

CDL96RSE

TYPE OF RECORD:	PERMANENT
CATEGORY OF RECORD:	CONTRACT
NAME OF CONTRACTOR:	COLORADO DEPARTMENT OF LOCAL AFFAIRS, MESA COUNTY
SUBJECT/PROJECT:	ROSEVALE SEWER EXTENSION PROJECT
CITY DEPARTMENT:	UTILITIES AND STREETS
YEAR:	1996
EXPIRATION DATE:	NONE
DESTRUCTION DATE:	NONE

AGREEMENT

THIS AGREEMENT is made June 3, 1996 by THE CITY OF GRAND JUNCTION, COLORADO (the "City"), a Colorado home rule city, and THE COUNTY OF MESA (the "County"), a political subdivision of the State of Colorado.

Recitals:

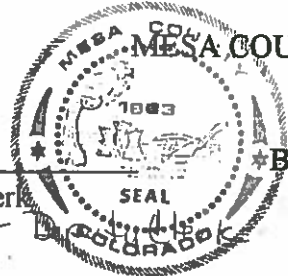
Mesa County has applied for and received a loan from the Colorado Department of Local Affairs for \$316,800 to be applied toward the collection system portion of the Rosevale Sewer Extension project.

Mesa County desires that the City assist in administering the loan and project by using the Joint Sewer System Enterprise Fund for project accounting and auditing purposes. According to the terms of the agreement between the County and the State, the loan is to be repaid by Mesa County if all or a portion of the ninety-nine (99) benefitting residents do not connect to the sewer by December 31, 1997. The loan will become an obligation of Mesa County as provided in the agreement with the State of Colorado.

Wherefore, the parties agree:

1. The City and the County agree that while the project is in the public interest the relationship between the parties is subject to a pending civil action 94CV233 in Mesa County District Court.
2. The City and the County agree that the provisions of this Loan Agreement, the issue of providing sewer service to the Rosevale area, and, shall be excluded from, and shall not be an issue in, the pending lawsuit between them identified as Case No. 94CV233, Division A, District Court, Mesa County, Colorado.
3. The County agrees to hold the City, and the Joint Sewer System harmless from any claims or liabilities, including any obligation to repay all or a part of the described loan, arising out of or related to the grant/loan from the Colorado Department of Local Affairs.
4. The Chairman of the Board of County Commissioners has signed the loan agreement between the State and the County on behalf of Mesa County.
5. It is agreed that the City Manager of Grand Junction should sign the agreement on behalf of, and for the use and benefit of, the Joint Sewer System and its Enterprise Fund.

Attest:



MESA COUNTY BOARD OF COUNTY COMMISSIONERS

Monika Todd

 Monika Todd, County Clerk

By: *Kathryn K Hall*

 Kathryn Hall, Chair



Attest:
Meresa J. Martiny

 Acting City Clerk

CITY OF GRAND JUNCTION, COLORADO
 By: *Mark K. Achen*

 Mark K. Achen, City Manager

Trent

EIAF - #3210
Severance Tax Fund

MCA 96-25

DEPARTMENT OR AGENCY NAA
CONTRACT ROUTING NUMBER

**LOAN
CONTRACT**

THIS CONTRACT, made this 22nd day of April, 1996, by and between the State of Colorado for the use and benefit of the Department of Local Affairs, 1313 Sherman Street, Denver, Colorado 80203 hereinafter referred to as the State, and the Board of County Commissioners, County of Mesa, for the use and benefit of the Joint City/County Sewer Enterprise Fund, P. O. Box 20,000, Grand Junction, Colorado 81502, hereinafter referred to as the Contractor,

WHEREAS, authority exists in the Law and Funds have been budgeted, appropriated and otherwise made available and a sufficient unencumbered balance thereof remains available for payment in Fund Number 152, Appropriation Code Number 127, Org. Unit FBC0, GBL _____, Contract Encumbrance Number F6SL3210; and

WHEREAS, required approval, clearance and coordination has been accomplished from and with appropriate agencies; and

WHEREAS, pursuant to section 39-29-101 to 115, C.R.S., 1982 Rep. Vol., the Local Government Severance Tax Fund has been created, which fund is administered by the Department of Local Affairs (the "Department"); and

WHEREAS, pursuant to section 39-29-110(1)(a) and (b) C.R.S.(1982), as amended, the Executive Director of the Department is authorized to make loans from the Local Government Severance Tax Fund to political subdivisions for the planning, design, construction, erection, building, acquisition, alteration, modernization, reconstruction, improvement, or expansion of domestic wastewater treatment works or potable water treatment facilities; and

WHEREAS, the Contractor, a political subdivision eligible to receive energy/mineral impact assistance, has applied to the Department for assistance in financing a "Domestic Wastewater Treatment Work" or "Potable Water Treatment Facility", as defined in section 39-29-110(1)(b)(II)(A) C.R.S.(1982) and, as more fully described in the "Scope of Services" in the attached Exhibit A; and

