
**AGENDA
JOINT PERSIGO WORKSHOP
CITY OF GRAND JUNCTION, CITY COUNCIL
MESA COUNTY, BOARD OF COUNTY COMMISSIONERS
MESA COUNTY TRAINING ROOM A, 3RD FLOOR ANNEX
544 ROOD AVENUE
GRAND JUNCTION, COLORADO
TUESDAY, OCTOBER 18, 2022
3:00 PM**

1. Discussion Topics

- a. 2023 Recommended Persigo Budget

2. City Council Communication

An unstructured time for Councilmembers to discuss current matters, share ideas for possible future consideration by Council, and provide information from board & commission participation.

3. Next Workshop Topics

4. Other Business



**JOINT PERSIGO MEETING
CITY OF GRAND JUNCTION, CITY COUNCIL
MESA COUNTY, BOARD OF COUNTY COMMISSIONERS**

Item #1.a.

Meeting Date: October 18, 2022
Presented By: Randi Kim, Utilities Director
Department: Utilities
Submitted By: Randi Kim

Information

SUBJECT:

2023 Recommended Persigo Budget

RECOMMENDATION:

This presentation and discussion is for informational purposes.

EXECUTIVE SUMMARY:

The City of Grand Junction manages, operates, and maintains the Persigo Wastewater System for the benefit of users of sewer service in the Persigo 201 Service Area. The City and Mesa County participate jointly as the Persigo Board to provide policy direction for operation and maintenance of the system. The purpose of this meeting is to present the 2023 Recommended Budget for the Persigo Wastewater System.

BACKGROUND OR DETAILED INFORMATION:

The Persigo Board meets on an annual basis to review the status of the overall system and the recommended budget for the Persigo Wastewater System for the forthcoming fiscal year. The purpose of this meeting is to present the 2023 Recommended Budget for the Persigo Wastewater System.

FISCAL IMPACT:

Recommended 2023 Budget information is included in this presentation.

SUGGESTED MOTION:

Attachments

1. 2023 Persigo Joint Sewer System Budget Transmittal Final Letter 101822

2. 2023 Joint Sewer Fund Budget
3. Joint Sewer Capital Descriptions
4. 2023 Joint Sewer Capital Plan

