

Grand Junction, Colorado

April 7, 1971

ROLL CALL

The City Council of the City of Grand Junction, Colorado, met in regular session at 7:30.P.M. April 7, 1971, in the Civic Auditorium at City Hall. Councilmen present and answering roll call were: Raymond Paruch, Harry Colecott, Ray Meacham, Stanley Anderson, Theodore Naff, Robert Evans, and President of the Council Richard Youngerman. Also present were City Manager Richard Gray, City Attorney Gerald Ashby, and City Clerk Neva Lockhart.

MINUTES

It was moved by Councilman Anderson and seconded by Councilman Naff that the minutes of the regular Council meeting of March 17, 1971, be approved as written. Motion carried.

STATEMENT OF CERTIFICATE OF ELECTION

A statement of the Certificate of Election that was held on Tuesday, April 6, 1971, was read:

CITY OF GRAND JUNCTION, COLORADO
CERTIFICATE OF ELECTION
APRIL 6, 1971

WE, THE UNDERSIGNED, HEREBY CERTIFY that the results of the General Municipal Election held in the City of Grand Junction, Colorado, on Tuesday, April 6, 1971, were as follows:

Total votes cast in District "A"	439
Total votes cast in District "B"	752
Total votes cast in District "C"	542
Total votes cast in District "D"	548
Total votes cast in District "E"	515
Total Absentee Ballots cast	62
TOTAL VOTES CAST	2,858

FOR COUNCILMAN FROM DISTRICT "B"

CANDIDATES	Dist. "A"	Dist. "B"	Dist. "C"	Dist. "D"	Dist. "E"	Absen- tee	TOTAL
Fred R. Allen	94	109	098	101	12	515	
Bernard Dangler		81	102	098	79	81	7

A. W. Douglas	108	136	125	104	116	13	602
Lawrence L. Kozisek	144	395	195	245	200	28	1,207

FOR COUNCILMAN FROM DISTRICT "C"

Stanley Anderson	215	416	257	271	263	37	1,459
James Witt	214	322	282	265	239	23	1,345
Mickey Mouse				1			

FOR COUNCILMAN FROM CITY AT LARGE

Charles Boyes	168	277	153	206	196	23	1,023
Silas Grantham	180	368	293	262	251	30	1,384
Harold W. West	86	93	82	71	62	9	403
Pluto				1			

TOTAL OF ALL VOTES FOR COUNCILMEN

Fred R. Allen	District "B"	515
Bernard Dangler	District "B"	448
A. W. Douglas	District "B"	602
Lawrence L. Kozisek	District "B"	1,207
Stanley Anderson	District "C"	1,459
James Witt	District "C"	1,345
Mickey Mouse	District "C"	1
Charles Boyes	City at Large	1,023
Silas Grantham	City at Large	1,384
Harold W. West	City at Large	403
Pluto	City at Large	1

That LAWRENCE L. KOZISEK has been duly elected as Councilman for District "B" by the greatest number of votes;

That STANLEY ANDERSON has been duly elected as Councilman for District "C" by the greatest number of votes;

That SILAS GRANTHAM has been duly elected as Councilman for the City at Large by the greatest number of votes.

Certified by:
Neva B. Lockhart
City Clerk

Harvey M. Rose
Deputy City Clerk

SS 28-71 BID AWARD - TO J.D. DYE, CONTRACTOR, \$329,459.25

Bids were opened at 2:00 P.M. Tuesday, April 6, 1971, for the construction of Sanitary Sewer District No. 28-71. This sanitary sewer service is for the six areas that were annexed to the City September 10, 1970. (Pomona View Subdivision, Treehaven Subdivision, Hillcrest Manor Subdivision, Mantey Heights Subdivision, North Acres Subdivision, and View Point Subdivision). City Manager Gray read a letter from Gene Brauer of Nelson, Haley, Patterson and Quirk, Consulting Engineer for this project, stating that the low bidder was J. D. Dye, Contractor from Colorado Springs, whose bid was \$329,459.25. The Engineer's Estimate was \$379,530.30. This bid coupled with the contract for the canal and ditch crossings, which is now completed, brings the total construction cost for this improvement district to \$344,130.15. The total Engineer's Estimate was \$397,026.40. Results of the bids indicated the construction to be \$52,896 below the Engineer's Estimate. The contractor has indicated he would be able to start construction on or before May 1. Mr. Brauer recommended the award of the contract to J. D. Dye in the amount of \$329,459.25. City Manager Gray noted that this bid coupled with other costs that the City must pay for design of the project, for resident engineering, for right-of-way acquisition, and for interest during construction brings the total cost to the City of \$409,439. The estimated tap fees of those in the area, at \$800 per tap, is \$218,000, leaving a deficit that the City must fund out of the Sewer Construction Fund of \$191,439. The residents will be paying an \$800 tap fee, but the cost will average out to about \$1,365 per tap.

