

**GRAND JUNCTION CITY COUNCIL
and
BOARD OF COUNTY COMMISSIONERS FOR MESA COUNTY
JOINT PERSIGO MEETING MINUTES**

June 25, 2015

The Grand Junction City Council and the Mesa County Commissioners Joint Persigo meeting was called to order by Commission Chair Rose Pugliese at 2:06 p.m. on June 25, 2015 in the City Auditorium, City Hall, 250 N. 5th Street.

City Councilmembers present were Councilmembers Martin Chazen, Chris Kennedy, Duncan McArthur, Rick Taggart, Barbara Traylor Smith, and Council President Phyllis Norris. Councilmember Bennett Boeschstein was absent. County Commissioners present were John Justman, Scott McInnis, and County Commission Chair Rose Pugliese.

Also present were City Staffers Interim City Manager Tim Moore, City Attorney John Shaver, Public Works Director Greg Lanning, Engineering Program Supervisor Bret Guillory, Wastewater Services Manager Dan Tonello, Principal Planner David Thornton, and City Clerk Stephanie Tuin.

County Staffers present were County Administrator Frank Whidden, County Attorney J. Patrick Coleman, Deputy Director of Operations Pete Baier, Planning Director Linda Dannenberger, Senior Engineer Julie Constan, and Clerk to the Board Lori Westermire and her Assistant Sundae Montgomery.

Welcome and Introductions

Public Works Director Greg Lanning introduced the meeting and outlined the items on the agenda. He introduced the City Staff in attendance.

Purpose of Annual Joint Meeting of the Persigo Board

Public Works Director Greg Lanning explained the purpose of the meeting. He referred to the Persigo Agreement that requires at least one annual joint board meeting; additional meetings have been held when boundary line adjustments were requested. He noted the importance of the relationship between the two governing bodies which allows for the collection and treatment of wastewater in the Valley and encourages connection to the sewer system in order to eliminate septic systems.

Commission Chair Pugliese requested to move the Septic System Elimination Program Update to the first General Report on the agenda.

The City Council did not object.

201 Boundary Adjustments – Requested Exclusion from the Persigo 201 Service Area

The owner of two properties at 979 23 Road and 995 23 Road has requested to have the properties be removed from the Persigo 201 Sewer Service Boundary. In addition, Staff is recommending the exclusion of ten other properties in that vicinity.

The public hearing was opened at 2:10 p.m.

Greg Lanning, Public Works Director, introduced City Principal Planner David Thornton for this item.

Mr. Thornton described the properties requesting exclusion and provided history of the area. In 2010 the City of Grand Junction Comprehensive Plan (CP) was adopted by both the City and County creating an urban development boundary (UDB) which was the specific intent of the two governing bodies. This boundary delineated the area north of the Highline Canal as rural and the area to the south as urban which created a discrepancy; some properties designated as rural were within the Persigo 201 Sewer Services Boundary (201). The owner of two of the properties has asked that they be removed from the 201. In 2012, five properties in that area were excluded. Staff looked at the remaining properties in that area and thought those too should be excluded. Notice regarding the option to be removed from the 201 was sent to the property owners; the City has not been contacted or received any comments. City Staff is supportive of the request to have the two properties excluded along with the other ten.

Commissioner Justman asked if the owners of the other ten properties have been notified of the possible removal from the 201. Mr. Thornton said a notice was mailed to all the property owners within this area and the wording was clear that their property would be removed from the 201; they were given 30 days to respond. Commissioner Justman asked why the property owner of two parcels has requested to be excluded. Mr. Thornton said the petitioner was present. Commissioner Justman said he is reluctant to remove properties from the 201 if he is unsure they are aware of their options. Mr. Thornton stated all of the property owners were sent a notice, but none responded.

Commission Chair Pugliese asked what the exact wording of the notice was.

