

RESOLUTION NO. BOCC 2014-267

APPROVING THE AMENDED 2014 BUDGET (IF APPLICABLE) AND PROPOSED 2015 BUDGET FOR THE PERSIGO SEWER SYSTEM, INCLUDING CHARGES AND FEES

WHEREAS, the City of Grand Junction (City) and the County of Mesa (County) entered into an Intergovernmental Agreement dated October 13, 1998 (The Persigo Agreement) relating to City growth and joint policymaking for the Persigo Sewer System; and

WHEREAS, one of the goals of the Persigo Agreement is that the County shall continue to participate jointly with the City to provide policy direction for operation and maintenance of the System; and

WHEREAS, no policy shall be effective until formally adopted by both the City Council and the Board of County Commissioners, which policies include reviewing and adopting capital improvement plans and annual operating budgets and reviewing and setting system rates and fees; and

WHEREAS the City Council and Board of County Commissioners reviewed the year 2015 Persigo Sewer System capital improvements, plan operating budget and system rates and fees.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF THE COUNTY OF MESA, STATE OF COLORADO AS FOLLOWS:

1. That the following sums of money, or so much therefore as may be necessary, be and the same are hereby approved for the purpose of defraying the necessary expenses and liabilities for the fiscal year beginning January 1, 2015, and ending December 31, 2015: (See Attached Budget)
2. 2015 sewer rates as currently established for customers of the Persigo Sewer System are hereby approved.

PASSED and ADOPTED this 8th day of December 2014.

MESA COUNTY BOARD OF COUNTY COMMISSIONERS

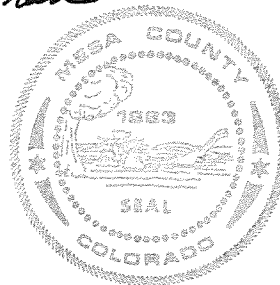
BY: _____

John Justman
John Justman, Chairman

ATTEST:

Sheila Reiner

Sheila Reiner, Clerk and Recorder



Budget Year	Calendar 2015
Organization	900 Sewer Funds

	2014 Adopted	2014 Amended	2015 Requested	2014 Adopted to 2015 Requested
Revenue				
Charges for Service	10,672,844	10,672,844	10,748,721	75,877
Intergovernmental	63,675	643,675	35,770	(27,905)
Other	138,942	113,942	77,041	(61,901)
Capital Proceeds	1,670,642	1,470,642	1,685,260	14,618
Interest	77,438	67,438	57,570	(19,868)
Interfund Revenue	15,000	15,000	15,000	-
Fines and Forfeitures	1,000	1,000	1,000	-
Transfers In	-	-	3,119	3,119
Revenue Total	12,639,541	12,984,541	12,623,481	(16,060)
Expenses				
Labor and Benefits				
Full Time	2,414,586	2,396,476	2,529,723	115,137
Overtime	64,368	64,368	66,027	1,659
Benefits	764,180	761,373	811,622	47,442
Worker's Compensation	68,479	68,479	94,335	25,856
Other	4,085	13,273	3,606	(479)
Seasonal	11,005	11,005	9,446	(1,559)
Labor and Benefits Total	3,326,703	3,314,974	3,514,759	188,056
Operating				
Contract Services	87,665	87,665	115,865	28,200
Equipment	30,034	30,034	31,234	1,200
Operating Supplies	106,673	106,673	107,698	1,025
Professional Development	33,950	33,950	34,050	100
Repairs	415,750	415,750	415,750	-
Utilities	653,700	653,700	13,700	(640,000)
Equipment Maintenance	10,900	10,900	10,900	-
System Maintenance	280,000	280,000	280,000	-
Charges and Fees	196,516	196,516	211,500	14,984
Grants and Contributions	49,900	49,900	49,900	-
Uniforms and Gear	4,440	4,440	4,440	-
Operating Total	1,869,528	1,869,528	1,275,037	(594,491)
Interfund Charges				
Administrative Overhead	365,140	365,140	376,104	10,964
Facilities	-	-	640,000	640,000
Fleet	167,223	253,120	215,854	48,631
Fuel	64,406	64,406	65,400	994
Information Technology	204,499	204,499	251,070	46,571
Liability Insurance	57,244	57,244	57,244	-
Utility Services	483,570	483,570	467,846	(15,724)
Interfund Charges Total	1,342,082	1,427,979	2,073,518	731,436
Capital Outlay				
Computer Systems	40,000	-	-	(40,000)
Equipment	20,000	20,000	-	(20,000)
Facilities	-	-	560,000	560,000
Utility Systems	3,576,859	6,169,414	5,909,700	2,332,841
Capital Outlay Total	3,636,859	6,189,414	6,469,700	2,832,841
Debt Service				
Interest	357,152	357,152	331,121	(26,031)
Principal	845,000	845,000	865,000	20,000
Debt Service Total	1,202,152	1,202,152	1,196,121	(6,031)
Expenses Total	11,377,324	14,004,047	14,529,135	3,151,811
Total	1,262,217	(1,019,506)	(1,905,654)	(3,167,871)



