

031-012
STATE OF COLORADO } Re'cptr. No.
County of MESA } SS

I hereby certify that this instrument was
Filed for record. *received*

JUN 19 1974

at *4:00* o'clock *P*M
ANNIE M. DUNSTON, County Clerk & Recorder
By *Dennis Bullard* Deputy

SERVICE PLAN REPORT
FOR THE
ORCHARD MESA
SANITATION DISTRICT

(AS PROPOSED)

MESA COUNTY, COLORADO

JUNE 1974

BY: WESTERN ENGINEERS, INC.
GRAND JUNCTION, COLORADO

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A P P E N D I X

District Boundary - Legal Description
Letter from Grand Junction City Manager
Repayment Schedule

WESTERN ENGINEERS, INC.

588 24½ ROAD P. O. BOX 571 DIAL 242-5202
GRAND JUNCTION, COLORADO

June 13, 1974

Steering Committee
Proposed Orchard Mesa Sanitation District
184 Sunlight Drive
Grand Junction, Colorado 81501

Gentlemen:

Reference is made to your instructions to Western Engineers, Inc. to proceed with the preparation of a revised Service Plan Report for the portion of West Orchard Mesa, located south and east of the City of Grand Junction. The area covered by the Service plan includes most of the thickly populated areas on both sides of U. S. Highway 50 East to include 29 Road.

Enclosed herewith are ten (10) copies of the Service Plan Report.

The plan, as covered by this report, has been coordinated with a study of a valley-wide sewer plan, which is presently being conducted. The plan for Orchard Mesa conforms with the overall plan.

The data, as summarized in this report, is considered reliable for preliminary purposes, including reviews by the County Commissioners and other interested agencies and for the purpose of assisting members of the Steering Committee in providing information to residents of the area.

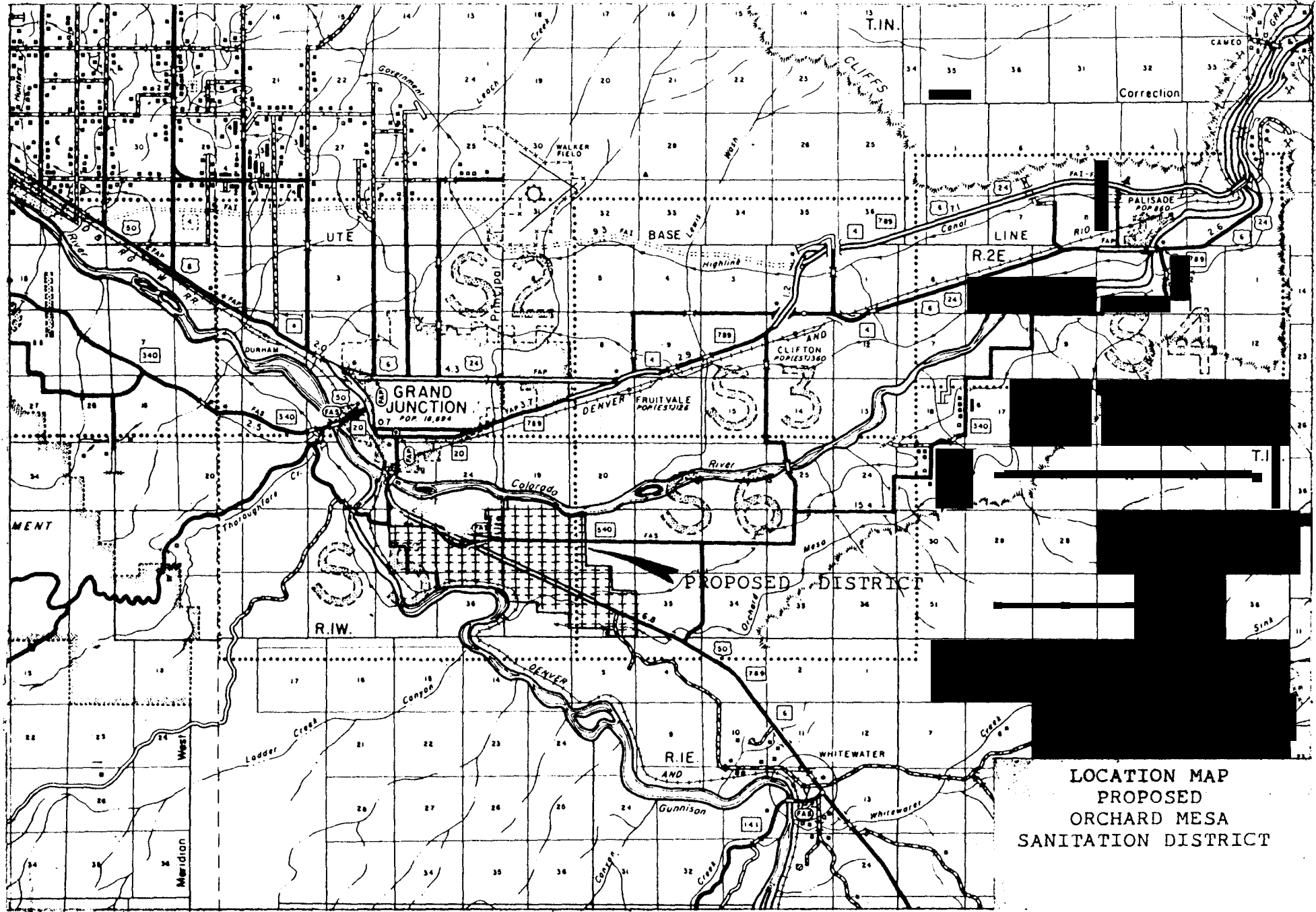
The services of Western Engineers, Inc. are available to assist the committee and other consultants in carrying out the procedures necessary to complete the formation of the proposed district.

