

**GRAND JUNCTION CITY COUNCIL
and
BOARD OF COUNTY COMMISSIONERS FOR MESA COUNTY**

JOINT PERSIGO MEETING MINUTES

April 30, 2014

Call to Order

The Grand Junction City Council and the Mesa County Commissioners Joint Persigo meeting was called to order by Council President Sam Susuras at 2:08 p.m. on April 30, 2014 in the City Auditorium, City Hall, 250 N. 5th Street.

City Councilmembers present were Councilmembers Bennett Boeschstein, Duncan McArthur, Phyllis Norris, Barbara Traylor Smith, and Council President Sam Susuras. Councilmembers Martin Chazen and Jim Doody were absent. County Commissioners present were Steve Acquafresca, Rose Pugliese, and County Commissioner Chair John Justman.

Also present were City Staffers City Manager Rich Englehart, Deputy City Manager Tim Moore, City Attorney John Shaver, Public Works and Utilities Director Greg Lanning, Utility Engineer Bret Guillory, Wastewater System Manager Dan Tonello, Internal Services Manager Jay Valentine, Planning and Development Supervisor Dave Thornton, Senior Planner Scott Peterson, and City Clerk Stephanie Tuin.

County Staffers present were Acting County Attorney David Frankel, Deputy Director of Operations Pete Baier, Engineering Director Mike Meininger, Senior Engineer Julie Constan, and Acting Clerk to the Board Lori Westermire.

Welcome and Introductions

Everyone on the dais and Staff introduced themselves.

Purpose of Annual Joint Meeting of the Persigo Board

Public Works and Utilities Director Greg Lanning explained the purpose of the meeting. He referred to the Persigo Agreement that requires there be at least one annual meeting of these joint boards and noted the importance of the relationship between the two governing bodies which in turn allows for collection and treatment of wastewater in the valley.

201 Boundary Adjustments - Requested Inclusion into the Persigo 201 Service Area

Ron Abeloe, property owner has made a request to have his property included within the Persigo 201 Sewer Service Boundary. The property consists of about 38 acres, on 24 Road, between H and I Roads. Staff is reviewing this request by taking into consideration current land use, proposed future land use, and recommendations included in the Comprehensive Plan.

Public Works and Utilities Director Greg Lanning presented the agenda for the meeting and then introduced the first item.

Ron Abeloe has requested inclusion of his 38 acre property into the Persigo 201 Boundary. Mr. Lanning reviewed the zoning of the property in relation to capacity for the proposed development. He noted that after review, it has been determined that the plant does have the capacity and Staff recommends inclusion.

Council President Susuras asked Commission Chair Justman for comments from the County.

Chairman Justman said he was on the County Planning Commission when the Comprehensive Plan was developed. In the Plan, urban growth was encouraged closer to the City. Therefore, this request fits into the Comprehensive Plan.

Commissioner Pugliese asked if the applicant had a presentation, if the request had been opened to public comment, and if there has been any negative feedback. Public Works and Utilities Director Greg Lanning replied they have received comments. He deferred to Utility Engineer Bret Guillory to address the comments received.

Mr. Guillory said he has heard from adjacent owners to this property and the response has been a 50/50 mix as to whether they want this area included within the 201 Sewer Boundary. Some concerns were the rural setting. Those in favor have expressed concern with the high water table and they are looking forward to having sewer service. He explained that usually a request comes from a property owner to amend the boundary for development. If there are requests prior to the annual meeting, those items are placed on the agenda, and thirty days prior to the meeting, the notice is issued in the paper as well as to the surrounding property owners for purposes of notification and answering any questions property owners may have.

City Attorney Shaver noted for the record the notice for this meeting was mailed and published twice in the newspaper.

Commissioner Aquafresca said there had been thorough briefings from Staff. He asked about the north portion of the property zoned Estate; if developed at one unit per one to three acres, would these dwellings have to hook onto the sewer system. Mr. Guillory said that is correct.

There were no other questions from the County Commissioners.

Council President Susuras asked Council for any questions.