Engineering Program Supervisor Bret Guillory read the notice which said, “the purpose of this meeting is to discuss the exclusion of two specific properties, 979 23 Road and

995 23 Road, from the 201 Sewer Service Area. Staff recommendation is to exclude all properties north of the Grand Valley Irrigation Company Highline Canal from the 201 Service Area. The specific properties to be excluded are [the ten properties were listed]. For property owners with concerns or questions, please contact Bret Guillory the Utility Engineer for the City of Grand Junction [his phone number was listed]". He said he had not received any phone calls in response.

Commission Chair Pugliese asked County Attorney J. Patrick Coleman if the mailing would be considered proper notice since it said the meeting was to "discuss" and not "vote" on the exclusion of these properties.

County Attorney Coleman reread the notice and said the actual language said "the City Council and Board of County Commissioners will conduct public discussion and may make decisions on the issue of amending the 201 Sewer Service Area boundaries" which gives them notice that a decision may be made at this meeting. In his opinion, they were given adequate notice.

Commissioner McInnis said the notice sounded adequate, but he wondered if the envelope would have given the owners an indication of its contents since the notices were not mailed as certified or registered. He was also concerned the owners might not understand the benefits of remaining within the 201. He recommended sending out a final notice to say the decision had been made to exclude the properties from the 201. He felt a need to be overly cautious and explain the situation to the property owners.

Commission Chair Pugliese asked County Attorney Coleman if an owner would have to petition the Board to come back into the district if they had been excluded.

City Attorney Shaver said they would; the inclusion and exclusion process are the same. He addressed Commissioner McInnis to explain the notice was not mailed in an envelope.

Commissioner McInnis was concerned that once properties are excluded, the owners may not want to come back into the 201.

Commissioner Justman recommended making direct contact with each property owner to ensure they are aware of the possible change and their option to stay within the 201. He is not comfortable with just having met the legal obligation.

Council President Norris asked if City Council had any comments.

Councilmember McArthur asked if any of the parcels have plans to be developed with a septic system. Mr. Thornton said there is a land use item that has been pending for over a year; he deferred to the County for additional details.

Councilmember McArthur then asked how this area receives water services. Mr. Thornton said water is provided through Ute Water. Councilmember McArthur asked if these properties are developed, will they need septic systems? He was concerned, if the 201 is reduced, that it will create an artificial land supply and land prices will sky rocket, but if development is allowed in areas like this, septic systems should be allowed but only until sewer services are available.

Councilmember Chazen asked why this area was included in the 201 boundary initially.

Mr. Thornton said about ten years ago, as part of the CP process, meetings were held for property owners regarding expanding the 201; the result was based on a vote from the property owners. Since a large group of owners wanted to be included in the 201, a geographic boundary was drawn around those properties. When the CP was completed, the UDB had been established with the geographic boundary being the Highline Canal. At that time, there was discussion to change the 201 to match the UDB, but it was decided to keep the boundaries separate and allow the property owners to request changes. Since then, some property owners have requested and been granted exclusion from the 201. Councilmember Chazen asked if, at the time of the 2012 requests, the Board considered excluding this entire area from the 201. Mr. Thornton said they did, but only a newspaper notice had been done, so it was not pursued.

Councilmember Chazen asked what the zoning is for this area.

Mr. Thornton deferred to the County as the area is outside the city limits.

County Planning Director Linda Dannenberger said these properties are zoned RSF-R (Residential-Single-Family Rural District), which was applied to properties within the 201. If removed from the 201 boundary the AFT (Agricultural, Forestry, Transitional District) zoning would be more appropriate.

Councilmember Chazen asked if there were any other areas where the 201 boundary crossed a canal. Mr. Thornton said yes.

Councilmember Chazen expressed concern that if these properties are excluded from the 201 it may hamper future development opportunities. He was reluctant to rule out this opportunity for property owners, especially for those not present, as it may have an impact on the value of their property. He felt there is not a compelling reason to exclude the other ten properties. He then asked if development is planned for the two properties listed in this request. He did not know what advantages there would be for properties to be excluded.

