

GRAND JUNCTION CITY COUNCIL  
MONDAY, AUGUST 17, 2015

WORKSHOP, 5:00 P.M.  
CITY HALL AUDITORIUM  
250 N. 5<sup>TH</sup> STREET

*To become the most livable community west of the Rockies by 2025*

1. **Drainage Discussion:** An update to current discussions with the Grand Valley Drainage District. [Attachment](#)
2. **Avalon Theatre Foundation Update:** This is to update Council regarding the questions that were addressed at the July 6, 2015 workshop during the Avalon Theatre naming rights discussion for the two largest donors. [Attachment](#)
3. **Broadband Update:** Staff will update the City Council on the work to date and next steps for expanding and enhancing the broadband capacity in the City. [Attachment](#)  
[Supplemental Attachment](#)
4. **Other Business**
5. **Board Reports**

## *Memorandum*

**TO:** Stephanie Tuin  
**FROM:** Greg Lanning  
**DATE:** August 14, 2015  
**SUBJECT:** Grand Valley Drainage District;  
Request to appear before Council Monday, August 17, 2015

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Stephanie:

Earlier this week during a conference call with John Shaver and me, the Grand Valley Drainage District (GVDD) requested to be on the August 17, 2015 workshop agenda with City Council. We are anticipating a request letter from the GVDD.

The GVDD has proposed an intergovernmental agreement (IGA) for managing irrigation return flow, irrigation seep, and storm drainage. I've attached the latest version of the draft IGA that you will find has penciled in comments; a true working draft in progress.

In addition to the IGA, the GVDD has proposed enacting fees. Also attached is the latest financial plan prepared by the GVDD that includes operations, maintenance and capital.

To some extent I am speculating as the exact nature of the proposed discussion without the letter from GVDD, but given the discussion earlier this week, I feel that these documents should help Council prepare.

Attachments:

Master Financial Plan  
GVDD Draft IGA



*Thank you, Grand Valley for 100 years!*  
**GRAND VALLEY DRAINAGE DISTRICT**

722 23 Road - P.O. Box 969, Grand Junction, CO 81502-0969  
(970) 242-4343

August 14, 2015

Dear Mayor Norris and Councilmembers:

The District is pleased to be able to offer urban storm water services to all of the City north of the Colorado River at this time. As City and District staff can develop the engineering information needed to estimate the operating capital costs to serve the rest of the City south of the River, our rates can be adjusted to include those areas into the District's service area.

Unfortunately, to add the north area of the City during 2016 so that the capital funds are available to complete the construction specifications so that the Buthorn project can begin in 2016, the District must certify the north area to the Assessor by September 1, 2015 along with the rest of the District. That in turn means that the Board of Directors must obtain the City's signature on the IGA by August 24<sup>th</sup>. If these short time constraints do not allow the Council sufficient time to be able to sign the IGA by August 24<sup>th</sup>, all is not lost: There are two options, at least in theory, to do so later. First, the City could impose the same fees in the north area of the City whenever Council became comfortable. Or, second, the District could certify the north area for collection of fees in 2017 if the IGA was signed by July, 2016, although sooner would always be better.

The Board believes that there will never be a better time to begin; as we all know, we can continue to debate the many issues of governance, area, fees, capital needs and the like forever, trying to find the perfect solution to 'fix' the 5-2-1, or we can act. Our Board is committed to start solving the problems, at least within the District boundaries. We hope the Council is ready to support the District in doing so, and through an IGA, by adding the north part of Grand Junction to the District's service area. Greg Lanning and Trent Prall are of course very familiar with the draft Financial Model that includes the 'north Grand Junction area' and all of the District.

The Board will be moving forward to solve the regional drainage issues, using the Title 37 governance model that has worked since 1915. The elected Board has the expertise to do so, and well represents our constituents. Duncan's proposal to gut the District and return to the failed 5-2-1 Drainage Authority model is in direct conflict with the unanimous recommendations of all of the technical staffs of the 5-2-1 'partners,' as evidenced by the White Paper Group's recommendations.

We understand that Duncan argued to the Western Colorado Contractor's Association Board of Directors on August 11<sup>th</sup> that the District Board is not competent to manage sixty million dollars in projected capital projects over the next ten years. That is offensive to say the least. As the chairman, I cannot comment on my qualifications other than to state that I have years of experience in business, agriculture, and management, and feel I am reasonably adept concerning financial matters. I understand "water" in large part because of my role as the manager of the Grand Valley Water Users, representing the middle of three District divisions. Bruce Bonar has a superb technical and science background, is on the Fruita City Council, and represents the western one-third of the District. Mr. Bonar was actually elected by the Fruita voters, in a contested election. Richard Bowman is a Colorado

registered engineer with over 40 years of design and construction experience, along with expertise in water quality matters, for the State of Colorado and his consulting engineering firm. Richard lives just west of the Palisade town limits. Given the quality of my Board, it is no wonder that they were uncontested when they submitted their election documents.

The Grand Valley Drainage District is poised to expand, incrementally as data becomes available, to become the comprehensive drainage provider for the valley floor and eventually the entire 5-2-1 basin. We are seeking partners' input through IGA's for our enterprise funded operation. Our enterprise operation focus is on public safety (protecting people and property from flooding) through basin based studies and subsequent retention and other capital projects, expanding capacity within the current GVDD (and partners') system to provide necessary infrastructure for development and maintain the integrity of the GVDD primary mission. .

Some key elements of the District's current thinking, which will be finally considered at the Board meeting on August 24<sup>th</sup>, beginning at 9 a.m. at the District's offices are, in no particular order:

1. Storm water revenues would be generated in two ways:
  - a. All single family units pay the 1 ERU rate of \$3.00 per month. Our base "equivalent residential unit" or "ERU" is a dwelling lot with a total of 2,500 square foot of impervious/hard surfaces on the lot. All single family dwellings pay one ERU, no matter the size of the home. Mobile homes, due to a typically smaller footprint, would pay  $\frac{1}{2}$  ERU, and residential condominiums would pay  $\frac{3}{4}$  ERU for the same reason. Other uses would be based on the amount of total impervious surface. So, an apartment building or a commercial property with 10,000 square feet of hard surface would pay 4 times the base ERU fee or \$144.00 per year.
  - b. A storm water impact fee calculation the same way that the Persigo System Plant Investment Fee is the total value of the District's system divided by the total capacity, resulting in a calculated value of \$963.00 per ERU. A new retail use of 10,000 square feet of impervious surface would pay a one-time fee of 4 ERUs X \$963, or \$3,852.00. However, members of the District's Ad Hoc committee have made cogent arguments for a lower impact fee. We expect those arguments to be presented to the Board during its public meetings on August 17<sup>th</sup> and August 24<sup>th</sup> (both starting at 9 a.m. at the District offices), so it may be that the final impact fee is closer to \$500 than the \$983 calculated amount.
2. Storm water revenues are set to provide a consistently scheduled level of maintenance of the storm water system throughout the District and the north part of the City than either the District or the City can afford to provide today, reducing flooding risks. If the City does not sign an IGA, revenues that are currently allocated to higher levels of service would be dedicated to capital projects determined by appointees of any local governments with land use authority, or if none sign an IGA, by the District Board of Directors.
3. We offer four iterations of the results in the 'financial model' to show the impacts of bonding or not bonding, and the changes in amounts for capital depending on inclusion of the "north Grand



Junction" area plus the District boundaries versus fees and bonding just within the District boundary. As you can see, there are many other possible iterations.

-Our Financial Model contemplates no fees or charges for streets, roads, alleys, etc.

-Each of the following iterations assumes an impact fee of \$963/ERU, and the \$3.00 base monthly rate being paid by all properties, tax exempt or not:

No Bonding, \$3/month/ERU, **GVDD only** = \$22 million capital in 10 years

No Bonding, \$3/month/ERU, **GVDD+North GJ** = \$26 million capital in 10 years

Bonding (4%, 20 yr.), \$3/month/ERU, **GVDD only** = \$50 million capital in 10 years

Bonding (4%, 20 yr.), \$3/month/ERU, **GVDD + North GJ** = \$60 million capital in 10 years.

The \$60 million capital plan shows \$10 million for the Buthorn, \$5 million for Drain D (upper Buthorn), \$5 million for North Avenue, \$ 2 million for Leach Creek. Trent Prall has said that North Avenue is a higher priority than Drain D, at least from his perspective.

4. Today, the construction costs inflation rate is higher than the costs of the bonds, making it an excellent time to leverage the capital dollars. Because the bonds are secured by the storm water fee revenues, there is no 'debt' and TABOR does not apply. The District believes that selling bonds to get more capital spending sooner will be of great immediate benefit to the community. Nonetheless, the bond market itself will determine if this is a viable option. .
5. The financial model has money for the final construction design of the Buthorn Drain scheduled during 2016 with construction of the lower 1/3 of the Buthorn beginning as soon as the design is completed. The North Avenue improvements and the last phase of the Leach Creek expenditures are scheduled before the last phase of the Buthorn (Drain D). Of course, if the City did not sign the IGA, those priorities may change, especially if other entities do sign an IGA and be able to thereby direct capital priorities.
6. As noted, members of the development community argue that the impact fee should be 'subsidized' by lowering it to \$500 or even zero per ERU. The District Board is aware that 'development should pay its own way,' but we also recognize that in these economic times it must listen to its stakeholders. We hope that the City would provide input on this issue among others at the public meetings.
7. Our financial model is based on the Assessor's data and zoning classifications, supplemented by months of individual checks on individual properties to verify that there are no anomalies. But, we know that the odds are that some properties may have special circumstances or that the base fee may need to be adjusted for particular properties. The IGA provides that five people appointed by the Council (and other IGA parties) would serve to hear property owner appeals and make changes in the number of ERUs which the District would implement.

