

RDR90WTR

TYPE OF RECORD: ACTIVE NON-PERMANENT
CATEGORY OF RECORD: **WATER**
NAME OF CONTRACTOR: REEDER MESA LIVESTOCK WATER COMPANY
SUBJECT/PROJECT: WATER PURCHASE AGREEMENT
CITY DEPARTMENT: PUBLIC WORKS
YEAR: 1990
EXPIRATION DATE: 6/19/20
DESTRUCTION DATE: 1/27

WATER PURCHASE AGREEMENT

6/19/90

This AGREEMENT is made and entered into this 19th day of June 1990, by and between the City of Grand Junction, Mesa County, Colorado, a home rule city, hereinafter referred to as the "City" and the Reeder Mesa Livestock Water Company, Mesa County, Colorado hereinafter referred to as the "Company."

WITNESSETH

WHEREAS, the Company, wishes to continue to use a source of untreated and non-potable water to be treated by the Reeder Mesa Livestock Water Company and then used for household, firefighting, lawn and livestock watering purposes located in the area known as Reeder Mesa and along Kannah Creek, all located in Mesa County, Colorado. A map of the Reeder Mesa existing distribution system, its taps on the flowline, existing customer locations, and property served is incorporated and attached to this agreement as "Exhibit RM-A", and

WHEREAS, the Company's system supplies piped water for household uses, firefighting, lawn and livestock watering, but not for human consumption, to 16 service connections and regularly serves an average of 56 persons daily through out the calender year, and

WHEREAS, the Company has sold 33 taps, and

WHEREAS, the City owns and operates a raw water transmission line known as the Kannah Creek Flowline which is located in portions of Sections 31, 32, and 33 of Township 12 South, Range 97 West, and portions of Sections 35 and 36 of Township

12 South, Range 98 West of the Sixth Principal Meridian,
Mesa County, Colorado, and

WHEREAS, the Company wishes to derive its source of untreated
and non-potable water supply from one existing 3/4 inch tap
on the above-referenced City flowline which is identified
in "Exhibit RM-A" and on the City accounting system as Ac-
count Number 1001-0120-02-9 and ^{AKS}

WHEREAS, the City is presently willing to provide untreated
and non-potable water to the Company from said existing 3/4
inch tap on the City flow line identified in "Exhibit RM-A"
or from a larger tap which may be authorized by the City in
the future, and

WHEREAS, the City agrees to provide water to parcels 1 and 2
of the original Broken Spoke Development Corporation and to
the current "Steve Wood" property, separate from this
agreement, the location of which are identified in in the map
"Exhibit RM-B".

NOW, IN CONSIDERATION OF THE MUTUAL COVENANTS CONTAINED
HEREIN, IT IS AGREED AS FOLLOWS:

1. Subject to the terms hereof, the City agrees to furnish
untreated and non-potable water to the Company at the exist-
ing tap location.
2. The City agrees to read the meter at the existing tap
location and the Company agrees to pay monthly for the water

used based on the meter readings. The rate to be paid by the Company to the City is based on a formula not to exceed 1.72 times Rate No.1 Commercial and Residential Rate (within the city limits), section 31-12 of the City Code. The Rate No.1 rate will change periodically. A review of these rates may be requested by the Company upon presentation of pertinent financial information as to the costs of treatment.

3. The City agrees to allow the existing 3/4 inch meter to remain at their present location and provide necessary maintenance as required. It is agreed that, at a time convenient to both parties, the existing tap at the tank will be increased to a 4 inch and a 2 inch meter installed below the tank by the City and/ or the Company in agreement with the City. The cost of the meter, associated labor and materials will be paid forthwith by the Company.

4. The Company agrees that it shall maintain in good order all of its distribution system, and that the City is not responsible for, or liable for, any pipeline maintenance or repairs on the Company's lines which begin on the downstream side of the meters. In no case will the Company construct facilities upstream of the meters unless approved, in writing, prior to construction, by the City Engineer and the Utility Manager. Such facilities, should they be constructed, will remain the responsibility of the Company for maintenance and repair.

5. Subject to the terms of this agreement, the City and the Company agree to limit the amount of water provided to not more than 20,000 gallons per day to be provided at the above-referenced tap. The City is not obligated to provide more than 20,000 gallons of water per day. The City agrees that the 20,000 gallon limit may be exceeded if the Company's pipeline breaks or has a major leak. The Company agrees to accept and pay for amounts of water as measured at the meters. Any proposed increase over 20,000 gallons per day may be requested by the Company at any time with adequate justification. Such a request must be brought before the City Council for action.

In order that the City's untreated water supply not become overextended, as solely determined by the City, the Company agrees to restrict the number of its individual taps and users to those sold at the time of this agreement and enumerated in "Exhibit RM-A". It is agreed that this number is 33. The Company agrees to notify in writing the City each time a new user receives water from the Company along with each user's full name, address, and property being served on behalf of such user. Any proposed increase over 33 taps must be brought before the City Council for action.

6. If the Company, in order to effectuate the provisions of this agreement, needs to modify its articles, by-laws or

agreements of or with its users, the Company shall do so forthwith. The Company shall supply, to each new user and no less than one time per year to existing users, notice concerning provisions of Articles 5,8,10,11,13, of this agreement. The Company shall supply the City with a map locating all users so the City can record this instrument.