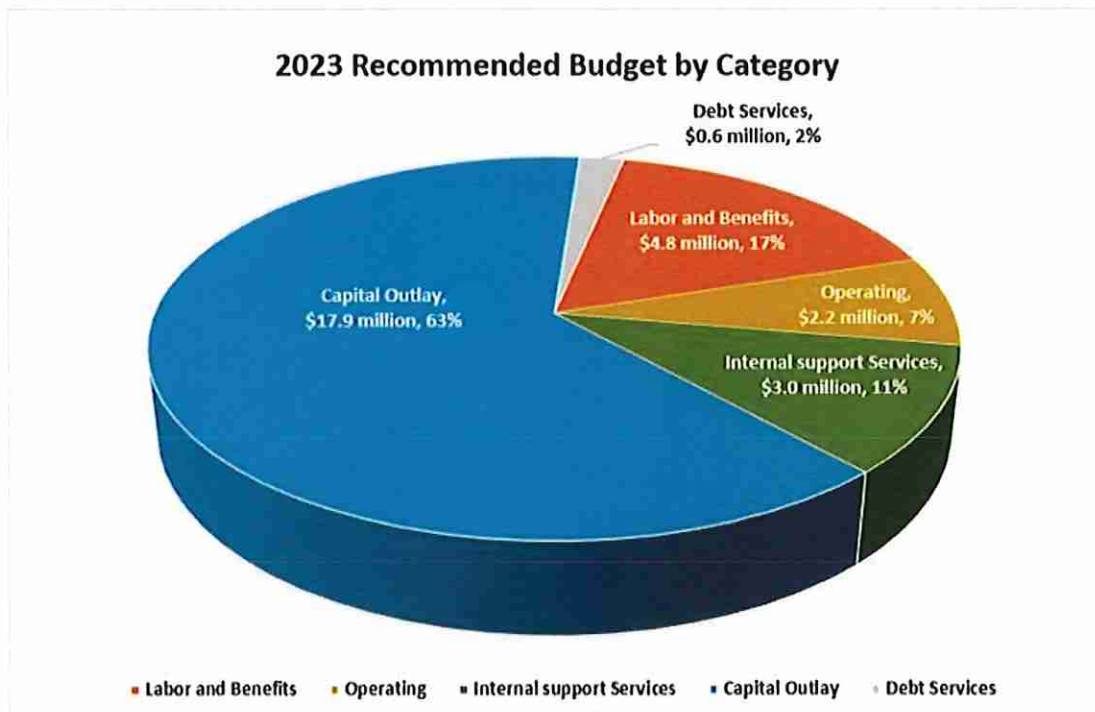
October 18, 2022

To the Honorable Members of Persigo Board:

It is our pleasure to present the Recommended Persigo Budget for 2023. The 2023 budget totals \$28.4 million, of which \$17.9 million is tied to capital projects which have been planned for and are funded in the Wastewater Division's Long-Range Financial Plan. The proposed budget represents the allocation of resources needed to operate the system in a manner that is consistent with industry standards and to ensure that the system will meet our community's needs well into the future.

In June 2022, an independent financial consultant completed an updated rate study to ensure revenue sufficiency and financial stability of the operation. The 2023 Recommended Budget is consistent with financial recommendations included in this most recent rate study. The 2023 Recommended Budget also incorporates recommendations presented in the 2020 Comprehensive Wastewater Basin and Wastewater Treatment Facilities Master Plan.

The following graph represent the 2023 Recommended Budget by category showing the emphasis on capital infrastructure investment.





The combined funds for the Joint Persigo Sewer System are managed in two separate accounting funds: the operating fund and the sewer capacity fund. The first account funds operation and maintenance of the sewer collection and treatment system and planned infrastructure replacement and improvements. The second account receives revenue from plant investment fees that are accumulated for future expansion of the treatment system. The projected ending fund balance for the combined funds is \$16.7 million. This is well above the reserve target of \$10.5 million, which represents a combination of \$7.5 million for capital replacement costs and 30 percent of operations and maintenance cost (\$3 million), as recommended by the most recent rate study. The remaining balance of \$6.2 million will continue to be reserved for future replacement and expansion projects.

Infrastructure Maintenance and Service Reliability – Maintenance of the City’s wastewater infrastructure assets is critical to delivering high quality, reliable wastewater treatment to return clean water to the Colorado River. The focus of the Utilities’ asset management program will be to increase preventative maintenance activities and reduce the amount of corrective or reactive maintenance activities that may cause an interruption to service such as sewer backup. The 2022 Recommended Budget includes ongoing funding for lease of two specialty sewer trucks that are equipped with advanced technology video equipment for inspecting the condition of sewer lines. This lease arrangement will continue to increase the reliability of the inspection equipment thereby allowing crews to complete a greater number of sewer inspections in support of the asset management program, acceptance of new infrastructure associated with development projects, and responding to customer complaints.

The 2022 Recommended Budget includes three new Wastewater positions: a Collections Crew Leader, a Collections Equipment Operator, and an Operations Support Engineer. The Collections Crew Leader and Collections Equipment Operator will form a fourth two-person crew to perform sewer maintenance and cleaning to meet the benchmark goal of cleaning and inspecting all segments of the sewer system on a five-year frequency. The Collection Crew Leader will also be able to assist the Supervisor with work planning and responding to after-hours calls. The Operations Support Engineer will provide technical support through data analysis and monitoring operations for production optimization. Near-term projects will include continuous flow monitoring and evaluation of the sewer system to address under capacity or near capacity segments of the sewer as recommended by the master plan. Another focus will be conducting trials of alternate chemicals to reduce the costs of chemicals which is budgeted at \$575,630.

Landfill disposal costs of biosolids is a major operating cost at \$356,548 and requires operations staff to haul the biosolids to the landfill. The 2023 Recommended Budget includes developing a master plan for biosolids master plan (\$60,000) and \$251,800 for contracted hauling service so operators can be dedicated to plant operations and eliminates the need to replace aging fleet trucks.