8. Like water and sewer rates, fees/rates would be increased as needed; especially driven by the need to make capital improvements in areas designated by the City, as an IGA party, to accommodate growth and implement its Growth Plan.
9. The financial model assumes that base and impact fees would apply to tax exempt owners because they generate the same amount of storm water as do tax paying owners.
10. Anecdotally, we have heard that if the City can transfer all of its current storm drainage management expenses to the District, it may save money overall, even with the added expense of having to pay the new fees based on the ERU calculations. City staff will of course have to evaluate that assumption.
11. Once the District agrees to accept regulated storm water into its expanded system through an IGA with the City, neither the City nor the District can terminate. The reason is simple: There is no practical and cost-effective way, if the City wanted to terminate, to remove the regulated water from the District's system; the legal liability 'follows the owner' both in terms of water quality costs, which will only go up, and in terms of liability when flooding occurs. On the other hand, the City can rest easy that the District will not be able to terminate what is effectively the City's storm water system either.

We understand you may be considering these matters at your August 17<sup>th</sup> workshop. If you would like, one or more member of the Board of Directors and the Interim Manager could be available to address questions and concerns.

Thank you for your consideration.



Mark Harris  
Chairman, Board of Directors

C: Bruce Bonar, Richard Bowman (Directors, Grand Valley Drainage District)  
Tim Ryan, Interim District Manager  
Dan Wilson, District counsel  
Tim Moore, Interim City Manager  
John Shaver, City Attorney  
Greg Lanning, Director of Public Works and Utilities

INTERGOVERNMENTAL AGREEMENT  
EXPANDING THE MISSION, FUNCTIONS AND BOUNDARY OF  
THE GRAND VALLEY DRAINAGE DISTRICT

This INTERGOVERNMENTAL AGREEMENT expands the mission, functions and services of the GRAND VALLEY DRAINAGE DISTRICT and is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_ 2015, by and between the GRAND JUNCTION DRAINAGE DISTRICT, an Article 31, Title 37, C.R.S., drainage district, with its principal office located at 722 23 Road, Grand Junction, Colorado 81505 ("District") and one or more of the following who sign this Agreement:

1. CITY OF GRAND JUNCTION, a municipal corporation of the State of Colorado, with its principal office located at 250 North Fifth Street, Grand Junction, Colorado 81501 ("Grand Junction" or "Party 1"),
2. The TOWN OF PALISADE, a municipal corporation of the State of Colorado, with its principal office located at 175 East Third Street, Palisade, Colorado 81526 ("Palisade" or "Party 2"),
3. The CITY OF FRUITA, a municipal corporation of the State of Colorado, with its principal office located at 325 East Aspen Avenue, Fruita, Colorado 81521 ("Fruita" or "Party 3"),
4. The COUNTY OF MESA, a political subdivision of the State of Colorado, with its principal office located at 544 Rood Avenue, Grand Junction, Colorado 81501 ("County" or "Party 4")

An entity signing below may also be referred to as "Parties" or as a "Party." Other Party" or "Other Parties" means a Party or Parties other than the District who has signed this Agreement and has agreed to be bound by the terms of this Agreement, along with the District.

RECITALS:

A. In 2004 the District and Parties 1-4 signed an intergovernmental agreement creating the 5-2-1 Drainage Authority ("5-2-1") one purpose of which was to complete needed drainage studies so that the Parties could find ways to build drainage improvements and structures and facilities necessary to accommodate current and anticipated storm water and drainage in basins located within the area sometimes known as "the 5-2-1 boundary", the legal description of which is set forth on the attached **Exhibit A**, " and to build the needed improvements. ~~Due to a lack of a dedicated source of funding,~~ *BECAUSE NO SOURCE WAS ESTABLISHED* the mission and purposes of the 5-2-1 ~~were~~ *WERE* largely unfulfilled.

B. The statutory mission and purpose of the District is to handle irrigation return flow and seep water, ~~and to protect persons and property within the District from torrential storms.~~ The Other Parties recognize that the District shall ~~continue its~~ *WATER RIGHTS / THE IMPORTANCE OF THIS* historic mission associated with seep and irrigation return flow waters, relying upon the District's mill levy as a primary source of revenues. *AND TO CONSTRUCT SUITABLE DRAINAGE WORKS FOR THE PROTECTION OF PERSON AND PROPERTY WITHIN THE DISTRICT.*

C. The Parties enter into this Agreement in order to fulfill the broad drainage and storm water mission and purposes of the 521 as set forth in the June 14, 2004 Intergovernmental Agreement creating the 5-2-1 and to fulfill the statutory mission and purposes set forth in Article 31 of Title 37, *C.R.S.* *31-101 ESTAB.*

~~specifically including seep and irrigation return flow waters.~~

109 ✓ D. Each of the Parties is authorized and empowered to provide necessary drainage services to its inhabitants to, among other things, manage storm water to reduce or eliminate damage to persons and property including existing or proposed water drainage systems. Each Party is also authorized and empowered to construct and operate works and facilities necessary and convenient for management of storm water quality and to address flood water management and control.

109 ✓ E. The Federal Clean Water Act (implementing regulations at 40 CFR 122.26) requires that storm water discharges from certain types of facilities be authorized under storm water discharge permits issued in Colorado by the Colorado Department of Public Health and Environment, Water Quality Control Division, (the "Division") pursuant to the Colorado Discharge Permit System ("CDPS") under Division Regulation No. 61.

✓ F. The Parties conclude that it will be more efficient and cost effective, thereby advancing public health, safety, prosperity and general welfare, if the District serves as the single entity empowered, funded and obligated to handle the storm and drainage waters within the 5-2-1 boundary, although they also conclude that there will be a necessary transition for the District to expand its functions, powers, duties and services from its present operations and boundary to include the entire 5-2-1 boundary, as set forth in this Agreement. *Good Idea*

✓ G. The Parties agree that the District is empowered not only with the powers, duties and authority pursuant to Title 37, C.R.S., but through this Agreement is also empowered with the powers, duties and authority of a drainage authority pursuant to **C.R.S. 29-1-204.2, as amended**. The District agrees to assume such powers and authority, and be responsible for the associated duties and liabilities, subject to the specific terms set forth in this Agreement. *Combined Authority where does this take?*

109 ✓ H. This intergovernmental agreement serves a public purpose for each of the Parties, individually and collectively. This agreement promotes the health, safety, prosperity, security and general welfare of the citizens of the areas to-be-served by the District pursuant to this Agreement, along with the health, safety, prosperity and general welfare of citizens of the State of Colorado.

I. The Parties intend for this agreement to act as the contract document required by C.R.S. 29-1-204.2.

J. (a) Because all of Palisade and Fruita (except for the portion of Fruita south of the Colorado River) lie within the District's boundary, the District is familiar with the storm water and drainage infrastructure within those boundaries. The District is somewhat familiar with the part of Grand Junction lying north of the District's boundary ("north Grand Junction"), but has little knowledge of the parts of Grand Junction lying south of the Colorado River ("Orchard Mesa" and the "Redlands areas") nor little knowledge of the parts of the County lying outside of the District that also are within the 5-2-1 boundary. As a result, the Parties agree that before the District will expand its services beyond its' existing boundary except for the north Grand Junction area (for which revenues and





expenses are being finalized), revenues must be collected by the District to pay for data collection, engineering and hiring of other consultants as needed to complete necessary studies and to pay for operations, maintenance and capital spending. For the area of north Grand Junction, the District has been anticipating adding that area to its service area for some months, and the necessary data has been collected informing Grand Junction and the District that the District can serve the north Grand Junction area once adequate new storm water fees are received by the District. ~~To state the obvious,~~ Once the District has adequate new storm water fees in hand, it will also be able to serve within Palisade and Fruita as the sole storm water provider, except as may be otherwise provided in Addenda with Palisade and Fruita, respectively. Once adequate revenues are received relative to land throughout the 521, the District will be able to expand its services throughout the 521.

(b) To address specific issues applicable to each Party other than the District, Addenda to this Agreement may be signed with individual Other Parties and the District which will then be incorporated into this Agreement by this reference, *SO LONG AS ANY ADDENDUM/AMENDMENT DO NOT CHANGE THE FUNDAMENTAL DUTIES, OBLIGATIONS OR RESPONSIBILITIES OF ANY PARTY.*

? [ K. Until notice is given to the contrary, the District offers to enter into this Agreement with each of the Other Parties. *? DEFINITIVE*

L. By written request from and the vigorous support of any Other Party, the District will raise the level of fees, rates, assessments and charges within all or a designated portion of the jurisdiction of such Other Party as agreed to by the District and such Other Party to a level sufficient to construct storm water facilities designated by such Other Party within five years of such request, unless a court or other authority limits or prohibits the District's ability to do so. This Recital L, an integral part of this Agreement, is needed to allow one or more of Parties 1-4 to know that the District will construct necessary storm water facilities in specified areas as soon as storm water fee, rates, assessments and charges revenues are reasonably available. If such Other Party provides grant or funding other than storm water fees, rates, assessment and charges received by the District, the District agrees to lessen the increase in rates, fees, assessments and charges to meet the reasonable expenses of complying with such written request. *TO COMPULSORY CONSTRUCT AND PROVIDE SERVICE?*

*UNACTED?* M. The Parties stipulate that the above Recitals are substantive provisions of this Agreement, as though set forth in full below.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, the Parties agree as follows:

Section 1. **Effective Date. Term. Termination.** (a) Any Party listed above may sign below and become a party to this Agreement at any time, subject to Section 15, ~~below~~, and subject to prior revocation of the District's offer inherent herein, and subject to the limitation that the District shall not be obligated to serve within the part of Grand Junction's or the County's jurisdiction that is not also within the District's boundary unless and until such Party and the District have jointly developed the data and engineering information that they mutually agree is sufficient to be able to determine the expenses and revenues that will be adequate to address operations, maintenance and capital

*Other than N.G.J*

improvements in such areas of the City and the County, and until the District has received sufficient revenues to reasonably expand the District services to such areas.

(b) Because of the legal, political and practical liabilities and duties that the District may assume when its facilities contain urban storm water or what the District terms 'regulated water', an Other Party cannot terminate this Agreement. *EXCEPT WITH CONSENT OF THE DISTRICT AND WITH 36 MOS. NOTICE* If despite such critical and vital contract term a court of competent jurisdiction determines that an Other Party or another party can terminate this Agreement as to one or more Other Party, the District and such Other Party stipulate and agree that the District would not have entered into this Agreement but for the warranty and promise and critical representation of the Other Party that any such termination shall NOT be effective until such Other Party takes such actions, *(C)* no matter the cost, as are required to remove from any District Facility or facility operated or controlled by the District pursuant to this Agreement or otherwise all 'regulated water' discharging, directly or indirectly or flowing off of or from land that is not within the District boundary but is within the jurisdiction of such Other Party. Also, see Section 16, below. Substantial compliance with this paragraph is not optional; absolute compliance is required.