Respectfully submitted:

WESTERN ENGINEERS, INC.

By: Richard J. Mandeville
Richard J. Mandeville, President

RJM:pc



LOCATION MAP
 PROPOSED
 ORCHARD MESA
 SANITATION DISTRICT

I - SUMMARY AND RECOMMENDATIONS

GENERAL

This Service Plan Report covers a proposed public sewer collection system for West Orchard Mesa, located southeast of the City of Grand Junction. It includes residential, commercial, industrial and some farming areas and comprises an area of 3.7 square miles, located between the Gunnison and Colorado Rivers. The area will be called "Orchard Mesa Sanitation District".

Liquid wastes will be collected by the District and delivered to the City of Grand Junction for transmission and treatment. The City, through its Manager, has indicated that such service can be provided.

PROPOSED IMPROVEMENTS

A public sewage collection system, sized for ultimate service to approximately 17,000 population has been included. However, initial construction will not include complete lateral networks within undeveloped open land, unless adequate financial arrangements are assured.

The system will include all appurtenances and will conform with the requirements of local, State and Federal agencies.

SUMMARY OF COSTS

Construction Costs: The total cost of the collection system including contingencies, engineering, legal and other expenses is estimated to be \$2,264,000, exclusive of trunk and other charges payable to the City of Grand Junction.

Contract Costs: The preliminary cost figures for transmission, treatment, operation and maintenance and billing by the City of Grand Junction are as follows:

Trunk charge payable to City \$100.00/tap (pd. once)
Monthly charge payable to City
for transmission, treatment,
O & M and billing services \$ 3.45/month

District Costs: Incidental district costs, exclusive of payments to the City of Grand Junction are estimated to be \$8,000 annually.

REPAYMENT

Source of Construction Funds: Efforts are being made to secure assistance through governmental agencies, for possible grant and loan assistance. The proposed district cannot show the necessary repayment capacity to finance the project through conventional private channels. Reliance must be placed on substantial grant assistance and low interest loans.

District Revenue: To insure that construction repayment and other expenses can be met and that reasonable reserves can be accumulated, it is estimated that the District should accumulate revenue by making charges approximately as follows:

Tap Charges (including payment to City) -
Prior to Construction \$ 600.00 Each
After Construction..... \$ 800.00 Each

(continued on Page 3)

(continued from Page 2)

Monthly Service Charges (Including \$3.45 to City)	\$ 7.00
Taxes.....	14 Mills

Debt Service: Based on a 39-year repayment period of project costs at an estimated rate of interest of 5.00 percent, 67.7 percent of the project cost can be financed from revenues described above.

The remaining 32.3 percent of the project cost must be financed through grants.

The suggested charges are considered to be the maximum amount which residents can afford to pay.

RECOMMENDATIONS

Orchard Mesa citizens, have, for many years, realized that the construction of a public sewer system was needed. Past efforts to organize a sanitation district have been unsuccessful. However, the situation is rapidly becoming critical because of failures to existing individual sewage disposal systems as well as the problems involved in constructing new homes and other improvements.

All recent studies indicate that the Grand Valley will have a heavy influx of population for various reasons. Due to the strategic location and attractiveness of the area, Orchard Mesa appears to have a potential, limited only by the availability of space. If this potential is realized, the estimates and projections contained in this report are conservative. If the potential does not develop rapidly the area will be capable of meeting financial obligations, in accordance with the repayment schedule shown in the APPENDIX.

In view of the above considerations, it is recommended that Orchard Mesa Sanitation District be formed as soon as possible, that

the duly elected Board of Directors proceed with financial negotiations and necessary contracts and become operational as soon as possible. Further delay will undoubtedly mean more inflation, more pollution problems and even more retardation of building activity. Only by forming a district, can firm commitments, contracts and agreements be secured. Other than the organization costs involved, no commitment is being made by the individual property owners at this time. When financial arrangements have been completed and before construction contracts are awarded, the citizens of the district will have an opportunity to vote their approval or disapproval of the ultimate plan.

II - PURPOSE OF REPORT

GENERAL

The portion of Orchard Mesa for which the installation of a public sewer system is planned includes many areas where septic tanks have become completely unacceptable for the disposal of liquid wastes. The problem is not new and for several years the people of the community have from time to time considered establishing a district and constructing sewage collection and treatment facilities. A serious effort was made in 1963 when C. H. Hoper and Associates, Utilities Engineers, made a study of the area and issued a Preliminary Engineering Report. Efforts to form a district at that time were unsuccessful.

In 1973 efforts to form a sanitation district, on Orchard Mesa, were renewed. However, before the formation could be completed, residents of approximately 22 percent of the land area, containing approximately 50 percent of the population, filed a petition for annexation to the City of Grand Junction. The organization committee decided to suspend its activities until the annexation effort was concluded. The annexation petition was accepted by the City and the residents of the area voted in favor of annexation.

The successful annexation effort will eventually result in a public sewer system for the area annexed, but it compounded the problems of the remaining portion of the proposed district. Septic tank failures are widespread and in some places the sewage is surfacing, escaping into drain and irrigation ditches and otherwise causing concern to the Department of Public Health. Despite the loss of 50% of the existing population, the majority of the people, in the remaining area, are determined to proceed with the formation of a district. The present effort can only be successful if grant funds, as well as loan funds, become available for the initial capital investment. The potential for future growth in the area is extremely favorable if a public sewer system can be constructed.

