

**AGENDA OF THE
HAILEY CITY COUNCIL MEETING
Monday October 22, 2018 * Hailey City Hall Meeting Room**

***Late Added Item**

ACTION ITEM = a vote may occur but is not required to be taken

ACTION ITEM.....

5:30 p.m. CALL TO ORDER - Open Session for Public Concerns

CONSENT AGENDA:

***CA 427** Motion to adopt Resolution 2018-126, authorizing a contract with IDWR to lease water rights to the water supply bank contract 851, for water rights 37-22773, 37-22774, 37-22775, 37-22776 **ACTION ITEM**..... handout

CA 398 Motion to adopt Resolution 2018-113, ratifying the mayor’s signature on a grant application to the Seagraves Family Foundation, seeking \$64,492 in funding for renovation of the Hop Porter Park play structure **ACTION ITEM** 1

CA 399 Motion to approve grant application to FEMA requesting \$753,572 under the Assistance to Firefighters Grant program. The total cost of project is \$791,250 includes a 5% city match of \$37,678. **ACTION ITEM** 23

CA 400 Motion to approve grant application to FEMA requesting \$46,048 under the Assistance to Firefighter Grant (AFG) Micro Grant program for firefighter SCBA fit testing, hydraulic tools and communications equipment. The total cost of project is \$48,350 includes a 5% city match of \$2,302 **ACTION ITEM** 53

CA 401 Motion to approve a grant application to The Bureau of Land Management requesting wildland fire gear and equipment under the Bureau of Land Management 2018 Rural Fire Readiness Direct Transfer Request program **ACTION ITEM** 75

CA 402 Motion to adopt Resolution 2018-114, authorizing Pay Estimate No. 1 in the amount of \$30,036.34, for work completed on the Balmoral Park Basketball Court Improvements **ACTION ITEM** 83

CA 403 Motion to adopt Resolution 2018-115, ratifying the mayor’s signature on Change Order No. 2 with Skyline, to extend the final completion date to November 16, 2018, on the Water System Pressure Reducing Station project **ACTION ITEM**..... 87

CA 404 Motion to adopt Resolution 2018-116, authorizing Pay Estimate No. 3 in the amount of \$83,718.23, for work completed on the Pathways for People – Croy St. and 2nd Ave. project **ACTION ITEM**..... 92

CA 405 Motion to approve Resolution 2018-117, authorizing contract for services with *the Chamber of Hailey and the Wood River Valley* for visitor information, events promotion, downtown beautification and Hailey Ice, Inc.; contract amount of \$67,500 plus a \$10,000 allocation for Hailey Ice. **ACTION ITEM**..... 96

CA 406 Motion to approve Resolution 2018-118, authorizing lease agreement with *the Chamber of Hailey and the Wood River Valley* for use of the Welcome Center for \$1/year. **ACTION ITEM** 109

CA 407 Motion to approve Resolution 2018-119, authorizing contract for services with Mountain Rides Transportation Authority for bus and van services under Hailey’s annual contribution of \$78,750 **ACTION ITEM** 125

CA 408 Motion to approve Resolution 2018-120, authorizing contract for services with Wood River GIS Services for Geographic Information Services (GIS) mapping services; contract amount not to exceed \$11,000. **ACTION ITEM** 134

CA 409 Motion to adopt Resolution 2018-121, authorizing an agreement with SPF Water Engineering in the amount of \$5,150, to prepare a water model for the pending 2 IT Ranch annexation **ACTION ITEM**..... 142

CA 410 Motion to adopt Resolution 2018-122, authorizing a loader lease agreement with Western States Cat in the amount of \$21,132.37 per year, to replace an expiring lease agreement **ACTION ITEM** 153

CA 411 Motion to approve Resolution 2018-123, authorizing the City Clerk to direct Sterling Codifiers to recodify Ordinance No. 1238 as Hailey Code Chapter 17.04R **ACTION ITEM** 173

CA 412 Motion to approve Resolution 2018-124, authorizing lease agreement with Pitney Bowes for a 5-year lease on a refurbished DM400 Postage meter and scale and authorize the Mayor to sign **ACTION ITEM** 177

CA 413 Motion to approve Resolution 2018-125 to declare surplus property **ACTION ITEM** 187

CA 414 Motion to approve new alcohol license for Tundra and El Toro restaurants **ACTION ITEM** 190

