

PHL75SWR

TYPE OF RECORD:	PERMANENT
CATEGORY OF RECORD:	CONTRACT
NAME OF CONTRACTOR:	PARADISE HILLS SERVICE COMPANY
SUBJECT/PROJECT:	MEMORANDUM OF AGREEMENT DATED MAY 21, 1975 REGARDING THE SEWERAGE SYSTEM AND TWO PACKAGE TREATMENT PLANTS WITHIN PARADISE HILLS SUBDIVISION OUTSIDE THE CITY OF GRAND JUNCTION
CITY DEPARTMENT:	UTILITIES AND STREETS
YEAR:	1975
EXPIRATION DATE:	NONE
DESTRUCTION DATE:	NONE

MEMORANDUM OF AGREEMENT

THIS MEMORANDUM OF AGREEMENT entered into this 21 day of May, 1975, by and between PARADISE HILLS SERVICE COMPANY, a Colorado corporation, hereinafter referred to as "Service Company," and the CITY OF GRAND JUNCTION, Colorado, hereinafter referred to as "City," WITNESSETH:

THAT, WHEREAS, the Service Company is the owner of the sewerage system and two package treatment plants within Paradise Hills Subdivision, outside the City in Mesa County, Colorado, and

WHEREAS, the Service Company is desirous that the City take over the operation and maintenance of the system;

NOW, THEREFORE, IT IS AGREED:

1. That by proper conveyance, the Service Company will transfer to the City all of its right, title or interest in the sewerage system and package plants together with any lands involved therewith, such lands and package plants to revert to the Service Company in the event they are no longer needed or used for the operation of the system.

2. The City will operate and maintain the system and agreed upon extensions thereof in accordance with accepted practices and shall pay all costs of said operation and maintenance of said system. In the event that the City establishes other means of treatment of sewage without the necessity of using the present treatment plants, the City shall continue to operate and maintain the sewer lines and shall pay all costs of said operation and maintenance of said sewer lines.

3. The billing of charges to the users of the system shall be made by the City in accordance with its usual billing procedures and in the amount of the out-of-city rate. In addition, the City will collect and pay over to the Service

Company such amount as may be determined to amortize the costs of the system and plants. At the present time, the unpaid cost for said sewerage system and treatment plants which is still owing by the Service Company is approximately \$82,737.00. The City may require a deposit for service as it may determine.

4. Tap fees may be charged by the Service Company to be credited toward paying off the investment of the Service Company. At such time as the Service Company has recovered its costs, fees may be charged for future taps, said fees to be charged by and paid to the City.

5. In the event that the City establishes other means of treatment of sewage without the necessity of using the present treatment plants, then the City may purchase said treatment plants at the then fair market value from the Service Company. In the event the City does not desire to purchase said treatment plants, then the Service Company shall be allowed to dispose of said treatment plants as it deems best.

6. In the event that the City constructs a trunk line making it possible to treat the sewage with the facilities of the City sewage plant, each household connected to said Paradise Hills sewage treatment system shall be charged a sewage plant investment fee of \$150.00. In the discretion of the Board of Directors of Paradise Hills Service Company, if the City decides to purchase the treatment plants as listed in paragraph 5 above, the said \$150.00 plant investment fee may be credited against the then fair market value of the said treatment plants.

7. The City understands and has full knowledge that contracts presently exist between the Service Company and Bray & Company, and the City agrees to honor and assume any obligations that the Service Company may have to Bray & Company.

8. Users of the system located within the Paradise

Hills Subdivision shall be required to execute a Power of Attorney required by the City for users upon the City system providing for the annexation to the City of the lands when the conditions in the Power exist.

9. The City agrees to save and hold the Service Company harmless from all claims and demands arising out of the operation and maintenance of the system.

This agreement shall become effective when approved by a majority of the stockholders of Paradise Hills Service Company.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals the day, month and year above written.

CITY OF GRAND JUNCTION, COLORADO

ATTEST:

*Wesley S. Schmitt*  
City Clerk

By *Harvey M. Rose*  
City Manager

PARADISE HILLS SERVICE COMPANY

ATTEST:

*John R. Sullivan*  
Secretary

By *H. H. McMillen*  
President