The sentiment of the organization committee, backed by the majority of the citizens, is that a district must be formed without further delay. As one of the first steps in this effort, this Service Plan Report has been prepared.

PURPOSE AND SCOPE OF REPORT

This Service Plan Report has been prepared, as required by Colorado Law, for presentation to the Board of County Commissioners to outline a plan for constructing the proposed facilities, show estimated costs and to outline a method of financing and operating the system. This report will also be used by members of the organization committee to inform themselves and the other citizens within the proposed district, regarding the proposed improvements.

In cooperation with the organization committee and its attorney the proposed boundary of the district has been established and described by the Engineer (the complete boundary description is included in the APPENDIX of this report). In general, the area extends from the existing Grand Junction City Limits easterly to include most of the more densely populated communities along U. S. Highway 50 to 30 Road and otherwise approximately to 29 Road. The north boundary is the Colorado River and the south boundary is outside the presently settled areas. Approximately 3.7 square miles are included within the described boundary.

The plans for a sewer system for the area will provide for service to substantially all of the homes existing in the area, with sizes based on ultimate needs of the area plus feasible future annexations.

Treatment of wastes will be handled by contract with the City of Grand Junction. If the Colorado Department of Public Health rescinds its orders to the City regarding the acceptance of additional sewage, for treatment, delivery can be made into existing sewers or into sewers to be constructed by the city serving newly annexed areas.

This report also covers a tentative repayment schedule (see APPENDIX) and other financial information developed with the cooperation of officials of the Farmers Home Administration.

Realistic population projections, extending through the first twenty years of the repayment period, have been made to assist in the development of a reasonable bond retirement schedule. Population projections were used in projecting future assessed valuations.

Operation and Maintenance costs have been estimated and included in this report.

III - ORGANIZATION AND ADMINISTRATION

ORGANIZATION PROCEDURE

Following reviews by the organization committee, the attorneys and others, this Service Plan Report will be filed with the County Clerk and the County Commissioners will set a date for a public hearing, with notices publicised as required. Assuming that the service plan is approved by the County Commissioners, petitions favoring the formation of the proposed district will be filed with the District Court and an order for a hearing will be issued. The notice of a court hearing will then be published as required, and the hearing will be held. Under normal procedure, the Court will enter an order calling for elections to organize the district. If the election is successful, the judge will sign an order creating the District and appoint the first board of directors, consisting of five members.

ADMINISTRATIVE AUTHORITY

As soon as District Board Members have been appointed and have formally organized, the first legal entity will have been established. At this time firm contracts can be signed for services, construction work, loans, grants and other necessary obligations, as required.

IV - POTENTIAL OF THE PROJECT AREA

GENERAL

The project area, identified by the boundary description, as included in this report, plus areas which are eligible for later annexation, have experienced a slow growth cycle during the past several years. However, in spite of all the pollution problems, approximately 65 homes were constructed during 1972 and residential construction continued during 1973. Plans for rather extensive developments are being considered at this time and may depend on the success of this effort to form a district.