Mr. Bob Gerloffs of Nelson, Haley, Patterson and Quirk was present at the meeting and gave a report to the Council on J. D. Dye, Contractor. The bidding document calls for completion of the contract 150 days after the notice to proceed is issued.

It was moved by Councilman Meacham and seconded by Councilman Anderson that the construction contract for Sanitary Sewer Improvement District No. 28-71 be awarded to J. D. Dye, Contractor, Colorado Springs, in the amount of \$329,459.25. Motion carried.

LETTER FROM LOUIS J. MOTTS OBJECTING TRANSFER OF WATER ACCOUNT TO UTE WATER CONSERVANCY DISTRICT

A letter from Mr. Louis J. Motts, 120 Bookcliff Avenue, objecting to the transfer of his water account to the Ute Water Conservancy District was read:

120 Bookcliff
Grand Junction, Colo.
March 30, 1971

Grand Junction City Council
City Hall
Grand Junction, Colorado

Gentlemen:

I happen to live in the area which was annexed to the city last September. At a meeting prior to annexation Mr. Don Warner presumably laid all the cards on the table as to what advantages we would obtain by annexing to the city. One of these was city water at the lower city rates, which was to partially offset the increase in property tax.

I now receive a letter from Mr. H. L. Plowman saying my account is being transferred to the Ute Water Conservancy District and according to Mr. Wilbert my water will cost more than when I belonged to the First Fruitridge Pipe Line Co.

The fact that the city underestimated the costs involved does not justify their going back on their word; just as we cannot back out of our annexation.

It is quite a unique situation when my neighbors across the street who were annexed at the same time and who get their water out of the same pipe as I do, can buy their water at city rates and I cannot.

This letter is formal notice that I object to having my account transferred to the Ute Water Conservancy District unless the water will cost me no more than the city has been charging me since September, 1970; and if necessary I plan to take whatever legal action necessary to make the city honor its promise.

Yours very truly

s/ Louis J. Motts
Louis J. Motts

CC: City Manager
H. L. Plowman

PETITION OBJECTING TO THE TRANSFER OF WATER ACCOUNTS TO THE UTE WATER CONSERVANCY DISTRICT - REPRESENTATIVES PRESENT - DISCUSSION TABLED

A petition with 74 signatures objecting to the transfer of water accounts to the Ute Water Conservancy District entitled THE UNDERSIGNED HEREBY PROTEST THE ACTION TAKEN BY THE CITY OF GRAND JUNCTION BY LETTER DATED MARCH 26, 1971, ATTEMPTING TO TRANSFER OF OUR UTE WATER ACCOUNTS TO THE UTE WATER CONSERVANCY DISTRICT was presented.

Signature Petition attached. Members of the group were present at the meeting.

Mr. Keith Mumby, representative of the group and also a resident of the area opposing the transfer of their water accounts to the Ute Water Conservancy District, appeared before the Council. Mr. Mumby gave a brief background as the people involved see the situation.

Last spring there was a petition to the District Court for an election with respect to the forming of a sewer district north of Grand Junction. At this time, some areas had meetings and decided that perhaps there were some advantageous results arising out of joining the City as opposed to becoming involved in the North Grand Valley Sanitation District. The area in which these 53 residents live was part of one of the areas that annexed. The area filed their petition and were invited to meet with Don Warner, representative of the City. The sewer was discussed and laid to rest. The 14 mills that the area would pick up was discussed, and many justifications were given for these people to annex and assume the obligation of the extra 14 mills--one being, water service at City rates, a water distribution system that would meet with the fire standards comparable to the balance of the City at a Class 6 rating.

At this time, it was a mutual courtship, with the residents desiring to be annexed and the City desiring to annex being almost equal. The petition was filed and accepted.

Shortly after the petition was filed and accepted, Mr. Mumby, as attorney for the First Fruitridge Pipeline Company which served this area, met again with representatives of the City and was advised that it was against the City Charter to franchise anyone to sell water in the City and that the portion of the First Fruitridge Pipeline Company lying within the annexed area would have to be liquidated. At this time the Board of Directors of the First Fruitridge Pipeline Company met with Mr. Mumby. The financial statement as of August 31, 1970, was arrived at and letters were subsequently sent to all members of the First Fruitridge Pipeline Company advising them that their stock would be purchased at book value, (approximately \$136.73). These were the stockholders of First Fruitridge Pipeline Company lying within the annexed area. At the same time, it was negotiated between Mr. Mumby and representatives of the City that the meters owned by the people on the First Fruitridge Pipeline Company would be exchanged for a tap in the new City water line to be installed in the area. They also sold four of the five fireplugs owned by the First Fruitridge Company to the City. The two-inch meter that was in the line at First and Orchard was taken out of the line and installed in the pipeline going to the new West Junior High.