Infrastructure Rehabilitation and Replacement – The 2023 Recommended Budget includes \$17.6 million in capital investment recommended in the 2020 Comprehensive Wastewater Basin and Wastewater Treatment Facilities Master Plan. Capital projects for the collection system



include \$5.8 million for construction of the new Lake Road Lift Station which will eliminate two existing lift station and rehabilitation of three other lift stations, \$3.7 million for ongoing replacement/rehabilitation of sewer mains, \$0.8 million to address capacity deficiencies in the sewer system, \$50,000 for specialty collection system equipment, and and \$1,000,000 for the incentive program for sewer improvement districts to eliminate septic tanks. Wastewater treatment plant projects include \$0.7 million for ongoing asset rehabilitation/replacements projects, and \$225,000 for laboratory equipment.

Future Wastewater Treatment System Expansion – The existing wastewater treatment plant capacity is 12.5 million gallons a day. In 2019, the plant reached 80 percent of its capacity and master planning for expansion was initiated as required by permit. Expansion of the wastewater treatment plant will need to commence by 2028 based on current growth projections. Engineering design of the wastewater treatment plant rehabilitation/expansion was initiated in 2022 and selection of a construction management/general contractor (CM/GC) is underway. The 2023 Recommended Budget includes \$5.2 million for the CM/GC will provide value engineering and constructability services and begin early procurement of long-lead equipment items.

In summary, the budget represents the allocation of resources to achieve the City and County joint goal of providing sewer service to all properties within the 201 Service Area for the benefit of public health and protection of the environment in a sustainable and fiscally responsible manner.

Respectfully submitted,

A blue ink signature of Kurt Carson.

Kurt Carson, P.E.
Wastewater Services Manager

A black ink signature of Randi Kim.

Randi Kim, P.E.
Utilities Director

A black ink signature of Greg Caton.

Greg Caton, ICMA-CM
City Manager

**Persigo Joint Sewer System
2023 Recommended Budget
October 18, 2022**

Line No.	Account	2022 Adopted	2022 Amended	2023 Recommended
1	Beginning Fund Balance:	35,489,470	41,384,726	24,761,651
2	Revenue			
3	Capital Proceeds	\$ 3,392,350	\$ 3,392,350	\$ 3,570,336
4	Charges for Service	15,243,668	15,243,668	16,031,547
5	Fines and Forfeitures	1,000	1,000	1,000
6	Interest	271,700	274,926	539,665
7	Interfund Revenue	174,154	174,154	179,686
8	Revenue Total	\$ 19,082,872	\$ 19,086,098	\$ 20,322,234
9	Expenditures			
10	Labor and Benefits	\$ 4,296,930	\$ 4,296,930	\$ 4,770,243
11	Full Time	3,026,173	3,026,173	3,340,416
12	Seasonal	50,491	50,491	20,802
13	Overtime	78,400	78,400	81,379
14	Benefits	1,057,256	1,057,256	1,196,436
15	Insurance	78,240	78,240	101,352
16	Other Compensation	6,370	6,370	29,858
17	Operating	1,627,912	1,706,127	2,153,052
18	Charges and Fees	370,550	370,550	386,934
19	Contract Services	79,193	157,408	360,406
20	Equipment	153,718	41,350	37,000
21	Grants and Contributions	3,900	3,900	3,400
22	Operating Supplies	94,491	94,491	110,439
23	Professional Development	59,010	54,760	61,110
24	Rent	-	112,368	131,787
25	Repairs	432,340	372,590	443,750
26	System Maintenance	408,330	472,330	590,010
27	Uniforms and Gear	7,700	7,700	12,015
28	Utilities	18,680	18,680	16,201
29	Internal Support	2,710,858	2,710,858	3,017,581
30	Administrative Overhead	746,644	746,644	780,990
31	Facility	568,381	568,381	651,284
32	Fleet	330,560	330,560	381,422
33	Fuel Charges	44,575	44,575	55,886
34	Information Technology	357,473	357,473	469,826
35	Liability Insurance	84,049	84,049	100,859
36	Utility Services	579,176	579,176	577,314
37	Debt Service	595,749	595,749	602,085
38	Interest Expense	75,749	75,749	37,085
39	Principal	520,000	520,000	565,000
40	Capital Outlay	22,839,500	26,399,509	17,855,520
41	Capital Equipment	67,500	67,500	508,520
42	Utility Systems	22,772,000	26,332,009	17,347,000
43	Expenditure Total	\$ 32,070,949	\$ 35,709,173	\$ 28,398,481
44	Net Source (Use) of Funds	\$ (12,988,077)	\$ (16,623,075)	\$ (8,076,247)
45	Ending Fund Balance:	\$ 22,501,393	\$ 24,761,651	\$ 16,685,404