7. The City agrees to provide the amounts of water agreed upon herein for the term set forth below except to the extent that supply is curtailed by relocation or abandonment of the flowline, planned maintenance, emergency repair on the flowline or the delivery structures, acts of God, or other circumstances not foreseen by the parties. In the event of drought and the City determines that the water supply is not adequate to supply City residents, the City shall declare that a shortage exists and shall notify the Company. The determination of shortage shall be made unilaterally by the City and such determination shall be binding on the Company and its users. Within ten days of receipt of such notification the Company shall institute reductions of service to their customers commensurate with reductions of service to City residents. In the event there is planned maintenance on the flowline or the delivery structures which would likely result in an interruption of flow to the Company, the City will attempt to give at least 72 hours notice by telephone to a Company representative. In the event of an emergency, as determined solely by the City, no notice will be provided.

If the emergency will result in the line being out of service for a lengthy period of time then notice will be given as soon as practicable.

8. The Company agrees that, in the event the flowline is moved from its existing location or replaced during the term of this agreement, the Company will bear all costs to reestablish its taps on the new or alternative flowline and to extend its distribution system to the new taps.

9. The Company agrees to hold the City harmless from and to indemnify the City, its officers, agents, and employees from all claims, causes of action, damages, or injury to persons or property arising out of any failure to supply water pursuant to this agreement, except that this provision shall not apply if the failure to supply water is due to the City's breach of this agreement.

The Company further agrees that it will not prevent or object to the City's access to the flowline or to the City's right to repair, replace, modify, enlarge, or move the flowline or delivery structures or to the City's right to modify water sales agreements with other users even though such agreements may contain provisions different than or inconsistent with this agreement.

10. The Company agrees that the water so contracted for is

for its users as described in Exhibit RM-A and it shall allow its use only for household uses, firefighting, lawn and livestock watering purposes, but not for human consumption, except as provided herein. No lease, sale, donation, transfer, or other disposition of any of the water contracted for herein may be made without the prior written approval of the authorized representative of the City of Grand Junction.

11. The Company agrees that it is solely responsible for maintenance of its pipelines. All water, including water lost in breaks or leaks, which passes through the meter shall be paid for by the Company as provided in this Agreement.

12. The Company agrees and fully understands that the City does not, and is not required to, treat any water passing through the meter in any way and the quality of the water currently delivered to the Company does not, and will not, meet present or future water quality standards as set by any regulatory agency for a domestic water supply. The Company recognizes and agrees to meet the standards set for public water systems by the Safe Drinking Water Act, as amended, or any other applicable law or regulation should the Company provide water for human consumption. The Company, upon signature of this agreement, will diligently pursue its obligations under this paragraph to meet all the State of Colorado and Federal drinking water standards which include, but are not limited to, selection and design of treatment

systems, submittal of plans to the State of Colorado for approval, and construction of selected systems. The Company will, every three (3) months, certify to the City as to such activities until an approved treatment system is in operation and, thereafter, annually that the supplying of water for human consumption meets all State, Federal, and Local requirements. In the event that the City, after consultation with the State of Colorado, determines that the Company has not diligently pursued its duties in this effort, the City may declare that a breach exists and give the Company 30 days written notice thereof. If the treatment system is not in operation within such 30 day period, the Company agrees the City may disconnect the tap and meter forthwith and, when the Company is in compliance with all State, Federal, and local requirements, the City will reconnect the tap.

As the workload of City staff permits, the City agrees to provide technical assistance to the Company in determining alternatives for meeting the drinking water standards. However such assistance will not relieve the Company of its responsibilities under this article nor obligate the City for the payment of any monies.

13. Company warrants that the map labelled Exhibit RM-A is accurate and Company recognizes that the City is relying on the accuracy of such map in making this agreement.

14. The term of this Agreement shall be for 30 years and shall terminate on ~~July 19, 2020~~^{July 19, 2020}. The parties have the option to request review and to renegotiate this agreement upon written request to either party on or before six months prior to each decennial anniversary date of this agreement. All terms and conditions will be renegotiated by both parties in good faith subject to applicable federal and state laws and City policy established at that time.

The City may, at its discretion, build a treatment plant which would replace the existing plant. In such event, there may not be any untreated water in the Kannah Creek Flowline above the existing tap used by the Company. If such occurs, this agreement shall terminate. If such termination occurs either party has the option to request negotiation of a new contract.

15. For the purposes of Article 7, the authorized Company representative is:

Name: Diane K. Dea

Address: 6310 Reeder Mesa Road, Whitewater, Colorado 81527

Phone Number: 243-5723

Emergency Number: 243-5723

16. For the purposes of Article 10 and Article 18 the authorized representative of the City of Grand Junction will be

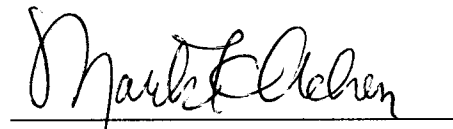
the City Manager with consent of the City Council.

17. No assignment or transfer of this agreement or any rights or duties created herein, shall be valid unless approved in writing by an authorized representative of the City of Grand Junction.

18. In the event that either party negates or breaches any provision contained herein, 30 days following written notice of the breach having been sent to the breaching party, this agreement may be terminated.

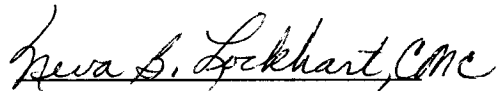
IN WITNESS WHEREOF the parties have set their hands and seals this 19 day of June 1990.

City of Grand Junction



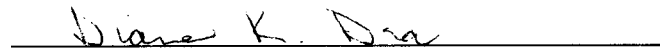
City Manager

Attest:



City Clerk

Attest:



President



Secretary

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