

CITY OF GRAND JUNCTION, COLORADO

MEMORANDUM

Reply Requested

Yes  No

Date

8-26-76

To: (From:) Jim Wysocki

From: (To:) *Victor A. Vance*  
Victor A. Vance

Subject: Sewer Agreement - Bluffs West Corporation

Attached you will find a copy of Mac's comments on this proposed district.

You will also find various subjects marked in red that should be discussed and answered so that you may determine the gain if any to the agreement. Obviously, if there is no gain we probably should not be involved.

Since this area is in the County, will it be serviced by the new County Sewer District? Therefore, the County Sewer District may want to handle these types of agreements.

If we are to proceed, Section 4 should be identified specifically. We have two agreements now (Galaxy and 26½ Road) that has no specific payoff amount. We therefore, don't have an amount of liability to the city identified. These are significant.

These are some thoughts my department wishes to share with you.

Perhaps, a work session with all those involved could prove helpful.

Vic Vance:

Reference is made to the attached contract of sewer service agreement and the Bluffs West Corporation.

The general location of the proposed is between E & F and between 23 & 24 Rds in the Redlands area. The preliminary plans on file indicate the first plan is for 27 lots; however, it would appear as one parcel contains 66 and the other 55 acres that we should figure on the basis of about 50 accounts ultimately.

It is noted this agreement calls for billing at an increased rate with a monthly rebate of an amount on each account to the corporation. In other words this would be very similar to our present with Paradise Hills.

The original set up would take a few hours, but afterwards the monthly pay off would be handled by computer and it is only the amount of time it takes to prepare a PO plus the internal time of processing and drawing the check.

It is difficult to estimate how many finals and set ups would take place within these 50 accounts, but without doubt there would be a few. As in all these outside sewer accounts, a lot of time is spent for example when a bill is returned from the post office as undeliverable. Then the telephone calls necessary to determine the new owner sometimes is very time consuming. The matter of obtaining advance payment deposits and power of attorney forms is also time consuming.

In brief the point that is trying to be made is that although the original set up does take some time, afterwards it is the continual checking and supervision that must be given these districts, particularly in view of the fact that now they can hook up when they want to and not all at once. It requires constant periodic attention to insure that we are getting tap fees, and our monthly charges. After the agreement is signed, my experience has found that the cooperation from the other side becomes less and less as time goes on.

Malcolm McGregor  
Utility Accounts Mgr.

8-26-76

VIC VANCB

ROUGH DRAFT - COMMENTS ?

SEWER SERVICE AGREEMENT

This Agreement made and entered into this \_\_\_\_\_ day of \_\_\_\_\_ 1976, by and between the City of Grand Junction, a Colorado Municipal Corporation, (hereinafter referred to as "City"), and The Bluffs West, Inc., a Colorado Corporation, (hereinafter referred to as "Corporation").

WITNESSETH, Whereas the Corporation is desirous of constructing a sewage treatment works and collection system to serve certain real property situated in Sec. 7 and Sec. 8 Township 1 South Range 1 West Ute Meridian, Mesa County, Colorado, more particularly shown and described as Parcels 1 (containing approximately 66 acres) and 2 (containing approximately 55 acres) on the map attached hereto as Exhibit A and made a part hereof by this reference; and

WHEREAS, the Corporation is desirous that the ~~City take over the~~  
~~operation and maintenance of the system;~~

NOW THEREFORE, IT IS AGREED:

1. The Corporation agrees that its obligations and responsibilities in connection therewith shall be as follows:
  - (a) Design and construct in accordance with Colorado Department of Health regulations, a sewage treatment facility adequate to service Parcels 1 and 2. If the design and cost studies show the same to be feasible, the new treatment facility may be constructed in two or more phases in coordination with the development of the property being served thereby;
  - (b) Design and construct in accordance with Colorado Department of Health regulations, all sewage collection and trunk lines within the project site and from the site to the new plant;
  - (c) Submit to the City for prior review and approval all engineering and design plans and specifications for the new facility and the lines connecting the same with the project site, and permit the City to make periodic inspections of the work in progress;
  - (d) That by proper conveyance, the Corporation will grant to the City access to the completed sewerage system and package plant together with any lands involved therewith,

such access to revert to the Corporation in the event they are no longer needed or used for the operation of the system.