**2023 Recommended Joint Sewer
Capital Project Descriptions
October 18, 2022**

JOINT SEWER FUND

- 1. Collection System Equipment, \$50,000 (\$50,000 planned for 2024)** – These funds are recommended to purchase specialty equipment needed to efficiently operate and maintain the sewer collection system. Funds in 2022-2024 are planned for upgrading to cellular telemetry across all 26 lift stations.
- 2. Jetter Truck, \$283,520** – The Jetter Truck will be used for sewer cleaning maintenance and will be an addition to the existing sewer cleaning truck fleet. It will be operated by a new two-person crew. The combination of the new equipment and personnel will improve the frequency of sewer system cleaning to align with the targeted maintenance frequency.
- 3. Laboratory Equipment, \$225,000** – Replacement of ICP-MS laboratory equipment to perform inorganics analysis. The Environmental Laboratory previously performed inorganics analysis inhouse but when the equipment was past its useful life, it was not replaced, and the analysis has been outsourced. Due to increased costs of contract services, the lack of a local laboratory to perform regulatory analysis on a quick turnaround, and a decline in shipping reliability, replacing the equipment so inorganics analysis can be performed inhouse is recommended. Current workload for inorganics analysis is expected to increase for biosolids, watershed monitoring, industrial pretreatment, and lead and copper regulations. In addition, several smaller western slope wastewater utilities also have a need for this service.
- 4. Lift Station Elimination/Rehabilitation, \$5,842,000** – The 2023 requested funds will be used to replace the Ridges #1 Lift Station. This lift station has surpassed its design life and it is recommended to be replaced due to existing deficiencies regarding their condition, capacity, and long-term reliability. Design and easement acquisition for the new Power Road Lift station and associated sewer pipelines will be completed in 2022 and construction will be completed in 2023. Funding planned for 2023 also includes rehabilitation of lift stations that were identified in poor condition during a condition inspection conducted in 2022.
- 5. Sewer Capacity Projects - Central Grand Valley Basin, \$814,000 (\$2.98M planned for 2024)** – The Wastewater Basin Masterplan identified several capacity deficiencies in the sewer collection system under current and future flows. Funds budgeted in 2023 are to construct a flow balance structure on the Riverside interceptors.
- 6. Sewer Improvement Districts, \$1,000,000 (\$1M planned in 2024)** – In 2000, the City and the County passed a joint resolution establishing the septic system elimination program to provide incentives to property owners to eliminate septic systems. There are still approximately 1,550 properties that remain on septic systems within the Persigo 201 sewer boundary. Recommended funding for 2023 is to revitalize the incentive program by targeting completion of existing and new sewer improvement districts over the next 17 years as recommended in the 2020 Wastewater Basin Study Update. There are several proposed sewer improvements district that homeowners have requested to be initiated in 2023, these include Bookcliffs Ranch SID, Rosevale South SID, Connect Lakes SID, and Canary Lane/Red Mesa Heights SID.

**2023 Recommended Joint Sewer
Capital Project Descriptions
October 18, 2022**

- 7. Sewer Line Replacements/Rehabilitation, \$3,696,000 (\$3.69M planned in 2024)** – Funds are budgeted to replace/rehabilitate existing sewer mains within the Persigo 201 service area collection system. The collection system is comprised of approximately 577 miles of pipe of which approximately 200 miles is scheduled for replacement over the next 30 years. Since 2015, 30 miles of pipe have been replaced and 170 miles of pipe have been identified for replacement based on pipe materials. Annual condition assessments are conducted to prioritize replacements based on condition.
- 8. Wastewater Treatment Plant Rehabilitation/Expansion Projects, \$5,245,000 (\$28.5M planned in 2024)** – 2023 funding will be used for the CMGC fee during design phase and early procurement of blowers, UV system, large bubble mixing system, centrifuge, screens, washer/compactor, and grit classifier.
- 9. Wastewater Treatment Plant Imp and Asset Replace, \$700,000 (\$700K planned in 2024)** – These expenditures are associated with wastewater treatment plant improvements and replacement of aging infrastructure. The funds planned for 2023 will be used for rehabilitation of the medium voltage electrical loop at the plant, as well as replacing the forcemain on the in-plant waste pump station.

