

*File in
Sewer file*



City of Grand Junction, Colorado 81501

250 North Fifth St., 303 ~~244-2632~~

244-1554

November 30, 1981

Mr. Frank Rozich
Water Quality Control Division
Colorado Department of Health
4210 E. 11th Ave.
Denver, CO 80220

Dear Mr. Rozich:

As you are aware, Mesa County and the City of Grand Junction have received and opened bids on the new Persigo Wash Wastewater Treatment Plant. We have proceeded with this project on the basis of the award of an EPA Grant which was approved by the Water Quality Control Commission at their April 6, 1981 meeting. At that meeting it was determined that EPA funds had been cut back and that the first fifteen projects on the state's priority list could be funded with \$12,755,577 available for project sixteen which was the Grand Junction plant with a grant request of about \$14,000,000.

The Commission authorized a grant to Grand Junction of up to \$12,000,000 with the understanding that the Division Staff would determine the exact amount of the grant. In the event that the grant was less than \$12,000,000 it was agreed that any funds that were not used on any of the identified higher priority projects would be used to bring the Grand Junction grant back up as close to \$12,000,000 as possible. These funds were to go to the Grand Junction project ahead of any grant increases other than those identified in Ron Schuyler's memorandum of April 3, 1981. A grant of about \$10,500,000 was made to Mesa County/City of Grand Junction with the understanding that any additional available funds would go to Grand Junction.

Mesa County subsequently issued \$8,000,000 in revenue bonds to finance the local share of the project which includes an interim treatment facility and five interceptors in addition to the Persigo Wash Plant. It is our understanding that the remaining phases of the project, three interceptors, most likely will not receive EPA grant funding because of reductions in the EPA grant program.

Mesa County and the City of Grand Junction have been very responsible in planning and developing a program to assure that local revenue is available to finance this project. This has resulted in substantial increases in monthly sewer service charges and tap fees. Because of the grant being \$10.5 million instead of \$14 million and because of the reduction in the EPA grant program, we found that we were in the position of having to contribute another \$5.5 million in local funds. This has been reduced to about \$3.5 million because of the favorable bids received. To make this deficit up locally would result in rates triple the existing rate structure which has already been increased significantly the last two years.

In meetings between you and Utilities Director, James Patterson, on November 25, 1981 you stated that there was \$1.6 million in uncommitted 1981 EPA grant funds available at that time. Mr. Patterson met with Mr. William Hormberg the same day and Mr. Hormberg also confirmed the \$1.6 million figure. In your meeting with Mr. Patterson you said that Greeley, Colorado has requested a grant of \$1.2 million to design a new land application facility referred to as the delta facility. You also stated that officials from Greeley has verbally stated that the land application facility was not economically feasible and would not be built.

It is my understanding that you indicated to Mr. Patterson that any available funds should go to the Grand Junction project and that if Greeley is not going to design and build its land application facility then the \$1.6 million should be available for the Grand Junction plant. You said that you needed legal confirmation of that position and that you would be seeking that confirmation as soon as possible.

The purpose of this letter is to support your position that additional funds are available for the Grand Junction plant and urge that the determination be made as soon as possible. The bid specifications on the Persigo Wash Plant require that a contract be awarded by January 12, 1982. We urgently request that a determination be made with sufficient time for a grant ammendment to be processed prior to January 12, 1982. We are concerned about possible delays due to the upcoming holidays.

We feel that it would be contrary to the intent and direction of the Water Quality Control Commisiion to direct any available funds to any other project other than the Grand Junction Plant, and we hope that it is unthinkable that Greeley would be allowed to tie up \$1.2 million in EPA funds with no intent to use the funds and allow an approved project ready to proceed with construction to be underfunded.

We request that you give this matter your immediate attention and respond as soon as possible so that we can proceed with our construction without forfeiting funds which otherwise would be available to us.

Sincerely,

Curt Wiedeman
Adminstrator for Mesa County Board of Commissioners

Louis R. Brach
Mayor, City of Grand Junction

cc: Gary Broetzman
Frank Traylor
William Hormberg