify as a program under Code Section 129 and shall be interpreted in a manner consistent with such Code Section. Participants who elect to participate in this program may submit claims for the reimbursement of Employment-Related Dependent Care Expenses. All amounts reimbursed shall be paid from amounts allocated to the Participant's Dependent Care Flexible Spending Account.

7.2 DEFINITIONS

For the purposes of this Article and the Cafeteria Plan the terms below shall have the following meaning:

(a) **"Dependent Care Flexible Spending Account"** means the account established for a Participant pursuant to this Article to which part of his Cafeteria Plan Benefit Dollars may be allocated and from which

Employment-Related Dependent Care Expenses of the Participant may be reimbursed for the care of the Qualifying Dependents of Participants.

(b) **"Earned Income"** means earned income as defined under Code Section 32(c)(2), but excluding such amounts paid or incurred by the Employer for dependent care assistance to the Participant.

(c) **"Employment-Related Dependent Care Expenses"** means the amounts paid for expenses of a Participant for those services which if paid by the Participant would be considered employment related expenses under Code Section 21(b)(2). Generally, they shall include expenses for household services and for the care of a Qualifying Dependent, to the extent that such expenses are incurred to enable the Participant to be gainfully employed for any period for which there are one or more Qualifying Dependents with respect to such Participant. Employment-Related Dependent Care Expenses are treated as having been incurred when the Participant's Qualifying Dependents are provided with the dependent care that gives rise to the Employment-Related Dependent Care Expenses, not when the Participant is formally billed or charged for, or pays for the dependent care. The determination of whether an amount qualifies as an Employment-Related Dependent Care Expense shall be made subject to the following rules:

(1) If such amounts are paid for expenses incurred outside the Participant's household, they shall constitute Employment-Related Dependent Care Expenses only if incurred for a Qualifying Dependent as

defined in Section 7.2(d)(1) (or deemed to be, as described in Section 7.2(d)(1) pursuant to Section 7.2(d)(3)), or for a Qualifying Dependent as defined in Section 7.2(d)(2) (or deemed to be, as described in Section 7.2(d)(2) pursuant to Section 7.2(d)(3)) who regularly spends at least 8 hours per day in the Participant's household;

(2) If the expense is incurred outside the Participant's home at a facility that provides care for a fee, payment, or grant for more than 6 individuals who do not regularly reside at the facility, the facility must comply with all applicable state and local laws and regulations, including licensing requirements, if any; and

(3) Employment-Related Dependent Care Expenses of a Participant shall not include amounts paid or incurred to a child of such Participant who is under the age of 19 or to an individual who is a Dependent of such Participant or such Participant's Spouse.

(d) **"Qualifying Dependent"** means, for Dependent Care Flexible Spending Account purposes,

(1) a Participant's Dependent (as defined in Code Section 152(a)(1)) who has not attained age 13;

(2) a Dependent or the Spouse of a Participant who is physically or mentally incapable of caring for himself or herself and has the same

principal place of abode as the Participant for more than one-half of such taxable year; or

(3) a child that is deemed to be a Qualifying Dependent described in paragraph (1) or (2) above, whichever is appropriate, pursuant to Code Section 21(e)(5).

(e) The definitions of Article I are hereby incorporated by reference to the extent necessary to interpret and apply the provisions of this Dependent Care Flexible Spending Account.

7.3 DEPENDENT CARE FLEXIBLE SPENDING ACCOUNTS

The Administrator shall establish a Dependent Care Flexible Spending Account for each Participant who elects to apply Cafeteria Plan Benefit Dollars to Dependent Care Flexible Spending Account benefits.

7.4 INCREASES IN DEPENDENT CARE FLEXIBLE SPENDING ACCOUNTS

A Participant's Dependent Care Flexible Spending Account shall be increased each pay period by the portion of Cafeteria Plan Benefit Dollars that he has elected to apply toward his Dependent Care Flexible Spending Account pursuant to elections made under Article V hereof.

7.5 DECREASES IN DEPENDENT CARE FLEXIBLE SPENDING ACCOUNTS

A Participant's Dependent Care Flexible Spending Account shall be reduced by the amount of any Employment-Related Dependent Care Expense reimbursements paid or incurred on behalf of a Participant pursuant to Section 7.12 hereof.

7.6 ALLOWABLE DEPENDENT CARE REIMBURSEMENT

Subject to limitations contained in Section 7.9 of this Program, and to the extent of the amount contained in the Participant's Dependent Care Flexible Spending Account, a Participant who incurs Employment-Related Dependent Care Expenses shall be entitled to receive from the Employer full reimbursement for the entire amount of such expenses incurred during the Plan Year or portion thereof during which he is a Participant.

7.7 ANNUAL STATEMENT OF BENEFITS

On or before January 31st of each calendar year, the Employer shall furnish to each Employee who was a Participant and received benefits under Section 7.6 during the prior calendar year, a statement of all such benefits paid to or on behalf of such Participant during the prior calendar year. This statement is set forth on the Participant's Form W-2.

7.8 FORFEITURES

The amount in a Participant's Dependent Care Flexible Spending Account as of the end of any Plan Year (and after the processing of all claims for such Plan Year pursuant to

Section 7.12 hereof) shall be forfeited and credited to the benefit plan surplus. In such event, the Participant shall have no further claim to such amount for any reason.

7.9 LIMITATION ON PAYMENTS

(a) **Code limits.** Notwithstanding any provision contained in this Article to the contrary, amounts paid from a Participant's Dependent Care Flexible Spending Account in or on account of any taxable year of the Participant shall not exceed the lesser of the Earned Income limitation described in Code Section 129(b) or \$5,000 (\$2,500 if a separate tax return is filed by a Participant who is married as determined under the rules of paragraphs (3) and (4) of Code Section 21(e)).

7.10 NONDISCRIMINATION REQUIREMENTS

(a) **Intent to be nondiscriminatory.** It is the intent of this Dependent Care Flexible Spending Account that contributions or benefits not discriminate in favor of the group of employees in whose favor discrimination may not occur under Code Section 129(d).

(b) **25% test for shareholders.** It is the intent of this Dependent Care Flexible Spending Account that not more than 25 percent of the amounts paid by the Employer for dependent care assistance during the Plan Year will be provided for the class of individuals who are shareholders or owners (or their Spouses or

Dependents), each of whom (on any day of the Plan Year) owns more than 5 percent of the stock or of the capital or profits interest in the Employer.

(c) **Adjustment to avoid test failure.** If the Administrator deems it necessary to avoid discrimination or possible taxation to a group of employees in whose favor discrimination may not occur in violation of Code Section 129 it may, but shall not be required to, reject any elections or reduce contributions or non-taxable benefits in order to assure compliance with this Section. Any act taken by the Administrator under this Section shall be carried out in a uniform and nondiscriminatory manner. If the Administrator decides to reject any elections or reduce contributions or Benefits, it shall be done in the following manner. First, the Benefits designated for the Dependent Care Flexible Spending Account by the affected Participant that elected to contribute the highest amount to such account for the Plan Year shall be reduced until the nondiscrimination tests set forth in this Section are satisfied, or until the amount designated for the account equals the amount designated for the account of the affected Participant who has elected the second highest contribution to the Dependent Care Flexible Spending Account for the Plan Year. This process shall continue until the nondiscrimination tests set forth in this Section are satisfied. Contributions which are not utilized to provide Benefits to any Participant by virtue of any administrative act under this paragraph shall be forfeited.

7.11 COORDINATION WITH CAFETERIA PLAN

All Participants under the Cafeteria Plan are eligible to receive Benefits under this Dependent Care Flexible Spending Account. The enrollment and termination of participation under the Cafeteria Plan shall constitute enrollment and termination of participation under this Dependent Care Flexible Spending Account. In addition, other matters concerning contributions, elections and the like shall be governed by the general provisions of the Cafeteria Plan.

7.12 DEPENDENT CARE FLEXIBLE SPENDING ACCOUNT CLAIMS

The Administrator shall direct the payment of all such Dependent Care claims to the Participant upon the presentation to the Administrator of documentation of such expenses in a form satisfactory to the Administrator. However, in the Administrator's discretion, payments may be made directly to the service provider. In its discretion in administering the Plan, the Administrator may utilize forms and require documentation of costs as may be necessary to verify the claims submitted. At a minimum, the form shall include a statement from an independent third party as proof that the expense has been incurred during the Plan Year including the Grace Period and the amount of such expense. In addition, the Administrator may require that each Participant who desires to receive reimbursement under this Program for Employment-Related Dependent Care Expenses submit a statement which may contain some or all of the following information:

- (a) The Dependent or Dependents for whom the services were performed;

(b) The nature of the services performed for the Participant, the cost of which he wishes reimbursement;

(c) The relationship, if any, of the person performing the services to the Participant;

(d) If the services are being performed by a child of the Participant, the age of the child;

(e) A statement as to where the services were performed;

(f) If any of the services were performed outside the home, a statement as to whether the Dependent for whom such services were performed spends at least 8 hours a day in the Participant's household;

(g) If the services were being performed in a day care center, a statement:

(1) that the day care center complies with all applicable laws and regulations of the state of residence,

(2) that the day care center provides care for more than 6 individuals (other than individuals residing at the center), and

(3) of the amount of fee paid to the provider.

(h) If the Participant is married, a statement containing the following:

(1) the Spouse's salary or wages if he or she is employed, or

(2) if the Participant's Spouse is not employed, that

(i) he or she is incapacitated, or

(ii) he or she is a full-time student attending an educational institution and the months during the year which he or she attended such institution.

(i) **Grace Period.** Notwithstanding anything in this Section to the contrary, Employment-Related Dependent Care Expenses incurred during the Grace Period, up to the remaining account balance, shall also be deemed to have been incurred during the Plan Year to which the Grace Period relates.

(j) **Claims for reimbursement.** If a Participant fails to submit a claim within 30 days after the end of the Grace Period, those claims shall not be considered for reimbursement by the Administrator. However, if a Participant terminates employment during the Plan Year, claims for reimbursement must be submitted within 30 days after termination of employment.

7.13 DEBIT AND CREDIT CARDS

Participants may, subject to a procedure established by the Administrator and applied in a uniform nondiscriminatory manner, use debit and/or credit (stored value) cards ("cards") provided by the Administrator and the Plan for payment of Employment-Related Dependent Care Expenses, subject to the following terms:

(a) **Card only for dependent care expenses.** Each Participant issued a card shall certify that such card shall only be used for Employment-Related Dependent Care Expenses. The Participant shall also certify that any Employment-Related Dependent Care Expense paid with the card has not already been reimbursed by any other plan covering dependent care benefits and that the Participant will not seek reimbursement from any other plan covering dependent care benefits.

(b) **Card issuance.** Such card shall be issued upon the Participant's Effective Date of Participation and reissued for each Plan Year the Participant remains a Participant in the Dependent Care Flexible Spending Account. Such card shall be automatically cancelled upon the Participant's death or termination of employment, or if such Participant has a change in status that results in the Participant's withdrawal from the Dependent Care Flexible Spending Account.

(c) **Only available for use with certain service providers.** The cards shall only be accepted by such service providers as have been approved by the

Administrator. The cards shall only be used for Employment-Related Dependent Care Expenses from these providers.

(d) **Substantiation.** Such purchases by the cards shall be subject to substantiation by the Administrator, usually by submission of a receipt from a service provider describing the service, the date and the amount. The Administrator shall also follow the requirements set forth in Revenue Ruling 2003-43 and Notice 2006-69. All charges shall be conditional pending confirmation and substantiation.

(e) **Correction methods.** If such purchase is later determined by the Administrator to not qualify as an Employment-Related Dependent Care Expense, the Administrator, in its discretion, shall use one of the following correction methods to make the Plan whole. Until the amount is repaid, the Administrator shall take further action to ensure that further violations of the terms of the card do not occur, up to and including denial of access to the card.

(1) Repayment of the improper amount by the Participant;

(2) Withholding the improper payment from the Participant's wages or other compensation to the extent consistent with applicable federal or state law;

(3) Claims substitution or offset of future claims until the amount is repaid; and

(4) if subsections (1) through (3) fail to recover the amount, consistent with the Employer's business practices, the Employer may treat the amount as any other business indebtedness.

ARTICLE VIII

BENEFITS AND RIGHTS

8.1 CLAIM FOR BENEFITS

(a) **Dependent Care Flexible Spending Account or Health Flexible Spending Account claims.** Any claim for Dependent Care Flexible Spending Account or Health Flexible Spending Account Benefits shall be made to the Administrator. For the Health Flexible Spending Account, if a Participant fails to submit a claim within 30 days after the end of the Grace Period, those claims shall not be considered for reimbursement by the Administrator. However, if a Participant terminates employment during the Plan Year, claims for the reimbursement of Medical Expenses must be submitted within 30 days after termination of employment. For the Dependent Care Flexible Spending Account, if a Participant fails to submit a claim within 30 days after the end of the Grace Period, those claims shall not be considered for reimbursement by the Administrator. However, if a Participant terminates employment during the Plan Year, claims for reimbursement must be submitted within 30 days after termination of employment. If the Administrator denies a claim, the Administrator may provide notice to the Participant or beneficiary, in writing, within 90 days

after the claim is filed unless special circumstances require an extension of time for processing the claim. The notice of a denial of a claim shall be written in a manner calculated to be understood by the claimant and shall set forth:

- (1) specific references to the pertinent Plan provisions on which the denial is based;
- (2) a description of any additional material or information necessary for the claimant to perfect the claim and an explanation as to why such information is necessary; and
- (3) an explanation of the Plan's claim procedure.

(b) **Appeal.** Within 60 days after receipt of the above material, the claimant shall have a reasonable opportunity to appeal the claim denial to the Administrator for a full and fair review. The claimant or his duly authorized representative may:

- (1) request a review upon written notice to the Administrator;
- (2) review pertinent documents; and
- (3) submit issues and comments in writing.

(c) **Review of appeal.** A decision on the review by the Administrator will be made not later than 60 days after receipt of a request for review, unless special circumstances require an extension of time for processing (such as the need to hold a hearing), in which event a decision should be rendered as soon as possible, but in no event later than 120 days after such receipt. The decision of the Administrator shall be written and shall include specific reasons for the decision, written in a manner calculated to be understood by the claimant, with specific references to the pertinent Plan provisions on which the decision is based.

(d) **Forfeitures.** Any balance remaining in the Participant's Dependent Care Flexible Spending Account or Health Flexible Spending Account as of the end of the time for claims reimbursement for each Plan Year and Grace Period (if applicable) shall be forfeited and deposited in the benefit plan surplus of the Employer pursuant to Section 6.3 or Section 7.8, whichever is applicable, unless the Participant had made a claim for such Plan Year, in writing, which has been denied or is pending; in which event the amount of the claim shall be held in his account until the claim appeal procedures set forth above have been satisfied or the claim is paid. If any such claim is denied on appeal, the amount held beyond the end of the Plan Year shall be forfeited and credited to the benefit plan surplus.

8.2 APPLICATION OF BENEFIT PLAN SURPLUS

Any forfeited amounts credited to the benefit plan surplus by virtue of the failure of a Participant to incur a qualified expense or seek reimbursement in a timely manner may, but need not be, separately accounted for after the close of the Plan Year (or after such further time specified herein for the filing of claims) in which such forfeitures arose. In no event shall such amounts be carried over to reimburse a Participant for expenses incurred during a subsequent Plan Year for the same or any other Benefit available under the Plan; nor shall amounts forfeited by a particular Participant be made available to such Participant in any other form or manner, except as permitted by Treasury regulations. Amounts in the benefit plan surplus shall be used to defray any administrative costs and experience losses or used to provide additional benefits under the Plan. No amounts attributable to the Health Savings Account shall be subject to the benefit plan surplus.

ARTICLE IX

ADMINISTRATION

9.1 PLAN ADMINISTRATION

The Employer shall be the Administrator, unless the Employer elects otherwise. The Employer may appoint any person, including, but not limited to, the Employees of the Employer, to perform the duties of the Administrator. Any person so appointed shall signify acceptance by filing written acceptance with the Employer. Upon the resignation or removal of any individual performing the duties of the Administrator, the Employer may designate a successor.

If the Employer elects, the Employer shall appoint one or more Administrators. Any person, including, but not limited to, the Employees of the Employer, shall be eligible to serve as an Administrator. Any person so appointed shall signify acceptance by filing written acceptance with the Employer. An Administrator may resign by delivering a written resignation to the Employer or be removed by the Employer by delivery of written notice of removal, to take effect at a date specified therein, or upon delivery to the Administrator if no date is specified. The Employer shall be empowered to appoint and remove the Administrator from time to time as it deems necessary for the proper administration of the Plan to ensure that the Plan is being operated for the exclusive benefit of the Employees entitled to participate in the Plan in accordance with the terms of the Plan and the Code.

The operation of the Plan shall be under the supervision of the Administrator. It shall be a principal duty of the Administrator to see that the Plan is carried out in accordance with its terms, and for the exclusive benefit of Employees entitled to participate in the Plan. The Administrator shall have full power and discretion to administer the Plan in all of its details and determine all questions arising in connection with the administration, interpretation, and application of the Plan. The Administrator may establish procedures, correct any defect, supply any information, or reconcile any inconsistency in such manner and to such extent as shall be deemed necessary or advisable to carry out the purpose of the Plan. The Administrator shall have all powers necessary or appropriate to accomplish the Administrator's duties under the Plan. The Administrator shall be charged with the duties of the general administration of the Plan as set forth under the Plan, including, but not limited to, in addition to all other powers provided by this Plan:

(a) To make and enforce such procedures, rules and regulations as the Administrator deems necessary or proper for the efficient administration of the Plan;

(b) To interpret the provisions of the Plan, the Administrator's interpretations thereof in good faith to be final and conclusive on all persons claiming benefits by operation of the Plan;

(c) To decide all questions concerning the Plan and the eligibility of any person to participate in the Plan and to receive benefits provided by operation of the Plan;

(d) To reject elections or to limit contributions or Benefits for certain highly compensated participants if it deems such to be desirable in order to avoid discrimination under the Plan in violation of applicable provisions of the Code;

(e) To provide Employees with a reasonable notification of their benefits available by operation of the Plan and to assist any Participant regarding the Participant's rights, benefits or elections under the Plan;

(f) To keep and maintain the Plan documents and all other records pertaining to and necessary for the administration of the Plan;

(g) To review and settle all claims against the Plan, to approve reimbursement requests, and to authorize the payment of benefits if the Administrator determines such shall be paid if the Administrator decides in its discretion that the applicant is entitled to them. This authority specifically permits the Administrator to settle disputed claims for benefits and any other disputed claims made against the Plan;

(h) To appoint such agents, counsel, accountants, consultants, and other persons or entities as may be required to assist in administering the Plan.

Any procedure, discretionary act, interpretation or construction taken by the Administrator shall be done in a nondiscriminatory manner based upon uniform principles consistently applied and shall be consistent with the intent that the Plan shall continue to comply with the terms of Code Section 125 and the Treasury regulations thereunder.

9.2 EXAMINATION OF RECORDS

The Administrator shall make available to each Participant, Eligible Employee and any other Employee of the Employer such records as pertain to their interest under the Plan for examination at reasonable times during normal business hours.

9.3 PAYMENT OF EXPENSES

Any reasonable administrative expenses shall be paid by the Employer unless the Employer determines that administrative costs shall be borne by the Participants under the Plan or by any Trust Fund which may be established hereunder. The Administrator may impose reasonable conditions for payments, provided that such conditions shall not discriminate in favor of highly compensated employees.

9.4 INDEMNIFICATION OF ADMINISTRATOR

The Employer agrees to indemnify and to defend to the fullest extent permitted by law any Employee serving as the Administrator or as a member of a committee designated as Administrator (including any Employee or former Employee who previously served as Administrator or as a member of such committee) against all liabilities, damages, costs and expenses (including attorney's fees and amounts paid in settlement of any claims approved by the Employer) occasioned by any act or omission to act in connection with the Plan, if such act or omission is in good faith.

ARTICLE X
AMENDMENT OR TERMINATION OF PLAN

10.1 AMENDMENT

The Employer, at any time or from time to time, may amend any or all of the provisions of the Plan without the consent of any Employee or Participant. No amendment shall have the effect of modifying any benefit election of any Participant in effect at the time of such amendment, unless such amendment is made to comply with Federal, state or local laws, statutes or regulations.

10.2 TERMINATION

The Employer reserves the right to terminate this Plan, in whole or in part, at any time. In the event the Plan is terminated, no further contributions shall be made.

No further additions shall be made to the Health Flexible Spending Account or Dependent Care Flexible Spending Account, but all payments from such fund shall continue to be made according to the elections in effect until 90 days after the termination date of the Plan. Any amounts remaining in any such fund or account as of the end of such period shall be forfeited and deposited in the benefit plan surplus after the expiration of the filing period.

ARTICLE XI
MISCELLANEOUS

11.1 PLAN INTERPRETATION

All provisions of this Plan shall be interpreted and applied in a uniform, nondiscriminatory manner. This Plan shall be read in its entirety and not severed except as provided in Section 11.11.

11.2 GENDER AND NUMBER

Wherever any words are used herein in the masculine, feminine or neuter gender, they shall be construed as though they were also used in another gender in all cases where they would so apply, and whenever any words are used herein in the singular or plural form, they shall be construed as though they were also used in the other form in all cases where they would so apply.

11.3 WRITTEN DOCUMENT

This Plan, in conjunction with any separate written document which may be required by law, is intended to satisfy the written Plan requirement of Code Section 125 and any Treasury regulations thereunder relating to cafeteria plans.

11.4 EXCLUSIVE BENEFIT

This Plan shall be maintained for the exclusive benefit of the Employees who participate in the Plan.

11.5 PARTICIPANT'S RIGHTS

This Plan shall not be deemed to constitute an employment contract between the Employer and any Participant or to be a consideration or an inducement for the employment of any Participant or Employee. Nothing contained in this Plan shall be deemed to give any Participant or Employee the right to be retained in the service of the Employer or to interfere with the right of the Employer to discharge any Participant or Employee at any time regardless of the effect which such discharge shall have upon him as a Participant of this Plan.

11.6 ACTION BY THE EMPLOYER

Whenever the Employer under the terms of the Plan is permitted or required to do or perform any act or matter or thing, it shall be done and performed by a person duly authorized by its legally constituted authority.

11.7 NO GUARANTEE OF TAX CONSEQUENCES

Neither the Administrator nor the Employer makes any commitment or guarantee that any amounts paid to or for the benefit of a Participant under the Plan will be excludable from the Participant's gross income for federal or state income tax purposes, or that any other federal

or state tax treatment will apply to or be available to any Participant. It shall be the obligation of each Participant to determine whether each payment under the Plan is excludable from the Participant's gross income for federal and state income tax purposes, and to notify the Employer if the Participant has reason to believe that any such payment is not so excludable. Notwithstanding the foregoing, the rights of Participants under this Plan shall be legally enforceable.

11.8 INDEMNIFICATION OF EMPLOYER BY PARTICIPANTS

If any Participant receives one or more payments or reimbursements under the Plan that are not for a permitted Benefit, such Participant shall indemnify and reimburse the Employer for any liability it may incur for failure to withhold federal or state income tax or Social Security tax from such payments or reimbursements. However, such indemnification and reimbursement shall not exceed the amount of additional federal and state income tax (plus any penalties) that the Participant would have owed if the payments or reimbursements had been made to the Participant as regular cash compensation, plus the Participant's share of any Social Security tax that would have been paid on such compensation, less any such additional income and Social Security tax actually paid by the Participant.

11.9 FUNDING

Unless otherwise required by law, contributions to the Plan need not be placed in trust or dedicated to a specific Benefit, but may instead be considered general assets of the Employer. Furthermore, and unless otherwise required by law, nothing herein shall be construed to require the Employer or the Administrator to maintain any fund or segregate any amount for the benefit of any Participant, and no Participant or other person shall have any claim against, right to, or security or other interest in, any fund, account or asset of the Employer from which any payment under the Plan may be made.

11.10 GOVERNING LAW

This Plan is governed by the Code and the Treasury regulations issued thereunder (as they might be amended from time to time). In no event shall the Employer guarantee the favorable tax treatment sought by this Plan. To the extent not preempted by Federal law, the provisions of this Plan shall be construed, enforced and administered according to the laws of the State of Colorado.

11.11 SEVERABILITY

If any provision of the Plan is held invalid or unenforceable, its invalidity or unenforceability shall not affect any other provisions of the Plan, and the Plan shall be construed and enforced as if such provision had not been included herein.

11.12 CAPTIONS

The captions contained herein are inserted only as a matter of convenience and for reference, and in no way define, limit, enlarge or describe the scope or intent of the Plan, nor in any way shall affect the Plan or the construction of any provision thereof.

11.13 CONTINUATION OF COVERAGE (COBRA)

Notwithstanding anything in the Plan to the contrary, in the event any benefit under this Plan subject to the continuation coverage requirement of Code Section 4980B becomes unavailable, each Participant will be entitled to continuation coverage as prescribed in Code Section 4980B, and related regulations. This Section shall only apply if the Employer employs at least twenty (20) employees on more than 50% of its typical business days in the previous calendar year.

11.14 FAMILY AND MEDICAL LEAVE ACT (FMLA)

Notwithstanding anything in the Plan to the contrary, in the event any benefit under this Plan becomes subject to the requirements of the Family and Medical Leave Act and regulations thereunder, this Plan shall be operated in accordance with Regulation 1.125-3.

**11.15 HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT
(HIPAA)**

Notwithstanding anything in this Plan to the contrary, this Plan shall be operated in accordance with HIPAA and regulations thereunder.

**11.16 UNIFORM SERVICES EMPLOYMENT AND REEMPLOYMENT RIGHTS ACT
(USERRA)**

Notwithstanding any provision of this Plan to the contrary, contributions, benefits and service credit with respect to qualified military service shall be provided in accordance with the Uniform Services Employment And Reemployment Rights Act (USERRA) and the regulations thereunder.

11.17 COMPLIANCE WITH HIPAA PRIVACY STANDARDS

(a) **Application.** If any benefits under this Cafeteria Plan are subject to the Standards for Privacy of Individually Identifiable Health Information (45 CFR Part 164, the "Privacy Standards"), then this Section shall apply.

(b) **Disclosure of PHI.** The Plan shall not disclose Protected Health Information to any member of the Employer's workforce unless each of the conditions set out in this Section are met. "Protected Health Information" shall have the same definition as set forth in the Privacy Standards but generally shall mean individually identifiable information about the past, present or future

physical or mental health or condition of an individual, including information about treatment or payment for treatment.

(c) **PHI disclosed for administrative purposes.** Protected Health Information disclosed to members of the Employer's workforce shall be used or disclosed by them only for purposes of Plan administrative functions. The Plan's administrative functions shall include all Plan payment functions and health care operations. The terms "payment" and "health care operations" shall have the same definitions as set out in the Privacy Standards, but the term "payment" generally shall mean activities taken to determine or fulfill Plan responsibilities with respect to eligibility, coverage, provision of benefits, or reimbursement for health care. Genetic information will not be used or disclosed for underwriting purposes.

(d) **PHI disclosed to certain workforce members.** The Plan shall disclose Protected Health Information only to members of the Employer's workforce who are authorized to receive such Protected Health Information, and only to the extent and in the minimum amount necessary for that person to perform his or her duties with respect to the Plan. "Members of the Employer's workforce" shall refer to all employees and other persons under the control of the Employer. The Employer shall keep an updated list of those authorized to receive Protected Health Information.

(1) An authorized member of the Employer's workforce who receives Protected Health Information shall use or disclose the Protected Health

Information only to the extent necessary to perform his or her duties with respect to the Plan.

(2) In the event that any member of the Employer's workforce uses or discloses Protected Health Information other than as permitted by this Section and the Privacy Standards, the incident shall be reported to the Plan's privacy officer. The privacy officer shall take appropriate action, including:

(i) investigation of the incident to determine whether the breach occurred inadvertently, through negligence or deliberately; whether there is a pattern of breaches; and the degree of harm caused by the breach;

(ii) appropriate sanctions against the persons causing the breach which, depending upon the nature of the breach, may include oral or written reprimand, additional training, or termination of employment;

(iii) mitigation of any harm caused by the breach, to the extent practicable; and

(iv) documentation of the incident and all actions taken to resolve the issue and mitigate any damages.