County Planning Director Dannenberger said she would contact the property owners for this information.

Councilmember Kennedy asked what the development limits are for the properties on the north side of the canal.

County Planning Director Dannenberger said this area, which is bordered by the canal, 23 Road, 22 ½ Road, and J Road, is zoned RSF-R and limits the density to one unit per five acres.

Councilmember Traylor Smith referred to the area map and asked how big some of the parcels are. Mr. Thornton said parcels #1 and #2 combined are around 15 acres. Councilmember Traylor Smith agreed with the others in that there is no compelling reason to exclude the additional ten properties and noted these property owners voted at one time to be included in the 201. She then asked how many of the parcels are owned by the same people. Mr. Thornton said parcels #1 and #2, those on this request, have the same owner. He thinks most of the others are owned individually. Councilmember Traylor Smith asked for confirmation that the owners were only notified once by a mailing. Mr. Thornton said yes. Councilmember Traylor Smith reiterated she saw no rush to exclude the additional ten properties.

Councilmember Taggart said he was anxious to hear why the owner requested to be excluded.

Councilmember Chazen said there seemed to be a desire to adjust the 201 to meet the UDB; he asked if the UDB could be expanded to include this section of the 201. Mr. Thornton said the UDB was developed as part of the CP that was adopted in 2010 and has not been amended since then, but it could be considered in the future.

Council President Norris asked City Attorney Shaver if the Persigo Agreement would need to be amended if any of the suggested changes are to be made. City Attorney Shaver said this meeting is only to consider the exclusion of two properties; it would be improper if policy changes are made since no public notice was given for that consideration. Specifically, he did not think an amendment to the Agreement would be required to do as suggested; it would only be a policy change. However, he recommended the Board give notice before any policy changes are considered.

Commission Chair Pugliese asked if the Persigo Board had ever excluded properties without a specific request by the property owner. City Attorney Shaver said typically not; this area has been considered for exclusion before; part of the question was what type of notice would be required and what the expectations of that notice would be. The notice for this meeting was mailed to the individual property owners; no other contact was made because they did not want to presuppose anything, just give them the opportunity to comment.

Commission Chair Pugliese asked the applicant if she would like to make any comments regarding the application.

Jane Clevenger, 995 and 979 23 Road, said the reason she requested to be removed from the 201 is to regain her property's agricultural status; the property's zoning was changed when it was included in the district. She applied for a building permit for a pole barn and was informed her property no longer qualified as agricultural and that type of structure was not allowed. Ms. Clevenger said her property is agricultural and she would like to restore that designation so she can maintain it as an agricultural producing property.

Commissioner Justman asked County Planning Director Dannenberger how Ms. Clevenger's property was taxed after being included in the 201. County Planning Director Dannenberger said to her knowledge it was taxed as agricultural; the Assessor uses a different classification other than zoning to determine how a property is taxed. Commissioner Justman asked if this property is in the County and if an agricultural building permit is available for properties within the 201. County Planning Director Dannenberger said this property is in the County and although she is not familiar with this issue, she understood those permits are not available for these properties. She pointed out that if these properties are removed from the 201, the zoning will revert to AFT which has slight density differences and the ability to subdivide.

Commissioner Justman asked Ms. Clevenger how big the parcels are. Ms. Clevenger said one is about six acres and the other is about 8 acres.

Commission Chair Pugliese asked County Planning Director Dannenberger if the reason for this request would stem from the zoning change.

County Planning Director Dannenberger said that could be part of the concern, but she did not understand why a building permit could not be issued for a pole barn. She said if someone in the County applied for an agricultural building permit, the use of the property is reviewed through the use of aerial photography and the Assessor's tax classification since it's use, rather than zoning, determines the assessed taxes.

Council President Norris asked if City Council had any questions for the applicant.

Councilmember McArthur asked if it would be possible to accommodate Ms. Clevenger's desire to revert her property to an agricultural status while remaining within the 201.

