



City of Grand Junction, Colorado 81501
250 North Fifth St.,

M E M O R A N D U M

TO: Mesa County Public Works Group
Local Improvement District Committee

FROM: Steve Johnson, Grand Junction Dept. of Public Works & Utilities

RE: Existing Framework for Sewage Collection System Expansion for the Persigo
201 Service Area

I. Introduction

In order to analyze the viability of a County local improvement district program for sewage collection system expansion in and around the Persigo 201 Service Area, it is necessary to understand how such expansion now occurs.

As an operational matter, a joint City/County review process regulates sewer line extensions/expansions that are often privately financed on the front-end, but are ultimately subsidized by the Sewer Fund administered by the City. In other instances, where the expansion occurs within a special district (a district governmental entity) the review process still applies but financing of the capital improvements is handled by those districts. This memo will focus on City/County involvement outside of those districts where a local improvement district (an appendage of the County) could facilitate new financial, planning, and even design review arrangements.

II. City/County Agreement

The basic document controlling the City County sewer relationship is the joint Sewerage Service Agreement of May 1, 1980 (superseding an Agreement of 1979, and as subsequently amended for bonding purposes). The following is a brief summary of that agreement:

- A. 1. City Sewerage System - collection and treatment system existing prior to 5/1/81 and serving areas in and outside the City.
2. County Sewerage System - system to be constructed after 5/1/81.
3. Joint System - City/County systems operated and managed as a single system.
4. Separate Systems - autonomous operation for traditional purposes of zoning, subdivision and building permit criteria for sewage connection, and most importantly, for purposes of collection line extensions within drainage areas.

B. 1. Operations.

distinct
Ratemaking - City Utility Department sets joint charges reviewed and adopted by City and County. Charges include service charges, tap fees, plant investment fees (PIF).

Special districts can add to these charges, and are exempted from a portion of service charges if they maintain their system. (The "tap fee" includes the CIC, or Capital Improvement Charge, and is often described as including the PIF, which is allocated solely to the treatment plant. The CIC is currently \$1050, and theoretically is the cost for collection system extension to the property edge of a particular structure. Since the City and County can rarely afford to do the job for \$1050, and since actual costs vary significantly depending on areas, historical practice has been to waive the CIC and require the person requesting the service to do it as his/her cost).

2. Management The City Utility Department is the Manager of the City system and the Joint System. The City Manages and operates the system, does the billing, and whatever is "necessary and proper to administer the system". However, the City cannot condemn land on the County's behalf, set County rates unilaterally, nor construct new or expanded joint facilities in the absence of some further agreement or agency.

3. Construction Specifications

All expansions of the joint system must be made, at minimum according to City Sewer Specifications. Also, all construction shall be in the public ROW, or upon easements or property owned by the City or County. Plans for construction outside of the City must be reviewed and approved by the City, and by the County if so requested. (In practice, both the City Public Works Director and the County Engineering Supervisor review and approve all plans.)

4. Connection The City approves all connection construction. Road cut restoration, insurance, and indemnification could be required by the City, but that is actually left to the County. Also, collection system capacities for specific drainage basins are designated solely by the City, which may refuse connections if capacity is exceeded.

5. Sewage Materials

No waste oil, acid, or detrimental matter may be introduced in the system. City may physically stop such discharges. The City is preparing to enact a new ordinance creating an industrial waste pretreatment program, which the County and special districts will be requested to adopt.

6. Connection Line Maintenance

The City shall "properly" maintain the connecting lines from the areas described below, which collectively include all of the 201 Service Area and no other areas.

C. Jurisdiction Subject first to bonding resolutions. Otherwise:

<u>Area</u>	<u>Description</u>	<u>Controlling Entity</u>
I	City	City
II	2 miles out from latest City boundary	County, subject to City Annexation perogatives.
III	Territory of 4 special districts: Central Grand Valley Fruitvale Orchard Mesa Ridges (Note: no mention made of other new districts)	City and District per "Connector Agreement"
IV.	Unincorporated areas outside of all other areas but within 201 S.A.	County (by Resolution and Operational Procedure)

D. Facility Ownership

1. Treatment Plant - "County will own, subject to rights and interest of other parties." City is joint tenant on Persigo site. County floated bonds, and has succeeded by City's status as EPA grantee. City maintains partial equitable ownership as original grantee and owner of existing plant which is being replaced by Persigo rather than expanded.
2. Redlands Interceptor - County
3. River Road Interceptor - County
4. Paradise Hills Interceptor - City
5. City Trunk Lines - City
6. Other Lines, non-City and non-District - County
7. Annexations - City assumes ownership

E. Financial - City administers Sewer Operations Fund on its own behalf, as well as for County and connector districts.