WHEREAS, the Executive Director is willing to make a loan from the Local Government Severance Tax Fund to the Contractor for the Project upon mutually agreeable terms and conditions as hereinafter set forth;

NOW THEREFORE, in consideration of the mutual and dependent covenants herein contained, it is agreed by the parties hereto as follows:

1. Area Covered. The Contractor shall perform and accomplish all the necessary work and services provided under this Contract, as described in the attached Exhibit A, which is incorporated herein and made a part hereof by reference (the "Project"), with a loan from the Fund; and in connection with and respecting the following area or areas: Mesa County, Colorado

2. Scope of Services. In consideration for the monies to be received from the State, the Contractor shall do, perform, and carry out, in a satisfactory and proper manner, as determined by the State, all work elements of the Project as indicated in the "Scope of Services", set forth in Exhibit A. Work performed prior to the execution of this Contract shall not be considered part of this Project.

3. Responsible Administrator. The performance of the services required hereunder shall be under the direct supervision of Joe Crocker, an employee or agent of Contractor, who is hereby designated as the administrator-in-charge of this Project. At any time the administrator-in-charge is not assigned to this Project, all work shall be suspended until the Contractor assigns a mutually acceptable replacement administrator-in-charge and the State receives notification of such replacement assignment.

Revised 08/94

4. Project Time of Performance. This Contract shall become effective upon proper execution. The Project contemplated herein shall commence as soon as practicable after the execution of this Contract and shall be undertaken and performed in the sequence set forth in the "Project Time of Performance" in the attached Exhibit A. Expenses incurred by the Contractor in association with said Project prior to execution of this Contract shall not be eligible expenditures. The Contractor agrees that time is of the essence in the performance of its obligations under this Contract, and that completion of the Project shall occur no later than the termination date set forth in the Project Time of Performance.

5. Loan to Contractor. As consideration for the work and services to be performed, the State agrees to make available as a loan to the Contractor for the purposes of this Contract an amount not to exceed THREE HUNDRED SIXTEEN THOUSAND EIGHT HUNDRED AND NO/100 ----- Dollars (\$316,800.00), which amount shall be paid to the Contractor in accordance with the "Project Funding Schedule" set forth in Exhibit A.

6. Repayment of Loan. The Contractor shall repay to the State the total principal amount of THREE HUNDRED SIXTEEN THOUSAND EIGHT HUNDRED AND NO/100 ----- Dollars (\$316,800.00), with interest thereon at the rate of five percent (5%) per annum in annual installments as set forth on the "Loan Repayment Schedule", in Exhibit A. Said installments shall be made payable to the Department of Local Affairs, 1313 Sherman Street, Room 323, Denver, Colorado. A loan repayment schedule is attached hereto and incorporated herein by reference and is identified as Exhibit B, "Energy/Mineral Impact Assistance Loan Table".

7. Project Accounting. At all times from the effective date of this Contract until completion of this Project, the Contractor shall maintain properly segregated books of State funds, matching funds, and other funds associated with the Project. All receipts and expenditures associated with said Project shall be documented in a detailed and specific manner, and shall accord with the "Budget" set forth in Exhibit A. Contractor may adjust budgeted expenditure amounts up to ten percent (10%) within said Budget without approval of the State. Adjustments of budget expenditure amounts in excess of ten percent (10%) must be authorized by the State in an amendment to this Contract properly executed and approved pursuant to the State Fiscal Rules. In no event shall the amount of the loan provided herein exceed the amount shown in Paragraph 5 above.

- a. Unless otherwise provided in this Contract, if Exhibit A provides for more than one payment by the State, the initial payment set forth in the Payment Schedule shall be made as soon as practicable after proper execution of this Contract. The Contractor shall initiate all subsequent payment requests by submitting documented proof of proper expenditure of State funds thus far received to a contract monitor designated by the State.
- b. The Contractor shall request the final payment, which is the amount withheld by the State until the Project is complete, for the Project by submitting to the contract monitor a detailed cost accounting of all State funds received and expended towards completion of the Project. Upon determining to its satisfaction that all funds received by the Contractor have been properly spent towards accomplishment of the Project, the State shall promptly make final payment to the Contractor.
- c. Within ninety (90) days of completion of the Project, the Contractor shall submit to the contract monitor a detailed cost accounting of expenditures of the final payment received from the State. Any State funds not expended in connection with the Project shall be remitted to the State at that time.

8. Project Audit. The State or its authorized representative shall have the right to inspect, examine, and audit Contractor's records, books and accounts, including the right to hire an independent Certified Public Accountant of the State's choosing and at the State's expense to do so. Such discretionary audit may be called for at any time and for any reason from the effective date of this Contract until five (5) years after the date of Project completion, provided that the audit is performed at a time convenient to the Contractor and during regular business hours. Whether or not the State calls for a discretionary audit as provided for in this paragraph, if the Project is accomplished within a single fiscal year of the Contractor, the Contractor shall, at the conclusion of the Project, and in addition to any other reports required, submit a report and auditor's statement of the Project account to the Department of Local Affairs, Field Services Section. Such report shall be prepared in conjunction with Contractor's regular yearly audit, and must be submitted within six (6) months after the close of the then current Contractor's fiscal year.

