

CITY OF BUCKEYE
Regular Council Meeting
COUNCIL ACTION REPORT

MEETING DATE: 10/20/26	AGENDA ITEM: 4.F. WR - Pegasus Extinguishment Credits Sale & Purchase Agreement
DATE PREPARED: 10/15/26	DISTRICT NO.:
STAFF LIAISON: Terry Lowe, Water Resources Director, tlowe@buckeyeaz.gov, (623) 349-6102	
DEPARTMENT: Water Resources	AGENDA ITEM TYPE: Consent Agenda Items / New Business

ACTION/MOTION: (This language identifies the formal motion to be made by the Council)
 Council to take action on the Water Rights Transaction Extinguishment Credits Sale and Purchase Agreement between the City of Buckeye, an Arizona municipal corporation, and Circle G Pegasus, LLC, an Arizona limited liability company; authorize the City Manager to execute and deliver said Agreement; and authorize and direct the City Manager, City Attorney, and City Clerk to take all steps necessary to carry out the purpose and intent of said Agreement.

GOALS AND OBJECTIVES FOR THE STRATEGIC PLAN FOCUS AREAS:
 Infrastructure

SUMMARY

PROJECT DESCRIPTION:

The acquisition of Extinguishment Credits will provide the city with an additional water resource that can be utilized to support the city's long-term water supply strategy. Extinguishment Credits may be pledged toward a Designation of Assured Water Supply (DAWS) and are exempt from replenishment requirements, providing the city with greater flexibility in managing its water portfolio and meeting future water supply obligations.

Under the terms of the Sale and Purchase Agreement, the city will acquire 2,017.51 acre-feet (AF) of Extinguishment Credits from Circle G Pegasus, LLC (Pegasus) at a rate of \$315.00 per AF, plus a \$250.00 Arizona Department of Water Resources (ADWR) conveyance fee. The total purchase price is \$635,765.65.

This acquisition represents a strategic investment in the city's water portfolio and supports the city's continued efforts to secure and diversify long-term water resources necessary to serve future water demands.

BENEFITS:

Ensuring the City's future as a reliable water provider by continuing to grow its water portfolio.

FUTURE ACTION:

None.

FINANCIAL IMPACT STATEMENT:

The total cost of this purchase is \$635,765.65 to be paid from the FY2027 approved budget.

CURRENT FISCAL YEAR TOTAL COST:

The total amount of \$635,765.65 is included in the approved FY2027 budget.

BUDGETED:

Yes

FISCAL YEAR:

FY2027

FUND/DEPARTMENT:

40003228-526024

Items related to a project or facility location must include an attached vicinity map for Council Review.

ATTACHMENTS:

[Circle G Pegasus LLC Extinguishment with Exhibits 928.pdf](#)