(e) **Certification.** The Employer must provide certification to the Plan that it agrees to:

(1) Not use or further disclose the information other than as permitted or required by the Plan documents or as required by law;

(2) Ensure that any agent or subcontractor, to whom it provides Protected Health Information received from the Plan, agrees to the same restrictions and conditions that apply to the Employer with respect to such information;

(3) Not use or disclose Protected Health Information for employment-related actions and decisions or in connection with any other benefit or employee benefit plan of the Employer;

(4) Report to the Plan any use or disclosure of the Protected Health Information of which it becomes aware that is inconsistent with the uses or disclosures permitted by this Section, or required by law;

(5) Make available Protected Health Information to individual Plan members in accordance with Section 164.524 of the Privacy Standards;

(6) Make available Protected Health Information for amendment by individual Plan members and incorporate any amendments to Protected

Health Information in accordance with Section 164.526 of the Privacy Standards;

(7) Make available the Protected Health Information required to provide an accounting of disclosures to individual Plan members in accordance with Section 164.528 of the Privacy Standards;

(8) Make its internal practices, books and records relating to the use and disclosure of Protected Health Information received from the Plan available to the Department of Health and Human Services for purposes of determining compliance by the Plan with the Privacy Standards;

(9) If feasible, return or destroy all Protected Health Information received from the Plan that the Employer still maintains in any form, and retain no copies of such information when no longer needed for the purpose for which disclosure was made, except that, if such return or destruction is not feasible, limit further uses and disclosures to those purposes that make the return or destruction of the information infeasible; and

(10) Ensure the adequate separation between the Plan and members of the Employer's workforce, as required by Section 164.504(f)(2)(iii) of the Privacy Standards and set out in (d) above.

11.18 COMPLIANCE WITH HIPAA ELECTRONIC SECURITY STANDARDS

Under the Security Standards for the Protection of Electronic Protected Health Information (45 CFR Part 164.300 et. seq., the "Security Standards"):

(a) **Implementation.** The Employer agrees to implement reasonable and appropriate administrative, physical and technical safeguards to protect the confidentiality, integrity and availability of Electronic Protected Health Information that the Employer creates, maintains or transmits on behalf of the Plan. "Electronic Protected Health Information" shall have the same definition as set out in the Security Standards, but generally shall mean Protected Health Information that is transmitted by or maintained in electronic media.

(b) **Agents or subcontractors shall meet security standards.** The Employer shall ensure that any agent or subcontractor to whom it provides Electronic Protected Health Information shall agree, in writing, to implement reasonable and appropriate security measures to protect the Electronic Protected Health Information.

(c) **Employer shall ensure security standards.** The Employer shall ensure that reasonable and appropriate security measures are implemented to comply with the conditions and requirements set forth in Section 11.17.

11.19 MENTAL HEALTH PARITY AND ADDICTION EQUITY ACT

Notwithstanding anything in the Plan to the contrary, the Plan will comply with the Mental Health Parity and Addiction Equity Act and ERISA Section 712.

11.20 GENETIC INFORMATION NONDISCRIMINATION ACT (GINA)

Notwithstanding anything in the Plan to the contrary, the Plan will comply with the Genetic Information Nondiscrimination Act.

11.21 WOMEN'S HEALTH AND CANCER RIGHTS ACT

Notwithstanding anything in the Plan to the contrary, the Plan will comply with the Women's Health and Cancer Rights Act of 1998.

11.22 NEWBORNS' AND MOTHERS' HEALTH PROTECTION ACT

Notwithstanding anything in the Plan to the contrary, the Plan will comply with the Newborns' and Mothers' Health Protection Act.

IN WITNESS WHEREOF, this Plan document is hereby executed this
_____ day of _____.

City of Rifle

By _____

EMPLOYER

ADOPTING RESOLUTION

The undersigned Principal of City of Rifle (the Employer) hereby certifies that the following resolutions were duly adopted by the Employer on _____, and that such resolutions have not been modified or rescinded as of the date hereof:

RESOLVED, that the form of amended Cafeteria Plan including a Dependent Care Flexible Spending Account and Health Flexible Spending Account effective July 1, 2011, presented to this meeting is hereby approved and adopted and that the duly authorized agents of the Employer are hereby authorized and directed to execute and deliver to the Administrator of the Plan one or more counterparts of the Plan.

RESOLVED, that the Administrator shall be instructed to take such actions that are deemed necessary and proper in order to implement the Plan, and to set up adequate accounting and administrative procedures to provide benefits under the Plan.

RESOLVED, that the duly authorized agents of the Employer shall act as soon as possible to notify the employees of the Employer of the adoption of the Cafeteria Plan by delivering to each employee a copy of the summary description of the Plan in the form of the Summary Plan Description presented to this meeting, which form is hereby approved.

The undersigned further certifies that attached hereto as Exhibits A and B, respectively, are true copies of City of Rifle Cafeteria Plan as amended and restated and the Summary Plan Description approved and adopted in the foregoing resolutions.

Principal

Date: _____

**CITY OF RIFLE
CAFETERIA PLAN**

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**XI
SUMMARY**

CITY OF RIFLE
CAFETERIA PLAN

INTRODUCTION

We have amended the "Flexible Benefits Plan" that we previously established for you and other eligible employees. Under this Plan, you will be able to choose among certain benefits that we make available. The benefits that you may choose are outlined in this Summary Plan Description. We will also tell you about other important information concerning the amended Plan, such as the rules you must satisfy before you can join and the laws that protect your rights.

One of the most important features of our Plan is that the benefits being offered are generally ones that you are already paying for, but normally with money that has first been subject to income and Social Security taxes. Under our Plan, these same expenses will be paid for with a portion of your pay before Federal income or Social Security taxes are withheld. This means that you will pay less tax and have more money to spend and save.

Read this Summary Plan Description carefully so that you understand the provisions of our amended Plan and the benefits you will receive. This SPD describes the Plan's benefits and obligations as contained in the legal Plan document, which governs the operation of the Plan. The Plan document is written in much more technical and precise language. If the non-technical language in this SPD and the technical, legal language of the Plan document conflict, the Plan document always governs. If you wish to receive a copy of the legal Plan document, please contact the Administrator.

This SPD describes the current provisions of the Plan which are designed to comply with applicable legal requirements. The Plan is subject to federal laws, such as the Internal Revenue Code and other federal and state laws which may affect your rights. The provisions of the Plan are subject to revision due to a change in laws or due to pronouncements by the Internal Revenue Service (IRS) or other federal agencies. We may also amend or terminate this Plan. If the provisions of the Plan that are described in this SPD change, we will notify you.

We have attempted to answer most of the questions you may have regarding your benefits in the Plan. If this SPD does not answer all of your questions, please contact the Administrator (or other plan representative). The name and address of the Administrator can be found in the Article of this SPD entitled "General Information About the Plan."

I

ELIGIBILITY

1. When can I become a participant in the Plan?

Before you become a Plan member (referred to in this Summary Plan Description as a "Participant"), there are certain rules which you must satisfy. First, you must meet the eligibility requirements and be an active employee. After that, the next step is to actually join the Plan on the "entry date" that we have established for all employees. The "entry date" is defined in Question 3 below. You will also be required to complete certain application forms before you can enroll in the Plan.

2. What are the eligibility requirements for our Plan?

You will be eligible to join the Plan once you have satisfied the conditions for coverage under our group medical plan. However, you will be eligible to join the Health Flexible Spending Account once you have completed 0 day(s) of employment. Of course, if you were already a participant before this amendment, you will remain a participant.

3. When is my entry date?

Once you have met the eligibility requirements, your entry date will be the first day of the month coinciding with or following the date you met the eligibility requirements.

4. What must I do to enroll in the Plan?

Before you can join the Plan, you must complete an application to participate in the Plan. The application includes your personal choices for each of the benefits which are being offered under the Plan. You must also authorize us to set some of your earnings aside in order to pay for the benefits you have elected.

II OPERATION

1. How does this Plan operate?

Before the start of each Plan Year, you will be able to elect to have some of your upcoming pay contributed to the Plan. These amounts will be used to pay for the benefits you have chosen. The portion of your pay that is paid to the Plan is not subject to Federal income or Social Security taxes. In other words, this allows you to use tax-free dollars to pay for certain kinds of benefits and expenses which you normally pay for with out-of-pocket, taxable dollars. However, if you receive a reimbursement for an expense under the Plan, you cannot claim a Federal income tax credit or deduction on your return. (See the Article entitled "General Information About Our Plan" for the definition of "Plan Year.")

III CONTRIBUTIONS

1. How much of my pay may the Employer redirect?

Each year, you may elect to have us contribute on your behalf enough of your compensation to pay for the benefits that you elect under the Plan. These amounts will be deducted from your pay over the course of the year.

2. What happens to contributions made to the Plan?

Before each Plan Year begins, you will select the benefits you want and how much of the contributions should go toward each benefit. It is very important that you make these choices carefully based on what you expect to spend on each covered benefit or expense during the Plan Year. Later, they will be used to pay for the expenses as they arise during the Plan Year.

3. When must I decide which accounts I want to use?

You are required by Federal law to decide before the Plan Year begins, during the election period (defined below). You must decide two things. First, which benefits you want and, second, how much should go toward each benefit.

4. When is the election period for our Plan?

You will make your initial election on or before your entry date. (You should review Section I on Eligibility to better understand the eligibility requirements and entry date.) Then, for each following Plan Year, the election period is established by the Administrator and applied uniformly to all Participants. It will normally be a period of time prior to the beginning of each Plan Year. The Administrator will inform you each year about the election period. (See the Article entitled "General Information About Our Plan" for the definition of Plan Year.)

5. May I change my elections during the Plan Year?

Generally, you cannot change the elections you have made after the beginning of the Plan Year. However, there are certain limited situations when you can change your elections. You are permitted to change elections if you have a "change in status" and you make an election change that is consistent with the change in status. Currently, Federal law considers the following events to be a change in status:

- Marriage, divorce, death of a spouse, legal separation or annulment;
- Change in the number of dependents, including birth, adoption, placement for adoption, or death of a dependent;
- Any of the following events for you, your spouse or dependent: termination or commencement of employment, a strike or lockout, commencement or return from an unpaid leave of absence, a change in worksite, or any other change in employment status that affects eligibility for benefits;
- One of your dependents satisfies or ceases to satisfy the requirements for coverage due to change in age, student status, or any similar circumstance; and
- A change in the place of residence of you, your spouse or dependent that would lead to a change in status, such as moving out of a coverage area for insurance.

In addition, if you are participating in the Dependent Care Flexible Spending Account, then there is a change in status if your dependent no longer meets the qualifications to be eligible for dependent care.

However, with respect to the Health Savings Account, you may modify or revoke your elections without having to have a change in status.

There are detailed rules on when a change in election is deemed to be consistent with a change in status. In addition, there are laws that give you rights to change health coverage for you, your spouse, or your dependents. If you change coverage due to rights you have under the law, then you can make a corresponding change in your elections under the Plan. If any of these conditions apply to you, you should contact the Administrator.

You may not change your election under the Dependent Care Flexible Spending Account if the cost change is imposed by a dependent care provider who is your relative.

6. May I make new elections in future Plan Years?

Yes, you may. For each new Plan Year, you may change the elections that you previously made. You may also choose not to participate in the Plan for the upcoming Plan Year. If you do not make new elections during the election period before a new Plan Year begins, we will consider that to mean you have elected not to participate for the upcoming Plan Year.

IV
BENEFITS

1. What benefits are offered under the Plan?

Under our Plan, you can choose to receive your entire compensation or use a portion to pay for the following benefits or expenses during the year.

2. Health Flexible Spending Account

The Health Flexible Spending Account enables you to pay for expenses allowed under Sections 105 and 213(d) of the Internal Revenue Code which are not covered by our medical plan and save taxes at the same time.

However, if you participate in a HSA, you can only be reimbursed by the Employer for out-of-pocket dental, vision or preventive care expenses incurred by you and your dependents.

If you are an HSA participant, drug costs, including insulin, may be reimbursed if they are considered for dental, vision or preventive care.

Beginning January 1, 2011, you may be reimbursed for "over the counter" drugs only if those drugs are prescribed for you. You may not, however, be reimbursed for the cost of other

health care coverage maintained outside of the Plan, or for long-term care expenses. A list of covered expenses is available from the Administrator.

The most that you can contribute to your Health Flexible Spending Account each Plan Year is \$3,000. In order to be reimbursed for a health care expense, you must submit to the Administrator an itemized bill from the service provider. We will also provide you with a debit or credit card to use to pay for medical expenses. The Administrator will provide you with further details. Amounts reimbursed from the Plan may not be claimed as a deduction on your personal income tax return. Reimbursement from the fund shall be paid at least once a month. Expenses under this Plan are treated as being "incurred" when you are provided with the care that gives rise to the expenses, not when you are formally billed or charged, or you pay for the medical care.

You may be reimbursed for expenses for any child until the end of the calendar year in which the child reaches age 26. A child is a natural child, stepchild, foster child, adopted child, or a child placed with you for adoption. If a child gains or regains eligibility due to these new rules, that qualifies as a change in status to change coverage.

Newborns' and Mothers' Health Protection Act: Group health plans generally may not, under Federal law, restrict benefits for any hospital length of stay in connection with childbirth for the mother or newborn child to less than 48 hours following a vaginal delivery, or less than 96 hours following a cesarean section. However, Federal law generally does not prohibit the mother's or newborn's attending provider, after consulting with the mother, from discharging the mother or her newborn earlier than 48 hours (or 96 hours as applicable). In any case, plans and

issuers may not, under Federal law, require that a provider obtain authorization from the plan or the issuer for prescribing a length of stay not in excess of 48 hours (or 96 hours).

Women's Health and Cancer Rights Act: This plan, as required by the Women's Health and Cancer Rights Act of 1998, will reimburse up to plan limits for benefits for mastectomy-related services including reconstruction and surgery to achieve symmetry between the breasts, prostheses, and complications resulting from a mastectomy (including lymphedema). Contact your Plan Administrator for more information.

3. Dependent Care Flexible Spending Account

The Dependent Care Flexible Spending Account enables you to pay for out-of-pocket, work-related dependent day-care cost with pre-tax dollars. If you are married, you can use the account if you and your spouse both work or, in some situations, if your spouse goes to school full-time. Single employees can also use the account.

An eligible dependent is someone for whom you can claim expenses on Federal Income Tax Form 2441 "Credit for Child and Dependent Care Expenses." Children must be under age 13. Other dependents must be physically or mentally unable to care for themselves. Dependent Care arrangements which qualify include:

- (a) A Dependent (Day) Care Center, provided that if care is provided by the facility for more than six individuals, the facility complies with applicable state and local laws;

(b) An Educational Institution for pre-school children. For older children, only expenses for non-school care are eligible; and

(c) An "Individual" who provides care inside or outside your home: The "Individual" may not be a child of yours under age 19 or anyone you claim as a dependent for Federal tax purposes.

You should make sure that the dependent care expenses you are currently paying for qualify under our Plan. We will also provide you with a debit or credit card to use to pay for dependent care expenses. The Administrator will provide you with further details.

The law places limits on the amount of money that can be paid to you in a calendar year from your Dependent Care Flexible Spending Account. Generally, your reimbursements may not exceed the lesser of: (a) \$5,000 (if you are married filing a joint return or you are head of a household) or \$2,500 (if you are married filing separate returns); (b) your taxable compensation; (c) your spouse's actual or deemed earned income (a spouse who is a full time student or incapable of caring for himself/herself has a monthly earned income of \$250 for one dependent or \$500 for two or more dependents).

Also, in order to have the reimbursements made to you from this account be excludable from your income, you must provide a statement from the service provider including the name, address, and in most cases, the taxpayer identification number of the service provider on your tax form for the year, as well as the amount of such expense as proof that the expense has been incurred. In addition, Federal tax laws permit a tax credit for certain dependent care expenses

you may be paying for even if you are not a Participant in this Plan. You may save more money if you take advantage of this tax credit rather than using the Dependent Care Flexible Spending Account under our Plan. Ask your tax adviser which is better for you.

4. May I direct Plan contributions to my Health Savings Account?

Yes. Any monies that you do not apply toward available benefits can be contributed to your Health Savings Account, which enables you to pay for expenses which are not covered by our medical plan and save taxes at the same time. Please see your Plan Administrator for further details.

V

BENEFIT PAYMENTS

1. When will I receive payments from my accounts?

During the course of the Plan Year, you may submit requests for reimbursement of expenses you have incurred. Expenses are considered "incurred" when the service is performed, not necessarily when it is paid for. The Administrator will provide you with acceptable forms for submitting these requests for reimbursement. If the request qualifies as a benefit or expense that the Plan has agreed to pay, you will receive a reimbursement payment soon thereafter. Remember, these reimbursements which are made from the Plan are generally not subject to federal income tax or withholding. Nor are they subject to Social Security taxes. You will only

be reimbursed from the Dependent Care Flexible Spending Account to the extent that there are sufficient funds in the Account to cover your request.

2. What happens if I don't spend all Plan contributions during the Plan Year?

If you have not spent all the amounts in your Health Flexible Spending Account or Dependent Care Flexible Spending Account by the end of the Plan Year, you may continue to incur claims for expenses during the "Grace Period." The "Grace Period" extends 45 days after the end of the Plan Year, during which time you can continue to incur claims and use up all amounts remaining in your Health Flexible Spending Account or Dependent Care Flexible Spending Account.

Any monies left at the end of the Plan Year and the Grace Period will be forfeited, except for amounts contributed to your Health Savings Account. Obviously, qualifying expenses that you incur late in the Plan Year or during the Grace Period for which you seek reimbursement after the end of such Plan Year and Grace Period will be paid first before any amount is forfeited. For the Health Flexible Spending Account, you must submit claims no later than 30 days after the end of the Grace Period. For the Dependent Care Flexible Spending Account, you must submit claims no later than 30 days after the end of the Grace Period. Because it is possible that you might forfeit amounts in the Plan if you do not fully use the contributions that have been made, it is important that you decide how much to place in each account carefully and conservatively. Remember, you must decide which benefits you want to contribute to and how much to place in each account before the Plan Year begins. You want to be as certain as you can that the amount you decide to place in each account will be used up entirely.

3. Family and Medical Leave Act (FMLA)

If you take leave under the Family and Medical Leave Act, you may revoke or change your existing elections for the Health Flexible Spending Account. If your coverage in these benefits terminates, due to your revocation of the benefit while on leave or due to your non-payment of contributions, you will be permitted to reinstate coverage for the remaining part of the Plan Year upon your return. For the Health Flexible Spending Account, you may continue your coverage or you may revoke your coverage and resume it when you return. You can resume your coverage at its original level and make payments for the time that you are on leave. For example, if you elect \$1,200 for the year and are out on leave for 3 months, then return and elect to resume your coverage at that level, your remaining payments will be increased to cover the difference - from \$100 per month to \$150 per month. Alternatively your maximum amount will be reduced proportionately for the time that you were gone. For example, if you elect \$1,200 for the year and are out on leave for 3 months, your amount will be reduced to \$900. The expenses you incur during the time you are not in the Health Flexible Spending Account are not reimbursable.

If you continue your coverage during your unpaid leave, you may pre-pay for the coverage, you may pay for your coverage on an after-tax basis while you are on leave, or you and your Employer may arrange a schedule for you to "catch up" your payments when you return.

4. Uniformed Services Employment and Reemployment Rights Act (USERRA)

If you are going into or returning from military service, you may have special rights to health care coverage under your Health Flexible Spending Account under the Uniformed Services Employment and Reemployment Rights Act of 1994. These rights can include extended health care coverage. If you may be affected by this law, ask your Administrator for further details.

5. What happens if I terminate employment?

If you terminate employment during the Plan Year, your right to benefits will be determined in the following manner:

(a) You will still be able to request reimbursement for qualifying dependent care expenses from the balance remaining in your dependent care account at the time of termination of employment. However, no further salary redirection contributions will be made on your behalf after you terminate. You must submit claims within 30 days after termination.

(b) Your Health Savings Account amounts will remain yours even after your termination of employment.

(c) For health benefit coverage and Health Flexible Spending Account coverage on termination of employment, please see the Article entitled "Continuation Coverage Rights Under COBRA." Upon your termination of employment, your participation in the

Health Flexible Spending Account will cease, and no further salary redirection contributions will be contributed on your behalf. However, you will be able to submit claims for health care expenses that were incurred before the end of the period for which payments to the Health Flexible Spending Account have already been made. Your further participation will be governed by "Continuation Coverage Rights Under COBRA."

6. Will my Social Security benefits be affected?

Your Social Security benefits may be slightly reduced because when you receive tax-free benefits under our Plan, it reduces the amount of contributions that you make to the Federal Social Security system as well as our contribution to Social Security on your behalf.

VI

HIGHLY COMPENSATED AND KEY EMPLOYEES

1. Do limitations apply to highly compensated employees?

Under the Internal Revenue Code, highly compensated employees and key employees generally are Participants who are officers, shareholders or highly paid. You will be notified by the Administrator each Plan Year whether you are a highly compensated employee or a key employee.

If you are within these categories, the amount of contributions and benefits for you may be limited so that the Plan as a whole does not unfairly favor those who are highly paid, their

spouses or their dependents. Federal tax laws state that a plan will be considered to unfairly favor the key employees if they as a group receive more than 25% of all of the nontaxable benefits provided for under our Plan.

Plan experience will dictate whether contribution limitations on highly compensated employees or key employees will apply. You will be notified of these limitations if you are affected.

VII

PLAN ACCOUNTING

1. Periodic Statements

The Administrator will provide you with a statement of your account periodically during the Plan Year that shows your account balance. It is important to read these statements carefully so you understand the balance remaining to pay for a benefit. Remember, you want to spend all the money you have designated for a particular benefit by the end of the Plan Year.

VIII

GENERAL INFORMATION ABOUT OUR PLAN

This Section contains certain general information which you may need to know about the Plan.

1. General Plan Information

City of Rifle Cafeteria Plan is the name of the Plan.

Your Employer has assigned Plan Number 555 to your Plan.

The provisions of your amended Plan become effective on July 1, 2011. Your Plan was originally effective on January 1, 2002.

Your Plan's records are maintained on a twelve-month period of time. This is known as the Plan Year. The Plan Year begins on January 1 and ends on December 31.

2. Employer Information

Your Employer's name, address, and identification number are:

City of Rifle

202 Railroad Ave.

Rifle, Colorado 81650

84-6000715

3. Plan Administrator Information

The name, address and business telephone number of your Plan's Administrator are:

City of Rifle

202 Railroad Ave.

Rifle, Colorado 81650

970-665-6405

The Administrator keeps the records for the Plan and is responsible for the administration of the Plan. The Administrator will also answer any questions you may have about our Plan. You may contact the Administrator for any further information about the Plan.

4. Service of Legal Process

The name and address of the Plan's agent for service of legal process are:

City of Rifle

202 Railroad Ave.

Rifle, Colorado 81650

5. Type of Administration

The type of Administration is Employer Administration.

6. Claims Submission

Claims for expenses should be submitted to:

MGIS, Inc.

P.O. Box 16110

Salt Lake City, UT 84116-0110

IX

ADDITIONAL PLAN INFORMATION

1. Claims Process

You should submit all reimbursement claims during the Plan Year. For the Health Flexible Spending Account, you must submit claims no later than 30 days after the end of the Grace Period. However, if you terminate employment during the Plan Year, you must submit your Health Flexible Spending Account claims within 30 days after your termination of employment. For the Dependent Care Flexible Spending Account, you must submit claims no later than 30 days after the end of the Grace Period. However, if you terminate employment during the Plan Year, you must submit your Dependent Care Flexible Spending Account claims within 30 days after your termination of employment. Any claims submitted after that time will not be considered.

If a dependent care or medical expense claim under the Plan is denied in whole or in part, you or your beneficiary will receive written notification. The notification will include the reasons for the denial, with reference to the specific provisions of the Plan on which the denial was based, a description of any additional information needed to process the claim and an explanation of the claims review procedure. Within 60 days after denial, you or your beneficiary may submit a written request for reconsideration of the denial to the Administrator.

Any such request should be accompanied by documents or records in support of your appeal. You or your beneficiary may review pertinent documents and submit issues and comments in writing. The Administrator will review the claim and provide, within 60 days, a written response to the appeal. (This period may be extended an additional 60 days under certain circumstances.) In this response, the Administrator will explain the reason for the decision, with specific reference to the provisions of the Plan on which the decision is based. The Administrator has the exclusive right to interpret the appropriate plan provisions. Decisions of the Administrator are conclusive and binding.

X

CONTINUATION COVERAGE RIGHTS UNDER COBRA

Under federal law, the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), certain employees and their families covered under health benefits under this Plan will be entitled to the opportunity to elect a temporary extension of health coverage (called "COBRA continuation coverage") where coverage under the Plan would otherwise end. This notice is intended to inform Plan Participants and beneficiaries, in summary fashion, of their

rights and obligations under the continuation coverage provisions of COBRA, as amended and reflected in final and proposed regulations published by the Department of the Treasury. This notice is intended to reflect the law and does not grant or take away any rights under the law.

The Plan Administrator or its designee is responsible for administering COBRA continuation coverage. Complete instructions on COBRA, as well as election forms and other information, will be provided by the Plan Administrator or its designee to Plan Participants who become Qualified Beneficiaries under COBRA. While the Plan itself is not a group health plan, it does provide health benefits. Whenever "Plan" is used in this section, it means any of the health benefits under this Plan including the Health Flexible Spending Account.

1. What is COBRA continuation coverage?

COBRA continuation coverage is the temporary extension of group health plan coverage that must be offered to certain Plan Participants and their eligible family members (called "Qualified Beneficiaries") at group rates. The right to COBRA continuation coverage is triggered by the occurrence of a life event that results in the loss of coverage under the terms of the Plan (the "Qualifying Event"). The coverage must be identical to the coverage that the Qualified Beneficiary had immediately before the Qualifying Event, or if the coverage has been changed, the coverage must be identical to the coverage provided to similarly situated active employees who have not experienced a Qualifying Event (in other words, similarly situated non-COBRA beneficiaries).

2. Who can become a Qualified Beneficiary?

In general, a Qualified Beneficiary can be:

(a) Any individual who, on the day before a Qualifying Event, is covered under a Plan by virtue of being on that day either a covered Employee, the Spouse of a covered Employee, or a Dependent child of a covered Employee. If, however, an individual who otherwise qualifies as a Qualified Beneficiary is denied or not offered coverage under the Plan under circumstances in which the denial or failure to offer constitutes a violation of applicable law, then the individual will be considered to have had the coverage and will be considered a Qualified Beneficiary if that individual experiences a Qualifying Event.

(b) Any child who is born to or placed for adoption with a covered Employee during a period of COBRA continuation coverage, and any individual who is covered by the Plan as an alternate recipient under a qualified medical support order. If, however, an individual who otherwise qualifies as a Qualified Beneficiary is denied or not offered coverage under the Plan under circumstances in which the denial or failure to offer constitutes a violation of applicable law, then the individual will be considered to have had the coverage and will be considered a Qualified Beneficiary if that individual experiences a Qualifying Event.

The term "covered Employee" includes any individual who is provided coverage under the Plan due to his or her performance of services for the employer sponsoring the Plan.

However, this provision does not establish eligibility of these individuals. Eligibility for Plan coverage shall be determined in accordance with Plan Eligibility provisions.

An individual is not a Qualified Beneficiary if the individual's status as a covered Employee is attributable to a period in which the individual was a nonresident alien who received from the individual's Employer no earned income that constituted income from sources within the United States. If, on account of the preceding reason, an individual is not a Qualified Beneficiary, then a Spouse or Dependent child of the individual will also not be considered a Qualified Beneficiary by virtue of the relationship to the individual. A domestic partner is not a Qualified Beneficiary.

Each Qualified Beneficiary (including a child who is born to or placed for adoption with a covered Employee during a period of COBRA continuation coverage) must be offered the opportunity to make an independent election to receive COBRA continuation coverage.

3. What is a Qualifying Event?

A Qualifying Event is any of the following if the Plan provided that the Plan participant would lose coverage (i.e., cease to be covered under the same terms and conditions as in effect immediately before the Qualifying Event) in the absence of COBRA continuation coverage:

- (a) The death of a covered Employee.

(b) The termination (other than by reason of the Employee's gross misconduct), or reduction of hours, of a covered Employee's employment.

(c) The divorce or legal separation of a covered Employee from the Employee's Spouse. If the Employee reduces or eliminates the Employee's Spouse's Plan coverage in anticipation of a divorce or legal separation, and a divorce or legal separation later occurs, then the divorce or legal separation may be considered a Qualifying Event even though the Spouse's coverage was reduced or eliminated before the divorce or legal separation.