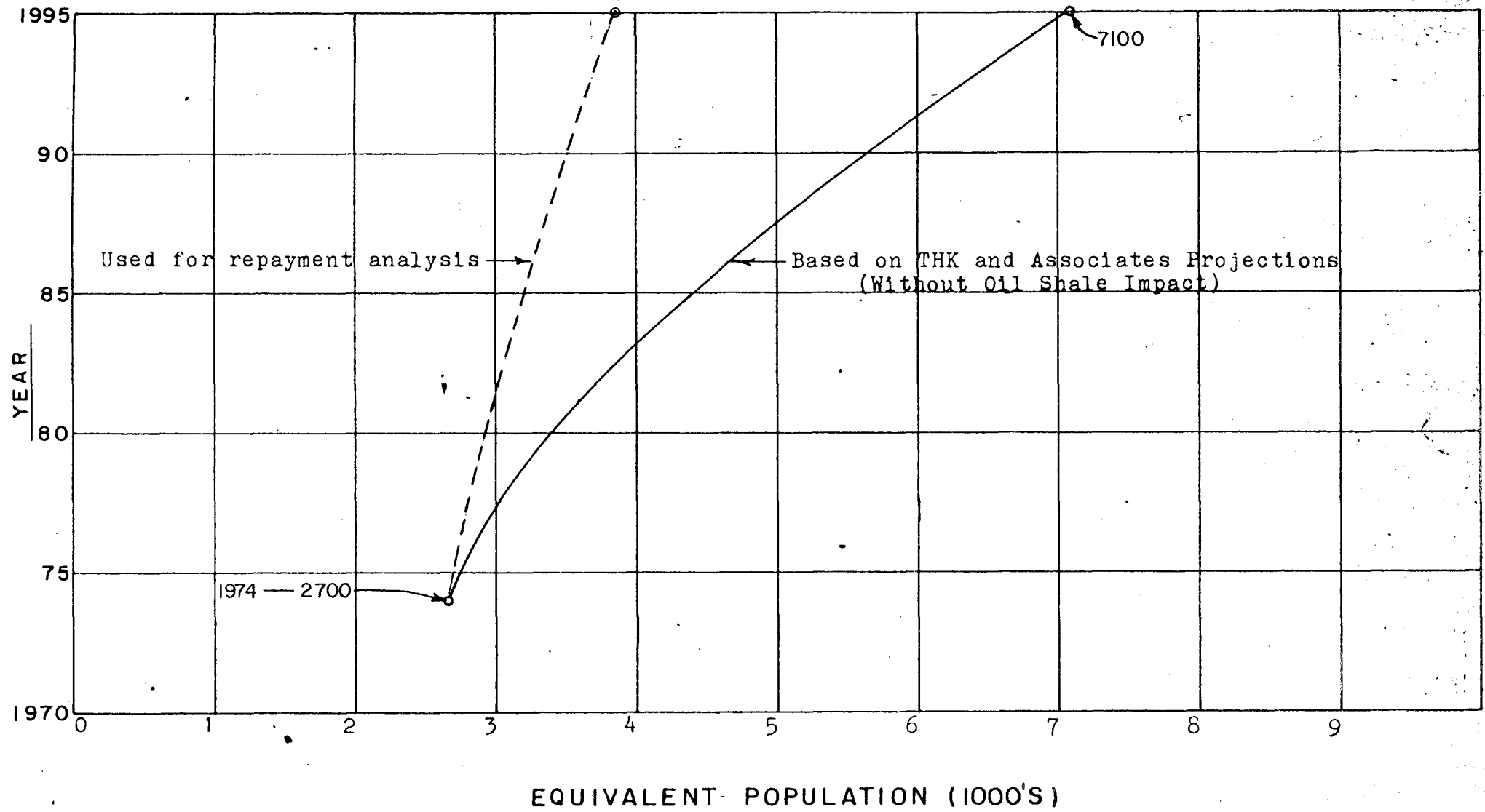
POPULATION

The existing population within the proposed district is approximately 2,700.

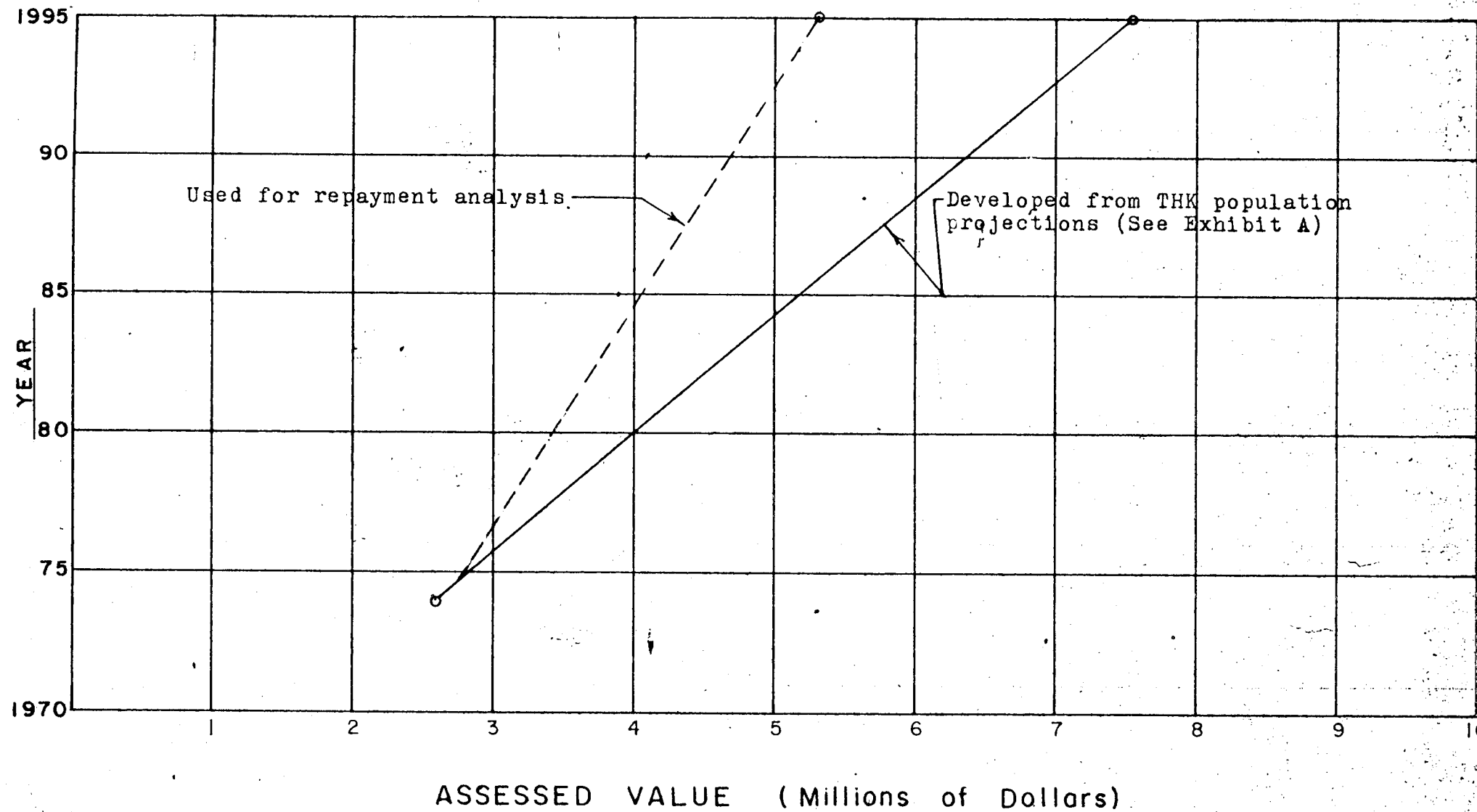
Recent studies reported in "IMPACT ANALYSIS AND DEVELOPMENT PATTERNS RELATED TO AN OIL SHALE INDUSTRY" by THK Associates, Inc. includes predictions regarding population increases in Western Colorado. It is predicted that the annual increase through 1977 will be at the rate of 3 percent followed by annual increases of 5 percent. The Orchard Mesa area would be expected to equal or exceed this average rate. However, for repayment purposes, a more conservative rate has been used. PROJECTED POPULATION GROWTH - EXHIBIT A shows both the THK projection and the projection used for developing the tentative repayment schedule shown in the APPENDIX.