During the negotiations between the First Fruitridge and the City, it was determined as a matter of expediency that First Fruitridge would read the meters as of August 31, and the City

would take over the customers as of September 1, notwithstanding the fact that due to the legal publication period the annexation would not be completely final until September 10.

Shortly after September 3, a member of the Grand Junction Police Department personally delivered to every resident a letter from the City. Mr. Mumby quoted paragraph one of the letter which read "Effective September 10, your area will be officially inside the City Limits of Grand Junction. Inside City utility rates will be reflected in your September statement as shown ... Water, Outside \$5.50 - Inside, \$2.75 minimum charge for 3,000 gallons, \$0.30 for 1,000 gallons used over the minimum."

Mr. Mumby said that he felt the residents of this area are not fully aware of all that transpired from last September to this date. Although Mr. Mumby knew that Ute Water Company billed First Fruitridge Pipeline Company on the basis of all the people in the Ute District that had previously been served Ute water by First Fruitridge, he wrote a letter to the Ute Conservancy District stating that the First Fruitridge Pipeline Company within the annexed area had been liquidated, and that the First Fruitridge Pipeline Company had no further obligation with respect to these customers and that they were now customers of the City of Grand Junction.

The thing that precipitated this meeting before the Council was a letter dated March 26, 1971, on Ute Water Conservancy District stationery addressed to all of the 53 residents in the area involved. Mr. Mumby said that paragraph one advises that it is mandatory to improve the water distribution system in the area. Mr. Mumby said the residents were advised of this prior to annexation. Paragraph two of the letter states the City has two alternatives: 1. Buy water from the Ute District and resell it to the residents; 2. Allow the Ute District to serve the area involved. Paragraph three again states that it is necessary to expend money to install the pipeline, which the residents were informed of prior to annexation. Mr. Mumby continued with the last paragraph, "Therefore, we are transferring your water account to the Ute Water Conservancy District. Your property lies within the boundaries of the Ute District, and the Ute District has the right to claim you as one of their users. In addition, you will be receiving service from the water utility that you have been supporting with a two-mill property levy for some years."

Mr. Mumby presented some calculations based on 7,000 gallons (which he said the City advises is a near average) that under the old First Fruitridge Pipeline Company, 7,000 gallons per month would cost the resident \$6.33. Under the City rate which was presented to the residents immediately upon annexation, 7,000 gallons would cost \$3.95 per month. Under the Ute District, to which presumably the residents have been turned, 7,000 gallons would cost each resident \$12.20 per month. Mr. Mumby said he

didn't feel that a finger could be pointed to the residents of this area and stated that they were a group of people trying to avoid their fair share of the obligations of Mesa County. They knew at the time they were annexed that they would continue to pay the two mills to the Ute District while being on City water.

They knew that they would continue to pay the two mills to the Grand Junction Rural Fire Protection District, notwithstanding the fact that new lines would be installed and they would come under the jurisdiction of the Grand Junction Fire Department. They were told that they would receive City water rates and that is all that they ask. If the City has placed itself in a position that is difficult to perform, the residents do not feel that is their fault or that they should suffer the consequences of an error or pay the price.

Since Mr. Dick Woodfin had to be out of town and could not attend the meeting, he had requested that Mr. Mumby read the following statement: "Whereas, the City promised water at the same rate as other residents; and whereas the City knew or should have know the conditions of the First Fruitridge Pipeline; and whereas the City knew or should have known residents of the annexed area have been and will continue to pay mills as a part of Ute Water Conservancy District, and they are, therefore, entitled to the use of the water; and whereas the City knew or should have known it has a contract with the Ute District to buy water from the Ute District for perpetuity for the use within the City; wherefore, we, the residents of the newly annexed area to the City, demand that the City provide Ute water to the residents of the newly annexed area at the same City water rate as other City residents."

In regard to the Grand Junction Rural Fire Protection District levy continuing, City Manager Gray said that this is not the case. The Grand Junction Rural Fire Protection District levy of 2.6 mills will be removed next year at the same time that the residents of this area. will start to pay the 14 mills of the City of Grand Junction. Mr. Gray pointed out that this year the residents are not paying the 14 mills. The increase in their taxes was due to other government entities not the City's. The first levy from the City will be in January, 1972, which is the 14 mill levy, and at that same time the residents will be removed from the Grand Junction Rural Fire Protection District, which will be a 2.6 mill deduction. Therefore, the net increase to the residents would be approximately 11.4 mills. The 14 mills, or the net increase of the 11.4 mills, is for the General Fund services--that is, Fire, Police, Parks, street lighting, street cleaning--but water, sewer, garbage, and sanitation services in no way are paid for or are a part of the General Fund levy.

Otherwise, City Manager Gray said he felt that Mr. Mumby had very accurately described the situation; On November 18, 1970, Mr. Gray received the following letter from the Ute Water Conservancy District on the letterhead of Albin Anderson, Attorney at Law,

signed by Mr. Fred Simpson, President of the Ute Water Conservancy District.