(d) A covered Employee's enrollment in any part of the Medicare program.

(e) A Dependent child's ceasing to satisfy the Plan's requirements for a Dependent child (for example, attainment of the maximum age for dependency under the Plan).

If the Qualifying Event causes the covered Employee, or the covered Spouse or a Dependent child of the covered Employee, to cease to be covered under the Plan under the same terms and conditions as in effect immediately before the Qualifying Event, the persons losing such coverage become Qualified Beneficiaries under COBRA if all the other conditions of COBRA are also met. For example, any increase in contribution that must be paid by a covered Employee, or the Spouse, or a Dependent child of the covered Employee, for coverage under the Plan that results from the occurrence of one of the events listed above is a loss of coverage.

The taking of leave under the Family and Medical Leave Act of 1993 ("FMLA") does not constitute a Qualifying Event. A Qualifying Event will occur, however, if an Employee does not return to employment at the end of the FMLA leave and all other COBRA continuation coverage conditions are present. If a Qualifying Event occurs, it occurs on the last day of FMLA leave and the applicable maximum coverage period is measured from this date (unless coverage is lost at a later date and the Plan provides for the extension of the required periods, in which case the maximum coverage date is measured from the date when the coverage is lost.) Note that the covered Employee and family members will be entitled to COBRA continuation coverage even if they failed to pay the employee portion of premiums for coverage under the Plan during the FMLA leave.

4. What factors should be considered when determining to elect COBRA continuation coverage?

You should take into account that a failure to continue your group health coverage will affect your rights under federal law. First, you can lose the right to avoid having pre-existing condition exclusions applied by other group health plans if there is more than a 63-day gap in health coverage and election of COBRA continuation coverage may help you avoid such a gap. Second, if you do not elect COBRA continuation coverage and pay the appropriate premiums for the maximum time available to you, you will lose the right to convert to an individual health insurance policy, which does not impose such pre-existing condition exclusions. Finally, you should take into account that you have special enrollment rights under federal law (HIPAA). You have the right to request special enrollment in another group health plan for which you are otherwise eligible (such as a plan sponsored by your Spouse's employer) within 30 days after

Plan coverage ends due to a Qualifying Event listed above. You will also have the same special right at the end of COBRA continuation coverage if you get COBRA continuation coverage for the maximum time available to you.

5. What is the procedure for obtaining COBRA continuation coverage?

The Plan has conditioned the availability of COBRA continuation coverage upon the timely election of such coverage. An election is timely if it is made during the election period.

6. What is the election period and how long must it last?

The election period is the time period within which the Qualified Beneficiary must elect COBRA continuation coverage under the Plan. The election period must begin no later than the date the Qualified Beneficiary would lose coverage on account of the Qualifying Event and ends 60 days after the later of the date the Qualified Beneficiary would lose coverage on account of the Qualifying Event or the date notice is provided to the Qualified Beneficiary of her or his right to elect COBRA continuation coverage. If coverage is not elected within the 60 day period, all rights to elect COBRA continuation coverage are forfeited.

Note: If a covered Employee who has been terminated or experienced a reduction of hours qualifies for a trade readjustment allowance or alternative trade adjustment assistance under a federal law called the Trade Act of 2002, and the employee and his or her covered dependents have not elected COBRA coverage within the normal election period, a second opportunity to elect COBRA coverage will be made available for themselves and certain family

members, but only within a limited period of 60 days or less and only during the six months immediately after their group health plan coverage ended. Any person who qualifies or thinks that he or she and/or his or her family members may qualify for assistance under this special provision should contact the Plan Administrator or its designee for further information.

The Trade Act of 2002 also created a tax credit for certain TAA-eligible individuals and for certain retired employees who are receiving pension payments from the Pension Benefit Guaranty Corporation (PBGC) (eligible individuals). Under the new tax provisions, eligible individuals can either take a tax credit or get advance payment of 65% of premiums paid for qualified health insurance, including continuation coverage. If you have questions about these new tax provisions, you may call the Health Coverage Tax Credit Consumer Contact Center toll-free at 1-866-628-4282. TTD/TTY callers may call toll-free at 1-866-626-4282. More information about the Trade Act is also available at www.doleta.gov/tradeact.

7. Is a covered Employee or Qualified Beneficiary responsible for informing the Plan Administrator of the occurrence of a Qualifying Event?

The Plan will offer COBRA continuation coverage to Qualified Beneficiaries only after the Plan Administrator or its designee has been timely notified that a Qualifying Event has occurred. The Employer (if the Employer is not the Plan Administrator) will notify the Plan Administrator or its designee of the Qualifying Event within 30 days following the date coverage ends when the Qualifying Event is:

- (a) the end of employment or reduction of hours of employment,

- (b) death of the employee,
- (c) commencement of a proceeding in bankruptcy with respect to the Employer, or
- (d) entitlement of the employee to any part of Medicare.

IMPORTANT:

For the other Qualifying Events (divorce or legal separation of the employee and spouse or a dependent child's losing eligibility for coverage as a dependent child), you or someone on your behalf must notify the Plan Administrator or its designee in writing within 60 days after the Qualifying Event occurs, using the procedures specified below. If these procedures are not followed or if the notice is not provided in writing to the Plan Administrator or its designee during the 60-day notice period, any spouse or dependent child who loses coverage will not be offered the option to elect continuation coverage. You must send this notice to the Plan Administrator or its designee.

NOTICE PROCEDURES:

Any notice that you provide must be ***in writing***. Oral notice, including notice by telephone, is not acceptable. You must mail, fax or hand-deliver your notice to the person, department or firm listed below, at the following address:

City of Rifle
202 Railroad Ave.
Rifle, Colorado 81650

If mailed, your notice must be postmarked no later than the last day of the required notice period.

Any notice you provide must state:

- the **name of the plan or plans** under which you lost or are losing coverage,
- the **name and address of the employee** covered under the plan,
- the **name(s) and address(es) of the Qualified Beneficiary(ies)**, and
- the **Qualifying Event** and the **date** it happened.

If the Qualifying Event is a **divorce or legal separation**, your notice must include **a copy of the divorce decree or the legal separation agreement**.

Be aware that there are other notice requirements in other contexts, for example, in order to qualify for a disability extension.

Once the Plan Administrator or its designee receives *timely notice* that a Qualifying Event has occurred, COBRA continuation coverage will be offered to each of the qualified beneficiaries. Each Qualified Beneficiary will have an independent right to elect COBRA continuation coverage. Covered employees may elect COBRA continuation coverage for their spouses, and parents may elect COBRA continuation coverage on behalf of their children. For each Qualified Beneficiary who elects COBRA continuation coverage, COBRA continuation coverage will begin on the date that plan coverage would otherwise have been lost. If you or your spouse or dependent children do not elect continuation coverage within the 60-day election period described above, the right to elect continuation coverage will be lost.

8. Is a waiver before the end of the election period effective to end a Qualified Beneficiary's election rights?

If, during the election period, a Qualified Beneficiary waives COBRA continuation coverage, the waiver can be revoked at any time before the end of the election period. Revocation of the waiver is an election of COBRA continuation coverage. However, if a waiver is later revoked, coverage need not be provided retroactively (that is, from the date of the loss of coverage until the waiver is revoked). Waivers and revocations of waivers are considered made on the date they are sent to the Plan Administrator or its designee, as applicable.

9. Is COBRA coverage available if a Qualified Beneficiary has other group health plan coverage or Medicare?

Qualified Beneficiaries who are entitled to elect COBRA continuation coverage may do so even if they are covered under another group health plan or are entitled to Medicare benefits on or before the date on which COBRA is elected. However, a Qualified Beneficiary's COBRA coverage will terminate automatically if, after electing COBRA, he or she becomes entitled to Medicare or becomes covered under other group health plan coverage (but only after any applicable preexisting condition exclusions of that other plan have been exhausted or satisfied).

10. When may a Qualified Beneficiary's COBRA continuation coverage be terminated?

During the election period, a Qualified Beneficiary may waive COBRA continuation coverage. Except for an interruption of coverage in connection with a waiver, COBRA continuation coverage that has been elected for a Qualified Beneficiary must extend for at least the period beginning on the date of the Qualifying Event and ending not before the earliest of the following dates:

- (a) The last day of the applicable maximum coverage period.
- (b) The first day for which Timely Payment is not made to the Plan with respect to the Qualified Beneficiary.

(c) The date upon which the Employer ceases to provide any group health plan (including a successor plan) to any employee.

(d) The date, after the date of the election, that the Qualified Beneficiary first becomes covered under any other Plan that does not contain any exclusion or limitation with respect to any pre-existing condition, other than such an exclusion or limitation that does not apply to, or is satisfied by, the Qualified Beneficiary.

(e) The date, after the date of the election, that the Qualified Beneficiary first becomes entitled to Medicare (either part A or part B, whichever occurs earlier).

(f) In the case of a Qualified Beneficiary entitled to a disability extension, the later of:

(1) (i) 29 months after the date of the Qualifying Event, or (ii) the first day of the month that is more than 30 days after the date of a final determination under Title II or XVI of the Social Security Act that the disabled Qualified Beneficiary whose disability resulted in the Qualified Beneficiary's entitlement to the disability extension is no longer disabled, whichever is earlier; or

(2) the end of the maximum coverage period that applies to the Qualified Beneficiary without regard to the disability extension.

The Plan can terminate for cause the coverage of a Qualified Beneficiary on the same basis that the Plan terminates for cause the coverage of similarly situated non-COBRA beneficiaries, for example, for the submission of a fraudulent claim.

In the case of an individual who is not a Qualified Beneficiary and who is receiving coverage under the Plan solely because of the individual's relationship to a Qualified Beneficiary, if the Plan's obligation to make COBRA continuation coverage available to the Qualified Beneficiary ceases, the Plan is not obligated to make coverage available to the individual who is not a Qualified Beneficiary.

11. What are the maximum coverage periods for COBRA continuation coverage?

The maximum coverage periods are based on the type of the Qualifying Event and the status of the Qualified Beneficiary, as shown below.

- (a) In the case of a Qualifying Event that is a termination of employment or reduction of hours of employment, the maximum coverage period ends 18 months after the Qualifying Event if there is not a disability extension and 29 months after the Qualifying Event if there is a disability extension.

(b) In the case of a covered Employee's enrollment in the Medicare program before experiencing a Qualifying Event that is a termination of employment or reduction of hours of employment, the maximum coverage period for Qualified Beneficiaries other than the covered Employee ends on the later of:

(1) 36 months after the date the covered Employee becomes enrolled in the Medicare program; or

(2) 18 months (or 29 months, if there is a disability extension) after the date of the covered Employee's termination of employment or reduction of hours of employment.

(c) In the case of a Qualified Beneficiary who is a child born to or placed for adoption with a covered Employee during a period of COBRA continuation coverage, the maximum coverage period is the maximum coverage period applicable to the Qualifying Event giving rise to the period of COBRA continuation coverage during which the child was born or placed for adoption.

(d) In the case of any other Qualifying Event than that described above, the maximum coverage period ends 36 months after the Qualifying Event.

12. Under what circumstances can the maximum coverage period be expanded?

If a Qualifying Event that gives rise to an 18-month or 29-month maximum coverage period is followed, within that 18- or 29-month period, by a second Qualifying Event that gives rise to a 36-months maximum coverage period, the original period is expanded to 36 months, but only for individuals who are Qualified Beneficiaries at the time of and with respect to both Qualifying Events. In no circumstance can the COBRA maximum coverage period be expanded to more than 36 months after the date of the first Qualifying Event. The Plan Administrator must be notified of the second qualifying event within 60 days of the second qualifying event. This notice must be sent to the Plan Administrator or its designee in accordance with the procedures above.

13. How does a Qualified Beneficiary become entitled to a disability extension?

A disability extension will be granted if an individual (whether or not the covered Employee) who is a Qualified Beneficiary in connection with the Qualifying Event that is a termination or reduction of hours of a covered Employee's employment, is determined under Title II or XVI of the Social Security Act to have been disabled at any time during the first 60 days of COBRA continuation coverage. To qualify for the disability extension, the Qualified Beneficiary must also provide the Plan Administrator with notice of the disability determination on a date that is both within 60 days after the date of the determination and before the end of the original 18-month maximum coverage. This notice must be sent to the Plan Administrator or its designee in accordance with the procedures above.

14. Does the Plan require payment for COBRA continuation coverage?

For any period of COBRA continuation coverage under the Plan, Qualified Beneficiaries who elect COBRA continuation coverage may be required to pay up to 102% of the applicable premium and up to 150% of the applicable premium for any expanded period of COBRA continuation coverage covering a disabled Qualified Beneficiary due to a disability extension. Your Plan Administrator will inform you of the cost. The Plan will terminate a Qualified Beneficiary's COBRA continuation coverage as of the first day of any period for which timely payment is not made.

15. Must the Plan allow payment for COBRA continuation coverage to be made in monthly installments?

Yes. The Plan is also permitted to allow for payment at other intervals.

16. What is Timely Payment for COBRA continuation coverage?

Timely Payment means a payment made no later than 30 days after the first day of the coverage period. Payment that is made to the Plan by a later date is also considered Timely Payment if either under the terms of the Plan, covered Employees or Qualified Beneficiaries are allowed until that later date to pay for their coverage for the period or under the terms of an arrangement between the Employer and the entity that provides Plan benefits on the Employer's behalf, the Employer is allowed until that later date to pay for coverage of similarly situated non-COBRA beneficiaries for the period.

Notwithstanding the above paragraph, the Plan does not require payment for any period of COBRA continuation coverage for a Qualified Beneficiary earlier than 45 days after the date on which the election of COBRA continuation coverage is made for that Qualified Beneficiary. Payment is considered made on the date on which it is postmarked to the Plan.

If Timely Payment is made to the Plan in an amount that is not significantly less than the amount the Plan requires to be paid for a period of coverage, then the amount paid will be deemed to satisfy the Plan's requirement for the amount to be paid, unless the Plan notifies the Qualified Beneficiary of the amount of the deficiency and grants a reasonable period of time for payment of the deficiency to be made. A "reasonable period of time" is 30 days after the notice is provided. A shortfall in a Timely Payment is not significant if it is no greater than the lesser of \$50 or 10% of the required amount.

17. Must a Qualified Beneficiary be given the right to enroll in a conversion health plan at the end of the maximum coverage period for COBRA continuation coverage?

If a Qualified Beneficiary's COBRA continuation coverage under a group health plan ends as a result of the expiration of the applicable maximum coverage period, the Plan will, during the 180-day period that ends on that expiration date, provide the Qualified Beneficiary with the option of enrolling under a conversion health plan if such an option is otherwise generally available to similarly situated non-COBRA beneficiaries under the Plan. If such a conversion option is not otherwise generally available, it need not be made available to Qualified Beneficiaries.

18. How is my participation in the Health Flexible Spending Account affected?

You can elect to continue your participation in the Health Flexible Spending Account for the remainder of the Plan Year, subject to the following conditions. You may only continue to participate in the Health Flexible Spending Account if you have elected to contribute more money than you have taken out in claims. For example, if you elected to contribute an annual amount of \$500 and, at the time you terminate employment, you have contributed \$300 but only claimed \$150, you may elect to continue coverage under the Health Flexible Spending Account. If you elect to continue coverage, then you would be able to continue to receive your health reimbursements up to the \$500. However, you must continue to pay for the coverage, just as the money has been taken out of your paycheck, but on an after-tax basis. The Plan can also charge you an extra amount (as explained above for other health benefits) to provide this benefit.

IF YOU HAVE QUESTIONS

If you have questions about your COBRA continuation coverage, you should contact the Plan Administrator or its designee. For more information about your rights under ERISA, including COBRA, the Health Insurance Portability and Accountability Act (HIPAA), and other laws affecting group health plans, contact the nearest Regional or District Office of the U.S. Department of Labor's Employee Benefits Security Administration (EBSA). Addresses and phone numbers of Regional and District EBSA Offices are available through EBSA's website at www.dol.gov/ebsa.

KEEP YOUR PLAN ADMINISTRATOR INFORMED OF ADDRESS CHANGES

In order to protect your family's rights, you should keep the Plan Administrator informed of any changes in the addresses of family members. You should also keep a copy, for your records, of any notices you send to the Plan Administrator or its designee.

XI

SUMMARY

The money you earn is important to you and your family. You need it to pay your bills, enjoy recreational activities and save for the future. Our flexible benefits plan will help you keep more of the money you earn by lowering the amount of taxes you pay. The Plan is the result of our continuing efforts to find ways to help you get the most for your earnings.

If you have any questions, please contact the Administrator.



Date: September 1, 2011
To: John Hier, City Manager
From: Aleks Briedis, Recreation Director
RE: PRAB Member Appointment

We currently have a vacancy for the alternate position on the Parks and Recreation Advisory Board. Russell Taylor has submitted an application for Council's consideration. His application is attached.

Staff recommends appointing Russell Taylor as the alternate position to the Parks & Recreation Advisory Board with term ending January 31, 2014.





Rifle Parks and Recreation Advisory Board Application 2011

Name Russell Taylor

Address 1230 Fir Ave.

City Rifle State CO Zip 81650

Phone 625-2460 Other phone 618-4413

E-mail rtaylor@grhd.org

Do you live within Rifle city limits? Yes No

Are you over the age of 55? Yes No

Please answer all questions. Attach additional sheets as necessary.

Why would you like to be on the advisory board?

See attached

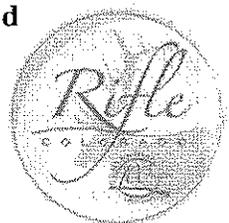
What can you bring to the board?

See attached

What is your current involvement in Rifle's parks and recreation?

See attached

Please return this form and attachments to Rifle Parks & Recreation, 202 Railroad Ave., Rifle, CO 81650 or abriedis@rifleco.org by 5 PM, January 4th, 2011.



Rifle Parks and Recreation Advisory Board Application 2011

1. Why would you like to be on the advisory board?

I enjoy being involved and helping in the community where I live. I also like helping in activities that I feel like I can add value.

2. What can you bring to the board?

I would be able to bring a lot of past and current experience of involvement with park and recreation activities. I have been active in sports and recreation all my life. I have participated in many city-organized recreational activities. My children enjoy recreating in local activities too.

3. What is your current involvement in Rifle's parks and recreation?

My children have signed up for Gymnastics. I also have children that want to play basketball and other sports. My family also enjoys bike riding on local trails and playing in the parks.



Memorandum

To: John Hier, City Manager
From: Kristy Christensen, Deputy City Clerk
Date: Thursday, September 01, 2011
Re: Visitor Improvement Fund (VIF) Advisory Board Openings

The Visitor Improvement Fund Advisory Board (VIF) currently has four vacant Board positions. The three year term for Board members Gil Frontella, Michael Langhorne, and John Savage expired June, 2011. The vacant Board positions were advertised in the Citizen Telegram on June 16th and June 23rd as well as in the Post Independent on June 20th and June 27th. In August, the Board positions were advertised again in the Rifle Area Chamber of Commerce's weekly e-mail "This week at the Chamber". "This week at the Chamber" is a mass e-mailing sent to Rifle Chamber members and their staff which is sent to over 500 people. Three letters of interest have been received by interested residents of Rifle. The three letters of interest were submitted from Gil Frontella, Kevin Kelley, and Blair Bracken.

The Board would like to recommend appointing Will Cross as a regular member. Will Cross is currently an alternate member of the VIF.

We will continue to recruit for an alternate Board member.

Rifle Municipal Code section 2-12-20 states appointments to the VIF shall be made by the City Council.

Thank you.

Blair A. Bracken
635 Aspen Avenue
Rifle, CO 81650
970.379.9513

Rifle Visitor Improvement Board
202 Railroad Avenue
Rifle, CO 81650

Re: Letter of Interest

Date: August 30, 2011

To whom it may concern,

I would appreciate your consideration of my intent to fill a vacated Rifle Visitor Improvement board seat.

The Rifle Visitor Improvement board has served and continues to serve the Rifle community in myriad important ways, which, at this time of economic trial assumes even greater importance.

As you are aware, I have worked with the City of Rifle for over a year as Special Events Coordinator. During that time I have improved, developed and promoted numerous community events in an effort to serve the community of Rifle by providing and emphasizing a variety of engaging activities inviting of a much broader public, including visitors to our region.

In facilitating and meeting those priority objectives, the Rifle Visitor Improvement board has served a vital role in providing support and bridging budgetary deficiencies in the interest of serving Rifle's diverse population as well as encouraging visitor participation.

I feel my prior experience in events coordination with the Rifle Area Chamber of Commerce, my continued experience with the City of Rifle and my experience as co-owner of AIMS – Accelerated Innovative Marketing Solutions fortifies me with a unique and tested perspective on how to effectively:

- Work within and mitigate necessary budgetary constraints with broad-based resource acquisition;
- Elevate public awareness and outreach;
- Engage effective marketing and promotion; and,
- Implement program coordination and production relative to a host of programs intended to promote the community of Rifle within city limits as well as far beyond its borders.

I would appreciate the opportunity to work with this board, to collaborate toward the furthering of shared goals for the benefit of our community.

Thank you for your consideration of my proposal.

Best regards,

Blair Bracken

A handwritten signature in black ink that reads "Blair Bracken". The signature is written in a cursive, flowing style.

Gil Frontella

330 East Ave.
Rifle, Colorado

JUN 13 2011

June 13, 2011

Visitor Improvement Fund / Rifle City Council
City of Rifle
P.O. Box 1908
Rifle, CO 81650

RE: Retaining VIF Board Member Seat

Dear Mayor Lambert and City Council Members:

I would like to retain a Board Member position on the City of Rifle Visitor Improvement Fund Board for a designated 3 year position.

As you know, I have lived in the Rifle area for 37 years, own various properties, and have owned several businesses in the Rifle area. I am very invested in the future of Rifle with regard to improvements that need to be made in order to provide a better sense of community and vitality for the Citizens of Rifle as well as visitors to our community.

Thank you for your consideration and should you have any questions, please contact me.

Sincerely,



Gil Frontella
330 East Ave.
Rifle, CO 81650
970-625-3002

Dear Mayor Lambert and Members of the Rifle City Council:

My name is Kevin Kelley and I am a 20 year plus resident and business owner in the City of Rifle.

I am writing this letter wishing for you to grant me consideration for a position on the Rifle Lodging Tax Board. I have reviewed their mission statement, and feel that I have a good working knowledge of this committee goal, to enhance and create a atmosphere to bring more visitors and special events to the City of Rifle.

Thank you for your time!

Sincerely,

Kevin Kelley



MEMORANDUM

To: John Hier, City Manager
 From: Charles Kelty, Finance Director
 Date: September 1, 2011
 Subject: July 2011 Sales, Lodging, and Use Tax Report

Total Sales, Lodging, and Use Tax revenues, for the seven months ended July 31, 2011, is \$4,036,588, which is an increase of 13% from the previous year-to-date amount \$3,570,178.

Sales tax revenues, year-to-date, are \$3,668,057 which is a 13% increase from the previous year-to-date amount of \$3,249,970.

Lodging Taxes revenues, year-to-date, are \$70,633 which is a 3% decrease from the previous year-to-date figure \$72,568. Building and Motor Vehicle Use Tax revenues are \$297,898, which is a 20% increase from the previous year-to-date figure \$247,640.

**Sales Tax Report
 Prior Year Comparison
 For Sales in July**

Business Category	For Sales in July			Year-to-Date		
	2010	2011	% Change	2010	2011	% Change
Bars and Restaurants	\$ 58,356	\$ 57,804	-1%	\$ 356,270	\$ 357,005	0%
Car Parts and Sales	32,962	33,074	0%	226,866	252,376	11%
Food	76,846	74,785	-3%	503,483	494,263	-2%
General Retail	192,009	214,033	11%	1,296,710	1,389,923	7%
Hardware	22,369	20,567	-8%	165,419	202,686	23%
Liquor Stores	19,589	19,001	-3%	111,666	105,192	-6%
Motels	20,999	21,847	4%	103,177	100,490	-3%
Oil & Gas	35,161	36,571	4%	147,186	383,686	161%
Leasing/Misc	3,213	8,428	162%	54,395	61,837	14%
Utilities	27,585	38,475	39%	284,798	320,599	13%
Total	\$ 489,089	\$ 524,585	7%	\$ 3,249,970	\$ 3,668,057	13%
Allocation to Funds:						
General Fund	\$267,937	\$287,383	7%	\$1,780,427	\$2,009,466	13%
Street Improvement	69,870	74,941	7%	464,281	524,008	13%
Rifle Information Center	11,542	12,380	7%	76,699	86,566	13%
Parks & Recreation	139,740	149,882	7%	928,563	1,048,016	13%
	\$489,089	\$524,585	7%	\$3,249,970	\$3,668,057	13%



MEMORANDUM

To: John Hier, City Manager
From: Charles Kelty, Finance Director *ck*
Date: September 1, 2011
Subject: July 2011 Financial Reports

Attached are the Financial Reports for the seven months ending July 31, 2011. Below are a few comments:

Page 1 **General Fund Revenues** – Total revenues are \$4,236,267, which compared to the prior year's \$4,254,651 is \$18,384 and 0.4% lower. Sales Tax revenues were 13% higher than the prior year.

General Fund Expenditures – Total expenditures are \$4,029,051, which compared to the prior year's \$4,152,038 is \$122,987 and 3% lower.

Page 2 **Visitor Improvement Fund** – Total revenues are \$72,413, which compared to the prior year's \$73,836 is \$1,423 and 2% less. Total expenses are \$89,319, which compared to the prior's \$50,907 is \$38,412 and 8% higher.

Page 3 **Parks & Recreation Fund Revenues** – Total revenues are \$1,292,981, which compared to the prior year's \$1,245,211 is \$47,770 and 4% higher. Sales Tax revenues were 13% higher than the prior year.

Parks & Recreation Fund Expenditures – Expenditures are \$1,426,108, which compared to the prior year's \$2,924,906 is \$1,498,798 and 51% less.

Page 4 **Water Fund Revenues** – Overall, revenues are \$1,374,356, which compared to the prior year's \$1,666,958 is \$292,602 and 18% less. Operating revenues were 18% lower than the prior year. Water rights revenues were 6% lower than prior year. Capital revenues were 23% less than the prior year.

Water Fund Expenses – Overall, total expenses are \$1,601,031, which compared to the prior year of \$1,871,124 is \$270,093 and 14% less. Operating and Maintenance expenses are 3% lower than last year. Water rights expenses are 26% lower than last year. Water System Improvements (Capital) expenses is 29% lower than last year.

Page 5 **Wastewater Fund Revenue** – Total revenues are \$1,306,555, which compared to the prior year's \$1,753,991 is \$447,436 and 26% less.



Wastewater Expenses – Total expenses were \$2,046,001, which compared to the prior year's \$1,643,803 is \$402,198 and 24% higher.

Page 6

Sanitation Fund Revenues – Total revenues are \$333,071, which compared to the prior year's \$335,453 is \$2,382 and 0.7% less.

Sanitation Fund Expenses – Total expenses are \$293,331, which compared to the prior year's \$259,785 is \$33,546 and 13% higher.

