

**AGENDA**  
**JOINT PERSIGO MEETING BETWEEN**  
**CITY OF GRAND JUNCTION, CITY COUNCIL**  
**MESA COUNTY, BOARD OF COUNTY COMMISSIONERS**

July 10, 2003  
6:15 p.m.  
City of Grand Junction  
City Auditorium  
250 N. 5<sup>th</sup> Street  
Grand Junction, Colorado

**SUBJECT**

**PRESENTED BY**

- |  |   |
|--|---|
| 1. Approval of Criteria for Sewer Variance   | Greg Trainor<br><a href="#"><u>ATTACHMENT 1</u></a>                 |
| 2. Budget and Policy issues (the original purpose of the joint meeting)  |   |
| a. Update on the Clifton Sanitation #2 proposal.   | Mark Relph<br><a href="#"><u>ATTACHMENT 2</u></a>                   |
| b. Update on the Special Sanitation District proposal.   | Mark Relph<br><a href="#"><u>ATTACHMENT 3</u></a>                   |
| c. Report on the Septic System Elimination program<br>(possible request to the Water & Power Authority for<br>additional loan).    | Greg Trainor<br><a href="#"><u>ATTACHMENT 4</u></a>                 |
| d. Update on staff efforts with the Grease and Biosolids issues.   | Pete Baier  |
| 3. Public Hearing on the consideration of expanding the 201 Sewer<br>Service Area to include the area around H Road and 21 ½ Road. | Kurt Larson<br>Bob Blanchard<br><a href="#"><u>ATTACHMENT 5</u></a> |
| 4. Issues raised from the Mayor's letter of 2002   | Bob Blanchard<br><a href="#"><u>ATTACHMENT 6</u></a>                |
| 5. Other Business  |   |

**Attachment 1  
Criteria for Sewer Variance**

**CITY OF GRAND JUNCTION**

Joint Persigo Meeting							
<b>Subject</b>		Sewer Variance Policy: procedures					
<b>Meeting Date</b>		July 10, 2003					
<b>Date Prepared</b>		June 25, 2003				<b>File #</b>	
<b>Author</b>		Greg Trainor			<b>Utility Manager</b>		
<b>Presenter Name</b>		Mark Relph			<b>Public Works Director</b>		
<b>Report results back to Council</b>		X	No		Yes	<b>When</b>	
<b>Citizen Presentation</b>			Yes	X	No	<b>Name</b>	
X	<b>Workshop</b>	?	<b>Formal Agenda</b>			<b>Consent</b>	<b>Individual Consideration</b>

**Summary:**

Amendment to the Wastewater Regulations, Section 4, System Expansion; (b) Types of system expansion; (2) Developed Areas.

**Budget:**

N/A

**Action Requested/Recommendation:**

Amend portions of Section 4 of the Wastewater Regulations by Joint Resolution of the City Council and Board of County Commissioners.

**Attachments:**

Draft Joint Resolution amending portions of Section 4.

**Background Information:**

The Wastewater Regulations outline circumstances in “Developed Areas” of the 201 Sewer Service Area (Section 4,(b)(2)b) where residential units on failed septic systems and within 400 feet of a sewer, and existing non-residential uses which are expanded or redeveloped need to be placed on sewer. This insures that all property within the 201 Sewer Service Area boundary are sewered.

Amendments to Section 4, (b)(2)b will add the words “**residential or**” added prior to the words “nonresidential use...” so that this Section can be inclusive of not only nonresidential uses that are expanded or redeveloped but also residential uses that are expanded or redeveloped. There have been recent situations where existing developed residential lots within the 201 Sewer Service Area have subdivided. These subdivisions

are considered “redevelopment” for the purposes of this Section of the Regulations. This is also outlined as an amendment to the Regulations.

At the Joint Persigo Meeting on April 24, 2003 the City Council and the Board of County Commissioners asked that sewer variance criteria be drafted and that residential redevelopment be included. No other changes were directed.

Last week County Manager, Bob Jasper, expressed his desire that Mesa County participate in the decision making process for dealing with exceptions to the sewer policy that properties within the 201 Sewer Service Area boundary be sewerred.

By way of background and explanation, the existing Wastewater Regulations outline in Rule 4.7, of the same Section 4, variance procedures for dealing with failed septic systems on existing residential lots, or expansion or redevelopment of nonresidential uses ( and soon to be added “residential” uses) where “construction of sewer is impracticable” and “adequate treatment facilities exist , or that a failed septic can be repaired. ” The current Wastewater Regulations delegate the administrative review and management of this Section 4 to the “manager,” that being the City Council, City Manager, or the Public Works and Utility Director.

The proposed amendments to Rule 4.7 of the Regulations describe examples of what is meant by “construction of sewer is impracticable,” “adequate treatment facilities exist,” and that a “failed septic can be repaired ” and examples of criteria that is used in making variance decisions.

Chapter Two of the City’s\_ Zoning and Development Code will also have to be amended to insure that both regulations reflect the same policy matter. Section 2.16, Variances, will be amended to include a new section dealing specifically with a variances to the requirement that all lots and uses must be served by a sewer system connected to a public wastewater treatment facility.

**Attachment 2**  
**Clifton Sanitation #2 Proposal**  
**CITY OF GRAND JUNCTION**

Joint Persigo Meeting							
<b>Subject</b>		Clifton Sanitation District #2					
<b>Meeting Date</b>		July 10, 2003					
<b>Date Prepared</b>		June 24, 2003			<b>File #</b>		
<b>Author</b>		Greg Trainor		Utility Manager			
<b>Presenter Name</b>		Mark Relph		Public Works and Utility Director			
<b>Report results back to Council</b>		X	No		Yes	When	
<b>Citizen Presentation</b>			Yes	X	No	Name	
X	<b>Workshop (Additional)</b>		<b>Formal Agenda</b>			<b>Consent</b>	<b>Individual Consideration</b>

**Summary:** Discussion of response to Clifton Sanitation District #2 as to financial alternatives to connect to the Persigo Sewer System versus construction of their own treatment plant.

**Budget:** N/A

**Action Requested:** Update and discussion among City Council and the Board of County Commissioners to provide direction to Persigo staff to communicate to Clifton Sanitation District #2 a response to their financial proposal that is consistent with current Persigo Agreement policy.

**Attachments:**

1. March 15, 2003 offer from Clifton Sanitation District #2 to consolidate with the Persigo System.

**Background Information:** In late 2002, the Clifton Sanitation District #2 requested information from the City as to the financial alternatives of Clifton connecting to the Persigo Sewer System or constructing their own plant in the vicinity of 32 Road and the Colorado River. This issue was discussed at the City Council-County Commissioners joint Persigo Meeting In November of 2002. Staff was instructed by both policy-making bodies to “keep them informed” and that the Clifton Board of Directors was to be in the “driver’s seat” as to the political issues of incorporating the Clifton Districts into the 201 Sewer Service Area Boundary and the Persigo Agreement implications. A similar message was conveyed to the legal counsel of the Clifton Districts at the April 24, 2003 joint Persigo meeting. However, the Clifton Districts need to make a decision as to whether the connection into the Persigo System is financially possible before they would proceed with the political issues.

Staff is seeking direction from Council and the Board that would allow staff to provide Clifton Sanitation District #2 a response that is in alignment with current Persigo Agreement policy. Once this information is submitted to the Clifton, additional discussion surrounding the financial policies of the issue is likely. When necessary, staff would be seeking additional direction at that time.

Clifton Sanitation District #2 has submitted a proposal dated March 15, 2003 (Attachment #1) that would compensate the Persigo System \$6,702,737 in exchange for connecting to the system. The staff's review of the proposal would suggest that the cost is \$9,877,504 based upon currently polices. Staff seeks approval to submit to Clifton Sanitation #2 the details of our proposal.

**BECKNER, ACHZIGER, McINNIS,  
RAAUM & SHAVER, LLC**

Attorneys at Law

Larry B. Beckner  
John A. Achziger  
Bruce Raaum  
Elizabeth R. Shaver

Caré McInnis Raaum  
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March 15, 2003

Kelly Arnold, City Manager  
City of Grand Junction  
250 North 5<sup>th</sup> Street  
Grand Junction, CO 81501

Re: Clifton Sanitation District #2

Dear Kelly:

On behalf of Clifton Sanitation District #2, I am tendering to the City a draft proposal for allowing the District to tap into the City's Persigo system.

As the City is aware, Clifton must either proceed with the construction of a new treatment facility or tap its system into the City system and utilize the Persigo Plant for treatment. The District has spent a number of months collecting data for the cost of construction of a new plant and for the cost of constructing a new interceptor line from the District to the City system. The decision on which option will be selected is primarily driven by cost.

The enclosed analysis quantifies the various costs of tapping into Persigo. Under this proposal, Clifton Sanitation #2 would tender to the City \$3,359,737 for its portion of the construction of the new interceptor line. Additional funding may be available from the Central Grand Valley Sanitation District to cost share that Interceptor. The City would be responsible for the actual construction of the Interceptor.

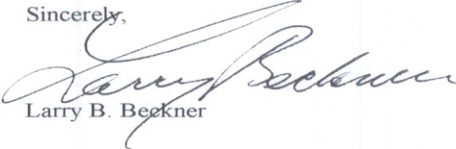
The analysis also proposes paying to the City a total tap fee of \$3,343,000 for the 3,343 tap equivalents. This number would change based on the actual tap equivalents at the time of completion of construction of the Interceptor but would continue to be based on the current tap fee of \$1,000 per tap equivalent. For purposes of these discussions, Clifton #2 requests that the tap fee be fixed at the current rate even though construction of the Interceptor may not be completed until 2004.

Kelly Arnold  
March 18, 2003  
Page 2

The District understands that the City will need more information regarding the calculation of costs and other matters. The District is ready to meet with a City representative to discuss the proposal in more detail. The District is under a time constraint to make a final decision on whether to move forward with the construction of its own treatment plant or to prepare to move into the Persigo system. Since time is of the essence, this District requests a response to this proposal within 60 days.

Thank you for your time and consideration. Please feel free to contact me directly with any questions or issues involving this matter.

Sincerely,



Larry B. Beckner

LBB:lb  
Enclosure

## CLIFTON SANITATION DISTRICT #2

3222 HWY 6 & 24  
P.O. BOX 186  
CLIFTON, COLORADO 81520  
PHONE 434-7422

Robert King, President  
Dale Welch, Secretary-Treasurer  
Greg Martin, Director  
Edna Charlesworth, Director  
Kent Brumback, Director

### RECOMMENDED ALTERNATIVES TO CONSOLIDATE WITH THE CITY OF GRAND JUNCTION

#### EXISTING CONDITIONS

- 1) Combined influent flow from Clifton Sanitation District #2 (CSD#2) East and West lagoons is **936,000** gal/day (2002 annual average).
- 2) CSD#2 has **3,343** flow proportioned taps based on **936,000** gal/day and the City of Grand Junction's (City) definition of **280** gal/day per flow proportioned tap.

$$\text{Flow proportioned tap} = \frac{936,000}{280} = 3,343$$

- 3) Current City tap fees are \$1,000.00. A recent study performed by Black and Veatch stated the tap fees should be \$2,300.00 per tap. The City will be raising their tap fees by \$250.00 per year per tap (Tap fee for yr. 2004 = \$1,250.00, tap fee for yr. 2005 = \$1,500.00)

#### ALTERNATIVE

- 1) Cost of the interceptor based on the Gerald Williams (GW) update without Central Grand Valley Sanitation District (CGV) participation (costs include design engineering fees, legal fees, testing and construction inspection fees).  
**\$4,877,504.00**
- 2) Construction costs of interceptor built to **City** road specifications (GW report)  
**\$3,818,859.00**
- 3) Construction costs of interceptor built to **County** road specifications (GW report)  
**\$3,301,092.00**



- 4) Difference in construction costs of interceptor between City and County specifications:  $\$3,818,859.00 - \$3,301,092.00 = \$517,767.00$
- 5) Total costs of interceptor built to County specifications:  
 $\$4,877,504.00 - \$517,767.00 = \$4,359,737.00$
- 6) Costs of the interceptor allowing the City to construct interceptor and negotiate with CGV to obtain their financial contribution to the interceptor;  
 $\$4,359,737.00 - \$1,000,000.00^* = \$3,359,737.00$   
  
\*CGV has verbally offered CSD#2 approximately \$1,000,000.00 as their financial contribution toward interceptor construction costs.
- 7) Costs of purchasing 3,343 flow proportion taps @ \$1,000.00/tap;  
 $3,343 \times \$1,000.00 = \$3,343,000.00$

**PROPOSAL**

Costs of taps	<b>\$3,343,000.00</b>
Costs of Interceptor	<b>\$3,359,737.00</b>
	<hr/>
Total offer to City	<b><u>\$6,702,737.00</u></b>

**CONDITIONS**

- 1) City constructs and owns/operates the interceptor.
- 2) CSD#2 will pay the in-City monthly user fees.
- 3) CSD#2 will not participate in any down stream sewer line modifications and/or increases in capacity.
- 4) City will modify the 201 Boundaries

March 13, 2003

**Attachment 3**  
**Special Sanitation District Proposal**

July 10, 2003

Joint Persigo Meeting Agenda item  
Revenue Sharing with Special Sanitation Districts

Though not available by the agenda deadline, Counsel for the Special Sanitation Districts, Larry Beckner, will provide a summary of the Districts' proposed Intergovernmental Agreement at the July 10, 2003 joint meeting.

