

**GRAND JUNCTION CITY COUNCIL  
SPECIAL MEETING AND WORKSHOP AGENDA**

**MONDAY, OCTOBER 15, 2001, 4:30 P.M.  
CITY HALL AUDITORIUM, 250 N. 5<sup>TH</sup> STREET**

**\*\*\*\*PLEASE NOTE SPECIAL TIME\*\*\*\***

**MAYOR'S INTRODUCTION AND WELCOME**

- 4:30 ANNUAL PERSIGO MEETING WITH MESA COUNTY  
COMMISSIONERS [Attach W-1](#)**
- 6:15 BREAK [POSSIBLE DISCUSSION OF BUS BENCH ADVERTISING]**
- 6:45 CELL TOWER PRESENTATION AND DISCUSSION**
- 8:45 BREAK**
- 9:00 COUNCILMEMBER REPORTS**
- 9:10 CITY MANAGER'S REPORT**
- 9:15 REVIEW OF FUTURE WORKSHOP AGENDAS [Attach W-2](#)**
- 9:25 REVIEW WEDNESDAY COUNCIL AGENDA**
- 9:30 ADJOURN**

**Attach W-1  
Annual Persigo Meeting**

**AGENDA**

Joint Annual Meeting of City Council and Board of County Commissioners  
City Hall Auditorium  
250 N. 5<sup>th</sup> Street,  
October 15, 2001  
4:30 PM to 6:30 PM

- 1) Introductions by Chair Persons.
- 2) Review of Meeting Purpose as per the Persigo Agreement.

Section G, Paragraph 38...Policy decisions and guidance shall be provided at joint meetings which shall occur at least annually.

**Section B, Paragraph 3...Policy means setting goals and objectives, reviewing and adopting capital improvement plans and operating budgets, review and set rates and fees, enter into bond issues and other financial arrangements, adopt policies and philosophies which govern rates and capital plans, act jointly regarding changes to the 201 sewer service area boundary, and approve and enter into new sewer service agreements and sewer service contracts.**

- 3) Rate Study Summary
- 4) Budget Policies:
  - a) Review of major capital programs of interest
    - i) Status of Septic System Elimination Program
    - ii) Proposed Combined Storm Sewer Elimination
  - b) Proposed Monthly Sewer Service rate changes
  - c) Proposed Plant Investment Fee changes

- 5) Status Reports (staff presentation)

- a) Panorama Improvement District.
- b) Annexation Incentives:

Section C, Paragraph 9...The parties shall jointly develop appropriate incentives to encourage annexation to the City...

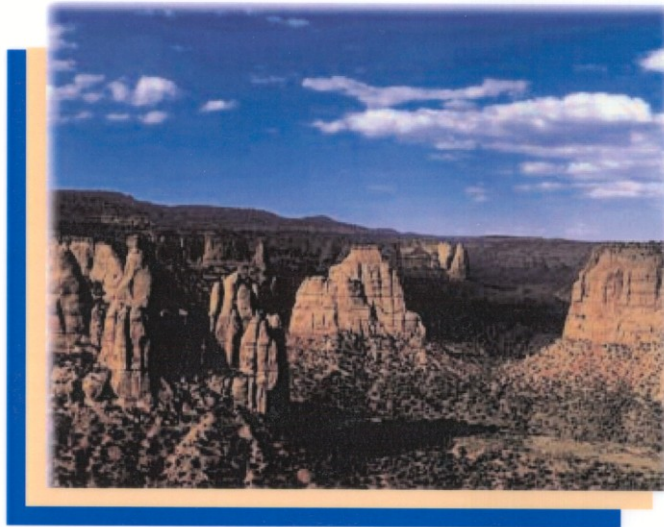
- c) Infrastructure Standards:

Section C, Paragraph 15...Within the 201 the parties shall jointly agree upon the infrastructure standards which shall be followed throughout the 201. The parties shall agree upon such standards within one year of execution of this Agreement.

- d) Discussion of City and County Code requirements for Plan amendments within the Joint Planning Area.

# Review of Wastewater Utility Rates and Policies

## Grand Junction, Colorado



# Executive Summary

## 1. Introduction

The City of Grand Junction (City) and Mesa County, through their Joint System wastewater utility (Joint System), provides wastewater service to the City and areas outside the City. The Joint System is responsible for planning, constructing, operating, and maintaining wastewater facilities. The City authorized this study to review the financial and economic policies, financial plan (including charges for services), plant investment fees (PIFs), and extra-strength surcharges of the Joint System.