9. User Rates and Charges. The Contractor shall establish rates and charges for the services of the Project in amounts sufficient to efficiently and economically provide for the financial requirements of the Project, including repayment of the loan made to the Contractor hereunder. In no event shall the Contractor reduce rates and charges from the current level without the written agreement of the State. In the event the Contractor projects insufficient revenues to repay the annual debt payment the Contractor agrees it will increase rates and charges to a level sufficient to address the annual debt repayment.

10. Personnel. The Contractor represents that it has, or will secure at its own expense, unless otherwise stated in Exhibit A, all personnel, as employees of the Contractor, necessary to perform the work and services required to be performed by the Contractor under this Contract. Such personnel may not be employees of or have any contractual relationship with the State and no such personnel are eligible for any employee benefits, unemployment compensation or any other benefits accorded to State employees. Contractor shall pay when due all required employment taxes and income tax withholding. All of the services required hereunder will be performed by the Contractor or under its supervision.

The Contractor is responsible for providing Workman's Compensation Coverage and Unemployment Compensation Coverage for all of its employees to the extent required by law, and for providing such coverage for themselves. In no case is the State responsible for providing Workman's Compensation Coverage for any employees or subcontractors of Contractor pursuant to this Agreement.

11. Remedies in the Event of Contractor Default. Upon default in the payments herein set forth to be made by the Contractor, or default in the performance of any covenant or agreement contained herein, the State, at its option may (a) declare the entire principal amount then outstanding immediately due and payable and/or (b) take any other appropriate legal action.

In the event the State exercises its remedy pursuant to subparagraph (a) hereof, all finished or unfinished documents, data, studies, surveys, drawings, maps, models, photographs, and reports or other material prepared by the Contractor under this Contract shall, at the option of the State, become its property, and the Contractor shall be entitled to receive just and equitable compensation for any satisfactory work completed on such documents and other materials.

Notwithstanding the above, the Contractor shall not be relieved of liability to the State for any damages sustained by the State by virtue of any breach of the Contract by the Contractor.

The provisions of this Contract may be enforced by the State at its option without regard to prior waivers by it of previous defaults by the Contractor, through judicial proceedings to require specific performance of this Contract or by such other proceedings in law or equity as may be deemed necessary by the State to insure compliance with provisions of this Contract and the laws and regulations under which this Contract is entered into.

12. Release of Contractor Obligations. In its sole discretion, the State may at any time give any consent, deferment, subordination, release, satisfaction, or termination of any or all of the Contractor's obligations under this agreement, with or without valuable consideration, upon such terms and conditions as the State may determine to be (a) advisable to further the purposes of this Contract or to protect the State's financial interest herein, and (b) consistent with the statutory authority under which it is made.

13. Changes. The State may, from time to time, require changes in the scope of services of the Contract to be performed hereunder. However, this Contract is intended as the complete integration of all understandings between the parties at this time, and no prior or contemporaneous addition, deletion, or other amendment hereto, including any increase or decrease in the amount of monies to be paid to the Contractor, shall have any force or effect whatsoever, unless embodied herein in writing. No subsequent novation, renewal, addition, deletion, or other amendment hereto shall have any force or effect unless embodied in a written contract, executed and approved pursuant to the State's Fiscal Rules. Notwithstanding this provision, changes in the time of performance may be agreed to by letter if so provided for in Exhibit A, and Contractor may make adjustments of less than ten percent (10%) in budget line items as provided for in Paragraph 7 of this Contract.

14. Reports. At least two (2) copies of all reports prepared as a result of the Project will be submitted to the Department of Local Affairs, Field Services Section, within two (2) weeks of completion of such reports.

15. Employment Referrals. The Contractor shall consider and require that all subcontractors consider, from either the Job Training Partnership Act Service Delivery Area employment and training agency or the Job Service Center in the area, referrals as candidates for filling vacant job positions supported by or created as a result of funds provided by the State under this Contract.

16. Conflict of Interest.

- a. No employee of the Contractor shall perform or provide part-time services for compensation, monetary or otherwise, to a consultant or consultant firm that has been retained by the Contractor under the authority of this Contract.
- b. The Contractor agrees that no person at any time exercising any function or responsibility in connection with this Project on behalf of the Contractor shall have or acquire any personal financial or economic interest, direct or indirect, which will be materially affected by this Contract, except to the extent that he may receive compensation for his performance pursuant to this Contract.
- c. A personal financial or economic interest includes, but is not limited to:
 - i) any business entity in which the person has a direct or indirect monetary interest;
 - ii) any real property in which the person has a direct or indirect monetary interest;
 - iii) any source of income, loans, or gifts received by or promised to the person within twelve (12) months prior to the execution date of this Contract;
 - iv) any business entity in which the person is a director, officer, general or limited partner, trustee, employee, or holds any position of management.