(c) If a court of competent jurisdiction rules that a set term for this Agreement is required for any *99* purpose, notwithstanding paragraph 1(b), the term of this Agreement shall be for ~~fifty (50)~~ years from the effective date, *AS DEFINED IN THIS AGREEMENT?* and this agreement shall automatically renew thereafter for additional ~~fifty (50)~~ *99* year terms.

Section 2. District Authority and Purposes.

(a) By, pursuant to and in accordance with the authority granted by C.R.S. §§ 29-1-204.2 and 37-31-101, *et seq.*, as amended, the Other Parties hereby delegate and transfer to the District all power and authority, express or implied, that each Other Party has now or in the future relative to storm water and regulated water for all improvements, rights-of way, pipes, and all associated facilities and improvements in which storm or regulated water flows or is present in the jurisdiction of each respective Other Party that such Other Party desires for the District to operate and maintain, as detailed on the Section 2a **Addenda** to this Agreement that are specific to each Other Party and the District. *Other Party OWNS - GUPD Maintains?*

(b) Pursuant to C.R.S. 29-1-204.2, as amended, the District shall have the duties, privileges, immunities, rights, defenses, liabilities and disabilities of a public body politic and corporate in addition to those pursuant to Title 37, C.R.S. *Pipe, M.H., Ponds*

(c) The goal and purpose of empowering the District by this Agreement with respect to the facilities and improvements listed on the Section 2(a) **Addenda** shall be, in addition to those of Article 31 of Title 37, C.R.S., to: provide adequate drainage facilities and appurtenances to serve, the entire 5-2-1 boundary described in **Exhibit A**; own, manage, operate and maintain existing and future facilities and appurtenances owned or controlled by the Parties and shown on Section 2(a) Exhibits, as amended; to use new District storm water related fees, charges and assessments to improve the Section 2(a) drainage facilities within the 5-2-1 boundary, and to comply with federal and state permitting procedures and requirements, including holding and managing any MS4 permit(s) but only with respect to the Section 2(a) facilities identified on the respective **Addenda**. *EXCEPTING STREETS & CURBS*



Section 3. **Timing of Expanded Services and Functions of the District.** The Parties agree that, depending on ~~how high new~~ storm water fees are ~~and~~ how quickly such fees are collected by the District, it could take ~~up to~~ several years to develop the necessary data, rights-of-way, engineering and other information and for the District to receive adequate revenues in order for the District to serve in areas outside of the District's boundary (other than the north Grand Junction area that is addressed now on "Grand Junction Storm Water Addendum"), with the goal to eventually serve within the entire 5-2-1 boundary. The District agrees that it shall diligently work with each Other Party to provide the services and functions described in this Section 3 with respect to the areas mentioned in Recital J and the respective **Addenda**, and do so as soon as reasonably possible as adequate revenues ~~consistent with the "District Financial Model"~~ are received by the District. The current iteration ~~of the District Financial Model~~ is attached as **Exhibit B**. The services and functions to be provided by the District, subject to the limitations, receipt of revenues, and timing constraints contained in this Agreement, are:

3.01 Acquiring, constructing, owning, reconstructing, improving, rehabilitating, repairing, managing, operating and maintaining, by way of illustration and not by limitation, such facilities and systems deemed necessary to provide drainage to ~~the Parties for the benefit of~~ the inhabitants of such Parties and owners of real property within each signing Party's boundary or others at the discretion of the board of directors of the District, together with any and all appurtenances thereto or interests therein. As used in this agreement, the term "drainage facilities" may include facilities, structures and appurtenances designed to provide, manage and monitor drainage services and divert storm, flood, seep, irrigation return flow waters.

3.02 Reviewing plans and other documents of developments occurring within the jurisdictional boundaries of the Parties for the purpose of commenting on the same with respect to whether or not they comply with the agreed-upon standards referred to in Section 14 below, and to have the power to refuse acceptance of storm or regulated water if the District determines that the agreed-upon standards are not being met.

3.03 Providing such other services or functions as may be authorized by law and determined by the District board of directors to be in the best interests of the District, another Party, the inhabitants of such Parties, the owners of real property or others.

3.04 Subject to the conditions set forth in this § 3, the District will operate and maintain all facilities to which it has title or other sufficient real or personal property interest, as reasonably determined by the District. For each basin, sub-basin or facility described generally or specifically on the Section 2(a) Addenda that a Party desires to be owned and operated and managed by the District ("District Service"), before District service begins, the Party shall transfer its right, title and interest in and to all facilities, e.g., fee title, prescriptive rights, rights-of-way and easements, except that for facilities and rights-of-way such as streets and roads, the respective Party need only grant or transfer to the District sufficient rights to the District to allow the District to fully perform its service, in coordination with the respective Party. For example, if a buried pipe lying within a street right-of-way is to be served

BY THE DISTRICT AND OTHER PARTY  
 THE BENEFIT OF THE PARTY  
 (NB) COMPOSITION OF BOARD?

THE LEVELS  
 SEE

AND STATES ITS REASONS IN WRITING AND PROVIDES A REASONABLE OPPORTUNITY FOR THE STANDARDS TO BE MET.

GOOD



by the District, the District might only need a franchise agreement or a recorded easement granting it reasonable access, control and operational rights in order for the District to efficiently serve such pipe, while the Party would retain ownership of the street.

*REVERSE*

Section 4. **Powers of the District.** To enable the District to carry out its functions and provide the services and functions described in this Agreement, the District shall have the powers identified in this Agreement and set forth in this Section 4, in addition to those in Article 31 of Title 37, C.R.S.; in any particular circumstance the District may elect to exercise its powers and authority pursuant to by either Title 29 or Title 37 or both. In addition to other power, rights and authority, the District shall have the following powers, authority and rights:

*SA*  
[Handwritten blue bracket on the left side of the list items]

4.01 To develop drainage facilities and systems in whole or in part for the benefit of the citizens of a Party or others at the discretion of the District board of directors within the 5-2-1 area.

4.02 To acquire, hold, lease (as lessor or lessee), sell or otherwise dispose of any legal or equitable interest in real or personal property utilized for the purposes of drainage, including storm water, seep and irrigation return flow water.

*storm water*

4.03 To conduct its business and affairs for the benefit of the inhabitants and owners of real property within a respective Party's boundary and others.

4.04 To enter into, make and perform contracts of every kind with other local governmental entities, the State of Colorado or any political subdivision thereof, the United States or any political subdivision or agency thereof and any individual, firm, association, partnership, corporation or any other organization of any kind, including a Party or Parties.

4.05 To make and enter into contracts with one or more of the Parties or third parties to provide services to the District for the undertaking or implementation of studies, billing and collection of storm water fees, rates and charges, administrative and clerical services, and acquisition, construction, maintenance, repair and operation of facilities or systems together with all appurtenances thereto and interests therein.

4.06 To do and perform any acts and things authorized pursuant to C.R.S. 29-1204.2, as amended, under, through or by means of an agent or by contract(s) with any person, firm or corporation.

4.07 To incur debts, liabilities or obligations to the extent and in the manner permitted by law for an entity empowered either under C.R.S. 29-1-204.2 or Article 31 of Title 37, and borrow money and, from time to time, make, accept, endorse, execute and deliver bonds, notes and other obligations of the District for monies borrowed or in payment for property acquired or for any of the other purposes, services or functions of the District as provided by law and to the extent permitted by law, to secure the payment of any such obligations by mortgage, pledge, deed, indenture, agreement or other collateral instrument or by other lien upon or assignment of all or any part of the properties, rights, assets, contracts, easements, revenues and privileges of the District.

4.08 To own, operate and maintain real and personal property and facilities separately and in common with others and to conduct joint, partnership, cooperative or other operations with others and to exercise all powers granted herein in joint, partnership or cooperative efforts and operations with others.

4.09 To condemn property for public use for the purpose of drainage, provided such property is not owned by any public utility and such property is not then devoted to public use pursuant to state authority.

4.10 To sue, and to be sued, in its own name.

4.11 To have and use a corporate seal.

4.12 To fix, maintain and revise fees, rates, assessments and charges for all drainage functions, services or facilities provided, owned, operated or maintained by the District. Such fees, rates, assessments and charges, including differential rates and charges according to the benefit received (for example, different rates for different basins to reflect different capital needs), shall be in such amount or amounts as necessary to provide for the acquisition, improvement or development of drainage facilities and appurtenances, the operation and maintenance of such facilities and appurtenances, debt service and reserves, capital improvements and other obligations and expenses of the District.

4.13 To adopt by resolution regulations respecting the exercise of the District's powers and the carrying out of its purposes.

4.14 To receive contributions, gifts, bequests or other grants of cash, equipment or services from the Parties and from other entities, individuals and political subdivisions.

4.15 To provide for the rehabilitation of any surfaces adversely affected by the construction or maintenance or repair of drainage facilities or systems through the rehabilitation of plant cover, soil stability and other measures appropriate to the subsequent and beneficial use of such lands.

4.16 As determined on a case-by-case basis by the directors of the District or, if required by the Other Parties as determined by a three or five member board one member of which would be appointed by each Party, in accordance with adopted District resolutions, to pay or reimburse, up to a total annual appropriation made from the District's Storm Water Enterprise fund (perhaps \$100,000 per calendar year) property owners or others affected for any losses or damages incurred from flooding or damage from storm water; however nothing in this paragraph or in this Agreement is intended, nor shall it be construed, to waive any defense or avoidance or immunity provided by law, including the protections in the Governmental Immunity Act.

