

**GRAND JUNCTION CITY COUNCIL
WORKSHOP AGENDA**

**MONDAY, SEPTEMBER 18, 2006, 7:00 PM
CITY HALL AUDITORIUM, 250 N. 5TH STREET**

MAYOR'S INTRODUCTION AND WELCOME

7:00 COUNCILMEMBER REPORTS

7:20 CITY MANAGER'S REPORT

7:25 REVIEW OF FUTURE WORKSHOP AGENDAS [*Attach W-1*](#)

7:35 REVIEW WEDNESDAY COUNCIL AGENDA

7:40 RIVERSIDE PARKWAY: Phase III Update: This section includes the Riverside Parkway interchange with US-50 Highway (5th Street) and includes the construction of 3 new bridges plus the widening of the existing Colorado River bridges on 5th Street. [*Attach W-2*](#)

8:15 REVIEW CITY'S POLICY OF LEASING SURPLUS RESERVOIR WATER: Any excess or supplemental water is leased through a bidding process. Staff will review with Council at the Workshop a review of past bidding practices, the specifics of the current policy, and look for any Council comments or direction. [*Attach W-3*](#)

ADJOURN

Attach W-1
Future Workshop Agendas

FUTURE CITY COUNCIL WORKSHOP AGENDAS

(13 September 2006)

OCTOBER 2006

↪ **OCTOBER 2, MONDAY 11:30 AM at Two Rivers Convention Center**

11:30 ANNUAL MEETING WITH THE PLANNING COMMISSION

↪ **OCTOBER 2, MONDAY 7:00PM in the City Hall Auditorium**

7:00 INTRODUCTION OF NEW EMPLOYEES

7:20 COUNCIL REPORTS, REVIEW WEDNESDAY AGENDA AND FUTURE WORKSHOP AGENDAS

7:35 CITY MANAGER'S REPORT

7:40 APPOINTMENTS TO BOARDS & COMMISSIONS

7:45 UPDATE ON TABOR DISCUSSION FROM PRIOR WORKSHOP

↪ **OCTOBER 16, MONDAY 11:30 AM in the Administration Conference Room**

11:30 TAX INCREMENT FINANCING: Proposal to offer additional TIF (DDA) bonds

↪ **OCTOBER 16, MONDAY 7:00PM in the City Hall Auditorium**

7:00 INTRODUCTION OF NEW EMPLOYEES

7:20 COUNCIL REPORTS, REVIEW WEDNESDAY AGENDA AND FUTURE WORKSHOP AGENDAS

7:35 CITY MANAGER'S REPORT

7:40 ANNUAL WATER ISSUES UPDATE WITH JIM LOCHHEAD

7:50 REVIEW THE STATUS/IMPACT OF CURRENT CONSTRUCTION COSTS AND BALANCING THE CITY'S CAPITAL IMPROVEMENT PROGRAM

↪ **OCTOBER 30, MONDAY 11:30 AM at Two Rivers Convention Ctr.**

11:30 ANNUAL MEETING WITH SCHOOL DISTRICT 51 BOARD OF EDUCATION

↪ **OCTOBER 30, MONDAY 7:00PM in the City Hall Auditorium**

7:00 COUNCIL REPORTS, REVIEW WEDNESDAY AGENDA AND FUTURE WORKSHOP AGENDAS

7:25 CITY MANAGER'S REPORT

7:30 APPOINTMENTS TO BOARDS & COMMISSIONS

7:35 UPDATE & REVIEW OF THE CITY'S 2006/7 BUDGET

NOVEMBER 2006

✕ ✕ NOVEMBER 6, MONDAY 11:30 AM at Two Rivers Convention Ctr.

11:30 STRATEGIC PLAN TEAM MEETS WITH KEZZIAH-WATKINS TO REVIEW
THEIR ROUNDTABLE DISCUSSION GUIDE (Roundtable
Discussions to be held November 6, 7 & 8)

↳ NOVEMBER 13, MONDAY 11:30 AM

11:30 OPEN

↳ NOVEMBER 13, MONDAY 7:00PM in the City Hall Auditorium

7:00 COUNCIL REPORTS, REVIEW WEDNESDAY AGENDA AND FUTURE
WORKSHOP AGENDAS

7:25 CITY MANAGER'S REPORT

7:30 APPOINTMENTS TO BOARDS & COMMISSIONS

7:35 US FOREST SERVICE PRESENTS THEIR HAZARD ASSESSMENT
REPORT

↻ BIN LIST ↻

1. RIVERSIDE PARKWAY PROPERTY REMNANTS: Update & Review
2. ASPEN AREA "GREEN" PROJECTS/CITY ENERGY CONSERVATION PROGRAMS
3. BOTANICAL GARDENS REQUEST – see attached letter
4. PROPOSED CHARTER AMENDMENTS