### **Study Findings and Recommendations** **Financial and Economic Policies Review**

Black & Veatch reviewed Joint System financial and economic policies as outlined in several documents adopted by the Grand Junction City Council and Mesa County Board of County Commissioners.

Annual revision of rates with an independent review every five years is sufficient to meet the needs of the Joint System.

Although a volume-based charge for some customers may provide a more equitable billing basis than the current equivalent residential unit (EQU) system, the variety of water service providers makes adequate information difficult to obtain. However, requesting and then comparing the water use history for a sampling of the highest users with the EQU assigned to each of those users will help to reveal the accuracy of the current system.

When designing rates for wastewater service, facilities identified as backbone should include those designed and constructed to serve all or substantially all customers. Backbone facilities should include all 12-inch and larger sewer mains, lift stations and treatment facilities within the Persigo service area.

Separation of funds collected from charges for wastewater service into accounts designated as "backbone capital" and "collection system capital" supports equitable customer charges.

Revision of Item 5(d) of the "1998 Intergovernmental Agreement Between the City of Grand Junction and Mesa County Relating to City Growth and Joint Policy Making for the Persigo Sewer System" is recommended to be consistent with Regulations Section 3(h) regarding the use of plant investment fees.

Joint System engineering records of facilities constructed in previous years should be analyzed to classify major system components. Fixed asset records should be appropriately annotated to reflect costs by those components and future expenditures for capital construction should be recorded by major components.

The current minimum working capital allowance appears to be adequate for the Joint System.

It is recommended that the City review its cost allocation methodology to determine whether the administrative fee charged to the Joint System approximates its costs of administrative support. It is further recommended that the method used be mutually acceptable to the City and Mesa County.

Annual review of the construction costs and development fees for trunk line extension is recommended.

Reimbursement agreements with developers for construction of off-site collection system mains are a mutually beneficial arrangement for developers and the Joint System and should be continued.

The Septic System Elimination Program (SSEP) furthers environmental goals by providing a mechanism and an incentive to property owners to abandon failing septic systems.

The Regulations provide for property owners to be able to continue use of a septic system if construction of a sewer line is impractical and adequate repair or replacement of the septic system can be accomplished.

After gathering information, the Joint System staff, City Council, the Mesa County Board of County Commissioners, and the sanitation district boards should discuss whether the districts have essentially fulfilled their initial purposes and dissolution should be considered before deciding who pays for backbone system work in the districts.

## Financial Plan Review

Black & Veatch performed an independent review of the City's Joint Sewer Fund financial plan for the 10-year study period, 2001 through 2010.

It is recommended that rates be adjusted in 2001 to produce an increase of 2.5 percent in annual sewer service charge revenue. This increase is also indicated by the City's financial plan.

It is recommended that the financial plan continue to be updated annually to determine the level of rate adjustments needed in subsequent years.

It is recommended the financial plan be divided into financial centers to determine if the major sources of operating and capital revenue are adequate to meet their respective financial obligations.

## Plant Investment Fees

Black & Veatch performed a calculation of PIFs using the system buy-in method for the years 2001 through 2010.

Existing PIFs of \$750 per EQU are considerably less than the PIFs calculated by Black & Veatch in Table 3-1. Black & Veatch calculated PIFs increasing from \$1,630 per EQU in 2001 to \$2,250 per EQU in 2010.

It is recommended that the Joint System PIFs be increased to levels supported by the system buy-in method. This can be accomplished by a one-time large increase or by smaller increases over an extended period of time.

It is recommended that PIFs be recomputed annually using the system buy-in method to compare adopted PIFs with calculated PIFs.

## Extra-Strength Surcharges

Black & Veatch examined the method used to develop the existing surcharges used in the Industrial Pretreatment Program.

The method used by City staff to calculate extra-strength surcharges is reasonable.

It is recommended that surcharges be computed annually and changed as necessary to recover the cost of removing extra-strength pollutants.