Councilmember McArthur asked if the property has to be annexed to be included in the 201 Boundary. Planning and Development Supervisor Dave Thornton said the process has not yet gone that far. Councilmember McArthur asked if the area presented was in the Comprehensive Plan designations. Mr. Lanning said yes. Councilmember McArthur noted there is sewer within 750 feet and it makes sense to connect. It is better to not have septic systems; he will support this request.

Councilmember Traylor Smith asked for confirmation that while the request is to add to the 201 Boundary, the requestor is not asking for a zoning change to a higher density as of yet. Mr. Lanning said that is correct, a zoning change has not been requested at this time. The requestor would like to be included in the 201 Boundary first.

Councilmember Norris asked for confirmation that the neighbors do not have to hook up to the sewer; this would only apply to new buildings. Mr. Lanning said the new development would be within the 38 acres. As sewer passes by in the boundary, there is not a requirement to hook to the sewer; only if the septic system fails.

City Attorney Shaver added to Mr. Lanning's statement of the requirement to hook to the sewer; if the septic system fails and the property is within 400 feet of the sewer line, the property must connect to the sewer system.

Councilmember Boeschstein noted that the Staff report states gravity service is not available; would a lift station be required? Mr. Lanning said the topography will allow the entire development to be gravity sewer. Councilmember Boeschstein noted there are two land use designations, a Residential Medium Low and an Estate designation; why does the Staff report show this is zoned for urban development when it looks as though half is zoned for rural development. Senior Planner Dave Thornton said this property is divided in two halves and under the Comprehensive Plan there is some flexibility for that division. This process is the first step. The Estate zoning is generally outside the urban boundary but can be within City limits and can be sewered. This zoning can go both ways. It makes sense to include the entire property and then make the zoning determination when development is proposed. Councilmember Boeschstein asked if this property were part of the 201 Boundary, where the line would end and would there be more amendments to include more of the north area. Mr. Thornton said the Comprehensive Plan is being followed with the urban center, which is the northeast edge of the Appleton area. There are areas of higher density further north within the 201 Boundary.

Council President Susuras asked if there were additional questions.

Commissioner Aquafresca asked if there was a natural barrier such as a canal. Mr. Thornton said yes there is canal. There will be clearer direction during the development process.

Councilmember McArthur asked if the crosshatched area is the Village Center. Mr. Thornton said it is a Village Center with the ability to have Mixed Use. Councilmember McArthur asked what the red portion is on the land use map. Mr. Thornton said red is Commercial, the dark red is Residential High.

Council President Susuras opened the floor for public comments.

Jeffrey Fleming, Planner for the property, said he is available for questions. He referred to the Future Land Use Map and the different zoning designations on the map and how it is a guide. The lines do not necessarily follow property lines. They are proposing to bring this property close to the proposed Village Center. Due to the density they would

be required to have sewer. The groundwater is high in the area and the soils are very salty; not ideal for agriculture but it is well suited for housing. The Grand Valley Irrigation Company (GVIC) canal does bisect the property and the topography will also limit development of the property. There is also a small piece affected by the Highline Canal. There is no development plan as of yet; it will be a few years before it is developed.

Councilmember Traylor Smith asked if there are other developments in this area. Mr. Fleming said Mr. Abeloe has been building in the valley for 22 years, however not in this specific area.

Rick Tyndal, 2387 Appleton Drive, said the residents are confused about paragraph C which refers to the trunk line. He asked if he would be financially responsible for the cost of the trunk line extension. Public Works and Utilities Director Lanning said that question will apply to the next agenda item.

City Attorney Shaver said Mr. Tyndal will not be assessed the trunk line extension fee; as long as his septic system functions properly, he will have no obligation to hook up to the sewer. Mr. Tyndal asked what would happen if his septic system were to fail. Mr. Lanning said if the sewer passes within 400 feet and the septic system fails, he would be required to hook up to the sewer system.