4.17 To obtain insurance policies in amounts as determined by the board of the District.

4.18 In general, to exercise all powers that are now or hereafter may be conferred by law upon a drainage authority organized pursuant to C.R.S. 29-1-204.2, as amended, or pursuant to Article 31 of

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Title 37, C.R.S., as amended, that are necessary, incidental, convenient or conducive to the attainment of the District's purposes and provision of its functions, services and facilities, subject to such limitations as are, or may be, prescribed by law or as are set forth herein.

4.19 To collect all new storm water fees, rates, charges and assessments using any or all power and authority that may be lawfully exercised by any of the Parties in collecting fees or charges owing to such Party.

4.20 If new storm water fees, rates, charges and assessments are not timely received by the District, to adopt and collect late fees, interest and other charges which any Party has the power to impose and collect.

Section 5. **Board of Directors.** The District shall be governed by an elected board of directors as set forth in Article 31 of Title 37, C.R.S.

*See '04. What should this look like*  
*Other Party participation/inputs on the Board?*

*NR!*  
*O.P.M.*  
*Urge*

Section 6. **Ranking of Capital Expenditures.** The governing body of each of the Parties shall appoint one designee to serve as a member of a capital improvements priority decision making group ("CIP" group), which CIP group shall annually deliver to the District its prioritized ranking of needed engineering studies, other necessary data or information, and capital projects ("capital ranking") to be designed and constructed by the District as the District's Storm Water Enterprise Fund revenues are available and appropriated by the directors of the District, subject to the following:

*This is good*

- (a) When adopting each year's capital ranking, the CIP group shall ignore jurisdictional boundaries;
- (b) Shall make its prioritizations based on what is best, overall, for the inhabitants and citizens of the Parties who have signed this Agreement; and
- (c) The CIP group shall consider not only existing deficiencies but also system improvements that will be needed to implement the master plans and comprehensive plans adopted by the Other Parties to the end that facilities can be built in advance of development requests that are consistent with such adopted master and comprehensive plans.
- (d) "Capital revenues" are those identified in the District Financial Model as being spent on the studies of needed improvements, design, acquisition of right-of-way, and construction of capital projects listed on the capital rankings.

Section 7. **Partial transfer of drainage facilities.** For any facilities owned or controlled by an Other Party the title and ownership of which is not transferred to the District, all outfall or point source connections between such facilities and District facilities shall be treated as any private outfall or point source connection would be; at present, for example, the District requires a Discharge License for each outfall or point source introduction of regulated water into any District Facility and duly adopted fees, rates, assessments and charges shall apply.

*Good*

Section 8. **Annual Meeting.** (a) The District shall host an annual public meeting of the signing Parties to discuss problems, successes, projects and necessary changes to this Agreement, any issues regarding the method of prioritizing capital projects, any perceived need to increase or decrease fees or rates or charges or assessments, allocation of resources for operations and capital needs, and any other matter that may be raised by any signing Party.

(b) Once a year at least 30 days before the annual meeting hosted by the District, the District shall

deliver to each signing Party a written report identifying the current capital ranking, the status of the MS4 permits administered by the District, if any, the service boundary during the previous calendar year and the schedule of prospective expansion of District service areas, operational or maintenance issues faced by the District, if any, water quality issues, and any other matters reasonably necessary to keep the Other Parties informed of the activities of the District's Enterprise Fund, and sufficient so that the Other Parties can exercise effective and timely input regarding the Enterprise Fund.

Section 9. **Ethical Rules.** Within ninety days following the imposition of new storm water fees, the District directors shall adopt ethical and other rules for its operations which shall apply to all employees, officers and directors of the District, and must include rules prohibiting the use of District facilities or assets for personal gain or for personal benefit, except as may be explicitly provided by the directors of the District in a duly adopted resolution.

Section 10. **Method of Collection of Fees, Assessments, Rates and Charges.** (a) The District will work with the County Assessor and/or the County Treasurer to include District fees, rates, assessments and charges in each calendar year's *ad valorem* tax notices; even so, the signing Party recognizes that some owners of real property (such as churches, government lands and other tax exempt owners) will have to be billed for District adopted fees, rates, assessments and charges through another means. For owners of real property not receiving such tax notices from a County office, for a fee of two percent of amounts received by the District, the respective signing Party agrees to send bills each January for District fees, rates, assessments and charges to all owners of real property in the boundary of the signing Party with instructions for payment to the District by the same date as would be required for the payment of *ad valorem* taxes. *Really? Fire/Mosquito tax exempt?* *Effort to Annex into District?* *Billed?*

(b) If for whatever reason the County Assessor or County Treasurer do not take such steps as are needed so that any District fees, assessments, rates or charges are included on annual statutorily mandated *ad valorem* tax notices, each Other Party agrees to bill each owner of real property within the Other Party's jurisdiction for District imposed fees, assessments, rates and charges and such Other Party shall retain two percent of the total revenues received by the District as a result of billing or collection efforts on behalf of the District by the respective Party.

Section 11. **Indemnification of Officers and Directors.** Each director and officer of the District, whether or not then in office, and the personal representative of his or her estate, shall be indemnified and held harmless by the District against all costs and expenses actually and necessarily incurred by him or her in connection with the defense of any action, suit or proceeding in which he or she may be involved or to which he or she may be made a party by reason of his or her being or having been such director or officer, except in relation to matters as to which he or she shall be finally adjudged in such action, suit or proceeding to be liable for willful or wanton negligence or misconduct in the performance of his or her duty. Such costs and expenses shall include amounts reasonably paid in settlement for the purpose of curtailing the cost of litigation but only if the District is advised in writing by its counsel that in his or her opinion the person indemnified did not commit such willful and wanton negligence or misconduct. The foregoing right of indemnification shall not be exclusive of other rights to which he or she may be entitled as a matter of law or by agreement. *IGA*



Section 12. **Contracting Parties' Jurisdiction.** No portion of this agreement shall be construed to waive or cede any jurisdiction any Party may claim or possess.

Section 13. **Not a Partnership.** As used in this agreement, the term "Parties" is not meant to indicate that the signatories to this agreement constitute a partnership as the term is understood in the Uniform Partnership Law, C.R.S. 7-6-101, *et seq.*, as amended, or at common law. Nothing in this agreement shall create any joint or several liability or joint or several exposure to any Party for statutory or administrative violations associated with discharges or compliance liabilities. Joint action under this agreement is strictly limited to the processes as described herein.

Section 14. **Drainage Standards.** <sup>(storm/recreation)</sup> (a) The District will enforce the standards previously adopted by the Parties, namely the Storm Water Management Manual. The signing Parties agree to withhold approval of development construction plans, planning clearances and building permits until the final construction plans of any developer or permittee from whose property regulated water has or is being discharged into or flowing into any District Facility are confirmed by the District to meet the SWMM standards.

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(b) From time to time, the signing Parties shall meet and agree upon drainage standards to apply within the area then served by the District; the Parties may agree to differences in the standards that are applicable to different areas served by the District. Each signing Party shall require new development located within its jurisdictional boundaries to comply with the SWMM, as amended, or other more stringent standards to the extent such Party has authority over such matters or to the extent the District has authority over the presence of storm water or regulated water in District facilities. The District shall apply and enforce such agreed-upon standards within the area if such standards are not otherwise enforced through zoning, subdivision or other enforcement mechanism(s) of the Parties. If a Party's drainage standards are more restrictive than those agreed upon as provided herein and such Party desires to apply the more restrictive standards within the boundaries of its jurisdiction, then the District and such Party shall each enforce the more restrictive standards.

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Section 15. **Adding Parties.** After 180 days after the first Other Party and the District sign this Agreement, no party may be added to this agreement as a signing Party without the two-thirds (2/3) consent of the already signed Parties. A party added as a signing Party shall be a municipality, special district or political subdivision of the state authorized to provide drainage or storm water services or facilities and subject to such terms and conditions as the board of directors, in its sole discretion, may determine; provided, however, that after said 180 day period, then signatory Parties, including the District, may condition expansion of District services to the jurisdiction of a late signing party that is outside of the District on the payment of a capital investment fee to cover the late signing party's pro rata share of the costs of those capital assets previously designed, purchased or constructed by the District for District service within the then Other Parties, such capital investment fee to only be used by the District for capital improvements and planning and engineering of capital projects, as prioritized by the CIP group.

Section 16. **Withdrawal or Termination by a Party.** A signing Party's decision to withdraw from this agreement or terminate its duties, obligations and commitments under this Agreement must be

evidenced by a written document authorized by the governing body of such Party which shall be presented to the District **but shall not be effective until and unless** and **only after** all regulated water flowing into any District Facility or other facility served by the District from any land, or portion of land, within the withdrawing or terminating Party's legal boundary has been permanently removed from all District Facilities, including removal from all facilities then being served by the District and removal from any and all rights-of-way of the District. Notice of a Party's intent to withdraw from the District must be presented in writing to the board of directors of the District at a properly convened meeting of the board of directors of the District at least twelve months in advance of the anticipated withdrawal or termination date of such Party. In addition, such withdrawal or termination shall only be effective upon a two-thirds (2/3) consent of the other signing Parties. In addition, any Party desiring to withdraw or terminate this Agreement as to such Party now agrees to indemnify and hold the District, and each other signing Party, harmless with respect to any cost, liability, administrative fine or mandate or other expenditures of funds by the District or such other Party resulting from or relating to claims by any person, agency or entity, public or private, asserting any claim against the District or other Party relating to the presence of storm water or regulated water in any District Facility or other facility or in any District owned or controlled (pursuant to this Agreement or otherwise) right-of-way, including all cost and expense relating to any water quality standard or obligation. No such withdrawal or termination shall release, alter or terminate the enforceability or effectiveness of the District's fees, assessments, rates and charges levied or imposed by the District prior to the date that such withdrawal or termination is effective nor to District fees, assessments, on properties within that Party's jurisdiction that were owing to the District at the time of such withdrawal.

Recognizing that one Party or another may have concerns about indemnification and holding the District harmless as described in this Section 16, the alternative for the District, with the consent of each concerned Party which shall be deemed given if such Party signs below, is that the District shall include as a component of the District's Financial Plan when imposing new storm water fees, rates, assessments and charges a 'committed funds' portion equal to no less than twenty percent of total Enterprise Fund revenues, which committed funds shall only be expended by the District to pay for any costs or liabilities incurred or paid by the District as a result, direct or indirect, of the withdrawal or termination by any Party.