## CITY OF GRAND JUNCTION

Joint Persigo meeting						
<b>Subject</b>	Revenue Sharing for Backbone Capital Improvements Within the Special Sanitation Districts.					
<b>Meeting Date</b>	July 10, 2003					
<b>Date Prepared</b>	June 24, 2003				<b>File #</b>	
<b>Author</b>	Greg Trainor			<b>Utility Manager</b>		
<b>Presenter Name</b>	Mark Relph			<b>Public Works and Utility Director</b>		
<b>Report results back to Council</b>	X	<b>No</b>	<input type="checkbox"/>	<b>Yes</b>	<b>When</b>	
<b>Citizen Presentation</b>		<b>Yes</b>	X	<b>No</b>	<b>Name</b>	
X	<b>Workshop</b> (Additional)		<b>Formal Agenda</b>		<b>Consent</b>	<b>Individual Consideration</b>

**Summary:** Revenue sharing for backbone capital improvements within the Special Sanitation Districts in consideration for dissolution at a future date.

**Budget:** To be determined.

**Action Requested:** Direction from City Council and Board of County Commission at the Joint Persigo meeting of July 10, 2003. At issue is a review of the concept for revenue sharing with the Special Sanitation Districts with dissolution as part of a possible agreement.

**Attachments:**

1. Black & Veatch memorandum dated 9/18/2000; "Financing Backbone System Facilities in Special Sanitation Districts".
2. October 14, 2002 Persigo meeting staff report; "Backbone System capital improvements in Special Sanitation Districts and Persigo System participation in costs".
3. April 10, 2003, Letter from City Manager to Special Districts; "Special Sanitation Districts Funding for Capital Improvements".
4. Proposed Inter-Governmental Agreement from special districts.

**Background Information:** Backbone system funds are sewer revenues assessed to all users of the sewer system that have their sewage transported and treated at the Persigo Plant.

The sewer system has two types of customers: those that are within the special sanitation districts that contract with the Persigo System for backbone system services (transportation and treatment) and those customers that are outside of the special sanitation districts. As to the operation and management of the sewer system there is no distinction made as to whether a customer is within the City or outside of the City. All customers outside of the special sanitation districts are treated the same.

For many years the special sanitation districts have questioned the use of Sewer System backbone system funds for projects in areas outside of the special sanitation districts. This use of backbone system funds outside of the special sanitation districts is the result of the various contracts for service signed between the City and the special districts when they were formed. In essence, the districts agreed to operate, maintain and replace their collection systems within their district boundaries and the City agreed to take their sewage at their boundaries and treat that sewage. Persigo System budgets and the long-range financial plans of the Persigo System have been predicated on these arrangements. In the last rate study by Black and Veatch in September of 2000, this issue was evaluated by the consultant (Attachment 1).

The District issue was raised anew in October 15, 2001 letter to the City and the County shortly after the City proposed the use of Persigo Sewer System funds for the separation of combined storm and sanitary sewage flows. Although, the separation project had a sanitary sewage benefit by increasing the capacity of sewage interceptors and the Persigo Treatment Plant, the Districts viewed the benefit as having more of a "general fund" benefit as it dealt with storm water flows. Based on this view, the District requested consideration of the City and the County that backbone funds also be used within the Districts for backbone system improvements.

The District request is a basic change in direction from the original concepts embedded in the existing contracts among the Districts and the City. Nevertheless, the request was subject of a meeting among the City Manager, County Manager, and the special districts in late October of 2001. This meeting resulted in a list of issues that each were to discuss with their respective Boards, including the issue of dissolution of the Districts in exchange for use of Persigo backbone system funds within the District boundaries.

Between October of 2001 and the October 14, 2002 joint City-County annual Persigo meeting, there was continuing discussion of the issues. Nothing was settled as to either side's objectives. At the October 14, 2002 Persigo meeting there was a staff report drafted for the joint Boards (Attachment 2). In addition the general counsel for the Districts asked that the Districts' request be resolved within "six months" and that he be allowed to pursue this issue with Mark Relph, the City Public Works Director.

Since October of 2002, the financial issue has become further refined but there are still divergent views as to the issue of dissolution of the Districts. The City Manager in a letter dated April 10, 2003, communicated to the Special Districts the values the City held with respect to this issue (Attachment 3). The offers discussed during the past six-months can be summarized as follows:

City key points: The joint sewer system will consider providing backbone system funds to the Districts in the amount of \$500,000 per year in exchange for agreement that the Districts will dissolve in 3 to 5 years and the Persigo System will take over the operation and maintenance of the District systems at that time.

Districts' counter points: The Districts would like to enter into a new Intergovernmental Agreement, superceding the original agreements, providing for backbone system funding of \$500,000 per year with dissolution of the Districts to be put to District voters at the general election in November 2012 and the Persigo

System will take over the operation and maintenance of the District systems if and when a vote confirms dissolution.

The Districts' have submitted a draft inter-governmental agreement (attachment 4). Staff is requesting City Council and Board of County Commission direction on the value of dissolution and would carry that forward into future discussions with the Districts.

**BLACK & VEATCH CORPORATION**

MEMORANDUM

Grand Junction, Colorado  
Wastewater Rates and Policies Review

September 18, 2000

Subject: Financing Backbone System Facilities in Special Sanitation Districts

As requested, Black & Veatch is providing this memorandum to outline issues to consider when determining whether the Joint Sewer System (System) should provide financial assistance for backbone system improvements in the Fruitvale, Central Grand Valley, and Orchard Mesa Sanitation Districts (Districts). Direction by the Grand Junction City Council and the Mesa County Board of Commissioners on this issue will allow finalization of System financial data on this subject.

For clarity, the issues are discussed in two broad categories, "financial considerations" and "policy considerations." The issues are intertwined, and decisions in each category affect issues in the other.

Financial Considerations:

1. At the present time, the long-term financial plan of the System has no provision for funding backbone improvements into the Districts. Providing financial assistance to the Districts will result in increased costs. Increased costs must be recovered through increased revenues in order for the System to remain financially healthy and carry out objectives already approved for the System.
2. If the System were to finance backbone improvements into the Districts, the costs would be borne either by (a) only district users or (b) all System users.
  - a. If costs are borne by District users only, System rates charged to District users would have to be increased. Is there any advantage to either the System or the Districts for increasing System rates charged to District users (to fund extension of backbone facilities into the District), rather than the Districts themselves increasing rates (or mill levy) to fund the extensions or replacements. Possible advantages might include the System's capabilities in managing construction contracts and ensuring backbone facilities are built to System standards.
  - b. If costs are borne by all users of the System through increased rates, is it fair for all System users to pay for facilities that benefit only District users? If the philosophy is that all users of the System should pay for all facilities that serve all users, including those in the Districts, what would be the financial advantage of continuing the Districts?

## BLACK & VEATCH CORPORATION

### MEMORANDUM

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Grand Junction, Colorado  
Wastewater Rate and Policy Review

September 18, 2000

#### Policy Considerations:

Given the fact that the original purpose of the Districts have been met (i.e. construction and financing of original infrastructure), consideration might be given to whether the Districts should remain as service providers. Decisions on this issue will guide financial considerations of assistance to the Districts.

1. If the Districts will not continue to provide service in the long term, perhaps consideration should be given to tying financial assistance for construction of backbone facilities into the Districts to an agreement for dissolution of the Districts at a specific future time.
2. If the Districts are to continue to provide service in the future, even after possible future annexation of the property served by the City, responsibility for facilities to provide services to the District customers would be maintained by the districts. Given this expectation, responsibility for planning, funding, constructing, and maintaining facilities needed to serve District customers would seem to continue to reside with the Districts.

#### Preliminary Conclusion

The Districts have served the Grand Valley well by furnishing a vehicle to provide sanitary sewer service in areas that developed outside of the City of Grand Junction. The growth and development of recent years has created more and more urbanization of the service area, leading the Districts to consider the need for new and replacement facilities. However, sufficient information regarding the future needs of the Districts for new and replacement backbone facilities and the associated costs is not presently available.



**BLACK & VEATCH CORPORATION**

MEMORANDUM

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Grand Junction, Colorado  
Wastewater Rate and Policy Review

September 18, 2000

Preliminary Recommendation

The first step would be to request that the Districts determine their future needs for new and replacement backbone facilities and to estimate what District financial resources would be available, without System participation, to fund construction of those facilities. Although recent requests for assistance have come from Central Grand Valley and Fruitvale Sanitation Districts, the System could also expect requests from Orchard Mesa Sanitation District. This information would allow staff and elected officials to assess the effects on the System financial plan of various funding alternatives.

With more complete information available, System staff, City Council, the Board of County Commissioners, and the District Boards could begin a process of policy-level discussions. These discussions would likely include a candid assessment of whether the Districts have essentially fulfilled their initial purposes and dissolution should be considered or whether the Districts will continue to play an important role in providing long-term wastewater services. Once some consensus has been reached on this fundamental question, the issue of "who pays" for backbone system work in the Districts may follow logically.

JAG:alh



STAFF REPORT FROM  
OCTOBER 14, 2002  
JOINT PERSIGO MEETING WITH CITY COUNCIL  
AND COUNTY COMMISSIONERS

Backbone System capital improvements in Special Sanitation Districts and Persigo System participation in costs.

Introduction

In October of 2001, a number of issues were raised by the Central Grand Valley Sanitation District and the Orchard Mesa Sanitation District concerning how the "backbone system" is defined and the extent of potential backbone system improvements within these two districts. The Fruitvale Sanitation District was not a part of these discussions.

There are a number of contractual, technical and financial issues which have to be resolved. In summary, these include the City contracts with the Districts which obligate the Persigo System to treat sewage from the districts and that the districts operate and maintain their collection systems. The technical issue of the definition of "backbone" have to be resolved. Discussions earlier this year show that the special district definition and the City's definition are widely divergent. A decision on the definition affect the extent of Persigo's possible financial participation inside of the districts and the rate structure for backbone capital outside of the special districts. To take on additional capital improvements within the special districts-capital not anticipated in long-range financial plans of the Persigo System- would require rate increases for all Persigo system users, both inside and outside of the special districts.

The budget for the years 2002 and 2003 has been established. Staff would recommend a timely discussion of the issues during 2003 for resolution during the next budget for 2004, 2005.

Background

Contracts for service exist between the City of Grand Junction and the three special sanitation districts. These agreements provide for treatment of sewage by the Persigo System and the maintenance of collections systems by the Districts. Rates are charged to the special districts for "backbone services," that is, for treatment and carriage of their flows in interceptors from the boundaries of their districts to the Persigo Plant. The rate is modified somewhat in the case of Orchard Mesa Sanitation District in that they do their own billing, and in the case of Central Grand Valley Sanitation District where the Persigo System contracts with the District to maintain their D Road Lift Station and provide after- hours emergency response.

All rate studies conducted since the creation of the Joint Sewer System in 1980 assume that the Districts pay for the operation, maintenance, and replacement of collection systems inside of their districts. The long-range financial plan of the Sewer Enterprise Fund also assumes such a scenario.

The questions are:

1. What is the purpose in maintaining and replacing backbone and collection systems?
2. What gets replaced? That is, what “definition” is used.
3. Who pays?
4. What is the financial impact on the Sewer Enterprise Fund and those paying the rates?

#### What is the purpose in maintaining and replacing backbone and collection systems?

For the districts it is to insure capacity and reliability for delivering sewage away from homes to central treatment facilities.

For the Persigo System it is the elimination of infiltration that consumes capacity in interceptors and at the Persigo Plant.

#### What gets replaced?

Westwater Engineering, representing the Central Grand Valley District, defines “backbone” by a functional definition, which results in a large portion of their system being defined as “backbone.” Applying the same definition to the Persigo System, outside of the special districts, would result in a larger portion of the Persigo System being defined as “backbone.” Such a definition would result in a greater portion of what all users pay for backbone, including the districts, being allocated to backbone rather than collection systems.

