

JOINT SEWERAGE SERVICE AGREEMENT

THIS AGREEMENT, made and entered into this _____ day of _____, A.D. 1979, by and between the CITY OF GRAND JUNCTION, a municipal corporation of the State of Colorado, hereinafter referred to as the "CITY", and the COUNTY OF MESA, a county corporation organized under the laws of the State of Colorado, hereinafter referred to as the "COUNTY",

W I T N E S S E T H :

WHEREAS, the City maintains its own facilities for the treatment of sewage and has, for many years, treated the sewage from areas around the City; these now include the lands within the Central Grand Valley Sewage District, the Fruitvale Sewage District, the ~~West~~ Orchard Mesa Sewage District and the Ridges Metropolitan District. In addition, the City treats sewage from certain areas ^{CITY} without the City, the sewage being from areas not within special service districts, but in which annexation commitments are made for the consideration of being permitted to be within the City system. At the present time, there remains outstanding sewer refunding revenue bonds in the amount of \$ _____ which constitutes a first lien on the Revenues of the City's sewer system for the retirement of those bonds; and

WHEREAS, the Grand Junction 201 Plan for wastewater treatment requires a new wastewater treatment plant, with abandonment of the old plant, and includes as major parts of the plan the River Road interceptor to run from the old wastewater treatment plant of the City of Grand Junction to a new plant, completion of the Paradise Hills interceptor, and three interceptors into the River Road line, or the new plant, all coming from the Redlands area. There is a possibility that an interim plant may also have to be completed as a part of the project until the completion of the new wastewater treatment plant; and

WHEREAS, the City and the County have determined that the best interests of the City and County will be served by the County's participation in the project of providing adequate wastewater treatment facilities for all residents within the Grand Junction 201 Service area. It is further determined that the local funding for the required improvements and expansions will be financed by the issuance of sewer revenue bonds by the County; and

WHEREAS, the General Assembly of the State of Colorado has declared in Section 29-1-201, C.R.S. 1973 as amended:

The purpose of this part 2 is to implement the provisions of section 18 (2)(a) and (2) (b) of article XIV of the state constitution, adopted at the 1970 general election, and the amendment to section 2 of article XI of the state constitution, adopted at the 1974 general election, by permitting and encouraging governments to make the most efficient and effective use of their powers and responsibilities by cooperating and contracting with other governments, and to this end this part 2 shall be liberally construed; and

WHEREAS, said part 2 defines in subsection 29-1-202 (a) as follows:

(2) "Political subdivision" means a county, city and county, city, town, service authority, school district, local improvement district, law enforcement authority, water, sanitation, fire protection, metropolitan, irrigation, drainage, or other special district, or any other kind of municipal, quasi-municipal, or public corporation organized pursuant to law; and

WHEREAS, subsection 203 provides as follows:

(1) Governments may cooperate or contract with one another to provide any function, service, or facility lawfully authorized to each of the cooperating or contracting units, including the sharing of costs, the imposition of taxes, or the incurring of debt, only if such cooperation or contracts are authorized by each party thereto with the approval of its legislative body or other authority having the power to so approve.

(2) Any such contract shall set forth fully the purposes, powers, rights, obligations, and the responsibilities, financial and otherwise, of the contracting parties.

(3) Where other provisions of law provide requirements for special types of intergovernmental contracting or cooperation, those special provisions shall control.

(4) Any such contract may provide for the joint exercise of the function, service, or facility, ... ; and

WHEREAS, the Parties hereto, in order to cooperate and contract with one another to jointly exercise their authority to provide sewage service, enter into this Agreement.

NOW, THEREFORE, for and in consideration of the premises and for further good and valuable consideration hereinafter set forth, it is mutually agreed between the parties as follows:

1. Presently the areas around and within the City are being provided sewerage service by the City (referred to herein as the City Sewerage System). It is the intention of the Parties hereto that this system be operated and connected with a sewerage system outside the City, to be constructed pursuant to this Agreement (referred to herein as the County Sewerage System), so that both systems be operated and managed as a single system (referred to herein as the Joint System).

The Joint System shall be operated as a single system for the purposes of wastewater collection and treatment; joint rates, tolls, and fees charged; and the designation of facility capacities to serve specific drainage basins. The systems shall be considered separate systems for the purposes of establishing zoning, subdivision and building permit criteria before a connection permit is available to users; and for collection line extensions within drainage areas.

I.

