

**GRAND JUNCTION CITY COUNCIL AND MESA COUNTY COMMISSIONERS
SPECIAL JOINT MEETING MINUTES**

MONDAY, OCTOBER 15, 2001

The Grand Junction City Council and the Mesa County Commissioners convened into special session on Monday, October 15, 2001 at 4:40 p.m. Those present were Councilmembers Harry Butler, Dennis Kirtland, Bill McCurry, Janet Terry, Reford Theobald and President of the Council Cindy Enos-Martinez. County Commissioners present were Acting Chair Doralyn Genova and Commissioner Jim Baughman. Absent were Councilmember Jim Spehar and Commissioner Chair Kathy Hall.

Because the two governing bodies were together, the Mesa County Incident Management Group (IMG) took the opportunity to brief them on the current preparedness of the office. Kimberly Parker of Mesa County addressed the boards. Fire Chief Rick Beaty then described the measures the Group has taken in response to the number of calls and inquiries they have received as a result of the terrorists attacks. He distributed a press release that was sent out that day regarding precautions to take with suspicious packages along with other threats. He stated that there is a clearinghouse set up for the purpose of sharing information between the individual agencies.

Dr. Michael Adduddel, Mesa County Health Department, detailed what he and the health department have been doing to protect the public and stated the main public health notice today is to be calm and be aware. There has been no evidence of any bio-terrorism in the State of Colorado at this time. He stated that sending Anthrax through the mail is not an efficient method of distribution and that the disease is treatable with the use of antibiotics. His department has been working with the medical industry for the past year and has set up a health alert network for the safety of the public. He also stated that because vaccination against Smallpox ended about twenty five years ago, there is a certain portion of the public who would be susceptible to Smallpox as a bio-terrorism use, however there is a substantial amount of the vaccine available. Dr. Adduddel then gave a detailed description of the three forms of Anthrax, including what the symptoms of each type would be should someone contact the disease.

Councilmember Jim Spehar entered the meeting at 4:53 p.m.

Police Chief Greg Morrison addressed law enforcement issues. Everyone from the President on down to the media is telling the public to contact their local law enforcement department should they have any unusual concerns concerning the present terrorist problems, which has created quite a few calls, but nothing serious to date. The Police Department is gearing up and will be ready to handle whatever problems might come their way.

The Annual Persigo meeting began at 4:58 p.m.

ANNUAL PERSIGO MEETING WITH MESA COUNTY COMMISSIONERS

Public Works Director Mark Relph introduced the purpose of the meeting and some of those in attendance. Dan Law, Executive Director of the Colorado Water Resources and Power Authority and representatives from Special Districts in the area.

As an introduction to the purpose of this annual meeting, he began by reading a paragraph out of the Persigo Agreement, which mandates the annual meeting and sets the goals and purpose.

Sewer Plant Rate Change

Mr. Relph referred the governing bodies first to the sewer rate study conducted by Black & Veatch. The study recommended the service charge be increased by 2.5%, which was implemented by Commission and Council last year, and an increase in the plant investment fee to \$2,250 by 2010. The fee is presently \$750. Therefore both Staff and the study recommends an incremental approach to the increase. The suggestion is an increase of \$250 per year for the next ten years.

Mayor Enos-Martinez asked Mr. Relph if he would explain why the fee needs to be at that point by 2010. Mr. Relph indicated that Black and Veatch had analyzed all of the fees presently charged and determined that is the appropriate share.

Greg Trainor, Utilities Manager, explained the way the consultant developed the proposed increases needed. It is based on a system "buy-in" judged by what a new customer would be buying into. He noted that the PIF has been the same since 1980. The new plant went into operation in 1984, but there was no adjustment at that time. The proposed rate is based on the value of the system and what the customer is getting for that fee. Councilmember Spehar indicated that anyone who joins the system now is buying in at a 1984 value.

Councilmember Theobald asked if the plant were to be expanded if the rate would again need to be adjusted. Mr. Trainor affirmed that any new edition would need to be taken into consideration.