For purposes of this subsection, indirect investment or interest means any investment or interest owned by the spouse, parent, brother, sister, son, daughter, father-in-law, mother-in-law, brother-in-law, sister-in-law, son-in-law, or daughter-in-law of the person, by an agent on his/her behalf, by a general, limited, or silent partner of the person, by any business entity controlled by said person, or by a trust in which he/she has substantial interest. A business entity is controlled by a person if that person, his/her agent, or a relative as defined above possesses more than fifty percent (50%) of the ownership interest. Said person has a substantial economic interest in a trust when the person or an above-defined relative has a present or future interest worth more than One Thousand Dollars (\$1,000.00).

- d. In the event a conflict of interest, as described in this Paragraph 16, cannot be avoided without frustrating the purposes of this Contract, the person involved in such a conflict of interest shall submit to the Contractor and the State a full disclosure statement setting forth the details of such conflict of interest. In cases of extreme and unacceptable conflicts of interest, as determined by the State, the State reserves the right to exercise any available remedy pursuant to Paragraph 11 above. Failure to file a disclosure statement required by this Paragraph 16 shall constitute Contractor default and grounds for the exercise of any such remedy.

17. Compliance with Applicable Laws. At all times during the performance of this Contract, the Contractor shall strictly adhere to all applicable Federal and State laws that have been or may hereafter be established.

18. Severability. To the extent that this Contract may be executed and performance of the obligations of the parties may be accomplished within the intent of the Contract, the terms of this Contract are severable, and should any term or provision hereof be declared invalid or become inoperative for any reason, such invalidity or failure shall not affect the validity of any other term or provision hereof. The waiver of any breach of a term hereof shall not be construed as waiver of any other term nor as waiver of a subsequent breach of the same term.

19. Binding on Successors. Except as herein otherwise provided, this agreement shall inure to the benefit of and be binding upon the parties, or any subcontractors hereto, and their respective successors and assigns.

20. Assignment. Neither party, nor any subcontractors hereto, may assign its rights or duties under this Contract without the prior written consent of the other party.

21. Limitation to Particular Funds. The parties hereto expressly recognize that the funds to be loaned to the Contractor hereunder are limited solely to funds provided to the State for such purposes respectively, and therefore, the Contractor expressly understands and agrees that all its rights, demands and claims to loan payments and/or compensation arising under this Contract are contingent upon receipt of such funds by the State. In the event that such funds or any part thereof are not received by the State, the State may immediately terminate this Contract.

22. Minority Business Enterprise Participation. It is the policy of the State of Colorado that minority business enterprises shall have the maximum practicable opportunity to participate in the performance of its construction grant contracts. The Contractor agrees to use its best efforts to carry out this policy to the fullest extent practicable and consistent with the efficient performance of this Contract. As used in this Contract, the term "minority business enterprise" means a business, at least fifty percent (50%) of which is owned by minority group members, or, in the case of publicly owned businesses, at least fifty-one percent (51%) of the stock of which is owned by minority group members. For the purposes of this definition, minority group members are Negroes or Black Americans, Spanish-speaking Americans, Asian Americans, American Indians, American Eskimos and American Aleuts. The Contractor may rely on written representations by bidders, contractors, and subcontractors regarding their status as minority enterprises and need not conduct an independent investigation.

23. Authority to Enter into Contract and Proceed with Project. The Contractor assures and guarantees that it possesses the legal authority to enter into this Contract. The persons signing and executing this Contract on behalf of the Contractor do hereby warrant and guarantee that they have full authorization to execute this Contract. In addition, the Contractor represents and warrants that it currently has the legal authority to proceed with the Project, or, if the structure of the Project is such that a decision by the electorate is required, the Contractor has held such an election and secured the voter approval necessary to allow the Project to proceed.

24. Successor in Interest. In the event the Contractor is an entity formed under intergovernmental agreement and the Project is for the acquisition, construction or reconstruction of real or personal property to be used as a public facility or to provide a public service, the Contractor warrants that it has established protections that ensure that, in the event the Contractor entity ceases to exist, ownership of the property acquired or improved shall pass to a constituent local government or other eligible governmental successor in interest so that the property can continue to be used as a public facility or to provide a public service.

SPECIAL PROVISIONS

CONTROLLER'S APPROVAL

1. This contract shall not be deemed valid until it shall have been approved by the Controller of the State of Colorado or such assistant as he may designate. This provision is applicable to any contract involving the payment of money by the State.

FUND AVAILABILITY

2. Financial obligations of the State of Colorado payable after the current fiscal year are contingent upon funds for that purpose being appropriated, budgeted, and otherwise made available.

