

MCM01204

TYPE OF RECORD:	PERMANENT
CATEGORY OF RECORD:	MESA COUNTY (RESOLUTION)
SUBJECT/PROJECT:	BIENNIAL BUDGET FOR PERSIGO
CITY DEPARTMENT:	PUBLIC WORKS
YEAR:	2001
EXPIRATION DATE:	NONE
DESTRUCTION DATE:	NONE

RESOLUTION NO. MCM 2001-204

APPROVING THE 2002-2003 BIENNIAL BUDGET FOR THE PERSIGO SEWER SYSTEM, INCLUDING CHARGES AND FEES

WHEREAS, the City of Grand Junction (City) and the County of Mesa (County) entered into an Intergovernmental Agreement dated October 13, 1998 (the Persigo Agreement) relating to City growth and joint policymaking for the Persigo Sewer System; and

WHEREAS, one of the goals of the Persigo Agreement is that the County shall continue to participate jointly with the City to provide policy direction for operation and maintenance of the System; and

WHEREAS, no policy shall be effective until formally adopted by both the City Council and the Board of County Commissioners, which policies include reviewing and adopting capital improvement plans and annual operating budgets and reviewing and setting system rates and fees; and

WHEREAS, the City Council and Board of County Commissioners met in a joint meeting on October 15, 2001 to review the years 2002 and 2003 Persigo Sewer System capital improvements, plan operating budget and system rates and fees; and

WHEREAS, on December 5, 2001 the City Council held a reading of its annual appropriation ordinance for the years 2002 and 2003, which includes funds appropriated for the defraying of necessary expenses and liabilities of the Persigo Sewer System Fund.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF THE COUNTY OF MESA and THE GRAND JUNCTION CITY COUNCIL, STATE OF COLORADO AS FOLLOWS:

1. That the following sums of money, or so much therefor as may be necessary, be and the same are hereby approved for the purpose of defraying the necessary expenses and liabilities for the fiscal year beginning January 1, 2000, and ending December 31, 2001, said sums to be derived from the various funds as indicated for the expenditures of:

Fund 902-906 – Persigo Sewer System	<u>2002</u>	<u>2003</u>
Total Revenue.....	13,626,656.....	13,987,758
Total Expenditures.....	<u>12,325,333</u> .....	<u>11,093,264</u>
Net Source (Use) of Funds.....	1,301,323.....	2,894,494

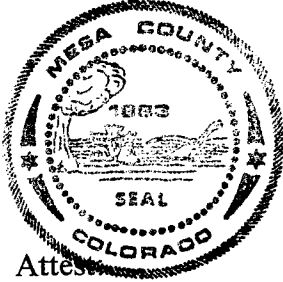
2. 2002 sewer rates as currently established for customers of the Persigo Sewer System are hereby approved.

3. Overhead charges to Persigo fund will be per the agreed upon methodology presented during budget discussions.

4. Special district concerns as defined in the November 9, 2001 "Persigo Issues" letter from Kelly Arnold to Larry Beckner will be addressed in 2002.

PASSED and ADOPTED this 21st day of December 2001.

MESA COUNTY BOARD OF COUNTY COMMISSIONERS



By: Kathryn H. Hall  
Chairman, Kathryn H. Hall

Attest:

Monika Todd  
Monika Todd, Clerk and Recorder

CITY OF GRAND JUNCTION

By: \_\_\_\_\_  
Mayor, Cindy Enos-Martinez

Attest:

\_\_\_\_\_  
Stephanie Nye, Clerk & Recorder



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November 9, 2001

Mr. Larry Beckner  
Attorney at Law  
P.O. Box 220  
Grand Junction, CO 81502

Dear Larry,

The City Council considered the "Persigo Issues" paper (attached) that was developed from the October 24<sup>th</sup> meeting of the respective staffs representing City, County, and Districts. They were very pleased by the support expressed by the Districts for the effort of eliminating the combined storm sewers. They were also supportive of the "Persigo Issues" paper.

They want to convey two items from their perspective that are relevant to the "Persigo Issues" paper. The first one is that they support increasing the tap fee, not immediately, but over time. They are willing to review a more aggressive schedule in the next budget.

The second point is the maintenance and ownership of the District's backbone system. They support the concept of maintaining and improving the backbone system in a consistent approach with the entire Persigo system. They also concur that, for now, the ownership of the Backbone system, shall still be owned by the District. When dissolution occurs, transferring the ownership of the Backbone system should be at no cost to the Persigo system.