Capital				Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Five Year TOTAL	Ten Year TOTAL
Ref	Description	Fund	Project	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2023-2027	2023-2032
Line #	Ref #														
Sewer Fund															
1	1	Joint Sewer	Collection System Equipment	50,000	50,000	-	-	-	-	-	-	-	-	100,000	100,000
2	2	Joint Sewer	Jetter Truck	283,520	-	-	-	-	-	-	-	-	-	283,520	283,520
3	3	Joint Sewer	Laboratory Equipment	225,000	-	-	-	-	-	-	-	-	-	225,000	225,000
4	4	Joint Sewer	Lift Station Elimination/Rehabilitation	5,842,000	92,000	92,000	92,000	92,000	92,000	92,000	92,000	92,000	92,000	6,210,000	6,670,000
5		Joint Sewer	Odor Control Improvements (	-	600,000	150,000	-	-	-	-	-	-	-	750,000	750,000
6		Joint Sewer	Persigo Plant Studies	-	-	350,000	665,000	100,000	-	200,000	-	350,000	350,000	1,115,000	2,015,000
7	5	Joint Sewer	Sewer Capacity Projects - Central Grand Valley Basin	814,000	2,984,000	2,984,000	-	-	-	-	-	-	-	6,782,000	6,782,000
8		Joint Sewer	Sewer Capacity Projects - Goat Wash Sewer Basin (GW-1)	-	-	-	-	-	-	-	160,000	1,411,000	1,411,000	-	2,982,000
9		Joint Sewer	Sewer Capacity Projects - Orchard Mesa Sewer Basin (OM-1)	-	1,988,000	7,403,000	-	-	-	-	-	-	-	9,391,000	9,391,000
10		Joint Sewer	Sewer Capacity Projects - Orchard Mesa Sewer Basin (OM-2)	-	-	400,000	3,503,000	-	-	-	-	-	-	3,903,000	3,903,000
11		Joint Sewer	Sewer Capacity Projects - Orchard Mesa Sewer Basin (OM-3)	-	-	-	210,000	1,894,000	-	-	-	-	-	2,104,000	2,104,000
12		Joint Sewer	Sewer Capacity Projects - Orchard Mesa Sewer Basin (OM-4)	-	-	-	-	-	625,000	-	-	-	-	-	625,000
13		Joint Sewer	Sewer Capacity Projects - Orchard Mesa Sewer Basin (OM-5)	-	-	-	-	-	543,000	-	-	-	-	-	543,000
14		Joint Sewer	Sewer Capacity Projects - River Road North Sewer Basin	-	-	-	-	-	175,000	1,539,000	-	-	-	-	1,714,000
15	6	Joint Sewer	Sewer Improvement Districts	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	5,000,000	10,000,000
16	7	Joint Sewer	Sewer Line Replacements/Rehabilitation	3,696,000	3,696,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	20,892,000	43,392,000
17	8	Joint Sewer	Wastewater Treatment Plant Expansion Projects	5,245,000	28,526,000	10,986,000	7,627,000	14,225,000	15,995,000	13,378,000	10,204,000	6,969,000	6,969,000	66,609,000	120,124,000
18	9	Joint Sewer	Wastewater Treatment Plant Imp and Asset Replace	700,000	700,000	736,000	773,000	812,000	852,000	895,000	940,000	1,000,000	1,000,000	3,721,000	8,408,000
19	Sewer Fund Total			\$ 17,855,520	\$ 39,636,000	\$ 28,601,000	\$ 18,370,000	\$ 22,623,000	\$ 23,782,000	\$ 21,604,000	\$ 16,896,000	\$ 15,322,000	\$ 15,322,000	\$ 127,085,520	\$ 220,011,520