Persigo
2015 Proposed Budget
November 10, 2014
(Revised)

Budget Summary

		2014 Adopted Budget	2014 Amended Budget	2015 Proposed Budget
Fund: 902 Sewer Operations	Operating Expenses	\$6,486,014	\$6,560,182	\$6,808,732
	Debt Service	\$288,097	\$288,097	\$286,165
	Capital Outlay	\$3,616,859	\$4,369,414	\$4,739,700
	Expenditure Totals	\$10,390,970	\$11,217,693	\$11,834,597
Fund: 903 Sewer Trunk Line Extension	Operating Expenses	\$0	\$0	\$0
	Debt Service	\$0	\$0	\$0
	Capital Outlay	\$0	\$0	\$0
	Expenditure Totals	\$0	\$0	\$0
Fund: 904 Sewer Capacity	Operating Expenses	\$48,999	\$48,999	\$52,582
	Debt Service	\$914,055	\$914,055	\$909,956
	Capital Outlay	\$0	\$1,800,000	\$1,710,000
	Expenditure Totals	\$963,054	\$2,763,054	\$2,672,538
Fund: 906 Sewer Improvement Districts	Operating Expenses	\$3,300	\$3,300	\$2,000
	Debt Service	\$0	\$0	\$0
	Capital Outlay	\$20,000	\$20,000	\$20,000
	Expenditure Totals	\$23,300	\$23,300	\$22,000
Total Sewer Fund	Operating Expenses	\$6,538,313	\$6,612,481	\$6,863,314
	Debt Service	\$1,202,152	\$1,202,152	\$1,196,121
	Capital Outlay	\$3,636,859	\$6,189,414	\$6,469,700
	Expenditure Totals	\$11,377,324	\$14,004,047	\$14,529,135

