

MEMORANDUM OF AGREEMENT

This Memorandum of Agreement is entered into this 17 day of October, 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 Sanitation District, the Fruitvale Sanitation District, the Orchard Mesa Sanitation District and the Ridges Metropolitan District. In addition the City treats sewage from certain other areas without the City, that 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 remain outstanding revenue bonds in the amount of \$1,080,000.00 which constitute a lien on the revenues of the City's sewerage system until those bonds are retired.

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 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 also a possibility that an interim plant may 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 as a part of the County's concern with the sewerage problems

throughout the County. 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 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 to the benefit of all users of the system. The bond issue will also be sufficient to reimburse the City and the 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 the County. The total costs of such operation and maintenance will be charged, as appropriate, to all users of the system.

6. The City Utility 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 the 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 prior to the completion of the permanent plant. Such interim facility will be constructed to provide for the best possible integration into the system 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. This agreement and 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 to encourage compliance with the growth plans within the Master Plans of the City and the County.

10. The City Utility 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 upon which the City and the County may proceed to establish a single sewerage system and to provide the necessary local funds to finance the project. Should it be necessary for items contained herein to be 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, this agreement shall be considered as amended in those particulars.

13. As the County has committed itself to valley-wide interest in sewerage systems, any bond issue generated under this agreement shall be structured to permit further bond issues, on parity with any here generated, to finance sewerage systems in other areas of the County, if such systems are determined to be practicable.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year first above written.

Attest:

Earl Sawyer
County Clerk

COUNTY OF MESA

By: Margaret Alders
Chairman

CITY OF GRAND JUNCTION

Neva B. Lockhart
City Clerk

By: Jane S. Quinby
President of the Council

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Earl Sawyer
County Clerk

COUNTY OF MESA

By: Margaret Aldred
Chairman

CITY OF GRAND JUNCTION

Wanda D. [unclear]
City Clerk

By: Jane S. [unclear]
President of the Council



CITY OF GRAND JUNCTION, COLORADO

MEMORANDUM

Reply Requested

Yes No

Date

Nov. 2, 1979

To: (From:) Jim Wysocki From: (To:) Jim Patterson

The requested 1980 Utilities Department budget totals \$17,508,948. This, of course, includes \$14,465,000 for capital outlay for the new sewage treatment plant and interceptors. Revenue for those projects will come from 75% EPA grants, almost \$800,000 in oil shale trust fund money, and from County issued revenue bonds. If the new sewage treatment projects are not considered there is a 5% increase in the budget from 1979 to 1980. Personnel services costs are increasing 20%, operating and maintenance supplies are increasing 11%, resulting in a total operating expense increase of 23%.

There is a request for five additional people from the present number of 51 to 56, and a request for the addition of four pieces of major equipment. These will be discussed later in this report.

Other than providing new sewage treatment facilities there are no new programs or expanded programs in this budget. Major repairs will be made in the water supply division, work will be completed on the City-Clifton combined water system, and equipment will be added to maintain the present level of service in the sanitation division. Efforts will continue to reduce damage and liabilities from broken water mains and plugged sewer lines.

Utility Systems - Water

There is a 17% increase in this division. Most of the increase is in personnel services. There are no new personnel requested, but because of reassignment of existing personnel and City wage increases this division is being impacted. Other increased requests are for pipe and material due to increased cost of material and currently low inventories of material.

Water Supply

There is a 4% increase in this division. For the past few years the City has had aggressive programs to improve the City's water supply. The 1980 requested budget includes major projects totaling \$445,000. The microstrainers will be repaired at a cost of \$70,000 and \$30,000 is being requested to improve Purdy Mesa Reservoir. These improvements have been needed for several years and are now possible because of the larger capacity of Juniata Reservoir. A pressure reducing valve (\$20,000) and a remote control valve and recorder (\$30,000) are requested for the City-Clifton water line. In 1979 \$295,000 was budgeted to purchase early priority water rights on the Colorado River. No good rights became available to the City in 1979 and this amount is again requested for rebudgeting in 1980.

CITY OF GRAND JUNCTION, COLORADO

MEMORANDUM

Reply Requested

Yes No

Date

Nov. 2, 1979

To: (From:) Jim Wysocki From: (To:) Jim PattersonUtilities Department Budget (page 2)Water Plant

There is a 29% increase in the requested 1980 budget for this division. The largest increase (\$53,100) is for a pump and pipe to transmit untreated water from the plant reservoirs to the filters. The capacity to deliver Gunnison River water to the plant reservoirs has been increased in previous years. This will allow that increased capacity to be delivered to the plant filters. This pipe will also allow continued plant operation at maximum capacity should the existing 50 year old pipe need repairs.

The plant reservoirs have not been cleaned in ten years. In 1977 due to heavy use of Gunnison River water a large amount of silt was added to the bottom of the reservoirs. We are requesting \$10,000 to have the reservoirs cleaned.

An additional \$10,670 is requested for miscellaneous projects such as replacing the furnace at the house, replacing office furniture that was transferred from the old water plant 10 years ago, replacing fire hose, purchasing a yard tractor, a storage shed, and surfacing the plant service road.

Sanitation Collection

The requested sanitation budget is 36% higher than the 1979 budget. Three new trucks and two additional people are being requested. A new man will be assigned to each of two of the new trucks and the third truck will be a backup unit when any of nine other trucks is down for repairs. One of the new trucks will be a large 32 cubic yard front loading truck. This unit will transfer refuse from three smaller trucks to the landfill. This will increase the daily volume of the three smaller trucks from 144 cu. yds. to 168 cu. yds. and reduce the wear and tear due to highway travel to the landfill. These smaller units are not designed for highway travel.

The other two trucks will be 20 cubic yard rear loading units. One unit will be set up on a commercial route and the other unit will be a backup unit. Presently with an average of one unit out of eleven down for repairs each day (which is not unusual for sanitation equipment), other units are having to cover two or more routes which is hard on both the personnel and the equipment.

An additional \$20,000 is requested for new commercial tanks and repairing existing tanks. We presently have requests for 35 two-yard, 15 four-yard, and 28 six-yard tanks.

CITY OF GRAND JUNCTION, COLORADO

MEMORANDUM

Reply Requested

Yes No

Date

Nov. 2, 1979

To: (From:) Jim Wysocki

From: (To:) Jim Patterson

Utilities Department Budget (page 3)

Utility Systems - Sewer

There is a 39% increase in this division's budget request. This increase is due to the request for \$84,000 to purchase a vacuum jet flusher sewer cleaning machine and two persons to be assigned to the unit. An accrual was set up in the 1978 and 1979 budgets with the purchase to be made in 1980. The City has contracts to maintain the sewer systems in the Central Grand Valley, Orchard Mesa, Ridges, and Bluffs West sewer systems. These systems are growing rapidly and the City presently has only one machine for preventative maintenance. It is impossible to perform preventative maintenance on the City and district systems with one machine.

Water Pollution Control

The capital outlay costs are treated differently in the 1980 budget request than in the 1979 budget. The 1979 budget shows the total costs of the various projects. The projects are expected to take more than a year to complete and the 1980 budget request reflects the expenditures actually expected to be made in 1980. For that reason there is a reduction of \$4,187,500 shown from 1979 to 1980.

If the capital outlay projects are not considered there is a decrease of 3% in the 1980 budget request. This is because there is a decreased effort to maintain and improve the existing plant which is to be abandoned in 1982.