County Planning Director Dannenberger said some agricultural uses are allowed within the RSF-R zone; this should not be an issue.

Ms. Clevenger explained the County Building Department said since her property was zoned RSF-R, agricultural structures are not allowed. County Planning Director Dannenberger asked if she knew how her property was taxed. Ms. Clevenger said it is taxed as a residential prime building site.

County Public Works Director Pete Baier called the Building Department and determined the issue surrounding the building permit was based on needing a planning clearance, not zoning. Since the property is in the 201, to get a clearance, a connection to the sewer system would be needed or a variance obtained. He further explained when someone comes in for an action, a planning clearance is needed, which entails how the property will be serviced by sewer. The typical rule for properties within the 201 is to be connected or get a variance for septic.

Engineering Program Supervisor Bret Guillory said if a parcel is developed within the 201 and is more than 400 feet away from the sewer line, a variance is issued to allow a septic system. However, if the parcel is subdivided, sewer would need to be provided.

Commission Chair Pugliese asked if it would be more appropriate to consider a variance.

County Attorney Coleman said the issue remained of why she was denied and what would be required to remedy the denial. He agreed excluding the property may not be the best remedy, but didn't feel they could come to a conclusion without input from a building official.

County Public Works Director Baier said he only spoke to the Building Department about zoning, not about the specifics of this request; a building permit could be issued, but not before the planning clearance regarding the sewer service is resolved.

Councilmember Chazen said this should be settled administratively; it is unfortunate the applicant was caught up in this, but he didn't see how this request could be used as a trigger to remove the other parcels.

Councilmember Kennedy asked Ms. Clevenger when she started the permit process. Ms. Clevenger said the County worked with her so she was able to get a variance and have the "shop building" constructed, but since only one building per parcel is allowed she is not able to add another building.

Councilmember Traylor Smith agreed with Councilmember Chazen this should be handled administratively.

Councilmember Taggart concurred with Councilmembers Traylor Smith and Chazen; this request should not be a trigger regarding the other properties. They should be allowed to come forward individually regarding any changes.

Council President Norris agreed with the reasoning regarding the additional properties, but felt the applicant should be granted her request.

City Attorney Shaver requested permission to ask the applicant questions. He asked Ms. Clevenger if the parcel she put the new building on had any other structures. Ms.

Clevenger said no. City Attorney Shaver said the Persigo Agreement had an acknowledgement called Principal Structure; since the new building is the only structure on this parcel, it is by default the principal structure. Her request should be reviewed with this in mind and this alone may solve the problem. City Attorney Shaver asked Ms. Clevenger if she had any intent of developing the property in a way that would require sewer services such as building a house on the property. Ms. Clevenger said she may, but not any time soon. City Attorney Shaver reminded her, if she was excluded and decided to develop the property in a way that required sewer services, depending on where the sewer line was at the time, she would need to add a septic system or extend to the line. Ms. Clevenger said she understood.

Commissioner Justman asked Ms. Clevenger if sewer services were needed for the new building or if it was strictly for agricultural use. Ms. Clevenger said the building is for agricultural use only and does not need sewer services. Commissioner Justman said he had no objection to her request for exclusion, but felt she could continue with her plans and also remain in the 201. Ms. Clevenger said she wanted to be out of the 201.

There were no public comments.

The public hearing was closed at 3:00 p.m.

Commissioner Justman said he would honor her request.

Commissioner McInnis said he was sorry the applicant went through all of this and then asked if agricultural buildings were required to have restrooms.

County Planning Director Dannenberger said they are not.

Commissioner McInnis wanted to make sure the applicant understood what the exclusion consequences are and that she had no intent of adding living or restroom facilities to the barn. Ms. Clevenger said only if she adds a home to the property, will living or restrooms facilities be added to the property; she understood her options.