Commissioner Baughman asked if the current plant capacity is sufficient until 2012 with the debt being retired in 2005. Mr. Trainor said that is correct.

Other areas for consideration are the continuation of the SSEP, the administrative fee for administration of the plant and expansion into Special District area and the capital needs that might be required.

Commissioner Baughman asked Mr. Relph for a more specific explanation of how the study arrived at its recommendation on rates. He asked if they used information specific to this system or if it was determined by comparison to other systems around the State. Mr. Relph explained that they used a typical methodology and while typical standards are in place, data specific to this system was used. It was established that the monthly fees are used to operate the system while the PIFs are used for the expansion of the system.

Councilmember Terry asked if this is the first time that a rate study has recommended a rate increase. Commissioner Baughman indicated that this is the first time a specific amount has been recommended. Other studies have indicated there was a need for an increase, but not a specific amount.

Septic System Elimination Program

Mesa County Public Works Director Pete Baier, outlined the tremendous success of the program. It has addressed three times the number of homes originally anticipated. All that have become involved are desirous of participation. It has been well received. It is a great public health benefit. One of the needed discussions is the continued funding of the program. Because of the popularity of this program, the ten million funded for ten years has been spent over the first two years. One of the recommendations is to look at the funding source provided by Colorado Water Resources and Power Authority as a method of the continued acceleration of the program. The program was originally setup with Persigo paying one-third and the homeowner paying the other two-thirds, the PIF fee and for connecting from their property line to the existing system.

Councilmember Theobold asked what percentage of homes which qualify are actually through the program now. Mr. Baier stated that approximately 50% have been serviced. He stated that 1800 homes were the initial target, there are about 2,000 homes in the 201 boundary that are on septic, but 200 are probably not feasible.

Commissioner Baughman asked if Mr. Baier has encountered situations where a neighborhood have put off becoming a part of the program in hope of having a developer come in and be required to provide sewer to the area thereby making their hookups more reasonable. Mr. Baier indicated that when this happens they go with the best information available and move forward with that information.

Mayor Enos-Martinez asked what is the time frame for the completion of entire project. Mr. Baier stated that it depends on both the money available from the Persigo fund and how many of the remaining neighborhoods chose to come aboard. He emphasized that this loan was not meant to include the remaining 600 homes.

Mr. Baier recommended that the program be continued beyond 2002.

Combined Sewer/Storm Water System

City Public Works Director Mark Relph explained the proposal to eliminate the combined sewers. Councilmember Theobold asked what the actual regulations are now. Mr. Relph explained why the combined sewer area is of concern and what is the responsibility of the sewer fund. He outlined the benefits to the sewer system to eliminate the combined sewers, which is also a benefit to the interceptors. The request is to ask for a loan for \$9 million to complete the project. He noted that the City has used general fund monies in the past to separate the two whenever doing a sewer or alley project. The loan would be from the Colorado Water and Power Authority. To repay the loan two consecutive rate increases would be requested for 2.5 %.

Mesa County Public Works Director Pete Baier further detailed the reasons the sewer system should repay this loan. The storm water flow does affect the backbone of the sewer system. Overflows create a health problem and it affects the plant capacity.

Councilmember Theobold asked what districts would be affected by the increase. Mr. Baier stated that only four areas would increase, they are Fruitvale, Persigo, Orchard Mesa and Central Grand Valley. Councilmember Theobold then asked what kind of difference to the sewer system this change would make.

Commissioner Baughman referred to City Council Minutes from September 17, 2001, which committed some City resources for ten years to try to eliminate some combined sewers, he asked if those funds would no longer be allocated toward the program. He wondered if the total from the City General Fund for the project was thus to be \$3.7 million.

Mr. Relph indicated that was correct, but that the \$3.7 million was a projection and not a guaranteed amount. A more realistic judgement would come from the Sewer System enterprise funds, particularly with the current projections of sales tax revenues. Councilmember Kirtland stated that the expenditure of the \$370,000 per year for ten years was never considered before September 17, 2001 and was not a budgeted amount. This plan would be a real amount of dollars to complete the project in a definite amount of time.

