

A G R E E M E N T

THIS AGREEMENT, made and entered into this 19th day of November, 1975, by and between the CITY OF GRAND JUNCTION, a Municipal corporation of the State of Colorado, hereinafter referred to as the "City" and the ORCHARD MESA SANITATION DISTRICT, a quasi-municipal corporation of the State of Colorado, hereinafter referred to as the "District",

WITNESSETH:

WHEREAS, the District desires to construct a sanitary sewer system to provide sewer services to its residents.

WHEREAS, the City has heretofore constructed a sewage treatment plant, which treatment plant is adequate for the treatment requirements of the City as well as being of sufficient capacity to handle the treatment of sewage collected from the District system.

WHEREAS, because of the proximity of the District to the City, it is the opinion of the City Council of the City and the Board of Directors of the District that a separate construction of sewage treatment plant by the District would result in unnecessary duplication of services, and to the end that such duplication be avoided, the City shall treat the sewage of the District and provide other services in connection with the disposal of the District's sewage.

NOW, THEREFORE, in consideration of the premises and the covenants herein contained and other good and valuable considerations, it is agreed as follows:

1. The City hereby agrees to permit the District to connect its trunk and outfall sewers in the area of the District at points of the City's existing system to be determined upon final design of the sewage collection system of the District and by its consulting engineer. All expenses of connection shall be borne by the District, and shall be made to conform with the requirements and standards of existing ordinances of the City.

2. The City agrees to furnish trunk and outfall sewer services from the point of the District connections to the City sewage treatment facilities.

3. The District agrees to install collection sewage lines within the boundaries of the District in conformance to the existing size and quality standards for sewer construction within the City and as regulated by City Ordinances, rules and regulations, and that construction shall conform to the Colorado State Health Code. During the period of construction, or any enlargement or extensions of the District's system, the District agrees to pay the expenses of a construction inspector, to be selected by mutual agreement between the City and the District, who will be on the construction scene during the construction, enlargement or extension of the District sewer system. The construction inspector shall act as agent, during the period of construction, enlargement or extension for both the City and the District.

4. During the period of construction the District will be responsible to provide the City all records of the type and location of individual sewer connections to the District system, i. e. residential, commercial, industrial, and the dates thereof. It is further agreed that in the case of commercial and industrial connections, the District will enforce City policies on acceptable loadings, volume, and strength of sewage.

5. It is agreed that after completion of the construction of the District's sewer system, individual users desiring sewer taps to the District system shall be required to pay the appropriate tap fee, and to obtain a hookup permit at the Grand Junction City Hall upon the payment of a \$5.00 hookup permit fee. The City agrees to provide inspection service of each individual connection to the District's system and to provide all normal and reasonable operation and maintenance service, such as required by flushing and rodding of the collection system of the District at the City's

expense. Any failure of a part of the collection system, such as repair or replacement on pumping or lift station and blockage due to slippage or cave-in, whether by reason of faulty installation or act of God, which requires excavation and/or replacement of pipe materials, shall be at District expense. If the City makes the repair and replacement, the City will bill the District for labor and materials plus 20% overhead, however, the District reserves the right to make said repair at its own expense. In addition, the City shall have the sole responsibility of billing individual users connected to the system, once the District's sewer system is constructed and has been approved by the City. The City shall account to the District for the revenues collected upon a regular monthly basis.

6. The District agrees to pay to the City for each single family dwelling sewer tap to the District's system a sum of money determined as follows:

(a) \$100.00 per tap (66 2/3% of the City single family dwelling Plant Investment Fee) on the first 750 taps.

(b) \$50.00 plus 100% of the City single family dwelling Plant Investment Fee on the next 750 taps.

(c) 100% of the City single family dwelling Plant Investment Fee on all taps installed thereafter.

Any and all taps to the District's system for multiple family dwellings, rooming houses, commercial properties, industrial and manufacturing uses or for any other use, the District agrees to pay to the City for each such tap 100% of the Plant Investment Fee chargeable for said use pursuant to the tap fee schedule of the City of Grand Junction. The City agrees to collect from the individual users of the District whatever additional tap fee the District shall determine, and the District shall notify the City in writing of the amount of said additional tap fee.

7. Any and all extensions or enlargements to the collection system of the District shall be the full responsibility of the District, and in concurrence with the City.

8. The District agrees to pay to the City, as a service charge for operating and maintaining the District's system, processing the District's sewage, and billing and collecting service charges and tap fees from District users, the sum of \$4.05 per month per single family dwelling tap. Multiple family dwellings, rooming houses, commercial properties, industrial and manufacturing uses and any other use, the District shall pay the same percentage above the City's like class of rates as is provided herein for the single family dwelling rate, as a monthly service charge. In addition, the City agrees to collect and remit to the District, on a monthly basis, whatever additional service charge the District shall determine and the District shall notify the City in writing of the additional monthly service charge. In the event of a delinquency of any District user monthly service charge, the District agrees to pay the delinquent charge to the City by allowing the City to deduct the delinquent amount from District funds being collected by the City, and it shall be the District's full responsibility to collect any and all delinquent accounts and/or terminate the user.