PROPERTY VALUES

The assessed valuation of the proposed district is estimated to be 2.8 million dollars. EXHIBIT B shows the projected valuation, as developed from THK population projections for use in preparing the proposed repayment schedule.



PROJECTED POPULATION GROWTH
 EXHIBIT A
 REVISED 6/6/74



PROJECTED ASSESSED VALUE

EXHIBIT B

REVISED 6/6/74

PRIVATE DEVELOPMENT

The area included within the proposed district is primarily utilized as scattered residential subdivisions and other thickly settled areas with many farms and ranches still operating throughout the area.

There are a few commercial and industrial businesses operating in the area. These include the following:

- (1) Service establishments including a supermarket, service stations and several home operated establishments.
- (2) Truck and heavy machinery dealers.
- (3) A mobile home park, a camper park and a small motel.
- (4) A corrugated metal products plant.
- (5) Truck gardens.

PUBLIC SCHOOLS

Lincoln Orchard Mesa Elementary School is located within the proposed district. The student enrollment at this school averages approximately 665 students.

PARKS AND RECREATION

Uranium Downs, which is being improved as funds become available, has been accomodating 4-H club fairs, horse shows, horse races and similar community activities for many years. It is anticipated that the use of this park will increase. It covers approximately 80 acres.

POTENTIAL OF UNDEVELOPED AREAS

Many of the large blocks of undeveloped land in the central portion of the area, where the topography, accessibility and general characteristics of the land is good are considered prime land for residential or commercial development. Smaller blocks of undeveloped or thinly populated land are located in the southeasterly portion of

the proposed district. These lands lack irrigation water and have irregular topography. However, they are desirable for residential type developments.

Over the years numerous subdivisions have been platted and filed. Because of the slow growth pattern in recent years, an unusually large number of unimproved lots are still available. Since most of these were platted and filed prior to the adoption of the present subdivision regulations, the relatively low investment in land and other preliminary activities will give lot owners some advantage over developers who are faced with meeting all of the new standards. Water is presently readily available and if a public sewer system is constructed, a marked increase in construction activity is predicted.

NEED FOR PUBLIC SEWER SYSTEM

Existing Conditions: Most of the area within the boundary of the proposed district is served by individual septic tank systems. Exceptions include the Big J. Camping Park and Western Hills Mobile Home Park, both of which have installed small package sewer plants for their own use.

Problem Areas: Most of the more densely populated areas have problems with individual septic tanks or they create problems in adjoining areas. According to Mesa County Health Department records, a total of 54 individual systems in the Orchard Mesa area had to be rebuilt or repaired during 1972. It is very likely that many others are giving trouble. This number of known failures is approximately 4 percent of the total number of homes within the area surveyed. Considering that the average trouble-free period for septic tanks and drain fields is less than five years and getting less continuously the projected number of failures for the next twenty years becomes alarming. Continuously extending and expanding individual on-site

systems is not feasible because of the limited size of lots and tracts. Therefore, the alternatives are limited to: 1. A complete halt to further development, 2: The construction of sewage collection and disposal systems or 3: The construction of elaborate individual sewage treatment facilities. The latter are estimated to cost from \$3,000 to \$4,000 if requirements of the Health Department are to be met.

V - DESCRIPTION OF PROPOSED IMPROVEMENTS

PROPOSED SEWER SYSTEM

Design Considerations: Basically, the sewer system, proposed for construction at this time, is planned for eventual expansion to serve an estimated maximum population of 17,000 people. The sizing of interceptor and lateral sewers is such that expansion can be made, with a minimum of duplication, to provide for the above population.

Designs will be made in conformance with the requirements of "CRITERIA USED IN REVIEW OF WASTEWATER TREATMENT FACILITIES", as issued by the Colorado Department of Public Health.

Specifications will include provisions for alternate types of materials, all of which are considered equally serviceable.

Plans will be submitted for review by the Colorado Department of Public Health, the Farmers Home Administration and any other agencies which may be involved in grants, loans or other assistance programs.

PROPOSED WASTE TREATMENT

GENERAL: It is estimated that the present population of the proposed district will produce liquid wastes at the rate of 270,000 gallons per day. Treatment facilities should have the capacity to process 750,000 gallons per day before the end of the century.

According to samplings from similar areas, it is estimated that wastes will contain 0.18 pounds B.O.D. and 0.094 pounds of suspended solids per capita per day.

Arrangements for Treatment: Plans are primarily based on treatment of liquid wastes by the City of Grand Junction. Delivery will be made to the existing City Sewer lines located near the westerly and northerly boundaries of the proposed district. From these locations City Sewer lines will be utilized for delivery to the recently modernized city plant.

Attached hereto and made a part of this report is a copy of a letter from the Grand Junction City Manager indicating that the City is agreeable to treating liquid wastes from the proposed system (see APPENDIX).