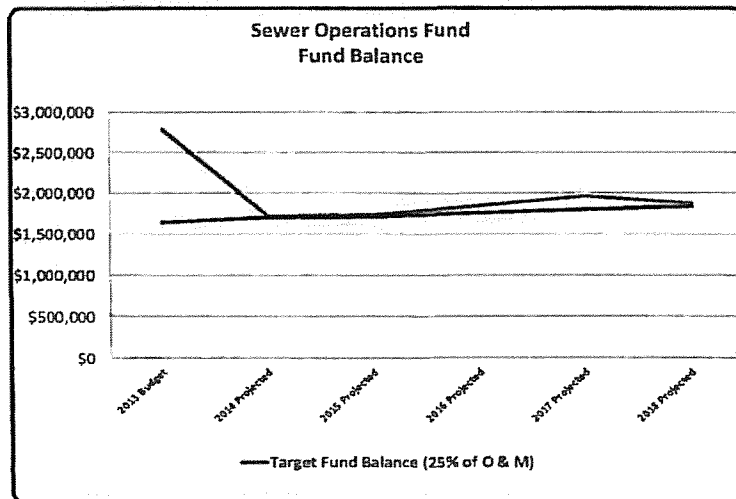
Capital Projects

<u>Fund</u>	<u>CIP ID</u>	<u>Title</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
902 Sewer Operations						
	62	Interceptor Rehabilitation	795,675	819,545	900,000	927,000
	75	Sewer Line Replacements in Collection System	2,360,495	2,517,155	2,744,091	2,927,162
	199	Collection System Equipment	25,000	25,000	25,000	25,000
	672	Lab Equipment - Fume Hood	20,000	-	-	-
	61	Plant Backbone Improvements	1,168,244	-	537,763	553,896
	854	Plant backbone Anaerobic Digester Lid Rehabilitation	-	250,000	-	-
	856	Plant Backbone TSS Meters for Aeration Basins	-	60,000	-	-
		Plant Backbone Two Transformers at CL 2 Building	-	35,000	-	-
		Plant Backbone Drying Bed Rehabilitation	-	20,000	-	-
		Plant Backbone ROW Hose Machine	-	60,000	-	-
		Plant Backbone Pumps, Valves, Component Replacement	-	220,000	-	-
		Plant Backbone Repair line bar screen chamber	-	44,000	-	-
	857	Plant Backbone Primary Clarifiers Rake	-	300,000	-	-
	860	Plant Backbone Motor Control Center Replacement	-	389,000	-	-
		902 Sewer Total	\$ 4,369,414	\$ 4,739,700	\$ 4,206,854	\$ 4,433,058
904 Sewer Capacity						
	197	Plant Expansion Biogas (\$500K DOLA)	1,800,000	1,000,000	-	-
	197	Plant Expansion Effluent Diffusor Design	-	150,000	-	-
	729	Purchase of Collection System Office	-	560,000	-	-
		904 Sewer Total	\$ 1,800,000	\$ 1,710,000	\$ -	\$ -
906 Sewer Improvement Districts						
	77	Sewer Improvement Districts	20,000	20,000	20,000	20,000
		906 Sewer Total	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
		Total Sewer Funds	\$ 6,189,414	\$ 6,469,700	\$ 4,226,854	\$ 4,453,058

902 Fund Projection

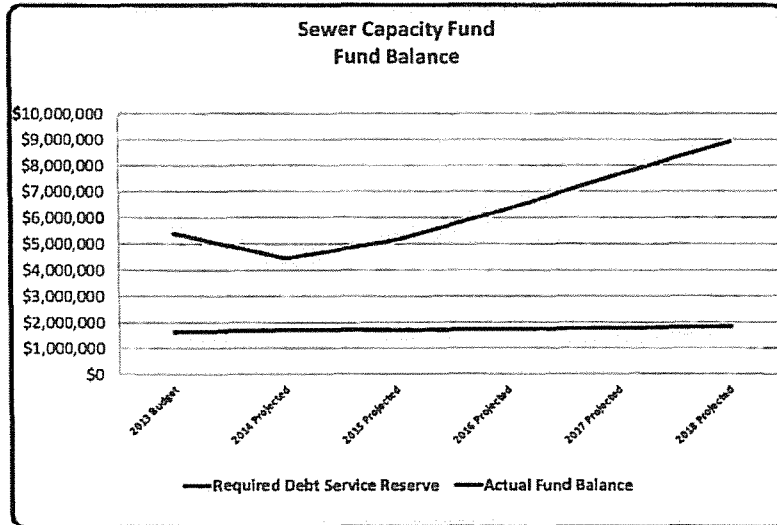
902 Sewer Operations Fund	2014	2015	2016	2017	2018	2019
Average Monthly Rate	\$19.50	\$19.60	\$20.20	\$20.80	\$21.20	\$21.70
Average Monthly Increase	\$2.50	\$0.10	\$0.80	\$0.60	\$0.40	\$0.50
Total Revenue	\$ 10,820,463	\$ 10,813,956	\$ 11,428,641	\$ 11,831,455	\$ 12,139,508	\$ 12,518,971
Total Operating Expenses	\$ 6,580,182	\$ 6,808,732	\$ 6,871,836	\$ 7,030,035	\$ 7,177,949	\$ 7,338,394
Debt Service	\$ 288,097	\$ 285,165	\$ 283,187	\$ 278,805	\$ 275,886	\$ 270,450
Major Capital Outlay	\$ 4,289,414	\$ 4,739,700	\$ 4,208,854	\$ 4,333,058	\$ 4,463,108	\$ 4,640,483
Total Expenses	\$ 11,217,693	\$ 11,834,597	\$ 11,361,877	\$ 11,841,899	\$ 11,916,743	\$ 12,497,307
Transfers From (To) Other Funds	(\$451,058)	(\$42,859)	(\$47,993)	(\$84,455)	(\$95,999)	(\$117,870)
Actual Fund Balance	\$ 2,780,185	\$ 1,716,585	\$ 1,735,356	\$ 1,840,457	\$ 1,967,224	\$ 1,871,018
Target Fund Balance (25% of O & M)	\$ 1,640,048	\$ 1,702,183	\$ 1,717,959	\$ 1,757,509	\$ 1,794,487	\$ 1,834,089