Councilmember Theobold indicated the amount was to be \$3.7 million from the CIP plus \$2.4 million coming from sewer users in the form of monthly charges.

Commissioner Baughman again questioned the total project cost of \$9.5 million, with the City apparently having earmarked \$3.7 million over ten years, leaving only a deficit of \$5.8 million yet the entire \$9.0 million is to be repaid by the sewer fund.

Councilmember Kirtland stated that what Mr. Baughman says is true, except that those funds were only proposed, the actual amount is not known as proposed

amounts are based on sales tax projections. Additionally, the City is subject to the TABOR limitations, which could change available monies.

City Manager Arnold clarified the chronology of the philosophical question of how this was going to be funded. The allocation in the CIP was prior to the problems that arose this past summer.

Councilmember Spehar stated he felt that going this route would address a real need in a short term with real money, which other suggested plans do not.

Mesa County Manager Bob Jasper stated that when borrowing at such a good interest rate one needs to show a definite income stream to repay the loan. When the City came up with the debt financing possibility, it affords the possibility of taking care of this all at once. However, it is necessary to have a predictable revenue stream. He supported the proposal and encouraged cooperation.

Commissioner Baughman asked if the City, prior to 2002, had part of the budget committed to the combined sewer elimination program as a yearly entry or occasional. Councilmember Theobold stated that the City has had such projects, both as combined projects and as a sewer separate project. He also assured Mr. Baughman that the City does not expect to be paid back for any of those projects.

Councilmember Spehar stated that the CIP is only a planning document, but that the City is about to do the budget for 2002/2003 and the decision on the funding of the \$370,000 would come during the budget process.

Councilmember Theobold restated that he does not feel the sewer system should repay the City. Mayor Enos-Martinez asked Mr. Relph if the City had used CBDG money for some of these projects. Mr. Relph responded affirmatively.

Mr. Relph introduced Dan Law, Colorado Water Resources and Power Authority and asked him to discuss the loan.

Dan Law, Executive Director of the Colorado Water Resources and Power Authority, distributed handouts. He then explained the purpose of the Authority. Mr. Law said that in 2002 or 2003, the money would probably be all loaned out. The board members are appointed by the Governor and include members from Grand Junction. He applauded the Septic System Elimination Program (SSEP).

Mr. Relph summarized the request for the loan to fund the SSEP and the Combined Sewer program. Mr. Law said it could be as one or as two loans, however, the loan for the SSEP alone would get a lower interest rate due to the shorter term.

Councilmember Theobold asked how soon action needed to be taken.

Mr. Relph stated there is need within two or three weeks, City Manager Arnold felt it should be decided by mid November for budget purposes, the application is due by the end of the year. Mayor Enos-Martinez indicated that there is not enough time at this meeting to come to a decision.

Mesa County Manager Bob Jasper stated he feels there is a need to sit down with the Special Districts and that he needs direction from both the City and the County officials to do that; he encouraged cooperation despite old wounds between the City and the County. He stated that he preferred cost avoidance help for the Special Districts to help them.

Mayor Enos-Martinez suggested that both staffs should talk to the Special Districts, and give the governing bodies a chance to consider this information.

City Manager Arnold feels it can be voted on separately, but Mayor Enos-Martinez stated she preferred action be taken at a joint meeting.

Councilmember Theobald stated there should be some decisions made before the workshop on November 19th.

Commissioner Genova directed County staff as the County Administrator suggested. Councilmember Spehar stated he supports thinking of Persigo as a jointly held system. He also agrees with using a predictable repayment source.

Larry Beckner, attorney for some Special Districts, suggests that there are a few other issues that there is not time to discuss. He would like to work with staff, but still have the opportunity to come back to the governing boards in the future. All agreed.

Mayor Enos-Martinez thanked everyone for coming and for their hard work.

The joint meeting was adjourned at 6:27 p.m.

Stephanie Tuin, CMC
City Clerk