2006 Department Presentations to City Council

1. Administrative Services? (GIS) *Geographic Information System* _____

Request from Botanical
Gardens



RECEIVED

AUG 24 2006

August 22, 2006

City of Grand Junction
Attention: David Varley, Acting City Manager
Tim Moore, Public Works Manager
Mayor and City Council
250 North 5th Street
Grand Junction, CO 81501

Dear Mr. Varley, Mr. Moore, Mayor and Council Members:

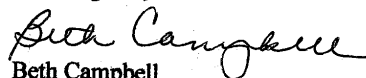
Thank you David and Tim for meeting with Bob Suydam, Bennett Boeschstein and me today to discuss the on-going difficulties we are encountering at the Gardens.

In January of this year we presented you with a Plan of Action which enumerated specific actions we were prepared to undertake in an effort to turn things around. That plan is enclosed along with a list of steps we have taken in the last 8 months to implement those ideas. Also included is a page showing our Fundraiser Profitability, a statement of our current financial status as of 8/21/06 and a pro forma analysis of our annual deficit. Finally, I have included an appeal to the City suggesting ways the City might be able help in order to keep us from closing our doors.

We come to you as an extremely dedicated 13 member, very hard-working Board asking that you consider our appeal for the long term. The band-aid, stop-gap measures can no longer sustain us. Our bare bones staff works from paycheck to paycheck. We would like for you to seriously consider including the Gardens in the long-term plan for Las Colonias Park perhaps extending the park westward to encompass WCBG.

We would very much like to meet with Council and David Varley in the near future to discuss all of this. Thank you for all of your past and on-going support, and thanks for your consideration.

Best Regards,


Beth Campbell
President, Board of Directors

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WESTERN COLORADO BOTANICAL GARDENS

PLAN OF ACTION

JANUARY 30, 2006

- Assemble a group of community leaders from corporations, government entities, colleges, and businesses etc. to create a “think-tank” to meet with our board monthly for 1 or 2 months. We would seek from them, not funding, but their ideas, expertise and experience-driven suggestions, regarding making our Gardens fiscally stable.
- Concentrate on securing sufficient operational funding to hire an Executive Director whose skills and experience focus on fundraising, grant writing and promotional activities.
- Establish and maintain a collaborative relationship with western slope energy agencies.
- Establish and maintain a collaborative relationship with the Riverfront Commission for ongoing development.
- Initiate a valley-wide membership drive with incentives (with emphasis on corporate/business memberships.)
- Continue to write grants for projects, programs and operating funds to “grow the Gardens”.
- Seek local sponsors/underwriters for concerts and special events.
- Increase the number and sophistication of classes offered to children and adults.
- Expand our Young Naturalists Camp offerings.
- Expand the number and variety of concerts and special events we present in our amphitheater.
- Promote more extensively our facilities rental options.

**Western Colorado Botanical Gardens
Meeting with David Varley,
Acting City Manager
Grand Junction, CO
August 22, 2006**

The Western Colorado Botanical Gardens presented a "Plan of Action" to City Manager Kelly Arnold and City Council on January 30, 2006, proposing specific steps WCBG would initiate to try to turn its dismal financial situation around.

In the ensuing 8 months, WCBG has addressed the following items on that list:

- Two Board members are writing grants to raise funds to complete projects and to seek operational funding
- We have analyzed our fundraising profitability (8/06) and will eliminate and/or change projects with profitability of less than 50%
- One Board member has established a relationship with western slope energy agencies
- We have established a relationship and had several meetings with Jim Shanks with the Riverside Parkway
- We have kicked off our membership drive "2007 Members in 2007"
- We have approached Wells Fargo Bank, Bank of the West and will speak with 1st National Bank of the Rockies on 9/13 regarding sponsorships/support
- Our education committee has planned classes to be offered in October and November, with proposed classes to be offered late winter through early spring.
- Our Education Committee has solicited input from our Young Naturalist Camp instructor in order to improve and expand our day camp series for next summer
- We will expand the variety and notoriety of performers in our Summer Music at the Gardens concert series (and raise admission prices accordingly) as well as add a diversity of offerings, such as dance and comedy
- We continue to promote facilities rentals on KNZZ and KAFM spots

