CITY OF GRAND JUNCTION, COLORADO MEMORANDUM

Reply Requested

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| Yes No | <u>June 10.</u> 1975 |
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| To: (From:) Harvey Rose City Manager | From: (To:) Jim Patterson Utilities Director |

Date

On June 2 I visited with Mr. Carl Heskett of the Environmental Protection Agency in Denver. The purpose of this visit was to discuss our grant application and more specifically the water and sewer use ordinance that was recently passed by the City of Grand Junction. In order to meet requirements to receive the EPA Grant there are one or two minor changes that we must make in this ordinance. I will be discussing these with you at a later time. Mr. Heskett also pointed out that the City must be careful to keep an adequate user charge for sewer service. He pointed out that as long as the City could show that the user charge was sufficient to cover the operation, maintenance, and normal replacement cost of sewage treatment facilities, that the City would be eligible to receive grant money.

I feel that our previous sewer rate of \$2.05 per month is barely enough to cover the cost of operation and maintenance and does not cover any normal replacement of equipment. With present increase of cost I do not feel that this amount will be sufficient in the future to even cover operation and maintenance cost. I feel that the Council should seriously consider the consequences of returning to the old rate of \$2.05 as this could result in the loss of more than one million dollars in grant funds.