OPERATION OF THE JOINT SYSTEM

1. The Parties agree that the Utility Department of the City (referred to herein as the Manager) will establish the joint annual charges in amounts that will be fair and reasonable for the carriage and treatment of the joint sewage and will raise sufficient annual revenue to meet the requirement set out in the resolutions of the County authorizing the issuance of Sewerage Revenue Bonds. The Manager will, prior to the _____ day of _____ of each year, submit to both the Board of County Commissioners of Mesa County and the City Council of the City of Grand Junction, its anticipated budget for the following year, including its recommended

user charges, tap fees and plant investment fees to be charged within the system. Such charges or fees shall be sufficient to meet the needs of the total costs for the operation, maintenance, principal and interest on Bonds, and will be uniform for those similarly situated within the system. The Board and Council shall approve such charges and fees. This provision is not intended to prevent the City, County or one of the special districts or organizations which provide sewerage systems within a neighborhood from charging, in addition to the charges and fees mentioned, such additional charges or fees to accomplish an effective sewerage system within their communities and under the laws covering their activities. This provision is not intended to authorize any other entities with authority to provide sewer service to areas being served or to be served by the City or County.

2. In order to reimburse the City for expenses incurred by the Manager and other Departments of the City indirectly involved in the Joint Sewerage System, the Parties agree that anticipated budget submitted by the Manager will contain a line item specifying the amount of anticipated reimbursement.

3. This agreement grants complete authority to the Manager to manage, operate, bill fees and charges for the entire joint system, and to do whatever is necessary and proper to administer the joint system which constitutes complete authority, except the authority of eminent domain, rate setting, construction of new facilities or expansion of the joint system. The City and the County reserve these specific powers to be exercised by the City and/or the County.

4. After the initial construction of the County System as provided for in Section IV hereof, any additional expansions of the City Sewer System, the County Sewer System or the Joint Sewer System shall be constructed to the specifications as contained in current "Sewer Specifications" of the City, which specifications shall apply as the minimum standard for construction in all locations. Should the sewer lines and

installations constructed be located on other than lands dedicated to public use and upon which sewers may be placed, the Parties covenant that they will acquire the fee title or the appropriate rights-of-way or easements, free and clear of all liens and incumbrances, to the lands required for the purpose of facilities to be installed hereunder prior to the commencement of construction.

A. All plans for connecting lines or relief work within the City shall be approved by the City.

B. All plans for new construction outside the City may, at the request of the County, be approved by the County, but shall be reviewed and approved by the City.

5. Prior to any connection to the Joint Sewerage System referred to herein, such construction shall be approved by the Manager; the Manager may assure himself that the person doing the work will restore to the original condition as of the time of disturbance any of said streets, roadways, alleys, or grounds which it may disturb in laying, maintaining or operating said connecting sewer line and that in the use of streets, roadways, or alleys, said person will hold the Manager, the City and the County harmless from any and all claims arising directly or indirectly out of the exercise of the authority herein granted. Said person shall indemnify the Manager, the City and the County against expenses incurred because of settling of backfill, loss of ground cover or street surfacing, or damage to the sewer pipe, for a period of one year from the date of completion of construction of said portions. The Manager may further require that it be furnished satisfactory proof that said person is insured by a public liability insurance carrier authorized to do business in the State of Colorado. Public liability insurance shall provide limits of not less than \$50,000.00/\$100,000.00 for injuries or death for one or more than one person in any one accident and damage to property in the amount of \$100,000.00 arising as the result of the construction of such sewerage system to the joint sewer main above described. All policies shall be subject to the approval of the Manager for adequacy,

form of protection and company.

6. Each party agrees that they may discharge sewage through the connecting line hereof from the area described in Section II hereof, upon condition, however, that no waste oil, acid and other matter that may be detrimental to the treatment process employed in Joint Sewage Treatment Plant, nor any storm or ground waters, shall be permitted to be discharged into said connecting line and provided further that the Manager shall properly maintain said connecting sewer line. If any discharge is permitted through said line contrary to the limitations provided in this paragraph, the parties agree that the City may do whatever is necessary to rectify said sewage or perform said maintenance so as to conform with the requirements of this paragraph before discharging the same through said connecting line and make any rectification or do such maintenance work at the expense of the Connector, and that both Parties will use their full authority to pay the required expense of any such rectification or maintenance work.

7. The Parties agree to prevent sewage from any area other than that described in this Agreement or this Agreement as amended, from being discharged into the Joint Sanitary Sewerage System.

II.

