

PUBLIC NOTICE

City Council/Board of County Commissioners Annual Meeting to Provide Policy Decisions and Guidance for the Persigo Sewer System Tuesday, September 19, 2000 6:00 PM at Two Rivers Convention Center

Background. The Persigo Agreement requires the City Council and the Board of County Commissioners to jointly provide policy decisions and guidance at least once each year, at a public meeting.¹ The City manages the System based on this annual guidance². The Persigo agreement states that "policy" means:

- a) Setting goals and objectives;
- b) Reviewing and adopting capital improvement plans and annual operating budgets;
- c) Reviewing and setting System rates and fees;
- d) Entering into bond issues and other financing arrangements, adopting or amending Sewer Rules and Regulations;
- e) Adopting policies and philosophies which govern rate and capital reviews and studies;
- f) Acting jointly regarding any changes to the 201. The parties recognize that their joint decision and recommendation regarding the 201 boundary may be subject to the approval of others pursuant to the Federal Clean Water Act and implementing regulations; and
- g) Approving and entering into new sewer service contracts or amending existing sewer service contracts with special districts, municipalities, or other sewer service providers.

Minutes Attached

¹ Section 38, Persigo Agreement.

² "The City will continue to manage, operate and maintain the System as it has done, subject to policy guidance by the Board of County Commissioners and the City Council, acting jointly, as provided herein. "
Page 1, Persigo Agreement.

Meeting Minutes

Annual meeting of the City Council & County Commissioner to discuss policy direction for the Joint Sewer System per the October 1998, Persigo Agreement.

Date & Time: 6:00-8:30 PM, September 19, 2000

Place: Two Rivers Convention Center

1. Introduction:

The following meeting minutes are provided to outline the discussion that took place at the annual sewer policy meeting of the City Council and the Board of County Commissioners.

Present:

City Council Members:

Gene Kinsey, Reford Theobold, Janet Terry, Jack Scott, Jim Spehar, Earl Payne,

City Staff:

David Varley, Mark Relph, Greg Trainor, Trenton Prall, John Shaver, Kathy Portner,

Board of County Commissioners

Doralynn Genova, Kathy Hall, Jim Baughman,

Mesa County Staff:

Peter Baier, Lyle Deschant, Assistant Mesa County Attorney, Bob Jasper, Kurt Larsen, and Michael Warren.

2. Policy issues:

A. Review of wastewater budget review calendar.

A brief discussion was held concerning the review process for the 2000-2001 budget revision of the Wastewater Fund budget. Since the Council and the Board conducted extensive reviews of the budget in the Fall of 1999 and adopted a 2-year budget, only significant changes will be reviewed this year. It was decided to work the budget review into the CC and BOCC separate budget review schedules rather than establish a separate time for Council and the Board to convene as a whole and review the budget together. Since most of the changes are capital in nature, City Utilities staff will meet with Mesa County between now and October 16. This is before both the City Council's CIP review and overall budget review.

B. Discussion of procedures for amending the 201 Sewer Service Area Boundary; Example: 23 Road Park Plaza

C. Update from Mesa County on unresolved amendments to the 201 Sewer Service Area Boundary: Valle Vista Area

Items B and C were discussed together. There was general discussion regarding land use in the 23 Road area as well as an overview of issues surrounding the Valle Vista area on Orchard Mesa. However, both the CC and the BOCC resolved to publish a special notice, providing a 30-day notice to property owners, of a public hearing to be held to discuss Year 2000 201 Sewer Service Area boundary amendments. A 30-day notice will

result in a public meeting to be held on Monday, November 13th. This is a regular Council Workshop meeting date and one week after the General Election.

There was additional discussion concerning the need for a procedure for a once-per-year review of proposed 201 boundary amendments, with the need for applicants to get their applications in on or before May 1 of any given year.

