

CITY OF GRAND JUNCTION, COLORADO

MEMORANDUM

Reply Requested
Yes No

Date
Dec. 13, 1983

To: ~~(XXXX)~~ Mark Eckert, Asst. County Administrator
Bennett Boeschstein, Dir. County Planning
John Tasker, City Finance Director
Jim Patterson, Public Works Director
Gerald Ashby, City Attorney
Tiara Rado File

From: ~~(XX)~~ Steve Johnson *SBJ*

RE: Meeting with Tiara Rado Homeowners Association.

Jim Patterson and I attended a meeting last night with the above group at the Quinn home, 526 Ute Court. They were upset about the impending sewer service transfer and associated plant investment fee (PIF) payment. In particular, four areas of discussion predominated:

- 1) purpose and origin of the PIF;
- 2) other sources of revenue for capital contribution;
- 3) legality of City providing sewer service in County;
- 4) perceived unfairness in making new users pay for new plant (and bonds).

Also at the meeting:

- The Developer was accused of abandoning sewer obligations to residents.
- The City was accused of being negligent for not notifying people of the service transfer, and for favoring City residents in the rate structures.
- The County was villified for not requiring powers of attorney to create districts for all filings, for not requiring clarification of sewer obligations in the covenants, for not having the foresight to have LID'S in place for use in this situation.
- Litigation and non-payment of bills was threatened.

Rightly or wrongly, these perceptions exist and must be addressed. We were partially successful in this effort, but the situation can only be defused by further accommodation on the issues of availability and timing of extended PIF payment schedules.

The following suggestions were discussed and were widely supported:

- That the City establish a PIF uniform payment schedule that is communicated and made available to all, rather than using a humiliating "hardship" exception;
- That the County establish a local improvement district in the area so as to spread out the payments.

PIF invoices may be sent out by mid-January. They are labeled due within ten days, but are technically delinquent under the City Code forty-five days later. Thus we have until early March to avoid polarizing the issue and to find alternative to the existing proposal. Lacking that effort, it is likely that numerous people will be forced into default on the existing payment schedules, (assuming they even

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sign-up), and that adverse publicity similar to that mentioned above would be orchestrated.

It occurs to me that an LID could be formed and replace or assimilate a uniform payment schedule for all Tiara Rado users. This LID is a "readymade" -- i.e., there would be no need to first create criteria to define and assign benefits, etc. Boundaries would be simply consistent with part or all of the subdivision filings, perhaps excluding vacant or septic-use properties. Consent already exists (in the form of a power of attorney) to create a LID in filing four.

We are aware of no other situation that requires an LID more urgently, or in which one could be created more quickly. The greatest delay would be in obtaining the bonds. A good rate would be attainable because the revenues would not be speculative in an established residential subdivision. The people are asking for it.

In order for an LID to easily work after people are already making payments to the Sewer Fund, uniform payment and payment schedules should be utilized. The LID bond proceeds could be paid into the Sewer Fund, and the LID assessments to pay off the bonds would be equal for all single-family or condo owners.

Creation of a uniform payment schedule that is equally available to all would require a change in policy governing use of the Sewer Fund. The existing policy is to be flexible as to hardship cases, even though no criteria exist to define this, nor would a major inquiry be made to establish hardship. The policy change would be made in exchange for a County commitment to utilize the LID, if possible, in Tiara Rado as soon as possible.

A final option is to consider using the Sewer Fund as the financing vehicle. This would involve committing Sewer Fund monies to repayment of sewer bonds in an amount equal to all the tap fees, and recovering that amount plus lost interest, income, and administrative changes through LID assessments.