The City’s definition, based on size, would allow those portions of the Persigo System, outside of the special districts, to remain as they are, but would result in a smaller portion of the special districts being defined as backbone.

Either definition is valid. The impacts of either or both need evaluation as there are financial consequences for either definition.

Within the Districts there ought to be an evaluation of pipe replacement needs and which portions to be replaced by the Districts and which portions to be replaced by the Persigo System.

#### Who pays?

Backbone expenses are paid by all users of the Persigo System. With an increase in capital construction and financial participation by the Persigo System within the special districts( regardless of which definition is used), rates would have to be adjusted to all Persigo System users. With such a plan, would there be consideration to the Persigo System that backbone, thus replaced, would be owned by the Joint System?

#### Financial impact on Sewer Enterprise Fund?

Increased capital construction within the special sanitation districts are expenses that are not presently calculated into the long-range financial plan of the Sewer Fund for rate setting purposes. An increase in capital construction would be reflected in increased backbone system rates to all users.

## Conclusions

The technical and financial aspects of providing capital construction services within the special districts can be solved.

Central to this discussion, however, are legal issues not addressed in this paper:

What are the purposes of the special sanitation districts?

Have these purposes been fulfilled?

Are funds for construction, requested of the Persigo System, funds that the District's, under their long-term contracts, should have been accumulating themselves for replacement of their systems?



FILE

City of Grand Junction, Colorado  
250 North 5<sup>th</sup> Street  
81501-2668  
Phone: (970) 244-1501  
FAX: (970) 244-1456

April 10, 2003

Mr. Larry Beckner  
Alpine Bank Building  
225 North 5<sup>th</sup> Street, Suite 850  
P.O. Box 220  
Grand Junction, Colorado 81502

Re: Special Sanitation Districts Funding for Capital Improvements

Dear Larry:

Through your office, the Central Grand Valley Sanitation District and the Orchard Mesa Sanitation District have engaged in discussion and developed proposals that would allow the Districts to fund additional capital improvements within their Districts while partnering with the City of Grand Junction. This was done after giving support for attaining loan funds for the significant combined storm sewer project (CSEP) that is currently under construction. We have also discussed some revenue sharing concepts. Most of the discussion, to date, has centered on these two primary values:

**District value:** Reduce Persigo System "backbone" rate so more funds could be devoted to capital improvements within the District.

**City value:** Primary caretaker of the entire system which directly impact the Persigo system.

After many discussions on how these two values can be met, here is a proposal with these two key elements:

- 1) Capital Revenue sharing payments for 5 years;
- 2) District dissolution within 3 years.

Proposal

If the District's customers voted within the next year to dissolve within three (3) years after the vote, the Persigo system would guarantee funds for capital improvements for each year of a five year period, starting with the first year following the vote of dissolution. The vote for dissolution would be critical in order to insure that firm commitments, by all parties including the City, were made prior to the allocation of Persigo funds. The mechanism would be agreement on this

*District letter – page 2*

*proposal*, followed by a revised agreement between the City and the Districts, followed by a vote of customers on the revised agreement. A revised agreement would be essential so that District customers would know their benefits.

Persigo funds for capital would be set aside based on the following two factors: That portion of the CSEP debt attributable to the special sanitation districts (\$217,000 per year and, in essence, giving that amount *back* to the Districts) and an additional reallocation of funds from the Persigo capital plan for a total of \$500,000 per year. These funds would be prorated among the Districts, including Fruitvale, based on their number of EQU's to the total EQUs of the Persigo system. An additional factor might be applied as to the Districts' current capital commitment of their *own* funds. Those currently allocating more funds than the others would get a larger amount of Persigo funding.

At dissolution, "fund balances" of the Districts would transfer to the capital plan of the Districts, providing supplemental funding to the Persigo amounts. The Districts would continue to allocate their capital funds during the three year period. Thus, there would be three sources of capital funding. If the District had outstanding debt, the District's fund balance would be applied to that debt first, then to capital funding after the debt was retired.

Besides meeting the two most important values to the entities (Districts and City) this proposal has merit for the following reasons:

- It is better to administer.
- There would be a clear matching of shared revenues with specific backbone system improvements within the Districts.
- Funding capital projects rather than reducing rates relieves the Persigo System from straying from its "utility concept" of charging all customer classes the same for the same service. In other words, it is consistent with our current practices.
- It allows a definite period of transition for unification of systems which will reduce operational expenses to the Districts.
- It will equalize rates throughout the Persigo system which will result in a rate reduction for all Districts except for the Fruitvale District.
- The Persigo system would provide supplemental funds to replace and upgrade backbone systems within the Districts over time as part of the Persigo Capital Improvement Program.

Immediate dissolution by the Districts is something that the Persigo System would not be prepared for. Knowing that dissolution would occur at a time certain would allow the Persigo system to prepare, purchase equipment, and add

*District letter – page 3*

collection system staff in order to take on collection system operations. Treatment would not be an issue as treatment services are already being provided. This period would also allow the Districts to prepare for changes within their own administrations. We are open to discuss equivalent time periods, such as 6 year capital revenue sharing with 4 years towards dissolution.

Please give this proposal your most serious consideration. I would suggest, perhaps, a series of individual meetings with the District boards to review these ideas.

Sincerely,



Kelly Arnold  
City Manager

Cc: City Council  
Bob Jasper, Mesa County Administrator

## INTERGOVERNMENTAL AGREEMENT

### CENTRAL GRAND VALLEY SANITATION DISTRICT ORCHARD MESA SANITATION DISTRICT FRUITVALE SANITATION CITY OF GRAND JUNCTION

This Agreement is entered into effective the \_\_\_\_ day of \_\_\_\_\_, 2003, by and among the Central Grand Valley Sanitation District (ACGVSD@), the Orchard Mesa Sanitation District (AOMSD@), the Fruitvale Sanitation District (AFruitvale@) and the City of Grand Junction (ACity@). The three districts are referred to jointly in this Agreement as the ADistricts@.

#### Recitals

A. On November 4, 1970, CGVSD entered into an Agreement (ACGVSD Agreement@) for the construction of sanitary sewer lines within the boundaries of that District and for the treatment of such effluent by the City of Grand Junction. The CGVSD Agreement has been modified on several occasions.

B. On November 19, 1975, OMSD entered into an Agreement (AOMSD Agreement@) for the construction of sanitary sewer lines within the boundaries of that District and for the treatment of such effluent by the City of Grand Junction. The OMSD Agreement has been modified on several occasions.

C. On the 28<sup>th</sup> day of September, 1959, Fruitvale entered into an Agreement (AFruitvale Agreement@) for the construction of sanitary sewer lines within the boundaries of that District and for the treatment of such effluent by the City of Grand Junction. The Fruitvale Agreement has been modified on several occasions.

BD. The parties now desire to enter into this new Intergovernmental Agreement which will (except as otherwise specifically provided herein) supercede the original CGVSD Agreement, as modified, the OMSD Agreement, as modified, and the Fruitvale Agreement, as modified. This Intergovernmental Agreement will govern the relationship of the parties from and after the effective date of this Agreement.

Now, therefore, in consideration of the covenants herein, the parties agree as follows:

1. Joint Persigo Sewer System Agreement. The City and Mesa County have entered into a Joint Policy Making Agreement for the Persigo Sewer System ("Persigo Agreement"). The parties acknowledge that the Persigo Agreement controls the relationship between the City and the County regarding the operation, management and control of the Persigo Sewer System as that System is defined in the Persigo Agreement. Nothing in this Intergovernmental Agreement is intended to modify or

supercede the Persigo Agreement and if a conflict exists, then the provisions of the Persigo Agreement will prevail.

2. CGVSD Lines and Fixtures. CGVSD has constructed and currently owns, operates and maintains approximately 95 miles of lines, most of which are located within its boundaries. In addition to all lines within its boundaries, CGVSD owns discharge lines that carry effluent from the District to City Lines. Those discharge lines are commonly referred to as the 29 Road and the 29 3/8 Road lines. CGVSD currently serves several out-of-District customers through an intergovernmental agreement with Fruitvale Sanitation District. In addition, certain properties in WestPark and in Eastbury are within the CGVSD boundaries but are serviced by Fruitvale. All properties within the District boundaries are also within the 201 Service Area. The District will continue to own, operate and maintain all of its current lines and will own any lines that are constructed in the future by the District, whether located within or outside of the District boundaries. All such lines, and any facilities attached to or used in connection with such lines (including lift stations) are referred to in this Agreement as the ACGVSD Lines.

3. OMSD Lines and Fixtures. OMSD has constructed and currently owns, operates and maintains approximately 46 miles of lines, most of which are located within its boundaries. In addition to all lines within its boundaries, OMSD owns the B Road Line which services the Valle Vista subdivision and certain other properties between that subdivision and the District boundaries. The District also owns certain major lateral lines that carry effluent from the District and discharge the effluent to City Lines. All properties serviced by OMSD are also within the 201 Service Area. OMSD will continue to own, operate and maintain all of its current lines and will own any lines which are constructed in the future by the District and which connect to OMSD Lines or which are located within the OMSD boundaries. All such lines, and any facilities attached to or used in connection with such lines (including lift stations) are referred to in this Agreement as the AOMSD Lines.

Fruitvale Lines and Fixtures. Fruitvale has constructed and currently owns, operates and maintains approximately 9 miles of lines, most of which are located within its boundaries. In addition to all lines within its boundaries, Fruitvale owns what is referred to as the Grand Avenue outfall line which carries effluent from the District to City Lines. Fruitvale currently serves properties in WstPark subdivision and in Eastbury subdivision under the terms of an intergovernmental agreement with Central Grand Valley. Under that agreement, several Fruitvale customers are serviced by CGVSD. All District customers and all properties within the District boundaries are also within the 201 Service Area. The District will continue to own, operate and maintain all of its current lines and will own any lines which are constructed in the future by the District or which are located within the Fruitvale boundaries. All such lines, and any facilities attached to or used in connection with such lines (including lift stations) are referred to in this Agreement as the AFruitvale Lines.

5. Construction Standards. Each District is responsible for the proper construction and maintenance of all lines within its system. All such construction shall comply with all rules and regulations of each respective District and with all local, County and state laws and regulations. In addition, such construction shall meet the standard construction specifications as adopted from time to time by the City.



6. City Lines and Fixtures. All sanitary sewer lines, and any facilities attached to or used in connection with such lines (including lift stations) which are not CGVSD Lines, OMSD Lines or Fruitvale Lines will be referred to in this Agreement as the City Lines. The Districts acknowledge that they do not have any ownership interest in such City Lines and the City Lines are under the control of the City, either by virtue of actual ownership or by virtue of agreements with other parties. The City is responsible for the maintenance of the City Lines.

7. Acceptance of Effluent for Treatment. The Districts will continue to discharge their effluent into the City Lines at the currently existing locations. If additional discharge points are required in the future, then the City will negotiate with the respective District regarding the terms and locations of such additional discharge points. In addition, the City will continue to treat all District effluent at the Persigo Plant in accordance with the provisions for treatment contained in the Persigo Agreement.

8. Rates For Treatment. All rates for treatment and for maintenance and operation of all parts of the Persigo system, except for the OMSD Lines, the CGVSD Lines and the Fruitvale Lines, shall be established pursuant to the Persigo Agreement and shall be assessed equally to all users of the Persigo System, including District users ("Standard Uniform Rates"). The Standard Uniform Rates will be modified in subsequent provisions of this Agreement for each District based on services provided by the City and by each District. Such modified rates are referred to as the "City Rates".

9. District Rates. In addition to the City Rates as established for each District for service provided under the Persigo Agreement, each District may set such rates for its customers as may be determined from time to time by the Board of each District. Each District may establish its own procedures for setting rates, fees, tolls and charges to be assessed against its customers for services. In addition, each District may incur such debt, enter into such contracts and establish such ad valorem taxes as each Board may determine is needed or proper for the administration of its services.

10. Plant Investment Fee. In addition to the City Rates, the City, through the Persigo Agreement, shall assess a Plant Investment Fee to be charged against every new tap issued by the City, by any of the Districts or by any other entity or individual which taps into the Persigo System. Such PIF shall be uniform throughout the Persigo System and shall be paid at the time of issuance of a tap. In addition to the PIF, each District may establish its own tap fee or system development charges in such amounts and payable under such terms as determined by each District's respective Board. All tap fees assessed by the Districts shall be retained by the respective District and shall be used in accordance with the rules and regulations of such District.

11. Operation of District Lines. Each District will be responsible for the operation, maintenance and control of its respective Lines. Each District will endeavor to minimize inflow and infiltration of surface or ground waters. Each District will monitor its lines to locate areas of inflow in infiltration and will take reasonable steps to reduce

such I & I. All costs for the operation and maintenance of the District Lines will be paid by the respective District. In addition, each District will police its own lines to minimize the discharge of substances which may be detrimental to the treatment process employed at the Persigo Plant, including oils, acids or other such matters. The City may also perform such inspections as it deems appropriate to identify and locate the source of any illegal discharges into the Persigo System.