BOND REQUIREMENT

3. If this contract involves the payment of more than fifty thousand dollars for the construction, erection, repair, maintenance, or improvement of any building, road, bridge, viaduct, tunnel, excavation or other public work for this State, the contractor shall, before entering upon the performance of any such work included in this contract, duly execute and deliver to the State official who will sign the contract, a good and sufficient bond or other acceptable surety to be approved by said official in a penal sum not less than one-half of the total amount payable by the terms of this contract. Such bond shall be duly executed by a qualified corporate surety conditioned upon the faithful performance of the contract and in addition, shall provide that if the contractor or his subcontractors fail to duly pay for any labor, materials, team hire, sustenance, provisions, provender or other supplies used or consumed by such contractor or his subcontractor in performance of the work contracted to be done or fails to pay any person who supplies rental machinery, tools, or equipment in the prosecution of the work the surety will pay the same in an amount not exceeding the sum specified in the bond, together with interest at the rate of eight per cent per annum. Unless such bond is executed, delivered and filed, no claim in favor of the contractor arising under such contract shall be audited, allowed or paid. A certified or cashier's check or a bank money order payable to the Treasurer of the State of Colorado may be accepted in lieu of a bond. This provision is in compliance with CRS 38-26-106.

INDEMNIFICATION

4. To the extent authorized by law, the contractor shall indemnify, save, and hold harmless the State, its employees and agents, against any and all claims, damages, liability and court awards including costs, expenses, and attorney fees incurred as a result of any act or omission by the contractor, or its employees, agents, subcontractors, or assignees pursuant to the terms of this contract.

DISCRIMINATION AND AFFIRMATIVE ACTION

5. The contractor agrees to comply with the letter and spirit of the Colorado Antidiscrimination Act of 1957, as amended, and other applicable law respecting discrimination and unfair employment practices (CRS 24-34-402), and as required by Executive Order, Equal Opportunity and Affirmative Action, dated April 16, 1975. Pursuant thereto, the following provisions shall be contained in all State contracts or sub-contracts.

During the performance of this contract, the contractor agrees as follows:

(a) The contractor will not discriminate against any employee or applicant for employment because of race, creed, color, national origin, sex, marital status, religion, ancestry, mental or physical handicap, or age. The contractor will take affirmative action to insure that applicants are employed, and that employees are treated during employment, without regard to the above mentioned characteristics. Such action shall include, but not be limited to the following: employment upgrading, demotion, or transfer, recruitment or recruitment advertising; lay-offs or terminations; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth provisions of this non-discrimination clause.

(b) The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, creed, color, national origin, sex, marital status, religion, ancestry, mental or physical handicap, or age.

(c) The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, notice to be provided by the contracting officer, advising the labor union or workers' representative of the contractor's commitment under the Executive Order, Equal Opportunity and Affirmative Action, dated April 16, 1975, and of the rules, regulations, and relevant Orders of the Governor.

(d) The contractor and labor unions will furnish all information and reports required by Executive Order, Equal Opportunity and Affirmative Action of April 16, 1975, and by the rules, regulations and Orders of the Governor, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the office of the Governor or his designee for purposes of investigation to ascertain compliance with such rules, regulations and orders.

(e) A labor organization will not exclude any individual otherwise qualified from full membership rights in such labor organization, or expel any such individual from membership in such labor organization or discriminate against any of its members in the full enjoyment of work opportunity because of race, creed, color, sex, national origin, or ancestry.

(f) A labor organization, or the employees or members thereof will not aid, abet, incite, compel or coerce the doing of any act defined in this contract to be discriminatory or obstruct or prevent any person from complying with the provisions of this contract or any order issued thereunder; or attempt, either directly or indirectly, to commit any act defined in this contract to be discriminatory.

(g) In the event of the contractor's non-compliance with the non-discrimination clauses of this contract or with any of such rules, regulations, or orders, this contract may be canceled, terminated or suspended in whole or in part and the contractor may be declared ineligible for further State contracts in accordance with procedures, authorized in Executive Order, Equal Opportunity and Affirmative Action of April 16, 1975 and the rules, regulations, or orders promulgated in accordance therewith, and such other sanctions as may be imposed and remedies as may be invoked as provided in Executive Order, Equal Opportunity and Affirmative Action of April 16, 1975, or by rules, regulations, or orders promulgated in accordance therewith, or as otherwise provided by law.

(h) The contractor will include the provisions of paragraphs (a) through (g) in every sub-contract and subcontractor purchase order unless exempted by rules, regulations, or orders issued pursuant to Executive Order, Equal Opportunity and Affirmative Action of April 16, 1975, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any sub-contracting or purchase order as the contracting agency may direct, as a means of enforcing such provisions, including sanctions for non-compliance; provided, however, that in the event the contractor becomes involved in, or is threatened with, litigation, with the subcontractor or vendor as a result of such direction by the contracting agency, the contractor may request the State of Colorado to enter into such litigation to protect the interest of the State of Colorado.

