

Authorize City Manager Contracts for Purchase of Water Rights

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Summary

- Question
 - City Council is being asked to authorize the City Manager to enter into contracts for the purchase of 105-acre feet of water rights
- Options
 - Approve
 - Deny
 - Other
- Declaration
 - These purchases will increase the amount of water rights owned to better provide for future development

Purpose

- To consider authorizing the City Manager to enter into contracts for the purchase of 105-acre feet of water rights

Background

- To prepare for future development, city needs approximately 300 additional acre feet of water rights
- The first contract is for 75-acre feet of water rights and the second contract (still pending) is for 30-acre feet of water rights
- The City currently owns 1780.378-acre feet of water rights, and this will increase our amount to 1885.378-acre feet

Fiscal Impact

• 75-Acre Feet @ \$10,600 per AF	\$ 795,000
• Closing costs	\$ 6,700 +/-
• <i>Total</i>	\$ 801,700 +/-
• 30-Acre Feet @ \$11,000 per AF	\$ 330,000
• Closing Costs	\$ 6,700 +/-
• <i>Total</i>	\$ 336,700
• Total for both purchases	\$1,138,400 +/-
• Approved Budget	\$1,210,000
• Remaining Balance	\$ 71,600

Recommendation

- Staff recommends the City Council authorize the City Manager to enter into contracts to purchase 105-acre feet of water rights