12. Pretreatment. The Districts hereby delegate to the City, and the City hereby accepts, the administrative, managerial and enforcement authority concerning pretreatment programs as applied to industrial users of the Persigo Sewer System. The City will act as the agent for each District in pretreatment matters to the extent necessary to allow direct regulatory and health-related control by the City over industrial users within each respective District. It is the intent of the parties that the City be given such pretreatment authority throughout the Persigo Sewer System as may be reasonably required to comply with all federal and state grant and discharge permit requirements applicable to the Persigo Sewer System. The City hereby holds the Districts harmless from any and all liability whatsoever which may result either directly or indirectly from the City's acts or omissions arising from or related to the administrative, managerial or enforcement authority concerning pretreatment programs.

13. Participation in Joint Funds. All users of the Persigo System, including all District users, pay a monthly service fee, the amount of which is determined in accordance with the Persigo Agreement. A portion of that monthly fee consists of capital reserves used to pay for capital improvements to the City collection system and to pay for other costs of providing sewer service to non-District users. The parties have reached an agreement regarding annual rebates to be paid by the City, from the Joint Sewer Fund, to the Districts for use in capital improvements to their systems. Those rebates are divided into two categories and each category shall be administered as follows:

a. CSEP Debt Service. The City has borrowed funds for the reconstruction of some of the City Lines to separate certain sanitary sewer lines from certain storm sewer lines and to otherwise reduce inflow and infiltration (CSEP Debt). The parties have agreed that the average payment on that debt over the next 9 years is approximately \$603,500 each year. The parties have also agreed that the Districts' combined account for 36% of the total EQUs within the Persigo Sewer System and that this percentage will remain relatively constant over the next 9 years. Using this percentage, the parties agree that the Districts are entitled to an annual rebate from the Joint Fund of \$217,000 each year (CSEP Funds). The CSEP Funds will be divided among the Districts based on the relative number of EQUs currently managed by each District. Those relative EQU amounts are as follows: CGVSD - 51%; OMSD - 20%; Fruitvale - 29%. On or before December 20 of each calendar year, beginning with the 2003 calendar year, the City will pay to each District its pro rata share of the CSEP Funds. The Districts will be entitled to rely on the amount of such distributions in the preparation of their annual budgets. All money from such distributions must be used for repairs to existing capital systems or for capital improvements of District systems; provided, however, permissible capital

improvements shall not include the construction of new line extensions that are required to be funded by developers under each District's current rules and regulations. Money received from the CSEP Funds must be spent within the two calendar years following the year of distribution. If a District does not spend the funds within this time frame, then the City may withhold distribution of funds to the offending District until such time as the funds are used in accordance with this Agreement.

- b. Additional Capital Funds. In addition to the CSEP Funds, the Districts are entitled to receive \$283,000 of Additional Capital Funds. The Additional Capital Funds will be distributed to each District on the same pro-rated basis as CSEP Debt funds. Each District may receive no more than its pro-rated share of these funds. In order to qualify for distribution from these Additional Capital Funds, a District must expend the funds on Capital improvements to the existing District Lines or in the construction of new collector lines that are not funded by developers under the current line extension policy of each District. In addition, each District must match dollar-for-dollar the Additional Capital Funds with District Funds. The matching District Funds may not include amounts received through the CSEP Fund distributions. Each District must submit to the City by August 1 of each year a plan for future capital improvements to be funded with the Additional Capital Funds. Such plan may be up to a seven year plan. If such capital improvements are reflected in the plan, then the City shall disburse to such District its pro-rated share of the Funds up to the allocated share of the distribution no later than December 20 of such calendar year. The District is not required to spend the Additional Capital Funds in any given year and the funds may be accrued over several years for the funding of projects. However, such funds will be segregated in the accounting of District assets and records will be maintained and submitted to the City reflecting the proper use of such funds. If upon the eventual dissolution of each District (as described below for each District) any funds remain in the Additional Capital Fund account, then any plan of dissolution must show a return to the City of such unused funds. If a District does not provide the capital improvement plan by August 1 of each year, then the District will not be eligible for distribution of its pro-rated portion of the Additional Capital Funds for that calendar year; however, the District will be eligible to participate in following years if the plan is properly submitted.
- c. Change in Percentage Participation. Later provisions of this Agreement contemplate the eventual dissolution of each District. Upon the dissolution of a district, the participation of the remaining districts in the joint fund amount will be recalculated.

14. Provisions Relating Specifically to CGVSD. The provisions of this paragraph 14 shall apply only to CGVSD.

- a. Customer Billing. The City will bill all District customers on a monthly basis. Included in the billing are the monthly City Rates and such additional charges as are assessed by the District. The District is responsible for the collection of all delinquent accounts. The City will provide to the District on a monthly basis information on delinquent accounts.

- b. Emergency Call Outs. The District and the City currently have a separate agreement for emergency call out services. The terms of that separate agreement shall remain in effect and may be modified from time to time as provided in that agreement.
- c. Line Cleaning. The District is responsible for cleaning and televising its own lines and for paying the costs thereof. The City has historically reduced the amount of the Standard Uniform Rates, which amount reflects the costs not incurred by the City for cleaning and televising the District's lines. That reduction will continue to maintain the City Rates for this District.
- d. Dissolution of the District. On or before the general election to be held in November of 2012, the Board of Directors of the District shall pass a resolution approving a plan of dissolution and recommending to its voters that the plan be adopted and that the electors vote in favor of the dissolution. Any plan of dissolution will call for the transfer of sewer related assets (including sewer lines, lift stations, taps, fittings, records, video tapes, easements and rights of way) to the City of Grand Junction free and clear of any liens or encumbrances. The plan will call for the final dissolution of the District and the transfer of such sewer related assets to the City within one year of the date of the election. If the election is unsuccessful, the Directors agree to take the same matter to the voters two years later.

15. Provisions Relating Specifically to OMSD. The provisions of this paragraph 15 shall apply only to OMSD.

- a. Customer Billing. The District will continue to be responsible for billing its customers for all monthly sewer charges, including District charges and City Rate charges. The City will send to the District a single bill for all sewer charges payable to the City for customers serviced by the District based on an EQU calculation. The bill is to be received by the District by the 15th of each month and the District will pay the bill to the City by the last business day of each month. If not paid by the last business day of the month, the bill will be delinquent and will accrue interest at the rate of 9% per annum until paid. It will be the sole responsibility of the District to bill its customers. The City will not send bills to any of the individual customers of the District, except for industrial pre-treatment charges. If there are any customers within the District that require industrial pre-treatment, all pre-treatment charges will be billed separately by the City.

The amount to be billed and collected by OMSD for its single family customers as of the date of this Agreement shall be the base rate charged for other single family residential users connected to the 201 System less eight percent (8%) which represents the savings to the City in customer billing costs. OMSD Customers other than single family residents will continue to be charged by the City at the rate charged for such customers under the City Code less the per customer reduction for the billing charge at the rate calculated for single family residents.

At least once each twelve month period, the District shall provide to the City, at no cost to the City, a current customer and address list and each month the District will provide to the City a list of new connects and disconnects.

- b. Emergency Call Outs. The District and the City currently have a separate agreement for emergency call out services. The terms of that separate agreement shall remain in effect and may be modified from time to time as provided in that agreement.
- c. Line Cleaning. The District is responsible for cleaning and televising its own lines and for paying the costs thereof. The City has historically reduced the amount of the Standard Uniform Rate, which amount reflects the costs not incurred by the City for cleaning and televising the District lines. Such reductions in billing will continue to establish the City Rate for this District.
- d. District System Expansion.
  - (i) All of the area serviced by OMSD is within the 201 Service Area. No future amendment of the 201 boundary on Orchard Mesa between 30 Road and 32 Road shall be permitted without the express approval of the City, the County and OMSD. No property on Orchard Mesa east of 30 Road shall be entitled to receive sewer service unless the property is at least 2.5 acres in size, except for the following:
    - 1 properties subdivided or receiving sewer service as of July 1, 1995;
    - 2 properties currently improved with a business or residence being serviced with a septic tank system;
    - 3 any tax parcel which is currently less than 2.5 acres in size;
    - 4 any property which hold a paper tap issued by the District in exchange for granting easements for the construction of the Valle Vista line extension.
  - (ii) All plans for extensions or enlargements shall be submitted to the City for engineering review, and if the design meets City engineering standards, the City shall approve the submittal within 10 working days and no further concurrence from the City shall be required. If the City does not respond to a submittal within 10 working days, concurrence shall be presumed.
- e. Dissolution of the District. On or before the general election to be held in November of 2012, the Board of Directors of the District shall pass a resolution approving a plan of dissolution and recommending to its voters that the plan be adopted and that the electors vote in favor of the dissolution. Any plan of dissolution will call for the transfer of sewer related assets (including sewer lines, lift stations, taps, fittings, records, video tapes, easements and rights of way) to the City of Grand Junction free

and clear of any liens or encumbrances. The plan will call for the final dissolution of the District and the transfer of such sewer related assets to the City within one year of the date of the election. If the election is unsuccessful, the Directors agree to take the same matter to the voters two years later.

16. Provisions Relating Specifically to Fruitvale. The provisions of this paragraph 16 shall apply only to Fruitvale.

- a. Customer Billing. The District shall continue to bill its own customers and will remit monthly payments to the City. All billings will continue as they have been done in the past. The District applies the same EQU formula as used by the City for all properties which the District serves.

- b. Emergency Call Outs. This District will remain responsible for responding to all emergency call outs for its customers.
- c. Line Cleaning. The District will remain responsible for the periodic cleaning of its lines. Such cleaning will be done on the same basis as the District has historically performed such cleaning.
- d. Determination of City Rate. The Standard Uniform Rate will be reduced based on historic reductions to account for the services provided by the District in order to determine the City Rate.
- e. Dissolution of the District. On or before the general election to be held in November of 2008, the Board of Directors of the District shall pass a resolution approving a plan of dissolution and recommending to its voter that the plan be adopted and that the electors vote in favor of the dissolution. Any plan of dissolution will call for the transfer of sewer related assets (including sewer lines, lift stations, taps, fittings, records, video tapes, easements and rights of way) to the City of Grand Junction free and clear of any liens or encumbrances. The plan will call for the final dissolution of the District and the transfer of such assets to the City within one year of the date of the election. If the election is unsuccessful, the Directors agree to take the same matter to the voters two years later.

17. Limitation of Liability. No party shall be liable to the other(s) for any damages for failure to deliver or receive sanitary sewer discharges if such failure is due to war or civil strife, broken lines, accidents, fires, strikes, lockouts or other such occurrences beyond the reasonable control of such entity. Nothing in this Agreement is intended to waive any of the rights and privileges of the Colorado Governmental Immunity Act.

18. Term of Agreement. This Agreement shall continue for a period of 12 years from the date hereof and shall terminate at that time unless extended by the parties.

**Attachment 4  
Septic System Elimination Program**

CITY OF GRAND JUNCTION / MESA COUNTY PERSIGO SEWER SYSTEM

**Septic System Elimination Program Update**

**Summary:**

To date the Septic System Elimination Program has completed design and received bids on 15 separate districts. Of these, ten have been completed, two are under construction, one is awaiting formation, and one is awaiting a petition to circulate. Only one has failed to move forward to construction. Total allocated to the program to date is \$6,308,335 to construct 15.3 miles of sewer lines benefiting 771 properties.



Skvwav Sewer ID

**Background:**

On May 3, 2000, the Grand Junction City Council and the Mesa County Board of County Commissioners determined it was in the best interests of the community and the sewer system to establish a program to provide incentives to property owners to join together and create improvements districts to eliminate these septic systems and to write down the cost per lot for sewer infrastructure. The program is called the **Septic System Elimination Program.**

The program utilizes the creation of improvement districts to assist homeowners in financing improvements.

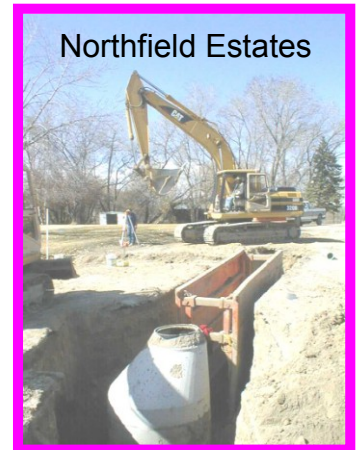
**Past Success.** Since its inception, the program has funded \$2,088,750 worth of improvements in 7 separate districts benefiting 244 properties. Funding has been through the Persigo sewer system’s existing fund balance.