Mr. Guillory said in reference to Mr. Tyndal's question, there is no financial obligation. There may be in the future, smaller subdivision developments that would likely be added on to the sewer. Currently, in the 201 Boundary, the developer is responsible for extending sewer to his development. Any parcel that would benefit may connect; this is typically done using a reimbursement agreement that requires a proportionate share of the cost from those that hook on. Anyone who connects would then pay the developer if they were to hook on within ten years of the development. Mr. Tyndal asked if his property will be annexed. Mr. Guillory said the annexation would be for the parcel, not the adjacent properties, unless they petition to be annexed.

There were no other public comments.

Commissioner Acquafresca moved that the County Board of Commissioners approve the requested inclusion into the 201 Boundary. Commissioner Pugliese seconded the motion. County Commission motion carried unanimously by voice vote.

Councilmember Boeschstein asked about the size of the basin for future sewer to the north. Mr. Guillory said this was a part of the basin study for the Comprehensive Plan, and there would be an eight inch line which could serve up to 800 homes.

Councilmember McArthur asked, regarding the reimbursement agreement, that only applies to the portion the developer pays; so if it is all paid by City and County, would that cost just be a tap fee? Mr. Guillory said if City incurred costs to extend the sewer system, costs would be recovered in some form.

Councilmember Norris noted the reimbursement agreement lasts for ten years, and asked for confirmation that if after ten years the neighboring property owners are still on septic, then there would be no reimbursement liability for future connection to the sewer. Mr. Guillory said that is correct.

Councilmember McArthur moved that the Persigo Boundary be amended to include the requesting property. Councilmember Norris seconded the motion. Motion carried by roll call vote.

Proposed Revision of Sewer Trunk Line Extension Policy

Changes to the trunk line extension policy are being proposed to provide greater flexibility with regard to the Persigo System participation in trunk line extension projects.

Public Works and Utilities Director Greg Lanning introduced the item. He spoke to the proposed amendment and the current policy. The proposal will allow a developer to extend the trunk line and pay for the extension without the City's participation. An appeal process was also included in the proposed amendment with specific timelines. Mr. Lanning said this change was brought forward by the development community.

City Attorney Shaver referred to paragraph F regarding operative dates for appeal; he gave an overview of the timeline, and noted over the years there has not been a denial although there is a provision for that.

Council President Susuras referred to the County Commissioners for comments.

Commissioner Chair Justman said the Commissioners have had a briefing and he is in favor.

Commissioner Pugliese said the Commission Board strongly advocates for this appeal time frame. She appreciates the additional language and hard work of Staff because it is important for promoting development.

Council President Susuras asked for Council comment.

Councilmember McArthur asked if the new provisions address the term of reimbursement agreement. Mr. Lanning said it does not. Mr. Guillory said reimbursement is a policy set by the Persigo Board. Councilmember McArthur said in the past, a ten year sunset has been looked at. If it cannot be booked as an asset for the developer, it becomes a disincentive; if the developer can keep it for a longer time they can book it as a receivable, and it then reflects true assets. He would like to extend the sunset for a more reasonable period of time. He then asked for the reasons for having a sunset. Mr. Lanning said the sunset is for the economic return to the fund, and a way to determine economic viability. Councilmember McArthur said in regards to the former agenda item, in this particular area, it is not a real growth area, but anticipated to be in the future, so it could take longer than ten years for development. Mr. Lanning said the property owner has assumed that risk.

Utility Engineer Bret Guillory said this basin is serviced by a trunk line that was extended in 1999 to allow the School District to extend the line to Appleton School. The School District had a reimbursement agreement that sunset in 2001. Basin trunk line extension fees do not sunset.

Councilmember McArthur asked why the developer's extension has a sunset. Mr. Guillory said an extension can be requested after the ten year sunset.

City Attorney Shaver noted that paragraph E could have an addition to include this extension option, however there has not been a request for an extension.

Councilmember Norris asked if it is fair to add an extension to those agreements already established for those development areas as it may affect those in the area. Councilmember McArthur said they would only be affected by the developer's portion since currently the City maintains their asset while the developer is required to write his off.