VI - PROJECT COST AND REPAYMENT

COST ESTIMATES

Collection System: Cost estimates have been prepared, using unit prices based on recent bids for work on jobs having comparable construction conditions. The estimated cost of the collection system is itemized as follows:

PROPOSED ORCHARD MESA SANITATION DISTRICT
SCHEDULE OF ESTIMATED COSTS
SEWER SYSTEM

DESCRIPTION	QUANTITY	UNITS	UNIT PRICE	TOTAL PRICE
1. Furnish and Install 8-inch sewers	95,000	L.F.	\$ 8.00	\$ 760,000.00
2. Furnish and Install 10-inch sewers	18,500	L.F.	10.50	194,250.00
3. Furnish and Install 12-inch sewers	2,000	L.F.	12.00	24,000.00
4. Furnish and Install 4-inch service lines	24,000	L.F.	6.00	144,000.00
5. Furnish and Install 48-inch diameter manholes	350	Each	600.00	210,000.00
6. Select Bedding Material	5,000	C.Y.	7.00	35,000.00
7. Base Course Gravel Replacement	20,000	C.Y.	7.00	140,000.00
8. Pavement Replacement	27,000	S.Y.	6.00	162,000.00
9. Canal & Drain Crossings	35	Each	500.00	17,500.00
10. Road Bores & Cuts	1,500	L.F.	25.00	<u>37,500.00</u>
Subtotal				\$1,724,250.00
Contingencies (Plus 15%+)				<u>258,750.00</u>
Subtotal				\$1,983,000.00

(continued on next page)

Brought Forward - Subtotal	\$1,983,000.00
Engineering Fees (Standard 6.47%)	126,900.00
Inspection, Layout Surveys and Special Services	71,400.00
Legal Expenses	<u>12,000.00</u>
Subtotal - Estimated Project Costs	\$2,193,300.00
Interest During Construction	<u>70,700.00</u>
Total Estimated Project Cost	\$2,264,000.00

Treatment Facilities: The City of Grand Junction has proposed to treat sewage for the District, operate and maintain the system and do the billing for the following charges:

Trunk Charge, per individual tap \$ 100.00
 Monthly Charge, per residential tap \$ 3.45

Summary of Capital Costs: As developed above, the total project cost to be repaid is as follows:

Sewer System	\$2,264,000.00
** Treatment & Transmission (per connected tap)	100.00

**Trunk charge by City of Grand Junction to be part of tap fee described below:

SOURCES OF REVENUE

Tap Fees: An initial tap fee of \$600 for each residential sewer tap is recommended. Subsequent taps, which are required after construction work is completed, at the site of the tap, should be more. A sum of \$800 is recommended. A sum of \$100 for each tap must be paid to the City of Grand Junction as a "Trunk Charge". This amount is included in the tap fees, as suggested.

Taxes: A levy of 14 mills will be necessary to help finance the project. The recommendation of a higher tax than this would be made with extreme reluctance.

Service Charges: It is estimated that a service charge, including payments to the City of Grand Junction, will be required as another source of revenue. The recommended charge, per tap, is \$7.00 per month. Deducting the City Service Charge, net revenue of \$3.55 per tap per month is available for debt service and other costs.

SOURCES OF CONSTRUCTION FUNDS

Government Grants and Loans: Although no specific commitment has been received, with regard to the prospects of securing financial assistance in the form of grants, the Committee is actively investigating all possibilities. The availability of loans under the various Government Loan Programs is also being investigated. To date the following actions have been taken:

1. Miscellaneous personal letters to Congressmen and Senators from Committee Members.
2. April 12, 1973: Letter to the U. S. Environmental Protection Agency.
3. May 4, 1973: Letter to Water Pollution Control Commission requesting a priority rating for grant qualification.
4. May 30, 1973: Submission of "Notice of Intent to Apply for Federal Aid" to State of Colorado, Division of Planning.
5. May 30, 1973: Preliminary Request for Federal Assistance (Form No. 101), submitted through the Farmers Home Administration, County Supervisor.

FINANCIAL ANALYSIS

Based on the various costs, anticipated revenue and other data, the ability of the proposed district to finance the sewer system as described herein has been analyzed.

It has been determined that annual revenues will finance an investment of \$1,532,000 in construction costs, pay for transmission, treatment and other incidental costs and provide for the accumulation of reasonable reserves. To complete the financing of the project, grants totaling \$732,000 will be necessary.

The annual payment required to retire an indebtedness of \$1,532,000 over 39 years at 5 percent interest is \$90,000.

The repayment schedule, as shown in the APPENDIX, shows the anticipated distribution of revenue and payment of annual costs for the first twenty years of operation. The extension of the repayment schedule beyond the first twenty years appears to be unnecessary and would not alter the conclusions developed herein.

VII - OPERATION AND MAINTENANCE

If a contract is completed with the City of Grand Junction, it will include operation, maintenance and billing. In analyzing costs, a nominal amount was added to cover the cost of board meetings, routine legal fees and other incidentals.

The above costs are reflected in the repayment schedule, as shown in the APPENDIX.