In 2013 - Started transferring to an Internal 905 Fund for Nutrients



904 Fund Projection

904 Sewer Capacity Fund	2014	2015	2016	2017	2018	2019
\$ per EQU	\$4,120	\$4,244	\$4,371	\$4,502	\$4,637	\$4,776
Increase per EQU	\$120	\$124	\$127	\$131	\$135	\$139
Total Revenue	\$ 1,987,640	\$ 1,712,371	\$ 1,661,401	\$ 2,106,672	\$ 2,282,454	\$ 2,467,647
Total Operating Expenses	\$ 48,999	\$ 52,582	\$ 48,904	\$ 43,748	\$ 64,398	\$ 58,110
Debt Service	\$ 914,055	\$ 809,956	\$ 905,072	\$ 896,850	\$ 895,111	\$ 1,163,948
Major Capital Outlay	\$ 1,800,000	\$ 1,710,000	\$ -	\$ -	\$ -	\$ -
Total Expenses	\$ 2,763,054	\$ 2,672,538	\$ 951,977	\$ 940,598	\$ 949,507	\$ 1,222,058
Actual Fund Balance	\$ 5,422,276	\$ 4,462,109	\$ 5,171,534	\$ 6,337,608	\$ 7,670,554	\$ 8,916,143
Required Debt Service Reserve	\$ 1,640,046	\$ 1,706,452	\$ 1,722,314	\$ 1,761,951	\$ 1,799,018	\$ 1,838,720





2015 Rates

- \$0.10 increase for 2015 = Monthly rate \$19.60 / EQU
- \$124 increase for 2015 = PIF of \$4,244 / EQU

City of Grand Junction
 Dept of Public Works and Utilities
 Engineering Division

Project: Orchard Mesa Fire Station #4
Subject: Cost/Benefit Analysis

Labor Estimate		
Annual labor salary	\$	65,798 per employee (2014 - \$50,614*1.3 for benefits)
Approximate travel time savings		17 minutes per trip
Trips per day		2 leaving and returning to Persigo
Labor Savings per day	\$	17.93 per employee
Employees stationed at OM #4		5 (2 Jetter trucks - each with crew of 2 / TV Truck crew of 1)
Total annual savings	\$	21,511 assuming 20 days per month
30 year Present Value of savings	\$	(371,968) assumes 4%

Vehicle estimate		
Approximate \$/mile/truck*	\$	2.99 per mile per truck
Miles averted		7 miles per trip
Trips per day		2 leaving and returning to Persigo
Savings per truck per day	\$	41.93 per truck
Vehicles stationed at OM #4		3 (2 Jetter trucks / TV Truck)
Total annual savings	\$	30,187 assuming 20 days of operation per month
30 year Present Value of savings	\$	(521,995) assumes 4%