Commission Chair Pugliese said the additional ten properties should not be included in this consideration. However, she is conflicted regarding this request because she felt the applicant would be able to accomplish what she would like without being excluded from the 201, but she will support the applicant if that is her true desire.

Commissioner Justman was worried even if the applicant maintained an agricultural property, she would want to be in the 201 in the future; it would be more difficult to get back into the district. He asked County Planning Director Dannenberger if agricultural uses can be maintained while staying in the 201. County Planning Director Dannenberger said they are allowed and one building on a lot without a house is also permitted; she is not sure of the circumstances of this request; it does not make sense.

Commission Chair Pugliese said two motions are required; the first regarding the removal of two properties, 979 23 Road and 995 23 Road, from the 201 Boundary. Commissioner McInnis moved to exclude. Commissioner Justman seconded. Motion carried.

Commission Chair Pugliese said the second motion required is whether to deny the ten other properties in the vicinity from the 201. Commissioner McInnis made a motion to deny the request. Commissioner Justman seconded. Motion carried.

Councilmember McArthur said if there is no apparent burden to the applicant, there is no compelling reason to exclude. He is not inclined to be in favor of exclusion.

Councilmember Chazen concurred with Councilmember McArthur and if the property is sold or transferred, it would be advantageous if it were within the boundary, especially if this can be solved administratively. He saw no reason to exclude this or any of the other properties and will take no action today.

Councilmember Kennedy agreed with Councilmembers McArthur and Chazen except for one thing. He felt the boundary is incorrect and the whole area should be excluded; the area is all agricultural. Five of the seventeen have already been excluded which geographically isolated the other properties in terms of the 201. He will side with the property owner, but was not in favor of excluding the rest of the properties.

Councilmember Traylor Smith recommended the applicant be given time to consider all the options that were discussed at the meeting.

Councilmember Taggart did not have a comment.

Councilmember McArthur said things like the Persigo Agreement and the CP look to the future, not at what exists today. This request also needs to be viewed with an eye to the future with the options kept open.

Council President Norris agreed with Councilmember Kennedy and felt the applicant has had sufficient time to think about this; she will honor her request.

Councilmember Chazen asked the applicant if she would like more time to think about her options. Ms. Clevenger said she had been thinking about this for a year while waiting for this meeting; she appreciated the Board taking her request to heart, but would like to be excluded. Councilmember Chazen then asked if she had thought through the potential impact on the value of the property. Ms. Clevenger said she has considered the possibilities and felt the future implications are negligible.

Councilmember Traylor Smith moved to remove 979 23 Road and 995 23 Road from the 201 Sewer Service Boundary. Councilmember Kennedy seconded the motion. Motion carried by voice vote with Councilmember McArthur voting NO.

Councilmember Traylor Smith moved to deny the request to remove the remaining ten parcels from the 201 Sewer Services Boundary. Councilmember Chazen seconded the motion. Motion carried unanimously by voice vote.

Commissioner Justman noted the boundary was laid out as it is due to the topography which has a natural flow down to the Persigo plant.

Dry Line Sewer and Septic Systems in Lieu of Sewer Extension for Development of Ken Scissors Property at 323 Little Park Road

Dr. Ken Scissors was granted a variance to connect to sewer by the Joint Persigo Board in 2005, and approval of a preliminary/final plan, in February 2010, which allowed for the installation of a dry line sewer for future connection to the sewer system at the time it was available on Little Park Road. This approval lapsed along with the subdivision approval after two years (+/- 2012).

Greg Lanning, Public Works Director, introduced this item. The applicant would like to subdivide and obtain a reconfirmation of the variance granted in 2005. He described the location and explained the sewer line is over 2,000 feet away; the applicant is willing to install a dry sewer line but not connect and have an individual septic system for each of the lots with an agreement to connect to sewer in the future if needed. No conditions have changed since the last approval and Staff recommends re-approval.

The applicant was present.

Commissioner McInnis asked if this was a controversial item at the last request; that is, were there any red flags to make this other than routine?

