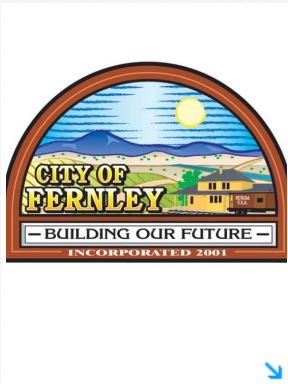


City to charge market rate for water rights

Robert Perea 9:16 p.m. PDT August 1, 2014



(Photo: City of Fernley)



Trying to ensure it has money to purchase water rights without depleting its water fund, the city of Fernley will begin to charge developers who do not provide their own water rights the market rate for water rights

The Fernley City Council on July 16 approved a resolution to set the fee in lieu of dedication of water rights to follow the market rate as set by Truckee Meadows Water Authority.

Currently, the Nevada State Engineer must determine that the city has enough water credits before approving any residential final subdivision maps. That requires all new residential and most commercial developers to dedicate water rights before the city can promise to serve any water.

The council recently adopted an ordinance to repeal the ability for commercial development to qualify to pay fees in lieu of water dedication. However, the city must honor an existing exception that allows developers of some existing lots, for tentative subdivision maps, final subdivision maps or parcel maps approved prior to December 14, 2004, to pay fees in lieu of water dedication if the original parcel did not have water rights.

The city's most current appraisal is \$1,850 per acre foot. However, TMWA charges \$7,700, so if the city were to charge the rate of its appraisal, it would not be enough to purchase actual water and would have to pay the difference from its water fund.

According to the staff report provided to the council, TMWA bases its fee on actual purchases of replacement water. The water rights purchased by TMWA, like any rights Fernley would purchase, are Truckee River water rights.

The new resolution approved by the council means rather than approving a new resolution every time the market fluctuates, the fee will change as the market changes, because TMWA recalculates the amount several times a year