**Western Colorado Botanical Gardens
Fundraiser Profitability
August 2006**

<u>Event</u>	<u>Profitability (Approx.)</u>
Easter Egg Hunt	70%
No Show Snowball	95-97%
Concerts	15%
Young Naturalist Camp	20%
Classes	60%
Rentals	100%
Bloomin' Deals	50-60%
Garden Tour	98%
Annual Appeal	95%
Garden Art Auction	33%

Western Colorado Botanical Gardens
 Pro Forma Financials
 August 22, 2006

Revenues	Annual Amount
Admissions	21,000
Memberships	22,000
Unrestricted Contributions	45,000
Fundraisers	19,000
Summer Concert Series	13,000
Restricted Contributions	20,000
Education Programs	1,145
Other Income	3,047
Gift Shop	28,750
	<u>172,942</u>
Expenses	
Gift Shop - Cost of Goods Sold	15,825
Butterflies and plants	7,200
Utilities	25,250
Repairs & Maintenance	15,000
Insurance	7,000
Fundraising/Event Costs	9,500
Summer Concert Series	8,600
Education Programs	625
Salaries & Benefits	165,525 *Note
Licenses/Permits/Professional Fees	7,875
Interest Expense	9,200
Supplies & Miscellaneous	6,100
	<u>277,700</u>
Annualized Net Income	<u>(104,758)</u>

*Note: Salaries include current staff of one full-time and one part-time (30 Hours/week), and three part-time (8 hours/week) employees. In addition, we need to hire an Executive Director (estimate \$50K) a Groundskeeper (estimate \$30K), and part-time Volunteer Coordinator, Education Coordinator and Marketing coordinator (estimate \$25K for all three).

Western Colorado Botanical Gardens Summary of Financial Position

As of August 21, 2006

Cash on Hand: \$6,067.49

Phone Bill -	\$ 331
Internet Service -	30
Employee Health Insurance -	262
Payroll for period of 8/16 through 8/31 -	2,300
Butterflies -	310
Xcel Energy -	1,100
Concert on 9/13/06 -	200
Wells Fargo Loan Payment -	1,237.75
Payroll Taxes for August -	<u>985.02</u>
 Bills that must be paid	 \$6,755.77

We are @ \$700 short in being able to pay current bills. This also shows that we do not have funds to pay payroll starting on 9/1/06.

What this does not take into consideration is projected cash in-flow. Dependent on the daily income from the gift shop and memberships, as well as concert income on 8/25/06, will determine if salaries can be paid beyond 9/1/06.

As of 8/21/06, the Gardens owes a total of \$22,235 in Accounts Payable. Of that amount, \$11,117 is past due with \$1,297 at 60 days or greater past due; \$3,995 at 30 to 59 days past due; and the remainder, \$5,825 is aging at 1 to 29 days past due.

In addition, the Gardens currently has a Loan payable with Wells Fargo bank at approximately \$109,000. This payment is due on the 20th of each month and is \$1,237.75.

APPEAL TO THE CITY OF GRAND JUNCTION FOR CONSIDERATION
August 2006

We (WCBG) request the following for consideration by the City of Grand Junction:

- Relieve us of our utility bills, including the city bathroom
- Put us under the Parks and Recreation umbrella, possibly by extending Las Colonias Park west to include our property and Watson Island which would increase our visitorship and visibility while promoting south downtown revitalization
- Include our fundraisers in City publications/promotions
- Provide us with an Executive Director
- Request City Council participation on our Board of Directors
- Flush the VorTechnix system bi-annually
- Provide signage on 5th Street, 7th Street and Struthers Avenue

Possible Scenarios at this point in time:

