
SALT LAKE CITY COUNCIL STAFF REPORT

DATE: October 3, 2003

SUBJECT: **REQUEST TO ALLOW SANDY CITY TO ANNEX 5.65 ACRES
(Salt Lake City approval is required under the interlocal agreement
that allowed Sandy City to join the Metropolitan Water District)**

AFFECTED COUNCIL DISTRICTS: Citywide

STAFF REPORT BY: Gary Mumford

**ADMINISTRATIVE DEPT.
AND CONTACT PERSON:** Department of Public Utilities
LeRoy Hooton, Director

KEY ELEMENTS:

A developer is requesting annexation of 5.65 acres into Sandy City. The 1990 interlocal agreement that allowed Sandy City to join the Metropolitan Water District requires Salt Lake City approval before land north of Little Cottonwood Creek Road can be annexed into Sandy City. The boundary was defined by a legal land description, which in 1990 was the road. Since that time Creek Road was realigned at approximately 7400 South 1200 East. A developer purchased the old vacated right-of-way to the south of the present-day Creek Road and desires to have this property annexed into Sandy City. The Department of Public Utilities is not opposed to this annexation because the Department doesn't intend to provide water service to this area. In addition, the 5.65 acres is not included in Salt Lake City's 1979 Master Annexation Policy Declaration.

MATTERS AT ISSUE:

The purposes of the 1990 boundary agreement were (1) to efficiently deliver water service within eastern Salt Lake County, (2) to protect Salt Lake City's water service area consistent with the City's 1979 Master Plan Policy Declaration and (3) protect Salt Lake City's water rights related to exchange agreements with mutual irrigation companies bordering Sandy City and elsewhere within eastern Salt Lake County. Furthermore, Salt Lake City has invested in the infrastructure and obtained water rights to serve its customers located north of Creek Road and Little Cottonwood Creek.

Sandy City's share of water from the Metropolitan Water District is 7,940 acre feet plus first rights to purchase surplus water not needed by Salt Lake City. The Jordan Valley Water Conservancy District is currently serving the subject property, and this annexation into Sandy City will not increase the water demand on the Metropolitan Water District's water supplies.

BACKGROUND:

In 1935, the voters of Salt Lake City formed the Metropolitan Water District in order to enter into long-term agreements to build the Provo River Project including Deer Creek Reservoir. The Bureau of Reclamation built the project, and it was necessary to enter into repayment contracts to reimburse the federal government for the construction costs plus interest. The Metropolitan Water District is a 61.7% owner of the Provo River Project. The water rights for the Provo River Project consist of water diverted from the Duchesne and Weber Rivers conveyed through a tunnel and canal system from the two basins to the Provo River for use by the Metropolitan Water District and others. In order to reimburse the Federal Government for the cost of the Provo River Project and Deer Creek Reservoir, the residents of Salt Lake City have paid property taxes since 1935.

In 1990, Sandy City became the second member of the District. Sandy City sought membership in the District to treat its approximately 34 percent water right in Little Cottonwood Creek. Sandy City's annexation in the District increased efficiencies by consolidating water supplies and delivery systems to most of eastern Salt Lake County. As part of the agreement, the District receives water purchase revenue and ad valorem tax revenue from Sandy City. Furthermore, as a part of the annexation Salt Lake City acquired additional water rights in Little Dell Reservoir and \$4 million in water transmission mains installed on the City's west side. Also, the 1990 agreement admitting Sandy City established conjunctive water management practices among Salt Lake City, Sandy City, Jordan Valley Water Conservancy District and the Metropolitan Water District.

OPTIONS:

1. Forward the resolution to a future Council Meeting for consideration.
2. Request additional information relating to this request.
3. Schedule a future work session for a more detailed discussion of Sandy City and Salt Lake City's involvement in the Metropolitan Water District.

cc: Rocky Fluhart, LeRoy Hooton, JD Baxter