CITY OF RIFLE
 FUND SUMMARY WITH COMPARISON TO PRIOR YEAR
 FOR THE 7 MONTHS ENDING JULY 31, 2011

GENERAL FUND

	BUDGET	PERIOD ACTUAL	YTD ACTUAL	BUD REMAINING	PRIOR YTD ACT
<u>REVENUE</u>					
GENERAL REVENUES	7,095,545.00	587,542.65	4,236,266.58	2,859,278.42	4,254,651.49
	<u>7,095,545.00</u>	<u>587,542.65</u>	<u>4,236,266.58</u>	<u>2,859,278.42</u>	<u>4,254,651.49</u>
<u>EXPENDITURES</u>					
MAYOR/COUNCIL	75,239.00	3,468.49	31,363.69	43,875.31	34,587.63
CITY CLERK	165,026.00	11,147.17	85,857.91	79,168.09	71,992.47
MUNICIPAL COURT	181,381.00	11,789.70	96,634.31	84,746.69	100,320.15
CITY MANAGER	169,532.00	14,180.46	97,363.29	72,168.71	112,766.41
GOVERNMENT AFFAIRS	155,967.00	9,685.08	80,641.23	75,325.77	76,341.45
FINANCE	375,048.00	30,145.48	235,290.94	139,757.06	262,976.25
ATTORNEY	270,500.00	16,411.58	140,765.33	129,734.67	138,725.70
PLANNING/ZONING	432,865.00	35,773.03	236,934.82	195,930.18	244,154.20
CITY HALL	149,406.00	11,233.40	88,541.53	60,864.47	77,911.50
GROUNDS AND FACILITY MAINT.	37,565.00	4,739.59	32,506.57	5,058.43	30,312.00
COMMUNITY ACCESS TV	121,605.00	9,506.87	64,966.65	56,638.35	59,586.72
POLICE	2,322,945.00	176,474.80	1,277,762.45	1,045,182.55	1,167,621.92
JUSTICE CENTER BLDG. OPERATION	398,798.00	8,899.16	194,884.99	203,913.01	180,571.92
BUILDING INSPECTIONS	150,563.00	12,719.16	86,700.75	63,862.25	108,376.75
STREETS	913,299.00	90,402.36	533,450.26	379,848.74	497,210.29
CONSTRUCTION CREW - INHOUSE	180,938.00	12,435.36	100,531.62	80,406.38	95,425.64
PUBLIC WORKS	257,495.00	10,611.60	79,922.98	177,572.02	147,128.38
ANIMAL SHELTER	92,363.00	6,201.58	49,883.08	42,479.92	49,852.87
CEMETERY O & H	61,750.00	4,516.32	35,826.64	25,923.36	32,863.78
SENIOR CENTER	439,468.00	29,019.17	201,407.79	238,060.21	268,283.74
PARK MAINTENANCE	.00	(18.02)	.00	.00	.00
NON DEPARTMENTAL	523,288.00	51,971.82	277,814.11	245,473.89	250,405.49
HOUSING AUTHORITY	.00	.00	.00	.00	4,623.10
OPERATING TRANSFERS OUT	90,000.00	.00	.00	90,000.00	140,000.00
	<u>7,565,041.00</u>	<u>561,314.16</u>	<u>4,029,050.94</u>	<u>3,535,990.06</u>	<u>4,152,038.36</u>
	<u>(469,496.00)</u>	<u>26,228.49</u>	<u>207,215.64</u>	<u>(676,711.64)</u>	<u>102,613.13</u>



CITY OF RIFLE
 FUND SUMMARY WITH COMPARISON TO PRIOR YEAR
 FOR THE 7 MONTHS ENDING JULY 31, 2011

VISITOR IMPROVEMENT FUND

	BUDGET	PERIOD ACTUAL	YTD ACTUAL	BUD REMAINING	PRIOR YTD ACT
<u>REVENUE</u>					
VISITOR IMPROVEMENT	118,686.00	15,938.88	72,412.64	46,273.36	73,836.13
	118,686.00	15,938.88	72,412.64	46,273.36	73,836.13
<u>EXPENDITURES</u>					
VISITOR IMPROVEMENT	293,452.00	37,375.01	89,318.62	204,133.38	50,906.54
	293,452.00	37,375.01	89,318.62	204,133.38	50,906.54
	(174,766.00)	(21,436.13)	(16,905.98)	(157,860.02)	22,929.59

CITY OF RIFLE
 FUND SUMMARY WITH COMPARISON TO PRIOR YEAR
 FOR THE 7 MONTHS ENDING JULY 31, 2011

PARKS & RECREATION

	BUDGET	PERIOD ACTUAL	YTD ACTUAL	BUD REMAINING	PRIOR YTD ACT
<u>REVENUE</u>					
PARKS AND REC REVENUE	2,744,340.00	217,353.01	1,292,980.91	1,451,359.09	1,245,211.10
	<u>2,744,340.00</u>	<u>217,353.01</u>	<u>1,292,980.91</u>	<u>1,451,359.09</u>	<u>1,245,211.10</u>
<u>EXPENDITURES</u>					
RECREATION	549,128.00	68,578.97	367,596.59	181,531.41	293,581.10
POOL	206,464.00	52,366.96	150,025.48	56,438.52	135,518.01
RIFLE FITNESS CENTER	.00	20,421.02	38,016.91	(38,016.91)	.00
PARK MAINTENANCE	986,428.00	85,261.05	488,531.00	497,897.00	429,337.86
PARKS CAPITAL	530,327.00	52,256.78	277,986.57	252,340.43	1,983,803.89
NON-DEPARTMENTAL	83,474.00	5,287.32	64,916.65	18,557.35	43,630.29
OPERATING TRANSFER OUT	66,917.00	5,576.42	39,034.94	27,882.06	39,034.94
	<u>2,422,738.00</u>	<u>289,748.52</u>	<u>1,426,108.14</u>	<u>996,629.86</u>	<u>2,924,906.09</u>
	<u>321,602.00</u>	<u>(72,395.51)</u>	<u>(133,127.23)</u>	<u>454,729.23</u>	<u>(1,679,694.99)</u>

CITY OF RIFLE
 FUND SUMMARY WITH COMPARISON TO PRIOR YEAR
 FOR THE 7 MONTHS ENDING JULY 31, 2011

WATER FUND

	BUDGET	PERIOD ACTUAL	YTD ACTUAL	BUD REMAINING	PRIOR YTD ACT
<u>REVENUE</u>					
WATER REVENUE	2,575,147.00	308,272.18	1,284,233.49	1,290,913.51	1,559,040.38
WATER RIGHTS REVENUE	40,389.00	1,355.64	39,646.85	742.15	42,160.79
CAPITAL REVENUE	782,569.00	3,204.68	50,475.21	732,093.79	65,756.52
	<u>3,398,105.00</u>	<u>312,832.50</u>	<u>1,374,355.55</u>	<u>2,023,749.45</u>	<u>1,666,957.69</u>
<u>EXPENDITURES</u>					
WATER O&H	2,904,062.00	152,849.81	997,382.63	1,906,679.37	1,024,354.71
WATER RIGHTS	138,750.00	7,684.56	67,441.72	71,308.28	91,610.92
WATER SYSTEM IMPROVEMENTS	2,299,985.00	14,069.77	536,206.37	1,763,778.63	755,158.70
	<u>5,342,797.00</u>	<u>174,604.14</u>	<u>1,601,030.72</u>	<u>3,741,766.28</u>	<u>1,871,124.33</u>
	<u>(1,944,692.00)</u>	<u>138,228.36</u>	<u>(226,675.17)</u>	<u>(1,718,016.83)</u>	<u>(204,166.64)</u>

CITY OF RIFLE
 FUND SUMMARY WITH COMPARISON TO PRIOR YEAR
 FOR THE 7 MONTHS ENDING JULY 31, 2011

WASTEWATER FUND

	BUDGET	PERIOD ACTUAL	YTD ACTUAL	BUD REMAINING	PRIOR YTD ACT
<u>REVENUE</u>					
WASTE WATER REVENUE	2,302,935.00	181,657.21	1,277,818.72	1,025,116.28	1,524,808.50
WASTE WATER REVENUE	44,324.00	1,150.68	28,736.12	15,587.88	229,182.48
	<u>2,347,259.00</u>	<u>182,807.89</u>	<u>1,306,554.84</u>	<u>1,040,704.16</u>	<u>1,753,990.98</u>
<u>EXPENDITURES</u>					
SEWER O&H	2,835,939.00	811,121.90	2,034,284.74	801,654.26	1,343,238.35
SEWER SYSTEM IMPROVEMENTS	339,584.00	.00	11,716.30	327,867.70	300,565.00
	<u>3,175,523.00</u>	<u>811,121.90</u>	<u>2,046,001.04</u>	<u>1,129,521.96</u>	<u>1,643,803.35</u>
	<u>(828,264.00)</u>	<u>(628,314.01)</u>	<u>(739,446.20)</u>	<u>(88,817.80)</u>	<u>110,187.63</u>

5

CITY OF RIFLE
 FUND SUMMARY WITH COMPARISON TO PRIOR YEAR
 FOR THE 7 MONTHS ENDING JULY 31, 2011

SANITATION FUND

	BUDGET	PERIOD ACTUAL	YTD ACTUAL	BUD REMAINING	PRIOR YTD ACT
<u>REVENUE</u>					
SANITATION FUND	575,714.00	48,194.87	333,071.43	242,642.57	335,452.92
	575,714.00	48,194.87	333,071.43	242,642.57	335,452.92
<u>EXPENDITURES</u>					
SANITATION	731,936.00	37,013.41	293,331.37	438,604.63	259,785.33
	731,936.00	37,013.41	293,331.37	438,604.63	259,785.33
	(156,222.00)	11,181.46	39,740.06	(195,962.06)	75,667.59

6

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						
	SI61538	BLOWER BACKPACK	08/08/2011	395.95	.00	
	SI61593	BRUSH KNIFE	08/10/2011	174.95	.00	
	SI61604	BELT	08/10/2011	63.65	.00	
	SI61609	TENSIONER	08/10/2011	3.30	.00	
	SI61619	ENGINE OIL	08/11/2011	25.14	.00	
	SI61692	BRUSH KNIFE	08/15/2011	209.93	.00	
	SI61701	POLYCUT BLADES BAGGED	08/15/2011	9.99	.00	
	SI61767	SPOOL INSERT	08/18/2011	47.09	.00	
	SI61861	TRIMMER LINE	08/22/2011	85.73	.00	
	SI67196	NYLON LINE	08/19/2011	9.99	.00	
Total 1003:				1,025.72	.00	
1004						
Verizon Wireless						
	0996071886	FITNESS CENTER	07/18/2011	4,768.97	4,768.97	08/12/2011
Total 1004:				4,768.97	4,768.97	
1009						
B & B Plumbing, Inc						
	34588	REPAIR PUMP	08/08/2011	95.00	.00	
	34594	REPAIR WATER LEAK DISPENS	08/08/2011	142.50	.00	
	34647	REPAIR DRAIN	08/23/2011	217.20	.00	
	34659	REPAIR DRAIN	08/24/2011	103.00	.00	
Total 1009:				557.70	.00	
1018						
Valley Lumber						
	57521	LPS 2 IND STRI LUB 11 OZ	08/05/2011	16.13	.00	
	57546	TOUCH UP BRUSH	08/07/2011	10.47	.00	
	57597	A11 REGULAR PATTERN SNIP	08/09/2011	32.98	.00	
	57620	POULTRY NET	08/09/2011	16.99	.00	
	57721	CONCRETE MIX	08/11/2011	20.76	.00	
	57726	REINFORCED VISQ	08/11/2011	232.20	.00	
	57837	CONCRETE MIX	08/16/2011	30.73	.00	
	57845	PIPE PVC SCH40	08/16/2011	11.57	.00	
	57852	PIPE PVC SCH40	08/16/2011	20.14	.00	
	57860	SAND WASHED/CLEANED	08/16/2011	3.79	.00	
	57924	RC THEATER	08/18/2011	53.87	.00	
	57960	CORNER IRONS	08/18/2011	3.79	.00	
	58202	BASTARD FILE	08/25/2011	23.98	.00	
	58245	BULK SHRINK WRAP	08/26/2011	33.98	.00	
	58351	SHORT LAG SHIELD	08/29/2011	29.03	.00	
	58402	PVC SCH 40	08/30/2011	2.58	.00	
Total 1018:				542.99	.00	
1022						

Vendor Name and Number	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid
Central Distributing Co						
	873416	Supplies	06/02/2011	43.30	43.30	08/26/2011
	879308	Supplies	07/27/2011	108.91	.00	
	880791	Supplies	08/10/2011	59.03	.00	
	880795	Supplies	08/10/2011	251.69	.00	
	880796	Supplies	08/10/2011	340.10	.00	
	880800	Supplies	08/10/2011	96.11	.00	
	880814	Supplies	08/09/2011	16.76	.00	
	8815898	Supplies	08/17/2011	64.00	.00	
	882405	Supplies	08/24/2011	341.12	.00	
	882409	Supplies	08/24/2011	212.75	.00	
Total 1022:				1,533.77	43.30	
1023						
Chelewski Pipe & Supply						
	070611	PIPE & FITTINGS	07/06/2011	119.36	.00	
Total 1023:				119.36	.00	
1038						
Colo District Attorney Council						
	22531	LEGISLATIVE UPDATE BOOK/P	07/22/2011	36.50	.00	
Total 1038:				36.50	.00	
1041						
Colo Dept Of Public Hlth & Env						
	700069060	STORMWATER PERMIT FEE	08/03/2011	245.00	245.00	08/19/2011
Total 1041:				245.00	245.00	
1055						
Columbine Ford, Inc						
	107735	9007 P235	08/10/2011	158.95	.00	
Total 1055:				158.95	.00	
1059						
Consolidated Electrical Distr						
	4983-518713	SCHEDULE-40 CONDUITT	08/22/2011	211.38	.00	
Total 1059:				211.38	.00	
1065						
Dodson Engineered Products Inc						
	150646	6X14 PIPE	07/28/2011	1,378.07	.00	
	150876	2 FPT BALL CURB STOP	08/04/2011	788.79	.00	
	150978	6 DIP X 2 SADDLE	08/08/2011	122.13	.00	
Total 1065:				2,288.99	.00	
1074						
Garfield County Clerk						
	082611	RECORDING FEE/ Liens	08/26/2011	.00	.00	
	082611.	RECORDING FEE/ Liens	08/26/2011	275.00	275.00	08/26/2011

Vendor Name and Number	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid
Total 1074:				275.00	275.00	
1083						
Youth Zone						
	073111	ASSES & RECOMM/EDMOND/C	07/31/2011	1,000.00	.00	
Total 1083:				1,000.00	.00	
1097						
Johnson Construction Inc						
	1	CONSTRUCTION RIFLE CREEK	08/25/2011	32,580.00	.00	
	208863	SEWER REPAIR	08/16/2011	3,500.00	.00	
	208870	VACUME TRAILER	08/29/2011	250.00	.00	
Total 1097:				36,330.00	.00	
1105						
Meadow Gold Dairies						
	50207045	DAIRY PRODUCTS/SENIOR CT	08/11/2011	111.88	.00	
	50207116	DAIRY PRODUCTS/SENIOR CT	08/18/2011	39.67	.00	
	50207196	DAIRY PRODUCTS/SENIOR CT	08/25/2011	74.10	.00	
Total 1105:				225.65	.00	
1106						
Micro Plastics Inc						
	87253	IDEAL 100 BLK REPLACEMENT	07/22/2011	10.80	.00	
	87580	TROPHY	08/15/2011	37.00	.00	
	87614	BLK BRASS PLATE	08/16/2011	48.20	.00	
Total 1106:				96.00	.00	
1108						
Mountain Clear Bottled Water						
	6886 073111	BOTTLED WATER/WW	07/31/2011	25.50	.00	
Total 1108:				25.50	.00	
1110						
Napa Auto Parts						
	183001	SPARK PLUG	08/09/2011	1.95	.00	
	183074	STP	08/09/2011	3.99	.00	
	183537	NUT DRIVE	08/11/2011	97.03	.00	
	184044	CONDENSER FIN COMB	08/15/2011	13.88	.00	
	184470	CABLE TIE	08/16/2011	67.17	.00	
	186025	D-RING	08/24/2011	43.96	.00	
	186028	WASHER	08/24/2011	9.00	.00	
	186152	GR GUN	08/25/2011	50.38	.00	
	186268	HUBCAP	08/25/2011	19.97	.00	
	186269	LUCAS HUB OIL	08/25/2011	9.99	.00	
Total 1110:				317.32	.00	
1111						
Neve's Uniforms, Inc						
	NE8774	UNIFORM /PD	08/08/2011	108.89	.00	
	NE8794	UNIFORM /PD	08/10/2011	98.98	.00	

Vendor Name and Number	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid
	NE8795	UNIFORM /PD	08/10/2011	98.98	.00	
	NE8796	UNIFORM /PD	08/10/2011	98.98	.00	
	NE8797	UNIFORM /PD	08/10/2011	98.98	.00	
	NE8798	UNIFORM /PD	08/10/2011	98.98	.00	
	NE8811	UNIFORM /PD	08/11/2011	415.97	.00	
	NE8812	UNIFORM /PD	08/11/2011	286.98	.00	
	NE8813	UNIFORM /PD	08/11/2011	286.98	.00	
Total 1111:				1,593.72	.00	
1114						
Wells Fargo Bank West						
	083011	OBI CWRPDA-SWRP/CO WATE	08/30/2011	8,322.82	8,322.82	08/31/2011
Total 1114:				8,322.82	8,322.82	
1120						
Xcel Energy Inc						
	0193786380	2515 W CENTENNIAL PKWY BL	08/01/2011	25.94	25.94	08/12/2011
	0193787022	2515 W CENTENNIAL PKWY BL	08/01/2011	21.16	21.16	08/12/2011
	0382354277	250 E 16 TH ST	07/28/2011	8.15	8.15	08/12/2011
	0383111823	300 W 5TH ST UNIT PUMP	08/03/2011	265.28	265.28	08/12/2011
	0383316070	200 RAILROAD AVE	08/04/2011	266.08	266.08	08/12/2011
	0383670890	236 W 4TH ST	08/08/2011	26.01	26.01	08/19/2011
	0383686099	300 W 5TH ST UNIT STAGE	08/08/2011	73.54	73.54	08/19/2011
	0383706202	124 W 2ND ST APT B	08/08/2011	51.42	51.42	08/19/2011
	290529097	AREA LIGHTS	07/26/2011	5,570.11	5,570.11	08/12/2011
	291317038	2515 W CENTENNIAL PKWY UN	08/01/2011	6,336.05	6,336.05	08/12/2011
	292599997	STREETS	08/11/2011	11,865.71	11,865.71	08/19/2011
	293486802	AREA LIGHTS	08/18/2011	33,951.05	33,951.05	08/26/2011
	382548902	TRAFFIC LIGHs	08/01/2011	78.10	78.10	08/12/2011
	382548905	CLOCK	08/01/2011	6.03	6.03	08/12/2011
	382549186	SPRINKLER/FLASHER	08/01/2011	18.86	18.86	08/12/2011
Total 1120:				58,563.49	58,563.49	
1125						
Rifle Chamber Of Commerce						
	003-11	2011 VIF Contribution	08/10/2011	17,500.00	.00	
	10262846	REIMBURSEMENT ADVERTISIN	08/10/2011	1,872.00	.00	
Total 1125:				19,372.00	.00	
1126						
Rifle City Of						
	1357101 08011	2416-22 RAIL AVE	08/01/2011	1,012.02	1,012.02	08/25/2011
	1453101 08011	50 UTE	08/01/2011	601.28	601.28	08/25/2011
	2003101 08011	201 E. 18th st	08/01/2011	554.35	554.35	08/25/2011
	2004101 08011	612 RAILROAD AVE	08/01/2011	526.75	526.75	08/25/2011
	2005101 08011	1612 RAILROAD AVE	08/01/2011	1,167.44	1,167.44	08/25/2011
	2006101 08011	101 S EAST AVE	08/01/2011	1,263.51	1,263.51	08/25/2011
	2007101 08011	301 E 30TH ST	08/01/2011	127.51	127.51	08/25/2011
	2017102 08011	1718 RAILROAD AVE	08/01/2011	1,726.20	1,726.20	08/25/2011
	2033001 08011	750 UTE AVE	08/01/2011	118.30	118.30	08/25/2011
	2038001 08011	0409 CR 265/POUND	08/01/2011	117.23	117.23	08/25/2011
	2042001 08011	202 railroad ave	08/01/2011	363.60	363.60	08/25/2011
	2046001 08011	143 E 4TH ST/DDA	08/01/2011	41.95	41.95	08/25/2011
	216102 080111	124 W 2nd st	08/01/2011	49.72	49.72	08/25/2011

Vendor Name and Number	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid
	2211101 08011	1201 RAILROAD AVE	08/01/2011	630.24	630.24	08/25/2011
	2214101 08011	1500 DOGWOOD DR	08/01/2011	719.87	719.87	08/25/2011
	2215101 08011	225 EAST AVE	08/01/2011	17.42	17.42	08/25/2011
	2325101 08011	1500 DOGWOOD DR	08/01/2011	6.06	6.06	08/25/2011
	2575101 08011	E 4TH ST	08/01/2011	59.37	59.37	08/25/2011
	2975101 08011	1775 W CENTENNIAL PKWY	08/01/2011	17.42	17.42	08/25/2011
	3079101 08011	595 W 24TH ST	08/01/2011	573.39	573.39	08/25/2011
	3221101 08011	000 BROWNING DR	08/01/2011	17.42	17.42	08/25/2011
	3351101 08011	1221 E CENTENNIAL PKWY	08/01/2011	17.42	17.42	08/25/2011
	3636101 08011	250 E 16TH ST	08/01/2011	175.74	175.74	08/25/2011
	3641101 08011	360 S 7TH ST B	08/01/2011	17.42	17.42	08/25/2011
	3673101 08011	3100 DOKES LN	08/01/2011	120.41	120.41	08/25/2011
	3677101 08011	2515 WEST CENTENNIAL PARK	08/01/2011	2,738.63	2,738.63	08/25/2011
	3679101 08011	300 W 5TH ST	08/01/2011	1,502.51	1,502.51	08/25/2011
	779102 08011	132 E 4TH ST	08/01/2011	49.72	49.72	08/25/2011
	823101 080111	202 railroad ave	08/01/2011	112.06	112.06	08/25/2011
	873106 080111	236 w 4th st-Utilites Rental Proper	08/01/2011	66.96	66.96	08/25/2011
Total 1126:				14,511.92	14,511.92	
1132						
Rifle Lock & Safe						
	31006	LOCK PARTS SAFE	07/26/2011	386.33	.00	
	31023	KEYS	08/04/2011	3.50	.00	
	31070	KEY duplicates	08/21/2011	76.10	.00	
Total 1132:				465.93	.00	
1143						
Swallow Oil Company						
	073111	INV-129267	07/31/2011	6,543.17	.00	
	081511	INV 10080048	08/15/2011	5,330.02	.00	
Total 1143:				11,873.19	.00	
1152						
Us Postmaster--Rifle						
	082511	ELECTION MAIL POSTAGE	08/25/2011	1,456.64	1,456.64	08/25/2011
Total 1152:				1,456.64	1,456.64	
1181						
Garfield Steel & Machine, Inc						
	00077816	1/4 X 4 BAR	08/17/2011	10.32	.00	
Total 1181:				10.32	.00	
1188						
Jean's Printing						
	112351	printing	08/10/2011	75.28	.00	
	112586	printing	08/31/2011	116.17	.00	
Total 1188:				191.45	.00	
1191						
Lewan & Associates, Inc						
	886719	B&W METER	07/29/2011	191.75	.00	
	887626	B&W METER	08/01/2011	67.34	.00	

Vendor Name and Number	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid
	891908	B&W METER	08/10/2011	73.80	.00	
	892136	B&W METER	08/10/2011	121.62	.00	
	C30714	BILLING ADJUSTMENT=METER	08/17/2011	118.50-	.00	
Total 1191:				336.01	.00	
1197						
Mountain Equipment						
	76742	Hotsy HOSE	08/29/2011	169.81	.00	
Total 1197:				169.81	.00	
1249						
Berthod Motors Inc						
	153103	PIN FASTENECY	08/05/2011	16.45	.00	
	153191	V-BELT	08/09/2011	69.00	.00	
	153198	FREIGHT CREDIT	08/09/2011	8.00-	.00	
	153203	PIN	08/09/2011	13.27	.00	
	153232	V-BELT	08/10/2011	235.81	.00	
	153416	QUICK LOCK CY	08/13/2011	67.60	.00	
	153744	ISOLATOR	08/23/2011	719.45	.00	
	153745	BALL BEARINCY	08/23/2011	27.00	.00	
Total 1249:				1,140.58	.00	
1256						
Resource Engineering, Inc						
	9926	341-1.7 CUMULATIVE IMPACT	07/31/2011	321.50	.00	
	9927	341-10.27 BBC WATERSHED PE	07/31/2011	69.50	.00	
	9928	341-10.4 WILLIAMS PRODUCTI	07/31/2011	104.25	.00	
	9929	341-14.1 OPPOSITION	07/31/2011	278.00	.00	
	9930	341-14.3 OPPOSITION	07/31/2011	729.41	.00	
Total 1256:				1,502.66	.00	
1258						
Hach Company						
	7379636	COLITAG STERILE SAMPLE BO	08/16/2011	45.55	.00	
Total 1258:				45.55	.00	
1335						
Whitmore, Thomas						
	081211	WIRE TRANSFER FEE PAYROL	08/12/2011	10.00	10.00	08/19/2011
Total 1335:				10.00	10.00	
1339						
Grand Junction Pipe & Supply						
	C2347984	HUNTER ROTOR	07/19/2011	276.00	.00	
	C2349239	METER PIT PLASTIC	07/29/2011	2,118.40	.00	
	C2349922	swr 45 ell	08/08/2011	13.54	.00	
Total 1339:				2,407.94	.00	
1358						
Timber Line Electric & Control						
	14758	ON-LINE SUPPORT	08/10/2011	85.00	.00	

Vendor Name and Number	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid
Total 1358:				85.00	.00	
1369						
Century Equipment Company						
	GP96628	GAS SPRING	08/11/2011	1,366.34	.00	
Total 1369:				1,366.34	.00	
1379						
Miles, Vaughn						
	082611	WIRE TRANSFER FEE-PAYROL	08/26/2011	10.00	10.00	08/26/2011
Total 1379:				10.00	10.00	
1414						
Sos Staffing Services Inc						
	1105612	TEMP STAFF/DODSON	08/07/2011	189.90	.00	
Total 1414:				189.90	.00	
1437						
TAYLOR FENCE COMPANY OF GRAND						
	G30241	CONST. PANEL RENTAL	07/31/2011	28.80	.00	
	G30242	CONST. PANEL RENTAL	07/31/2011	15.00	.00	
Total 1437:				43.80	.00	
1560						
Applied Concepts,inc						
	208096	STALKER MOVING RADAR	08/08/2011	152.15	.00	
Total 1560:				152.15	.00	
1563						
Quill Corporation						
	6158179	COPY PAPER	08/17/2011	30.30	.00	
Total 1563:				30.30	.00	
1682						
Safety Kleen						
	54714667	PARTS WASHER	08/18/2011	193.38	.00	
Total 1682:				193.38	.00	
1734						
United Companies/Oldcastle SW Group Inc						
	816699	ROAD BASE	07/27/2011	532.20	.00	
	816701	ROAD BASE	07/27/2011	136.30	.00	
	818715	ROAD BASE	08/03/2011	532.20	.00	
	818760	ROAD BASE	08/04/2011	220.20	.00	
	818978	ROAD BASE	08/04/2011	198.52	.00	
	819289	ROAD BASE	08/05/2011	293.70	.00	
	820796	ROAD BASE	08/15/2011	146.98	.00	
	821005	ROAD BASE	08/16/2011	220.20	.00	
	821655	ROAD BASE	08/18/2011	264.86	.00	
	821773	ROAD BASE	08/18/2011	425.40	.00	

Vendor Name and Number	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid
Total 1734:				2,970.56	.00	
1768						
Faris Machinery Company						
	G21892	A.C FILTER W/GASKET	08/09/2011	296.75	.00	
	G21913	REGULATOR W/COIL	08/12/2011	1,011.18	.00	
	G21931	LE HYV04433	08/19/2011	562.81	.00	
	G21956	AIR CLEANER ELEME	08/23/2011	44.39	.00	
	J08164	REMOVE PAD SHELLS ON ROL	07/29/2011	723.45	.00	
	T13026	SMOOTH DRUM ROLLER	08/09/2011	3,730.00	.00	
Total 1768:				6,368.58	.00	
1796						
Sears						
	072211	PORTABLE AIR COMPRESSOR	07/22/2011	199.98	199.98	08/26/2011
Total 1796:				199.98	199.98	
1806						
CDMS INC						
	8603	DSL ACCESS - Cemetery	08/01/2011	17.95	.00	
Total 1806:				17.95	.00	
1830						
Grand Valley Foods						
	115920	FOOD PRODUCT/SR CENTER	08/12/2011	396.17	.00	
	116086	FOOD PRODUCT/SR CENTER	08/19/2011	276.72	.00	
Total 1830:				672.89	.00	
2021						
Gmco Corporation						
	27267	80/20 MGCI/LIG	08/18/2011	275.00	.00	
Total 2021:				275.00	.00	
2181						
Nalco Chemical Company						
	96036438	Drum 210 LITER	08/01/2011	8,039.28	.00	
Total 2181:				8,039.28	.00	
2303						
Wisdom, Kim						
	081211	PAYROLL CHECK	08/12/2011	1,415.43	1,415.43	08/12/2011
	081211.	WIRE TRANSFER FEE PAYROL	08/12/2011	10.00	10.00	08/19/2011
Total 2303:				1,425.43	1,425.43	
2343						
Mountain Pest Control						
	0269953	PEST CONTROL	08/03/2011	50.00	.00	
	0269954	PEST CONTROL	08/10/2011	66.00	.00	
	0270651	PEST CONTROL	08/03/2011	50.00	.00	
	0271093	PEST CONTROL	08/11/2011	75.00	.00	