Section 17. **Adding or Deleting Service Areas.** The service area of the District described in Exhibit "A" (the 521 boundary) is a goal that will only be realized when the District has been provided or has developed information regarding such areas, and the projected expenses and revenues associated with District service of such areas can be done responsibly and without undue burden on then existing service areas of the District. For example, the District agrees to serve the portions of the City of Grand Junction lying south of the Colorado River when available data and projected revenues are sufficient that the District may include such areas without undue burden on existing areas served by the District; that said, it is the District's promise to include those areas once the data, expenses and revenues are available and mutually agreed upon. For another example, there are areas of the City of Fruita lying south of the Colorado River for which the same concerns and intent apply.

Section 18. **Distribution on Dissolution.** In the event of the dissolution of the District, all of the



assets of the District shall immediately vest in the Other Parties, subject to any outstanding liens, bonds, debts, notes or mortgages of the District or other pledges of the assets of the District. The interests in the general assets of the District upon dissolution shall rest equally in each Other Party; provided, however, that the Parties may otherwise provide, by two-thirds agreement of the District and Other Parties for disposition of any and all interests of the District to any successors to the District or for any alternative disposition among the Other Parties.

Section 19. **Political Subdivision.** The District shall have the duties, privileges, immunities, defenses, rights, liabilities and disabilities of a public body politic and corporate.

Section 20. **Debt Not That of Parties.** Pursuant to C.R.S. 29-1-204.2(5), as amended, the bonds, notes and other obligations of the District shall not be the debts, liabilities or obligations of the Other Parties.

Section 21. **Entire Agreement; Modification.** This Agreement contains the entire agreement and understanding between the parties to this Agreement and supersedes any other agreements concerning the subject matter of this transaction, whether oral or written. No modification, amendment, novation, renewal or other alteration of or to this Agreement shall be deemed valid or of any force or effect whatsoever, unless in compliance with the provisions of this Agreement and as stated in a writing duly authorized and executed by the required number of the Parties.

Section 22. **No Third-Party Beneficiary. Enforcement.** It is expressly understood and agreed that enforcement of the terms and conditions of this Agreement and all rights of action relating to such enforcement shall be strictly reserved to the signing Parties, and nothing contained in this Agreement shall give or allow any claim or right of action whatsoever by any other person or entity not a party to this Agreement. It is the express intention of the signing Parties that any person or entity other than the undersigned parties receiving services or benefits under this Agreement shall be deemed an incidental beneficiary only.

Section 23. **No Waiver of Immunity.** No portion of this agreement shall be deemed to constitute a waiver of any immunities the parties or their officers, directors, agents or employees may possess or be entitled to, nor shall any portion of this Agreement be deemed to have created a duty of care which did not previously exist with respect to any person not a party to this /agreement. The parties hereto acknowledge and agree that no part of this /agreement is intended to circumvent or replace any immunity under the Colorado Governmental Immunity Act, C.R.S. 24-10-101, *et seq.*, as amended.

Section 24. **Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of and be enforceable by the successors, assigns and legal representatives of the parties hereto.

Section 25. **Severability.** In the event that any of the terms, covenants or conditions of this Agreement or their application shall be held invalid as to any person, corporation or circumstance by a court having competent jurisdiction, the remainder of this Agreement and the application in effect of its terms, covenants or conditions to such person, corporation or circumstance shall not be affected thereby,

Section 26. **Cooperation With Contracting Parties.** In providing the services and facilities



exercising any of the explicit or implied powers and authority of the Board of the City of Grand Junction, Colorado, as set forth in

and they hereto have set their hands and seals this day and year as follows:

DISTRICT OF

CITY OF GRAND JUNCTION, COLORADO

By: \_\_\_\_\_

Mayer

Director

\_\_\_\_\_  
CITY CLERK

By: \_\_\_\_\_

Mayer

Director

Grand Valley Drainage District 8/13/2015  
Master Financial Plan + North +20 yr Bonds

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
<b>General Fund</b>	<b>Prop. Budget</b>											
<b>Revenue</b>												
Beginning Balance	\$483,594	\$199,530	\$217,947	\$264,238	\$354,757	\$510,265	\$717,966	\$982,145	\$1,324,874	\$1,733,684	\$2,213,754	\$2,788,629
Property Tax Revenue		\$1,700,000	\$1,793,500	\$1,892,143	\$1,996,210	\$2,106,002	\$2,221,832	\$2,344,033	\$2,472,955	\$2,608,967	\$2,752,460	\$2,903,846
Interfund Service Charge		\$98,940	\$99,929	\$100,928	\$118,927	\$120,117	\$121,318	\$140,035	\$141,436	\$142,850	\$162,313	\$163,936
Misc. Income		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Revenue</b>	<b>\$1,805,912</b>	<b>\$1,798,940</b>	<b>\$1,893,429</b>	<b>\$1,993,071</b>	<b>\$2,115,138</b>	<b>\$2,226,118</b>	<b>\$2,343,150</b>	<b>\$2,484,068</b>	<b>\$2,614,390</b>	<b>\$2,751,817</b>	<b>\$2,914,774</b>	<b>\$3,067,782</b>
<b>Operating Expenses</b>												
Personnel		\$954,248	\$982,876	\$1,012,362	\$1,042,733	\$1,074,015	\$1,106,235	\$1,139,422	\$1,173,605	\$1,208,813	\$1,245,077	\$1,282,430
Equipment		\$350,000	\$360,500	\$371,315	\$382,454	\$393,928	\$405,746	\$417,918	\$430,456	\$443,370	\$456,671	\$470,371
Operating Expenses		\$391,274	\$403,013	\$415,103	\$427,556	\$440,383	\$453,594	\$467,202	\$481,218	\$495,655	\$510,524	\$525,840
Legal		\$25,000	\$25,750	\$26,523	\$27,318	\$28,138	\$28,982	\$29,851	\$30,747	\$31,669	\$32,619	\$33,598
Engineering		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transfer to Enterprise Fund		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
General Fund Capital		\$60,000	\$75,000	\$77,250	\$79,568	\$81,955	\$84,413	\$86,946	\$89,554	\$92,241	\$95,008	\$97,858
<b>Total operating Expenses</b>	<b>\$2,089,976</b>	<b>\$1,780,523</b>	<b>\$1,847,138</b>	<b>\$1,902,552</b>	<b>\$1,959,629</b>	<b>\$2,018,418</b>	<b>\$2,078,970</b>	<b>\$2,141,339</b>	<b>\$2,205,580</b>	<b>\$2,271,747</b>	<b>\$2,339,899</b>	<b>\$2,410,096</b>
Surplus/Deficit	(\$284,064)	\$18,417	\$46,291	\$90,519	\$155,509	\$207,701	\$264,179	\$342,729	\$408,811	\$480,070	\$574,874	\$657,686
Ending Balance	\$199,530	\$217,947	\$264,238	\$354,757	\$510,265	\$717,966	\$982,145	\$1,324,874	\$1,733,684	\$2,213,754	\$2,788,629	\$3,446,314

**Enterprise Fund**

<b>Revenue</b>												
Beginning Balance	\$0	\$92,084	\$1,614,536	\$2,429,895	\$2,887,728	\$3,361,953	\$3,557,586	\$3,106,858	\$3,025,009	\$2,376,071	\$1,601,774	\$813,949
Drainage Fee/ERU/mo	\$0	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.50	\$ 3.50	\$ 3.50	\$ 4.00	\$ 4.00	\$ 4.00	\$ 4.50	\$ 4.50
Total ERU	90,704	91,611	92,527	93,452	94,387	95,331	96,284	97,247	98,219	99,201	100,193	101,195
Drainage Fee Revenue	\$0	\$3,297,989	\$3,330,969	\$3,364,279	\$3,964,242	\$4,003,884	\$4,043,923	\$4,667,843	\$4,714,521	\$4,761,666	\$5,410,443	\$5,464,548
Drainage Devel.Fee/ERU		\$ 983.13	\$1,013	\$1,043	\$1,074	\$1,107	\$1,140	\$1,174	\$1,209	\$1,245	\$1,283	\$1,321
Development Impact Fee	\$30,880	\$ 891,736	\$ 927,673	\$ 965,058	\$ 1,003,950	\$ 1,044,409	\$ 1,086,499	\$ 1,130,285	\$ 1,175,835	\$ 1,223,221	\$ 1,272,517	\$ 1,323,800
<b>Total Revenue</b>	<b>\$121,584</b>	<b>\$4,282,322</b>	<b>\$4,352,185</b>	<b>\$4,423,835</b>	<b>\$5,063,656</b>	<b>\$5,144,734</b>	<b>\$5,227,849</b>	<b>\$5,896,552</b>	<b>\$5,989,789</b>	<b>\$6,085,339</b>	<b>\$6,784,441</b>	<b>\$6,890,869</b>

Does not account for City's drainage fees

**Operating Expenses**

Personnel	\$400	\$1,011,892	\$1,042,249	\$1,073,516	\$1,105,722	\$1,138,894	\$1,173,060	\$1,208,252	\$1,244,500	\$1,281,835	\$1,320,290	\$1,359,898
Equipment	\$0	\$ 176,388	\$181,680	\$187,130	\$192,744	\$198,526	\$204,482	\$210,617	\$216,935	\$223,443	\$230,146	\$237,051
Equip. charge from GF	\$0	\$44,097	\$45,420	\$46,783	\$48,186	\$49,632	\$51,121	\$52,654	\$54,234	\$55,861	\$57,537	\$59,263
Operating Expenses	\$0	\$594,140	\$611,964	\$630,323	\$649,233	\$668,710	\$688,771	\$709,434	\$730,717	\$752,639	\$775,218	\$798,475
Engineering	\$10,000	\$20,000	\$20,600	\$21,218	\$21,855	\$22,510	\$23,185	\$23,881	\$24,597	\$25,335	\$26,095	\$26,878