COLORADO LABOR PREFERENCE

6a. Provisions of CRS 8-17-101 & 102 for preference of Colorado labor are applicable to this contract if public works within the State are undertaken hereunder and are financed in whole or in part by State funds.

b. When a construction contract for a public project is to be awarded to a bidder, a resident bidder shall be allowed a preference against a non-resident bidder from a state or foreign country equal to the preference given or required by the state or foreign country in which the non-resident bidder is a resident. If it is determined by the officer responsible for awarding the bid that compliance with this subsection .06 may cause denial of federal funds which would otherwise be available or would otherwise be inconsistent with requirements of Federal law, this subsection shall be suspended, but only to the extent necessary to prevent denial of the moneys or to eliminate the inconsistency with Federal requirements (CRS 8-19-101 and 102)

GENERAL

7. The laws of the State of Colorado and rules and regulations issued pursuant thereto shall be applied in the interpretation, execution, and enforcement of this contract. Any provision of this contract whether or not incorporated herein by reference which provides for arbitration by any extra-judicial body or person or which is otherwise in conflict with said laws, rules, and regulations shall be considered null and void. Nothing contained in any provision incorporated herein by reference which purports to negate this or any other special provision in whole or in part shall be valid or enforceable or available in any action at law whether by way of complaint, defense, or otherwise. Any provision rendered null and void by the operation of this provision will not invalidate the remainder of this contract to the extent that the contract is capable of execution.

8. At all times during the performance of this contract, the Contractor shall strictly adhere to all applicable federal and state laws, rules, and regulations that have been or may hereafter be established.

9. The signatories aver that they are familiar with CRS 18-8-301, et. seq., (Bribery and Corrupt Influences) and CRS 18-8-401, et. seq., (Abuse of Public Office), and that no violation of such provisions is present.

10. The signatories aver that to their knowledge, no state employee has any personal or beneficial interest whatsoever in the service or property described herein:

IN WITNESS WHEREOF, the parties hereto have executed this Contract on the day first above written.

Contractors:

(Full Legal Name) BOARD OF COMMISSIONERS, MESA COUNTY,

By Kathryn H Hall COLORADO

Position (Title) CHAIRMAN

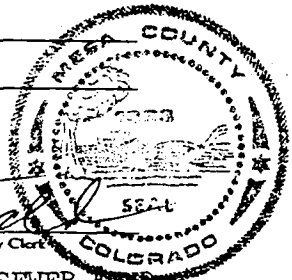
84-6000783

Social Security Number or Federal I.D. Number

If Corporation: _____

Attest (Seal)

By Monika Coak
Corporate Secretary, or Equivalent, Town/City/County Clerk



STATE OF COLORADO
ROY ROMER, GOVERNOR

By _____
EXECUTIVE DIRECTOR

DEPARTMENT OF LOCAL AFFAIRS

(Full Legal Name) JOINT CITY/COUNTY SEWER FUND

By Kathryn H Hall

Position (Title) _____

Social Security Number or Federal I.D. Number

If Corporation: _____

Attest (Seal)

By Monika Coak
Corporate Secretary, or Equivalent, Town/City/County Clerk

APPROVALS

ATTORNEY GENERAL

By _____

CONTROLLER

By _____

EXHIBIT A

SCOPE OF SERVICES AND PAYMENT SCHEDULE

EXHIBIT A

1. Scope of Services

The Project consists of the extension of sewer service to 99 residential lots in the Rosevale area of unincorporated Mesa County. The Rosevale area lies in the floodplain of the Colorado River and is subject to frequent flooding and high ground water conditions which make the existing individual sewage disposal systems a threat to public health and the environment. The wastewater collection system constructed under this Project will be owned and operated by Mesa County (Contractor) and the City of Grand Junction, Colorado, pursuant to the joint wastewater treatment agreement in place between the two local government entities.

Specific eligible Project expenses include the cost of design and construction of the trunk extension and wastewater collection system for the area. Energy/Mineral Impact Assistance funds will finance the first \$316,800 in eligible expenses through the provision of a loan under this Contract. Should Project costs be less than anticipated, Energy/Mineral Impact Assistance loan funds shall be the first monies expended. A schedule of payments over the life of the loan is shown in the attached Exhibit B, "Energy/Mineral Impact Assistance Loan Table". Project costs in excess of \$316,800 are the responsibility of the Contractor.

It is the intent of the parties to this Contract that the entire loan amount shall be converted to a grant if all 99 households in the Rosevale area covered in this Contract connect to the new sewer line by the date of termination of this Contract (December 31, 1997). In any event, the Contractor shall remit to the Department of Local Affairs by September 1, 1997, the sum of \$15,840, which is the amount of interest due on \$316,800 at five percent (5%) interest.

If, by December 31, 1997, none of the homes have been connected to the system, the loan balance of \$316,800, plus five percent (5%) interest shall be repaid to the Department of Local Affairs by the Contractor as specified in paragraph "5. Loan Repayment Schedule" below.

