



January 3, 1994

City of Grand Junction, Colorado  
250 North Fifth Street  
81501-2668  
FAX: (303) 244-1599

Art Crawford  
Fruitvale Sanitation District  
2887 North Avenue  
Grand Junction, CO 81501

Dear Art:

Enclosed is a copy of a letter I received from Mesa County Commission Chair Doralyn Genova regarding Fruitvale Sanitation District's billing error which was recently discovered during a City audit of accounts.

Commissioner Genova states that the County lacks the necessary information to make a decision on this matter. She attended the December 6 meeting with your Board and several City Council members. The sole purpose of this meeting was to present the facts and discuss this item.

Fruitvale proposed that arrears caused by its billing error be forgiven and that the 50 customers affected by the error begin paying the correct amount effective January 1, 1994. Fruitvale argued that the increase in fees will be very substantial to these customers and that additional fees for the arrears would be an excessive burden on these customers. Fruitvale argued that this matter was certainly not the customers' fault.

Commissioner Genova stated that she had discussed this matter with the other two Commissioners and they all agreed with the Fruitvale proposal. She said they had a similar situation at the Mesa County Landfill and resolved it by not collecting arrears that were a result of a billing error. At the conclusion of the meeting Commissioner Genova said that she did not need any additional information and she would shortly provide a letter to Fruitvale approving their proposal.

Subsequent to the meeting, Commissioner Genova had a personal conversation with Council Member Linda Afman and reaffirmed that the County agreed with the proposal put forth by Fruitvale.

During the December 6 meeting Fruitvale requested a prompt response from the City and the County. Fruitvale desired to make the necessary billing changes on January 1, 1994.

At that meeting the City representatives agreed to seek City Council support for Fruitvale's proposal. To obtain this support the City indicated it would require approval by the County.

The entire City Council informally agreed to this on December 15. Nothing was heard from the County until we received the attached letter on December 30.

Commissioner Genova's letter seems to contradict her statements at the December 6 meeting and suggests Fruitvale cannot rely solely on the City's approval. The City may disagree legally. However, for this matter to be completely closed without legal action Fruitvale may need the approval of both owners.

We apologize for the inconvenience and uncertainty this creates for your customers. We understand Fruitvale has already notified these customers based upon the assurances provided at the December 6 meeting.

Fruitvale should obtain approval from Mesa County as soon as possible. If this approval is not forthcoming, the City may have no choice but to hold Fruitvale responsible for the arrears.

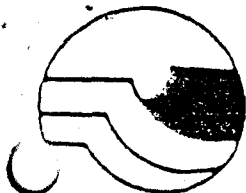
If we may be of any help please let me know.

Sincerely,

  
James L. Shanks  
Director of Public Works and Utilities

xc: City Council Members  
Mesa County Commissioners  
Mark Achen

*J. Michael Casey, Co. Administrator*



Mesa County, Colorado  
**BOARD OF COUNTY COMMISSIONERS**

District 1 - John R. Crouch (303) 244-1605

District 2 - Jim Spehar (303) 244-1604

District 3 - Doralyn B. Genova (303) 244-1606

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P.O. Box 20000 • 750 Main Street • Grand Junction, Colorado 81502-5010 • FAX (303) 244-1639

December 28, 1993

Utility Department, c/o Jim Shanks  
City of Grand Junction  
250 N. 5th. Street  
Grand Junction, CO 81501

Re: Debt of the Fruitvale Sanitation District to the Joint Sewer System.

Dear Mr. Shanks:

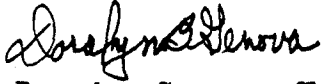
The Board of County Commissioners has recently become aware that the Fruitvale Sanitation District incurred over time a debt to the Joint Sewer System in excess of \$300,000 as a result of the failure of the District to alter its billing procedure regarding larger commercial sewer taps and, apparently, as a result of the Manager's failure to monitor, discover, and correct the billing problem. We understand that the situation was allowed to continue over a period of approximately ten (10) years. We understand that the City Attorney may have indicated that only approximately one-half of the debt would be collectible now. We additionally understand that the City has "agreed" to simply write off the debt if the Fruitvale District changes its billing procedure.

Because of the lack of information available to the Board regarding the situation, we do not presume to characterize the matter in a positive or negative manner and we would certainly wish to assist the Fruitvale District where possible. However, writing off a significant debt to the Joint System is a matter that far exceeds the ordinary operating authority of the Manager and it is certainly not within the City Council's purview to undertake such an action. We recall nothing in the budget presentations regarding this situation or any "agreement" to write off the debt. In fact, the Board of County Commissioners was not advised of this matter at all by its Manager. We find this disturbing, particularly in light of the Manager's requested rate increase.

The Manager has a fiduciary duty to the County as owner of the Persigo Plant and issuer of the refinancing revenue bonds. You are directed to provide to the Board of County Commissioners a specific accounting of the debt to the Joint System, a description of how and why it was incurred, the financial and legal alternatives regarding collection of the debt, and a copy of the "agreement" to write off the debt.

At this time, the Board makes no determination regarding whether or not the debt should ultimately be written off. Certainly, it is subject to question whether or not the other users of the Joint System should absorb the costs of this error. In any event, you are directed to present this matter to the Board for explanation, consideration, and final decision. The County Administrator will contact you to arrange for your presentation.

Sincerely:



Doralyn Genova, Chair.  
Mesa County Board of County Commissioners