November 18, 1970

City of Grand Junction
Fifth and Rood Avenue
Grand Junction, Colorado 81501

Attn: Mr. Richard N. Gray
City Manager

Re: Water Contract with Ute Water
Conservancy District
Dated: 2/16/67

Gentlemen:

In September of this year, Ute Water Conservancy District learned that First Fruitridge Pipeline Company, on or about September 1, 1970, caused the opening and closing of gates, valves and meters to occur so that the supply of Ute water to about 62 of their users living within the Ute District was terminated and water to them was then supplied by the City.

We understand that the City has been billing these users (62 or more in number) for water supplied from your own sources. These 62 users were receiving Ute Water, and not water from the City supply, on or before February 16, 1967.

The action of the City in supplying water to these 62 users after First Fruitridge Pipeline Company discontinued taking water from the Ute District on or about September 1, 1970, is an unequivocal violation of the agreement between the City and the Ute dated February 16, 1967, especially with reference to paragraph 4 of said agreement which provides, in part, as follows:

"4. The City will purchase water from the District, in accordance with the provisions of this agreement, to supply the potable water needs of all of its users located within the District, except for those services (Users) which are receiving water from the City supply at the time this agreement is executed and also excluding new services which may be requested by individual lot owners in a partially developed subdivision or tract in an area already being served directly by the City."

The District has three options:

1. To use mild language and gentle persuasion to cause you to discontinue any further violation of the contract.
2. By means of self-help, to restore the status quo ante by opening and closing appropriate gates, valves and meters.

3. To apply to a court of proper jurisdiction for an order compelling you to observe the terms and conditions of the contract.

Will you please advise our manager, Mr. Riney F. Wilbert, as promptly as possible that you have cured the violation mentioned above and that you will discontinue any further interference with the contract existing between the Ute District and the First Fruitridge Pipeline Company.

Yours very truly,

UTE WATER CONSERVANCY DISTRICT

By s/Fred J. Simpson
President

FJS/sb

cc: Albin Anderson, Esq.
First Fruitridge Pipeline Company

They also enclosed a copy of a letter of the same date to the First Fruitridge Pipeline Company, attention Robert Baughman, President

November 18, 1970

First Fruitridge Pipeline Company 2579 Road F
Grand Junction, Colorado 81501

Attn: Mr. Robert Baughman, President

RE: Water Contract with Ute
Water Conservancy District
Dated: 10/28/64

Gentlemen:

In September of this year, we learned that someone, presumably acting for you, without the consent of Ute Water, closed the master meter through which your company was served with water from the District. This termination of service was in violation of the outstanding contract between you and Ute Water Conservancy District dated October 28, 1964,

The discontinuance of taking water from the District is in direct violation of paragraph 1 of said agreement, which, as you know, reads as follows:

"1. The District will furnish water to the Company in perpetuity and the Company will purchase water solely from the District so long as water is available for sale to it."

The District has three options:

1. To use mild language and gentle persuasion to cause you to discontinue any further violation of the contract.
2. By means of self-help, to restore the status quo ante by opening and closing appropriate gates, valves and meters.
3. To apply to a court of proper jurisdiction for an order compelling you to observe the terms and conditions of the contract.

Will you please advise our manager, Mr. Riney F. Wilbert, as promptly as possible that you have cured the violation, mentioned above or that you are willing to have Mr. Wilbert present to assist you in restoring the interrupted service.

Yours very truly,

UTE WATER CONSERVANCY DISTRICT
By s/ Fred J. Simpson
President

FJS/sb

cc: Albin Anderson, Esq.
City of Grand Junction

These letters started the discussions between the City and the Ute which culminated in another letter on January 4, 1971, on the Ute Water Conservancy letterhead signed by Riney Wilbert, Manager, addressed to City Utilities Director, H. L. Plowman.

Dear Bud:

Regarding the various conversations we have held in the past several months concerning the providing of water service to the users on the old First Fruitridge Pipeline Company, it appears to me that the primary question to be answered is simply whether or not the provisions of the Agreement entered into on February 16, 1967 between the City of Grand Junction and the Ute Water Conservancy District are to be followed. I can assure you that the District entered into the Agreement in good faith and fully intends to abide by it. We would expect that the City would do the same.

In this respect, the 53 users who reside within the Ute District and who were receiving Ute Water prior to the September change, are covered by the Agreement., and if the City desires to serve these customers, the City should purchase the water furnished to said residences from the District. The District will construct the necessary pipeline, of the size and with the pressure specified in the Agreement, to a master meter, reasonably

located, and to be furnished and maintained by the City (Paragraph 8). If the City lines are deemed to be inadequate to provide satisfactory service, the Agreement specifically permits their enlargement by the City (Paragraph 11).