In the event some, but not all, of the 99 households connect to the new sewer line by December 31, 1997, a revised loan balance shall be calculated at the rate of \$3,200 per household for each of the 99 households not connected to the new sewer system. This Contract shall be amended to incorporate a revised loan repayment schedule based upon the new loan balance with the initial payment due September 1, 1998.

Because the Project area is in the floodplain, concern exists that the subsidization of sewer service could facilitate additional development at risk of loss from flooding. For that reason, funds provided under this Contract shall under no circumstances be used to reduce the costs of sewer extension to owners of vacant property desiring to erect additional structures. It is the specific intent of the parties to this Contract that the Energy/Mineral Impact Assistance funds be utilized to provide sewer trunk line service only to the existing 99 homes in the area. In order to connect to the sewer trunk line, owners of these existing homes will be required to pay a \$750 per household plant investment fee and all costs of constructing the necessary individual service lines.

For all other properties in the service area of the extended trunk line, however, the full assessment will be charged, based on the number of taps allowable pursuant to existing zoning. These properties will be connected only after full payment of the standard tap and extension fees has been made as normally required to connect to the joint wastewater treatment system. The allowance of new construction in the Project area by the Contractor will strictly adhere to floodplain and development regulations in place. These regulations include, but are not limited to, setbacks from the floodway, elevation, floodproofing, access, building materials and structural design.

EXHIBIT A

Construction plans and specifications shall be drawn up by a qualified engineer licensed in the State of Colorado and hired by the Contractor through a competitive selection process. A construction contract shall be awarded to a qualified construction firm through a formal public bid process with the Contractor being obligated to award the construction contract to the lowest responsible bidder meeting the Contractor's specifications.

The Contractor shall comply with all applicable statutory design and construction standards and procedures which may be required by the Colorado Department of Public Health and Environment and shall provide the State with documentation of such compliance.

Copies of any and all contracts entered into by the Contractor in order to accomplish this Project shall be submitted to the Department of Local Affairs, Field Services Section, upon execution, and any and all contracts entered into by the Contractor or any of its subcontractors shall comply with all applicable Federal and Colorado State laws and shall be governed by the laws of the State of Colorado notwithstanding provisions therein to the contrary.

The Contractor shall comply with all applicable State and Federal laws, rules, regulations and Executive Orders of the Governor of Colorado involving non-discrimination on the basis of race, color, religion, national origin, age, handicap or sex. In compliance with Paragraph 5 of the Special Provisions section of the main body of this Contract, the Contractor agrees to consider minorities or minority businesses as employees, specialists, agents, consultants, or subcontractors under this Contract. The Contractor may utilize the expertise of the State Minority Business Office within the Office of the Governor for assistance in complying with the non-discrimination and affirmative action requirements of the Contract and applicable statutes.

2. Time of Performance

The Project shall commence upon the full and proper execution of this Contract.

The Project shall be completed on or before December 31, 1997. However, the Project time of performance may be extended, subject to the mutual agreement of the State and Contractor. A written request for extension shall be submitted to the State by the Contractor at least thirty (30) days prior to December 31, 1997, and shall include a full justification for the extension request.

This Contract shall remain in full force and effect after completion of construction of the Project and shall expire only upon full performance by both parties of their obligations hereunder.

3. Budget

REVENUE		EXPENDITURES	
Energy/Mineral Impact Assistance LOAN Funds	\$316,800	Sewer Line Construction	\$570,000
Contractor Funds	<u>333,200</u>	Engineering	<u>80,000</u>
TOTAL	\$650,000	TOTAL	\$650,000

EXHIBIT A

4. Project Funding Schedule

The State will provide loan funds in the amount of \$316,800 to the Contractor within thirty (30) days of the execution of this Contract.

5. Loan Repayment Schedule

In the event some, or all, of the 99 existing residences are connected to the system prior to the December 31, 1997, Contract completion date, Energy/Mineral Impact Assistance loan funds provided under this Contract shall be converted to grant funds at a rate of \$3,200 per connected household. The Contractor's obligation of loan funds shall be recalculated as of December 31, 1997, and, for any remaining loan balance, a new "Energy/Mineral Impact Assistance Loan Table" (Exhibit B) shall be provided by the State. Repayment of loan funds by the Contractor shall then be in accordance with the recalculated loan table.

If none of the existing 99 homes in the Rosevale area have been connected to the system by December 31, 1997, the Contractor agrees to repay the State the total principal amount of \$316,800.00 with interest thereon at the rate of five percent (5%) per annum in annual installments of \$170,376.59 for two (2) years. The first payment shall be due and payable on September 1, 1998. If payments are not received by the State on or before September 1, this loan agreement shall be considered in default and remedies shall be undertaken pursuant to Provision "11. Remedies in the Event of Contractor Default" in the main body of this Contract.