Vendor Name and Number	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid
Total 2343:				241.00	.00	
2470						
Friends Of Rifle Animal Shltr						
	AUG 2011	VET SPAYING & NEUTER/POUN	08/20/2011	3,025.00	.00	
Total 2470:				3,025.00	.00	
2540						
Walker Electric						
	3841	REPAIR BATTING CAGES	07/21/2011	65.00	.00	
	3857	REPAIR LIGGHTING SYSTEM	08/16/2011	67.39	.00	
Total 2540:				132.39	.00	
2573						
Mountain West Office Products						
	262648I	supplies	07/28/2011	21.77	.00	
	262684I	supplies	07/29/2011	104.03	.00	
	263127	supplies	08/10/2011	264.99	.00	
	263334	supplies	08/15/2011	529.98	.00	
	263382I	supplies	08/16/2011	46.26	.00	
	263414I	supplies	08/23/2011	49.12	.00	
	263463I	supplies	08/17/2011	73.89	.00	
	263620I	supplies	08/22/2011	25.33	.00	
	263740	supplies	08/24/2011	122.89	.00	
	263756	supplies	08/25/2011	9.08	.00	
	263832	supplies	08/29/2011	13.47	.00	
	263843I	supplies	08/26/2011	211.84	.00	
	263936	supplies	08/29/2011	73.90	.00	
Total 2573:				1,546.55	.00	
2603						
American Public Works Assoc.						
	716297	POSITION ADVERTISEMENT	05/23/2011	513.00	.00	
Total 2603:				513.00	.00	
2622						
Edgeton, Wayne						
	081211	WIRE TRANSFER FEE PAYROL	08/12/2011	10.00	10.00	08/19/2011
Total 2622:				10.00	10.00	
2690						
Down Valley Septic & Drain LLC						
	JUL110116	ROLL OFF - TIP /CEMETARY	07/29/2011	200.00	.00	
Total 2690:				200.00	.00	
2694						
Gould Construction						
	110006-3	Rifle Bond Bypass Pipeline	08/29/2011	1,865.25	.00	
Total 2694:				1,865.25	.00	

Vendor Name and Number	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid
2830						
Qwest						
	1174764614	OM	07/31/2011	551.99	551.99	08/12/2011
	6250004 08011	OM	08/01/2011	446.67	446.67	08/12/2011
	6250108 07221	FITNESS CENTER	07/22/2011	220.33	220.33	08/12/2011
	6257330 07221	OM	07/22/2011	407.79	407.79	08/12/2011
	7191113095 07	FITNESS CENTER	07/22/2011	1,027.03	1,027.03	08/12/2011
Total 2830:				2,653.81	2,653.81	
2846						
Colo Mtn News Media						
	6677750A 062	ADS	06/23/2011	54.42	54.42	08/26/2011
	6705800A	ADS	06/30/2011	53.40	53.40	08/26/2011
	6719804	ADS	07/03/2011	609.81	.00	
	6755889A 071	ADS	07/12/2011	54.19	54.19	08/26/2011
Total 2846:				771.82	162.01	
2948						
Gvf Distributing						
	906580	APRONS	08/18/2011	57.50	.00	
Total 2948:				57.50	.00	
2960						
Walmart Community						
	015467	SUPPLIES	08/15/2011	62.96	62.96	08/19/2011
	015660	SUPPLIES	08/15/2011	24.00	24.00	08/26/2011
	017498	SUPPLIES	08/17/2011	14.53	14.53	08/19/2011
	018470	SUPPLIES	08/18/2011	54.88	54.88	08/19/2011
	023082	SUPPLIES	08/23/2011	2.88	2.88	08/26/2011
	023241	FOOD SUPPLIES	08/23/2011	8.24	8.24	08/26/2011
	024325	FOOD SUPPLIES	08/24/2011	135.94	135.94	08/26/2011
	025950	SUPPLIES	08/25/2011	123.64	123.64	08/26/2011
Total 2960:				427.07	427.07	
3015						
Kroger/King Sooper Cust Charge						
	006712	FOOD /SR CENTER	08/08/2011	80.84	80.84	08/12/2011
	008729	FOOD /SR CENTER	08/15/2011	56.16	56.16	08/19/2011
	010321	FOOD /SR CENTER	08/08/2011	30.44	30.44	08/12/2011
	014183	FOOD /SR CENTER	08/15/2011	37.19	37.19	08/19/2011
	067208	FOOD /SR CENTER	08/16/2011	36.00	36.00	08/19/2011
	081811	FOOD /SR CENTER	08/18/2011	9.52	9.52	08/19/2011
	094410	FOOD /SR CENTER	08/23/2011	76.18	76.18	08/26/2011
	104681	FOOD-MEETING	08/02/2011	30.86	30.86	08/19/2011
	108908	FOOD /SR CENTER	08/17/2011	39.92	39.92	08/19/2011
	113553	FOOD /SR CENTER	08/17/2011	23.94	23.94	08/19/2011
	116067	FOOD-MEETING	08/17/2011	29.98	29.98	08/19/2011
	120734	FOOD /SR CENTER	08/10/2011	15.84	15.84	08/12/2011
	143125	FOOD /SR CENTER	08/10/2011	48.19	48.19	08/12/2011
	163844	BBQ SUPPLIES	08/24/2011	78.12	78.12	08/26/2011
	167872	FOOD /SR CENTER	08/24/2011	142.80	142.80	08/26/2011
	253534	FOOD /SR CENTER	08/26/2011	18.07	18.07	08/26/2011
	255786	PICNIC-CITY OF RIFLE	08/12/2011	284.92	284.92	08/19/2011
	257437	PICNIC-CITY OF RIFLE	08/12/2011	64.35	64.35	08/19/2011

Vendor Name and Number	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid
	284929	FOOD /SR CENTER	08/05/2011	2,135.41	2,135.41	08/12/2011
Total 3015:				3,238.73	3,238.73	
3028						
Wells Fargo						
	6745312671	XEROX COPIER LEASE PMT	08/02/2011	336.44	.00	
Total 3028:				336.44	.00	
3064						
Kuper, Mike						
	081211	WIRE TRANSFER FEE PAYROL	08/12/2011	10.00	10.00	08/19/2011
Total 3064:				10.00	10.00	
3083						
ALSCO						
	1045204	LAUNDRY/senior center	08/09/2011	58.44	.00	
	1048197	LAUNDRY/senior center	08/16/2011	59.68	.00	
	1051272	LAUNDRY/senior center	08/23/2011	53.30	.00	
Total 3083:				171.42	.00	
3139						
Berry Gayla						
	081211	WIRE TRANSFER FEE PAYROL	08/12/2011	10.00	10.00	08/19/2011
Total 3139:				10.00	10.00	
3156						
Superwash Of Rifle						
	2008 081611	CAR WASH	08/16/2011	5.11	.00	
	2025 081611	CAR WASH	08/16/2011	105.13	.00	
	2036 081611	CAR WASH	08/16/2011	27.83	.00	
Total 3156:				138.07	.00	
3251						
Mountain Communications And EI						
	206379	GRASS MESA RENTAL	08/01/2011	250.00	.00	
Total 3251:				250.00	.00	
3288						
Sanchez, Nancy						
	081211	WIRE TRANSFER FEE PAYROL	08/12/2011	30.00	30.00	08/19/2011
Total 3288:				30.00	30.00	
3389						
Sandy's Office Supply Inc						
	933842	SUPPLIES	08/08/2011	364.97	.00	
Total 3389:				364.97	.00	
3446						

Vendor Name and Number	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid
Staples Business Advantage						
	8019243857	supplies	07/30/2011	1,113.98-	.00	
	8019320888	supplies	08/06/2011	310.35	.00	
	8019378160	supplies	08/13/2011	87.66	.00	
Total 3446:				715.97-	.00	
3755						
Wagner Equipment Co						
	P2092305	EQUIPMENT RENTAL-	08/16/2011	4,205.00	.00	
Total 3755:				4,205.00	.00	
3771						
Waste Management Inc						
	0654254-1185-	CONTAINER SERVICE FEE	08/01/2011	137.25	.00	
	0654256-1185-	RIFLE MOUNTAIN PARK	08/01/2011	745.61	.00	
	0656938-1185-	20 YD ROLL OFF	08/01/2011	1,859.55	.00	
Total 3771:				2,742.41	.00	
3780						
Concrete Equipment						
	120957	G110 GIANT CHALK BOX	08/15/2011	38.98	.00	
	121080	BROOM BRACKET BASE	08/17/2011	98.88	.00	
	121232	REBAR	08/22/2011	62.13	.00	
Total 3780:				199.99	.00	
3827						
Morton Salt, Inc.						
	743609	BULK CRYSTAL SALT	08/15/2011	2,179.20	.00	
Total 3827:				2,179.20	.00	
3858						
Wells Fargo Bank Mn Na						
	083111	OBI:CWRPDA-SWRP/RIFLE-148	08/31/2011	9,427.92	9,427.92	08/31/2011
Total 3858:				9,427.92	9,427.92	
3890						
Flooring America						
	31727	cove base	04/13/2011	168.00	168.00	08/26/2011
	31732	cove base	04/15/2011	420.00	420.00	08/26/2011
Total 3890:				588.00	588.00	
3955						
Holy Cross Energy						
	073111	BEAVER CREEK HEADGATE	07/31/2011	54.69	54.69	08/12/2011
Total 3955:				54.69	54.69	
3960						
Lowe's Home Improvement Wareho						
	072711	MATERIALS REMODEL CITY HA	07/27/2011	510.47	510.47	08/26/2011

Vendor Name and Number	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid
Total 3960:				510.47	510.47	
4036						
Westgar K-lawn						
	138	WEED CONTROL/RAYNARD DIT	08/16/2011	122.00	.00	
Total 4036:				122.00	.00	
4055						
UPS/United Parcel Service						
	Y2097W281	SHIPPING	07/09/2011	14.64	.00	
Total 4055:				14.64	.00	
4141						
True Brew Coffee Service						
	136557	COFFEE	08/10/2011	77.55	.00	
	136558	COFFEE	08/10/2011	17.08	.00	
	136873	COFFEE	08/25/2011	37.95	.00	
Total 4141:				132.58	.00	
4184						
Winston Associates Inc						
	32000	Plaza Landscape Architecture Co	07/31/2011	3,298.70	.00	
	32001	Plaza Landscape Architecture Co	07/31/2011	4,416.40	.00	
	32002	PROJECT 72401-1 2ND ST & W	07/31/2011	5,650.00	.00	
	32003	PROJECT 72401-1 2ND ST & W	07/31/2011	1,175.00	.00	
Total 4184:				14,540.10	.00	
4240						
Platinum Plus For Business						
	BELL 081111	SUPPLIES	08/11/2011	25.31	25.31	08/19/2011
	BRAATEN 081	LUNCH EXPENSE	08/11/2011	9.67	9.67	08/19/2011
	BURNS 08111	APL TUNES	08/11/2011	80.02	80.02	08/19/2011
	CAIN 081111	COUNCIL MEETING	08/11/2011	931.21	931.21	08/19/2011
	CHRISTENSE	APL ITUNES	08/11/2011	435.60	435.60	08/19/2011
	DUNCAN 0811	DRE EVALUATION NIGHT	08/11/2011	30.41	30.41	08/19/2011
	EDGETON 081	CREDIT	08/11/2011	1,439.44	1,439.44	08/19/2011
	GALLEGOS 08	CERTIFICATIONS	08/11/2011	464.50	464.50	08/19/2011
	HIER 081111	APL ITUNES	08/11/2011	10.28	10.28	08/19/2011
	KEHOE 08111	ATT&t DATA	08/11/2011	1,077.18	1,077.18	08/19/2011
	KELTY 08111	TIF CLASS	08/11/2011	2.50	2.50	08/19/2011
	KOLEY 081111	NOTARY	08/11/2011	45.00	45.00	08/19/2011
	MEISNER 081	HOTEL EXPENSE	08/11/2011	232.50	232.50	08/19/2011
	MILES 081111	PRODUCT ORDER	08/11/2011	167.90	167.90	08/19/2011
	MILLER 08111	TRAINING	08/11/2011	89.49	89.49	08/19/2011
	PRUITT 08111	INSTRUCTOR SCHOOL	08/11/2011	.00	.00	
	PRUITT 08111	INSTRUCTOR SCHOOL	08/11/2011	530.46	530.46	08/19/2011
	STURGEON 0	CONFERENCING	08/11/2011	.07	.07	08/19/2011
	TYLER 081111	FUEL EXPENSE	08/11/2011	16.23	16.23	08/19/2011
	WHITMORE 08	SUPPLIES	08/11/2011	16.52	16.52	08/19/2011
Total 4240:				5,604.29	5,604.29	

Vendor Name and Number	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid
4244						
Boogie Down Light And Sound Inc.						
	081211	FARMERS MARKET PERFORM	08/12/2011	400.00	400.00	08/12/2011
Total 4244:				400.00	400.00	
4406						
Rifle Creek Stone Inc						
	27326	CHIPS 3/8	08/04/2011	148.01	.00	
Total 4406:				148.01	.00	
4428						
Valadez, Jose L						
	081211	WIRE TRANSFER FEE-PAYROL	08/12/2011	40.00	40.00	08/19/2011
Total 4428:				40.00	40.00	
4630						
Kirkman, Ula						
	68	PERFORMANCE/SR CENTER	08/12/2011	75.00	75.00	08/12/2011
	69	PERFORMANCE/SR CENTER	08/19/2011	75.00	75.00	08/26/2011
Total 4630:				150.00	150.00	
4663						
Kelty, Charles						
	081211	PAYROLL CHECK	08/12/2011	1,737.82	1,737.82	08/12/2011
Total 4663:				1,737.82	1,737.82	
4702						
Todd's Welding Inc						
	10016	FABRICATE WELD FRAME	08/17/2011	423.38	.00	
Total 4702:				423.38	.00	
4708						
H&h Woodworking Inc						
	8327	PAINT WALLS WEIGHT ROOM	08/28/2011	1,365.61	.00	
Total 4708:				1,365.61	.00	
4768						
Miracle Recreation Equipment						
	714930	LABEL	08/12/2011	18.12	.00	
Total 4768:				18.12	.00	
4775						
HD Supply Waterworks						
	3367893	6X4 PVC SDR35 SWR	07/29/2011	235.46	.00	
	3367911	6 PVC SDR35 SWR	08/05/2011	35.14	.00	
Total 4775:				270.60	.00	
4811						

Vendor Name and Number	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid
United Site Services Inc						
	114-102312	PORTABLE RESTROOM/ RIFLE	08/08/2011	340.00	.00	
	114-104311	PORTABLE RESTROOM HEINZ	08/09/2011	65.00	.00	
	114-104312	PORTABLE RESTROOM/ DAVID	08/09/2011	220.00	.00	
	114-104328	PORTABLE RESTROOM/ CENT	08/09/2011	320.00	.00	
	114-72629	PORTABLE RESTROOM/ BATTI	07/25/2011	65.00	.00	
	114-75651	PORTABLE RESTROOM DEER	07/26/2011	820.00	.00	
	114-88956	PORTABLE RESTROOM METR	08/02/2011	130.00	.00	
	114-88957	PORTABLE RESTROOM -MOUN	08/02/2011	1,295.00	.00	
Total 4811:				3,255.00	.00	
4822						
Idville						
	2293204	SAFETY FIRST ID HOLDERS/PA	08/03/2011	58.00	.00	
Total 4822:				58.00	.00	
4879						
Cardiff Cleaning Services						
	4208	CLEANING JUSTICE CENTER	08/15/2011	4,175.00	.00	
Total 4879:				4,175.00	.00	
4920						
Bell Supply Co						
	PSI368153	HOSE TANK TRUCK SUCTION 2	08/04/2011	86.80	.00	
Total 4920:				86.80	.00	
4926						
Ge Capital						
	56058750	KIP PRINTER	08/07/2011	391.49	.00	
	56091997	SHARP COPIERS/ PD	08/17/2011	575.69	.00	
Total 4926:				967.18	.00	
4937						
Stilson, Linda						
	081511	LUNCH REIMBURSEMENT	08/15/2011	55.85	55.85	08/19/2011
	082611	WIRE TRANSFER FEE-PAYROL	08/26/2011	10.00	10.00	08/26/2011
Total 4937:				65.85	65.85	
4967						
Touch Tone Communications						
	072811	OM	07/28/2011	200.95	200.95	08/12/2011
Total 4967:				200.95	200.95	
5085						
DIGITAL ALLY						
	1036026	COMPLETE A RMA REPLACE	04/07/2011	175.00	.00	
Total 5085:				175.00	.00	
5103						

Vendor Name and Number	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid
DIEGO/GUADALUPE PINA						
	082611	WIRE TRANSFER FEE-PAYROL	08/26/2011	.00	.00	
Total 5103:				.00	.00	
5160						
Sandoval, Tina						
	081211	WIRE TRANSFER FEE-PAYROL	08/12/2011	7.00	7.00	08/19/2011
Total 5160:				7.00	7.00	
5181						
FRED'S HARDWARE						
	20300 073111	SUPPLIES	07/31/2011	386.69	.00	
	20305 073111	SUPPLIES	07/31/2011	95.37	.00	
	20306 073111	SUPPLIES	07/31/2011	135.49	.00	
Total 5181:				617.55	.00	
5192						
PECZUH PRINTING COMPANY						
	175922	LETTERHEADS	08/03/2011	719.53	.00	
Total 5192:				719.53	.00	
5207						
Hayes, Peter						
	082611	WIRE TRANSFER FEE-PAYROL	08/26/2011	27.00	27.00	08/26/2011
Total 5207:				27.00	27.00	
5211						
STAPLES						
	0013067	OFFICE SUPPLIES	08/15/2011	241.97	.00	
Total 5211:				241.97	.00	
5253						
FASTENAL						
	42484	plug	07/15/2011	6.02	.00	
	42738	DMNDBLADE	07/26/2011	135.46	.00	
	43084	V-GARD HAT WHITE RAT	08/09/2011	49.71	.00	
Total 5253:				191.19	.00	
5267						
ULINE						
	39425222	80 40LB BLK UV CABLE TIES	08/11/2011	78.07	.00	
Total 5267:				78.07	.00	
5299						
Wilson, Kirk						
	081211	WIRE TRANSFER FEE PAYROL	08/12/2011	10.00	10.00	08/19/2011
Total 5299:				10.00	10.00	

Vendor Name and Number	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid
5384						
MOUNTAIN HIGH PAINT						
	10536	SHOE COVERS 10 PAIR	07/13/2011	7.59	.00	
	10537	4 BROAD KNIFE WARMER	07/13/2011	10.79	.00	
	10780	PAINT AND PAINT SUPPLIES	08/03/2011	207.79	.00	
Total 5384:				226.17	.00	
5454						
KINSCO						
	3160	THROSHIELD VISION	08/03/2011	785.90	.00	
Total 5454:				785.90	.00	
5473						
McAfee						
	INV5839742	FAIL SAFE DISASTER RECOVER	08/01/2011	132.00	.00	
Total 5473:				132.00	.00	
5484						
GEHRKE, STEVE						
	081211	WIRE TRANSFER FEE-PAYROL	08/12/2011	20.00	20.00	08/19/2011
Total 5484:				20.00	20.00	
5503						
JAY-MAX SALES						
	210014-00	NYL INST LKNUT	08/10/2011	13.70	.00	
	210233-00	COTTON RAGS	08/17/2011	61.90	.00	
Total 5503:				75.60	.00	
5571						
QUEVEDO, JENNIE						
	202	Court Interpreter	08/10/2011	414.30	.00	
Total 5571:				414.30	.00	
5583						
Cole, Troy						
	081211	WIRE TRANSFER FEE PAYROL	08/12/2011	5.00	5.00	08/19/2011
Total 5583:				5.00	5.00	
5613						
SunEdison, LLC/pump station						
	771108009484	PUMP STATION #1	08/01/2011	6,002.47	6,002.47	08/19/2011
Total 5613:				6,002.47	6,002.47	
5643						
Tally Ho Construction						
	110820	ADDITION SERVICE CENTER B	08/25/2011	23,586.57	.00	
Total 5643:				23,586.57	.00	

Vendor Name and Number	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid
5648						
REDI SERVICES, LLC						
	0137330	PORTABLE RESTROOMS	07/31/2011	60.00	.00	
	0137674	PORTABLE RESTROOMS	07/31/2011	30.00	.00	
Total 5648:				90.00	.00	
5676						
Koley, Brittany						
	081211	WIRE TRANSFER FEE PAYROL	08/12/2011	10.00	10.00	08/19/2011
Total 5676:				10.00	10.00	
5680						
Malcolm Pirnie, Inc.						
	0399022	RRWPF Design Completion	08/12/2011	145,285.07	.00	
Total 5680:				145,285.07	.00	
5718						
FLATEN, NICK						
	081211	WIRE TRANSFER FEE PAYROL	08/12/2011	10.00	10.00	08/19/2011
Total 5718:				10.00	10.00	
5742						
HARTMAN, MELODY						
	081211	FARMER'S MARKET PERFORM	08/12/2011	400.00	400.00	08/19/2011
Total 5742:				400.00	400.00	
5751						
SYMBOL ARTS						
	0152625-IN	Badges	08/17/2011	82.50	.00	
Total 5751:				82.50	.00	
5752						
Accutest Mountain States						
	D7-19152	alkalinity, organic carbon/water te	08/05/2011	218.00	.00	
	D7-19269	W	08/05/2011	452.00	.00	
	D7-19270	alkalinity, organic carbon/water te	08/05/2011	454.00	.00	
	D8-19529	alkalinity, organic carbon/water te	08/19/2011	432.00	.00	
Total 5752:				1,556.00	.00	
5779						
Fitzsimmons, Kristin						
	081211	WIRE TRANSFER FEE PAYROL	08/12/2011	5.00	5.00	08/19/2011
Total 5779:				5.00	5.00	
5796						
Norit Americas Inc.						
	515964	Po 444	08/12/2011	2,370.00	.00	
	516202	Powdered Activated Carbon	08/23/2011	18,792.00	.00	

Vendor Name and Number	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid
Total 5796:				21,162.00	.00	
5833						
SunEdison, LLC/SunE U6 holding						
	781108009483	energy innovation center	08/01/2011	15,803.60	15,803.60	08/19/2011
Total 5833:				15,803.60	15,803.60	
5843						
BOREN, CASEY						
	082611	WIRE TRANSFER FEE-PAYROL	08/26/2011	10.00	10.00	08/26/2011
Total 5843:				10.00	10.00	
5846						
Mesa County Health Department						
	3043-11	Water Testing	08/16/2011	20.00	20.00	08/26/2011
	3044-11	Water Testing	08/16/2011	20.00	20.00	08/26/2011
	3045-11	Water Testing	08/16/2011	20.00	20.00	08/26/2011
	3140-11	Water Testing	08/24/2011	20.00	20.00	08/26/2011
Total 5846:				80.00	80.00	
5896						
IDEXX DISTRIBUTION, INC.						
	253216773	WP100I IRRADIATED COLLIERT	08/05/2011	708.67	.00	
Total 5896:				708.67	.00	
5960						
Recreation Fee Refunds						
	2000690002	REC FEE REFUND	08/19/2011	20.00	20.00	08/26/2011
Total 5960:				20.00	20.00	
5964						
WBP FABRICATORS						
	4963	SIGN	08/26/2011	720.00	.00	
Total 5964:				720.00	.00	
5976						
Timmer, Kelley						
	082611	WIRE TRANSFER FEE-PAYROL	08/26/2011	20.00	20.00	08/26/2011
Total 5976:				20.00	20.00	
5984						
JIM DIBLE OIL CO						
	S1094	LITH SHC 460/40T CASE	08/12/2011	445.30	.00	
Total 5984:				445.30	.00	
6016						
Hall Mike						
	082611	WIRE TRANSFER FEE-PAYROL	08/26/2011	12.00	12.00	08/26/2011

Vendor Name and Number	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid
Total 6016:				12.00	12.00	
6042						
Premier Party Rental						
	081611	RENTAL TENT-RIFLE FITNESS	08/16/2011	666.51	666.51	08/19/2011
	082611	RENTAL TENT-RIFLE FITNESS	08/26/2011	666.51	666.51	08/26/2011
Total 6042:				1,333.02	1,333.02	
6052						
Trane U.S. Inc.						
	5580453R1	PL22424 FILTER	08/01/2011	211.20	.00	
Total 6052:				211.20	.00	
6055						
Seastone Jeff						
	081211	WIRE TRANSFER FEE PAYROL	08/12/2011	10.00	10.00	08/19/2011
Total 6055:				10.00	10.00	
6057						
Specter Instruments						
	1107018823	ANNUAL RENEWAL ESP SUPP	07/18/2011	395.00	.00	
Total 6057:				395.00	.00	
6069						
CPRA						
	082411	2011 ANNUAL CONFERENCE	08/24/2011	1,465.00	1,465.00	08/26/2011
Total 6069:				1,465.00	1,465.00	
6105						
Curry Craig						
	082611	PERFORMANCE FARMERS MA	08/26/2011	400.00	400.00	08/26/2011
Total 6105:				400.00	400.00	
6107						
The Hunting Shack Inc						
	48510	AMAX MATCH	08/10/2011	446.06	.00	
Total 6107:				446.06	.00	
6195						
Western Slope Communications						
	32634	THE DRIVE 105 KZKS-FM	07/31/2011	150.00	.00	
	32635	ESPN RADIO 690-KRGS-AM	07/31/2011	400.00	.00	
	32636	THE RIVER KRVG-GLENWOOD	07/31/2011	400.00	.00	
Total 6195:				950.00	.00	
6225						
BRUBACHER DESIGN						
	350	RECYCLE SIGN	08/26/2011	244.00	.00	

Vendor Name and Number	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid
Total 6225:				244.00	.00	
6248						
Colorado River Engineering, Inc.						
	3683	JOB -842 REDC	08/18/2011	4,390.00	.00	
Total 6248:				4,390.00	.00	
6266						
Quality Pipe Services						
	11-10392	2011 SEWER CLEANING	07/27/2011	12,127.40	.00	
Total 6266:				12,127.40	.00	
6282						
Kansas State Bank						
	083111	PRINCIPAL	08/31/2011	1,672.98	1,672.98	08/31/2011
Total 6282:				1,672.98	1,672.98	
6288						
Clanton & Associates						
	11025-2	LIGHTING DESIGN CONSULTIN	07/31/2011	766.25	.00	
	11026-2	LIGHTING DESIGN CONSULTIN	07/31/2011	1,890.00	.00	
Total 6288:				2,656.25	.00	
6303						
Law Office of Angela Roff, PC						
	241	CITY PROSECUTOR	07/31/2011	4,166.67	.00	
Total 6303:				4,166.67	.00	
6323						
American Red Cross						
	17606	STANDARD FIRST AID	07/31/2011	159.00	.00	
Total 6323:				159.00	.00	
6335						
FitnessTech						
	16415	SERVICE REPAIR EXERCISE E	08/19/2011	475.00	.00	
Total 6335:				475.00	.00	
6344						
Stereo Unlimited Custom Division						
	1588	FITNESS CENTER SOUND SYS	07/30/2011	2,790.00	.00	
	3807	XM HOME DOCK	08/23/2011	129.90	.00	
Total 6344:				2,919.90	.00	
6352						
HILLYARD/DENVER						
	6878720	WIPES GYM DISINFECTING	08/24/2011	685.00	.00	