9. It is expressly agreed by both the City and the District that in the event the City alters the sewer rates, now established by ordinance for inside the City service, or the plant investment fee (tap fee), the amount to be paid by the District to the City for service charges or tap fees thereafter shall be increased (or decreased) by the same dollar amount as the increase (or decrease) in the City's inside rates and tap fees. The City agrees to notify the District in writing of any such change, and the increase to the District users shall be effective no earlier than the first of the month following said notice.

10. This contract shall be in full force and affect for a period of forty-two years from the date hereof. At the expiration of said forty-two year term this contract shall be automatically extended from year to year thereafter unless sooner terminated by either party giving to the other party a twelve-month written notice of its intention to terminate.

11. It is agreed that the City shall be responsible for policing the District relative to sewage materials or matters discharged into the sewage system, and that no oil, acid, or other matters that may be detrimental to the treatment process employed in the City's treatment plant, nor storm drains or allowable ground waters shall be permitted to be discharged into the line or lines connected with the City's system, nor shall irrigation or drainage ditches be permitted to discharge therein. If any discharge is discovered in the line or lines of the District contrary to the limitations provided in this paragraph, the District agrees upon proper notice from the City to do whatever is necessary to rectify the situation immediately.

12. It is further agreed, if it is determined that the sewers constructed by the District permit excess infiltration of surface or ground waters or do not function properly, the District will, at its own expense and at no expense to the City, rebuild such lines according to the plans as approved by the District engineer and the City engineer.

13. Neither party hereto shall be held liable for any damage for failure to deliver or receive disposal wastes if such failure is due to an act of God, war, broken lines, accidents, fires, strikes, lockouts, or similar occurrences beyond the control of the District and/or the City. Either party rendered unable to fulfill any obligations provided in this contract by reasons hereof, shall exercise due diligence to remove such inability with all reasonable dispatch.

14. The District facilities as constructed, including rights-of-way and easements required shall remain the sole and

separate property of the District.

15. It is mutually understood that the construction of the District system is conditioned upon approval of the electors of the District to the sale of bonds or other proper means to finance the construction of said system. In the event the appropriate financing is not approved by the District or bonds or other evidence of financing are not sold, or that construction of the sewage collection system of the District is not commenced within 24 months of the date of this agreement, either party upon 30 days' written notice to the other party may cancel this agreement, and at the expiration of said 30-day period this agreement shall terminate and be of no further force and affect.

16. In the event the schedule of construction by the District of its main trunk line is prior to the installation of the main trunk lines to be installed by the City of Grand Junction through the present annexed area on Orchard Mesa, the City agrees to install the appropriate trunk line to the outer boundary of the City of Grand Junction to meet the installation schedule of the District, or in lieu thereof will permit the District to install the main trunk line within the annexed area in order that no delay in service to the District customers will be experienced. In the event the District installs said trunk line within the City of Grand Junction it will be installed pursuant to plans and specifications as approved by the City and the City will reimburse the District for the cost of installation within the annexed area.

17. The City agrees to pay any and all electricity bills in connection with the operation of any lift or pumping station, if any, installed by the District.

18. Waiver of default by either party in the terms or conditions of this agreement shall not operate as a waiver of any subsequent default.

19. Any tap fee collected under Paragraph 6 of this agreement shall not include, however, the charge to be made for labor and materials in making the tap from the sewer line of the District to the property line of the property to be served, and it is understood between the parties hereto that any such additional expense shall be the obligation of the party ordering such tap or the property owner. If the City installs the tap, the City will bill the party ordering such tap or the property owner for all labor and materials plus 20% overhead, however, the District reserves the right to make any such taps and charge the party ordering such tap or the property owner upon the same basis.

20. This agreement provides under Paragraph 8 hereof that the City will provide operation and maintenance of the District's system, <sup>as herein provided</sup> processing the District's sewage, and billing and collecting service charges and tap fees for the sum of \$4.05 per month per single family dwelling unit. It is understood between the parties hereto that the District hereby reserves the right to alter or amend this agreement at any time during the term hereof by giving a written notice thereof to the City on or before August 1 of any year hereafter, said alteration or amendment to become effective January 1 of the year following, whereby the District may assume the responsibility for operation and maintenance of the District's system, billing and collecting service charges and tap fees from District users. No alteration or amendment shall affect the tap fees payable to the City under Paragraph 6. Upon said amendment the City shall be paid as a service charge for processing the District's sewage of \$ 3.03 per month per single family dwelling tap thereafter. In the event this agreement is amended as contemplated above the monthly service charge for multiple family dwellings, rooming houses, commercial properties, industrial and manufacturing uses and any other use, shall be determined as set forth in Paragraph 8 hereof.

IN WITNESS WHEREOF, the parties have caused this agreement to be signed and executed the day and year first above written.

CITY OF GRAND JUNCTION

ATTEST:

Nora B. Lockhart  
City Clerk

*Thomas A. Marting*

By: *James W. ...*  
City Manager

ORCHARD MESA SANITATION DISTRICT

ATTEST:

*Richard M. ...*  
Secretary

By: *John A. Crosby*  
Chairman