Mr. Lanning said he was not aware of any red flags that surrounded the initial request and is not aware of any now.

Councilmember McArthur asked if the parcels could be subdivided to a higher density if sewer services became available. Mr. Lanning said the minimum lot requirement is one half acre for septic systems. Councilmember McArthur then asked if this request is for a main line or just for taps. Mr. Lanning said the dry sewer line would have taps to each lot. Councilmember McArthur said if the parcels were later subdivided there would not be enough taps on the line to accommodate that growth. He then asked when this approval expired. Mr. Lanning said it expired in 2012.

Councilmember Chazen asked if this is renewed how long will the variance be effective.

City Attorney Shaver said it would be up to the Board's discretion, but it is typically tied to the planning approval process.

City Principal Planner David Thornton said Dr. Scissors is in the process of obtaining a planning approval; a planning approval has a two year window.

Councilmember Kennedy asked if the surrounding area had sewer services or septic. Mr. Lanning said they have septic systems. Councilmember Kennedy said he assumed the development was put on hold due to economic factors, and the applicant would like to keep his options open regarding the development of these lots with the same plan as previously submitted. Dr. Scissors shook his head yes.

Councilmember Taggart asked if a conditional clause could be added as to when these lots would be required to connect to sewer services. Mr. Lanning said during the planning process any condition may be added.

City Attorney Shaver said an appropriate standard clause is if the line is within 400 feet or the septic is failing, they would need to connect.

Councilmember McArthur asked if there is a provision for administrative extensions. City Attorney Shaver said because this is part of the planning process it can be done, but the question would be, what authority does the Persigo Board have relative to the extension. The approval could have a longer time frame or it could be stated that in order to be consistent with any of the planning processes an administrative extension would be allowed to be consistent. Councilmember McArthur asked if this property is within City limits. City Attorney Shaver said it is.

Commission Chair Pugliese asked the applicant to address the application.

Dr. Ken Scissors, 323 Little Park Road, thanked the Board for taking his request. He said the Board had all the information and that he is taking his request back through the application process; the original time line was derailed due to the economy. He is starting fresh and working with City Senior Planner Scott Peterson; he hoped the process would be completed by the end of July. Many people are lined up to start work on the property by the end of summer and he hoped to have a spec home completed for the 2016 Parade of Homes; there is a lot of interest in the properties.

Commissioner Justman asked the applicant if the dry line would be a short stub or go out to the street. Dr. Scissors said they are required to extend the line the entire length of the street, from Little Park Road down to Redlands Road; the cost will be \$117,000. He would prefer to put the money in an escrow account and wait to see if extending services to the main line would be feasible in the future rather than spend money on something that may not come to fruition.

Councilmember Chazen asked who will pay for the final connection when the sewer line comes within the 400 foot limit. City Attorney Shaver said it would be up to individual lot

owners; a notice would be recorded for each lot saying, if and when the sewer comes within the designated limit, the owners would be obligated to connect.

Councilmember Kennedy asked for clarification regarding the owner's obligation in the event of a septic failure, would the owner be obligated to connect to the main line even if it was not within 400 feet. City Attorney Shaver said it would be dependent on the Board's requirement; it could be distance or time; more practically it would be a distance requirement. Councilmember Kennedy said he would support the renewal without any type of variance.

Councilmember Chazen asked if the owner would know of this potential liability when they purchased the lot.

City Attorney Shaver said if the title work is read, the information would be there.

Dr. Scissors said he would ensure the owners were made fully aware of this potential. He would not put them or himself in that situation; he understands this is not a positive selling feature.

Council President Norris asked why a dry sewer line should be installed; this is a planning rule that needs to be reviewed internally as it may be a waste of money. She will support the approval.

Councilmember McArthur explained that it is more problematic to install a sewer line after the fact; it is much easier to have it installed before construction of the homes and it will provide an insurance policy for the homeowners.