The Agreement provides for the water rates to be paid by the City. The aforementioned 53 users should have been receiving Ute Water since about September 1, 1970, and the District should have been receiving at least the minimum monthly charge of \$4.00 per user per month since that time. The monthly charge is \$212.00 on a minimum basis. Therefore, for the four month period ending January 4, 1971, the amount owed to the Ute Water Conservancy District is \$848.00.

We hope you will make immediate arrangements to pay the amount owed, and also to correct the conditions which have existed since early September which are contrary to the Agreement between the District and the City. The District stands ready at any time to discuss the location of the master meter and to construct the line to the agreed connection point. In the meantime, the changes which will again permit the flow of Ute water to the 53 users should be made.

If we can assist in any way please contact us.

Sincerely,

s/Riney F. Wilbert
Manager

RFW/lb

c.c. Albin Anderson

At this point, the City's Attorney, Gerald Ashby and Mr. Albin Anderson, representing the Ute Water Conservancy District, had several meetings, and approximately the latter part of February it was decided that the most reasonable alternative to the two Utilities, and not necessarily to the 53 users, was ALTERNATIVE 1. If the Ute were to serve these customers on an individual basis, Ute has agreed that they will invest the approximate \$58,000 to upgrade this system and that the resident would be individual Ute customers under the individual class rates that the Ute has throughout its system. This would leave the City a cost of five fire hydrants at \$500 each, or \$2,500 to maintain this system.

This was the recommendation that City Manager Gray brought to the City Council at the March 17, 1971, meeting, and at that time read the letter that was to be mailed to the 53 users and to which Mr. Mumby referred. City Manager Gray presented some other Alternatives which were prepared for the Council's consideration.

ALTERNATIVE 2 would be that the City make the investment of the estimated construction cost to upgrade to either looped 6-inch mains or deadend 8-inch mains in the area of the 53 users. The City Engineer has estimated this cost to be \$58,755. This would mean that if the City were to make this investment, and if it is assumed as Mr. Mumby did that 7,000 gallons of water per residence per month would be the average use, 371,000 gallons of water would be used. Mr. Gray pointed out that the normal utility investment is paid off in 20 to 25 years. However, these two plans under Alternative 2 were prepared for a 50-year pay off rather than the 20- to 25-year pay off. This is not the best business from a utility standpoint to try to amortize the system over a 50-year period; in any event, to pay off the \$58,755 investment that the water utility would make would mean that the 53 users would have to be charged with a new class of rates. There are two classes of rates in the City--City residents on City water at City rates, and City residents on bulk Ute water at the bulk Ute rate of \$4.00 a minimum for the first 3,000 gallons and \$0.50 a thousand thereafter. Those are the present two existing rate structures that have been in effect since 1967. On Alternative 2, to pay back the investment, the City would buy water from Ute at their minimum bulk rate and assuming the 7,000 gallon average use, the breakdown would be as follows;

50-Year Pay Off

At the rate of \$7.00 min/3,000 gal, plus each additional at
 \$0.55/1,000 gal

53 homes x \$7.00/3,000 gal	=	\$371.00
212,000 gal @ 0.55/1,000 gal	=	116.60
Total Monthly Revenue		\$487.60

Total monthly expenditure (reading meters, billing, etc.)		-389.55
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Funds for pay off (Annual Funds for Pay Off - \$1,176.60)		98.05
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53-Year Pay Off

At the rate of \$6.00 min/3,000 gal., plus \$1.00/1,000 gal. for the next 2,000 gal., plus \$0.55/1,000 gal. additional

53 homes x \$6.00/3,000 gal		\$318.00
106,000 gal @ \$1.00/1,000 gal		106.00
106,000 gal @ \$0.55/1,000 gal		58.30

Total Monthly Revenue		\$482.30
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Total Monthly Expenditure		-389.55
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Funds for Pay Off		\$ 92.75
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(Annual Funds for Pay Off - 1,113.00)

ALTERNATIVE 3 The City would make the investment of the \$58,755.

This Council could assume that the major reason that the system must be upgraded is not to supply the water, but to meet the Class 6 fire rating standards. Fire is a part of the General Fund. It could be assumed that two-thirds of the cost to upgrade the water system should be charged to the General Fund. In next year's budget, the Council could appropriate approximately \$40,000 to be transferred to a special construction fund that would improve, next year, the system within the area of the 53 users. Mr. Gray emphasized that he was talking of only the 53 users. He pointed out that there is a lot more money to be spent in upgrading the rest of the system where the 171 homes are located. A charge to the Utility Fund of the other one-third, or approximately \$20,000 would be needed to arrive at this investment. The City would then continue the class of rates that they have had with the Ute, whereby the City would bulk the water and then the charge to these customers would be

\$4.00/3,000 gal min. plus \$0.50/1,000 gal. additional use

53 x \$4.00/3,000 gal min.	\$212.00
212,000 gal @ \$0.50/1,000 gal.	106.00

Total Monthly Revenue	\$318.00
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Total Monthly Expenditure	-389.55
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Total Monthly Loss	- 71.55
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Annual Loss	\$-858.60
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Loss over 50 years	\$42,930.00
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Over the 50-year period, the City would be subsidizing from the water utility these 53 water customers more than \$42,930, in addition to the \$58,755 that would be spent from the General Fund and the Water Sewer Fund to upgrade the system.

