

The Utility Committee of the City Council met at 3 PM on Tuesday, February 3, 1998 in Conference Room A, 250 North Fifth Street, Grand Junction, Colorado

Present were:

Reford Theobald, Mike Sutherland, Jack Scott, Earl Payne, Ron Lappi, Mark Achen, Terry Franklin, Trenton Prall, Greg Trainor, and Chris Barker (Daily Sentinel).

Agenda items discussed:

1. Water sales at Kannah Creek (Request by John Whiting)
2. Irrigation water sales near Whitewater (Request by Jim Dyer)

Additional item added;

1. Appleton Sewer extension

#2. Irrigation water sales near Whitewater.

Mr. Jim Dyer's request for irrigation water from the City Kannah Creek flowline was discussed. Mr. Dyer is developing Whitewater Creek Estates east of Whitewater, Colorado which is proposed to be a 52 lot subdivision on an average of 5-acre lots. Whitewater Creek Estates is one of several subdivisions in the area. It is proposed to be served with domestic water from the Clifton Water District. Mr. Dyer is currently in negotiation with the City of Grand Junction for a trade of deeded properties to insure that the City's Kannah Creek flowline remains physically unencumbered by subdivided lots and residential fencing, landscaping, and lot improvements. The request for untreated irrigation water is separate from the pipeline trade.

After discussion the utility committee directed utility staff to examine a number of criteria and to report back to the committee for further discussion:

- a. Insure that developer had commitments for treated water from other qualified and certified water suppliers
- b. Insure that Mesa County approves the proposed subdivision before final action is taken.
- c. Provide water on an interruptible basis to insure that during drought or low flow conditions the City has the right to to interrupt deliveries.
- d. Insure that there is a legal, functioning, and responsible Water Association with whom the City would contract to insure timely payment for delivered water and to insure that the Association has a workable plan for apportionment of water charges among its members.
- e. Examine rates to be charged to insure that other rates for water uses along the pipeline are consistent and justifiable.
- f. Examine the potential for other requests for irrigation water from other developments in the area.
- g. Insure that the availability of water for irrigation purposes is not a major factor in the promulgation of growth in the Whitewater rural areas.
- h. Examine the potential of establishing other conditions in exchange for receipt of City water.

#1. Water sales in Kannah Creek (Request by John Whiting)

The Utility Committee of the City Council met on November 5, 1997 to consider a request by John Whiting for domestic water for proposed subdivisions in the Kannah Creek area. Minutes and staff material from that meeting are attached.

After discussion the Committee directed staff to conduct a feasibility-level review of providing treated water to developments in the Kannah Creek area and to report to the Committee in four(4) weeks for further discussion. In addition to many of the considerations listed above for irrigation water, the study would include an examination of the market potential for the sale of water in the area. Cost estimates of providing treated water to existing livestock water companies in the area and to known planned developments in the area would also be examined. Rate estimates and long-term financial feasibility would be completed..

The Committee expressed concern that the availability of City water not contribute to growth in the area. Although the availability of pipe systems for water and wastewater create growth, many of the areas under review, it was felt, will develop whether there is City water available or not. The Committee expressed a desire to control the City's watershed and to discourage any action that might result, in the long-term, in City water being condemned by either a municipal-type organization or a Title 30 water district (more info needed on this subject from counsel). As to whether the City ought to provide only raw water and let treatment and distribution services be provided by the developer, there was discussion of the reality of small, undercapitalized systems being created and, over time, falling into disrepair or non-compliance with drinking water standards. There was agreement among the Committee members that the utility staff prepare material that would help the Council determine the costs of providing treatment and distribution system services.

#3. Appleton Sewer

Utility staff related to the Committee that bids for the construction of the Appleton sewer extension are being advertized on Sunday. A decision is needed by March 4, 1998 as to whether there is agreement between the City and the County on the provision of sewer services in the Appleton area. Delay in construction after that time will result in increased costs due to irrigation water in the area and poor subsoil conditions due to water. A draft agreement was completed by City and County staff on December 8, 1997 and transmitted to Mesa County for their review and action. Because of related issues encompassed in the larger City/County discussions over the 201 sewer service system, action on the Appleton agreement has been held in abeyance.

There was Committee discussion concerning project costs. A copy of utility estimates are attached. These costs estimates were transmitted to School District officials in early December last.

The Committee expressed it's desire to get the Appleton agreement on Council's next agenda (Feb 18, 1998).