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MEMO

TO: County Commissioners, Administration

FROM: Planning Department, Grand Junction Public Works Department

DATE: April 19, 1982

RE: "201" Boundary Question

On April 14th, a meeting was held to discuss possible courses of action regarding the Persigo Plant Service Area boundary by members of the two departments. The following is a brief examination of the "201" situation, some EPA grant requirements and the recommended immediate action regarding the two controversial projects -- Energy Park and Bookcliffs Business Park:

1. By 1982, the population expected to be served by the Persigo Plant (as forecast by the original report) was 71,000. We are currently serving around 60,000 persons. The delay in construction and slowed growth rates have contributed to this reduction, thereby giving us a few extra years of life to the new plant.

For the first phase (the 12.5 MGD plant) we must pay \$8 million from local sources. As an example of the cost of doing this kind of business, a 200 unit motel with a 150 seat restaurant recently paid \$78,025 in tap fees to pay toward that local share. Needless to say, we need all the help we can get to pay off this phase as well as a larger amount in the second phase.

In 1990, the 2nd phase of the main plant is expected to go on line at a cost of another \$18-20 million dollars. That plant will serve a population of a little over 200,000 persons. Local fees will probably have to pick up the entire cost. The "201" area currently has enough zoned land to house close to a quarter of a million persons. Projects approved outside the Persigo Plant Service Area do not pay tap fees toward that local share.

4. 50% of the EPA grant for construction of the 1st phase is expected to be received by May, 1983. Prior to that time, the County must present an adopted land use plan to the EPA determining densities, areas where growth will be encouraged and discouraged, and expected flows to the Persigo Plant. This is a grant requirement and part of our agreement with EPA for insuring capacity of the federally funded plant.

5. As shown on the attached chart, the original projection for 1990 was 98,477 persons (excluding Clifton). Our estimated population for 1990 based on Mountain West forecasts is now only 76,892 (this also excludes the Clifton area). As stated in #1 above, we're a little behind schedule on plant use, but if the zoning trends become reality soon, the figures could easily catch up with the 1974 projections.

It's apparent that the land use plan is the key to the current dilemma as well as the future. The "201" service area can be modified, but only with the knowledge that a population cap must be placed on the Persigo Plant and therefore within the current "201" boundary in order to insure the local payoff of the plant cost. The land use plan could provide the basis for monitoring decisions in order that the EPA grant requirements will be met.

Therefore, the Planning Department and Public Works Department make the following intermediate recommendations:

- a. Until a land use plan is completed, the Persigo Plant Service Area should remain as described in the adopted resolution.
- b. Energy Park Plaza and Bookcliffs Business Park should be approved for on-site systems only at this time.
- c. All further rezoning that would normally require sewer collection and treatment outside the Service Area (except in the Clifton districts) should be curtailed until the land use plan is adopted by the MCC.
- d. The required land use plan should be re-initiated immediately in order to provide developers and citizens some realistic guidance with regard to the "201" boundary. If the results determine that we can move the Service Boundary without adversely affecting our EPA grant, then the adopted land use plan and new "201" boundary would be sent to EPA.

In summary, the costs to the public of continued development outside the "201" boundary requiring sewage collection and treatment are beyond local government's ability to pay. The cut-off of federal dollars means the present administration's valleywide system would not be funded if started today, nor would any additional systems. It's advisable that we safeguard the Persigo investment.

CD/mm