Description	# of lots benefitted	Length of main constucted		
			Year	Cost
27 Rd / Marsh Lane	7	1,300	2000	\$ 83,188
Northfield Estates #2	50	7,315	2001	\$ 468,330
Columbine	67	6,378	2001	\$ 516,960
Appleton	34	3,542	2001	\$ 349,867
Manzana	8.88	498	2001	\$ 49,037
Monument Meadows	13	973	2001	\$ 60,818
Country Club Park #2	64	7,143	2001	\$ 560,550
Totals	244	27,149		\$ 2,088,750

**Current Success**

Through the Colorado Water Resources and Power Development Authority, the City has closed on a loan to fund the following projects that benefit 589 properties at a cost of \$4,518,946:





WPCRF Septic System Elimination Proj #1		Length of main required	Construction phase cost		Total Project
Description	# of lots benefitted		2002	2003	
Redlands Village South	118	9,822	\$ 742,186	\$ -	\$ 742,186
Redlands Village NW	171	14,395	\$ 1,158,007	\$ -	\$ 1,158,007
Redlands Village NE	34	3,878		\$ 294,515	\$ 294,515
Skyway	220	27,918	\$ 555,289	\$ 1,665,866	\$ 2,221,155
23 Rd and Broadway	32	3,373	Petition failed not moving forward		
South Scenic	14	1,303	\$ 103,083		\$ 103,083
Totals	589	60,689	\$ 2,558,565	\$ 1,960,381	\$ 4,518,946

### **Future Success?**

Pending initial neighborhood meetings to be held in 2003, the City may be starting design on another ten (10) districts to benefit an additional 385 homes provided a majority of those residents are interested. Throughout the year the City will receive bids from contractors on those projects, a formal petition will be created with actual costs to install the sewer, and the ten districts will decide individually whether the installation of sewers is appropriate for their area at this time. If approved construction could start in fall of 2003 provided financing is secured.

City staff has again at least “got on the list” with the Colorado Water Resources and Power Development Authority for potential loan funding of the project below. This action, by no means, requires the City/County to move forward, only leaves the option open.

The proposed project would put the sewer collection system infrastructure in place to sewer 385 properties that currently utilize septic systems.

**Based on feasibility studies, the construction cost of the projects is estimated at \$4,123,617 as shown below:**

Description	# of lots benefitted	main required	2003	2004	Project
N06 26. 5 Rd	9	1,014	\$ 107,366	\$ -	\$ 107,366
R03 N. Terrace Area	12	1,100	\$ 97,462	\$ -	\$ 97,462
N01 Galley Lane	34	5,372		\$ 406,890	\$ 406,890
N02 Music Lane	30	3,300		\$ 305,270	\$ 305,270
N03 Meandor	21	4,222		\$ 354,722	\$ 354,722
R04 Hodesha Way	39	6,315		\$ 476,319	\$ 476,319
R05 Rainbow Ranch	12	2,603		\$ 264,969	\$ 264,969
R06 Meadowlark	32	3,464		\$ 212,956	\$ 212,956
R10 S/O Broadway	127	12,771		\$ 1,225,417	\$ 1,225,417
R22/23 Red Mesa_Can	69	8,712		\$ 672,246	\$ 672,246
Totals	385	48,873	\$ 204,828	\$ 3,918,789	\$ 4,123,617

**Attached Map.** The attached map color codes and identifies the various districts and what stage in the SSEP process they are at.

**Project Benefits:**

The project **improves water quality** by eliminating septic systems from disposing household sewage into the soils surrounding beneficiaries homes and eventually into the groundwater and ultimately into the Colorado River. By removing those contaminating flows from the local groundwaters and treating them at the wastewater treatment plant, the pollution carrying capacity of the river, as calculated using total maximum daily loads (TMDLs), should increase.

The project also helps **improve public health** by eliminating the opportunity for continuation of septic system leach field failures. Leach field failures generally either surface on the ground surrounding the house or else backing up into the house and spilling sewage within the home, thus causing risks to the health of not only the occupants of the home but also neighbors.

**End**

**PROJECT: CITY OF GRAND JCT / MESA COUNTY SEPTIC SYSTEM ELIMINATION PROGRAM**

**SUBJECT: July 2, 2003 UPDATE – One page summary**

- a. **Sewer Improvement Districts – wanting initial meetings**
- **N01 / N02 / N03 Meandor Dr / Music Lane** Late July
  - **R04 / R05 / R06 / Hodesha Way Rainbow / Greenwood**  
Late August
  - **R10 South of Broadway** Late September
  - **R20 Mesa Grande / Blue Bell** Early 2004
  - **R22 / R23 Red Mesa Height / Canary Lane** Early 2004
- b. **Sewer Improvement Districts – current IDs in program**
- Under design**
- None
- Designed / awaiting bids**
- None
- Awaiting petitions**
- **R03 N. Terrace Drive** design review open house May 29, 2003
- Successful petition / awaiting formation**
- **N06 26.5 and Larkspur Area.** Neighborhood meeting handoff petition May 21, 2003
- Under construction.**
- **R12b Redlands Village Northeast** 39 properties
  - **R18 Skyway Subdivision** – 220 properties (224 EQUs)
- Awaiting Closeout / assessments**
- **R12a Redlands Village Northwest** 171 properties
  - **R19 West Scenic** - 14.44 properties
  - **R27-28 Country Club Park / Mesa Vista-** 66 properties
- c. **Sewer Improvement Districts – completed**
- **N10 Appleton**
  - **R13 Redlands Village South**
  - **R14 Columbine**
  - **N05 Northfield**
  - **R19a Manzana**
  - **R08 Monument Meadows**
- d. **Sewer Improvement Districts – designed but petition failed**

- **R18a 23 Rd S/O C340**

**If people would like more information please have them contact either:**

Trent Prall, City Utility Engineer, 244-1590

Pete Baier, Mesa County Public Works Director, 244-1689

Mesa County / City of Grand Junction  
**Septic System Elimination  
Program Update**



**July 10, 2003**



# Septic System Elimination Program Background

- **SSEP created May 3, 2000**
- **Established a program to:**
  - provide incentives to property owners to create improvements districts to eliminate these septic systems.
  - write down the cost per lot for sewer infrastructure. **30%**
- **Utilizes creation of improvement districts to assist homeowners in financing improvements.**



# Past Success

- 2000-2001 constructed these 7 districts:



Description	# of lots benefitted	Length of main constructed	Year		Cost
			Year	Cost	
27 Rd / Marsh Lane	7	1,300	2000	\$	83,188
Northfield Estates #2	50	7,315	2001	\$	468,330
Columbine	67	6,378	2001	\$	516,960
Appleton	34	3,542	2001	\$	349,867
Manzana	8.88	498	2001	\$	49,037
Monument Meadows	13	973	2001	\$	60,818
Country Club Park #2	64	7,143	2001	\$	560,350
Totals	244	27,149		\$	2,088,750

**5 miles of mains**

# Current Success

- Colorado Water Resources and Power Development Authority provided funding for the following projects:

WPCRF Septic System Elimination Proj #1			Construction phase cost		Total
Description	# of lots benefitted	Length of main required	2002	2003	Project
Redlands Village South	118	9,822	\$ 742,186	\$ -	\$ 742,186
Redlands Village NW	171	14,395	\$ 1,158,007	\$ -	\$ 1,158,007
Redlands Village NE	34	3,878		\$ 294,515	\$ 294,515
Skyway	220	27,918	\$ 555,289	\$ 1,665,866	\$ 2,221,155
23 Rd and Broadway	32	3,373	Petition failed not moving forward		
South Scenic	14	1,303	\$ 103,083		\$ 103,083
<b>Totals</b>	<b>589</b>	<b>60,689</b>	<b>\$ 2,558,565</b>	<b>\$ 1,960,381</b>	<b>\$ 4,518,946</b>

**11.5 miles of mains**

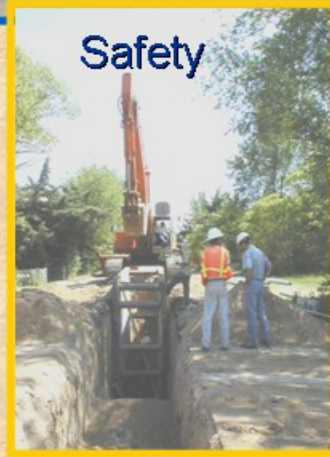




Skyway Sewer I.D.



Disruption to residents



Safety

June 3, 2003

# Future Success?

- May need additional funding for the following potential sewer improvement districts:

Description	# of lots benefitted	main required	2003	2004	Project
N06 26. 5 Rd	9	1,014	\$ 107,366	\$ -	\$ 107,366
R03 N. Terrace Area	12	1,100	\$ 97,462	\$ -	\$ 97,462
N01 Galley Lane	34	5,372		\$ 406,890	\$ 406,890
N02 Music Lane	30	3,300		\$ 305,270	\$ 305,270
N03 Meandor	21	4,222		\$ 354,722	\$ 354,722
R04 Hodesha Way	39	6,315		\$ 476,319	\$ 476,319
R05 Rainbow Ranch	12	2,603		\$ 264,969	\$ 264,969
R06 Meadowlark	32	3,464		\$ 212,956	\$ 212,956
R10 S/O Broadway	127	12,771		\$ 1,225,417	\$ 1,225,417
R22/23 Red Mesa _Canary	60	8,712		\$ 672,246	\$ 672,246
Totals	385	48,873	\$ 204,828	\$ 3,918,789	\$ 4,123,617

## SSEP Benefits



- **Improves water quality**

- Removes contaminating flows from the local groundwaters and treating them at the wastewater treatment plant.
- Pollution carrying capacity of the Colorado river, as calculated using total maximum daily loads (TMDLs), should increase.



## SSEP Benefits (cont.)

- **Improves public health**

- Leach field failures generally either surface on the ground surrounding the house or else backing up into the house and spilling sewage within the home, thus causing risks to the health of not only the occupants of the home but also neighbors.



# Currently Circulating Surveys

- **Following district is currently circulating “opinion surveys” to request the City/County to move forward with design.**

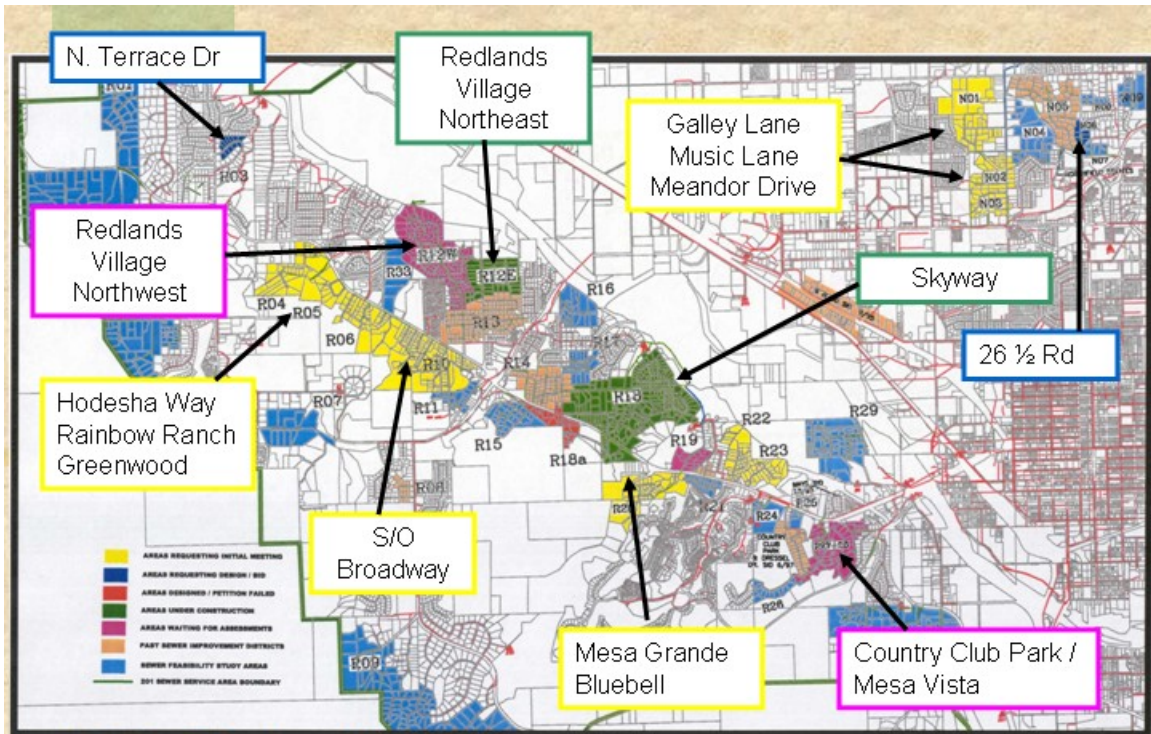
Name	Lots	Length of Pipe

## Currently requesting meetings

- **Following district is currently requesting a neighborhood meeting. After the meeting an “opinion survey” will be circulated to request the City/County to move forward with design.**

Name	Lots	Length of Pipe	Date of Meeting





**Under Design / Bid**

**Septic System Elimination Program Update  
June 6, 2003**

**Initial Meetings**

**Currently Under Construction**   **Waiting for Assessments**

**Attachment 5**  
**Public Hearing – Expanding the 201 Sewer Service Area**  
JOINT PERSIGO MEETING  
GRAND JUNCTION CITY COUNCIL  
AND  
MESA COUNTY BOARD OF COMMISSIONERS  
10 JULY 2003

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**AGENDA TOPIC:** Public Hearing – Proposal to add the 21 ½ / 22 ROADS & H ROAD AREA to the PERSIGO 201 BOUNDARY.