City Manager Gray had anticipated the suggestion that was made by Mr. Woodfin in his letter read by Mr. Mumby that the City provide Ute Water to the 53 users at the same City water rate as other City users and had prepared Alternative 4.

ALTERNATIVE 4 would mean an investment by the City of \$58,755 to upgrade the system. If the City does not mean to abrogate the agreement signed with Ute Water in 1967 and if the City does not attempt to abrogate the agreement that the First Fruitridge Pipeline Company signed in perpetuity with the Ute, the City would buy bulk water from the Ute at their \$4.00/3,000 gallon minimum and \$0.50/1,000 additional. The City would then turn around and sell it to the 53 users at \$2.75/3,000 gallons minimum

and \$0.30/1,000 gallons additional. We would start using our City user's average of 22,000 gallons of water a month. Multiply that by 53 users and the revenue at City rates would be \$447.85. The average of 22,000 gallons by the 53 users would total 1,166,000 gallons. The breakdown of the Ute bulk rate schedule is:

53 users x \$4.00/4,000 gal	=	\$212.00
212,000 (2nd 4,000 gal) @ \$0.50/1,000 gal	=	106.00
42,000 gal @ @0.35/1,000 gal	=	14.70
70,000 gal @ \$0.30/1,000 gal	=	210.00
Payment to Ute		\$542.70
20% for City Service Cost		108.54
Billing & Meter Reading		39.75
Total Monthly Expenditure		690.99
Loss to the Utility Fund over the 50-year period		\$145,884.00
Plus the one-time Construction Cost		58,755.00
Deficit out of the Utility Fund over a 50-year period of.....		\$204,639.00

City Manager Gray pointed out that the City has four and one half million dollars worth of Water-Sewer Revenue Bonds outstanding to build the new Water Treatment Plant and to build the new Sewer Plant and to make distribution system improvements. The bondholder has a covenant from the City that after operation and maintenance, the City will maintain a 130 per cent coverage of debt service. With this type of deficit continuing, it would not be long until all City water rates would have to be raised in order to keep that covenant of 130 per cent coverage of debt service.

Mr. Ed Lippoth, one of the 53 users who lives on Knollwood Lane, suggested to the Council that the rate of every City water customer be raised by \$0.02 per month to uphold the credibility of the City of Grand Junction.

City Manager Gray suggested that Alternative No. 3 be considered. This is a compromise offer. Mr. Gray said that the City did not research this thing fully before annexation. However, he assured the Council that in the future the research as to whose water the new residents would be using would be made very clear to the prospective residents. The City is going to be faced with the problems of old water company systems and the City could be setting a precedent here for future annexations.

Councilman Colescott asked if this area could be de-annexed if they are dissatisfied.

Mr. Mumby replied that the group did not advocate de-annexation. He said it would be very impractical because the area involved would become an island surrounded by the City on the north, south, and east, and very possibly the west.

Mr. Mumby said he thought a complete over-emphasis has been placed on the contract between Ute and First Fruitridge. First Fruitridge did sign a contract with Ute to buy water in perpetuity. First Fruitridge is still in existence. It has 18 customers and it is still buying water from Ute, Mr. Mumby said he did not think there was one iota of violation on this contract. There is nothing in the contract that says how many customers First Fruitridge must have; there is nothing in the contract that says how many gallons it must purchase. Mr. Mumby said that Ute did not have an individual contract with any one of these persons. As far as he was concerned, the Ute had one customer in this area, and that customer was the First Fruitridge Pipeline Company. Ute has never had contractual privity with any of these 53 people. This is why he objects so strongly to being turned right back to Ute as though they were ever individual customers of Ute.

City Attorney Ashby said that the issues involved are two contracts. The contract which the First Fruitridge had with the Ute, and the second contract which the City had with the Ute. A point was reached where a determination as to what relationship these individual customers that were being served Ute water through the First Fruitridge Pipeline Company had with the Ute Conservancy District. Obviously they were within the Ute Conservancy District; they were receiving Ute water; they had gone onto Ute water prior to the time that the City entered into the agreement with Ute Conservancy District. Therefore, the City's determination was that they were Ute customers. Under the terms of the City's agreement with Ute, it was very clear that these were Ute customers, and it was on this basis that the City felt it had to honor the agreement and treat them as Ute customers.

President of the Council Youngerman pointed out that both the City of Grand Junction and the group seeking annexation failed to recognize the problem in the original discussions.

Mr. Mumby said they were never told of the contract between the Ute and the City.