D. Update from the City on status of sewer rate study.

City Utility staff provided an update on the status of the Rate Study. This study is mandated by the bond resolution adopted in 1992 when the 1980 sewer bonds were refunded. This term's study is focusing on wastewater policies and procedures for extending backbone systems, level of plant investment fees, and an overview of the 10-year financial plan. The draft of the rate study is scheduled for mid-October.

For this joint meeting, John Gallagher, Black and Veatch, provided City Council and the Board of County Commissioners with a discussion paper on the issues involved in extending or replacing backbone improvements into the special Sanitation Districts. The genesis of the discussion paper was a request by the Central Grand Valley Sanitation District for assistance to replace the CGVSD and Fruitvale interceptors in 29 Road. The Black and Veatch report indicated that the Persigo Sewer System has made no provision to fund backbone system improvements inside of the special Districts. To do so would require the Districts to provide data on the extent of their backbone system financial needs. With this information the CC and the BOCC could enter into policy-level discussions with the special Sanitation Districts as to their plans to continue as sewer service providers, their long-term backbone financial needs, and the impact this would have on the Persigo Sewer System financial plan.

After discussion it was determined that City Utility staff should determine the level of financial commitment that would be required as part of the 29 Road sewer line replacements and report back to the CC and the BOCC. Utility staff indicated that the costs could be significant due to the depth of bury of both the Fruitvale line and the CGVSD line. (There would be a need to re-engineer and relay one line in place of two existing lines with differing depths and grades.) Council and the Board indicated they would like to assist CGVSD and Fruitvale, pending the outcome on the cost estimates and whether there were possibilities for cost sharing. In the meantime, the recommendations made by Black and Veatch should be followed with staff requesting information from the Districts as to their backbone system needs.

Note:

Since the September 19 joint meeting of the City Council and the Board of County Commissioners, Utility staff has generated the following information:

Lowering and replacing the Fruitvale line in 29 Road: \$100,000

Replacing the CGVSD line in 29 Road: \$100,000

Combine both lines into one interceptor: \$700,000 -\$1,000,000

(All the flow would need to be consolidated into the Fruitvale line since it is deeper. Once it gets to I-70 B it turns west to Grand Ave and then eventually winds up at 14th and Rood where it drops into the 201 system line. The line along I-70 B and possibly all the way to 14th and Rood would need to be upsized in order to accommodate the CGVSD flow. We would not only be looking at replacing the sewer line in 29 Road but also 8,000 -10,000 linear feet west of 29 Road.

Fruitvale has approved the expenditure of lowering and replacing their line in 29 Road.)

E. Septic System Elimination Program proposed policy regarding the subdivision of lands after creation of Local Sewer Improvement Districts.

This item of discussion concerned how to assess lots that are created after sewer lines are installed as a result of a special sewer improvement district. There was significant discussion among both the CC and the BOCC as to fairness issues and the intent of the Septic System Elimination Program. Agreement was reached on the issues and on September 20, 2000 the City Council adopted Resolution No. 92-00, which is attached. A similar resolution, consistent in all material respects, is expected to be adopted by the Board of County Commissioners at their earliest convenience.

F. Update on status of joint infrastructure standards.

There was a verbal update on the status of infrastructure standards jointly arrived at by both the City and the County.

G. MOU on joint City/County funding of long-term transportation capital development plans.

Mark Relph, City Public Works Director, discussed this item, stating the need for long-term commitments by both the City and the County concerning transportation needs within the urbanizing area. Many of the larger projects are multi-year in character. There needs to be surety as to how these projects will be cost shared over time. Both the CC and the BOCC agreed and indicated this should be done on a case by case basis.

H. Land Use issues and Policies:

There were questions for the CC and the BOCC as to the status of annexation on development applications that are denied. It was agreed that, if a development was annexed and the development was denied or did not go through to completion of the process, there would be no de-annexation. Staff can advise applicants that if an annexation petition is signed in conjunction with a development application, the annexation will likely proceed, regardless of the outcome of the development request. General review of City and County staff's interpretation of "development" related to the Persigo Agreement for:

- Variances: Is not an annexable development procedure.
- Major Home Occupations. Is not an annexable development procedure.
- Conditional Use Permit for an accessory dwelling unit.
Temporary dwelling unit: Is not an annexable development procedure
Permanent dwelling unit: Is an annexable development procedure.

