

COUNCIL AGENDA: SEPTEMBER 16, 2014

SUBJECT: AUTHORIZATION TO PURCHASE WATER SHARES AND/OR SURFACE WATER FOR GROUNDWATER RECHARGE

SOURCE: Public Works Department – Field Services Division

COMMENT: At the July 15, 2014, City Council meeting, Council approved the purchasing of surface water and/or water shares, when available, from surrounding water entities to be used for groundwater recharge, in an amount not to exceed \$100,000.

The City currently owns 466 shares of Pioneer Water Company and it has been Council's direction to increase the City's holdings and water rights when the opportunities arise. Recently acquired water shares are being offered for sale by the board of the Pioneer Water Company (PWC). The current demand for water has driven up the price of the PWC shares and the board has set the minimum bid at \$5,000 per share.

Staff feels the allocation to purchase shares or surface water needs to be increased by \$50,000 for the 2014/2015 fiscal year in order to competitively bid for water shares and surface water, if available.

Staff recommends that City Council authorize the Public Works Director to purchase or bid on any available shares in the 2014/2015 fiscal year with PWC or other water entities and purchase surface water being offered for sale at his discretion. The City Water Fund has the available funds for water purchases of this nature.

RECOMMENDATION: That City Council:

1. Increase the 2014/2015 allocation in the water fund to \$150,000 for the purpose of purchasing surface water or water shares; and
2. Authorize the Public Works Director, at his discretion, to purchase surface water for recharge and purchase or bid on water shares in an amount not to exceed \$150,000.

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Dir  Appropriated/Funded  CM 

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