Commission Chair Pugliese asked City Council to vote first if they would like to include specific conditions.

Councilmember Chazen said Councilmember Taggart suggested distance would be an appropriate trigger to connect to the main line; what would be a reasonable distance.

Mr. Lanning suggested using the default of 400 feet.

Interim City Manager Tim Moore agreed with the earlier suggestion to have this sewer approval tied to the land use and subdivision approvals so an administrative extension would be available.

City Attorney Shaver said extensions are subject to a process that can be extended.

There were no public comments.

Councilmember McArthur moved to approve a variance for the Scissors property at 323 Little Park Road for a standard two year term with an allowance for the applicant to apply for a two year extension at the discretion of the City Planning Director.

Councilmember Kennedy seconded the motion. Motion carried unanimously by voice vote.

Commission Chair Pugliese moved to approve a variance for the Scissors property at 323 Little Park Road with the condition for an additional two year extension at the discretion of the City Planning Director. Commissioner McInnis seconded the motion. Motion carried unanimously by voice vote.

General Reports

Greg Lanning, Public Works Director, began the reports.

Septic System Elimination Program Update

Mr. Lanning introduced this item and gave a brief history on the program.

Commissioner McInnis said this program, which included a subsidy, was created in 2001; the subsidy was put in place to encourage people to connect to the sewer line. He felt the subsidy was well placed and well-intended in 2001, but recommended it be eliminated or at least transitioned into a revolving loan fund since the original objective was achieved and only a few disparate properties remain on septic systems. He was concerned the subsidy would be an undue financial burden on the Board and loans may be difficult to secure if the owner already had a first lien on their property.

Commissioner Justman said he is not convinced eliminating the subsidy is the best option; some may only want to connect to the line once their septic system failed.

Commissioner McInnis said his proposal would have a future effective date since it would not be fair to withdraw the incentive of current applicants. He also expressed concern regarding the subsidy's fiscal liability.

Commissioner Justman asked how much had been spent on this program and had it been widely used.

Mr. Lanning said the subsidy was 30% of the cost to extend the sewer and it had been widely used. He explained some of the specifics of the program and suggested this policy be addressed at a future meeting.

Engineering Program Supervisor Bret Guillory said \$11 million had been spent from 2000 through 2014 with 22.7 miles of sewer main lines installed for 1,175 homes. He also provided the loan balance and the portion the property owner is responsible for.

Commissioner McInnis left the meeting at 3:50 p.m.

Commission Chair Pugliese said there would be no policy decision at this meeting; it would be deferred to a future agenda.

Councilmember McArthur noted about \$10,000 per unit had been spent. He then said conversion to a sewer line is first and foremost a health issue; every septic system is a potential health issue and the incentive needs to stay in place for people to be encouraged to utilize the sewer.

Councilmember Chazen asked how the program was financed. Mr. Lanning said it was financed through the Enterprise Fund Reserve accounts which are the collected Persigo fees.

Councilmember Chazen asked if a future liability calculation had been done. Mr. Guillory said 1,800 homes were initially identified; 1,175 homes have been serviced, leaving 625 unconnected. He provided a history of the program and said the majority of the project had been accomplished. He said about \$20,000 per year is put into the program to help cover miscellaneous expenses. Councilmember Chazen noted that a minimum \$6 million liability remains; he would like to ensure enough money be placed in the reserves to cover future needs.

Councilmember Kennedy agreed with Councilmember McArthur and said the more that can be done to encourage homeowners to convert to sewer the better, for both health issues and property values.

Councilmember Taggart said he would like to see a time limit established for the incentive.

Council President Norris agreed with Councilmember Taggart in that a deadline might provide homeowners with more of an incentive to get on board. Septic systems are a health issue and it is important to get as many people connected as possible.

Councilmember McArthur asked if the established sewer rates took the subsidy into consideration. Mr. Guillory said yes. Councilmember McArthur then asked how these fees affect the sewer rate. Mr. Guillory said it is pennies and they do not affect the General Fund. He added Persigo is on the eligibility list for the State Revolving Loan Fund so if larger projects come up they could be financed through this rather than through the reserve account.