Vendor Name and Number	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid
Total 6352:				685.00	.00	
6355						
LAFARGE WEST INC						
	21288954	RMXGE35GD87	08/22/2011	411.50	.00	
Total 6355:				411.50	.00	
6357						
FIRST STRING						
	3886	EMBRODERED LOGO-UNIFOR	08/19/2011	676.88	.00	
Total 6357:				676.88	.00	
6364						
Hill Morgan						
	1	COMPILE INFORMATION	06/30/2011	137.50	137.50	08/12/2011
Total 6364:				137.50	137.50	
6365						
Farr Geneva						
	080111	VOLLEYBALL CAMPS	08/01/2011	680.00	680.00	08/12/2011
Total 6365:				680.00	680.00	
6366						
Stilson Candace						
	081211	PAYROLL CHECK	08/12/2011	212.65	212.65	08/12/2011
Total 6366:				212.65	212.65	
6367						
Blue Lake Ranch						
	081911	HOTEL EXPENSE	08/19/2011	264.12	264.12	08/19/2011
Total 6367:				264.12	264.12	
6368						
Rocky Mountain Energy Security Group						
	081911	REGISTRATION	08/19/2011	.00	.00	
Total 6368:				.00	.00	
6369						
NTOA						
	081911	CONFERENCE	08/19/2011	300.00	300.00	08/19/2011
Total 6369:				300.00	300.00	
6370						
BROWN AMANDA						
	081211	WIRE TRANSFER FEE-PAYROL	08/12/2011	10.00	10.00	08/19/2011
Total 6370:				10.00	10.00	

Vendor Name and Number	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid
6371 DAVIS DUANA						
	081211	WIRE TRANSFER FEE-PAYROL	08/12/2011	20.00	20.00	08/19/2011
Total 6371:				20.00	20.00	
6372 SWALLOW ASHLEY						
	081211	WIRE TRANSFER FEE-PAYROL	08/12/2011	10.00	10.00	08/19/2011
Total 6372:				10.00	10.00	
6373 ENEWOLD JASON						
	081211	WIRE TRANSFER FEE-PAYROL	08/12/2011	10.00	10.00	08/19/2011
Total 6373:				10.00	10.00	
6374 TURGEON AMY						
	081211	WIRE TRANSFER FEE-PAYROL	08/12/2011	20.00	20.00	08/19/2011
Total 6374:				20.00	20.00	
6376 SAMSON SANDY						
	081211	WIRE TRANSFER FEE-PAYROL	08/12/2011	10.00	10.00	08/19/2011
Total 6376:				10.00	10.00	
6377 WILSON JESSICA						
	081211	WIRE TRANSFER FEE PAYROL	08/12/2011	10.00	10.00	08/19/2011
Total 6377:				10.00	10.00	
6378 TIFFANY AMANDA						
	081211	WIRE TRANSFER FEE PAYROL	08/12/2011	10.00	10.00	08/19/2011
Total 6378:				10.00	10.00	
6379 CORTEZ MARGA						
	081211	WIRE TRANSFER FEE PAYROL	08/12/2011	10.00	10.00	08/19/2011
Total 6379:				10.00	10.00	
6380 BROHN PLUMBING AND HEATING						
	2218	REPAIR	08/15/2011	1,142.32	.00	
Total 6380:				1,142.32	.00	
6381 SIEMENS INDUSTRY, INC.						
	9000283372	TRUNNION WHEEL	07/27/2011	2,072.00	.00	

Vendor Name and Number	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid
Total 6381:				2,072.00	.00	
6382						
Colo Foundation for Public Health						
	PLACE-R-0822	PLACE TRAINING	08/22/2011	150.00	150.00	08/23/2011
Total 6382:				150.00	150.00	
6384						
Professional Services Employers Trust						
	070111	ANNUAL FEE	07/01/2011	1,941.75	1,941.75	08/25/2011
Total 6384:				1,941.75	1,941.75	
6385						
MERTZ JENNIFER						
	082611	WIRE TRANSFER FEE-PAYROL	08/26/2011	7.00	7.00	08/26/2011
Total 6385:				7.00	7.00	
6386						
McCONNELL LYNN						
	082611	REIMBURSEMENT SENIOR TRI	08/26/2011	13.20	13.20	08/26/2011
Total 6386:				13.20	13.20	
6387						
GRAN FARNUM PRINTING						
	3007 ABCD	BALLOTS	08/25/2011	3,078.90	3,078.90	08/26/2011
Total 6387:				3,078.90	3,078.90	
6388						
ABUHALIMEH SULEIMAN						
	082211	CHEERMEISTER-APPLICATION	08/22/2011	500.00	500.00	08/26/2011
Total 6388:				500.00	500.00	
6389						
ANYTIME SEWER & DRAIN						
	082511	DEPOSIT REFUND	08/25/2011	500.00	500.00	08/26/2011
Total 6389:				500.00	500.00	
6390						
VAUGHAN CONSTRUCTION						
	082611	DEPOSIT REFUND	08/26/2011	7,225.00	7,225.00	08/26/2011
Total 6390:				7,225.00	7,225.00	
6391						
REYNOLDS FRANK						
	082611	DEPOSIT REFUND	08/26/2011	500.00	500.00	08/26/2011
Total 6391:				500.00	500.00	

Vendor Name and Number	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid
6392						
YEH & ASSOCIATES						
	082611	DEPOSIT REFUND	08/26/2011	500.00	500.00	08/26/2011
Total 6392:				500.00	500.00	
6393						
TEAGLE EXCAVATING INC						
	082611	DEPOSIT REFUND	08/26/2011	500.00	500.00	08/26/2011
Total 6393:				500.00	500.00	
6394						
ALLSTATE ENVIRONMENTAL						
	0908-01	NON SELECTIVE WEED KILLER	08/08/2011	1,446.75	.00	
	0910-01	NON SELECTIVE WEED KILLER	08/15/2011	1,909.25	.00	
Total 6394:				3,356.00	.00	
6395						
ERI AUCTION CO.						
	348533	ITT GOULDS MODEL PUMP	08/09/2011	945.00	.00	
Total 6395:				945.00	.00	
6396						
Nationwide Environmental Services						
	6067	FLOATING LIFT STATION DEGR	08/22/2011	130.26	.00	
Total 6396:				130.26	.00	
6397						
NADA APPRAISAL GUIDES						
	ACCT-5995839	OLDER USED CAR GUIDE	07/30/2011	75.00	.00	
Total 6397:				75.00	.00	
6398						
Encana Oil And Gas						
	083111	CITY OF RIFLE #22044 USE TAX	08/31/2011	713,942.05	.00	
Total 6398:				713,942.05	.00	
Grand Totals:				1,256,547.10	159,097.35	

Dated: _____

City Finance Director: _____

Vendor Name and Number	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid
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Report Criteria:

Summary report.

Invoices with totals above \$0 included.

Paid and unpaid invoices included.

September 1, 2011

Mayor Keith Lambert
Rifle City Council
P. O. Box 1908
Rifle, Colorado 81650

Re: September 7, 2011 City Council Meeting

Dear Mayor Lambert and Members of the Rifle City Council:

The purpose of this letter is to briefly outline the discussion we will have at the September 7, 2011 Rifle City Council Meeting.

1. Rifle Airpark PUD Utility Stub-Out Dedication Agreement. The City is in the process of accepting the public improvements constructed by the County as part of the Garfield County Airport Runway Extension Project. As part of the construction of the newly aligned Airport Road and the relocation of water and sewer mains serving the Airport area, and at the urging of Airport Land Partners, the developer of Rifle Airpark PUD, the County installed certain utility stub-outs that will serve part of the PUD. The locations of the stub-outs are shown on Exhibit A to the Agreement as Nos. 9, 10 and 11. The City is accepting those improvements from the County now but has no actual interest owning them until development occurs so we drafted the enclosed Utility Stub-Out Dedication Agreement. In the Agreement, Airport Land Partners is acknowledging that the improvements must be inspected and brought into conformance if there are any deficiencies as part of the additional public improvements constructed on the PUD in the future. ALP is further indemnifying the City for any claims related to the improvements.

We recommend approving the Rifle Airpark PUD Utility Stub-Out Dedication Agreement on your Consent Agenda.

2. Resolution No. 12, Series of 2011 (Adoption of Cafeteria Plan and Health Reimbursable Account Employee Benefits Plan). The City recently selected a different service plan provider for its cafeteria plan and health reimbursable account employee benefits. The new provider, Medical Group Insurance Services, Inc., has provided the City with an amended Cafeteria Plan including a Dependent Care Flexible Spending Account and Health Flexible Spending Account effective July 1, 2011 ("Cafeteria Plan") and a Health Reimbursement Arrangement effective July 1, 2011 ("HRA Plan") for adoption by Resolution No. 12, Series of 2011. City Clerk and Human Resources Director Lisa Cain will administer the HRA Plan and Cafeteria Plan on behalf of the City according to the procedures and regulations established in the plan documents. We have reviewed and discussed the content of both sets of documents and feel the City's practices coincide with the HRA Plan and Cafeteria Plan requirements.

Mayor Keith Lambert
Rifle City Council
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Staff has also met with the service plan provider to discuss implementation of the benefit packages.

We recommend approval of Resolution No. 12, Series of 2011.

3. Resolution No. 13, Series of 2011 (Amendments to the Public Works Manual Regarding Retainage on Construction Contracts). Effective August 10, 2011, the Colorado state legislature adopted amendments to C.R.S. §24-91-103, which regulates partial payments for public entity construction contracts in excess of \$150,000.00. The primary effect of the amendments is to reduce the amount of retainage that may be withheld by a public entity from partial payments on a construction contract from ten percent (10%) of the calculated value of the work to five percent (5%) of such value. The City is required to comply with these provisions, so staff undertook a review of the partial payments language currently adopted at Section 2.30 of the Rifle Public Works Manual. The partial payments statute has been amended several times in the last ten years and Rifle's current provisions reflect this evolution, so we are also performing some clean-up of this section. Staff recommends deleting the existing retainage procedure for contracts between \$80,000.00 and \$150,000.00 and value for greater flexibility and ease of administration and adopting the statutory procedure for larger contracts. For smaller construction contracts, the Public Works Department will typically require five percent (5%) retainage on partial payments but may consider other terms for a particular project.

Section 16-1-30(b) of the Rifle Municipal Code requires changes to the Rifle Public Works Manual reflecting a change in law to be adopted by resolution of the City Council.

We recommend approval of Resolution No. 13, Series of 2011.

4. Intergovernmental Agreement Establishing the Garfield Clean Energy Collaborative. As representatives with Garfield Clean Energy told you in a past workshop, in 2008 nine government partners in Garfield County joined together with CLEER, a nonprofit organization, and applied for a Department of Local Affairs New Energy Communities Initiative Grant. The grant allowed for multiple governments to join together to create a countywide program that has resulted in significant energy efficiency and energy and economic development targets. Garfield Clean Energy wants to continue this collaborative beyond the DOLA grant. In addition, GCE is currently operating with Garfield County as its fiscal agent and the County has indicated that it no longer wants to perform that role. As a result, the Garfield Clean Energy Advisory Board determined that creating an authority pursuant to an intergovernmental agreement between its members best met GCE's long term governance structure goals. State statute authorizes governments to cooperate and create a separate legal entity to provide for the joint exercise of functions and services.

The IGA in your packet establishes the Garfield Clean Energy Collaborative and is its foundation document. The IGA sets forth the purpose of the Authority and its powers. The Authority is its own entity and no liability may be imputed onto any individual member of the Authority. The

KARP NEU HANLON, P.C.

Mayor Keith Lambert
Rifle City Council
Page 3

Authority will be governed by a board of directors which shall be comprised of one member representing each of the parties of the IGA to be appointed by each respective elected body. The scope of the Authority's reach and functions lie in its budget. The Authority has no independent revenue source and each member will contribute annually to the Authority as it sees fit to be determined during each budget cycle. The Authority may also pursue grants to leverage contributions from the Members. The Authority will need to comply with all statutes regarding governmental entities, including the Open Records Act and Open Meetings Law. Any Member may withdraw from the Authority upon three (3) months written notice.

Approving the IGA only authorizes the establishment of the Authority with the City of Rifle as a Member and no financial commitment is being made by this action.

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

JSN:
Enclosure



City of Rifle Proclamation

WHEREAS, the Colorado Municipal League's annual "If I Were Mayor . . ." essay contest, sponsored by COLOTRUST, was open to all Colorado students enrolled in the 7th or 8th grades during the 2010-11 school year; and

WHEREAS, contestants were asked the following: "During a recent council meeting a resident raises her hand and asks why citizens should care about local government. She doesn't think city/town services have any impact on the quality of her life or the lives of her two young children. If you were mayor, how would you respond?"; and

WHEREAS, Annie Schmidt was enrolled in 8th grade at Rifle Middle School during the 2010-11 school year; and

WHEREAS, Ms. Schmidt, encouraged by her teacher, Kyle Mickelson, and her parents, Edward and Mary Schmidt, submitted a contest essay, one of over 350 essays submitted by 7th and 8th graders statewide; and

WHEREAS, the essays were judged by a five-member panel, led by Colorado Supreme Court Justice Greg Hobbs, in the following areas: essay relation to contest topic; creativity; displayed knowledge about the role of a mayor; and legibility and proper use of grammar; and

WHEREAS, one winner from each of four geographic regions across the state was selected; and

WHEREAS, Ms. Schmidt was selected as the West Region Winner of the "If I Were Mayor . . ." essay contest.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF RIFLE, COLORADO, hereby honors Annie Schmidt for her scholarly achievement, encourages her to continue to develop skills in leadership, and thanks her for the positive attention she has brought to the Rifle community.

Approved by the City Council at a regular meeting this 7th day of September, 2011.

CITY OF RIFLE

Attest:

By:

City Clerk

Mayor

If I Were Mayor.....

The mayor and city council have many responsibilities. The effect of their decisions is huge to the community. If I were the mayor of Rifle and a woman said she doesn't think our town services have any impact on her life I would respectfully disagree and respond the following way.

To begin, I would ask if she ever takes her kids to any of the parks in Rifle to play on the equipment. Several years ago the city of Rifle increased the sales tax by 1%. It added only a penny to each purchase made, but those pennies added up. It made it possible for the city of Rifle to build many parks, and get new equipment for our kids. For example, Davidson Park and Heinze Park both got new playground equipment. We recently built Centennial Park and are planning on putting new playground equipment in as soon as the funds are there. It is a fun place for kids to go enjoy the beautiful day and get some exercise at the same time.

Second, Rifle just built a brand new library that was funded by sales and property tax dollars. The new library makes it easier to find the book of your choice, since they have also added many new books to their collection. You no longer have to wait in line to check out your books because we added the new convenient self check out! It is also a great place for parents to bring their young children for story time and crafts.

Next, we have signed a lease with a movie theater company, to bring in a seven screen movie theater. This is very important because we won't have to drive to Glenwood Springs or Grand Junction anymore to see a movie. There will be many choices that will suit all ages from toddlers to adults. It is safer, because when

teenagers want to see a movie on a Friday night, they won't have to drive a long distance, they can simply stay in town!

Last, Rifle also uses tax dollars for the snow plows during the winter months. The roads would be extremely dangerous if the snow and ice weren't cleaned off properly. The number of accidents would increase, and so would the number of injuries and emergency room visits. If the roads weren't cleaned off, the schools would have more snow days because the students wouldn't be able to drive to school with the terrible road conditions.

In conclusion, it is not uncommon to take for granted the many ways our local government helps make the quality of our lives better, I would hope the citizen sees how much the city services does for our town and how it can impact her and her children's life.

**INTERGOVERNMENTAL AGREEMENT
ESTABLISHING AN AUTHORITY CALLED
“GARFIELD CLEAN ENERGY COLLABORATIVE”**

THE PARTIES to this Intergovernmental Agreement are: the BOARD OF COUNTY COMMISSIONERS OF GARFIELD COUNTY; the TOWN OF PARACHUTE, COLORADO; the CITY OF RIFLE, COLORADO; the TOWN OF SILT, COLORADO; the TOWN OF NEW CASTLE, COLORADO; the CITY OF GLENWOOD SPRINGS, COLORADO; the TOWN OF CARBONDALE, COLORADO; the GARFIELD COUNTY PUBLIC LIBRARY DISTRICT; and the ROARING FORK TRANSPORTATION AUTHORITY.

WHEREAS, pursuant to the provisions of Section 29-1-203, CRS, as amended, the parties have the power and authority to enter into this Agreement for the purposes of collaborating to create a more energy independent, energy secure, thriving and stable economy; and

WHEREAS, the issues surrounding energy and the economy are complex and challenging, and the Garfield Clean Energy Collaborative will collaborate with private sector businesses, residents, educational institutions, the energy industry, nonprofit organizations, and state and federal agencies to achieve the most positive economic and energy results possible for Garfield County residents; and

WHEREAS, with proven technology and energy management measures, we can significantly increase our overall energy efficiency, achieving the same level of comfort and service with lower energy consumption and greater use of clean energy sources; and

WHEREAS, clean energy, energy efficiency, energy management, renewable energy investments, and reduced dependence on petroleum result in numerous positive results including economic benefits, job creation, cost savings, energy independence, energy security, and reduced emissions; and

WHEREAS, working together countywide, the parties can join together to significantly cut energy costs and energy waste and increase energy productivity, making more funds available for other purposes, creating a stronger and more resilient economy, and provide all entities a template for tackling difficult public policy issues of any type; and

WHEREAS, Garfield Clean Energy Collaborative has adopted a countywide goal to increase energy efficiency as measured by reducing energy consumption by 20% by 2020 and reducing petroleum consumption by 25% by 2020, over a 2009 baseline, and obtain 30% of our electricity from renewable sources by 2020 as a means to a stronger, more resilient and more energy-secure economy; and

WHEREAS, working together, the parties can reach and exceed these goals and tap the economic benefits for households, businesses and units of government, by striving to make Garfield County a model of energy efficiency, energy security, and energy independence; and

WHEREAS, this Agreement allows for the parties to cooperate and work together and benefit from economies of scale that would not be possible if the parties worked separately, and thereby maximize results and create a stronger economy.

NOW, THEREFORE, in consideration of the commitments set forth herein, the Parties agree to the following:

- 1) **Establishment and Purpose of Garfield Clean Energy Collaborative:** As permitted by Section 29-1-203, C.R.S., as amended, the parties hereby establish a separate legal governmental entity to be known as "Garfield Clean Energy Collaborative" (hereinafter referred to as the "Authority" and may be known or referred to as "Garfield Clean Energy" or "GCE") responsible for and as a collaborative effort to build a clean energy economy, to increase energy security through widespread development of energy efficiency, renewable energy and the effective use of existing energy resources in Garfield County and its municipalities. The Authority shall provide education, technical assistance, program development, program administration and program delivery, marketing and financing, and any other actions to make clean energy accessible and affordable for households, businesses, schools and government and community institutions throughout Garfield County. All parties to this Agreement acknowledge that the Authority is a separate legal governmental entity, but governed by its members according to the terms herein, which entity can enter into independent contracts, sue and be sued, and bears its own liability. The Authority shall file all documents with the Colorado Department of Local Affairs as required by law to be recognized as an independent local governmental entity.
- 2) **Effects:** This Agreement shall take effect and the Authority shall be formed upon the execution of this Agreement by those signing parties.
- 3) **Additional Members:** Additional members may be added to the Authority, if an entity is qualified to enter into an Intergovernmental Agreement pursuant to the provisions of Section 29-1-201, et. seq. CRS, and such entity's application for membership is accepted by a majority of the Authority members. Additional parties shall be considered joined and part of the Authority upon the date of their execution of this Agreement. If an entity does not meet the qualifications of 29-1-201, et. seq. CRS, and wishes to participate with the Authority, the entity may participate as an Affiliate Member upon approval by a majority of the Authority members. Affiliate Members shall have no voting privileges and the Authority shall set forth any other rights and the obligations of Affiliate Members in its Bylaws prior to the acceptance of any Affiliate Member.

- 4) **Duties and Powers of the Authority:** The authority of any party shall not be imputed to any other party or the Authority, and no debt, liability or obligation of the Authority shall be imputed to any party. In order to achieve its purpose, the Authority is hereby authorized, in its own name, to perform all acts necessary for the exercise of its powers including, but not limited to, the following:
- a) To make and enter into contracts, including agreements to receive and provide services necessary for the operation of the Authority, including administrative and financial services necessary for the operation of the Authority, including auditing, financial and payroll services, legal services, and other incidental services normally associated with the operation of a governmental entity.
 - b) To employ contractors and employees necessary to carry out the purposes of this Agreement.
 - c) To acquire, construct, maintain, manage, lease, hold or dispose of any real property necessary for the purposes of this Agreement or the Authority.
 - d) To incur debts, liabilities and obligations necessary for the operation of the Authority, to sue and be sued in its own name.
 - e) To fix, maintain, and revise fees, rates and charges for functions or services, as well as fees for special services not contemplated in the annual program of the Authority.
 - f) To adopt rules and regulations regarding the exercise of the Authority's powers and furthering its purpose.
 - g) To apply for and accept grants and contributions.
 - h) To adopt annual budgets for operations, administration and programs.
 - i) To authorize expenditures pursuant to the approved budget and appropriations.
- 5) **Board of Directors:** The governing body of the Authority shall be known as the Board of Directors, in which all legislative power of the Authority shall be vested. The Board of Directors shall be comprised of one member representing each of the parties of this Agreement, which shall be appointed by their respective elected bodies. The election and qualification of each Director shall be within the discretion of each member. Directors shall serve without compensation from the Authority. The Authority shall act through the Board of Directors, although the Board may vote to delegate specific authority to officers or employees of the Authority or to any executive committee or any special committees the Board may constitute.
- 6) **Actions, Powers and Duties of the Board of Directors:**
- a) The Board of Directors shall have general supervision over all financial, budgetary and administrative affairs of the Authority.
 - b) The Board of Directors shall adopt By-laws within sixty days of the first meeting of the Board of Directors, which shall govern the conduct of the Board of Directors, its meetings, and communications and interaction amount the members of the Authority. Where such By-laws are incomplete, Robert's Rules of Order shall be used for the conduct of meetings.

- c) The Board of Directors shall meet at least quarterly, or as otherwise determined by a majority vote of the Directors.
 - d) A quorum of Board of Directors may act with the approval of a majority of Board members present at the meeting. A quorum of the Board shall consist of a majority of the parties' representatives.
 - e) The officers of the Authority shall consist of the Chair, Vice Chair, Treasurer and Secretary. The Chair will be responsible for conducting meetings. The Vice Chair shall be responsible for conducting meetings when the Chair is unable to perform the duties. The Treasurer shall be responsible for reviewing the Authority's financial records. The Secretary shall be responsible for verifying all minutes of the meeting of the Board of Directors, and shall attest all documents executed by the Chair on behalf of the Authority. The officers of the Authority shall be selected annually at the first meeting of the Board of Directors and shall be determined by a majority vote of the membership of the Authority.
 - f) The Board of Directors shall be subject to the provisions of the Colorado Open Meetings Law and Colorado Open Records Act. All meeting minutes and notices shall be maintained as required pursuant to those provisions.
 - g) Terms of all members of the Board of Directors will be governed through the By-laws and some the terms shall be staggered assist with Board continuity.
- 7) **Budget:** The Board of Directors shall, in consultation with its members, propose an annual budget of the Authority in advance of each member's budget cycle to allow each member to include its financial contribution to the Authority in its respective budget. That budget shall set forth anticipated expenses, financing sources and service levels necessary to carry out the purpose of this Agreement, including all administrative, operational, and program costs and fund reserves for the upcoming fiscal year. The Board of Directors shall anticipate each party's contribution, as well as other contributions and grants. Said budget shall take effect the following fiscal year, beginning on January 1st.
- 8) **Financial Services:** The Authority shall maintain its own bank accounts and funds separate from those of its members. All monies and investments shall be kept in accordance with applicable law.
- 9) **Personnel:** The Authority is authorized to employ necessary staff and personnel to perform its purpose. Additionally, the Authority is authorized to engage independent contractors to perform delegated duties and functions.
- 10) **Audits and Record Keeping:** The Authority shall cause an annual independent audit of its books and a summary copy of said audit shall be provided to all parties to this Agreement. The Authority shall report all proposed amendments of this Agreement or any By-laws promulgated pursuant to this Agreement, any meeting changes, changes in budget, and any information important to the operation of this Agreement to each member promptly. All documents required to be made available under any local, state, or federal law or regulation shall be maintained by the Authority. The

parties of this Agreement shall have access at all reasonable times to the records of the Authority.

- 11) **Legal Services:** The Authority may contract for legal services.
- 12) **Insurance:** The Authority shall be responsible for any insurance necessary for its operation.
- 13) **Withdrawal, Termination and Dissolution:** Parties may withdraw from this Agreement and membership of the Authority with three (3) months written notice to the Authority. The withdrawal of any member from this Agreement shall in no way affect the rights and obligations of the remaining members, except as agreed upon between the remaining members. Members withdrawing from this Agreement are not entitled to the return of any funds already contributed to the Authority unless agreed to by the Authority. Termination of a party may occur with 2/3rd vote of the full membership of the Authority. The Authority may be dissolved by a unanimous vote of the membership. Upon termination, all assets and any uncommitted funds in the budget shall be distributed to the members still active at the time of termination in proportion to each member's financial participation during that fiscal year.
- 14) **Indemnification:** To the extent permitted by law, each party to this Agreement shall hold harmless, indemnify and defend the other party, including the other parties' employees, officers, agents, and assigns, from any claim, lawsuit, or award of damages, to the extent such claim, lawsuit or award of damages arises from the action or inaction of that parties' own officers, employees and agents. Nothing herein shall be interpreted as a waiver of governmental immunity, to which the other parties would otherwise be entitled under Section 24-6-101, *et seq.*, C.R.S., as amended.
- 15) **Payments Subject to Annual Appropriations:** Any payment obligation required under this Agreement shall be subject to annual appropriations by the paying party in its sole discretion.
- 16) **Severability:** Should any part, term, or provision of this Agreement by any agency or court of competent jurisdiction declared to be illegal or in conflict with any law whatsoever, or otherwise rendered unenforceable or ineffectual, the remaining portions of this Agreement shall nonetheless remain in effect and the members each agree that they would have entered into each provision of this Agreement separately even if none of the other provisions had been included.
- 17) **Amendment:** This Agreement may be amended by the two-thirds majority vote of the entire membership of the Authority.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed effective the day and year first set forth above.

ATTEST: **BOARD OF COUNTY COMMISSIONERS
OF GARFIELD COUNTY, COLORADO**

Clerk to the Board

By: _____
John Martin, Chairman

ATTEST: **GARFIELD COUNTY PUBLIC LIBRARY
DISTRICT**

Secretary

By: _____
President

ATTEST: **TOWN OF PARACHUTE, COLORADO**

Town Clerk

By: _____
Judy Beasley, Mayor

ATTEST: **CITY OF RIFLE, COLORADO**

City Clerk

By: _____
Keith Lambert, Mayor

ATTEST: **TOWN OF SILT, COLORADO**

Town Clerk

By: _____
Dave Moore, Mayor

ATTEST:

TOWN OF NEW CASTLE, COLORADO

Town Clerk

By: _____
Frank Breslin, Mayor

ATTEST:

**CITY OF THE GLENWOOD SPRINGS,
COLORADO**

Town Clerk

By: _____
Matthew Steckler, Mayor

ATTEST:

TOWN OF CARBONDALE, COLORADO

Town Clerk

By: _____
Stacey Patch Bernot, Mayor

ATTEST:

**ROARING FORK TRANSPORTATION
AUTHORITY**

By: _____
Board Chair

interoffice memo

To: John Hier, City Manager

From: Matt Sturgeon, Assistant City Manager
Dick Deussen, P.E., City Engineer

Date: September 1, 2011

Subject: Award of Construction Contract for Rifle Creek Plaza Improvements Phase II
Authorize Change Order to Phase I to Allow Inclusion of Pavers

ACTION ITEMS

PHASE II CONSTRUCTION CONTRACT

Staff requests authorization to award Johnson Construction a contract **not to exceed \$563,400.00**. The subject funds will pay for the following:

1. Theatre plaza w/ pavers including film strip (approx 8,000 sq. ft.);
2. Landscaping and irrigation for entire 5 acre site plus W2nd Street and West Ave;
3. Maintenance for 12 mo from the completion of the project (all irrigation systems, snow removal, weed removal, and plant care);
4. Installation of 12,000 sq. ft. storm water facility with design emphasis of natural pollutant attenuation; and
5. A \$25,000 contingency.

