City of Pasco

Pasco City Council Meeting

January 8, 2024

Water Right Acquisition Fee Adjustment

Water Rights

Different Types of Water Rights

- Potable Water: Columbia River
  - Surface withdrawal
- Irrigation Water: Groundwater
  - Surface and well withdrawal (+ 508.14)
- PWRF Irrigation Water: Groundwater
  - 508.14 well withdrawal

Water Rights

Municipal (Potable) Water

- Source: Columbia River
- Available withdrawal: 18,883 acre-feet/yr.
- Ecology leased water: 10,000 acre-feet/yr.
  - $35/acre-ft = $350,000/yr. (2020)
- 2022 Usage: 15,873 acre-feet

Water Rights

2022 Annual Water Right Usage

Municipal	Water Right	Qi		Qa (Acre-Feet)			2022	
		GPM	CFS	Domestic	Municipal	Irr	Municipal	Irr
Treatment Plant North, Treatment Plant South, Treatment Plant West, I-182 River Pump Station	GW7205(A)	375.00	0.84		76.20		76.20	
	S3-17908		35.00		7,000.00		3,990.28	
	S3-30852				5,000.00		5,000.00	
	S4-30976 (Quad City)		7.50		1,806.75		1,806.75	
	S4-33044(A)		6.90		5,000.00		5,000.00	
Sub-Total Ac-Ft				18,882.95			15,873.23	
Over/Under Water Rights							3,009.72	

Water Rights

Irrigation Water

- **Source: Groundwater + Columbia River**
- **Available withdrawal: 8,660 acre-feet/year**
  - Groundwater: 3,459 acre-feet
  - Columbia River water: 2,882 acre-feet
  - 508.14 Groundwater: 2,319 acre-feet
- **2022 Usage: 10,490 acre-feet**

Water Rights

Municipal Irrigation	Water Right	Qi		Qa (Acre-Feet)			2022	
508.14 Water Rights		GPM	CFS	Domestic	Municipal	Irr	Municipal	Irr
Island Estates, Rd 52, Columbia Place	G3-20242(A)	1,431.00			636.00		874.07	
Island Estates, Rd 52, Columbia Place	G3-20242(C)	62.00			139.50			
NW Commons, Desert Sunset	G3-20243(A)	1,612.00			483.60		591.06	
NW Commons, Desert Sunset	G3-20243(B)	214.00			107.90			
NW Commons, Desert Sunset	G3-20243(C)	1,174.00			441.60			
Desert Estates	G3-24981(A)	80.00			34.64		332.80	
Desert Estates	G3-24981(B)	400.00			160.00			
Powerline	G3-27413(C)	573.75			203.40		576.04	
Powerline	G3-27413(D)	281.25			112.40			
Powerline	G3-27413(F)	270.00			108.00			
				0.00	2,319.04	0.00		
508.14 Sub-Total				2,319.04			2,373.97	

Surface Rights		GPM	CFS	Domestic	Municipal	Irr	Municipal	Irr
Linda Lovissa	S3-28615		4.24		836.00		1,139.78	
	S3-28788							
	S3-28789							
Road 68 West Side	S3-28790		1.11		200.00		0.00	
DNR	S3-28876		1.78		164.85		0.00	
Sunny Meadows	S3-28932		1.33		240.00		0.00	
				0.00	1,440.85	0.00		
Surface Rights Sub-Total				2,881.70			1,139.78	

Water Rights

Municipal Irrigation	Water Right	Qi		Qa (Acre-Feet)			2022	
Groundwater Rights		GPM	CFS	Domestic	Municipal	Irr	Municipal	Irr
Sun Willows Golf Course	G3-05073	300.00			300.00		300.00	
Sports Complex	G3-20244(A)	1,300.00			525.80		0.00	
Cemetery	G3-22447	4.87			57.40		0.00	
Pasco Youth Baseball Complex	G3-22727	75.00			34.40		36.42	
McGee School	G3-28306	275.00			32.00		0.00	
Kurtzman Park	G3-27864	235.00			40.00		22.71	
Memorial Park	G3-27943	240.00			40.00		30.12	
Highland Park	G3-28415	275.00			40.00		37.94	
Volunteer Park	G3-28416	275.00			28.84		51.36	
First Place	G3-01243	1,106.00			474.00		425.11	
Island Estates, Rd 52, Columbia Place	G3-20242(B)	1,134.00			504.00		504.00	
Linda Loviisa	G3-20244(C)	400.00			172.00		172.00	
Lakeview	G3-20662	530.00			126.80		126.80	
Village of Pasco Heights	G3-23525	1,300.00			545.60		568.94	
Road 108/182 River Pump	G3-25177(A)*	1100.00			804.00		1,718.00	
	G3-25177(B)*							
	G3-26081(A)*							
	G3-26081(B)*							
	G3-26368							
Chapel Hill (I-182)	G3-24978	1,511.00			521.50		645.54	
Powerline	G3-27413(B)	270.00			108.10		576.04	
Desert Oasis, Sirocco	G3-28452	450.00			170.00		380.27	
USBR							1,380.66	
				22.40	3,426.00	10.80		
Groundwater Rights Sub-Total				3,459.20			6,975.91	