Commission Chair Pugliese suggested this be a discussion item for the next Persigo meeting. She asked Mr. Lanning to quickly review the other reports.

Mr. Lanning suggested the reports be reviewed individually; he added the biogas and digester projects are going well.

There were no objections.

Other Business

There was discussion about the need for an additional meeting this year. Mr. Lanning said last year it was suggested to hold the budget meeting as a joint board toward the end of the year; in the past these have been conducted separately by the City and County with Staff being available at both meetings. He suggested scheduling another joint meeting to discuss the budget and the Orchard Mesa Sanitation District which is subject to dissolution this fall, making the September 15th meeting unnecessary.

Councilmember Traylor Smith left the meeting at 4:05 p.m.

City Attorney Shaver reiterated that per the Agreement, there must be at least one meeting held annually, but after that the number is flexible. He said the Orchard Mesa Sanitation District is the only special sanitation district remaining, however, Council President Norris will sign a plan of dissolution after this meeting and the hearing is scheduled for July 28th. If the petition is acceptable, the election will be called for November 2015 and if approved, will go into effect July 15, 2016.

Commission Chair Pugliese said the intent of the annual meeting was to discuss the budget; she disagreed with Mr. Lanning in that the budget was historically discussed as a joint board and only recently was it discussed separately. She said she will not approve another Persigo budget unless there is a joint briefing; there is no reason there can't be a combined Joint Persigo meeting.

Commissioner Justman was concerned about the cost of the digester; it was much more than anticipated. He asked if there were enough funds in the reserves to cover the cost.

Commission Chair Pugliese asked Commissioner Justman if he was in favor of having a joint meeting to discuss the budget. Commissioner Justman said yes.

Councilmember McArthur asked how long Ms. Clevenger waited to come before the Board. Mr. Lanning said she waited one year. Councilmember McArthur said he had no problem increasing the frequency of meetings, but he doesn't understand why the budget discussion should be a joint meeting.

Commission Chair Pugliese explained budget is the biggest policy discussion and most important decision Boards make. She felt it would be inappropriate to get budget information secondhand from Staff and it was not the intent of the Persigo Agreement to have separate budget meetings. It is also unfair to the constituents to be deprived of the robust discussions regarding the budget. She noted there were great discussions at this meeting.

City Attorney Shaver referred to paragraph 38 of the Agreement and read, "Policy decisions and guidance shall be provided at joint meetings which shall occur at least annually". He then cited from paragraph 3 that policy includes "the annual budget".

Councilmember Chazen agreed with Commission Chair Pugliese that the primary function was to review the annual budget; there was no reason not to sit down as a Board to discuss and share ideas. He supported scheduling another meeting.

Councilmember Kennedy said, in the past, the discussions he had on budget have been separate from other policy discussions; he recommended the budget meeting not be combined with other agenda items. He agreed the Persigo Board should meet more than once per year.

Councilmember Taggart said this is a valid request. In regard to customer service, he was embarrassed the applicant waited for a year to have her request heard. Meetings should be scheduled semiannually or quarterly and cancelled if there aren't any needs.

Council President Norris agreed with having a budget meeting, but said all meetings need to be planned and not scheduled at the last minute. She noted there is a provision in the Agreement that in case the budget is not agreed upon, the previous year's budget will continue. She suggested a separate approval process be considered so citizens can be served quicker, the Agreement be reviewed and updated, and the budget meeting be scheduled soon.

Commissioner Justman agreed with the previous comments and then commented Persigo is a vital piece of economic development and needs to work well; the County and City need to work together toward the same end.

Council President Norris agreed with Commissioner Justman.

Adjournment

There was no further business so the meeting was adjourned at 4:22 p.m.

Stephanie Tuin, MMC
City Clerk