

FILE

*sent 2/11/92*

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**SALT LAKE CITY CORPORATION**

DEPARTMENT OF PUBLIC UTILITIES  
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MEMORANDUM

DEEDER CORRADINI  
MAYOR

**TO:** Anne Quinn, Administrative Assistant for  
 Intergovernmental Affairs  
**FROM:** LeRoy W. Hooton, Jr., Director *LWH*  
**DATE:** March 23, 1992  
**RE:** ALBION BASIN

Background

In 1988, Mayor Leavitt approached Salt Lake City about his concerns over development within the Albion Basin. Specifically, he had a problem with a single family cabin that was being rented to skiers as it was a commercial establishment. Notwithstanding the commercial renting issue, Mayor Leavitt expressed his concern over the long term development of the Albion Basin.

There are three approved subdivisions in the Albion Basin with 21 homes built and 40 lots remaining to be built on. Also, there are various other parcels of private land that have development potential. Through Mayor Leavitt's efforts COG, the USFS and Salt Lake City all took positions that the Albion Basin should be protected and preserved for watershed.

Existing Water Contract for the Town of Alta

The Town of Alta receives its water supply through a 1976 surplus sales contract with Salt Lake City. The contract specifically states that the Town of Alta cannot expand its water system into an outside of the Town's limits (at the time of the contract) without consent of Salt Lake City. On March 11, 1988, I confirmed that would not approve any expansion of Alta's water system to serve Albion Basin. Further, we agreed that the Albion Basin should be acquired as part of the City's Watershed Acquisition Plan.

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Albion Basin Water Service Contracts

The three Albion Basin subdivisions receive water service from the Little Cottonwood Water Company through separate contracts.

The three subdivisions are:

- 1) Cecret Lake Subdivision (limited to 50 gpd/lot)
- 2) Albion Basin Subdivision (limited to 50 gpd/lot)
- 3) Albion Alps Subdivision (no limit specified) ←

The Little Cottonwood Water Company was formed in 1911 and stock issued to various ditch companies and individuals using water from Little Cottonwood Creek. Their primary water rights were acquired by saving water in Little Cottonwood Creek by constructing the cutoff ditch amounting to 3.03 cfs. They have water rights in Red Pine Lake and Cecret Lake both located in Little Cottonwood Canyon. Salt Lake City has exchange agreements with many of the stockholders in the Company.

The Company entered into various water contracts between 1945 and 1981 and of particular concern were the contracts for lots in the Albion Basin. When this area was annexed into the Town of Alta, there was pressure for Alta to provide them ordinary water as two of the Little Cottonwood Company contract's are limited in volume and under current health requirements insufficient to allow a building permit (requirement is now 400 gpd). The third contract with Albion Alps does not specify the amount of water, but the source of water dries up and does not provide adequate water to serve the lots.

Efforts to Purchase Albion Basin

In 1989 the Town of Alta made a study of the Albion Basin properties as part of an acquisition plan. The total appraised value amounted \$2.8 million; however both Salt Lake City and the USFS could not accept the appraisals as public entities. We could only pay a valued amount (appraisal without sufficient water) not what property owners felt their properties were worth. On several occasions when we have talked to property owners about purchasing their lots we have been far apart on the value.

Other efforts to acquire the Albion Basin were taken through the U.S. Congress Forest Service funds, National Land and Conservation funds and the Trust For Public Lands without success.

Salt Lake City Agrees to Take Over Little Cottonwood Water Company Water Sales Contracts

In 1990 as a means of controlling development in the Albion Basin and to protect the watershed the City agreed to take over from the Little Cottonwood Water Company all of its water sales contracts. Salt Lake

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City as a first class City has extraterritorial jurisdiction, federal legislation and the organization to enforce the terms of the contracts. At first we tried to dissolve the Little Cottonwood Water Company and take over its assets. This failed because of the City's exchange contracts. It was later decided to keep the company in tact, but have the water sales contracts conveyed to the City. We are currently in the process of completing the agreement between Salt Lake City and the Little Cottonwood Water Company to accomplish this. Once the City has the contracts we will require metering and further will not certify for water service for new building permits. We may have litigation over this issue as the property owners will disagree with our position. The City should acquire the contracts within the next several months.

Other Alternatives

Under the Central Utah Project Completion Act, Section 313(b) there is \$4 million for, among other things, land acquisition in the Albion Basin. Perhaps with the passage of this legislation funds will be available to purchase the property (including existing structures) in the Albion Basin. This assumes that the appraisal problem can be overcome.

LWH/db

cf: Brian Hatch