2. The ~~\_\_\_\_\_~~ that its obligations and responsibilities in connection therewith shall be as follows:
  - a. Secure as promptly as possible all necessary state and federal discharge permits and approvals;
  - b. Promptly review all plans and specifications submitted to it by the Corporation and periodically inspect the work during construction;
  - c. Upon completion of the treatment facility in accordance with the approved plans and specifications therefor, and acceptance for operation of same by the City, ~~operate and maintain the facility at the cost and expense of the City;~~
  - d. Upon completion of the sewer collection and trunk lines in accordance with the approved plans and specifications therefor, and dedication of the same to the City, take over, operate and maintain such lines at the ~~cost and expense of the City;~~
  - e. Permit ~~all~~ residential and commercial improvements constructed within the portions of ~~Parcels 1 and 2~~ served by the new facility to ~~tap on~~ to the related collection lines ~~without cost~~, i.e. ~~without~~ the payment of ~~plant investment fees or similar tap or hook-up fees or charges;~~
  - f. Anything herein to the contrary notwithstanding, it is ~~an intention~~ of this Agreement to provide the ~~holding of the system by the City~~, and to that end, it is agreed that the ~~Corporation or its successor will pay to the City monthly~~ (or as the City may determine) ~~a sum equal to the difference between the costs of operating and maintaining the system and the revenue therefrom~~ until the area is annexed to the City; and

How To  
Compute  
Costs

g. Operate and maintain the system and agreed upon extensions thereof in accordance with accepted practices and shall pay all costs of said operation and maintenance of said system. In the event that the City establishes other means of treatment of sewage without the necessity of using the present treatment plant, the City shall continue to operate and maintain the sewer lines and shall pay all costs of said operation and maintenance of said sewer lines.

3. The ~~billings~~ charges to the users of the system shall be ~~made by the City~~ in accordance with its usual billing procedures and in the amount of the ~~city rate~~, except that in the event of annexation of user lands to the City, rates shall be adjusted to in-city-rates. In addition, the ~~City will collect~~ and ~~pay over to the Corporation~~ such amount as may be determined to ~~amortize the costs of the system and plant~~. At the present time, the unpaid cost for said sewerage system and treatment plant which is still owing by the Corporation is approximately                     ?  
The ~~City may require a deposit~~ for service as it may determine.

4. ~~Tap fees may be charged~~ by the Corporation to be credited toward ~~paying off the investment~~ of the Corporation. At such                      time as the ~~Corporation has recovered its costs~~, fees may be charged for future taps, said fees to be charged by and paid to the City.

Why  
What  
True  
They  
may  
be?

5. In the event that the City establishes other means of treatment of sewage without the necessity of using the present treatment plant, then the City may ~~purchase~~ said ~~treatment plant~~ at the then ~~fair market value~~ from the Corporation. In the event the City does purchase said plant, the ~~City~~ shall ~~remove~~ the ~~plant~~ as soon as feasible and in no case later than one year from purchase date. In the event the City does not desire to purchase said treatment plant, then the Corporation shall remove and dispose of said treatment plant as it deems best.

6. In the event that the ~~City~~ constructs a ~~trunk-line~~ making it possible to treat the sewage with the facilities of the City sewage plant, ~~each household~~ connected to said sewage treatment

New  
Long 7

7  
system shall be ~~changed~~ a sewage plant investment fee of \$150.00  
In the discretion of the Board of Directors of Bluffs West, Inc.,  
if the City decides to purchase the treatment plant as listed in  
paragraph 5 above, the said \$150.00 ~~plant investment fee may be~~  
~~credited~~ against the then fair market value of the said treatment  
plant.

No  
7. The City understands and has full knowledge that contracts  
presently exist between the Corporation and  
and the City agrees to ~~hold~~ and ~~assume any obligations~~ that the  
Corporation may have to other developers.

8. ~~\_\_\_\_\_~~ of the system ~~shall~~ be required to ~~execute a Power of~~  
~~Attorney~~ required by the City for users upon the City system pro-  
viding for the annexation to the City of lands when the conditions  
in the Power exist and the City agrees to exercise such power of  
Attorney upon petition by such users in accordance with the pro-  
cedures set forth in Sec. 31-12-107-(5) C.R.S. 1973.

9. The City agrees to save and hold the Corporation harmless  
from all claims and demands arising out of the operation and main-  
tenance of the system.

10. Enforceability. The terms and provisions of this Agreement  
shall be specifically enforceable by either party hereto, and the  
parties agree that in the event a court action becomes necessary  
to enforce any one or more of the provisions hereof, the prevail-  
ing party shall be entitled to its costs incurred in connection  
with such action, including a reasonable attorney's fee, as a  
part of the judgment entered therein.

11. Binding Effect; Assignability. This Agreement shall be bind-  
ing upon and inure to the benefit of the parties hereto and their  
respective successors and assigns, and shall be assignable at any  
time by the Corporation to a general or limited partnership in  
which the Corporation is one of the general partners without  
City's prior approval being required.

12. Agreement is rescinded on \_\_\_\_\_ unless  
definite steps toward construction have been taken by that date.

IN WITNESS WHEREOF, the parties have executed this Agreement  
the day and year first above written

CITY OF GRAND JUNCTION

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ATTEST:

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