I will be sending a copy of this letter to Bob Jasper to be shared with the County Commissioners. At this time, we assume that the issues related to the adoption of the Persigo budget have been resolved. In addition, in the near future, our City Attorney will be contacting you, and any other necessary attorneys, to finalize the "Persigo Issues" paper by incorporating its terms into amendment of the current agreements between the Districts and the City.

Thank you for your efforts. It has been a pleasure working with you and I look forward to working with you in the future.

Sincerely,

  
Kelly Arnold  
City Manager

Cc: City Council  
Bob Jasper  
Mark Relph

## PERSIGO ISSUES

The following is a summary of the issues raised at the joint meeting held on October 24, 2001, regarding the Persigo 201 system. Present at the meeting were Bob Jasper, Peter Baier, Kelly Arnold, Mark Relph, Steve LaBonde, Deborah Davis, Anne Fees and Larry Beckner.

1. Define what constitutes the Backbone System. The Backbone includes the River Road Interceptor and the Persigo Plant but other components need to be clearly identified. The Black and Veatch summary includes lift stations as a part of the Backbone. The definition of the Backbone System should be similar to the EPA definition of interceptor lines rather than using size as the only criteria. The parties need to come to a resolution on this definition. As the parties work through the definition of "Backbone" each district will assist in assessing the infrastructure within the Backbone including such items as the condition, the proposed improvement and anticipated year for improvements.
2. OMSD and CGVSD request the right to participate in City/County staff discussion in the preparation of the annual joint fund budget. These Districts need to present requests for funding before the budget is prepared and an opportunity to discuss with City and County staff the priority of budget requests for capital improvements to the Backbone System. Once the Backbone is defined, it should be viewed without District, County or City boundaries in determining capital funding requests and all requests will be prioritized on a similar basis, regardless of the location of the improvements. All capital improvements to the Backbone System within each District will be constructed by the respective District and with payments from the joint fund to the Districts to assist in payment of such improvements, if such payments are included in the final budget.
3. The joint fund should pay for the costs of cleaning and maintaining the Backbone System which typically includes televising the lines and jetting or swabbing on a regular basis. The Districts would either participate by receiving annual payments from the fund for such costs or there would be a reduction in payments from the Districts to the joint fund in an amount equal to the costs of the Districts maintaining the Backbone System lines. All Backbone System lines within the Districts would still be owned by the Districts. When practicable, the maintenance for Backbone components would be consistent system wide; this issue will need to be addressed as the parties get into specifics.
4. Staff will present to their respective boards the issue of the eventual dissolution of each District.
5. The Districts will be provided with an accounting of the income and expenses of the joint fund on a semi-annual basis; once in February/March as a year-end report and then again in late July in preparation for the budget process.
6. The Districts support an immediate increase in the PIF to \$2,250.

# PUBLIC WORKS & UTILITIES

## JOINT SEWER FUND #900

	<u>2001</u>	<u>2002</u>	<u>2003</u>
OPERATING REVENUE	\$ 7,027,565	\$ 13,626,656	\$ 13,987,758
<i>% Change</i>		93.9%	2.6%
<b><u>OPERATING EXPENSE</u></b>			
Labor	2,126,148	2,360,697	2,398,172
Non-Personnel Operating	1,961,638	1,858,238	1,870,360
Debt Service	932,648	919,848	914,973
Total	5,020,434	5,138,783	5,183,505
<i>% Change</i>		2.4%	0.9%
<b>OPERATING VARIANCE</b>	2,007,131	8,487,873	8,804,253
<i>Operating Coverage Ratio</i>	140%	265%	270%
Major Capital	4,107,189	7,186,550	5,909,759
Transfers-In From Other Funds	-	-	-
Transfers-Out to Other Funds	-	-	-
Net Transfers	-	-	-
<b>TOTAL SOURCES</b>	7,027,565	13,626,656	13,987,758
<b>TOTAL USES</b>	(9,127,623)	(12,325,333)	(11,093,264)
<b>NET SOURCE (USE)</b>	(2,100,058)	1,301,323	2,894,494
Beginning Working Capital	8,963,348		
<b>Ending Working Capital</b>	<b>\$ 6,863,290</b>	<b>\$ 8,164,613</b>	<b>\$ 11,059,107</b>