Grand Valley Drainage District		8/13/2015											
Master Financial Plan + North +20 yr Bonds		2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Legal		\$10,000	\$50,000	\$51,500	\$53,045	\$54,636	\$56,275	\$57,964	\$59,703	\$61,494	\$63,339	\$65,239	\$67,196
Billing		\$0	\$98,940	\$99,929	\$100,928	\$118,927	\$120,117	\$121,318	\$140,035	\$141,436	\$142,850	\$162,313	\$163,936
Interfund Service charge		\$9,100	\$98,940	\$99,929	\$100,928	\$118,927	\$120,117	\$121,318	\$140,035	\$141,436	\$142,850	\$162,313	\$163,936
Uncollected Fees		\$0	\$65,960	\$66,619	\$67,286	\$79,285	\$80,078	\$80,878	\$93,357	\$94,290	\$95,233	\$108,209	\$109,291
<b>Total Operating Expenses</b>		<b>\$29,500</b>	<b>\$2,160,357</b>	<b>\$2,219,890</b>	<b>\$2,281,158</b>	<b>\$2,389,515</b>	<b>\$2,454,858</b>	<b>\$2,522,097</b>	<b>\$2,637,968</b>	<b>\$2,709,639</b>	<b>\$2,783,385</b>	<b>\$2,907,361</b>	<b>\$2,985,925</b>
<b>Operating Surplus/Deficit</b>		<b>\$92,084</b>	<b>\$2,121,966</b>	<b>\$2,132,294</b>	<b>\$2,142,678</b>	<b>\$2,674,141</b>	<b>\$2,689,876</b>	<b>\$2,705,752</b>	<b>\$3,258,584</b>	<b>\$3,280,150</b>	<b>\$3,301,954</b>	<b>\$3,877,081</b>	<b>\$3,904,944</b>
Debt Service		\$0	\$349,513	\$1,066,935	\$1,434,844	\$1,949,916	\$2,244,243	\$2,906,479	\$3,090,434	\$3,679,088	\$3,826,251	\$4,414,905	\$4,414,905
Basin Studies			\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000
<b>Net Surplus/Deficit</b>		<b>\$92,084</b>	<b>\$1,522,452</b>	<b>\$815,359</b>	<b>\$457,833</b>	<b>\$474,225</b>	<b>\$195,633</b>	<b>(\$450,727)</b>	<b>(\$81,850)</b>	<b>(\$648,938)</b>	<b>(\$774,297)</b>	<b>(\$787,824)</b>	<b>(\$759,961)</b>
<b>Ending Balance</b>		<b>\$92,084</b>	<b>\$1,614,536</b>	<b>\$2,429,895</b>	<b>\$2,887,728</b>	<b>\$3,361,953</b>	<b>\$3,557,586</b>	<b>\$3,106,858</b>	<b>\$3,025,009</b>	<b>\$2,376,071</b>	<b>\$1,601,774</b>	<b>\$813,949</b>	<b>\$53,988</b>

Capital Improvement Program

Buthorn Drain Phase 1	\$	4,750,000												\$	4,750,000																	
Buthorn Drain Phase 2			\$	4,750,000											\$	4,750,000																
North Avenue					\$	5,000,000									\$	5,000,000																
Appleton Drain			\$	5,000,000											\$	5,000,000																
Leach Creek						\$	2,000,000								\$	2,000,000																
Bosley Wash Detention Basin							\$	4,000,000							\$	4,000,000																
Douglas Wash								\$	9,000,000						\$	9,000,000																
Drain D					\$	5,000,000									\$	5,000,000																
Vorhees Drain - I-70 to CO River									\$	2,500,000					\$	2,500,000																
Adobe Creek/Big & Little Salt										\$	8,000,000				\$	8,000,000																
Carpenter Drain											\$	2,000,000			\$	2,000,000																
Lewis Wash												\$	8,000,000		\$	8,000,000																
29 Road Drainage														\$	-	\$																
<b>Total Capital</b>	\$	-	\$	4,750,000	\$	9,750,000	\$	5,000,000	\$	7,000,000	\$	4,000,000	\$	9,000,000	\$	2,500,000	\$	8,000,000	\$	2,000,000	\$	8,000,000	\$	-	\$	-	\$	60,000,000				
<b>Debt Service Schedule</b>		\$	(349,513.31)	\$	(349,513.31)	\$	(349,513)	\$	(349,513)	\$	(349,513)	\$	(349,513)	\$	(349,513)	\$	(349,513)	\$	(349,513)	\$	(349,513)	\$	(349,513)	\$	(349,513)	\$	(349,513)	\$	(349,513)			
			\$	(717,422.07)	\$	(717,422)	\$	(717,422)	\$	(717,422)	\$	(717,422)	\$	(717,422)	\$	(717,422)	\$	(717,422)	\$	(717,422)	\$	(717,422)	\$	(717,422)	\$	(717,422)	\$	(717,422)	\$	(717,422)		
				\$	(367,909)	\$	(367,909)	\$	(367,909)	\$	(367,909)	\$	(367,909)	\$	(367,909)	\$	(367,909)	\$	(367,909)	\$	(367,909)	\$	(367,909)	\$	(367,909)	\$	(367,909)	\$	(367,909)	\$	(367,909)	
					\$	(515,072)	\$	(515,072)	\$	(515,072)	\$	(515,072)	\$	(515,072)	\$	(515,072)	\$	(515,072)	\$	(515,072)	\$	(515,072)	\$	(515,072)	\$	(515,072)	\$	(515,072)	\$	(515,072)		
						\$	(294,327)	\$	(294,327)	\$	(294,327)	\$	(294,327)	\$	(294,327)	\$	(294,327)	\$	(294,327)	\$	(294,327)	\$	(294,327)	\$	(294,327)	\$	(294,327)	\$	(294,327)	\$	(294,327)	
								\$	(662,236)	\$	(662,236)	\$	(662,236)	\$	(662,236)	\$	(662,236)	\$	(662,236)	\$	(662,236)	\$	(662,236)	\$	(662,236)	\$	(662,236)	\$	(662,236)	\$	(662,236)	
									\$	(183,954)	\$	(183,954)	\$	(183,954)	\$	(183,954)	\$	(183,954)	\$	(183,954)	\$	(183,954)	\$	(183,954)	\$	(183,954)	\$	(183,954)	\$	(183,954)	\$	(183,954)
										\$	(588,654)	\$	(588,654)	\$	(588,654)	\$	(588,654)	\$	(588,654)	\$	(588,654)	\$	(588,654)	\$	(588,654)	\$	(588,654)	\$	(588,654)	\$	(588,654)	
											\$	(147,164)	\$	(147,164)	\$	(147,164)	\$	(147,164)	\$	(147,164)	\$	(147,164)	\$	(147,164)	\$	(147,164)	\$	(147,164)	\$	(147,164)	\$	(147,164)
												\$	(588,654)	\$	(588,654)	\$	(588,654)	\$	(588,654)	\$	(588,654)	\$	(588,654)	\$	(588,654)	\$	(588,654)	\$	(588,654)	\$	(588,654)	
													\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
<b>Total Debt Service</b>	\$	(349,513)	\$	(1,066,935)	\$	(1,434,844)	\$	(1,949,916)	\$	(2,244,243)	\$	(2,906,479)	\$	(3,090,434)	\$	(3,679,088)	\$	(3,826,251)	\$	(4,414,905)	\$	(4,414,905)	\$	(4,414,905)	\$	(4,414,905)						



Date: July 30, 2015  
Author: Debbie Kovalik  
Title/ Phone Ext: CVS Director/  
Ext. 4052  
Proposed Meeting Date:  
August 17, 2015

## **CITY COUNCIL STAFF REPORT WORKSHOP SESSION**

**Topic:** Avalon Theatre Foundation Board Update on Naming Rights for the Avalon Theatre

**Staff (Name & Title):** Debbie Kovalik, Convention and Visitor Services Director  
Robbie Breaux, Avalon Theatre Foundation Board  
Bobbi Alpha, Avalon Theatre Foundation Board

### **Summary:**

This is to update Council regarding the questions that were addressed at the July 6, 2015 workshop during the Avalon Theatre naming rights discussion for the two largest donors.

### **Background, Analysis and Options:**

The Avalon Theatre Foundation was organized for the purpose of supporting the development of the Avalon Theatre through fundraising and the solicitation of financial commitments for the project. At the June 19, 2013 City Council meeting, the City Council directed that the City move forward with the \$7.6 million Option B Avalon Theatre renovation with additional direction to pursue other funding for the project.

City Staff and the Avalon Theatre Foundation researched the parameters of selling naming rights and presented their recommendations to City Council at a workshop on October 28, 2013. Council reviewed the recommendations and requested that it be forwarded for formal consideration at the November 6, 2013 City Council meeting. On November 6, 2013, City Council adopted Resolution No. 68-13, A Resolution Authorizing the Offering For Sale of the Naming and Sponsorship Rights for the Avalon Theatre. The Resolution states that the City be properly notified of any expressions of interest in the purchase of rights.

At the July 6<sup>th</sup> workshop, the Avalon Theatre Foundation Board provided information regarding the two major sponsors who had expressed interest in the purchase of naming rights for the Mezzanine Lobby and Main Lobby of the Avalon Theatre. The requestors qualify based on the general terms stated in Resolution No. 68-13 (attached). Some of the Councilmembers had questions related to the notification of naming rights. The foundation board has defined the limited number of donors at \$30,000 and above, most of whom have not asked for naming rights. They have spoken with the two major donors that were discussed at the July 6<sup>th</sup> meeting and will update Council with this information.

### **Board or Committee Recommendation:**

The Avalon Theatre Foundation Board of Directors recommends approval of the request for naming rights for the Mezzanine and Main Lobbies of the Avalon Theatre.

**Financial Impact/Budget:**

The financial level for the Mezzanine Lobby naming rights is set at \$100,000 - \$250,000. The level for the Main Lobby is set at \$200,000 - \$500,000.

The Naming Rights Program allows additional opportunities for private donations and reduces the City's overall cost of the project.

**Legal issues:**

There are no legal issues.

**Other issues:**

No other issues have been identified.

**Previously presented or discussed:**

This topic was initially discussed at the July 6, 2015 City Council workshop.

