

**GRAND JUNCTION CITY COUNCIL  
WORKSHOP SUMMARY  
September 18, 2006**

The City Council of the City of Grand Junction, Colorado met on Monday, September 18<sup>th</sup>, 2006 at 7:00 p.m. in the City Hall Auditorium to discuss workshop items. Those present were Councilmembers Bonnie Beckstein, Teresa Coons, Bruce Hill, Gregg Palmer, Jim Spehar, Doug Thomason, and Council President Jim Doody.

**Summaries and action on the following topics:**

- 1. RIVERSIDE PARKWAY: Phase 3 Update:** This section includes the Riverside Parkway interchange with US-50 Highway (5<sup>th</sup> Street) and includes the construction of 3 new bridges plus the widening of the existing Colorado River bridges on 5<sup>th</sup> Street. Project Manager Jim Shanks reviewed the project. He said Phase 3 will tie the two pieces that are currently under construction together. Mr. Shanks first showed pictures of Phase 1 which is close to completion. It should be completed by the end of October, slightly ahead of schedule. He showed photographs of Phase 2, currently under construction and said the next piece of Phase 2 is the extension of the Broadway bridges which will impact traffic at River Road. He said Phase 3 is timed for construction to start this fall to coincide with the completion of Phase 1. That will allow an alternate route into town for the Orchard Mesa residents.

Councilmember Hill confirmed that 5<sup>th</sup> Street will not be closed. Mr. Shanks concurred; CDOT requires two lanes open each way during the day, but there will be some night closures to install the girders. Mr. Shanks said the crossing at 4<sup>th</sup> Avenue will be closed around March, 2007 and the majority of Phase 2 (River Road) will be open by fall, 2007. He said the completion of Phase 3 is one year ahead of schedule. Mr. Shanks said there are three bridges in Phase 3 and the existing 5<sup>th</sup> Street bridges will be widened to allow for merging.

Councilmember Palmer inquired if the salvage yard is now moved. Mr. Shanks said yes. The City has hired an asbestos abatement contractor and once that is complete, the demolition of the remaining buildings will occur. He said all of the buildings on the west side of 5<sup>th</sup> Street have been demolished and the property is clear with the exception of the utilities.

Mr. Shanks then reviewed the costs. He said the landscaping for Phase 1 will be bid out separately and the total construction costs are now estimated at \$68.5 million. He then reviewed all of the costs with an anticipated shortfall of nearly \$3 million and said that is a total of \$13 million more than anticipated.

Councilmember Hill pointed out that the property values are up which will account for \$5 million of the overage. He also pointed out the costs involved for the 1601 project. Mr. Shanks said the addition of going underground with all of the utilities also added to the deficit.

Councilmember Spehar pointed out that some of the unforeseen issues don't negate the need for the project and that the City intends to pay for it with existing

revenues. Mr. Shanks said much of the work is not even seen as it goes underground.

Councilmember Hill said building it today and borrowing the money rather than saving to pay for it later is better in the long run because the cost of inflation would have made the road cost even more in the future. He said in the end, there will be a maximum value in building this road now.

Councilmember Palmer asked about the 29 Road and D Road project status. Engineering Manager Trent Prall said the plan is to have that completed by the spring of 2010. He said the funding for that was shifted due to the County funding the beginning of the project and said the interchange had to be moved out to the year 2013.

Public Works & Utilities Director Mark Relph said Staff will have more details at the CIP discussion on October 16<sup>th</sup>. He said that once the 1601 process has been started, the construction has to begin within five years. He recommended moving that process out a couple of years. Mr. Relph pointed out the enormity of the Riverside Project, especially for a City this size. He said the level of complexity is incredible. Although the budget issues have been difficult, it is great that the project will be completed a year early.

Council President Doody pointed out a conversation with Mayor Hickenlooper of Denver and Denver's \$35 million deficit on a \$350 million project. Public Works & Utilities Director Mark Relph said on the 16<sup>th</sup> of October he will review the cost, the experience, and a brief history for the construction of the Parkway. He said this has been a significant challenge for this entire valley and said the problems for the cost of labor and materials have been a huge issue.

Council President Doody said Grand Junction Steele has been pleased with the accommodations to their site however; the Veteran's Cemetery has lodged several complaints.

**Action summary:** The City Council was appreciative of the update.

Council President Doody called a recess at 8:29 p.m.

The meeting reconvened at 8:41 p.m.

2. **REVIEW CITY'S POLICY OF LEASING SURPLUS RESERVOIR WATER:** Any excess or supplemental water is leased through a bidding process. Staff reviewed with Council the past bidding practices, the specifics of the current policy, and asked for any Council comments or direction. Water Services Superintendent Terry Franklin read the letter that he sends out to the Kannah Creek property owners every May regarding a sealed bid process for the surplus water. In 1989, there were 17 customers and within five years there were over thirty requests. He said for a while he was prorating the amount of water and many of the owners started asking for more than needed to get the amount they needed. Mr. Franklin said then there was a two year drought where there was no

surplus water, so the program was re-evaluated. He said the new practice (sealed bid) began after that. Mr. Franklin said City Staff has had to spend more time with newer property owners that do not know much about irrigation water and the delivery system. He presented some newer options including a live auction or to suspend water leasing which would decrease revenues by \$13,000 annually. He said the City will be approaching the State Engineer and the Water Commission to see if the Commissioners can help out with managing the system like they do for Cedaredge. He recommended that the City continue with the current sealed bid practice with some minor adjustments.

