



Legislation Text

File #: Res 2017-18, **Version:** 1

RESOLUTION AUTHORIZING THE CITY MANAGER TO NEGOTIATE WITH SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT FOR THE PURCHASE OF WATER RIGHTS

Summary and Background Information :

Approval of this resolution authorizes the purchase of 4A water from SACWSD. They are selling more 4A water to raise money for the purchase of augmentation water. They want to buy augmentation water because it is necessary in order to have future 4A water available for use for the eventual build-out of the community. Without augmentation water the 4A water cannot be made available in the future. In addition, the reason SACWSD wants to buy augmentation water now is that a large block of water is now available. This is a rare opportunity.

The City will need another 2,299.2 ERUs in the future for additional facilities and parks. The City has approximately 1.6 million available in the Water Acquisition Fee Fund, which would purchase approximately 238 ERUs at the current discounted rate of \$6,850 per ERU (minus the connection fee). In addition, SACWSD is willing to change the 2016 sale by removing the connection fee from that sale as well, which then gives the City an additional 63.8 ERUs for that purchase. It is desirable to do that since the price of water rights is escalating faster than the connection fees charged by SACWSD.

The finance department is evaluating the available fund balance in the Water Acquisition Fee Fund. The available fund balance will determine the actual amount of ERUs that can be purchased.

Staff Responsible (Department Head): Interim Deputy City Manager Roger Tinklenberg
Staff Member Presenting : Consent Agenda

Financial Impact : Limited
Funding Source : Water Acquisition Fee Fund

Staff Recommendation : Approval of Resolution 2017-18