**Attachments:**

Resolution No. 68-13 – A Resolution Authorizing the Offering for Sale of the Naming and Sponsorship Rights for the Avalon Theatre

Worksheet on Payments and Pledges

Report from ATF

**CITY OF GRAND JUNCTION, COLORADO**

**RESOLUTION NO. 68-13**

**A RESOLUTION AUTHORIZING THE OFFERING FOR SALE OF THE NAMING AND SPONSORSHIP RIGHTS FOR THE AVALON THEATRE**

RECITALS.

At the June 19, 2013 City Council meeting, the City Council directed that the City move forward with the \$7.6 million Option B Avalon renovation with additional direction to pursue other funding for the project. The City staff and the Avalon Theatre Foundation (ATF) have been exploring, pursuing and securing other funding sources as directed by the City Council. Those sources of funding have included but are not limited to grants, private and public philanthropy and the sale of naming and sponsorship rights of and for the Theatre. Subsequent to that direction the ATF, the DDA Executive Director and City staff has researched the parameters of selling naming rights.

On October 28, 2013 the City Council reviewed the research and recommendations and asked that the question be forwarded to the Council for formal consideration. Consistent with that direction this resolution focuses the fund raising effort on the possible sale of naming and sponsorship by authorizing the same on the conditions stated herein.

The ATF was organized for the purpose of supporting the development of the Avalon through fund raising and the solicitation of financial commitments for the project. As part of the on-going campaign for the project and as an element of that work the ATF is by and with this resolution specifically authorized to offer the sale of naming rights.

Furthermore, because the funding of the project is a cooperative venture by and between the City, the DDA and the ATF, the DDA is authorized to when and if appropriate, provide notice to possible purchasers that the naming rights are available and as proper notify the ATF and/or the City of any expressions of interest in the purchase of rights.

Additionally, the City does authorize and direct the City Manager or his designee to publically offer the sale of naming rights including but not limited to the issuance of a Request for Proposal(s) RFP.

The foregoing authorization and direction is specifically conditioned on the final decision on the terms of sale, if any, being determined by the City Council.

NOW, THEREFORE, BE IT RESOLVED THAT the City Council of the City of Grand Junction does hereby authorize the offering for sale of the naming and sponsorship rights for the Avalon Theatre in accordance with and pursuant to the recitals stated above and the general terms stated below:

- 1) Cash purchasers/contributors will get first right and consideration;
- 2) Current donors will receive recognition on the donor wall in the Main lobby; those persons and/or entities may secure naming rights for additional contributions;
- 3) "Avalon" or "the Avalon" shall be included in the name/naming/rights/sponsorship in perpetuity;
- 4) All offers to buy/sell or other proposals to sell naming or sponsorship rights received by the ATF, City or DDA will require formal approval by the City Council and a legally binding contract specific to the transaction will be developed;
- 5) The presumed value of naming rights will be derived in accordance with the following table. The term and element(s) of the building or project will be negotiated. Some elements have more than one naming opportunity and where available those shall be separately offered.

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Major building components for which naming/sponsorship rights may be purchased:

Avalon Performing Arts Complex	The City shall issue a Request for Proposal
Historical Theatre Building	The City shall issue a Request for Proposal
The Multi-Purpose Room	\$600,000 to \$1 Million
The Rooftop Terrace	\$500,000 to \$750,000
Lobby – Main Floor	\$200,000 to \$500,000
Lobby – Mezzanine	\$100,000 to \$200,000
Orchestra – Main Floor	\$100,000 to \$250,000
Mezzanine	\$100,000 to \$250,000
Balcony	\$100,000 to \$250,000
Elevator	\$50,000 to \$75,000
Hearing Loop	\$30,000 to \$50,000
Concessions	\$50,000 to \$100,000

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Dated this 6<sup>th</sup> day of November 2013.

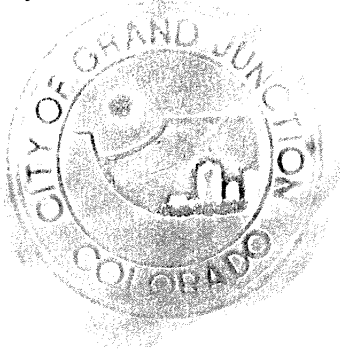
*Sam Susser*

\_\_\_\_\_  
President of the Council

ATTEST:

*Stephanie Tin*

\_\_\_\_\_  
City Clerk



## Avalon Theatre Foundation

Total commitment - \$1.6 million (formal and informal)

ATF Payments to City*	
Month-Year	Amount
June 2012	\$100,000
December 2012	\$130,933
July 2013	\$150,000
November 2013	\$150,000
February 2014	\$180,000
May 2014	\$150,000
August 2014	\$100,000
August 2014	\$20,000 <i>Grant Proceeds</i>
October 2014	\$119,067
February 2015	\$150,000
<b>Total</b>	<b>\$ 1,250,000</b>

\*data provided by Jay Valentine

Pledge payments expected by quarter**	
2015 3rd quarter	\$6,300
2015 4th quarter	\$13,481
2016 1st quarter	\$39,150
2016 2nd quarter	\$2,881
2016 3rd quarter	\$163,550
2016 4th quarter	\$7,156
2017 1st quarter	\$2,000
2017 2nd quarter	\$806
2017 3rd quarter	\$2,900
2017 4th quarter	\$3,106
2018 1st quarter	\$750
2018 2nd quarter	\$566
2018 3rd quarter	\$250
2018 4th quarter	\$150
<b>Total</b>	<b>\$243,046</b>

\*\*These are estimates only. Actual payments may differ. Some monies will be retained by ATF for administrative and other costs.

# Avalon Theatre Foundation

## Report to City Council – August 17, 2015

The Avalon Theatre Foundation (ATF) presented a brief history, financial report, and request for naming rights to the City Council during its July 6 workshop. Several questions arose, and both parties were tasked with researching these questions.

Question One: Were the donors requesting naming rights promised naming rights in 2011 and 2012 prior to the resolution authorizing naming rights in November 2013?

Answer:

Background –

Resolution No. 68-13 states in the first paragraph “The City staff and the Avalon Theatre Foundation (ATF) have been exploring, pursuing and securing other funding sources as directed by the City Council. Those sources of funding have included but are not limited to grants, private and public philanthropy and the sale of naming and sponsorship rights of and for the Theatre. Subsequent to that direction the ATF, the DDA Executive Director and City staff has researched the parameters of selling naming rights.”

Item 2 of the resolution states “Current donors will receive recognition on the donor wall in the Main lobby; those persons and/or entities may secure naming rights for future contributions.”

According to Kirk Gustafson (conversation with Robbie Breaux on July 9, 2015), he and Bob Denning (now deceased) drove to Ouray to ask David Wood for a major contribution for the Avalon. As nothing had been finalized regarding what exactly was going to be built, naming rights in general were discussed but no specific details were available. The expectation that the donation from Mr. Wood would result in a naming right was established at that meeting.

According to Bobbi Alpha (conversation with Robbie Breaux July 9, 2015), Bobbi had a phone conversation with Karen Combs recently in which Karen told her that conversations regarding her donation to the ATF included discussion regarding future naming rights once they were identified. Since there were several conversations along the way, and they were several years ago, Karen cannot remember exactly who was present during those conversations.

Assessment –

The resolution passed by the City Council in November 2013 acknowledges that early sources of funding included “the sale of naming and sponsorship rights.” At the time those funds were procured (2011 and 2012), specific naming rights did not exist, so the only thing that could be offered was the expectation of future naming rights pursuant to official authorization by the City Council at some time in the future once building plans were finalized.

Recommendation –

Given that the expectation of future naming rights existed for two of our major donors, and given that it would have been difficult, if not impossible, to proceed with the Avalon Theatre renovation without these significant early donations, the ATF recommends that naming rights be granted to Karen Combs and the David Wood Estate. The naming rights are as follows:

Boelter-Combs-Gustafson-Hildebrandt Mezzanine Lobby

David and Mary Wood Main Lobby

Question Two: Are there any other donors who have already given contributions who have expectations of receiving naming rights?

Answer:

Background –

An audit of all contributions since 2011 to the ATF has now been completed. There are three donors who have given \$100,000 or more (two are addressed in Question One above). There are nine additional donors who have given or pledged \$30,000 up to but not including \$100,000.

In addition to the two major donors already addressed, one donor, Larry Wild, included in his letter of intent a request for naming rights to the balcony terrace on the mezzanine level. He asked that, for his contribution, the balcony be named the "Lawrence & Marjorie Wild" Terrace. This terrace was not included in the initial list of naming rights approved by the City Council.

Assessment –

Of the 12 donors who have given \$30,000 and up, two are addressed in Question One, one requested a naming right in his letter of intent, and six are foundations whose names will appear on the donor wall but with no specific naming rights. The remaining three individuals, to our knowledge, do not possess current expectations of any naming rights.

Recommendation –

Given that Lawrence Wild specifically requested in his letter of intent a naming right, although it is not currently listed as an authorized naming right by the City Council, the ATF recommends that City Council grant naming rights to the terrace balcony as follows:

Lawrence & Marjorie Wild Balcony

Further, the ATF recommends that an appropriate group of individuals be identified (including but not limited to City Council members and ATF board members) who can establish other possible naming rights for timely authorization by the City Council prior to any further major fundraising efforts. We look forward to working with the City Council in this endeavor.



Date: August 14, 2015  
Author: Scott Hockins  
Title/ Phone Ext: Purchasing  
Supervisor/1484  
Proposed Meeting Date:  
August 17, 2015

## **CITY COUNCIL STAFF REPORT WORKSHOP SESSION**

**Topic:** Broadband Update

**Staff (Name & Title):** Tim Moore, Interim City Manager  
Jim Finlayson, IT Manager  
Scott Hockins, Purchasing Supervisor

### **Summary:**

Staff will update the City Council on the work to date and next steps for expanding and enhancing the broadband capacity in the City.