Total Present Value of savings \$ **893,963**

Intangibles
 *Lower response time would help avert damages
 *Efficiency/Effectiveness: Additional footage of pipe cleaned rather than traveling back and forth to Persigo.
 Increases capacity of cleaning fleet thereby delaying additional trucks being added to fleet.
 *Air quality - fewer emissions
 *Shorter commutes for employees

*Estimated Cost for \$/mile/truck	Original Purchase	Salvage	100,000 miles	Fuel	Maint**	Total Cost/mile
Vactor Truck (5 mpg)	\$ 400,000	\$ 60,000	\$ 3.40 /mile	\$ 0.70	\$ 0.03	\$ 4.13
Jetter Truck (7 mpg)	\$ 250,000	\$ 25,000	\$ 2.25 /mile	\$ 0.50	\$ 0.02	\$ 2.77
TV Truck (13 mpg)	\$ 200,000	\$ 20,000	\$ 1.80 /mile	\$ 0.27	\$ 0.01	\$ 2.08
				Average	\$	2.99
Fuel cost	\$	3.50	per gallon			
**Maintenance						
Vactor Truck - Oil change		20 oil changes	\$ 120 /oil change		\$ 2,400	
Vactor Truck - other (brakes)		2 50,000 maint	\$ 500 /maint		\$ 1,000	
Jetter Truck - oil change		20 oil changes	\$ 95 /oil change		\$ 1,900	
Jetter Truck - other (brakes)		2 50,000 maint	\$ 400 /maint		\$ 800	
TV Truck - oil change		20 oil changes	\$ 60 /oil change		\$ 1,200	
TV Truck - other (brakes)		2 50,000 maint	\$ 300 /maint		\$ 600	

Persigo

Wastewater Collection System

SATELLITE FACILITY

September 30, 2014

ENHANCED NARRATIVE:

**BUDGET YEARS - REVISED 2014,
PROPOSED 2015**

**BUSINESS PLAN & SIGNIFICANT BUDGETARY ISSUES
2014 BUDGET REVISION
2015 PROPOSED BUDGET**

Fund 904 – Collection System Remote Office and Equipment Storage Facility (Facility Acquisition)

Budget Amount: \$560,000

The 2015 budget includes \$560,000 to purchase the current Fire Station #4 on Orchard Mesa, to be utilized as a remote sewer collection systems office and equipment storage facility. Currently, the majority of the sewer collections system maintenance equipment is housed at the Persigo Wastewater Treatment Facility, located on the extreme west end of the sewer collection system. In many cases, when staff respond to an after-hour emergency sewer backup call, they drive all the way from their homes, past the sewer problem to Persigo to get the necessary vehicle and equipment, and then back into the city to respond to the emergency. Due to its central location, purchase of this remote office and equipment storage facility would allow for more rapid and efficient response to sewer collection system emergencies and provide more timely and quality service to sewer customers.

The need for a more centrally located collection system office has significantly increased over the past few years. With the City assuming responsibility for the Fruitvale and Central Grand Valley Sanitation Districts, and anticipated dissolution of the Orchard Mesa Sanitation District in 2016, the City/County 201 sewer service area has grown significantly. As a result, emergency sewer collection response times to the south- and east-end of the 201 sewer system have become much longer.

Other options considered:

Purchase of vacant property to construct a new collection system office: The cost to construct a new 4000-square foot sewer collections office complete with truck garage bays is estimated at approximately \$400,000 (at \$100 per square foot). This option would require the additional purchase of property, which has been estimated at approximately \$200,000. Together, the costs of an office /equipment storage facility with property acquisition would be estimated at \$600,000.

Purchase of the old Central Grand Valley Sanitation District Office: The old Central Grand Valley office was sold during the previous District dissolution. Whereas the current owner of the property had offered it for sale for \$225,000, the owner also planned to split the existing property. This made it too small to accommodate the construction of a heated building large enough to house the collection system vehicles and equipment.

Renovate the old Fruitvale Sanitation District Office: The old Fruitvale Office, currently owned by the City and used as a remote sewer collections office and equipment storage facility, was built in 1963 and is in need of extensive repair. The lot size of this property is not large enough to accommodate the needs of a new collection system office and equipment storage facility. This property has been appraised at \$210,000. Staff are recommending this property be sold to help pay for a new facility to accommodate an increasingly growing sewer service area.