**ACTION REQUESTED:** Approval of the addition of the 21 ½ / 22 Roads & H Road Area to the Persigo 201 Boundary.

**PROJECT DESCRIPTION:** A request t for a boundary adjustment of the 201 Area to include properties generally zoned for commercial and industrial uses.

**RECOMMENDATION:** Approval of the boundary adjustment and direction to staff to prepare a joint resolution for adoption at a later date.

**BACKGROUND**

**October 14, 2001 Joint Persigo Meeting:** Staff was directed to conduct initial analysis of the 21 ½ and H Roads, and 22 and H Road commercial / industrial area for potential inclusion on the 201 boundary.

**April 24, 2003 Joint Persigo Meeting:** A bus tour of the area was conducted prior to the meeting. Information on zoning, current land use, future land use, drainage basins, and sewer capacities was requested and was presented to the Board and Council and is included in this report. Staff was directed to proceed with notification to affected property owners of a public hearing on the proposal to add the area to the 201 boundary.

**June 18, 2003 Neighborhood Meeting:** City and County staff conducted an informational meeting for affected property owners (24 parcels) on the proposed addition to the 201 area. Seventeen people attended the meeting and were given a summary of the proposal, the process, and the potential costs and mechanism to create local improvement districts.



**Notice** of the public hearing was mailed to property owners within the area between 21 and 22 Roads and adjacent to 22 Road area being considered for inclusion in the 201. Letters to area property owners also included a request that owners notify the staff if the owner has any documentation indicating their zoning is different from what County records indicate. Staff has received no responses to this request.

There is a 30-day notice requirement for 201 amendment public hearings in the City Wastewater Regulations (excerpt follows):

*(f) Limits of the 201 area*

*Any person desiring that the boundary of the 201 service area be modified including a political subdivision, shall begin by making application to the manager. The application shall include .....*

*Upon the determination by the manager that the information supplied is sufficient to make an informed decision on the request for modification, the manager shall schedule a public hearing thereon with prior notice of such hearing to be published at least twice, 30 days prior to such hearing.*

The July 10 meeting may include discussion and comment, but a formal decision will have to be made at a later date per the above notice requirements via a joint resolution of both the City and the County .

**ANALYSIS**

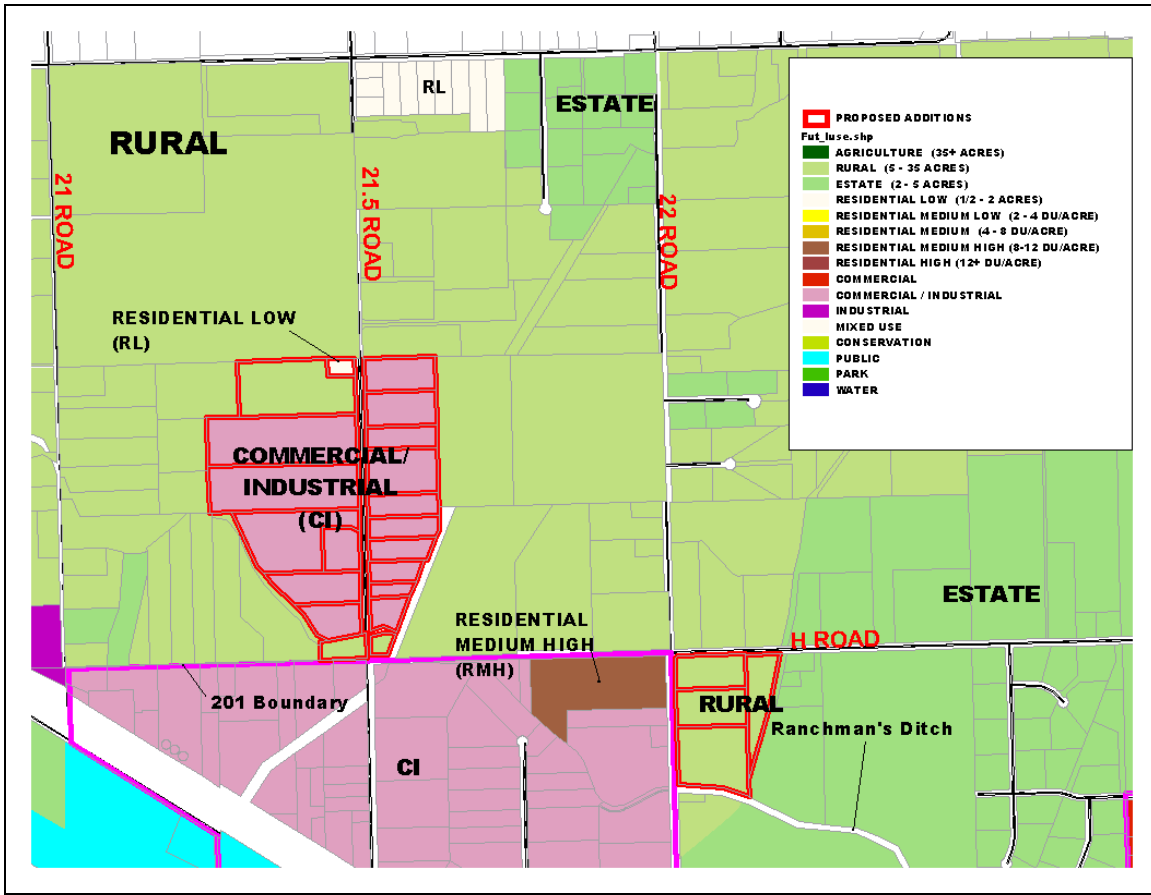
The proposed boundary adjustment includes two separate areas with a total of 110 acres comprised of 24 parcels. The larger area is on both sides of 22 ½ Road north of H Road (89 acres, 20 parcels). The smaller area (21 acres) is on the east side of 22 Road south of 22 Road.

Future Land Use Designation in Grand Junction Growth Plan and Mesa Countywide Land Use Plan.

<b>Future Land Use</b>	<b>Acres</b>	<b>Parcels</b>
Commercial/Industrial	75	16
Rural	34	7
Residential Low (1/2 to 2 acre)	1	1

# PROPOSED 201 BOUNDARY ADJUSTMENT

## FUTURE LAND USE DESIGNATION



Current Zoning of Properties

**21 1/2 Road**

Properties north of H Road on 21 1/2 Road to about H 1/2 Rd are primarily zoned Planned Unit Development or Planned Commercial (PUD) for commercial and light industrial uses. These properties were rezoned from AFT to PUD/PC and subdivided as follows:

- 1981 – River View Commercial Subdivision
- 1981 – E & C Commercial Park Subdivision
- 1995 – Ferris Commercial Parks Subdivision
- 1997 – KN Energy Park PUD
- 1999 – Nelson PUD
- 2000 – Kipp Simple Land Division
- 2001 – Jobsite PUD

Two parcels at the northwest and northeast corners of H and 21 1/2 Roads and two parcels on the west side of 21 1/2 Road immediately south of the H 1/2 Road alignment are zoned AFT.

**22 Road**

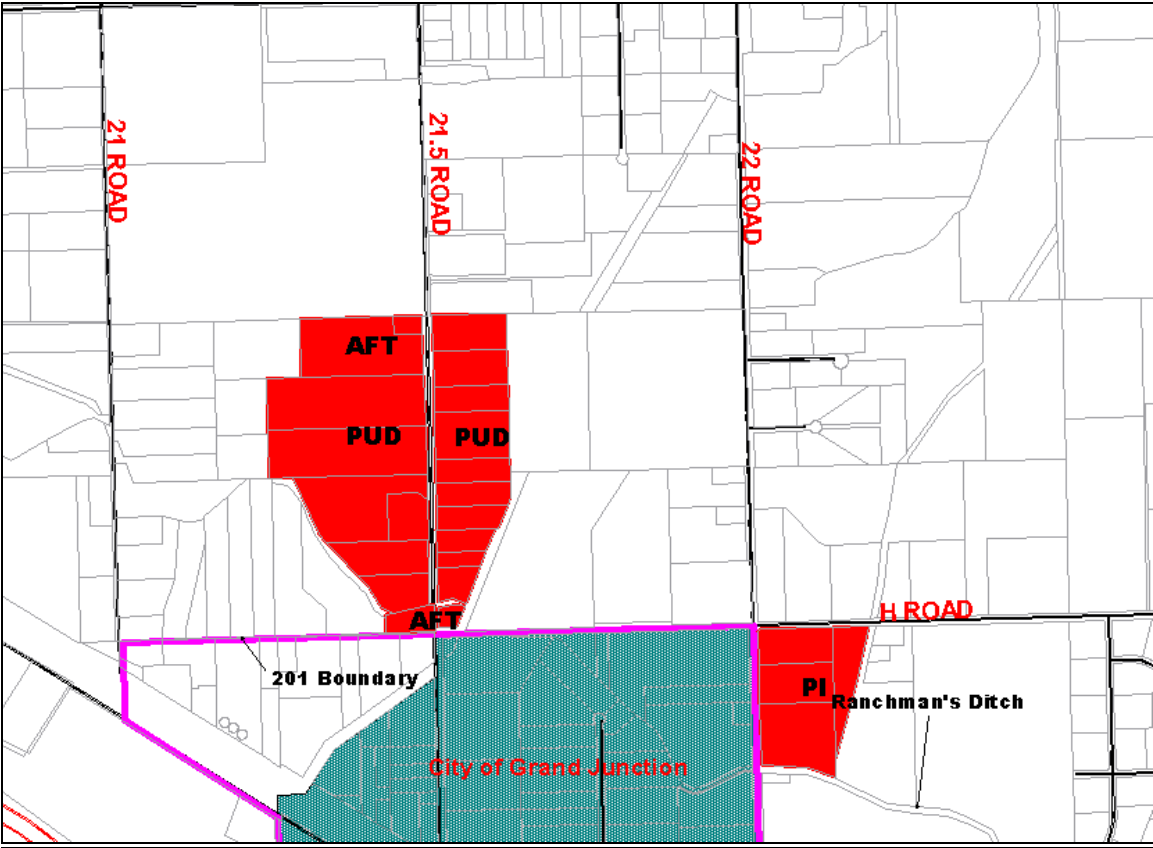
Properties on the east side of 22 Rd south of H Road are zoned Planned Industrial. The properties were rezoned from AFT to PI and subdivided as follows:

- 1981 – W. R. Hall Industrial PI rezone
- 1983 – T.I.C. Industrial Park
- 1984 – Swanson PUD