The bid came in below the designers' estimates of \$581,593. Only one bid was received for this project; however staff was not surprised because of the complexities associated with adding a 3rd contractor on the site. Staff recommends awarding the construction contract for the Rifle Creek Plaza Phase II improvements to Johnson Construction Co

PHASE I CHANGE ORDER

Staff informed Council of the desire to install pavers along portions of West Ave, West 2nd Street, and within the project in-lieu-of stamped concrete. The cost of this work was \$42,000.00 more than using concrete. Staff feels the aesthetic value and durability of pavers used in this fashion warrants the expenditure.

The contractor has offered to donate \$14,500.00 to reduce the Change Order to \$27,500. Staff recommends City Council authorize this Change Order to Phase I in the amount of \$42,000.00. A portion to be paid for by the Rifle Economic Development Corporation using funds donated by Johnson Construction.

ADDITIONAL INFORMATION

The following outlines expenditures to date (**bold**), the proposed bid expenditure, and anticipated remaining expenditures.

Shallow Utilities (XCEL)	\$60,827.35
Site Clearance	\$72,023.12
Water & Sewer	\$62,480.88
Earthwork	\$78,812.49
Storm Sewer	\$46,412.66
Professional Services	\$112,046.25
Phase 1	\$632,000.00
Phase 2	\$563,400.00
Paver Change Order	\$42,000.00
Remaining Costs	\$102,000.00
PROJECT COST	\$1,772,002.75
PROJECT BUDJET	\$1,803,000.00
UNSPENT FUNDS	\$30,997.25

Project Funding and Future Revenue

Funding Source

Capital Fund: \$1,000,000.00
 Outside Assistance: \$843,500.00

Future Revenues

Theater Rent: \$600k - \$1,200,000
 Sale Tax: \$50,000/annually
 Future Revenues: Rent, Sales Tax, URA

Johnson Construction Inc

PO BOX 1640
Rifle CO 81650

970.625.2251
970.625.08280
mike@johnconinc.com

8/31/2011

Michael Johnson
Johnson Construction Inc
4151 W. Centennial Parkway

City Council

My name is Mike Johnson and I am the owner of Johnson Construction Inc. We are currently working for the city on the Theater site. Johnson Construction has recently turned a bid into the city of the landscaping portion of the said project. As a fifth generation Rifle citizen I would like to express my gratitude to the city for the work that the city is continuing with in this economy. I would also like to express my favor in asking the council to approve the paver option on both phases of my contract. I believe this would be a great look for the new complex at the movie theater site. I would also like to donate \$14,500.00 of my own money to help the city with the costs of those pavers. I will write the check to the Rifle Economic Development Corp. I truly think this is a good area to enhance the look of our city.

Michael Johnson

President
Johnson Construction Inc

**CITY OF RIFLE, COLORADO
RESOLUTION NO. 13
SERIES OF 2011**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RIFLE,
COLORADO, AMENDING SECTION 2.30 OF THE RIFLE PUBLIC WORKS
MANUAL REGARDING PARTIAL PAYMENTS FOR CITY
CONSTRUCTION CONTRACTS.

WHEREAS, by passage of House Bill 11-1115, the Colorado legislature amended C.R.S. §24-91-103 to decrease the amount of retainage that may be withheld by a public entity from partial payments on a construction contract from ten percent of the calculated value of the work to five percent of such value; and

WHEREAS, the City of Rifle's policy on partial payments is set forth at Section 2.30 of the Rifle Public Works Manual and must be revised to incorporate the new statutory terms; and

WHEREAS, pursuant to Section 16-1-30(b), changes to the Rifle Public Works Manual reflecting a change in law must be adopted by resolution of the City Council; and

WHEREAS, the Rifle City Council wishes to amend Section 2.30 of the Rifle Public Works Manual accordingly.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF RIFLE, COLORADO, THAT:

Section 1. The aforementioned recitals are hereby fully incorporated herein.

Section 2. Section 2.30 of the Rifle Public Works Manual is hereby amended to read as follows, with deletions shown in strike-out text and additions in double-underlined, bold text.

2.30. PARTIAL PAYMENT ~~AND CERTIFIED TAX REPORTS AND RETAINAGE~~

The engineer, on or about the twenty-fifth day of the month in which work on the project is performed, shall prepare for contractor's approval, a partial payment estimate of the work performed and materials placed in accordance with the contract documents.

Not more than eighty (80) percent of the cost of materials and equipment delivered and suitably stored at or near the project site, but not incorporated in the work may be included in an estimate; provided however, the contractor furnishes invoices and supportive data establishing title in the name of the owner, to the engineer.

~~The amount to be retained from partial payments will be ten percent of the value of completed work, exclusive of mobilization and payment for materials on hand. When the retainment on contracts exceeding \$80,000 in value has reached five percent of the amount of the contract, no further retainment will be made. Amount of retainment will be held until such time as final~~

~~payment is made with the following provision: When ninety seven and one half percent of the work has been completed, the engineer may, at his discretion and~~
~~The amount to be retained from partial payments will be ten percent of the value of completed work, exclusive of mobilization and payment for materials on hand. When fifty percent of the work required by contracts exceeding \$150,000. has been performed, no further retainment will be made if in the opinion of the City, satisfactory progress is being made on the work. Amount of retainment will be held until such time as final payment is made with the following provision: When ninety seven and one half percent of the work has been completed, the engineer may, at his discretion and with the consent of the Surety, reduce the retained amount to twice the value of the work remaining to be done. Any amount retained under this provision shall be subject to the requirements of Colorado Revised Statute § 24-91-103.~~

For any contract exceeding one hundred fifty thousand dollars for the construction, alteration, or repair of any highway, public building, public work, or public improvement, structure, or system, the City shall authorize partial payments of the amount due under such contract at the end of each calendar month, or as soon thereafter as practicable, to the contractor, if the contractor is satisfactorily performing the contract. The City shall pay at least ninety-five percent of the calculated value of any completed work. The withheld percentage of the contract price of any such contracted work, improvement, or construction may be retained until the contract is completed satisfactorily and finally accepted by the City. Any amount retained under this provision shall be subject to the requirements of C.R.S. §24-91-103, as amended.

~~Earnings retained on contracts exceeding \$150,000 in value may be withdrawn by the contractor provided the contractor provides the City with an irrevocable letter of credit in a form and from a financial institution acceptable to the owner. Any amounts so retained by the owner under this provision shall be subject to Colorado Revised Statute. §24-91-105.~~

If the City finds that satisfactory progress is being made in any phase of the contract, it may, upon written request by the contractor, authorize final payment from the withheld percentage to the contractor or subcontractors who have completed their work in a manner finally acceptable to the City as described in Section 2.31; provided, however, that contractor deposits acceptable securities with the City. Before the payment is made, the City shall determine that satisfactory and substantial reasons exist for the payment and shall require written approval from any surety furnishing bonds for the contract work.

The contractor upon receipt of each partial payment estimate shall either indicate his approval by signing and returning a copy to the engineer, or return the estimate unsigned and indicate in writing his reason for refusing payment.

The owner, within ~~fifteen (15)~~ **twenty-one (21)** days of presentation to the engineer of an approved partial payment estimate, shall pay the contractor the amount due thereon.

Upon receipt from the contractor of an approved designated semifinal estimate, as prepared by the engineer:

- A. The contractor shall, in writing, request the engineer to make a semifinal inspection in preparation for final acceptance of the work by the owner.
- B. The contractor shall prepare and furnish the engineer certified city and county sales and use tax reports covering the equipment and materials incorporated in the work.

The engineer, upon receipt of written request for semifinal inspection, shall promptly make said inspection of the work and issue to the contractor a written notice advising him of any deficiencies, corrective measures or clean up that he must complete prior to preparation of the final payment request.

The City shall make a final settlement in accordance with C.R.S. §38-26-107 within sixty (60) days after the contract is completed satisfactorily and finally accepted by the City.

All work covered by partial payment made shall thereupon become the sole property of the owner, but this provision shall not be construed as relieving the contractor of the sole responsibility for the care and protection of the work upon which payments have been made or the restoration of any damaged work, or as a waiver of the right of the owner to require the fulfillment of all terms of the contract documents.

THIS RESOLUTION was read, passed, and adopted by the Rifle City Council at a regular meeting held this 7th day of September, 2011.

CITY OF RIFLE, COLORADO

By: _____
Mayor

ATTEST:

City Clerk

The plastic types were defined by the [Society of the Plastics Industry \(SPI\)](#):

- * Type 1 - PETE Polyethylene Terephthalate (PET)
Soda & water containers, some waterproof packaging.
- * Type 2 - HDPE High-Density Polyethylene
Milk, detergent & oil bottles. Toys and plastic bags.
- * Type 3 - V Vinyl/Polyvinyl Chloride (PVC)
Food wrap, vegetable oil bottles, blister packages.
- * Type 4 - LDPE Low-Density Polyethylene
Many plastic bags. Shrink wrap, garment bags.
- * Type 5 - PP Polypropylene
Refrigerated containers, some bags, most bottle tops,
some carpets, some food wrap.
- * Type 6 - PS Polystyrene
Throwaway utensils, meat packing, protective packing.
- * Type 7 - OTHER Usually layered or mixed plastic.
No recycling potential - must be landfilled.

Types 1 and 2 are commonly recycled. Type 4 is less commonly recycled. The other types are generally not recycled, except perhaps in small test programs. Common plastics polycarbonate (PC) and acrylonitrile-butadiene-styrene (ABS) do not have recycling numbers.

The code must be molded into the plastic item. The symbol should be easily visible for sorting purposes. The best symbols are large with a different surface finish than the surrounding plastic. If the container has a matte surface (rough), then the symbol should be smooth, a smooth container should have a rough recycling symbol.

Understand that plastic recycling is really in infancy. The process is messy and inefficient. Numerous problems exist. For example plastic from a "blow mold" (the neck of the bottle is narrower than the body) has a slightly different structure from the exact same plastic used in an "injection mold" (where the opening is the widest part of the product). Because of low processing temperatures plastic is highly vulnerable to contamination by food, labels and different plastics.

Much recycled plastic ends up as low grade plastic lumber.



PLASTIC #1

PET or PETE (Polyethylene terephthalate)

Found in: soft drink, water and beer bottles; mouthwash bottles; peanut butter containers; salad dressing and vegetable oil containers; ovenable food trays

Plastics #1 are recycled into: beverage containers; fill for comforters and outer ware, film and sheet plastic, fleece clothing, food containers, recycled fiber carpeting, and strapping.

PLASTIC #2

HDPE (High density polyethylene)

Found in: milk jugs, juice bottles; bleach, detergent and household cleaner bottles; shampoo bottles; some trash and shopping bags; motor oil bottles; butter and yogurt tubs; cereal box liners

Plastics #2 are recycled into: crates, film plastic and sheeting, floor tiles, gardening tools, flower pots, and hardscape materials (edging, etc) non food bottles (shampoo, conditioner, cleaning products, laundry cleaners, motor oil, antifreeze) pipe, plastic lumber (used for playgrounds, outdoor patios, picnic tables, etc.) recycling bins.

PLASTIC #3

V (Vinyl) or PVC

Found in: window cleaner and detergent bottles, shampoo bottles, cooking oil bottles, clear food packaging; wire jacketing, medical equipment, siding, windows, piping

Plastics #3 are recycled into: binders, cables, carpet backing, decking and fencing, film plastic, flooring-mats, tiles, resilient flooring, park benches, pipe, speed bumps and traffic cones.

PLASTIC #4

LDPE (Low Density polyethylene)

Found in: squeezable bottles: bread, frozen food, dry cleaning and shopping bags; tote bags; clothing; furniture; carpet

Plastics #4 are recycled into: compost bins and garbage cans, film plastic, furniture, garbage can liners, plastic lumber, shipping envelopes.

PLASTIC #5

PP (Polypropylene)

Found in: some yogurt containers, syrup bottles, ketchup bottles, caps, straws, medicine bottles

Plastics #5 are recycled into: auto parts (battery cases, signal lights, battery cables) bike racks, brooms and brushes, film sheeting, garden rakes, ice scrapers, plastic trays, shipping containers and pallets, and storage bins.

PLASTIC #6

PS (Polystyrene)

Found in: disposable plates and cups, meat trays, egg cartons, carry-out containers, aspirin bottles, compact disc cases

Plastics #6 are recycled into: casings for electronics (cameras, video cassettes) desk trays, foodservice items (foamed egg cartons) license plate frames, light switch plates, packaging material (expandable polystyrene foam (EPS)) plastic moldings (architectural) rulers, thermal insulation, thermometers, and vents.

PLASTIC #7

Miscellaneous

Found in: three- and five-gallon water bottles, 'bullet-proof' materials, sunglasses, DVDs, ipod and computer cases, signs and displays, certain food containers, nylon

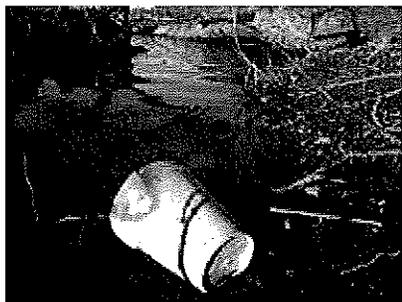
Plastics #7 are recycled into: plastic lumber and bottles



Understanding Plastics

Although the City of San Leandro encourages plastic recycling, the reality is that many plastics, particularly those used in packaging, are designed for disposal. Plastics have limited market value because of their light weight, and some plastics can contain harmful or even toxic additives. Single-use food packaging has an extremely short useful life (it exists for that one snack or meal) and it is not typically recycled or even recyclable due to food contamination. Plastics litter our streets, sidewalks, and open spaces, and migrate into local waterways where they adversely affect wildlife.

So what should you do with your plastic? The easy answer is:



Reduce the amount of plastic you use.

Reuse containers, but not for food.

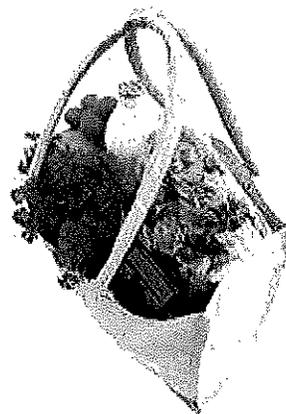
Recycle plastics where feasible.

Reduce

Since recovery rates for all plastics are low and some plastics have little or no market value for recycling even if they are accepted in your curbside program, you should reduce your use of plastic products and packaging and eliminate the types of plastics that are toxic and/or not recyclable.

You can do this by:

- Not purchasing disposable plastic cups or plates; paper versions are available and compostable in your green cart;
- Using durable/reusable shopping bags when you go to the store;
- Using a reusable water bottle rather than purchasing individually bottled water or drinks; refrain from using reusable bottles made from plastic.
- Refusing plastic packaging from retailers or only purchasing from retailers that use little or no plastic packaging;
- Dining at restaurants that use durable dishware, and sharing plates rather than taking leftovers home;
- Getting takeout from restaurants that use paper or aluminum



containers and refusing extra plastic bags, disposable utensils, straws and individually packaged condiments;

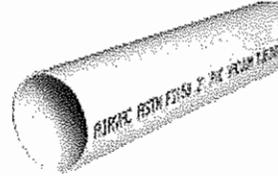
- Seeking durable and recyclable alternatives to plastics products or packaging such as those made of metal, paper or glass.

Eliminate non-recyclable and potentially toxic plastics:

Polyvinyl Chloride (PVC)



Although PVC is fairly durable, it is not recyclable in curbside programs and can be highly toxic if burned. PVC can be found all around your home because it is used to make window frames, pipe, siding, floors, shower curtains, toys, and a host of other consumer products. Eliminate PVC by not purchasing plastic wrap or products packaged in containers marked with the #3 symbol, and by selecting construction materials not made from vinyl. PVC bottles (for personal care and automotive products) look exactly like other types of plastics so check packaging carefully before you buy.



Polystyrene (PS)



While PS is commonly thought of as the white foam material used for food packaging and packing peanuts, it is also made into rigid clamshell containers, coffee cup lids, and plastic utensils; which are ubiquitous even in cities that have actively banned foam takeout containers. PS is not recyclable in curbside programs. Because it is so lightweight, it is often a component of litter and as it breaks down in creeks and other waterways it poses a threat to birds and aquatic life. Eliminate your use of PS by simply saying, "No Thanks". Let your online vendors know that you do not want your products shipped to you in foam peanuts or blocks and let your local restaurants know that you want your food packaged to-go in paper or aluminum trays instead. And, when you go to the coffee shop, bring your own commuter mug!



Polycarbonate – Bisphenol A (BPA)



The chemical, BPA, can be found in a wide array of reusable plastic products such as baby bottles, sippy cups, baby toys, reusable food containers, and reusable water bottles and can leach from the plastic into your food. BPA is a chemical that mimics estrogen and is thought to affect human reproduction, the immune system, and could possibly increase the likelihood of certain cancers. You can eliminate BPA in your home (and diet) by simply switching to reusable glass or metal containers for your food and beverages. If plastic containers are more convenient, choose products that specifically state that they are BPA free.



Reuse

Although most plastic containers are fairly durable, they are not designed to be used over and

over again for food and beverages. After a few uses, plastic bottles and containers will start to degrade and chemicals can leach into your food; and it is an even bigger problem if your food contains fats and/or you heat food in the container. You should never heat leftovers in plastic containers or with plastic wrap. Although some prepackaged foods are designed to be cooked in plastic bags or trays, the packages are designed to be heated only one time. Of course, you can remove the plastic packaging before you cook the food if you are concerned about chemical leaching.

Here are just a few ways to reuse plastics:

- Refill water bottles and freeze them for a handy ice pack for the cooler - no more expensive packs and no more water-logged food.
- Purchase a kit to convert a 1 liter soda bottle into a bird feeder for your backyard.
- Cut detergent bottles in half and use them as scoops around the house.
- Purchase bulk cleaning product to refill your spray bottles. Or, make your own environmentally friendly vinegar and water solution to fill a used bottle.
- Reuse plastic bags before you recycle them. Although grocery bags might seem perfect for trash can liners or for cleaning up after your pet, they are probably more bag than you really need. Use smaller bags for waste and save the larger bags for reuse and recycling.
- Reuse lunch meat and dairy containers for storing craft supplies, hardware, school supplies and small toys

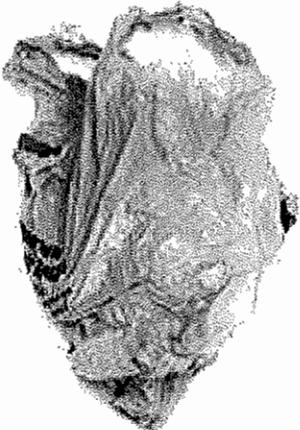
Recycle

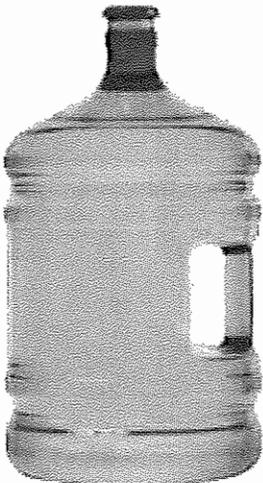
The symbol on plastics is intended only for identifying the type of plastic resin; it doesn't necessarily mean that the plastic will get recycled if you put it in your recycling cart. Most curbside recycling programs accept plastic containers marked #1-#7, but only #1, #2 and #4 may be actively recycled. All other plastics have limited value and may only be recycled when market conditions are favorable; #3-#7 plastics are often bundled together for sorting and processing in developing nations where the final disposition is unknown.

Here is a guide to plastic resin codes:

Polyethylene Terephthalate (PET)		
	<p>Description: Clear and durable; the most commonly recycled plastic</p> <p>Common uses: Soft drink and water bottles; mouthwash bottles; peanut butter containers; salad dressing and vegetable oil containers; and food trays.</p> <p>Recycling: collection through curbside recycling programs. Containers marked CRV can be turned in for a refund at certain recycling centers.</p>	

	<p>Recycled Into: Polar fleece, fiber, tote bags, furniture, carpet, paneling, straps, and new bottles.</p>	
<p>High-Density Polyethylene (HDPE)</p>		
	<p>Description: Opaque and highly durable with good chemical resistance</p> <p>Common uses: Milk jugs and juice bottles; bleach, detergent and household cleaner bottles; shampoo bottles; some trash and shopping bags; motor oil bottles; chemical containers; and cereal box liners</p> <p>Recycling: Containers are collected through curbside recycling programs. Some service providers will accept bags in the recycling cart if bundled, but check before you place them in your cart; loose bags can jam sorting equipment at recycling facilities. Your best bet is to recycle bags and film plastics at your local grocery store.</p> <p>Recycled into: Laundry detergent bottles, oil bottles, pens, buckets, recycling carts, floor tile, drainage pipe, lumber, benches, picnic tables, and fencing</p>	
<p>Polyvinyl Chloride (PVC)</p>		
	<p>Description: Often used in construction materials because it is very durable; emits highly toxic dioxins when heated or burned.</p> <p>Common uses: Shrink wrap, shower curtains, medical equipment, siding, window frames, and piping.</p> <p>Recycling: PVC containers are accepted in curbside recycling programs, but are typically bundled together with other plastics because of their limited market value. PVC containers can be mistaken for other resins and can contaminate loads of PET & HDPE. Other PVC products are not recyclable through curbside recycling programs.</p>	
<p>Low-Density Polyethylene (LDPE)</p>		
	<p>Description: Tough and very flexible; commonly used to make grocery bags.</p> <p>Common uses: Squeezable bottles; bread, frozen food, dry cleaning and shopping bags; tote bags; carpet; and toys</p>	

	<p>Recycling: Some service providers will accept LDPE bags in the recycling cart if bundled, but check before you place them in your cart; loose bags can jam sorting equipment at recycling facilities. Your best bet is to recycle bags and film plastics at your local grocery store.</p> <p>Recycled into: Trash can liners and cans, compost bins, shipping envelopes, paneling, lumber, and landscaping ties.</p>	
<p>Polypropylene (PP)</p>		
	<p>Description: Has a high melting point and can be used for containing hot liquids</p> <p>Common uses: Dairy containers, lunch meat containers, syrup bottles, ketchup bottles, caps, straws, medicine bottles; and take out containers.</p> <p>Recycling: PP containers are accepted in curbside recycling programs, but are typically bundled together with other plastics because of their limited market value. Some companies, like Stonyfield Farms, have takeback programs.</p> <p>Recycled Into: Signal lights, battery cables, brooms, brushes, auto battery cases, ice scrapers, landscape borders, bicycle racks, rakes, bins, pallets, trays.</p>	
<p>Polystyrene (PS)</p>		
	<p>Description: commonly known as Styrofoam, but is also made into a variety of solid food service ware products such as plastic utensils, coffee lids, and clear clamshell containers. PS foam is lightweight and breaks down easily which makes it a common component of litter.</p> <p>Common uses: disposable plates and cups, meat trays, egg cartons, carry-out containers, utensils, coffee cup lids, packing peanuts, and foam blocks.</p> <p>Recycling: Foam PS products (blocks, peanuts, and takeout containers) are not</p>	

	<p>accepted in the curbside recycling programs. Rigid PS containers are accepted in curbside recycling programs, but are typically bundled together with other plastics because of their limited market value. Foam peanuts are suitable for reuse and some companies collect foam blocks for recycling but only in truckload quantities.</p>	
"Other"		
	<p>Description: consists of a wide variety of plastic resins that don't fit into the previous classifications. Some plastics marked #7 are made from plant sources.</p> <p>Common uses: Three- and five-gallon water bottles, 'bullet-proof' materials, sunglasses, DVDs, iPod and computer cases, signs and displays, certain food containers, and nylon</p> <p>Recycling: #7 plastics containers are accepted in curbside recycling programs, but are typically bundled together with other plastics because of their limited market value. Other #7 plastic products are not accepted in curbside recycling programs but you can recycle disks, tapes, cds at some electronics recycling centers and periodic City events. See our events page.</p>	

Can I compost plastics made from corn and other plants marked with a #7 resin code?

While plastics made from plants may be considered "biodegradable" or "compostable", the City of San Leandro does not allow businesses or residents to place these materials in their green carts for composting. The facility that composts San Leandro's food and yard trimmings cannot compost these products and considers them a contaminant; this includes containers, cups, plates, bags and utensils.

DO NOT PUT PLASTICS LABELED #7 "BIODEGRADABLE" or "COMPOSTABLE" IN YOUR GREEN CART.

For more information:

Contact your service provider directly if you have questions about curbside recycling services for plastic products:

Alameda County Industries
(510) 357-7282

<http://www.alamedacountyindustries.com/>

They offer Recycling How To's under the Customer Center tab

Waste Management of Alameda County

(510) 613-8710

Find other opportunities for plastic recycling using the Recycling Guide at

<http://www.stopwaste.org/>

COMPLETE RECYCLING

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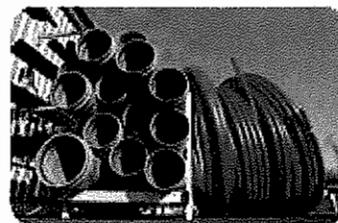
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Our Process

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Plastic Recycling and Resin Identification Codes



Before You Recycle, Learn What the Numbers Mean

Not all plastics are made from the same materials, and different types of plastics are typically used for specific products in daily life. The Society of the Plastics Industry (SPI) created the resin identification coding system in the late 80s to help identify the six most common plastics used on a regular basis. Keep in mind, the SPI resin identification code is not meant to tell you whether or not you can **recycle a plastic**. The code is simply meant to identify what type of plastic resin was used when making the product.

The good news is that Complete Recycling partners with companies to **recycle nearly any type of plastic**. We can also help our clients increase their knowledge on what the different SPI codes mean to their businesses. The following is a list of grades of plastic:

HDPE: High-Density Polyethylene

SPI code: 2

Attributes: HDPE is a plastic made from petroleum and types of HDPE plastics include bottles with pigment and without. Those with pigment have a higher resistance to cracking and chemicals, so this type of bottle is ideal for packaging household items such as certain cleaning products. Other HDPE plastics are made into injection-molded containers that serve as various food packaging because they are resistant to warping.

Tidbit: One report says the United States along with Western Europe made up 44% of the global market for HDPE in 2007. Another statistic states HDPE in partnership with code "1" (PET or PETE plastics) makes up 96% of all plastic bottles and containers in the United States.

HDPE plastic is used in:

- Bottles
- Containers
- Grocery bags
- Hand soap containers

- Picnic tables
- Plastic bags
- Playground materials

LDPE (4): Low-Density Polyethylene**SPI code:** 4

Attributes: LDPE is a thermoplastic made from petroleum. Thermoplastics are characterized by the fact that they can be frozen and reheated repeatedly for reshaping. LDPE is a resistant and flexible plastic, so it's used to make packaging and film-like materials.

Tidbit: LDPE plastic sales in the United States totaled roughly 7 billion pounds in 2008, according to one report.

LDPE plastic is used in:

- Computer components
- Food containers
- Lids
- Plastic wraps
- Six-pack beverage rings
- Trays
- Tubing

PETE or PET: Polyethylene Terephthalate**SPI code:** 1

Attributes: PETE (PET) is a polymer resin. It's an excellent barrier to water, oxygen and carbon dioxide. It's also shatter resistant and has a superb resistance to most solvents.

Tidbit: One of the most common grades of resin used in plastics, polyethylene is the runner up to HDPE in volume sold. In 2005, the average household generated 42 pounds of PET, according to one report.

PET polyethylene plastic is used in:

- Carpet
- Films
- Food packaging
- Liquids packaging (bottles)
- Oven-ready food trays
- Polyester
- Textiles

PP: Polypropylene**SPI code:** 5

Attributes: PP is a thermoplastic polymer. It has good chemical resistance and a high melting point so it's oftentimes used for hot-fill liquids. It also has excellent visual clarity and low moisture transmission.

Tidbit: One report says sales and use of polypropylene plastic in the United States, Canada and Mexico was 17.2 billion pounds in 2008.

PP plastic is used in:

- Auto accessories
- Bike racks

- Garden rakes
- Microwavable meal trays
- Sheeting
- Shipping pallets
- Storage bins

PS: Polystyrene**SPI code:** 6

Attributes: A versatile plastic, polystyrene is characterized as either a rigid or a foamed product with a low melting point that's great for insulation in foam form. PS is sometimes combined with rubber to make a high-impact polystyrene.

Tidbit: One form of polystyrene is commonly known as "Styrofoam," which is actually a trade name of a product made by Dow Chemical.