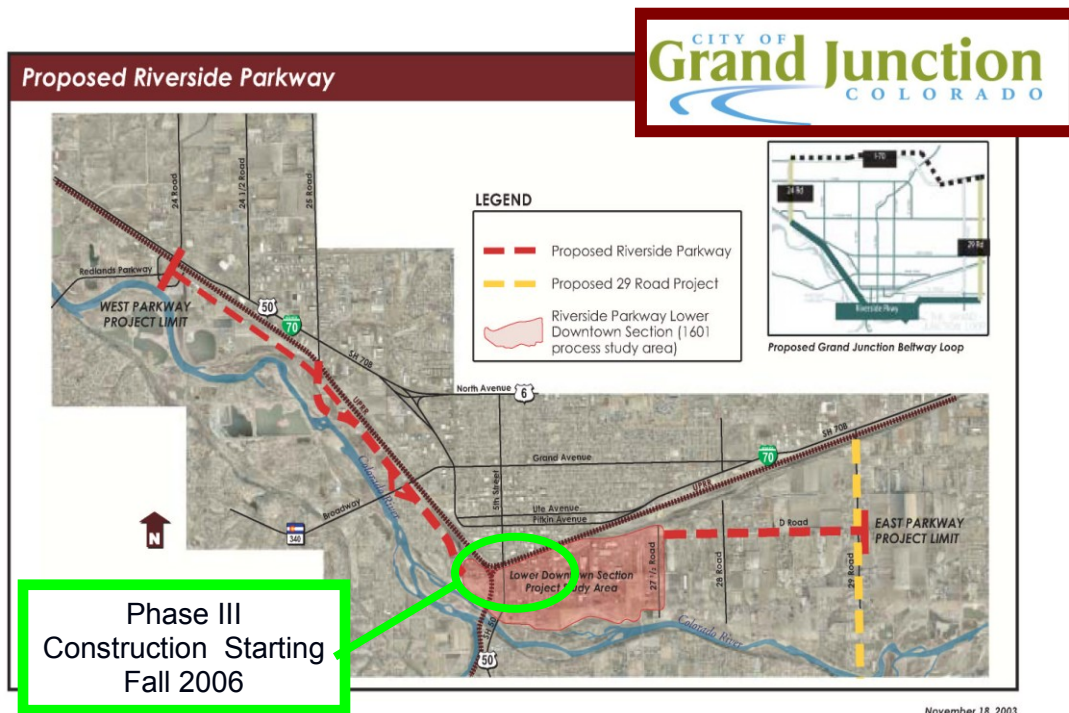
- Close the Gardens seasonally
- Lay off paid staff and operate with volunteers
- Continue to operate as we have been with mounting unpaid bills and juggling which are paid week to week – waiting for the next incoming check
- Close the Gardens permanently

Riverside Parkway Phase 3 Update CITY OF GRAND JUNCTION

CITY COUNCIL AGENDA						
Subject		Riverside Parkway Project Phase 3 Update				
Meeting Date		September 18, 2006				
Date Prepared		September 14, 2006			File #	
Author		Jim Shanks		Riverside Parkway Program Manager		
Presenter Name		Jim Shanks		Riverside Parkway Program Manager		
Report results back to Council		X	No		Yes	When
Citizen Presentation			Yes	X	No	Name
X	Workshop		Formal Agenda			Consent
						Individual Consideration

Summary: Phase 3 of Riverside Parkway is defined as that section from a point just west of 4th Street (near SemMaterials) on the west to 9th & Struthers. This section includes the Riverside Parkway interchange with US-50 Highway (5th Street) and includes the construction of 3 new bridges plus the widening of the existing Colorado River bridges on 5th Street. Bids are planned to be opened on October 10th and brought to City Council for consideration on October 18th. Construction is planned to begin in November and be completed by the end of the year in 2008.

City Riverside Parkway staff will make a presentation on the scope, schedule, construction sequencing and budget for this phase of Riverside Parkway.



Lease of City Surplus Water

CITY OF GRAND JUNCTION

CITY COUNCIL AGENDA							
Subject	Supplemental Reservoir Water Leasing Program						
Meeting Date	September 18, 2006						
Date Prepared	September 14, 2006				File #		
Author	Terry Franklin Greg Trainor		Water Resources Superintendent PW&U Operations Manager				
Presenter Name	Terry Franklin		Water Resources Superintendent				
Report results back to Council	X	No		Yes	When		
Citizen Presentation	X	Yes		No	Name	Property Owners in the Kannah Creek area	
X	Workshop		Formal Agenda			Consent	Individual Consideration

Summary:

Each spring, PW&U staff reviews the snow pack and makes projections on what will be needed to meet the demand for drinking water and for irrigation water at the City owned ranch properties. Any excess or supplemental water is then leased through a bidding process. Staff will review with Council at the Workshop a review of past bidding practices, the specifics of the current policy, and look for any Council comments or direction.

Budget:

The Water Fund received \$11,559 in 2006 for the leasing of the supplemental water. The average over the past 5 years has been \$12,316.

