



## Legislation Text

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**File #:** 19-267, **Version:** 1

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*Report Prepared by: Stephanie Dietz, Assistant City Manager*

**SUBJECT:** Authorization to Negotiate the Temporary Purchase of Transfer Water Between the Merced Irrigation District and the City of Merced Through a Memorandum of Understanding and to Return with a Final Agreement for City Council Consideration

### REPORT IN BRIEF

Provide staff the authority to negotiate the temporary purchase of transfer water between Merced Irrigation District and the City of Merced through a Memorandum of Understanding and direct staff to return with a final document for consideration by the City Council.

### RECOMMENDATION

**City Council** - Adopt a motion providing staff the authority to negotiate the temporary purchase of transfer water between the Merced Irrigation District and the City of Merced through a Memorandum of Understanding and direct staff to return with a final document for consideration by the City Council.

### ALTERNATIVES

1. Approve, as recommended; or
2. Refer matter back to staff for changes; or
3. Deny.

### CITY COUNCIL PRIORITIES

As provided for in the 2019-20 Council Priorities - Water/Surface Water Projects

### DISCUSSION

The City of Merced and Merced Irrigation District (MID) have enjoyed a long-standing relationship in the development and management of groundwater locally through the Merced Streams Group, Merced Integrated Regional Water Management Agency (MIRWMA) and more recently the Merced Irrigated-Urban Groundwater Sustainability Agency (MIUGSA).

The City Council continues to make policy decisions that further support the sustainable use of existing water resources. These decisions include the adoption of the 2015 Urban Water Management Plan with a proposed surface water treatment plant, the implementation of water meters throughout the entire Water System, and the approval of the Water Conservation Ordinance in 2017 to limit watering in years where the region is experiencing prolonged drought conditions.

With the understanding that a system completely dependent on groundwater would face challenges in the future, Council directed staff to explore the possibility of entering into an agreement with MID. Attached for the Council's consideration is a draft Memorandum of Understanding (MOU) that

outlines framework mutually agreed upon by City and MID staff. It is anticipated that the MOU would be an interim document that allowed for a future Sale and Purchase Agreement to be adopted by both governing bodies. Staff are seeking direction from the City Council to begin negotiating more specific terms related to environmental clearance, quantity, price and point of delivery. Both parties have agreed to an initial term of 20 years.

### **IMPACT ON CITY RESOURCES**

There is no impact City resources at this time. Water funding will be identified in a future budget to support the terms negotiated in the final agreement.

### **ATTACHMENTS**

1. Draft Memorandum of Understanding