

211 - Case 7/1/79

MEMORANDUM OF AGREEMENT

This Memorandum of Agreement is entered into this _____ day of _____, 1979, by and between the COUNTY OF MESA, COLORADO, hereinafter "County", and the CITY OF GRAND JUNCTION, hereinafter "City",

R E C I T A L S:

A. The City of Grand Junction 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 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 revenue bonds in the amount of \$_____ which constitutes a lien on the Revenues of the City's sewer system for the retirement of those bonds.

B. 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 the 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.

C. 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 done by the issuance of sewer revenue bonds by the County.

NOW, THEREFORE, TO DETERMINE THE RELATIONSHIP OF THE PARTIES, HOW AND BY WHOM THE BONDS WILL BE ISSUED AND HOW THE REVENUES WILL BE GENERATED FOR THE RETIREMENT OF THOSE BONDS, IT IS UNDERSTOOD AND AGREED:

1. The parties will, cooperate by using their individual best efforts toward the completion of the project.

2. The County will issue its Sewer Revenue Bonds; the proceeds from such issue will provide funding for the costs of the facilities and lines which are not funded by federal grant funds. The bond issue will include sufficient funds that will be necessary to refund the existing City sewer revenue indebtedness to eliminate certain restrictive covenants which pledge the present City sewer revenues for the payment of those bonds thereby allowing for the pledge of all revenues of the combined system to the County sewer revenue and refunding bonds. The bond issue will also be sufficient to reimburse the City and County for amounts which have been expended for the project.

3. The County will have ownership of the wastewater treatment plant and River Road and Redlands Interceptors. The City shall have ownership of the Paradise Hills interceptor in addition to all lines currently owned.

4. To provide for orderly growth, in accordance with the Master Plans of the County and the City, connection to any City or County sewer lines within two miles of the City limits of the City of Grand Junction will occur only through arranging for sewage treatment through the City - either through annexation or through powers of attorney to accomplish annexation in the future, as possible. As annexations occur, the ownership of sewerage lines within the annexed area will be transferred to the City.

5. The City utility department shall operate and maintain the combined City and County sewer systems as a single system through contract between the City and County. The total costs of such operation and maintenance will be charged, as appropriate, to all users of the system.

6. The City utilities department shall prepare and submit to the Board of County Commissioners and the City Council recommended user charges, tap fees and plant investment fees to be charged within the system. Such charges or fees shall be uniform for those similarly situated within the system so that all are treated fairly. The Board and the Council shall approve such charges and fees in accordance with the bond resolution before they become effective. Nothing in this determination shall prevent entities such as the City, County or one of the special districts or organizations providing 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 allow other entities to provide sewer service to areas being served or to be served by the City or County.

7. All revenues from the system (not inclusive of additional charges required by the City, County, special districts or community system) shall be pledged first to the operation and maintenance of the system and secondly to the payment of principal and interest on the bonds issued for construction of the system, all as will be more fully defined in the bond resolution.

8. An interim treatment facility 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.

9. The contract for the operation of the combined sewer system will be reviewed annually to determine the success or failure of the arrangement with particular emphasis on the question of areas of interest and construction of the other facilities referred to herein.

10. The City utilities department will act with the engineer in control of the construction of the phases of the project. Change orders not exceeding \$50,000.00 may be approved by the City staff 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.

11. It is contemplated that the Valley-Wide Sewer Committee will be of continuing advice in the area of this agreement as well as within the balance of the valley area.

12. The intent of this agreement is to provide the basis which the City and County may proceed to establish a single sewer system and to provide the necessary local funds to finance the project. All items contained herein maybe modified or expanded in the contract providing for the operation and maintenance of the system to be entered into by the City and the County.