Polystyrene is used in:

- Cameras
- Plastic cutlery
- Protective packaging
- Rulers
- Some vending cups
- Thermal insulation
- Thermometers

PVC: Polyvinyl Chloride (Vinyl)**SPI code:** 3

Attributes: PVC plastic has stable electric properties. It's chemical resistant and has high-impact strength. A diverse resin, PVC can be found in flexible and rigid materials. With PVC plastic, rigid materials retain shape when empty and unsupported.

Tidbit: PVC plastic is one of the less recycled materials. One report states that generally less than 1% of PVC plastic is recycled each year.

PVC plastic can be found in:

- Cables
- Carpet backing
- Decks
- Electrical boxes
- Fencing
- Floor tiles
- Pipes

What About SPI ID Code 7?

SPI resin identification code 7 is a catchall category for newer breeds of plastics that don't fit neatly into one category. Code 7 plastics include those that are made from bio-based products such as corn, potato starch and sugar cane. It also contains plastics that have acrylic, fiberglass, nylon and more.

Because plastics in the code 7 category are made from a variety of different materials, the coding system is currently under analysis and new coding is expected in the future, according to SPI. This will help to better classify those plastics featured in the code 7 category.

**Want to learn how to profit from the different resins your company has left over?
Contact Complete Recycling today to learn more about codes you can recycle. Find
out how recycling plastic helps the environment, too.**

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COMPLETE RECYCLING

Price • Service • Reliability

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Our Process

Resource

Resources

Plastic Recycling Facts

Why is Recycling Plastic Important?

Plastics are a versatile material that can be a valuable asset to your corporate Green recycling program. Your business can greatly reduce destructive waste output and cut costs associated with waste management fees through a Green recycling program with Complete Recycling. Because **plastic is a versatile recyclable**, you can zero in on the benefits that result from the many markets that Complete Recycling is able to sell your materials to. Plastics are often recycled to make items such as clothes, carpet, containers, bottles, plastic lumber, films, grocery bags, molding materials, and lawn and garden products, to name a few.



Plastic by the Numbers: Plastic Recycling Facts

How much of our solid waste is plastic? The Environmental Protection Agency reports plastic made up 12% of the 254 million tons of waste generated in 2007. That's more than 30 million tons of plastic in one year. Some reports state plastic materials can take hundreds of years to break down in a landfill. When you take part in our **plastics recycling program**, you join a network of Green-minded people and companies who recycle millions of tons of plastics across the United States annually.

And, for every 1 ton of plastic that's recycled, reports estimate that 7 yards of landfill space is saved. By recycling, you can also help conserve the additional 80% of energy that's typically used when making new plastic bottles, containers and other items instead of recycling. It's easy to see why recycling plastic is so important.

Baled plastics, specifically plastic bottles, have a high scrap value per ton. In fact, the only other recyclable that's more lucrative is aluminum cans. Complete Recycling partners with you to ensure your business gets the most value out of your plastic recyclables. We do this through education on how to sort different resins and through our equipment leasing programs.

Other Ways to Reduce Plastic Waste Output

Companies just like yours are trying to promote a neutral carbon footprint through an alliance with Complete Recycling for plastic recovery. But many of our clients also want to know how they can take it a step further out of the workplace. One way, of course, is to recycle at home. And as a consumer, purchasing post-consumer

DEMYSTIFYING RECYCLING PLASTIC

You may have seen the plastic resin chart, but what do those numbers actually mean, and why should they be important to you?

The industry calls it the “resin identification coding system.” It indicates the type of plastic your product is made from and is ultimately your guide to recycling that plastic.

While the codes were initially developed to meet the needs of recyclers, they create a uniform system that is now used by curbside communities and other plastic recycling programs. Today, more than 80 percent of Americans have access to a plastics recycling program.

So, let’s break down the system into simple, non-industry terms. Once you have a handle on what materials make up your plastic, you can make a better decision from purchase to disposal.

Plastic #1 – PET, PETE



Nearly eight out of every 10 plastic bottles will end up in a landfill.

Polyethylene Terephthalate

Where You’ll Find It:

- Bottles for water, soft drinks, juice, sports drinks, mouthwash, ketchup, beer and salad dressings
- Food jars, such as peanut butter, jelly, jam and pickles
- Microwavable food trays

Why They Use It: Plastic #1 is a clear plastic that is ideal for beverages because of its moisture-barrier properties. This material has smooth surfaces and is made for high impact. So drop it, roll it or throw it – the resin will hold its shape and protect the substance inside.

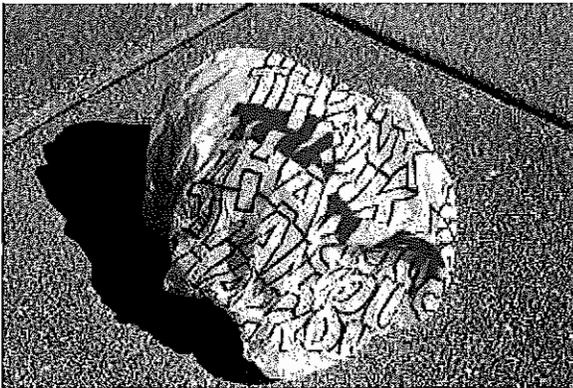
The Lowdown on Recycling: Plastic #1 is one of the most common and highly recycled resins. Most curbside programs will accept this plastic in bottle form. Plastic #1 is also the main resin targeted with

container deposit laws, also called bottle bills. A container deposit law requires a minimum refundable deposit on beverage containers in order to ensure a high rate of recycling or reuse. Currently, 11 states have bottle bills in place.

Need-to-Know Info:

1. Recycling a single plastic bottle can conserve enough energy to light a 60-watt light bulb for up to six hours.
2. Recycled plastic bottles can be made into products such as clothing, carpeting, detergent bottles and lumber for outdoor decking.
3. According to the EPA, while overall recovery of plastics for recycling is relatively small – 2.1 million – recovery of some plastic containers has reached higher levels. PET bottles were recovered at a rate of 27 percent in 2008, according to a recent report.

Plastic #2 – HDPE



In 2007, more than 830 million pounds of plastic bags and film were recycled, a 27 percent increase from 2005. Photo: Amanda Wills, Earth911.com

High Density Polyethylene

Where You'll Find It:

- Shopping bags
- Milk jugs
- Bottles for shampoo, dish and laundry detergent, household cleaners
- Water and soda bottles
- Cereal box liners
- Shipping containers

Why They Use It: Plastic #2 is translucent and relatively stiff. These properties create a strong barrier, are suitable for high temperatures and the material is virtually crack-resistant. It is also well-suited for products that have a longer shelf-life. Its chemical resistance make it ideal for bleaches and detergents.

The Lowdown on Recycling: Plastic bags are generally made from plastic #2. The material can hold up to 2,000 times its own weight, making it the perfect product for transport. However, because of their light weight, plastic bags are often hard to recycle and left out of curbside programs. But most major grocery store chains have in-store recycling bins for plastic bags.

There is a high demand for this material, and in most areas, demand exceeds the available supply, because many consumers are not aware that collection programs are available in stores. The trick is actually remembering to take those excess bags with you the next time you go shopping.

Need-to-Know Info:

1. According to the EPA, only about 12 percent of bags and film were recycled in 2007.
2. Recycling or reusing 1 ton of plastic bags saves the energy equivalent of 11 barrels of oil.
3. Recycled plastic #2 content can be found in plastic lumber, buckets and crates, bottles for non-food items (shampoo, detergent, motor oil) and even curbside recycling bins themselves.

Plastic #3 – PVC, Vinyl



PVC is considered a difficult and expensive material to recycle. For this reason, much of it ends up in landfills.

Polyvinyl chloride

Where You'll Find It:

- Blister packs
- Clamshell containers
- Bags for bedding, medical shrink wrap, deli and meat wrap
- Pipes, siding, window frames, fencing, decking and railing

Why They Use It: PVC is very strong and high-impact. Along with its brilliant clarity, plastic #3 is also resistant to grease, oil and chemicals.

The Lowdown on Recycling: PVC is not commonly recycled or recyclable, nor is it biodegradable. More than 7 billion pounds of PVC are thrown away in the U.S. annually, and only 18 million pounds – barely one-quarter of 1 percent – is recycled. The relatively new mechanical recycling process known as Vinyloop® technology, developed by Solvay Research & Technology, allows the complete separation of PVC material from the non-PVC materials that are often combined with it.

Need-to-Know Info:

1. PVC requires 20 percent less energy to produce than other plastics. It is also thought to save on fossil fuel use, as its principal raw material (nearly 60 percent) is chlorine-derived from common salt.
2. To make vinyl products flexible, controversial plasticizers known as phthalates are used, accounting for nearly 90 percent of total phthalate consumption. This translates into more than 5 million tons used for vinyl every year.
3. Energy-intensive chlorine production for PVC consumes an estimated 47 billion kilowatt hours per year – almost equal to the annual total output of eight medium-sized nuclear power plants.

Plastic #4 – LDPE



The U.S. EPA estimates about 31 percent of all municipal solid waste in 2005 was generated from packaging-related material.

Low Density Polyethylene

Where You'll Find It:

- Bags for dry cleaning, newspapers, bread, frozen foods, produce and household garbage
- Shrink wrap and stretch film
- Coating for paper milk cartons and beverage cups
- Container lids
- Squeezable bottles

Why They Use It: LDPE is predominantly used in film and packaging. Its toughness, flexibility and transparency made it ideal for use in products where heat sealing is necessary. It is resistant to acids, bases and vegetable oils as well.

The Lowdown on Recycling: Because plastic #4 is often in film form, it is sometimes not accepted in curbside recycling programs. However, its material is similar to plastic bags, and some major grocery store chains will accept this plastic packaging for recycling. Reducing your plastic packaging waste starts in-store. Go for products with less plastic packaging and film.

Need-to-Know Info:

1. The average growth rate of container and packaging waste through 2010 is estimated to be about 1.8 percent annually.
2. About 3 percent of all U.S. energy consumption comes from the production of packaging materials. Using recycled material for the production of packaging goods takes less energy than creating the product from the material's natural state.
3. Packaging and containers makes up about 56 percent of all plastic waste. About 75 percent of all of the waste comes from residential households.

Plastic #5 – PP



While most bottles are plastic #1 or #2, most of the bottle caps are #5 and cannot be recycled in the same process.

Polypropylene

Where You'll Find It:

- Yogurt, margarine tubs
- Medicine bottles
- Bottle caps
- Ketchup and syrup bottles
- Reusable plastic containers, such as Tupperware

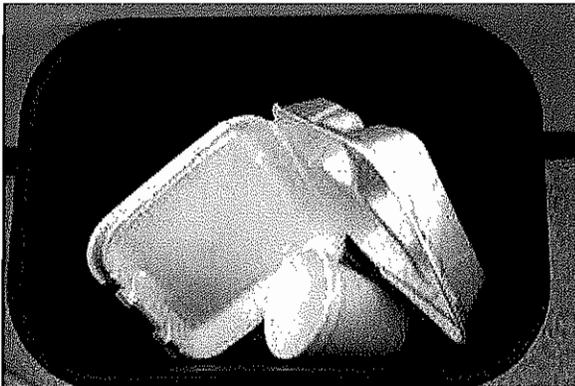
Why They Use It: Polypropylene has a good chemical resistance, a high melting point and is a strong material. Therefore, it's ideal for reusable food containers and other packaging that requires durability. But while this resin is as common as a ketchup bottle, it's still often left out of curbside programs.

The Lowdown on Recycling: According to the American Chemistry Council (ACC), plastic #5 is a similar resin to plastic #2, which makes it more appealing to reclaimers who can use the material for water filtration systems, shipping pallets, sheeting and automotive battery casings and garbage and recycling bins. Polypropylene can be recycled back into its original form, or it can be made into products such as buckets, paint pails, automotive bumpers, automotive battery cases, furniture and flower pots. It is also used in many woven reusable bags.

Need-to-Know Info:

1. Sixty-two percent of California communities now have curbside access to non-bottle food container recycling. Out of the 100 largest communities nationwide, about one-third have curbside recycling programs for plastic #5.
2. Even though they typically aren't printed with a #5 symbol, most plastic bottle caps (like those on water and soda bottles) are made from polypropylene.
3. According to the ACC, at least 325 million pounds of non-bottle plastics were collected for recycling in the U.S.

Plastic #6 – PS



Polystyrene used for food service packaging represents less than 1 percent by weight and volume of all landfilled materials.

Polystyrene

Where You'll Find It:

- Food service items (cutlery, plates, cups, bowls)
- Takeout containers
- Foam packaging
- Packing peanuts
- Compact disc cases
- Aspirin bottles

Why They Use It: Polystyrene is a versatile plastic that can be in both foam and rigid forms. As a foam, it is lightweight and comprised of 97 percent air. General purpose polystyrene is clear, hard and brittle. It has a low melting point but has an excellent moisture barrier, making it ideal for short-shelf products. Its low thermal conductivity also makes it perfect for insulation purposes.

The Lowdown on Recycling: According to a report by the Alliance of Foam Packaging Recyclers (AFPR), more than 65 million pounds of expanded polystyrene (EPS) packaging were recycled in 2007, while the number grew to 69 million pounds in 2008.

While most curbside programs do not accept plastic #6 or EPS, there are several community programs that will recycle the material. If there are no programs that fit your specific needs or are near your location, AFPR offers a mail-in program for consumers. Average shipping fees range from \$1.50 to \$9, based on the total packaging weight and volume.

Need-to-Know Info:

1. According to Virginia Lyle, deputy director of AFPR, all foam peanuts have recycled content, and most shape-molded polystyrene has at least 25 percent recycled content.
2. In the early 1900s, The Dow Chemical Company invented a process for extruding polystyrene to achieve a closed cell foam that resists moisture. Commercially known as Styrofoam, the material is the most widely recognized brand in insulation today.
3. Several cities and programs are against using polystyrene foam. In fact, San Fransisco initiated a ban against all food service EPS containers.

Plastic #7 – Other



Products carrying the term "biodegradable" are only compostable in a commercial composting system.

Where You'll Find It:

- Bio-based plastics made from corn, potato or sugar derivatives
- Three- and five-gallon reusable water bottles
- Some citrus juice and ketchup bottles
- Oven-baking bags, barrier layers and custom packaging

- Any plastic product that does not fit into resin categories 1-6

Why They Use It: Plastic #7 the catch-all category for those plastic products that do not fit into 1-6. These plastics are multi-layered combinations of more than one plastic resin. Its usage and properties depend on the types of resins used to produce it.

The Lowdown on Recycling: Programs for the “other” category vary greatly by location. Since it is such a broad category, many curbside programs will not accept plastic #7 at all. Bio-based plastics are often lumped into this category as well. These plastics are often touted as more eco-friendly because they will degrade faster than other resins.

However, consumers should keep in mind that these plastics are only biodegradable in a commercial composting system. Generally, the plastic will not degrade in backyard compost piles because the temperature isn't high enough.

Need-to-Know Info:

1. The presence of BPA (bisphenol A) is a controversial issue for plastic #7. BPA is typically used as an additive in plastics manufacturing, as it makes the plastic more shatter-proof.
2. Plastic #7 includes two main types: acrylonitrile styrene or styrene acrylonitrile (referred to as AS/SAN), and acrylonitrile butadiene styrene (ABS). Both are prolific and are used to make high quality, strong plastics.
3. In the few instances when it can be recycled, plastic #7 quickly downcycles to non-renewable plastic. However, some plastic #7 products are considered to be e-waste and can be properly disposed of in an electronics recycling program.



ENGINEERING / PUBLIC WORKS / UTILITIES

PROJECT STATUS REPORT as of: 9/07/11

Bold Text = New Information

Capital Improvement Projects

Water Treatment Plant Design

The Basis of Design Report (BODR) and drawings have been submitted for Staff review, comments made and returned to the consultant. The BODR was prepared under the consultant's scope of work to meet CDPHE and SRF requirements. However, under USDA requirements for funding, additional work is necessary. Our consultant is determining the additional man hours to perform this work. **USDA has informed us that it is unlikely they can fund a project this large and even if they fund a portion, all federal requirements including BODR revisions, ER public hearing, Value Engineering, etc will be required. Our financial consultant has also suggested that we not consider USDA as a viable funding source, and his letter is attached. We are proceeding with design and will not consider modification of the consultant's contract to include additional funding to revise the BODR to meet USDA requirements, unless otherwise directed.**

The Membrane Process Equipment System was awarded to General Electric (Zenon Environmental Corporation) which included shop drawings of the membrane system, a demonstration pilot test, and purchase of the units. The pilot demonstration test has been completed and the unit returned to GE. **A final report on the pilot test has been received and the shop drawings have been delivered to the consultant.**

To obtain funds from USDA will also require an Environmental Report (ER) and Corps of Engineers will require an Environmental Assessment (EA) for an Individual Permit in lieu of a Nationwide Permit. The Corps will wait on issuing the permit to see if additional comments are generated from the public. The ER has been delivered and reviewed by staff. To mitigate for wetlands within the construction site, to meet Corps requirements, will require

a payment to the Spring Water Ranch Wetland Mitigation Bank or mitigation restoration measures constructed on the site.

CDOT has issued an access permit for an entrance to the plant site from U.S. 6. Plans are being prepared for the entrance. A grading plan for the plant site has been prepared.

A final draft of the raw water pipeline alignment was reviewed by Staff and sent to CDOT, who issued a permit for construction. However, they have told us that they will not authorize construction of a bore under US 6 and now want us to change the drawings to allow trenching within the pavement section. This will require a revision to the agreement with the consultant to revise the drawings to meet CDOT requirements.

The structural engineer is determining wall thicknesses for the process basins and support systems for the building roofs.

A control scheme for the new facility has been developed by our consultant and reviewed by staff and returned for correction.

The equipment list proposed for the new facility has been reviewed. A sampling schematic has also been reviewed by Staff.

Asbestos Removal at GMWTP

Walsh Environmental has completed a report determining the amount of and cost to remove asbestos and other hazardous material from the existing GMWTP. We have reviewed the report and will recommend funds be set aside to perform the work under next year's budget.

Bypass Pipeline at Rifle Pond

This project, funded partially by a STAG Grant, consists of a bypass pipeline from the River Intake to the raw water pump station and a bore across U.S. 6 for a future raw water pipeline to the new Water Treatment facility. A permit from CDOT has been received and forwarded to the contractor for compliance to their provisions. **However, as discussed above, CDOT will not allow construction of the bore and now wants the pipeline installed by trenching in the pavement section of US 6. This will require redesign and the bore under US 6 has been eliminated from the Contractor's scope of work.**

Water in the pond was lowered to allow grading of the bottom to proceed but when the river level rose, work was stopped and the pond refilled. Pipe has been delivered and fusing the sections together is scheduled once work can resume. **Water has been lowered again, and pipeline work across the pond should begin about September 12th.**

Deerfield Park

A cost for Phase 1 construction has been developed and design plans are being prepared for review. Staff has reviewed the 60% submittal and design is proceeding on final documents. **A review of the 90% drawings was conducted by Staff and a meeting is scheduled this month to finalize the plans.**

Rifle Arterial Transportation Engineering (S.H. 13 & U.S. 6)

Plans (Phase 1) are being prepared for CDOT review which includes changes to S.H. 13 south of Centennial Parkway which includes reducing two lanes to one to allow Whiteriver traffic to merge with Railroad Avenue traffic safely before the bridge over the river. CDOT has reviewed and approved the preliminary design for the improvements and a final office review with CDOT has been held. Comments from this meeting have been incorporated into the drawings. **An Access Permit application has been received from CDOT to construct the improvements and work will begin next spring if funds are available.**

Energy Park Improvements

Phase 1 improvements include roadways, water and sewer service, a solids line extension from the RRWWRF to the composting plant, electrical service, detention ponds, landscaping and drainage swales. A gravity service to the existing sewer is also included. A warranty walkthrough has been conducted and this project is now complete.

Biosolids Removal at the North Wastewater Plant

All lagoons have been drained and sludge is ready for removal so the site can be closed by CDPHE. The contractor is back on site and will be removing Biosolids from the lagoons and delivering them to Cacaloco within the next three weeks.

Water Sales Building

The project has been put on hold because software is unavailable to mesh with the Finance Department software.

Rifle Creek Plaza Improvements

A contract was awarded to Johnson Construction to complete the remaining work (final grading, sleeves for irrigation and electrical use, paving, electrical, lighting, curbs, gutters handicap ramps).

Underground conduit and sleeves have been installed. Forming and pouring of curbs and gutters is continuing and work along West Avenue is nearing completion.



Brenden Theater Progress

Theater Plaza and Landscaping

Bids were received on August 30th and a recommendation for award is in the Council packet. The work consists of construction of the plaza immediately in front of the theater which includes pavers, stamped concrete, landscaping, irrigation and lighting. Also included is landscaping and irrigation throughout the site. Landscaping will not be planted until the spring of 2012.

Expansion of O&M Service Center

The expansion consists of a 30 foot wide by 78 foot long bay on the east side of the building with garage doors at each end. Foundations for the building, the concrete pavement slab and interior slab, steel columns, roof, walls and garage doors have been completed. **The contract is now complete except for punch list items.**



Service Center Addition

Energy Process Audit

The purpose of this work is to investigate the operations and process equipment of the Rifle Regional Wastewater Reclamation Facility to determine if savings in energy cost can be realized. The Contractor, Active Energies & Tetra Tech, has reviewed the past energy usage from Xcel and Sun Edison at the plant and the City's operational procedures. The treatment process presently in use is also being reviewed to determine if it can be modified to reduce electrical use. **The Final Report to establish a baseline of energy use at the Facility and determine conservation opportunities has been completed and was presented at a previous Council meeting. Staff will determine which recommendation will be tried first. A request for rebate has been sent to Xcel.**

Banner Pole Replacement/Addition

Staff and DDA have reviewed several types of poles, bases and fittings to be placed on either side of Railroad Avenue and 3rd Street at about five locations. Providing electricity at four locations, for Christmas lights, is now included in the design. Locations for the poles have been determined. A foundation design has now been detailed and Staff has determined a cost estimate.

Boat Ramp

We have initiated meetings with CDOT regarding access to the Colorado River from the rest area. They have supplied a lease agreement for our review. A preliminary layout of the access, parking, ramp and picnic areas has been completed. A wetlands delineation report and a cultural evaluation have been finalized. These reports have been delivered to CDOT for their evaluation to determine if a lease to the City can be provided for the boat ramp. A nationwide general permit from the Corps is all that is apparently necessary. **An engineer has been selected and design work has begun.**

UPS System for Traffic Signals

A battery backup system for the traffic signals along Railroad Avenue has been installed and is in operation. This will eliminate signal light outages due to power failures and increase the safety of the traveling public. **The contractor held a training class conducted by the supplier on the software and procedures for maintenance and this work is now complete. Training was attended by City Staff and our maintenance contractor.**

2011 Street Improvements

Work has begun on 7th Street with removal of damaged concrete curbs, gutters and sidewalks. New improvements have been placed. Schools have been informed of the construction activities. Paving on 7th Street should begin on 12 August.



7th Street

Acacia Avenue Water Main Extension

Our consultants have completed the survey and are preparing designs for a water main extending from the south end of Acacia avenue to Whiteriver Avenue along the existing trail. This will provide a loop to guarantee water service to residents of Deerfield and Rimrock subdivisions during periods when the 3 mg tank is off the system. Design is complete. Presently, this work is scheduled for next year but we may decide to proceed with this main if the supplemental water treatment plant (budgeted for this year) is not needed at GMWTP this summer to meet peak demands.

Cleaning and Televising Sewer Mains

The contractor has cleaned and televised about 90% of the system under this contract. He is waiting for CDOT to allow traffic control on SH 13 before completing the work. The project description has been placed in the newspaper notifying homeowners and businesses that the work will be in their neighborhoods. Notification on Channel 10 has been provided and door hangers have been placed along streets as the work progresses.

Fairway Avenue/State Highway 13 Interchange

Work has begun on this interchange which is being inspected by the local consultant employed by the Queen's Crown developer and CDOT. City staff is reviewing the traffic control plan and underground water, sewer and storm drainage facilities. **The contractor has completed the work, a**

walkthrough has been completed by CDOT and only minor items are remaining.

Irrigation System Audits

Audits would be free to the homeowners (contractor would be paid from a grant to the City). Recommended improvements by the contractor, if requested by the homeowners are to be paid by the homeowner. A rebate of \$100, \$200 or \$300 depending upon the required improvement would be deducted from the homeowners cost and paid to the contractor. Work should begin the third week of July. **Applications from homeowners are being sent to the contractor to begin contact between them to set schedules for the audits. Several audits and recommendations have been completed.**

U.S. 6 Culvert

CDOT will be replacing a 36 inch CMP culvert under U.S. at mile post 93.3 (near the proposed water treatment facility) with a 60x36 inch RCP. In order to construct this improvement, they require a permanent easement and a temporary (construction) easement. The easement documents have been signed and delivered to CDOT. Construction will be by open trench, across the roadway, beginning **September 12th**. **Road closure will begin on Sept. 19th**.

Northeast Pump Station

An additional pump and motor/switchgear is to be installed to meet demand from the Northeast Pressure Zone. An electrical design has been prepared. **We are obtaining costs from a pump supplier.**

3 Mg Tank Mixing Device

A mixing device, similar to those installed in the Airport and West tanks is to be installed in the 3 mg tank to prevent chlorine degradation. Installation will occur in late September.

Design of West 2nd Street and West Avenue

RFP's were sent to two local engineering firms for a technical and cost proposal for improvements to West 2nd Street between West Avenue and Railroad Avenue and West Avenue from US 6 to West 2nd Street. Design would include, in addition to normal street sections, landscape, street lighting and streetscape. This improvement would provide an attractive and inviting entrance to Rifle Creek Plaza from Railroad Avenue and would join the Plaza, City Hall and Library complex with the theater site. **No proposals were**

received and Staff is investigating other methods to proceed with the design of these improvements.

Development Projects

Staff is working on the following development projects:

Development projects on hold because of the present economic downturn:

Pioneer Mesa, Phase 2	14 th Street Marketplace
Scalzo Ranch (The Grove)	West Side Mobile Homes
Comfort Suites	Whiteriver Plaza
Remington Square	The Farm
Eagles Nest	Roan View Industrial Park
Rimrock	Trapper Hollow

Development projects presently under construction include:

- Creekside Townhomes (punch list items)
- NUTS sidewalk demolition
- Kum & Go at 26th Street
- Sierra Chemicals
- Aaron's Development
- Blacktail Drive
- Burgess Dental Office



Kum & Go at 26th Street



Sierra Chemicals



Aaron's Development



Blacktail Drive Northwest Curbline

Projects in progress through Planning/Engineering are:

Kum & Go at Centennial Parkway and Railroad Avenue
Kum & Go at 14th Street
Queen's Crown
Rifle Airpark

Right-of-Way Permits

Active permits for Contractors to use the public R/W include:

Scupper installation at New Ute Theater
703 W. 3rd Street-power pole replacement
236 Fairway Avenue-pole replacement

Garfield County Projects within the Rifle Area

Garfield County Airport Runway Realignment and Improvements

The City improvements in this project are now complete with only one punch list item (which the County says they will do with the next Airport project) and the as-builts remaining.

Garfield County Airport Water and Sewer System Expansion

A report has been delivered on deficiencies in the existing water/wastewater systems at the Airport and a meeting was held to discuss these concerns with the County Airport Manager, who will correct the deficiencies. The majority of the items have been completed.

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September 1, 2011

Mr. Charles Kelty, MBA, CPA
Finance Director
City of Rifle
202 Railroad Avenue
Rifle, CO 81650

Re: USDA water treatment plant funding

Dear Charles:

I have reviewed the e-mail sent to the City's attention from David Carter at USDA. His message is that Rifle's projected financing requirements for a new water treatment plan exceed USDA's funding capabilities.

On paper, the USDA does offer attractive borrowing terms, but the fact remains that it has had a difficult time actually delivering the funding on most eligible projects because of funding limits and cumbersome process requirements. The City can be assured, however, that there are other financing options, including enterprise revenue bonds or State revolving loan funds. It would be best, in my opinion, to move forward into an evaluation of these other options, and not to consume additional staff time trying to preserve the unlikely prospect of receiving project funding, including partial funding, from USDA.

Let me reinforce that any funding option for a large project like this one will rely on the City having a rate structure in place that will generate sufficient revenue not only to pay off the financing but also to generate sufficient additional funds to meet ongoing cash and capital requirements for the City's water system.

We look forward to working with you and the City in evaluating the financing options for this project.

Sincerely,



Jim Manire
Managing Director

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