Councilmember Traylor Smith asked what portion a property owner who decides to hook on to the sewer system would pay using a single family household, medium density area, as an example. Mr. Guillory said the plant investment fee that covers their use of the wastewater plant capacity would be \$4,120. The Trunk Line Extension fee for this particular property would be \$1,500; \$500 paid by the developer and \$1,000 paid by the builder. If it is an existing house, it would just require the builder fee, plus the cost to connect.

City Attorney Shaver said the agreements are negotiated on a case-by-case basis. Each one is customized with the eligible costs determined for recapture, and there are measures taken to ensure fees are reflective of the recoverable costs.

Councilmember Boeschstein noted the Master Sewer Plan shows future trunk lines so it is known where they are going to be. Mr. Lanning said that is correct. Councilmember Boeschstein asked whether it would be known what size trunk lines will be needed. Mr. Lanning confirmed this and said through the Future Land Use Map, it can be determined by the anticipated density.

Commissioner Pugliese asked if County Staff could comment about the best way to accomplish Councilmember McArthur's request.

Deputy Director of Operations Pete Baier said it is not only the time frame for the developer's portion; it is also the cost sharing. Some developers contribute more than 15%, or it could be a 50/50 split. The time frame for recapture question is what is the return on investment; personally he would recommend 15 to 20 years, he would hate to keep track of a reimbursement agreement forever. The Whitewater line had a fifteen year reimbursement period and the County had this same discussion regarding the amount of contribution by the developer.

Commissioner Pugliese asked if there was suggested language to put in Section E to address Councilmember McArthur's concerns. Councilmember McArthur said he is fine

with this as long as it is addressed through the sewer policy and it is published for public review.

Acting County Attorney David Frankel said at this time there is not anything that refers to a ten year sunset. For a an amendment to be made there would need to be public notice. He suggested Staff draft a proposal to bring to the next meeting. Then modify Paragraph E.

City Attorney Shaver said the City has the ten years in the policy. The trunk line extension policy can stay as presented and the regulations could be amended later to address the reimbursement time frame.

Commissioner Pugliese asked Councilmember McArthur if he thought it was fine to handle it the way City Attorney Shaver recommended. Councilmember McArthur said he was disappointed because he had raised this question previously and it wasn't addressed. He is fine with addressing it through the sewer policy as long as it is publicized so developers know it is an option.

Councilmember Traylor Smith asked Councilmember McArthur to clarify if he is requesting that the developer have more time in order to recoup the cost of extension. Councilmember McArthur said partly yes, if the developer cost is not reimbursed, they must expense it to the lots.

Councilmember Norris asked how this policy change would need to be noticed.

City Attorney Shaver said sewer regulations are similar to an ordinance process for Council. From Staff's perspective, there was not consensus from Council last fall to bring this forward. There is also a difference as this is the trunk line extension policy which is different than the reimbursement/recapture policy. Staff can take direction from the Board of Commissioners and Council to bring this policy back for discussion.

Council President Susuras asked for public comment. There was none so the public comment portion was closed.

County Commissioner Justman said he liked Councilmember McArthur's suggestion and a fifteen year extension would make sense.

Commissioner Pugliese moved to revise the sewer trunk line extension policy contained in Resolution No. 47-93 as presented and discussed by this board. Commissioner Acquafresca seconded the motion. Motion carried unanimously by County Commissioners.

Councilmember Traylor Smith moved to accept the revision to the sewer trunk line extension policy. Councilmember Boeschstein seconded the motion. Motion carried unanimously by roll call vote by City Council.

City Manager Englehart said further direction is needed on the recapture policy. What number of years extension would the Persigo Board like to have Staff bring back?

Councilmember McArthur said he would like to see fifteen years with ability to request an extension along with notice and publication of the change. Both City Council and the County Commissioners unanimously supported that a revision to the reimbursement policy be brought back to the Persigo Board.

Council President Susuras called for a recess at 3:22 p.m.

The Persigo Board meeting was back in session at 3:29 p.m.