3. Management Issues:

- A. There was a status report on the Panorama Sewer District dissolution. City Attorney gave the CC and the BOCC an update on the Panorama agreement, which is in the draft stage. A local District election is possible on December 5. If not in December, then the first Tuesday after the first Monday in February.

4. Miscellaneous issues.

None

5. Adjourn: 8:30 PM

RESOLUTION NO. 92-00

RESOLUTION ADOPTING POLICIES REGARDING SUBDIVISION OF LANDS WITHIN EXISTING LOCAL SEWER IMPROVEMENT DISTRICTS AND ASSESSMENT OF DISTRICT COSTS TO NEWLY CREATED LOTS AFTER CREATION OF SEWER IMPROVEMENT DISTRICTS

Recitals.

Local sewer improvement districts are useful vehicles to help owners of residential properties, which are on septic systems, pay for the construction costs to extend sanitary sewer collection lines to these already developed areas. Both the City of Grand Junction and Mesa County are assisting such neighborhood efforts within the Persigo 201 Sewer Service Area through the Septic System Elimination Program (SSEP). The goal is to eliminate all septic system usage within the Persigo 201 by connecting more properties to the Persigo system, thereby improving public health.

Newly available sewage collection systems directly benefits all properties that can be served, because the market value of the property increases and because development/re-development can occur once sewer collection systems are available.

The Septic System Elimination Program, adopted by the City and the County on May 22, 2000, was established to pay for 30 % of the direct construction costs of extending collection system facilities, so that existing residential uses served by septic systems would more likely form local special improvement districts.

This jointly-adopted policy of the City Council and Board of County Commissioners, adopted pursuant to the October, 1998 Persigo Agreement, allows for additional, new, lots to be assessed, so that other areas on septic systems within the 201 Sewer Service Area can be sewerred more quickly.

- (a) When a local sewer improvement district is formed existing and developed lots, parcels or properties whether platted or described by metes and bounds description, known as "original lot(s)" are eligible to receive the benefit of the Persigo System 30% Septic System Elimination Program incentive, pending funds availability.
- (b) Regardless of the availability of Persigo Septic System Elimination program funds, within a ten-year period from the creation of the district, subsequently created lots (within the district) shall pay the same cost per lot as apportioned to the original lots within the district. No System financing shall be available with respect to any lot not an original lot.
- (c) Owners of original lots may either pay the assessment in full (the full direct construction cost reduced by the 30 %) as provided in the assessing ordinances/resolutions or elect to finance the assessment for a ten year term with annual interest on the unpaid balance of 6%, in accordance with existing City policies and requirements.

- (d) Any lot(s) platted or developed after the district is formed which will receive or will anticipate receiving the benefit of the sewer system improvements constructed as a result of the creation of the district shall at the time of platting or development pay to the City, as the Persigo System Manager, the amount of the assessment had it been paid within the first 30 days following the creation of the district. Such proceeds shall be used by the System to help fund other septic elimination efforts and districts.
- (e) There will be no adjustments for interest, the value of money over time or the date when the later connections to the System are made; if an owner chooses to wait until after the 10 year period has expired, s/he may do so without having to pay pursuant to this policy;
- (f) The existing policies of the Persigo System regarding trunk line extensions, payments and reimbursement agreements remain unchanged except as specifically modified herein.

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

The policy stated in this Resolution is and shall be construed to be consistent in all material respects to the policy adopted by the Board of Mesa County Commissioners on September 19, 2000. This Resolution is adopted as and shall be construed as a policy matter under the October 1998 Persigo Agreement.

ADOPTED and APPROVED this 20th day of September, 2000.

/s/ Gene Kinsey
President of the Council

ATTEST:

/s/ Stephanie Nye
City Clerk