Water Rights

PWRF Irrigation Water

- Source: 508.14 Groundwater
- Available withdrawal: 8,230 acre-feet/year
- 2022 Usage: 4,539 acre-feet

Water Rights

	Water Right	Qi		Qa (Acre-Feet)			2022	
PWRF Farm Wells		GPM	CFS	Domestic	Municipal	Irr	Municipal	Irr
Foster Wells (IW-6, 7, 8)	G3-20245	5,200.00				2,101.60		989.81
	G3-25175	1,200.00				520.00		
Foster Wells (IW1, 2, 3, 4, 5)	G3-20247	5,200.00				2,101.60		1,700.52
Foster Wells (IW11, 12, 15)	G3-22491	2,160.00				1,037.00		858.78
	G3-22499	1,440.00				744.00		
	G3-23867	2,400.00				1,116.00		
Foster Wells (W9)	G3-24546	1,200.00				609.60		989.81
				0.00	0.00	8,229.80		
Farm Wells Sub-Total				8,229.80				4,538.91
Over/Under Water Rights							3,690.89	

Water Rights Acquisition

PMC 13.45.160 – Water & Sewers

- Extending water beyond the city limit

PMC 21.05.120 - Subdivision Regulations

- Assignment of water rights for subdivision of land

Water Rights Acquisition

PMC 13.15.030(3) - *Determination of Market Value for Payment in Lieu.* The market value of water rights shall be determined periodically by the City Engineer, but not less frequently than every five years, based upon a water rights market study or similar investigation of the fair market value of perfected water rights that can be transferred to the City.

Water Rights Acquisition

PMC 3.35.160 – Revenue and Finance

- In-lieu Fees: **$4,150/acre-foot** *(as of 11/27/2023)*
  - Irrigation Water: 50% of site @ 3 ½ acre-feet/year per acre
  - Potable Water: 0.3 acre-feet/residential unit
  - Transfer Fee (Ecology)

Water Rights Acquisition

What is Missing?

Irrigation & Potable Water Rights Transfers for:

- Commercial Developments
  - Large Industrial Users: Food processors
  - Schools
- Water Usage (versus water line extension)
- Current Market Rate: **$4,150/acre-foot**

Water Rights Acquisition

Developers Appear to Prefer

- Pay In-Lieu Fee:
- Existing Rights Transferred to other properties
- Sell Water Rights at Market Rate
- Existing Rights Banked for later Transfer or Sale

Water Rights Acquisition

Water Rights Lease RFP

- $310/acre-foot per year
- No Escalators
- Capital Equivalent of $4,150/acre-foot
- 20-Year Term
- 3 Respondents: ~4,000 acre-feet available
- Annual Payment: $1,240,000.00

Water Rights Acquisition

Proposed PMC Changes

- Water 'Usage' vs. Water 'Line Extension'
- Within and beyond City Limits
- Increase to Market Rate
  - Encourages Transfers vs. In-Lieu Fee
- 50% Surcharge – Rights removed w/in 10 yrs
  - Accounts for future value increases

Communications

Council Workshop 10/10

Developer Meeting 10/23

Council Meeting 11/22

Handouts Developed & Distributed 12/27
- Emailed to Developer list
- Available online
- Available at City Hall touchpoints

Webpage Live- 12/27
- Online Commenting Option 12/27-1/6

Social Media Posts
- 12/27
- 1/4/24

KONA Radio Segment
- 1/8

Council Meeting 1/8

City of Pasco Washington

Understanding Water Rights

A CLOSER LOOK

We're reaching out to share vital information about our city's water rights and how changes will impact our community. It's important we all understand these changes to ensure Pasco continues to thrive.

WHAT ARE WATER RIGHTS?

Water rights allow us to use water from sources like the Columbia River. In Pasco, we're fortunate to have the right to utilize about 18,883 acre-feet of water annually for municipal drinking water purposes. For reference, an acre-foot of water can fill an acre of land one foot deep – that's a lot of water!

WHY UPDATE WATER RIGHTS RULES?

Our city is growing fast! In 2022 alone, we treated and sent to customers about 15,873 acre-feet of water. To keep up with the increasing demand for more water, especially for new homes and businesses, we need to ensure continued management of the city's water rights.

THE NEW CHANGES:

Water Rights Acquisition Fee: This fee helps us buy more water rights. Due to rising market values, we need to increase this fee from $1,725 to $4,150 per acre-foot. This big jump is because the value of water rights has increased by 140.6% since 2014.

Encouraging Water Rights Transfer: We prefer developers transfer existing water rights to the city. Then no fees are required. This helps us ensure there will be enough water rights to supply the new developments.

Water Rights Acquisition

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