

AGENDA ITEM #: _____

DATE: September 26, 2016

COAC #: 16-5900

**CITY OF GOODYEAR
CITY COUNCIL ACTION FORM**

SUBJECT: Approve order of 8,744 acre-feet of CAP water for 2017

STAFF PRESENTER: Gretchen Erwin,
Water Resources Planning Advisor

CASE NUMBER: N/A

OTHER PRESENTER: N/A

RECOMMENDATION:

Council approve an order of 8,744 acre-feet of water from Central Arizona Project (CAP) for calendar year 2017.

PURPOSE:

The purpose of this action is to authorize the annual water purchase of renewable water supplies within the City's water resources portfolio for use in calendar year 2017. CAP subcontractors, like the City, must order CAP water by October 1 of each calendar year.

BACKGROUND AND PREVIOUS ACTIONS:

The citizens of Goodyear will benefit in that the City will receive 8,744 acre-feet of CAP water. This supply is crucial in meeting the 100-year Assured Water Supply requirements set by the Arizona Department of Water Resources (ADWR).

The rate plan completed in August of 2015 identified funds for the purchase of CAP water but were not projected to be sufficient to replenish the recharge requirements. The shortage would be met through the use of Long Term Storage Credits until approximately 2018. Additionally, increased costs in CAP water have resulted in the need for using more Long Term Storage Credits until a balance between demand and CAP water purchase is projected to be reached in 2018.

In 2015, the City was re-issued a 100-year designation of assured water supplies from the Arizona Department of Water Resources for existing, current committed, and future projected water demands.

The following is the recent history of the City Council Approved CAP water orders:

2015: 9,000 acre-feet for 2016 calendar year
2014: 7,229 acre-feet for 2015 calendar year
2013: 3,896 acre-feet for 2014 calendar year
2012: 1,825 acre-feet for 2013 calendar year

STAFF ANALYSIS:

While each type of water supply within the City's water portfolio has unique challenges, certain types of water supplies have significantly more value regarding current use, acquisition, and protection. CAP water is the single largest renewable water supply within the City's water portfolio. Any CAP water ordered for 2017 would help to offset other water supplies from being depleted.

FISCAL ANALYSIS:

The City Council approved \$1,539,000 as part of the FY17 budget for the purchase of the annual CAP water commodity orders as part of (year 1) the five-year water rate study.

The unit price for CAP subcontract water in 2017 is \$176 acre-foot which includes the water commodity (operations, maintenance, and energy costs) and direct recharge costs.

ATTACHMENTS:

None.