



**FRUITA**  
COLORADO

## AGENDA ITEM COVER SHEET

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**TO:** Fruita City Council and Mayor

**FROM:** Kimberly Bullen, Public Works Director  
Mary Elizabeth Geiger, City Attorney

**DATE:** November 13, 2023

**AGENDA TEXT:** Enoch's Lake Proposal

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### BACKGROUND

The history of Enoch's Lake and the Fruita Mountain Properties has been presented and discussed at numerous City Council meetings and is available on the City's website at <https://www.fruita.org/publicworks/page/fruita-mountain-water-properties>.

At the September 19, 2023 Regular City Council meeting, City Council discussed the sale process for Enoch's Lake and provided the following direction to staff on next steps. City staff will work with Lori Chesnick the City's realtor to list Enoch's Lake property on the MLS until November 8, 2023 at the appraised value of \$425,000. The listing will include information that the property is encumbered by the Ute Water Right of First Refusal (ROFR) and the 2013 Agreement with Tipping for repayment of the non-monetary obligation (which requires the release of water from the lake for use by Tipping) as well as an agreement with Stanley Muhr for water. It would also include information that the dam is a jurisdictional dam, subject to State Dam inspector rules and regulations. Finally, it would state that ultimately any sale would have to be approved by City Council through the ordinance process as identified in the City Charter.

The MLS listing was posted on October 1, 2023 with all offers due at the close of business on November 8, 2023. The city received one offer that is included in the Council packet as well as the summary provided by the city's realtor Lori Chesnick. Ms. Chesnick will be in attendance to present the offer received and answer any questions Council may have.

The City cannot officially accept an offer for purchase of real property unless that offer goes through the Ordinance process to a second reading at which time the public hearing thereon will be held.

### FISCAL IMPACT

The conveyance of real property will result in a cash payment of \$500,000 and debt forgiveness of an additional \$145,393.36 the city owes to Mr. Ron Tipping for work he performed on several dams owned by the city. In addition, the City will no longer have operating or capital expenses associated with Enoch's Lake.

## **APPLICABILITY TO CITY GOALS AND OBJECTIVES**

The City of Fruita's primary goal is to provide necessary core services to residents and businesses within the city limits. As an organization, the city is focused on aligning resources, time, and talent to provide high-quality services while impacting and increasing the quality of place, economic health, and lifestyle of the Fruita community. The Fruita Mountain Water Properties have provided necessary services to Fruita in the past but are no longer considered core services for the City of Fruita as they can no longer be used within the city limits.

## **RECOMMENDATION**

**STAFF'S RECOMMENDATION IS FOR COUNCIL TO DIRECT STAFF TO PROCEED WITH SUBMITTING THE ONE OFFER RECEIVED BY THE CITY FOR THE CONVEYANCE OF REAL PROPERTY REFERRED TO AS ENOCH'S LAKE AND WATER RIGHTS LOCATED ON PINON MESA TO UTE WATER FOR FIRST RIGHT OF REFUSAL AS REQUIRED IN THE AMENDED AND RESTATED AGREEMENT FOR DOMESTIC WATER SERVICE DATED JUNE 20, 2023, AND TO PROCEED WITH PUBLISHING THE FIRST READING OF AN ORDINANCE FOR CONVEYANCE OF SAID REAL PROPERTY AND WATER RIGHTS ON NOVEMBER 21, 2023 AND THE SECOND READING OF SAID ON DECEMBER 19, 2023.**