



TO: Fruita City Council and Mayor

FROM: Kimberly Bullen, Public Works Director

Mary Elizabeth Geiger, City Attorney

DATE: JUNE 20, 2023

AGENDA TEXT: ORDINANCE 2023-07, FIRST READING, An introduction of an Ordinance authorizing the conveyance of water rights and real property of the City referred to as Enoch's Lake located on Pinon Mesa for publication of public hearing on July 18, 2023 – *Public Works Director Kimberly Bullen and City Attorney Mary Elizabeth Geiger*

BACKGROUND

The City of Fruita owns and maintains water rights and a water supply system on Pinon Mesa, south of Glade Park. In 1907, the City used the water from the mountain reservoirs to supply domestic water to Fruita through 23 miles of wooden pipeline from Pinon Mesa through the Colorado National Monument. As Fruita's population continued to grow, the water from the reservoirs was not sufficient to supply the City its water and in 1983 when Fruita's population was 3,668, Fruita entered into an agreement with Ute Water to become the domestic water provider in Fruita. At that time, the pipeline through the Colorado National Monument was abandoned and since then, the City has not used these water rights as a water supply to the City for any purpose. Additional information on Fruita Mountain water and properties is available at www.fruita.org/publicworks/page/fruita-mountain-water-properties.

Enoch's Lake is roughly 36 miles from the City of Fruita and is surrounded by private property. Over the years there have been a number of challenges associated with this property that include illegal camping, trespassing, theft, vandalism, fire outside fire pits and left unattended, illegal fireworks, discharging firearms, discarding trash on private property, using private property to discard human fecal waste, and numerous calls to law enforcement. These issues led to the City closing Enoch's Lake to overnight camping following consultation with the Mesa County Sheriff's Office and surrounding private property owners in 2016.

Water from Enoch's Lake cannot be delivered to or used within the City's limits as there is no pipeline to Fruita, nor would it be feasible to construct through the Colorado National Monument. Nor are the water rights decreed for municipal use. In addition, utilizing City resources to manage this property and pulling these resources out of the demands of core services within City limits is not an efficient use of resources considering there is no value received in the City for the property and water rights. The City previously conveyed nearby water rights and property to the surrounding landowners in 2013.

Section 2.11 of the City of Fruita City Charter authorizes the City to convey City-owned property by adoption of ordinance. The City has received an offer to purchase the remaining Enoch's Lake water rights and surrounding real property for a cash payment of \$500,000 and the forgiveness of the City's remaining debt to Mr. Ron Tipping in the amount of \$140,000. This offer is for more than the appraised market value of \$425,000 the City received March 12, 2023, from a certified general appraiser.

FISCAL IMPACT

The conveyance of real property will result in a cash payment of \$500,000 and debt forgiveness of an additional \$140,000 the City owes to Mr. Ron Tipping for work he performed on several dams owned by the City.

APPLICABILITY TO CITY GOALS AND OBJECTIVE

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. Evaluating and determining future steps with the City's mountain properties and water rights is detailed in the City's Strategic Plan.

OPTIONS AVAILABLE TO THE COUNCIL

1. Publish a synopsis of Ordinance 2023-07, FIRST READING, Introduction of an Ordinance authorizing the conveyance of real property of the City referred to as Enoch's Lake located on Pinon Mesa for public hearing on July 18, 2023.
2. Deny Ordinance 2023-07.

RECOMMENDATION

It is the recommendation of Staff that the Council by motion:

- **PUBLISH A SYNOPSIS OF ORDINANCE 2023-07, FIRST READING, INTRODUCTION OF AN ORDINANCE AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT BETWEEN THE CITY OF FRUITA AND RONALD TIPPING, RODNEY POWER AND STAN MUHR FOR THEIR PURCHASE OF 51.41 ACRES KNOWN AS ENOCH LAKE AND THE WATER RIGHTS KNOWN AS MIRROR DITCH NO. 1, MIRROR LAKE RESERVOIR NO. 1 (aka Enoch's Lake) and SPRINGS R AND N and AUTHORIZING THE CONVEYANCE THEREOF FOR PUBLIC HEARING ON JULY 18, 2023.**