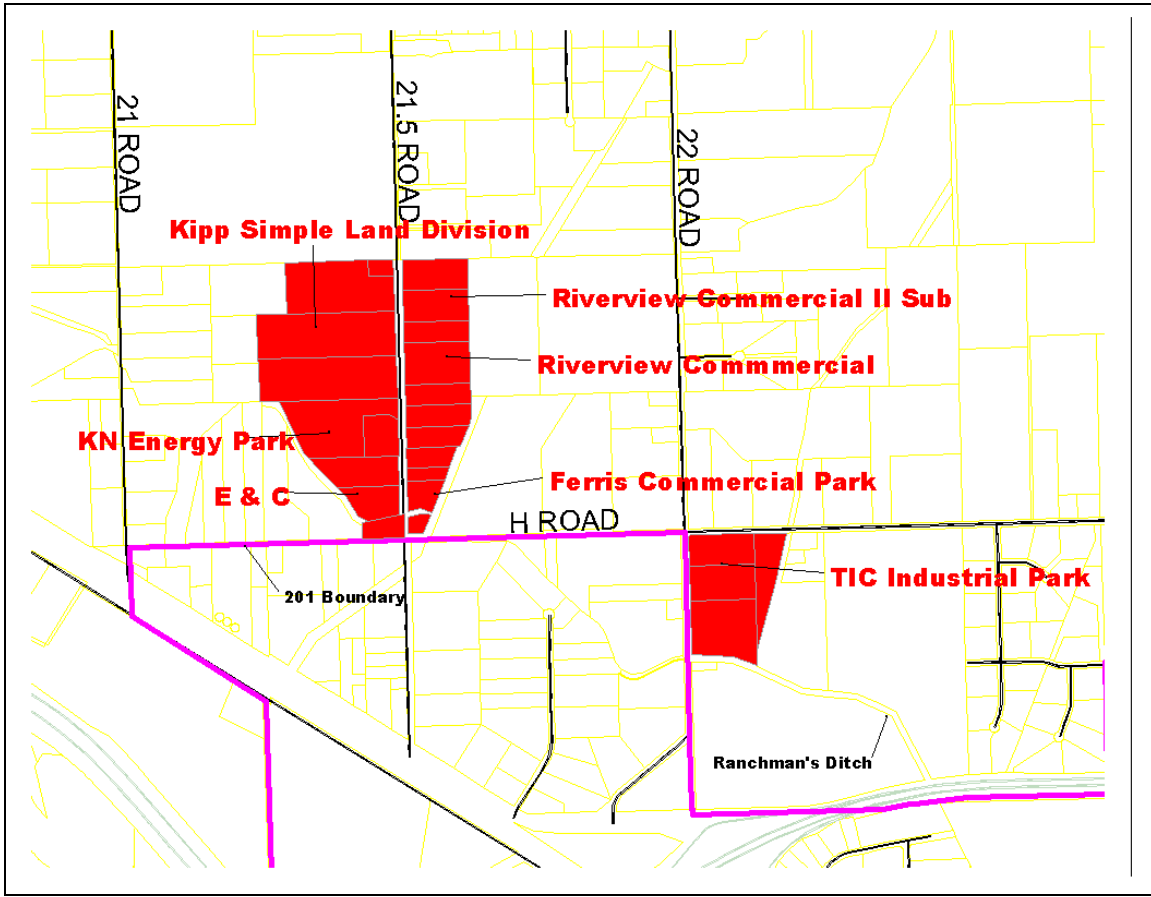
<b>Zone District</b>	<b>Acres</b>	<b># of Parcels</b>
PUD / PC <i>(Along 21 1/2 Rd)</i>	75	16
PI (Planned Industrial) <i>(22 and H Rd)</i>	21	4
AFT	14	4

**PROPOSED 201 BOUNDARY ADJUSTMENT**

**ZONING**



**PROPOSED 201 BOUNDARY ADJUSTMENT  
PLATTED  
SUBDIVISIONS**

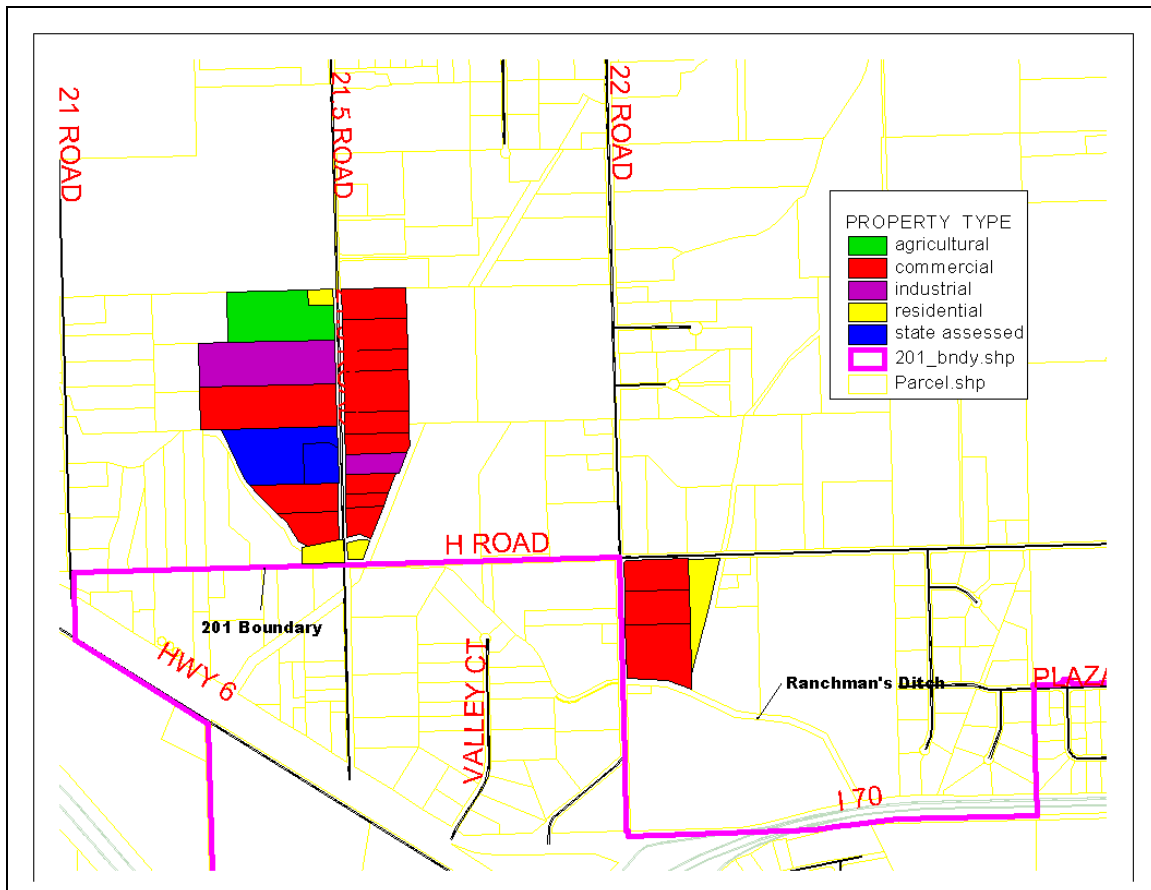


## Current Use of Properties

The Mesa County Assessor's office has classified the property types (current land use) of the proposed area to be added to the 201 area as follows:

Property Type	Acres	# of Parcels
Agriculture	11	1
Commercial	65	15
Industrial	15	2
Residential	7	4
State Assessed (Oil and Gas)	12	2

### PROPOSED 201 BOUNDARY ADJUSTMENT ASSESSOR'S PROPERTY TYPE CLASSIFICATION



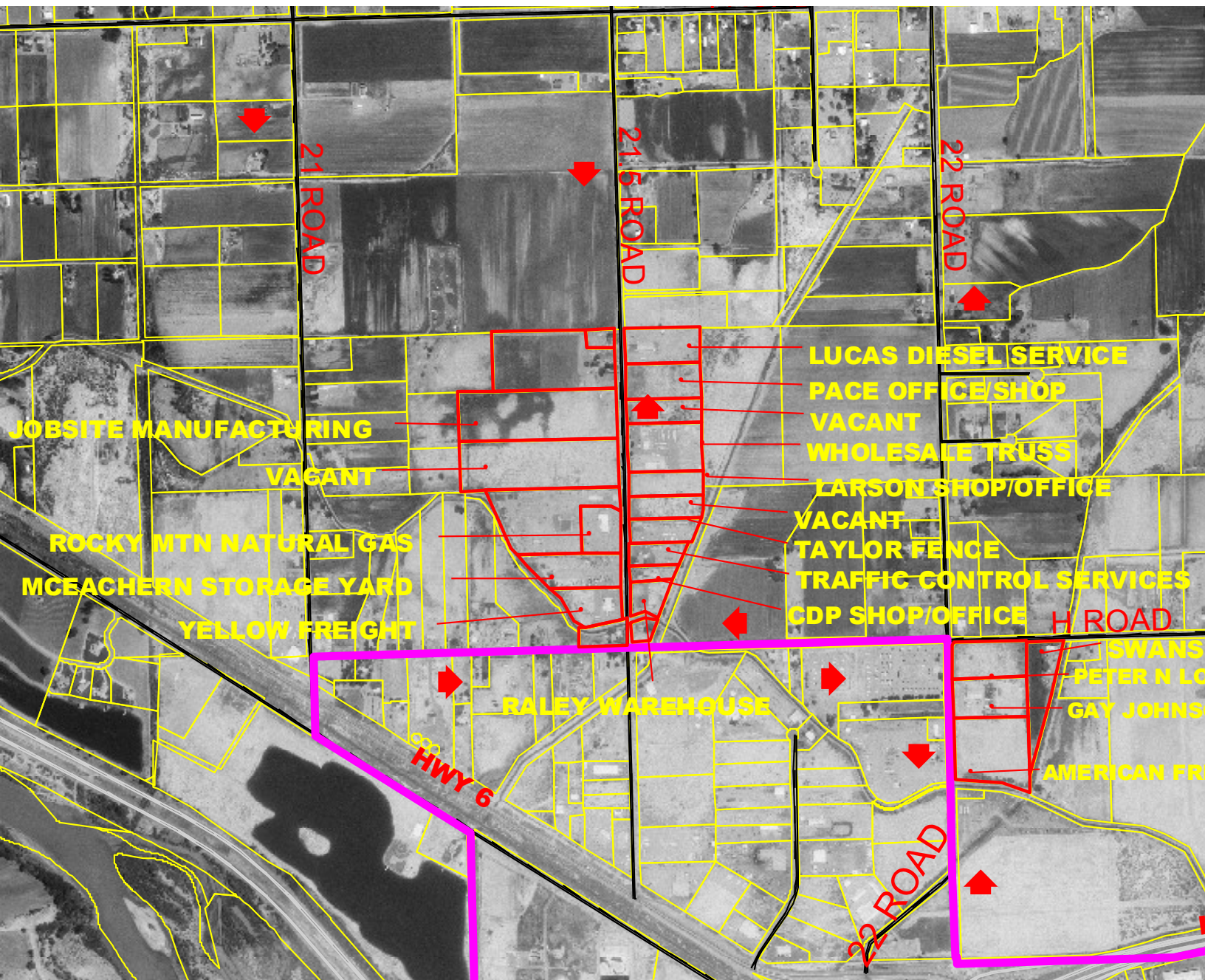
## **PERSIGO AGREEMENT**

If the 201 boundary is expanded:

1. Connection to the Persigo sewer system will be required for development of vacant properties and redevelopment of existing businesses pursuant to applicable County and City Codes unless a variance is granted per the regulations, and
2. annexation to the City of Grand Junction will be required for future development of vacant properties and redevelopment or expansion of existing businesses pursuant to the definition of annexable development in the Persigo Agreement.

## **CONCLUSIONS/RECOMMENDATION:**

1. The area can be serviced by sewer (see attached memorandum from Trent Prall, City Utility Engineer).
2. Based on the staff analysis the area would:
  - a. not qualify for any “Trunk Line Extension” funds per the requirements adopted previously by the Council and Commissioners.
  - b. be eligible for the Septic System Elimination Program only if deemed appropriate by the Council and Board, and
  - c. require creation of an improvement district to fund construction of sewer.
3. Approval of the boundary adjustment and direction to staff to prepare a joint resolution for adoption at a later date.





## Memorandum

Date: April 15, 2003

To: Mark Relph, Public Works and Utilities Director  
Greg Trainor, City Utility Manager  
Bob Blanchard, Community Development Director  
Keith Fife, Mesa County Long Range Planning

From: Trent Prall, City Utility Engineer

**Project: 21 ½ Rd and 22 Rd Commercial Areas**  
**Subject: Sewer Feasibility**

### **Executive Summary**

Sewer can be extended north into the area along 21 ½ Rd at a cost between \$225,000 and \$300,000. Sewer can be extended into the area east of 22 Rd at a cost between \$153,000 and \$206,000.

If any of these areas are to be considered for inclusion into the 201 Sewer Service Area, then staff suggests that the Policy Makers consider the following issues:

1. Inclusion into the 201 Area requires development to connect to the Persigo System, unless a variance is granted per the regulations. It does not necessarily provide opportunities for the System to fund any portion of new sewer line construction.
2. The construction of sewer in this specific area would likely occur under an improvement district. This area would not qualify for any "Trunk Line Extension" funds per the requirements adopted previously by the Council and Commissioners.
3. If this area was to be considered for an improvement district, then the Policy Makers would have to decide if any subsidy is appropriate. If so determined, a new policy would likely have to be considered along with a review of the impacts to the sewer rates.

The current Septic System Elimination Program (SSEP) was structured towards the existing residential septic systems within the 201 Boundary with a subsidy of 30% of the construction costs. Staff has assumed this particular area being considered would not be eligible for the SSEP.