A P P E N D I X

District Boundary - Legal Description

Letter from Grand Junction City Manager

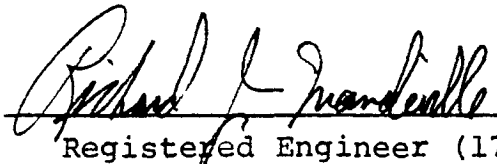
Repayment Schedule

ORCHARD MESA SANITATION DISTRICT
LEGAL DESCRIPTION - DISTRICT BOUNDARY

Beginning at the southeast corner of the SW $\frac{1}{4}$ NE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 26, Township 1 South, Range 1 West of the Ute Meridian said point being on the existing city limit of Grand Junction, thence along said city limit line south 330 feet more or less to the south line of the N $\frac{1}{2}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$ of said Section 26, thence west to the west boundary of the E $\frac{1}{2}$ NW $\frac{1}{4}$ of said Section 26, thence south along said west boundary to the south line of said E $\frac{1}{2}$ NW $\frac{1}{4}$ of Section 26, thence east approximately one quarter mile to the center of said Section 26, thence south one half mile, more or less, to the south $\frac{1}{4}$ corner of said Section 26, thence east along the south line of said Section 26 one half mile, more or less, to the southeast corner of said Section 26, thence south along the west line of Section 36, Township 1 South, Range 1 West of the Ute Meridian to the Gunnison River, thence easterly one mile, more or less, along said Gunnison River to the east line of said Section 36, (Also the west line of Section 31, Township 1 South, Range 1 East of the Ute Meridian) thence southeasterly along said Gunnison River to the south line of the NW $\frac{1}{4}$ of said Section 31, thence east along said south line to the southeast corner of said NW $\frac{1}{4}$ of Section 31, thence south one eighth mile, more or less, to the southwest corner of the N $\frac{1}{2}$ N $\frac{1}{2}$ SE $\frac{1}{4}$ of said Section 31, thence east along the south line of said N $\frac{1}{2}$ N $\frac{1}{2}$ SE $\frac{1}{4}$ one half mile, more or less, to the east line of said Section 31, thence south along said east line of Section 31 (also the west line of Section 32, Township 1 South, Range 1 East of the Ute Meridian) one eighth mile, more or less, to the northwest corner of the S $\frac{1}{2}$ SW $\frac{1}{4}$ of Section 32, Township 1 South, Range 1 East of the Ute Meridian, thence east along the north line of said S $\frac{1}{2}$ SW $\frac{1}{4}$ of Section 32 one half mile, more or less to the northeast corner thereof, thence south one quarter mile, more or less, to the south quarter corner of said Section 32, thence east one half mile, more or less, along the south line of said Section 32 to the southeast corner thereof, thence north five-eighth mile, more or less, along the east line of said

Section 32 to the northeast corner of the $S\frac{1}{2} S\frac{1}{2} NE\frac{1}{4}$ of said Section 32, thence west three-eighths mile, more or less, along the north line of said $S\frac{1}{2} S\frac{1}{2} NE\frac{1}{4}$ to the northeast corner of the $SW\frac{1}{4} SW\frac{1}{4} NE\frac{1}{4}$ of said Section 32, thence north one half mile, more or less, along the east line of the $W\frac{1}{2} W\frac{1}{2} NE\frac{1}{4}$ of said Section 32 and the east line of the $SW\frac{1}{4} SW\frac{1}{4} SE\frac{1}{4}$ of Section 29, Township 1 South, Range 1 East of the Ute Meridian to the northeast corner of said $SW\frac{1}{4} SW\frac{1}{4} SE\frac{1}{4}$, thence west one half mile, more or less, along the north line of said $SW\frac{1}{4} SW\frac{1}{4} SE\frac{1}{4}$ and the north line of the $S\frac{1}{2} S\frac{1}{2} SW\frac{1}{4}$ of said Section 29 to the northeast corner of the $SW\frac{1}{4} SW\frac{1}{4} SW\frac{1}{4}$ of said Section 29, thence north along the east line of the $W\frac{1}{2} W\frac{1}{2} SW\frac{1}{4}$ and the $W\frac{1}{2} W\frac{1}{2} NW\frac{1}{4}$ of said Section 29 to the Colorado River, thence westerly along said Colorado River 5600 feet, more or less to the northeast corner of Highland Acres Subdivision, a point on the existing city limit line of Grand Junction in Section 19, Township 1 South, Range 1 East of the Ute Meridian, thence along said existing city limits south approximately 1075 feet to the south line of said Section 19, thence west approximately 2389 feet along said south line to a point on the south line of Section 24, Township 1 South, Range 1 West of the Ute Meridian (said point being 811 feet east of the north quarter corner of Section 25, Township 1 South, Range 1 West of the Ute Meridian), thence South 1320 feet, thence East 180 feet, thence South 1320 feet to a point on the east-west quarter section line of Section 25, Township 1 South, Range 1 West of the Ute Meridian, thence west along said quarter section line approximately 2650 feet to the point of intersection with the south right-of-way line of U. S. Highway 50 as it now exists, thence northwesterly along said right-of-way line to its point of intersection with the south line of the $NW\frac{1}{4} NE\frac{1}{4}$ of Section 26, Township 1 South, Range 1 West of the Ute Meridian, thence west along said south line and the south line of the $NE\frac{1}{4} NW\frac{1}{4}$ of said Section 26 to the point of beginning.

Prepared by:


Registered Engineer (1779)



OFFICE OF THE CITY MANAGER
CITY OF GRAND JUNCTION

CITY OF GRAND JUNCTION

CITY HALL
DIAL (303) 243-2635
Office of CITY MANAGER

April 6, 1973

Elder, Phillips & Carpenter
562 White Avenue
Grand Junction, Colorado 81501

Re: Proposed Orchard Mesa Sanitation District

Attention: Tom E. Elder

Dear Mr. Elder:

Pursuant to the meeting between City representatives and the organizational committee of the proposed Orchard Mesa Sanitation District, I am writing this letter. This letter is to constitute a Gentlemen's Agreement between the organizational committee and the City of Grand Junction concerning a proposed contract with the City of Grand Junction for services that may be rendered by the City to the Orchard Mesa Sanitation District, if the District becomes a reality. It is specifically understood that this letter can only outline our basic understanding at this time. A legally binding contract may be negotiated and signed if and when the District becomes a legal entity.