Persigo Biogas Discussion and Options

Options for the capturing and utilizing bio gas from the Persigo Waste Water Treatment Plant will be presented.

Public Works and Utilities Director Greg Lanning introduced the item. Options were presented to Council at a workshop and this presentation will bring the County up to date. The presentation is a return on investment discussion with the Persigo fund. Biogas is the result of digestion of the solids; the majority of it is methane which is flared off. Since 2006, the City has been looking at putting that byproduct to use to also help prevent impact on air quality. The City has built a compressed natural gas (CNG) fueling station and the City has a number of CNG vehicles. There are also a number of Grand Valley Transit (GVT) buses that are now CNG. The quantity of CNG fuel used per day is 930 gallons per day. He deferred to Internal Services Manager Jay Valentine for further details.

Internal Services Manager Jay Valentine said he acts as the Fleet Manager and was involved in the building of the infrastructure. He reviewed the history of the current proposal. The City has investigated both injecting the gas into the Xcel pipeline and transporting the gas to the City Shops through a pipeline. From a financial standpoint, the payback considers the Renewable Identification Number (RIN) credits. He explained the legislation on RIN credits. Biogas is an advanced bio fuel that is available for RIN credits. Those credits have a value to other energy companies in order to meet the regulations. The demand for these credits will likely go up as the requirements in the law increase. The options were presented to and considered by Council and it was determined that Option 1 offered the best payback and was the best alternative. The only negative to this option was the need for storage but the company who responded to the contract can oversize the pipeline so there could be storage in the pipeline. The cost would be an impact. Mr. Valentine described the Xcel Energy option and how it was not the best option as Xcel would require additional testing equipment at a cost of \$800,000 to ensure quality. If the gas did not meet their standards, Xcel could refuse the gas. In addition, there is less payback; it will take longer than 15 years to see payback. The third option, using an energy service provider, was then explained and Mr. Valentine demonstrated how it was not the best option; the risk is taken on by a third party contractor but the cost for fuel would be much greater. The fourth option is to do nothing, however, the methane will continue to be flared off which may contribute to non-attainment issues regarding air quality. Mr. Valentine reviewed the impact on the Persigo fund and the assumption is that the pipeline would pay back within ten years so

the fund balance would still be in place. The value of the RIN credits could change but it is his and the experts' opinion that the demand will increase.

Council President Susuras asked for questions.

Commission Chairman Justman said although he would like to get rid of methane flaring, he is concerned with the payback. He likes Option 3 which is no risk.

Commissioner Pugliese said this is the first time the County has seen this presentation; she needs time to digest it, and would like a briefing from County Staff. She is not prepared to make any decisions today, and asked for a time frame to respond to the City.

City Attorney Shaver said matters for consideration for the Persigo Board are policy matters which include reviewing and adopting capital improvements. The City is scheduled for action at the next Council meeting on Wednesday, May 7th, and he did not know if that is enough time for the County. The Persigo Agreement defines the City as the operating agent, and there is a fine line on how to accomplish this project. If it is not possible to have a decision from the County by next Wednesday, this can be continued, however, it takes thirty-two days for an appropriation to become effective after approval and the sooner a decision can be made, the better. The City is in the process of talking to vendors, designing the project, and moving forward.

Commissioner Pugliese said there is also Option 4 which is to do nothing; she would like some time to have a briefing and may be able to meet the City's time frame. She does not want to ignore Option 4.

Commissioner Acquafresca said analyzing biogas options is a good direction, however, this is the County's first exposure to the options presented. The County will require some time for briefing and he is not sure if a week is enough. There is also the possibility of identifying another option that has not yet been discovered. As of right now, the length of time needed for the County to make a decision cannot be determined.

Mr. Valentine said he has some scenario modeling he can present to the Commissioners for consideration and he would make himself available for County briefings.

County Commission Chairman Justman said that although he understands the priority of this issue, he is not ready to vote at this time.

Council President Susuras asked Council for questions and comments.