Sewer Rate Survey – October 11, 2001

2001

Clifton Sanitation District #2	\$6.00
Palisade Sanitation District	\$7.50
Clifton Sanitation	\$9.75
Fruitvale Sanitation District	\$9.84
Fruita	\$9.95
Persigo System	\$11.71
Orchard Mesa Sanitation District	\$12.50
Central Grand Valley Sanitation District	\$13.29
Pueblo	\$13.40
Aurora	\$14.21 *
Montrose	\$15.77
Ft. Collins	\$19.30
Englewood	\$19.57
Broomfield	\$19.74
Delta	\$20.00

\* 8,400 gallons average winter usage.

# Proposed Rate Adjustments

	2002	2003	2004	2005
<b>A Monthly Service Rate</b>				
Previous Year's Rate	\$11.71	\$12.00	\$12.60	\$13.23
2.5 % Increase as per rate study	\$0.29	\$0.30	\$0.32	\$0.33
2.5 % Increase for CSEP	\$-	\$0.30	\$0.32	\$-
Total	\$12.00	\$12.60	\$13.24	\$13.56
Increase	\$0.29	\$0.60	\$0.64	\$0.33
 <b>B Plant Investment Fee/EQU</b>				
Previous Year's Rate	\$750.00			
Increase	\$250.00	\$1,000.00 \$-	\$1,000.00 \$250.00	\$1,250.00 \$250.00
Total	\$1,000.00	\$1,000.00	\$1,250.00	\$1,500.00





MAJOR CAPITAL PROGRAMS OF INTEREST  
TOTAL COSTS (SEE ATTACHED DETAIL)

	Total Combined <u>Sewer</u>	Total Septic System <u>Elimination</u>
Expenses	\$9,452,936	\$16,486,815
Contributions	<div style="text-align: center;"> <u>0</u>            \$11,540,771 *         </div>	
Net from Sewer Fund	<u>\$9,452,936</u>	<u>\$4,946,045</u>

\* \$11,540,771 is the 70% of costs paid by homeowners. Septic System Elimination also adds plant investment fees and monthly services charges to system.

**SEPTIC SYSTEM ELIMINATION PROGRAM**

The 10 year financial plan anticipates approximately \$1,000,000 a year for 10 years to fund the Septic System Elimination Program. Due to popularity of the program, there is an opportunity to accelerate the program to complete it in less than 10 years, however borrowing would be required.

The City Council and the Board of Mesa County Commissioners have authorized the design of three more districts and staff has started in-house design work on two others. These additional districts are denoted by (\*) below:

<b>Current Projects in the SSEP</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>
F48201 / Columbine SID (65 homes)	\$474,233.99		
F48202 / Northfield Estates #2 SID (8 homes)	\$418,581.10		
F48203 / Appleton #2 SID (32 homes)	\$211,473.29	\$ 186,287.00	
F48204 / Country Club Park #2 (35 homes)	\$554,843.38		
F48205 / Manzana SID (6 homes)	\$43,972.13		
F48206 / Monument Meadows SID (7 homes)	\$55,354.07		
F48207 / Redlands Village South SID*	\$46,796.31		
F48208 / Redlands Village North SID*	\$119,539.90		
F48209 / Skyway Area SID*	\$146,103.07		
F48210 / 23 Rd and S/O C340*	\$12,286.63		
F48211 / South Scenic SID*	\$8,949.83		
<b>Total (Homes, 153)</b>	<b>\$2,092,133.70</b>	<b>\$186,287.00</b>	

<b>Potential 2002 construction*</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>
Redlands Village South (120 homes)		\$ 851,584	
Redlands Village North (210 homes)		\$ 1,990,280	
Skyway Area (230 homes)		\$ 1,696,966	\$ 424,241
23 Rd S/O C340 (32 homes)		\$ 316,719	
South Scenic (13 homes)		\$ 121,714	
(Homes, 605)			
<b>Total potential 2002</b>		<b>\$4,977,263.00</b>	<b>\$424,241.00</b>

The total potential for 2002-2003 construction is \$5,401,504 million. It is this amount that would have to be raised from borrowing if these projects are to be accelerated to 2002-2003 rather than later as originally anticipated in the 10 year financial plan. Residents in those neighborhoods will be circulating petitions in late 2001 / early 2002 based on bids received. The City/County will know by early February 2002 whether or not the full \$5,401,504 million will be required.