AREAS COVERED BY THIS AGREEMENT

1. This Agreement is intended to control the operation of the City Sewerage System, County Sewerage System, and the Joint System in four areas as follows:

A. Area I is the area within the boundaries of the City;

B. Area II is all of the territory outside of the City but within two miles of the boundaries of the City, as that boundary changes from time to time;

C. Area III is the territory within the four Quasi-municipal corporations; Central Grand Valley Sewage District, the Fruitvale Sewage District, the ~~West~~ Orchard Mesa Sewage District, and the Ridges Metropolitan District;

D. Area IV is all of the territory within Mesa County and within the Grand Junction 201 Service Area, exclusive of Areas I, II and III.

2. The authority to provide sewerage service in these areas will be controlled to the extent applicable by the Resolution of the County in issuing its Sewerage Revenue Bonds and the Ordinance of the City adopted pursuant to that Resolution. To the extent that said Resolution and Ordinance are not applicable to sewerage service, those areas will be controlled as follows:

A. Area I by the Ordinance, Resolution and Operational Procedure established by the City;

B. Area II by the Resolution and Operational Procedure established by the County, except that prior to any connection to the sewerage system the Connector shall comply with requirements of the concerning annexation policies of the City;

C. Area III the sewerage service shall be provided pursuant to those certain existing contracts between the City and the four named Quasi-municipal districts;

D. Area IV by the Resolution and Operational Procedure established by the County.

III.

OWNERSHIP OF FACILITIES

1. Ownership during the term of this Agreement is as follows:

A. The County will own the wastewater treatment plant and River Road and Redlands Interceptors. The City shall own the Paradise Hills Interceptors in addition to all lines and other facilities currently owned. The ownership of all lines within any area that is annexed to the City will be transferred to the City;

B. The County will own lines and other facilities within the joint system and not owned by the City or the four named Quasi-municipal districts;

2. Ownership means ownership subject to the rights and interest of the Parties as set out in their Agreement.

3. Ownership of the facilities upon termination of this Agreement shall be as provided in the Agreement terminating this Agreement.

IV.

BONDING AND CONSTRUCTION

1. The Parties intend to construct certain facilities, requiring approximately ^{\$24,000,000} \$20,000,000 of construction funds.

2. The County will issue its Sewer Revenue Bonds; the proceeds from such issue will provide funding for the balance of costs of the facilities and lines not funded by a federal grant. This bond issue will be increased in size so that there are sufficient funds to refund the existing City sewer revenue indebtedness thereby defeasing and satisfying certain covenants which pledge the present City sewer revenues for the payment of these City bonds. The City and County will then pledge of all revenues of the joint system to the County sewer revenue and refunding bonds. The bond issue will also be of sufficient size to reimburse the City and County for issuance costs and other amounts which have been or will be expended for the project.

2. The facilities to be constructed are as follows:

A. RIVER ROAD AND TARRANT CREEK - RIVER & INTERCEPTORS

B. INDEPENDENT AVE. INTERCEPTOR

C. GOAT WASH INTERCEPTOR AND RIVER CROSSING

D. TARRANT CREEK INTERCEPTOR AND RIVER CROSSING

E. SCENIC INTERCEPTOR AND RIVER CROSSING

F. 12.5 MGD PERSEVERANCE TREATMENT FACILITY

G. An interim treatment facility as may be required to provide for adequate treatment prior to the completion of the permanent plant. Such interim facility will be constructed to provide for the best possible continued utilization upon completion of the permanent plant. The determination as to its operation and construction will be as is contemplated herein for the operation and construction of the other facilities referred to herein.

3. Prior to construction of the facilities the Manager shall proceed with public bid. The bids shall be reviewed

by both parties hereto and upon agreement, a bonded contract signed for construction of these facilities. Thereafter, the Manager will act with the Project Engineer in control of the construction of the phases of the project. Change Orders not exceeding \$50,000.00 may be approved by the Manager without the approval of the Board of the County or the Council of the City. Amounts over that amount shall have approval of both the City and the County before being instituted.

V.

MISCELLANEOUS PROVISIONS

1. During the period of construction of the facilities, the City will continue to operate its system as it has been in the past without concern for the terms of this agreement, except as charges or fees are being made which relate to the operation of the system contemplated by this agreement, those charges and fees being accounted for in the manner in which they have the relationship.

2. Beginning January 1, 1981, the City, as operator of the system, will establish a joint Sewer Operations Fund. The assets of each of the parties will be accounted for within this fund. Those monies will be placed within the fund that have been determined by the Council and the Board for generation by the plans for the joint system operation in accordance with proper accounting procedures.