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TELECOPY/FAX COVER SHEET

DATE: July 12, 1994
FROM: Larry B. Beckner
TO: Doralynn Genova

Your FAX No. 244-1639

RE: OMSD/CGVSD

Dear Doralynn:

Attached is the letter requested. Give me a call if you need anything further. Please ask my secretary to put you through whenever you call.

Sincerely,


Larry B. Beckner

No. of Pages INCLUDING Cover Sheet: Four

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July 12, 1994

John Crouch, Chairman
Board of Mesa County Commissioners
750 Main Street
Grand Junction, Colorado 81501

RE: City of Grand Junction/Powers of Attorney
for Annexation

Dear Commissioner Crouch:

This letter is written on behalf of my clients, Central Grand Valley Sanitation District and Orchard Mesa Sanitation District. In early June of 1994, the City adopted Section 4 - System Expansion - concerning policies and rules for the expansion and financing of the "Joint City-County Sewer System". This resolution was adopted without giving any prior notice to either Central Grand Valley Sanitation District or Orchard Mesa Sanitation District. Certain portions of Section 4 adversely affect these Districts.

Section 4-G of the City Rules and Regulations directly impact both Districts by modifying the terms of the existing agreements between the Districts and the City. Specifically, Rule 4.12 requires the execution of a power of attorney for annexation prior to the City approving construction drawings for sanitary sewer and prior to approval of sewer service related to any plat or other development approval.

Orchard Mesa and Central Grand Valley have service contracts with the City, and neither of those contracts require the execution of a power of attorney as a condition of receiving sewer service for properties located within the District boundaries. At least since 1980, the City has not required such powers of attorney. During numerous conversations with City officials over the past ten years, the City has continuously asserted that it would not require POAs for properties located within the Districts. The City has now unilaterally imposed this new condition on development within the Districts, and the Districts are opposed to this new condition. The Districts also oppose the proposed language changes in paragraphs 4.9.1 and 4.9.2.

John Crouch

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All collection lines located within the Orchard Mesa Sanitation District are owned by the District, and all collection lines within Central Grand Valley Sanitation District are owned by the District. Line extensions are generally paid for by the developer, and the District pays rebates to the developer to assist the developer in recovering the costs of the line extension. At no time has the City provided any funds for the construction of lines within either District.

WestWater Engineers represents both Central Grand Valley and Orchard Mesa. All new line construction must be reviewed and approved by WestWater before construction can begin. All lines are constructed to meet District specifications which meet or exceed construction specifications for the City and County. The District is a review agency for any development within the District, and it is WestWater engineers that ultimately give approval to the design of the system. As a courtesy, the District provides copies of all plans and comments to the City, but the Districts are the final review agencies for sewer.

Upon completion of construction, the lines are tested and if approved by the District engineer, the lines are accepted for ownership by the District. The City has not conducted any independent testing within either District for a number of years. Under Rule 4.12, it now appears that the City will require review and approval by its engineering department and before such approval is given, a power of attorney for annexation must be given.

It is the position of the Board of Directors of these two Districts that the granting of a power of attorney for annexation should not be required as a condition of receiving sewer service. Any developer who affirmatively desires to sign such a power of attorney for annexation should be allowed to do so, but it should not be a condition of receiving sewer service.

The Districts request authority from the County to grant final approval for the issuance of a sewer tap for all properties located within the boundaries of each Special District (except for any properties that are also located within the City limits). The District will collect its own tap fee and is also willing to collect on behalf of the City the plant investment fee and to forward the plant investment fee on to the City. If each District is permitted to be the final review agency for the issuance of a sewer tap, the power of attorney for annexation would not be a condition of receiving sewer service.

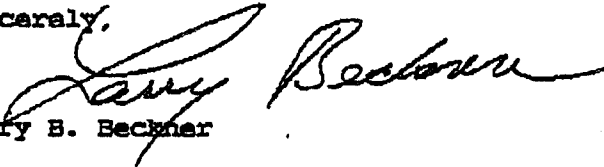
John Crouch

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July 12, 1994

I am available at almost any time to address the Commissioners on this request.

Sincerely,


Larry B. Beckner

LEB:ms

cc: Doralyn Genova
Jim Spehar