Councilmember Palmer asked how many ranchers really need the water. Mr. Franklin said they all made do without the water during the drought but he would estimate that about 50% really need the water.

Councilmember Hill asked if there is a requirement that the bidder own shares in the ditch. Mr. Franklin said yes and they must have a way to convey the water to their property.

Councilmember Coons asked how many ranchers are agricultural. Mr. Franklin said they all say they are, but he estimates 40 to 50% are actual agricultural users.

Council President Doody asked if the agricultural users use water conservation measures such as lining their detention ponds. Mr. Franklin said he would have to defer to Danny Vanover, the Water Supply Supervisor in Kannah Creek, to answer that. Mr. Vanover said they do ask for certain measures and about 50% participate.

Councilmember Spehar said this is not the City's primary business and the cost to administer will decrease the revenues. He said the City is trying to be a good neighbor, but it is creating conflict. Mr. Franklin advised that the City's lessees get as much water as they need and said the surplus water is over and above that.

Councilmember Hill said one of the users is present and hopes he has the chance to speak. He noted that the users need to work together.

Councilmember Palmer agreed, emphasizing that it is supplemental water and there is no value for the City to store it.

Councilmember Coons said she would like the City to continue, but the cost of management is greater than the benefit. She said they need to look at the value of continuing the program.

Ed Studebaker, 1991 Purdy Mesa Road, said he has been there for 30+ years and has been buying this surplus water during those years. He said there is no protection to the owners that have been buying the water for all of these years. He said many of the ranchers did not get any water this year and much of the water went to new residents for watering their lawns and gardens. He said that

he bid on 240 acre feet of water and was outbid by a penny and did not get any water. He agreed with the proposal of the minimum of 50 acre feet block which will eliminate those buying small quantities of water to water lawns and gardens. He would also like to see some water reserved for agricultural users. Mr. Studebaker said the little quantity purchasers drive the price up to where the ranchers cannot afford the water for the large quantities that is needed.

Councilmember Coons asked if 50 acre feet is a good minimum and would he like to see a maximum. Mr. Studebaker said he would not be against the maximum, but there is only a certain amount of water and feels that it was not fair for one person to buy half of the available water leaving many ranchers without any.

Councilmember Hill asked how many are working ranches. Mr. Studebaker said about 6 or 7 are working ranches besides the City leases.

Councilmember Spehar said he wants the City to be a good neighbor but is concerned about the cost of administering the program. Mr. Studebaker said there is just not enough water to give out to everyone. He said a 50 acre foot block minimum would eliminate 75% of the bidders and reduce the administration.

Councilmember Spehar said the fact is that it is municipal water. He asked City Attorney Shaver if the City is selling agricultural water to anyone who does not meet the definition. City Attorney Shaver said not to the City's knowledge, that it must be used for non-consumptive use.

Mr. Relph said going to a 50 acre block may be easier to administer but it may not eliminate anyone since individuals may aggregate themselves.

Councilmember Coons asked what would happen if there was no surplus water available. Mr. Studebaker said many of the ranches would have dried up. He said they have been getting water for thirty plus years. Mr. Studebaker said some years ranchers can get by on runoff water, but most of the ranchers have counted on this surplus water. He is asking that the water be kept and used basically for what it was designed for.

Danny Vanover, Water Supply Supervisor, said he sent out 145 bid requests, only getting 32 back. He said most of the ranchers don't have a way to deliver the water to their places. He said the City of Grand Junction took over the domestic water supply six years ago and said at that time the City was serving 56 customers and now 120 customers six years later. He said most of the people are using the domestic system. He feels a 50 acre minimum would help and suggested a contract to provide a certain amount of water to each rancher.

Councilmember Spehar pointed out that it will create more administration. Mr. Vanover said he has been keeping track of this for many years and said 95% of the people are satisfied. He pointed out that most ranchers never made it on just ranching; they all had other jobs in town.

Councilmember Spehar asked how many of the bidders got water. Mr. Franklin said 17 out of 32 ranches.

Council President Doody suggested an educational program on the system to increase the amount of water available. Mr. Franklin said there is a substantial amount of water lost and said it is difficult to get anyone to work on cleaning the ditches and the long time owners are getting older and can't do that kind of work like they used to.

Councilmember Beckstein questioned if the City should mandate the release of the water, rather than trying to meet everyone's individual demands. Mr. Franklin said that would be more difficult because of the timing that the ranchers need for hay cutting, etc.

Councilmember Spehar said there is change occurring up there and he would like to support the minimum block scenario.

Councilmember Hill said the 50 acre block is a good start. He pointed out the need to get the State Water Commissioner back in to administer this. He said the more expensive the water is, the more controlled it will need to be.

Councilmember Coons supports trying the 50 acre minimum.

**Action summary:** Staff was authorized to continue with the sealed bid process with the minor adjustments including the 50 acre foot block minimum.

### **Other Business**

City Clerk Stephanie Tuin asked the City Council how they wanted to proceed with the Parks and Recreation Advisory Board vacancies now that there is another resignation. The City Council directed her to re-advertise and include those from the previous interview session.

### **ADJOURN**

The meeting adjourned at 10:03 p.m.