Councilman Meacham said that in Mr. Mumby's opening statements, he had categorically stated that the City had "lured" the residents in with the idea of the sewer coming in and the water rate being \$2.75. Councilman Meacham remarked that in any other annexation of this type, the previous Ute water users have been

told that they would be on the Ute water system on the bulk-rate basis. The City has honored every commitment it has had with the Ute, and he felt that the City would have to honor this agreement. Councilman Meacham asked Mr. Mumby if an agreement could be reached to use Alternate No. 3 using the bulk rate system.

Mr. Mumby said he was not prepared to answer that on behalf of the 53 users. If the City would make a firm proposal that this is what they would do, Mr. Mumby would call a meeting of the people and be prepared to give an answer.

Councilman Meacham said that he felt the Council needed to have a special study session to go over all the figures and come up with a proposal.

It was moved by Councilman Meacham and seconded by Councilman Paruch to table this discussion until the April 21 City Council meeting, and designated Wednesday, April 14, 1971, at 7:30 P.M. for a special study session by the Council. Motion carried.

3.2 BEER LICENSE RENEWALS - APPROVED

The applications for 3.2 beer license renewals for the following businesses were presented:

Archie J. Hall 6 Ernest W. Hall dba Colescott's, 551 South Ave.

Valley Bowling Lanes, Inc., Freeway Bowl, 1900 Main Street

City Market, Inc., City Market Store No. 1, 433 Grand Avenue

Hobby Frazer dba 7-2-11 Food Store No. 10, 1134 North 12th St.

A letter from Chief of Police Karl Johnson was read in which he stated that there have been no complaints or violations concerning the sale of 3.2 beer at these locations.

It was moved by Councilman Colescott and seconded by Councilman Evans that these 3.2 beer license renewal applications be approved and the licenses issued when the State licenses have been received. Motion carried, with Councilman Paruch Voting NAY.

COLUMBINE PARK - GAME, FISH & PARKS - APPROVAL OF FUNDING \$29,350

A letter from the Department of Game, Fish, and Parks approving the funding of \$29,350 for Columbine Park was read.

We are pleased to be a part of your program to improve outdoor recreation facilities in your community.

The Colorado Game, Fish and Parks Commission reviewed and considered 55 Land and Water Conservation Fund project

applications totaling \$1,492,735.

Your project application for Columbine Park in the amount of \$29,350 was approved for funding.

Your project application will be forwarded to the Bureau of Outdoor Recreation for processing. FINAL APPROVAL MUST BE GRANTED BY THE FEDERAL GOVERNMENT AND A SIGNED CONTRACT RETURNED TO YOU BEFORE DEVELOPMENT OR ACQUISITION CAN PROCEED. The only exception to this for development projects is pre-engineering and design costs if listed in the project proposal. An option may be taken on acquisition projects. Do not make final payment or take title until final approval is granted.

If you have questions regarding your project, please feel free to contact us. We will notify you in the near future concerning a Land and Water meeting to be held in Denver on April 16. Please plan to attend on this date. Adjustments must be made to meet new federal requirements.

Sincerely,

s/Harry R. Woodward
Harry R. Woodward
Director

DW:bb

c.c. Senators Allott and Dominick; U. S. Representative Aspinall
State Senator Enstrom; State Representative Baer

Councilman Colescott and Councilman Meacham left the meeting at this time.

PROPOSED ORDINANCE REGULATING MERCHANT POLICE

The following entitled proposed ordinance was introduced and read: AN ORDINANCE ESTABLISHING REQUIREMENTS FOR A MERCHANT PATROL. It was moved by Councilman Anderson and seconded by Councilman Evans that the proposed ordinance be passed for publication. Motion carried, with Councilman Naff voting NAY.

ORDINANCE NO. 1391 - SS 27-70 (ORCHARD MESA) ASSESSMENT

The Proof of Publication to the following entitled proposed ordinance was presented and read: AN ORDINANCE APPROVING THE WHOLE COST OF THE IMPROVEMENTS MADE IN AND FOR SANITARY SEWER DISTRICT NO. 27-70, IN THE CITY OF GRAND JUNCTION, COLORADO, PURSUANT TO ORDINANCE NO. 178, ADOPTED AND APPROVED THE 11TH DAY OF JUNE, 1910, AS AMENDED; APPROVING THE APPORTIONMENT OF SAID COST TO EACH LOT OR TRACT OF LAND OR OTHER REAL ESTATE IN SAID DISTRICT; ASSESSING THE SHARE OF SAID COST AGAINST EACH LOT OR TRACT OF LAND OR OTHER REAL ESTATE IN SAID DISTRICT; APPROVING THE APPORTIONMENT OF SAID COST; AND PRESCRIBING THE MANNER FOR THE COLLECTION AND PAYMENT OF SAID ASSESSMENTS. This sanitary sewer was constructed on Orchard Mesa. It was moved by

Councilman Anderson and seconded by Councilman Paruch that the Proof of Publication be accepted and filed. Motion carried.

