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KELLY, STANSFIELD & O'DONNELL

HARRY A. FRUMESS
TIMOTHY FOX
JON R. HILTON
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FRED L. WITSELL, P.C.
RICHARD W. BRYANS, P.C.
JAMES M. ROBB
WILLIAM F. SKEWES
JAMES R. MCCOTTER P.C.
TIMOTHY J. FLANAGAN
JAMES K. TARPEY

ATTORNEYS AT LAW

SUITE 900, 550 15TH STREET
DENVER, COLORADO 80202

(303) 825-3534

RECEIVED

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GRAND JUNCTION OFFICE:

601 VALLEY FEDERAL PLAZA
P.O. BOX 220

GRAND JUNCTION, CO 81502
(303) 241-7835

JAMES M. ROBB
JOSEPH H. SKINNER
BRENDA R. RYAN

COUNSEL TO THE FIRM

WATER QUALITY December 12, 1983
D. E. _____

Mr. James E. Patterson
Director of Public Works & Utilities
City of Grand Junction
250 North 5th Street
Grand Junction, CO 81501

Dear Mr. Patterson:

I received your letter dated December 7, 1983, regarding the Persigo Waste Water Treatment Plant. I am writing as an owner of property located at 503 Rado Drive, #8, and also as attorney for Casa Rado Condominium Association. I believe that many of the comments and questions reflect the feelings of most of the property owners in the concerned area.

The proposed transfer of ownership of the sewer plant from CEW Development Company to the City of Grand Junction on January 1, 1984, has raised numerous questions. We do not agree with the proposed fee which you designate as a plant investment fee and believe that the interests of the City of Grand Junction, Mesa County, and the property owners would best be served by your response to the questions which we will set forth in this letter.

Rather than request a place on the agenda before the City Council, I believe that a special meeting with the City of Grand Junction and concerned property owners should be scheduled by your office before further action is taken.

CEW Development Company (hereinafter CEW) has levied and collected substantial sums for the installation and maintenance of the sewer and package plant. In the case of the Casa Rado Condominium Association, these payments are summarized as follows:

Tap fees paid to CEW	\$5,250.00
Fees paid from 1978 through 1983 to CEW	4,686.00
TOTAL:	\$9,936.00

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It is my understanding that the City of Grand Junction has operated the sewer and package plant under agreement with CEW for a number of years. On behalf of myself and the Casa Rado Condominium Association, I would appreciate your written response to the following:

1. How long has the City of Grand Junction operated the sewer and package plant under contract with CEW? Please furnish a copy of the maintenance and operating agreement between the City and CEW.
2. Who are the principals of CEW? Who is its registered agent?
3. What was the disposition of the tap fees paid by Casa Rado Condominium Association in the amount of \$5,250 to CEW?
4. What in the opinion of the City of Grand Junction are the liabilities of CEW to the City before the maintenance and operation agreement, during the maintenance and operation agreement, and after the transfer of ownership to the City?
5. Our preliminary investigation suggests that revenues from Tiara Rado Filing No. 1 have been used to subsidize subsequent filings. What knowledge or information does the City of Grand Junction have regarding payments of revenues to CEW by the property owners from each filing? What knowledge or information does the City have regarding payment of revenues by CEW to the City of Grand Junction?
6. What knowledge or information does the City of Grand Junction have with regard to any escrow accounts maintained or previously maintained by CEW of funds paid to CEW by the property owners?
7. How is the plant investment fee calculated by the City of Grand Junction?
8. How is the 72% rate for multi-family complexes calculated by the City of Grand Junction?
8. Apparently, the City plans to levy a monthly fee of \$4.86 per unit for sewer service. During its

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contractual relationship with CEW, why has the assessment amounted to 195% of the now proposed City fee, or \$9.50 per month? What is the City's justification for this difference? What disposition has been made of this difference?

9. By what authority does the City propose to charge a plant investment fee? We request that you attach copies of all appropriate city or county resolutions, city or county ordinances, agreements, and state statutes upon which you rely.

We would appreciate receiving your written response to the inquiries. I am sending a copy of this letter to interested parties and to those entities that have been designated.

Very truly yours,

KELLY, STANSFIELD & O'DONNELL
Grand Junction Office

By 

James M. Robb

JMR:jw

xc: Gil Flint
Tom Wayland
Fred Cumming
Bare & Company
Armstrong & Associates, Inc.