In the event the proposed District enters into a contract with the City to provide certain services, the proposed District will pay to the City of Grand Junction the sum of \$100 for each sewer tap. In addition the following rates shall prevail for each single family residence.

Maintenance, Sewer Treatment & Billing	\$3.45 a month
Sewer Treatment	\$2.45 a month

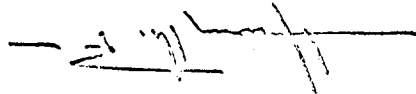
In both instances above set forth if a portion of the District is annexed to the City of Grand Junction, the single family residence charge for that area of the District lying within the City limits will be reduced with the following rates applicable.

Maintenance, Sewer Treatment & Billing	\$3.05 per month
Sewer Treatment	\$2.05 per month

The above rates have been established based on current City rates. Should these rates be changed at any time contract rates will be

changed appropriately. If this revised outline of our basic agreement meets with your approval I would appreciate it very much if you would sign this letter and send a copy of it to this office as soon as possible.

Sincerely,

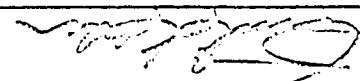


Harvey M. Rose
City Manager

HMR/kr

APPROVED:

BIDER, PHILLIPS & CARPENTER

BY: 

R E P A Y M E N T

TAPS			PROJECTED REVENUE					
End Yr.	During Yr.	Acc. No.	Assessed Value (Millions)	Gross From Tap Fee (1)	Gross Service Chg. (2)	Taxes 14 Mills	Total	Trunk Chg. City (3)
	0	500		\$300,000				\$50,000
(1975)	1	0	\$ 2.8	-0-	-0-	\$39,200	\$39,200	-0-
	2	35	2.9	28,000	\$44,940	40,600	113,540	3,500
	3	35	3.0	28,000	47,880	42,000	117,880	3,500
	4	35	3.2	28,000	50,820	44,800	123,620	3,500
	5	35	3.3	28,000	53,760	46,200	127,960	3,500
	6	35	3.4	28,000	56,700	47,600	132,300	3,500
	7	35	3.5	28,000	59,640	49,000	136,640	3,500
	8	35	3.7	28,000	62,580	51,800	142,380	3,500
	9	35	3.8	28,000	65,520	53,200	146,720	3,500
	10	35	3.9	28,000	68,460	54,600	151,060	3,500
	11	35	4.0	28,000	71,400	56,000	155,400	3,500
	12	35	4.2	28,000	74,340	58,800	161,140	3,500
	13	35	4.3	28,000	77,280	60,200	165,480	3,500
	14	35	4.4	28,000	80,220	61,600	169,820	3,500
	15	35	4.5	28,000	83,160	63,000	174,160	3,500
	16	35	4.7	28,000	86,100	65,800	179,900	3,500
	17	35	4.8	28,000	89,040	67,200	184,240	3,500
	18	35	4.9	28,000	91,980	68,600	188,580	3,500
	19	35	5.1	28,000	94,920	71,400	194,320	3,500
	20	35	5.3	28,000	97,860	74,200	200,060	3,500

P R O J E C T , T O

(1) Gross from tap fees - Prior to Construction \$600/tap
 After Construction \$800/tap

(2) Service Charge \$3.45 for City - \$3.55 for District

SCHEDULE

PROJECTED COSTS			DEBT SERVICE					
Service Chg. City (4)	District O & M	Total	Revenue Avail.	Interest Payment	Principal Payment	Total Payment	Debt Balance	Acc. Reserves (5)
								\$250,000
-0-	\$ 8,000	\$ 8,000	\$31,200	\$76,600	-0-	\$76,600	\$1,532,000	\$204,600
\$22,149	8,000	33,649	79,891	76,600	\$13,400	90,000	1,518,600	194,491
23,598	8,000	35,098	82,782	75,930	14,070	90,000	1,504,530	187,273
25,047	8,000	36,547	87,073	75,226	14,774	90,000	1,489,756	184,346
26,496	8,000	37,996	89,964	74,448	15,512	90,000	1,474,244	184,310
27,945	8,000	39,445	92,855	73,712	16,288	90,000	1,457,956	187,165
29,394	8,000	40,894	95,946	72,898	17,102	90,000	1,440,854	193,111
30,843	8,000	42,343	100,037	72,043	17,957	90,000	1,422,897	203,148
32,292	8,000	43,792	102,928	71,145	18,855	90,000	1,404,042	216,076
33,741	8,000	45,241	105,819	70,202	19,798	90,000	1,384,244	231,895
35,190	8,000	46,690	108,710	69,212	20,788	90,000	1,363,456	250,605
36,639	8,000	48,139	113,001	68,173	21,827	90,000	1,341,629	273,606
38,088	8,000	49,588	115,892	67,081	22,919	90,000	1,318,710	299,498
39,537	8,000	51,037	118,783	65,936	24,064	90,000	1,294,646	328,281
40,986	8,000	52,486	121,674	64,732	25,268	90,000	1,269,378	359,955
42,435	8,000	53,935	125,965	63,469	26,531	90,000	1,242,847	395,920
43,884	8,000	55,384	128,856	62,142	27,858	90,000	1,214,989	434,776
45,333	8,000	56,833	131,747	60,749	29,251	90,000	1,185,738	476,523
46,782	8,000	58,282	136,038	59,287	30,713	90,000	1,155,025	522,561
48,231	8,000	59,731	140,329	57,751	32,249	90,000	1,272,776	572,890

COMPLETE PAY OUT

- (3) City Trunk Charge \$100/tap
- (4) City O & M _ Service Charge \$3.45/tap/mo.
- (5) Reserves for future extensions and emergencies