

*Wendell Evensen*

*Albion Basin  
FILES*

LEROY W. HOOTON, JR.  
DIRECTOR  
WENDELL E. EVENSEN, P.E.  
SUPERINTENDENT  
WATER SUPPLY & WATERWORKS  
E. TIM DOXEY  
SUPERINTENDENT  
WATER RECLAMATION  
JAMES H. LEWIS, C.P.A.  
CHIEF FINANCE &  
ACCOUNTING OFFICER  
GEORGE JORGENSEN, P.E.  
CHIEF ENGINEER

**SALT LAKE CITY CORPORATION**

DEPARTMENT OF PUBLIC UTILITIES  
WATER SUPPLY & WATERWORKS  
WATER RECLAMATION  
1530 SOUTH WEST TEMPLE  
SALT LAKE CITY, UTAH 84115

PALMER DEPAULIS  
MAYOR

**BRIEFING MEMORANDUM**

TO: The Honorable Palmer A. DePaulis  
Mayor of Salt Lake City

FROM: LeRoy W. Hooton, Jr. *LWH*  
Director

DATE: August 26, 1988

RE: SALT LAKE CITY ACQUIRING THE LITTLE COTTONWOOD WATER  
COMPANY AND PURCHASING WATERSHED PROPERTY IN THE ALBION  
BASIN, LITTLE COTTONWOOD CANYON, UTAH

The Albion Basin, located at the head waters of Little Cottonwood Canyon above the Town of Alta, is prime watershed for Salt Lake City. There is great concern that this area may be further developed or that uses may increase from existing cabins commercially renting to the public. Currently, there are three approved subdivisions, Cecret Lake, Albion Alps and Albion Basin. I'm told there are 63 lots within the three subdivisions, of which exists approximately 51 acres of vacant land and 40 undeveloped lots. The pressure to increase the uses of the existing buildings and construct new buildings, present serious problems to the canyon and water quality. On March 17, 1988, Mayor Levitt addressed the Public Utilities Advisory Committee

and requested that the City purchase the private lands in order to preserve the City's watershed. He indicated that additional development would be detrimental to water quality. The committee took no formal action at that time.

The Public Utilities Department has reviewed this matter and is ready to recommend that the Albion Basin have among the highest priority in regards to land purchases under the City's new watershed land acquisition fund; and that the City enter into an agreement with the Little Cottonwood Water Company to dissolve their company and convey their water sales agreements and assets to Salt Lake City.

The Little Cottonwood Water Company was incorporated on April 24, 1911, to protect the water rights of the various water users of Little Cottonwood Creek and to enter into a law suit over water rights as a result of the Wasatch Tunnel. Later they dug the "cutoff ditch"(along side the present Willow Creek Golf Course) and received a water savings certificate on July 15, 1919, for 5.0 cfs. As of 1933, the company allocated 3.03 cfs of water to ten ditches. Also, they constructed the Red Pine Dam in Little Cottonwood Canyon and were issued a certificate water right on April 7, 1930 for 213 acre-feet. Originally the company was formed by the 28 ditch companies having water rights in Little Cottonwood Creek; the present ownership of stock in the company includes only 10 companies. Salt Lake City became involved because of its exchange agreements with the Richards Ditch, Cahoon & Maxfield, Little Cottonwood Tanner and Little Cottonwood Walker Ditches. In order for Salt Lake City to participate on

the Board of Directors, Charles W. Wilson has been issued one share of stock and sits on a nine member board of directors who manages the company. Based on stock ownership, Salt Lake City has no control of the company, however, decisions in the past have not been made on a stock ownership basis.

Many years ago, the Little Cottonwood Water Company entered into water sales contracts with various ski lodges (before the Town of Alta was founded) and with the Whitmore Oxygen Company. When the Town of Alta incorporated, Salt Lake City entered into a surplus water sales contract with the Town.

About 30-years ago, the Little Cottonwood Water Company entered into agreements with Albion Basin and Albion Alps Subdivisions and within the last 10-years with the Cecret Lake Subdivision. The Albion Basin and Cecret Lake Contracts are for only 50 gpd per cabin which is not enough to meet the Health Department's requirement of 400 gpd/cabin; therefore, no new building permits have been allowed for the remaining undeveloped lots. The Albion Alps Subdivision contract does not specify an amount, but the source of supply limits the amount of water available to the subdivision. According to company officials, they have held the line in increasing the contract amount, but they feel that the City is in a better position to administer the contracts and protect the watershed.

Also, the Company doesn't want to be in the culinary water business, as they could loose their mutual irrigation company status and have to pay taxes. It is recommended that they dissolve their company and through an agreement, give control of

Monopolize the water, buy the property for 10 cents on the dollar--the role of a simple water department.

Non-resident picknickers and hikers are desirables--property owners are undesirables.

their assets including water contracts with the three subdivisions and Whitmore Oxygen to Salt Lake City. In this manner, the City would be in a better position to control development under its existing Watershed Master Plan and extra-territorial jurisdiction to protect its watershed. In

controlling the water contracts, the City would be in a better position to purchase the undeveloped lots.

The acquisition of the Little Cottonwood Water Company and the purchase of undeveloped lots in the Albion Basin are consistent with the City's Watershed Master Plan and its effort to protect its water supply and watershed. Understanding that this could be messy and time consuming, this, however should not discourage us from doing what is necessary to protect the Albion Basin from undesirable development and potential water pollution.

The following is a sequence of events:

- \* 8/22/88 Met with Congressman Wayne Owen's staff and Mayor Levitt to discuss problems in Albion Basin and to see if Federal funds could be made available to purchase existing subdivision lots.
- \* 8/25/88 Meeting between Richard Moffat, President of the Little Cottonwood Water Company, Charles Wilson, Secretary, Ray Montgomery, Assistant City Attorney, and LeRoy W. Hooton, Jr., Director of Public Utilities.
- \* 8/30/88 Meet with Mayor DePaulis and Mayor Levitt.
- \* 8/31/88 Little Cottonwood Water Company Board Meeting to take official action to dissolve the company and enter into agreement with Salt Lake City.
- \* 9/1/88 Mayor Levitt request that C.O.G. recommend that the private lands in Albion Basin be purchased for watershed protection.

A few seasonal cabins is a federal matter.

Picnic and hikershed protection

In order to join Metro, Alta had to cut off recorded town lot owners from water--a monopoly tactic.

\* 9/15/88

Staff recommend to the Public Utilities Advisory Committee that Albion Basin have top priority for watershed acquisition funds. Also, state to the Metropolitan Water District of Salt Lake City that as a condition for Alta to annex into Metropolitan District, that they not serve water to the Albion Basin (same requirement they have under existing City water sales agreement).

\* dates to be set

Undertake program to purchase watershed land in Albion Basin.

Execute agreement with Little Cottonwood Water Company.

Annex Alta into Metropolitan Water District.

LWH/co