Action Requested/Recommendation:

Staff is recommending maintaining the current policy with a few minor changes. Get the State Water Commissioner to start administering reservoir water as in past and increase minimum block size to 50 acre feet to bid on. There are limited options discussed within the staff report, but staff believes there is no substantive advantage in pursuing them.

Attachments:

None

Background Information:

The City began acquiring water rights for municipal uses from the Grand Mesa in the first decade of the last century. The acquisition of water continued over the years with the latest being in 1989 with the purchase of the Somerville ranch. This water is intended for municipal purposes. The City Charter dictates that the management of this water is to be subject to the most stringent oversight in order to preserve it for municipal uses.

There are times when the supply of water from the City's sources exceeds municipal demand and is made available to other users. This is done as a service and to insure that our water is not wasted if others can use it on a temporary basis. However, this water is intended to be supplemental in nature. Irrigators are made aware of this in their rental agreements and know that they should not depend on any of this water for their base operations nor use any of this water to expand their operations.

City Reservoir Ownership

Annually, the City of Grand Junction determines the extent of excess water it has available for rent. The City owns or has ownership in 17 reservoirs on top of Grand Mesa.

1. The reservoirs the City has 100% ownership in are:
 - Anderson #1 (504 ac ft),
 - Anderson #2 (595 ac ft),
 - Anderson #6 (118 ac ft),
 - Bolen (521 ac ft),
 - B.A. & J. (240 ac ft),
 - Carson (637 ac ft),
 - Flowing Park (782 ac ft),
 - Raber Click (503 ac ft)
 - Somerville (977 ac ft).

2. The City owns 261 ac ft or 22.6% of the Grand Mesa Group reservoirs 1,157 total ac ft capacities:
 - Grand Mesa #1,
 - Grand Mesa #6,
 - Grand Mesa #8,
 - Grand Mesa #9
 - Scales #1 & #3.The City owns 33% of Chambers (200 ac ft) and 19.6% of Deep Creek (350 ac ft).

In total, the City owns 5,272 acre feet of reservoir water storage capacity in these upper reservoirs.

Amount of Supplemental Water Allocated

In determining the amount of excess water that may be available as supplemental irrigation water to area ranchers we factor in, total available water, City property requirements, water rights decree obligations, possible necessary reservoir repairs and carry-over water goals. Definitions are:

Total Water Available – this is the sum of the actual amount of water in storage around June 1st for the City's share of all the 17 reservoirs on top of Grand Mesa that the City has ownership in. This would be a maximum of 5,272 acre feet.

City Property Requirements – the City has in excess of 13,000 acres of deeded property in the Kannah Creek, North Fork of Kannah Creek and Whitewater basins. We lease out this property and expect the lessee to manage property as viable ranching operations. For them to do so we must provide them with an adequate supply of water. These

requirements are our first priority after it is determined that municipal demands within the City are met. With a full water supply these requirements are 977 acre feet for Somerville Ranch, 400 acre feet for Hallenbeck Ranch, 1,000 acre feet for Anderson Ranch, 75 acre feet for Click Ranch and 50 acre feet for property above Juniata reservoir for a total of 2,502 acre feet.

Water Rights Decree Obligations – certain reservoirs and water rights can and can not be used for irrigation purposes. Carson Reservoir, for example, has a municipal decree only and can not be used for irrigation purposes. Flowing Park Reservoir has a municipal/irrigation decree and is allowed for either purpose. We have a number of reservoirs that have irrigation-only decrees which we filed for junior conditional municipal water rights. In order to protect and make these water rights absolute we must fill these reservoirs under the priority system and use the water for municipal purposes only. During a normal snow pack year we select one reservoir to fill under this junior priority. Not all years have an adequate runoff to fill a reservoir with this junior decree so we have been able to make absolute on only three reservoirs since 1995. These reservoirs range in size from 118 acre feet to 595 acre feet.

Reservoir Repairs – occasionally it is necessary to either drain a reservoir or keep a reservoir empty going into spring runoff to complete repairs to outlet structures, spillways etc. In this event the water is not available for irrigation use because it is physical not there or must be released before irrigation season begins.

Carry Over Water Goals – to ensure the City has an adequate supply of municipal water and an emergency supply of irrigation water in succeeding years, we allocate a portion of upper reservoir water to be held over for the following year. We have averaged 1,423 acre feet of carry-over water since 1989, with a high of 2,361 and a low of 911 acre feet. We have a goal of 1,500 acre feet.