### **Background, Analysis and Options:**

Broadband Internet service provides users and communities with many opportunities to improve communications, including enhancements in e-commerce, telemedicine, and educational tools, and can drive economic growth, productivity, and innovation. Staff will update the City Council on broadband efforts including, the DOLA grant for a regional strategic broadband plan, coordinated partnerships, and a possible pilot project. A sample Executive Summary for a strategic plan can be found at: <http://www.ci.missoula.mt.us/DocumentCenter/View/27917>

### **Board or Committee Recommendation:**

None

### **Financial Impact/Budget:**

Future grant opportunities will likely require a local match.

### **Legal issues:**

The override of SB 152 allows the City to participate in future partnerships.

### **Other issues:**

None

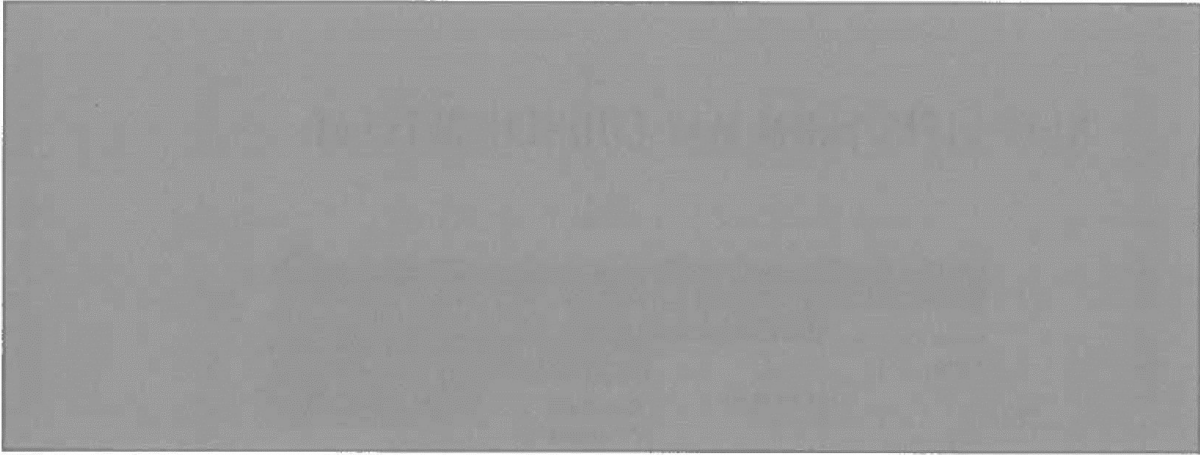
### **Previously presented or discussed:**

Part of general discussions to implement the Economic Development Plan and Site Selection study recommendations and, specifically, at the City Council Retreat and the January 19, 2015 workshop.

**Attachments:**

None



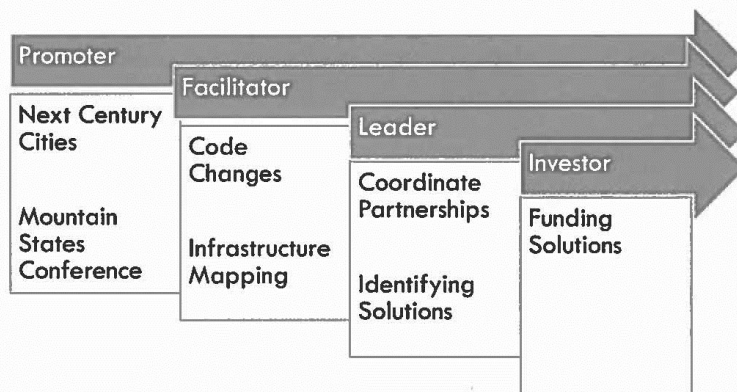


**BROADBAND UPDATE**

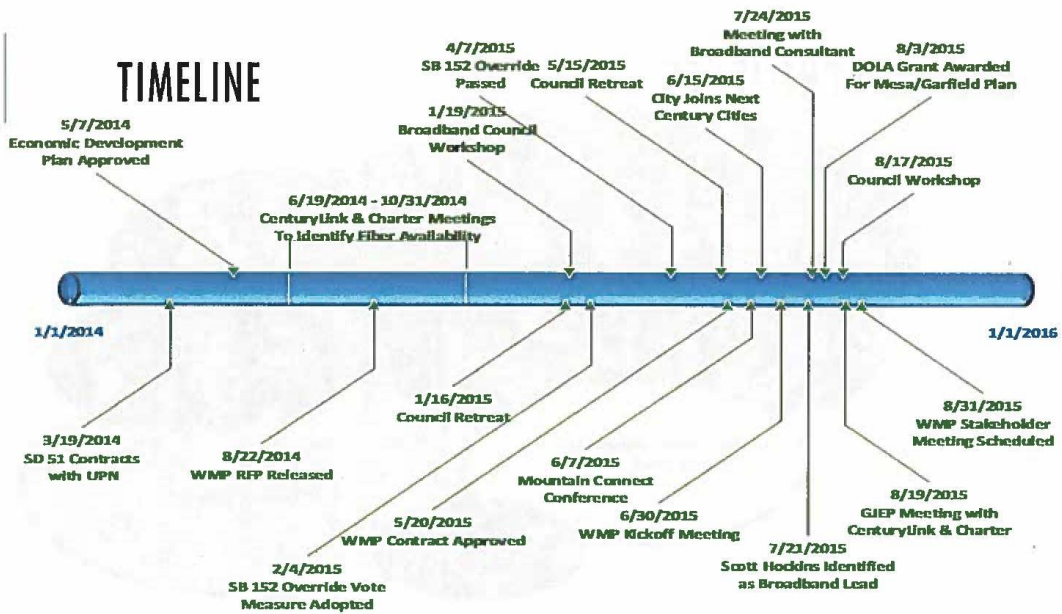
City Council Workshop  
August 17, 2015



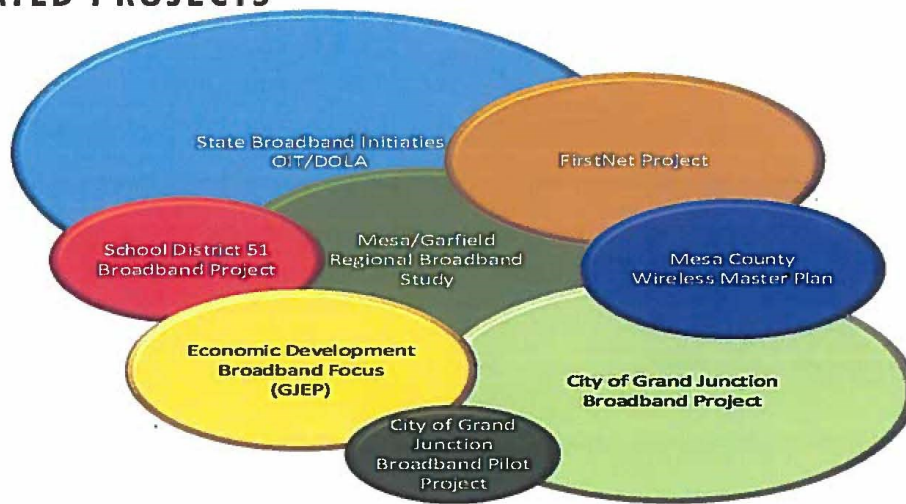
## NEXT STEPS FROM MAY COUNCIL RETREAT



# TIMELINE

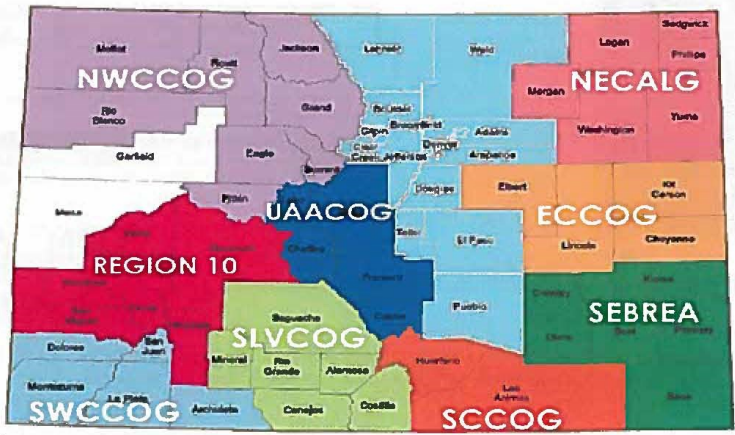


## RELATED PROJECTS



# BROADBAND PROGRESS MAP

## DOLA Regional Broadband Partnerships



Source: Department of Local Affairs, 6/2014



# ECONOMIC DEVELOPMENT

BrandPrint Project for  
Grand Junction / Mesa County



## Utilities/Infrastructure

## Competitive Location Assessment Report

- Sufficient overview of providers and capacity of Infrastructure. More documentation would be needed for a serious prospect.
- Broadband and internet connectivity and speeds a concern in Mesa County but current actions indicate there is a path for addressing and correcting this issue. Need to ensure priority sites and buildings being promoted have excellent high speed access.

## \$5.2M grant brings broadband closer to Delta, Montrose

By Gary Hamon

Work can begin on development of new broadband capacity to schools, hospitals, government offices and other institutions in Delta and Montrose counties with the recent award of a \$5.2 million grant. Eventually, the network would provide the ...

**THE DAILY  
SENTINEL**  
GRAND JUNCTION, COLORADO

## COUNCIL CONSIDERATION

1. **Wait for Mesa/Garfield County Study before proceeding with anything?**
  - Advantage: Study would be paid for by the grant
  - Disadvantage: Study would likely not be completed for one year
2. **Hire Consultant and Move Forward with Grand Junction Plan?**
  - Advantage: We could move at our pace. Study would be smaller in scope and more focused on Grand Junction needs. Could probably finish the study in 6 months.
  - Disadvantage: Cost estimate: \$75,000 to \$90,000.
3. **Select a Pilot Project, Hire a Consultant and Move Forward with the Pilot?**
  - Advantages:
    - Could be done in parallel with one and two.
    - Delivers tangible results in shortest time. Bypass the strategic plan study and go right to construction schematics and cost estimates for the pilot
    - We could apply for a DOLA planning grant for the engineering study (Approximately \$25,000).
  - Disadvantage:
    - Cost to complete the project. Engineering study will provide construction estimates.