4. The Policy Makers may want to consider making the inclusion of this area dependent upon the return of a successful petition by the property owners for a sewer improvement district.
5. Staff would recommend that the cost for any improvement district should be based on \$/acreage in order to fairly assess costs to the commercial beneficiaries.

### **General Background**

In October 2002, Mesa County planning staff requested the City Council and Board of County Commissioners to consider adding two commercial areas into the Persigo WWTP 201 Service Boundary. Staff was authorized that the area warranted further study and to summarize recommendations at a future joint meeting of the Council and the Board. The

analysis below covers the physical aspects associated with adding the commercial areas to the 201.

**Funding Analysis**

If the subject areas were formally added to the 201, sewer lines could then be constructed to serve the areas. The 75 acre commercial area along 21 1/2 Rd is comprised of 16 properties. Sewer to this area would cost between \$225,000 and \$300,000. The 21 acre commercial area east of 22 Rd is made up of 4 properties. To add the areas would cost between \$153,000 and \$206,000.

*Sewer Improvement Districts.* Sewer IDs have become a very popular mechanism for financing sewer improvements to areas. Since the inception of the Septic System Elimination Program (SSEP) in May of 2000, 14 sewer improvement districts have been formed bringing sewer to over 800 homes. If a sewer improvement district was proposed the costs could evenly be distributed over the benefiting properties either on \$/lot or \$/acre cost. The table below depicts the costs of the improvements without the 30% SSEP subsidy which is discussed later.

Area	Cost for sewer	# of lots	Cost per lot	# of acres	Cost per acre
21 1/2 Rd Commercial	\$ 275,000	16	\$ 17,188	75	\$ 3,667
22 Rd Commercial	\$ 185,000	4	\$ 46,250	21	\$ 8,810

*Trunk Extension Fund.* One common misconception would be for the sewer trunk extension fund to pay for the sewer line. This fund is reserved for sewer lines that serve much larger basins than the one that would be served by this sewer line. There are a number of parameters governing the use of the fund when it was established by City and County resolution in 1993. (City Resolution 47-93 / County 93-118). The parameters include: A. line must be shown on 1992 HDR Basin Study, B. trunk line must be located in an area of the 201 Sewer service area that is developed or developing; C. At least 15% of the total cost of the trunk line shall be committed by property owners within the basin; and D. The financial objective of the sewer fund shall be to collect sufficient fees to recover trunk line construction costs and finance further trunk line projects.

Trunk Line Ext Fund Parameter	21.5 Rd	22 Rd
A. Shown on 1992 HDR Study	NO	NO
B. Must be located in 201 in developed or developing area	Could add / developed	Could add / developed
C. 15% of total cost committed by property owners	Possibly	Possibly
D. Self-sustaining revenues	NO	NO

The basin that would serve the facility does not qualify as a trunk.

**Other Considerations.**

**A. Expansion of 201 System Boundaries / Capacity issues.** The addition of more area than just the commercial properties would require further system evaluation than has been completed to date. A “mass balance” would need to be completed for the 201 to ensure that it has adequate reserve capacity to accept the additional demand that would be placed on the system. However for just the anticipated 20-35 EQUs

generated from the two commercial areas, staff is comfortable accepting that relatively small amount of flow due to recent private developments generating less flow than originally zoned and planned into the 201.

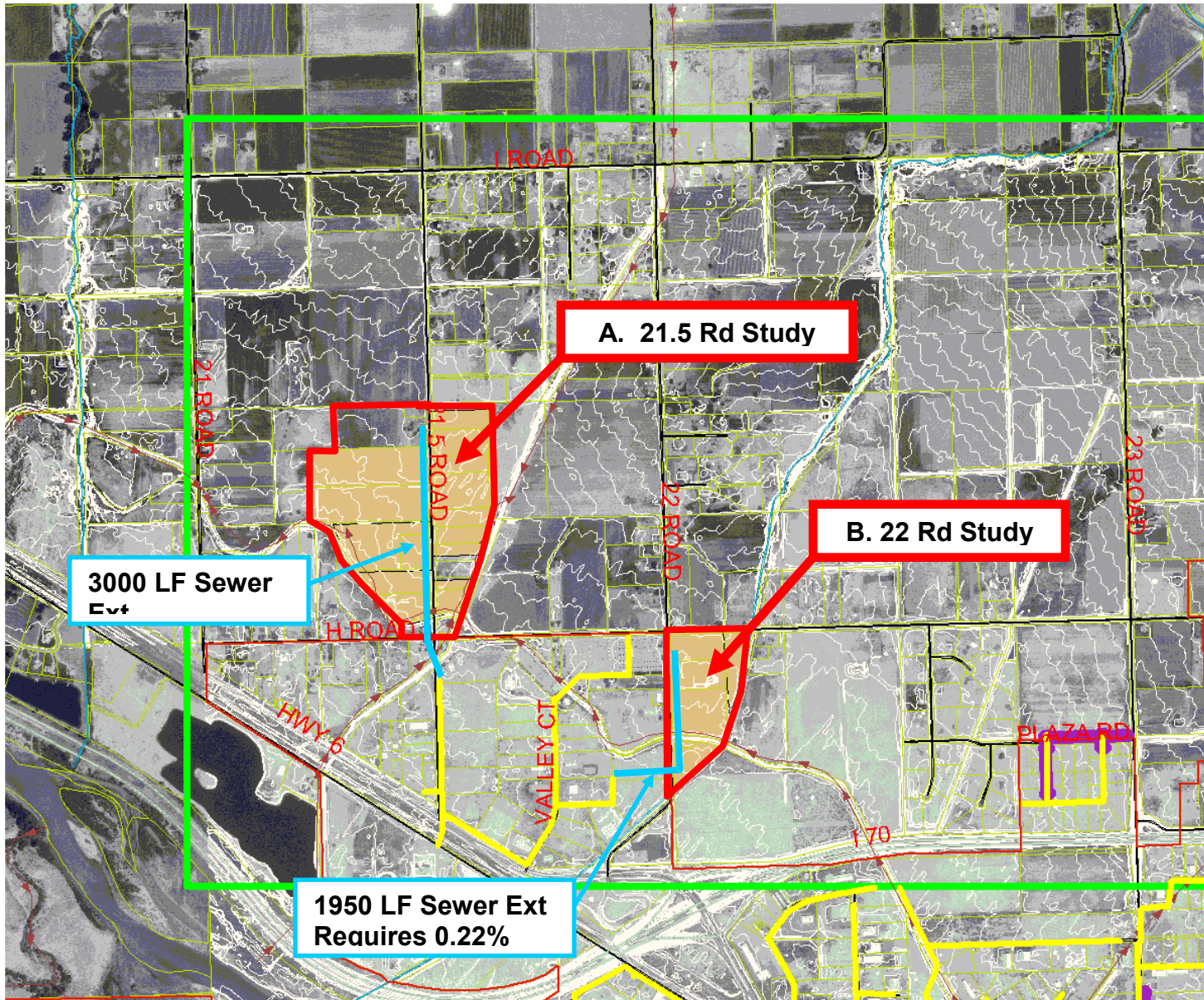
**B. Outside 201 System / Eligibility for Septic System Elimination Program (SSEP).**

One other issue is whether a property owner outside the 201 should be eligible for the 30% SSEP subsidy if they were to form an improvement district. Further complicating the discussion, one would include the fact that the SSEP was developed to assist existing residential areas, already within the 201 boundary, form sewer improvement districts.

As these areas are commercial and outside the 201 boundary, one could argue that they would not be eligible for a 30% subsidy.

The net impact on the sewer fund would be between \$114,000 and \$151,000 to pay 30% of the cost of extending sewer service to the commercial areas. These funds are not budgeted as part of the current SSEP and therefore are not included in the current rate structure

file: 21\_5 Rd Sewer Feasibility



**From:** "Bob Blanchard" <bobb1@ci.grandjct.co.us>  
**To:** <Gddplastic@aol.com>, <klarsen@co.mesa.co.us>  
**Date:** Tue, Jun 10, 2003 8:58 AM  
**Subject:** Re: Landowner Against Persigo 201 Extension Up 21 1/2 Road

Mr Dawson:

Thanks for your email.....we will make sure that your comments are included with any staff report submitted to the Council and Commissioners at the July meeting.

>>> <Gddplastic@aol.com> 06/09/03 09:04PM >>>  
Mr. Larsen and Mr. Blanchard,.

I received notice today of the "proposed" extension of the sewer services past the Persigo 201 boundary. This proposed extension of the sewer services is a blatant attempt by the City of Grand Junction to annex the properties from H Road North on 21 1/2 Road. I moved my family to our residence at 2150 H Road ten years ago, knowing that we would be outside the City of Grand Junction. We are against the city proposed additions to the Persigo 201 Sewer Service Area. Your proposal would create more "Urban Sprawl" and adversely effect our community. I want my comments, contained in this email, to be noted in your report with this proposal. I plan to attend the meeting on June 18 and July 10, 2003. Please Keep me informed as to any changes in the meeting dates.

Sincerely,  
Michael Dawson  
2150 H Road  
Grand Junction, CO 81505  
(970) 270-0553 Cell.

**CC:** <KFife@co.mesa.co.us>



**From:** <jan.den@juno.com>  
**To:** <klarsen@co.mesa.us>  
**Date:** 6/11/03 7:12PM  
**Subject:** Persigo 201 boundary

Mr. Larsen and Mr. Blanchard,

After receiving notice of the "proposed" extension of the sewer services, I am very concerned. This proposed extension of the sewer services is just a way for the City of Grand Junction to get the properties from H Road North of 21 1/2 road into their tax zone. Businesses such as Ace Insulation, Oakleaf Trucking, ect., moved out of city because of city taxes, which has created heavier traffic, trucks and their Jake Brakes and speeders and racers on 21 1/2 road. (this is a 45 MPH road) Yellow Freight has created noise late in evening and as early as 2:00am Monday mornings and yard lights shine quite a distance. Now the city wants to add more rules and taxes to what we are putting up with already.

We have lived on this property since 1971, over 30 years knowing that we were well out of the City of Grand Junction. Lived here before any fire protection covered by Grand Junction or Fruita, watched a home burn down because it wasn't in either district. We are very much against the city proposed additions of the Persigo 201 Sewer Service Area. City wanting our home in this action is ridiculous. On the South side of H Road (in city limits) they are yet to get sewer, was told that a substation had to be built to take them in. What is the city's point of extension except for taxes purposes?

If anything goes thru, we are asking for the "Grandfather's Act", if it is the one which to our understanding is that everything on the property does not have to be changed in any way or removed. This would include animals, vehicles and anything on this property.

Please send information telling us as a home owner what the advantages are, and what the disadvantages are concerning this proposal? Am waiting for your reply.

I want my comments contained in this e-mail, to be noted in your report with this proposal. We are planning on attending the meetings on June 18 and July 10, 2003. Please keep us informed as to any changes in the meeting dates.

Sincerely,

Jane Denton

1/2 Rd.

Junction, Colorado 81505

(970)242-7052

Louie and

802 21

Grand

**CC:** <bobbl@ci.grandjct.co.us>

**Attachment 6  
Mayors Letter of 2002**

Board of Commissioners

NOV 12 2002



City of Grand Junction, Colorado  
250 North 5<sup>th</sup> Street  
81501-2668  
Phone: (970) 244-1501  
FAX: (970) 244-1456

November 8, 2002

Kathy Hall  
Mesa County Chairman  
Board of Commissioners  
P.O. Box 20,000  
Grand Junction, CO 81502-5010

Dear Kathy,

Since our annual meeting on the Persigo agreement and with the upcoming follow-up meeting, City Council has been discussing some of the relevant issues for the follow-up meeting. It's led us to three basic questions that we would like the County Commissioners to consider and respond. The questions are:

1. What does the County believe the City's role should be when there are development applications in the Joint Urban Planning Area that are inconsistent with the Growth Plan or that request a change in zone?
2. Will the County support new commercial development in the Joint Urban Planning Area on parcels that were not commercially zoned prior to the Persigo Agreement being adopted?
3. What is the appropriate method of resolution when the City and County disagree on interpretation of any portion of the Persigo agreement and how should that method of resolution be triggered?

We sincerely want to make sure that the Persigo Agreement works for both the City and County, and we have no desire to re-open the entire agreement. Having these answers should lead us to a better understanding of how we can make the agreement work better in the future. We hope you will take time to think about our questions so we can discuss them at the November 21<sup>st</sup> workshop.

Again, thank you for your patience and diligence as we work through some of the intricacies of the Persigo Agreement.

Sincerely,

A handwritten signature in cursive script that reads "Cindy Enos-Martinez".

Cindy Enos-Martinez  
Mayor

CC: County Commissioners  
City Council