

Budget Adjustment Water Rights

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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>+ \$10,000 +/-</u>
• Total Amount Needed	\$1,210,000 +/-
• Enterprise Fund (Impact Fees)	\$ 696,758 (budget adj)
• General Fund Reserve	\$ 233,242 (Budget adj)
• Amt Funded in FY 24	<u>\$ 280,000</u>
• Total	\$1,210,000
– <i>Budget Adjustment Needed</i>	<i>\$ 930,000</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