

CITY OF GRAND JUNCTION, COLORADO
MEMORANDUM

Reply Requested
Yes No

Date
10/2/78

To: ~~XXXXX~~ Council and Staff From: ~~XXXX~~ Karl M. Johnson

Re: Valley Wide Sewer - Ownership Operation

The following is a summary of my views concerning the ownership and operation of the Valley Wide Sewer treatment plant:

1. I feel that there is a distinct advantage to having the ownership and operation under a single entity.
2. I feel that the City is the logical entity to be the owner-operator. It has the staff, the experience and the expertise to provide the service with the least amount of disruption during the transition period.
3. The City is the only entity presently engaged in the utility business and this includes water and solid waste as well as sewer. In the event that the County should take over the new sewer treatment plant, the City would have to continue its water and solid waste systems. Therefore there would be only a minimal reduction in City staff. At the same time, the County would have to hire a complete staff to operate the sewer plant.
4. The concerns of County residents that they might not be treated equitably if the City were to be the owner-operator are unfounded since under the terms of the EPA grant all users must be charged the same user fees, tap fees and plant investment fees. The only place where there could be a differential in cost would be in providing the collector systems to serve new areas. These costs would be based on actual cost and would be the same regardless of who the owner-operator might be.
5. Under the terms of the grant the City would never be permitted to deny service to any area within the service area on the basis that city residents had first priority on the use of the system.
6. Present City employees who might be displaced if the County took over have a right to have their tenure and fringe benefits protected. It might not be possible to bind future county commissions to any agreement that the present commission might make concerning this matter.
7. I believe that the determination of who owns and operates the plant should be based solely upon who can do it most economically, efficiently and in the best interests of all present and future users. I am convinced that these objectives can best be met if the City continues to be the provider of this service.
8. Finally on the question of accountability, more than 50% of the users and potential users of this system reside within the limits of the City. So that the majority of users will always have direct access to the elected officials who are responsible for the operation of the facility.
9. Up to now, the City has provided this service to areas outside the City with no apparent concern on the part of the county commission. Why, then, is there so much concern now?

KMJ:jc