This amount is proposed to be funded with the same loan as the CSEP, however with only a 10 year repayment, which is the length of customer repayments. The loan amount for both CSEP & SSEP projects and the associated payments would be as follows:

<b>Item</b>	<b>Amount</b>	<b>Payment based on 4% loan</b>	<b>Term</b>
Combined Sewer Elimination Program (CSEP)	\$9,500,000	\$639,436	23
Septic System Elimination Program (SSEP)	\$5,401,504	\$665,957	10
<b>Total</b>	<b>\$14,901,504</b>	<b>\$1,305,393</b>	



September 27, 2001

To: Mark Relph, Public Works and Utility Director

From: Greg Tainor, Utility Manager

Regarding: Combined Storm Sewer Elimination Program  
Sewer Fund (902) Financing and Rationale

The combined storm sewer elimination program is proposed to be funded by the Sewer Enterprise Fund.

Combined storm sewer elimination is a backbone and collection system problem. As such, the problem should be solved by all sewer system users; that is, users of the treatment plant, its capacity and the capacity of the major interceptors and collection systems. *All* users are customers of the Persigo sewer system, whether inside and/or outside of special sanitation districts.

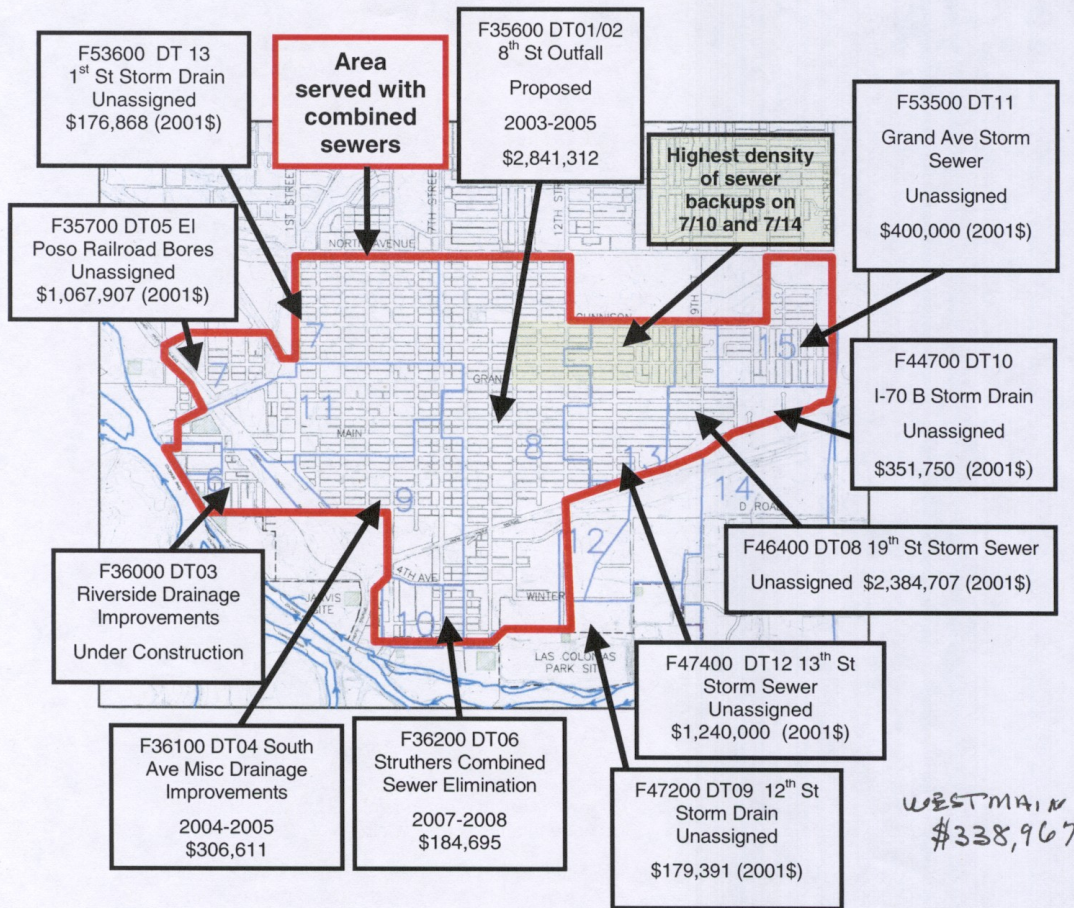
- A. Storm water that collects and is carried in sanitary sewers affects the **backbone system** in two general ways:
1. Stormwater uses up treatment plant capacity-capacity that should be available for treatment of sanitary flows.
  2. Stormwater uses up capacity in interceptors and major collectors that “intercepts” and “collects” flows from smaller pipes to successively larger pipes and on to the treatment plant.

