

AN ORDINANCE

APPROVING AMENDMENTS TO THE ORIGINAL BUDGET OF THE CITY OF LEON VALLEY, TEXAS, FOR THE FISCAL YEAR OF 2011

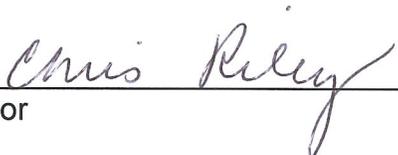
NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LEON VALLEY, TEXAS, THAT:

1. The attached Mayor and Council Communication # **11-04-10** contains an amendment to the original Budgets for the City of Leon Valley, Texas, for the Fiscal Year 2011 a true copy of which is file in the office of the City Secretary and made a part hereof by reference, are hereby amended and approved and ordered filed in the office of the City Secretary.

ENTERPRISE FUND

2. This ordinance shall become effective on and after it's passage, approval and publication, as provided by law.

PASSED and APPROVED this 16th day of November 16, 2010.



Mayor

ATTEST:



City Secretary

APPROVED AS TO FORM:



City Attorney



MAYOR AND COUNCIL COMMUNICATION

DATE: Nov. 16, 2010
M&C # 11-04-10

TO: MAYOR AND CITY COUNCIL

SUBJECT: APPROVAL OF A BUDGET ADJUSTMENT TO PURCHASE 25 ACRE FEET (AF) OF WATER RIGHTS FOR \$139,563.

PURPOSE

In December 2009, the City Council was briefed on the continuing need to acquire water rights to support existing demand for water under the Edwards Aquifer Authority rules regarding the use of the Edwards Aquifer. In fiscal year 2010 the City purchased 55 af of water for \$297,000.

For Fiscal Year 2011, the Regional Water Resource Development Group (RWRDG), administered by the San Antonio River Authority, has obtained an offer to sell 25 af of water rights to the City of Leon Valley for \$5,500 per af. The cost to purchase this asset is \$137,500, plus a 1.5% fee of \$2,063 that is paid to RWRDG for a total cost of \$139,563.

At the close of FY 2010, the Enterprise Fund had a reserve to purchase water rights of \$143,602. The purchase of the 25 af of water for FY 2011 will leave a reserve of \$4,039. Keep in mind that the reserve is replenished each fiscal year by approximately \$120,000.

S.E.E IMPACT

Social Equity- The purchase of water rights will help to ensure a livable community where adequate potable water is available to all current and future residents.

Economic Development – This effort obtains additional water rights needed to support the existing and new development in the City of Leon Valley.

Environmental Stewardship- This effort is part of the Edwards Aquifer Authority plan to protect and enhance the use of the Edwards Aquifer, while protecting wild life.

FISCAL IMPACT

Funding to purchase the water rights is coming from the Water Rights Reserve Fund. The reserve is funded from a fee that is collected on each water bill, as well as fees collection from developers. This fee can only be used to purchase water right or lease water rights.

Approved _____ Disapproved _____

APPROVED WITH THE FOLLOWING AMENDMENTS: _____

ATTEST:



City Secretary