Councilmember Boeschstein thanked Staff and said this could be a landmark accomplishment to use waste gas in a positive way. Council has spent a lot of time on this, and Council prefers Option 1, which does not seem to have a great payback, in terms of dollars, but does offer less air pollution, the ability to have a landmark facility,

and the ability to reuse methane gas; he would like to move ahead with Option 1. He would like to see a map of the projected pipeline route.

Mr. Lanning displayed the map of the pipeline route and explained it. The majority of the pipeline will be in City right-of-way.

Councilmember Boeschstein noted this pipeline runs along the Riverfront Trail. Mr. Lanning said yes, it would be five to ten feet from the trail and there is adequate right-of-way.

Councilmember Norris asked about the cost of fuel now. Mr. Valentine said for CNG fuel, the average is \$1.13 per gallon. Councilmember Norris asked if the City will pay less if this project goes forward. Mr. Valentine said the projected cost would be \$1.50 a gallon until payback is achieved and then would decrease to \$1.15 a gallon. Councilmember Norris asked if there has been a price fluctuation with CNG fuel. Mr. Valentine said it has fluctuated from \$.98 cents to \$1.23 per gallon.

Councilmember Norris noted that the City has purchased vehicles with CNG which initially costs more but the payoff is greater. Grand Valley Transit (GVT) has seen a big savings by converting to CNG; the payback has been good since diesel fuel costs more.

Councilmember Traylor Smith said the payback of .3% was a very low assumption, and very conservative. Mr. Valentine said yes, a key component is the RIN credits priced at current price; the demand will go up and the price will go up.

Councilmember McArthur said he can appreciate the Commissioners wanting more time. He shared his impression of why he favors Option 1; the control would be maintained in the Persigo operation. If Xcel were used, they have standards and their circumstances can change, which would put the City back to square one. Option 3 is subject to market and no payback. Assumptions on Option 1: the demand for CNG will increase; this will control the use and cost for the City and County; the path of the line is more viable; and it offers pollution control.

Council President Susuras said this would also be the first operation of its kind in Colorado. In Option 1, he noted the four additional slow fill stations at Persigo and asked who would this fuel be sold to? Mr. Valentine said the question was posed, could GVT benefit from these fuel stations for routes west of the valley? The City got an estimate, and there may be some State funding to be explored. As of right now it has only been priced.

County Commission Chairman Justman asked if it was dangerous to have a gas line by the river. Mr. Guillory said when this was looked at, the City wanted to avoid conflicts with other utilities. The proposed pipeline would be a good distance from the Riverfront Trail. The river could migrate but looking at old air photos since the 1930's, the river stays away from where the pipeline would be located.

Commissioner Chairman Justman asked about the cost split between the City and County.

Council President Susuras said the cost would come out of the Persigo fund.

Mr. Valentine said there are funds set aside for future expansion of the Persigo Wastewater Treatment Plant. That is where the funding would come from.

Dan Tonello, Wastewater Services Manager, said for expectations of the planned expenditures for the expansion fund, the biggest expenditure is not until 2035; the fund balance will continue to build. The purpose is to use these funds instead of leaving the balance alone and only generating .1% interest per year.

Commissioner Acquafresca, said, regarding the river pipeline being a threat, it is his understanding that new trail portions being constructed are designed to withstand submersion and he would also expect the gas pipeline to be designed to withstand submersion as well. Mr. Tonello said this would be a consideration and has been mentioned in the proposal.

Commissioner Puglise asked, assuming Option 1 goes forward, what is the \$1.5 million for? Mr. Tonello said \$1.5 million is the cost with either option for gas scrubbing equipment. The other costs associated are the lines or cost to take the gas to the Xcel system. Commissioner Pugliese asked about the storage of excess gas. Mr. Tonello said both the County and the City have more CNG equipment coming. Also on weekends where there is no usage, the digester can store some gas. Additional storage may be needed, but not until this project is in place, and would cost about \$140,000.

Commissioner Acquafresca said he appreciates Council giving the County adequate time for consideration.