Removing storm flows from the treatment plant saves plant capacity from being used up and extends the existing capacity of the plant for a longer period of time, eliminating the need for the plant to be enlarged.

- B. Storm water that collects and is carried in sanitary sewers affects **collection systems** in various ways. Sewers that carry sanitary sewage as well as stormwater can, often times, be overcome by flows that exceed the capacity of the neighborhood sewer lines, causing backups into homes and businesses. These excess flows can also come out of the sewers and spill into streets through manholes. Both situations are potential public health and safety hazards and, if not remedied, can be cause for large fines from the Colorado Department of Health and the USEPA because of the release.

Rates to fund the combined sewer elimination program would increase \$0.23 per EQU for backbone system customers (all users of the Persigo system) in 2003 and \$0.24 per EQU in 2004.

Collection system customers (all users outside of the special sanitation districts) will see an additional increase of \$0.07 per EQU in 2003 and \$0.08 per EQU in 2004.



**5. Schedule:** Outline the anticipated project schedule to construct the project. Remember that a planning document should be included in your schedule, and that you should only include projects to begin in the next 2 years.

If a long term loan is approved, the City of Grand Junction would pursue completing the above within the next 3-4 years with design starting in 2002 and construction starting in 2003-2006.

PLEASE RETURN, WITH COVER LETTER, TO: Division of Local Government, 1313 Sherman Street, Room 521 Denver, CO 80203  
 Fax: (303)-866-4819

Attach W-2  
Future Workshop Agendas

# ***FUTURE CC WORKSHOP AGENDAS***

**OCTOBER 18-19, THURSDAY & FRIDAY:**  
CITY COUNCIL RETREAT

**OCTOBER 27, *SATURDAY* 8:30 AM**  
BUDGET PRESENTATION & REVIEW

**NOVEMBER 5, MONDAY 6:00 PM:**

- 6:00 COUNCIL REPORTS, REVIEW WEDNESDAY AGENDA &  
REVIEW FUTURE WORKSHOP AGENDAS
- 6:10 CITY MANAGER'S REPORT
- 6:15 JIM LOCHHEAD WATER REPORT:
- 6:45 GRAND JUNCTION DRAINAGE DISTRICT

**NOVEMBER 19, MONDAY 7:00 PM:**

- 7:00 COUNCIL REPORTS, REVIEW WEDNESDAY AGENDA &  
REVIEW FUTURE WORKSHOP AGENDAS
- 7:25 CITY MANAGER'S REPORT
- 7:30 OPEN

**DECEMBER 3, MONDAY 7:00 PM:**

- 7:00 COUNCIL REPORTS, REVIEW WEDNESDAY AGENDA &  
REVIEW FUTURE WORKSHOP AGENDAS
- 7:25 CITY MANAGER'S REPORT
- 7:30 OPEN

**DECEMBER 17, MONDAY 7:00 PM:**

- 7:00 COUNCIL REPORTS, REVIEW WEDNESDAY AGENDA &  
REVIEW FUTURE WORKSHOP AGENDAS
- 7:25 CITY MANAGER'S REPORT
- 7:30 OPEN

## **FUTURE WORKSHOP ITEMS**

### **First Priority**

1. CABLE TELEVISION FRANCHISE
2. URBAN TRAILS UPDATE
3. BELTWAY PLAN UPDATE FROM CONSULTANTS (at retreat?)
4. UPDATE ON REDLANDS TRANSPORTATION PLAN WITH FRUITA & COUNTY

### **Second Priority**

5. SOLID WASTE COLLECTION IN NEWLY ANNEXED AREAS
6. BOTANICAL SOCIETY MASTER PLAN
7. DARE & SCHOOL RESOURCE PROGRAMS
8. HAZARDOUS DEVICE TEAM
9. FORESTRY OPERATIONS
10. PARKS/SCHOOLS COOPERATIVE AGREEMENTS
11. ELECTRONIC RECORDS MANAGEMENT SYSTEM:
12. LIQUOR LICENSING PROCEDURES
13. CRIME LAB
14. HAZMAT
15. GOLF OPERATIONS
16. CODE ENFORCEMENT OPERATIONS