In the lower reservoirs (Juniata and Purdy Mesa) we have 7,551 acre feet of storage capacity, if reservoirs are full. Carry-over is not an issue with these lower reservoirs. We normally fill these with senior water rights during winter months then top off with spring runoff if necessary. City properties are not able to get water out of these reservoirs because of the elevation of reservoirs to properties. We have allocated an average of 400 acre feet of supplemental water out of these two reservoirs to ranchers since 1989, with a low of zero in dry years to a high of 601 acre feet.

Water Available to Rent

Under a full supply scenario we have 5,272 acre feet of upper reservoir water available. City-owned lands receive 2,502 acre feet, carry-over goal is 1,500 acre feet, water rights obligations or reservoir repair work can reduce available amount from zero to 595 acre feet. The balance of 675 acre feet to 1,270 acre feet would be available for rent to other irrigation users. This is the amount of water available from the City's Grand Mesa reservoirs.

Past Practices

As the Kannah Creek area changed from large ranches (with their own "base" water in storage or in the various canal and ditch companies) to a proliferation of smaller plots,

the list of people requesting water from the City had increased. Today this list numbers 35 plus users, some who actively request water annually and others who have not requested water in many years. Requests ranged from 1,200 acre feet to 15 acre feet.

Due to the annual increase in requests from property owners in the Kannah Creek area it became more difficult to allocate water to the properties. City staff had a difficult time in determining and prioritizing requests when everyone thinks they should be a high priority. We were ending up prorating everyone's request. If we had requests for 2,000 acre feet and had available only 600 acre feet, then everyone got 30 percent of what they requested. It didn't take long for ranchers to figure out the system and request double what they needed.

Current Leasing Process

In 2003, after two years of dry conditions and not having any supplemental water available, the City developed a bid type process. We notify all residents (currently 145 land owners) in the Kannah Creek area that on a specific date, the City will receive sealed bids for supplemental reservoir water in 20 acre-foot blocks and will allocate water on a high bid basis until available amount is extinguished.

- The process is open to all.
- It eliminated the view of many that they are "entitled" to water as a "historical user" or as a person who has bought land from a historical user.
- It maximizes the City's revenue potential.
- It eliminated the City from choosing which customer has a higher need for the water, who is an agricultural user, or who is a residential irrigation type user only, etc.

The current leasing practice has been a good process but the actual practice of delivering the water has become increasingly difficult. The Division Engineer in Montrose has made a decision that they will not administer the reservoir water as they had done prior to 2005. This puts a burden on our Water Supply Supervisor to help all the customers shepherd their water to their properties even though it is not his duty. An increase in the minimum block amount to 50 acre feet from 20 acre feet and only allowing 7 day water runs from the reservoirs along with the State administering reservoir water would help this process. It would reduce the number of trips water supply personnel would be required to drive to top of mountain and change reservoir releases. Also would only require one time per week he would have to receive phone calls and assist each customer with making correct head gate adjustments on their ditches.

10 Year Supplemental Water Leasing History and Carry-over Amounts (Acre feet)

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	Average	2006
City Property	2086	1940	2531	2445	2546	2282	2288	2363	378	2457	2437	2500	2188	2502
Other Lessees	1463	1159	1470	1460	993	1038	1608	0	0	1280	940	1200	1051	1040
Carry-over	1632	1180	1527	939	1772	1557	1669	911	1261	1060	1207	2361	1423	1500

Leasing Options

- Current practice – sealed bid
 - Open to all
 - Bidders not required to show up at a certain time
 - Maximizes City revenue
 - Requires bidders to understand their delivery system and the potential for a large percentage of their water being consumed by evaporation and ditch losses.
- Auctioning alternative – live auction.
 - Open to all
 - Bidders would be required to show up at a certain time and place.
 - Would cost the City Live Auctioneer expenses.
 - Requires bidders to understand their delivery system and the potential for a large percentage of their water being consumed by evaporation and ditch losses.
- No leasing –
 - Keeps the water in reservoir as carry-over water for next year.
 - Loss of \$13K in revenue each year.
- Current practice with minor changes– sealed bid
 - Open to all
 - Bidders not required to show up at a certain time
 - Maximizes City revenue
 - Requires bidders to understand their delivery system and the potential for a large percentage of their water being consumed by evaporation and ditch losses.
 - Increase minimum lot size to 50 acre feet along with only allowing 7 day water runs. This would drop out a few of the small user requests and may reduce revenue.