Council President Susuras asked City Manager Englehart if a motion should be made by City Council. City Manager Englehart said Council has provided Staff direction for Option 1, so no vote from Council is required. This supplemental appropriation has already been advertised. The final decision for appropriation will be made by City Council on May 7th. He offered City Staff to help further brief the County, and noted that any delay could affect the action and potential contract. No action by Council was needed at this time.

Coordination of Permit Requirements for Directional Boring Projects within the Persigo Sewer Service Area

The City of Grand Junction now requires directional boring contractors to TV sewer lines and storm sewer lines crossed by any directional boring installation. The City is asking Mesa County to support this requirement for directional boring projects completed within the Persigo sewer collection system service area.

Public Works and Utilities Director Greg Lanning introduced the item. He explained directional boring and the need to have the requirement for boring permits. The City currently requires this in the City and is asking the County to do the same for the rest of the sewer service area. The boring of the sewer service lines has occurred on more

than one occasion. That would make the requirement consistent throughout the system. It is also a safety concern.

Commission Chairman Justman asked what the cost is to check the line. Mr. Guillory said the cost is about \$350 per City block.

Commissioner Acquafresca said this has been discussed with County Staff and there have been enough mishaps documented to justify the County having consistent rules with the City.

Commissioner Acquafresca moved to adopt a boring line inspection policy to be consistent with the City. Commissioner Pugliese seconded the motion. Motion carried unanimously.

Council President Susuras noted it was not necessary for the City to make a motion since it is a City policy already.

Councilmember McArthur asked if it should be the contractor's responsibility if the asbuilt is not in the right location, who would take care of repair? He referenced the 7th Street explosion; if there is a mislocated gas line, is the contractor liable? City Attorney Shaver said because this is under litigation he cannot give a specific answer. However, he said the City is not liable. The subject is between the utility company and the contractor. The issue is hitting the City's facility; the contractor has a legal right to rely on what has been located. There are lots of variability and complications. From the City's perspective, the contractor has the initial responsibility since they did the bore.

Mr. Guillory referred to photos of sewer mains that were located. He pointed out service lines. This is an ethical question for design purposes; when the City designs for a water line and it is identified in a different location during the design process. The Contractors doing directional borers get locates. Sewer services are owned by property owners. Mr. Guillory described the process the contractors go through. There are other sewer cleaning companies that do not have the same protocols.

Councilmember McArthur asked if only the main line is TV'd. Mr. Guillory said there is a company that can do the service lines and there are requirements to have dual cleanouts in order to locate the services.

Utility Engineer Bret Guillory said the City of Grand Junction now requires directional boring contractors to TV sewer lines and storm sewer lines crossed by any directional boring installation. The City is asking Mesa County to support this requirement for directional boring projects completed within the Persigo sewer collection system service area.

Managers Reports

Public Works and Utilities Director Greg Lanning reported on the Nutrient Study and Saving for Future Implementation. Mr. Lanning explained what nutrient regulations are. They are hoping to have sufficient funds to comply with the regulations.

Mr. Lanning also gave an overview on the dissolution of Orchard Mesa Sanitation District. He explained the time frame for the dissolution of the special district. Councilmember Norris asked what condition the Orchard Mesa Sanitation District's pipes are in, and will there be a cost associated with taking over the District? Mr. Guillory said since 2004, the City has been providing funds from Persigo to replace Orchard Mesa's aging infrastructure. The District has been vigorous about doing that. They have even replaced some sewer service lines to decrease infiltration. The City will also receive additional revenue once it is taken over.

Councilmember Boeschstein asked about the effect on Orchard Mesa homeowners regarding rates. Mr. Tonello said at the current rate, their sewer bill will go down by \$.50 cents.

City Attorney Shaver added that the cost would also be decreased by elimination of the District mill levy.

Mr. Tonello said there would also be a reduction in tap fees.

Councilmember McArthur noted the Orchard Mesa housing market, suffered more than the rest of the City during the economic downfall and said he looks forward to a decrease in rates.

There was no further business.

Adjournment

City Council President Susuras adjourned the meeting at 4:33 p.m.

Stephanie Tuin, MMC
City Clerk