Market Search for Existing Satellite Facility:

The need for a centrally located satellite collection system facility has been included in the sewer system long-range operational plan for many years. It was anticipated that the Persigo system would assume ownership of the now dissolved Central Grand Valley Sewer District (CGVSD) office upon their dissolution. However, this was not the case as the CGVSD Board voted to sell the office property prior to the District dissolution.

As a result of not acquiring the CGVSD property, staff has searched for existing affordable properties that would suitably serve as a Collection System Satellite Facility. It was important the review criteria included adequate square footage to house necessary equipment; a central location that allows for timely emergency responses; and an affordable price. A recent search showed that potential comparable properties that met the review criteria were priced in excess of \$600,000.

AGENDA ITEM SHEET

I-2

Date Submitted: November 19, 2014
Hearing Date Requested: December 8, 2014
Submitter: Connie Hahn Phone: 1812
Presenter: Peter Baier, Public Works Director
Return originals to: Connie Hahn Location: Central Services
Number of originals to return to submitter: 2

To: Mesa County Board of Commissioners

Title of Item: 2015 Persigo Sewer System Budget

Type of Item:

- | | | | | | |
|--------------------------------------|--|--|------------------------------------|---|--|
| <input type="checkbox"/> Agreement | <input type="checkbox"/> Finance | <input type="checkbox"/> Insurance | <input type="checkbox"/> MOU | <input type="checkbox"/> Policy/Procedure | <input type="checkbox"/> Reports/Official |
| <input type="checkbox"/> Appointment | <input type="checkbox"/> Finance/General | <input type="checkbox"/> Letter of Support | <input type="checkbox"/> Ordinance | <input type="checkbox"/> Purchase Order | <input checked="" type="checkbox"/> Resolution |
| <input type="checkbox"/> Contract | <input type="checkbox"/> Grant | <input type="checkbox"/> Liquor License | <input type="checkbox"/> Petition | <input type="checkbox"/> Real Estate | <input type="checkbox"/> Salaries/Benefits |

IF YOU ARE REVISING OR RENEWING AN EXISTING AGREEMENT OR RESOLUTION, INDICATE MCA OR MCM NUMBER ____.
SUMMARIZE CHANGES.

Recommended Board Action: Approve the 2015 Budget for the Persigo Sewer System, Including Charges and Fees and Authorize the Chair to sign and execute the Resolution

Justification or Background: The City of Grand Junction and Mesa County entered into an Intergovernmental Agreement dated October 13, 1998 relating to City growth and joint policymaking for the Persigo Sewer System. This agreement tasks the County to participate jointly with the City to provide policy direction for operations and maintenance of the System.

The Persigo Budget is made up of three funds which are reflected on the attached Fund Code Summary of Capital Project Expenditures and Transfers
Fund Number 903 Sanitary Service Extension Fund is for trunk sewer line extension.
Fund Number 904 Sewer Backbone Capital Fund is for capital improvements to the system.
Fund Number 906 Sewer Improvement District Funds is for special sewer improvement districts that are currently being created in the county.

Fiscal Impact: This item is budgeted in the following account code: ____
County: \$ ____ Federal: \$ ____ State: \$ ____ Other: \$ ____

Review:

Administration: Approved Date: (11/14/14) Denied Date: (____) Approved with Changes Date: (____)
 Briefing Date: (____)

County Attorney: Approved Date: (N/A) Denied Date: (____) Approved with Changes Date: (____)

Finance: Approved Date: (11/19/14) Denied Date: (____) Approved with Changes Date: (____)

Risk: Approved Date: (N/A) Denied Date: (____) Approved with Changes Date: (____)

****FOR ADMINISTRATION USE ONLY****

Approved Hearing Date: 12/08/2014

Approved Denied Approved with Changes



Steve Acquafresca, Chair, Board of Commissioners
JOHN JUSTMAN

12-8-14

Date: