

# Budget Adjustment Water Rights

Melinda Moritz  
Public Works Director  
City Council Meeting  
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# Summary

- Question
  - City Council is being asked to approve an Ordinance authorizing budget adjustments to purchase 100-acre feet of water rights
- Options
  - Approve
  - Deny
  - Other
- Declaration
  - This purchase will increase the amount of water rights owned to better provide for future development

# Purpose

- To consider approving an Ordinance authorizing a budget adjustment to purchase 100-acre feet of water rights

# Background

- To prepare for future development, city needs approximately 300 additional acre feet of water rights
- City currently owns 1758.38-acre feet of water rights
- City budgeted \$280,000 for the purchase of 40-acre feet of water rights this fiscal year, but we have an opportunity to purchase 100-acre feet
  - Seller is not willing to sell off a 40-acre portion of these rights

# Background

- New subdivisions are being developed with a total of 583 new homes expected within the next 2-5 years
  - More vacant areas will be developed in the next ten years
- This purchase will ensure city is able to provide adequate water supplies to all LV customers during times of critical period drought management
- Developers pay impact fees & funds may only be used to pay for water rights & larger facilities due to development
  - \$60,000 collected so far this year

# Fiscal Impact

• Cost per acre foot	\$ 12,000
• Total acre feet	x 100
• Closing costs	<u>+ \$72,000 +/-</u>
• Total Amount Needed	\$1,272,000 +/-
• Enterprise Fund (Impact Fees)	\$ 696,758
• General Fund Reserve	\$ 320,000
• Amt Funded in FY 24	<u>\$ 280,000</u>
• Total	\$1,296,758
– <i>Budget Adjustment Needed</i>	<i>\$1,016,758</i>
– Impact Fee Balance	\$ 696,758
– General Fund balance (09/30/23)	\$5,919,097

# Recommendation

- Staff recommends the City Council approve the request for a budget adjustment to purchase 100-acre feet of water rights