Payment of the entire outstanding balance of the indebtedness may be made prior to the maturity date without penalty. Partial repayments shall not be accepted by the State. A prepayment shall be made in full on September 1.

6. Contract Monitoring

The Department of Local Affairs shall monitor the Project on an as-needed basis.

7. Reporting Schedule

The Contractor shall submit financial and narrative status reports detailing Project progress and properly documenting all expenditures of Energy/Mineral Impact Assistance funds, in accordance with the Provision "7. Project Accounting" in the main body of this Contract.

EXHIBIT B

ENERGY/MINERAL IMPACT ASSISTANCE

LOAN TABLE

EXHIBIT B

ENERGY/MINERAL IMPACT ASSISTANCE
LOAN TABLE

Project No. 3210 Title: Mesa County/Rosevale Sewer
Loan Amount: \$316,800
Interest Rate: 5% First Year Due Date: September 1, 1998 *

Payment Number	Payment	Principal	Interest	Balance
				\$316,800.00
1	170,376.59	154,536.59	15,840.00	162,263.41
2	170,376.59	162,263.41	8,113.17	0.00

* Interest only payment of \$15,840 due on September 1, 1997.

ENERGY & MINERAL IMPACT ASSISTANCE FUND CONTRACT CHANGE LETTER # 1

THIS CONTRACT CHANGE LETTER NUMBER #1, made this 2nd day of November, 1998, by and between the State of Colorado for the use and benefit of the Department of Local Affairs, 1313 Sherman Street, Denver, Colorado 80203 hereinafter referred to as the State, and the Board of County Commissioners, County of Mesa, for the use and benefit of the Joint City/County Sewer Enterprise Fund, P.O. Box 20,000, Grand Junction, Colorado 81502, hereinafter referred to as the Contractor,

WHEREAS, authority exists in the Law and Funds have been budgeted, appropriated and otherwise made available and a sufficient unencumbered balance thereof remains available for payment in Fund Number 152, Appropriation Code Number 127, Org. Unit FBC0, GBL S635, Contract Encumbrance Number F6SL3210; and

WHEREAS, this Change Letter modifies Contract # F6SL3210, Routing # 01475, dated June 17, 1996, and both the State and the Contractor are agreeable to this contract modification,

WHEREAS, as outlined in Exhibit A, Scope of Services, paragraph 5 in the Original Contract, a revised loan balance shall be calculated at the rate of \$3,200 per household for each of the 99 households in the Rosevale area not connected to the new sewer system by the Contract termination date of December 31, 1997;

THEREFORE, this Contract, hereinafter referred to as the Original Contract, is changed as follows:

1. Exhibit B, Loan Table, is modified as follows:

EXHIBIT B				
ENERGY/MINERAL IMPACT ASSISTANCE				
LOAN TABLE				
Project No.	3210	Title: Mesa County/Rosevale Sewer		
Loan Amount:	\$83,200	First Year Due Date: September 1, 1998		
Interest Rate:	5%			
Payment Number	Payment	Principal	Interest	Balance
				\$83,200.00
1	19,217.10	15,057.10	4,160.00	68,142.90
2	19,217.10	15,809.96	3,407.14	52,332.94
3	19,217.10	16,600.46	2,616.65	35,732.48
4	19,217.10	17,430.48	1,786.62	18,302.00
5	19,217.10	18,302.00	915.10	0.00

By affixing their signatures to this change letter, both the State and the Contractor expressly acknowledge that all of the terms and conditions of the Original Contract remain unchanged except for those terms and conditions modified by this Change Letter # 1 and all previous changes. Both parties also expressly understand that this Change Letter # 1 is incorporated into the Original Contract.

This Contract Change Letter Number # 1 is intended to be effective as of November 2,
1998, but in no event shall it be deemed valid until it shall have been approved by the State Controller or such assistant as he may designate.

IN WITNESS WHEREOF, the parties hereto have executed this Contract on the day first above written.

Contractors:

(Full Legal Name) BOARD OF COMMISSIONERS.

COUNTY OF MESA, COLORADO

By James R. Baughman

Position (Title) CHAIRMAN

84-6000783
Social Security Number or Federal ID Number

(If Corporation:)

Attest (Seal)

By Hevita Cabal
Corporate Secretary, or Equivalent, Town/County Clerk

(Full Legal Name) JOINT CITY/COUNTY SEWER FUND

By Frank Cochran

Position (Title) CITY MANAGER, CITY OF GRAND JUNCTION

84-6000592
Social Security Number or Federal I.D. Number

(If Corporation:)

Attest (Seal)

By Stephanie Key
Corporate Secretary, or Equivalent, Town/County Clerk

PRE-APPROVED FORM CONTRACT REVIEWER

By W. F. Kubit

STATE OF COLORADO
ROY ROMER, GOVERNOR

By [Signature]
EXECUTIVE DIRECTOR, JERRY SMITH

DEPARTMENT
OF LOCAL AFFAIRS