It was moved by Councilman Paruch, seconded by Councilman Anderson that the proposed ordinance be called up for final passage and read. Motion carried.

The Ordinance was read. There being no comments, it was moved by Councilman Paruch and seconded by Councilman Anderson that the Ordinance be passed, adopted, numbered 1391, and ordered published.

Roll was called on the motion with all members of the Council present voting AYE. The President declared the motion carried.

ORDINANCE NO.1392 - PEACH ANNEXATION

The Peach Annexation is a 20-acre tract north of Patterson Road between 27 1/2 Road and 27 3/4 Road.

The Proof of Publication to the following entitled proposed ordinance was presented and read: AN ORDINANCE ANNEXING TERRITORY TO THE CITY OF GRAND JUNCTION, COLORADO. It was moved by Councilman Anderson and seconded by Councilman Evans that the Proof of Publication be accepted and filed. Motion carried.

A motion was made by Councilman Anderson, seconded by Councilman Naff that the proposed ordinance be called up for final passage and read.

The Ordinance was read. Councilman Naff suggested that the City should double check to be sure what Peach Annexation's relationship with regard to Ute water will be City Manager Gray assured him this will be done. There being no further comments, it was moved by Councilman Naff and seconded by Councilman Anderson that the Ordinance be passed, adopted, numbered 1392, and ordered published. Roll was called upon the motion with all members of the Council present voting AYE. The President declared the motion carried.

ORDINANCE NO. 1393 - UNITY CHURCH ANNEXATION

The Unity Church Annexation is a 40-acre tract between 12th Street and Horizon Drive.

The Proof of Publication to the following entitled proposed ordinance was presented and read: AN ORDINANCE ANNEXING TERRITORY TO THE CITY OF GRAND JUNCTION, COLORADO. It was moved by Councilman Paruch and seconded by Councilman Anderson that the Proof of Publication be accepted and filed. Motion carried.

It was moved by Councilman Naff and seconded by Councilman Anderson that the proposed Ordinance be called up for final

passage and read. Motion carried.

The Ordinance was read. There being no comments, it was moved by Councilman Naff and seconded by Councilman Anderson that the Ordinance be passed, adopted, numbered 1393, and ordered published. Roll was called on the motion with all members of the Council present voting AYE. The President declared the motion carried.

RESOLUTION OF COMMITMENT OF FUNDS FOR OPERATION AND MAINTENANCE OF WALKER FIELD

The following Resolution was presented and read:

R E S O L U T I O N

WHEREAS, Boettcher and Company, the fiscal agent for Walker Field, Colorado, Public Airport Authority, has suggested the adoption of a Resolution of commitment of funds for the operation and maintenance of Walker Field by the County of Mesa and City of Grand Junction in the event the total revenues of the airport are insufficient to meet both the debt service for the retirement of airport authority revenue bonds issued for the purpose of runway extension and related projects and operation and maintenance, although present and projected revenues are indicated as sufficient to carry debt service and operation and maintenance; and

WHEREAS, such commitment would permit a material reduction in bond reserve required in connection with such bond issue, and would permit a much lower airport revenue to provide a base for the issuance of further bonds as needed on a parity with the bonds for runway extension; and

WHEREAS, the City Council of the City of Grand Junction is certain that the continued health of Walker Field is vital to the community and such commitment is no more than the required commitment to the end that Walker Field retain this necessary position;

NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GRAND JUNCTION, COLORADO:

1. THAT the City of Grand Junction, State of Colorado, does hereby covenant and agree that it will, together with the County of Mesa, State of Colorado, contribute funds to the extent necessary for the efficient and economical operation of the airport facilities and related facilities.

2. THAT this covenant and agreement shall extend to the purchasers of those bonds issued for the purpose of runway extension and related improvements by Walker Field, Colorado, Public Airport Authority, and such covenant and agreement shall

extend during the term of those bonds, unless extended by the entities involved.

PASSED AND ADOPTED this 7th day of April, 1971.

s/ R. G. Youngerman
President of the Council
City of Grand Junction, Colorado
(SEAL)

ATTEST:
s/ Neva B. Lockhart
City Clerk

This Resolution came about as a result of conversations that were presented by Dan Harrington of Boettcher and Company, the fiscal agent for the Walker Field, Colorado, Public Airport Authority.

It was moved by Councilman Paruch and seconded by Councilman Evans that the Resolution be passed and adopted as read. Roll was called upon the motion with all members of the Council present voting AYE. The President declared the Resolution duly passed and adopted.

CONGRATULATIONS TO NEW COUNCILMEN ELECT

Councilman Paruch offered his congratulations to Silas Grantham, Councilman elect from the City at Large. Also to Lawrence Kozisek, Councilman elect from District "B" and to Stanley Anderson, the incumbent, for his re-election as Councilman from District "C."

ADJOURNMENT

The President declared the meeting adjourned.

s/Neva B. Lockhart
City Clerk