CA 415 Motion to approve minutes of October 1, 2018 and to suspend reading of them **ACTION ITEM**..... 200

CA 416	Motion to ratify claims for expenses paid in October 2018 ACTION ITEM.....	210
CA 417	Motion to approve claims for expenses incurred during the month of September, 2018, and claims for expenses due by contract in October, 2018 ACTION ITEM.....	233
CA 418	Motion to approve Treasurer’s reports for the month of September, 2018ACTION ITEM.....	258

MAYOR’S REMARKS:

MR 000

PROCLAMATIONS & PRESENTATIONS:

PP 419 Presentation by *the Chamber of Hailey and the Wood River Valley* no documents

APPOINTMENTS & AWARDS

AA 420 Appointment to Hailey City Council to replace Colleen Teevin. no documents

NEW BUSINESS:

****NB 428 Consideration of a request by Michael Pogue for an emergency moratorium regarding Sober Living Group Homes ACTION ITEM*** no documents

PUBLIC HEARING:

[PH 421](#) Consideration of the Pathways for People – Myrtle St. Connector Final Design from Galena Engineering ACTION ITEM..... 267

NEW BUSINESS Continued:

[NB 422](#) Discussion of Joint Hailey and Wood River Fire Board’s proposed letter to Blaine County Commissioners requesting Blaine Manor Property for a joint fire station. ACTION ITEM..... 283

OLD BUSINESS:

[OB 423](#) Discussion of Public Outreach schedule for the Hailey Town Square: meeting schedule and outreach efforts ACTION ITEM..... 293

STAFF REPORTS: Staff Reports Council Reports Mayor’s Reports

SR 424	Thank you letter to Harry Rinker regarding south Woodside property.....	296
SR 425	Next Planning and Zoning Commission meeting agenda.....	298
SR 426	Next City Council meeting agenda.....	300

EXECUTIVE SESSION:

Matters & Motions from Executive Session or Workshop

Next Ordinance Number - 1243 Next Resolution Number- 2018-127

AGENDA ITEM SUMMARY

DATE: 10/22/2018 **DEPARTMENT:** PW **DEPT. HEAD SIGNATURE:** ___BY___

SUBJECT:

Motion to approve Resolution 2018-126 authorizing the City to enter into a contract with IDWR to lease city Northridge water rights numbers, (37-22773, 37-22774, 37-22775, and 37-22776), and authorize the Mayor to sign this contract as well as the one for Old Cutters water rights numbers, 37-22311, 37-22316, 37-22321, which has not yet been received.

AUTHORITY: ID Code _____ IAR _____ City Ordinance/Code _____
(IF APPLICABLE)

BACKGROUND/SUMMARY OF ALTERNATIVES CONSIDERED:

In September 10, 2018 meeting, Council approved and the City submitted an application to the Idaho Water Bank to lease water right nos. 37-22773, 37-22774, 37-22775, and 37-22776 four Northridge water rights and 37-22311, 37-22316, 37-22321 three water rights associated with Old Cutters into the Water Supply.

We have not yet received the contracts on these water right numbers: 37-22311, 37-22316, 37-22321 these three water rights are associated with Old Cutters. We expect to get this contract very soon but before the next council meeting on November 26, 2018.

This water is not currently being used and has no record of recent use. The city has no current plans to use the water.

The terms proposed are a lease, which will expire on December 31, 2018. The city can withdraw the right from the bank prior to this contract end date following written request to IDWR and approval to do so.

The contract is for another 5 years, ending in December 31, 2023

ACKNOWLEDGEMENT BY OTHER AFFECTED CITY DEPARTMENTS: (IF APPLICABLE)

<input checked="" type="checkbox"/> City Attorney	<input type="checkbox"/> Clerk / Finance Director	<input type="checkbox"/> Engineer	<input type="checkbox"/> Building
<input type="checkbox"/> Library	<input type="checkbox"/> Planning	<input type="checkbox"/> Fire Dept.	_____
<input type="checkbox"/> Safety Committee	<input type="checkbox"/> P & Z Commission	<input type="checkbox"/> Police	_____
<input type="checkbox"/> Streets	<input checked="" type="checkbox"/> Public Works	<input type="checkbox"/> Mayor	_____

RECOMMENDATION FROM APPLICABLE DEPARTMENT HEAD:

Motion to approve Resolution 2018-126 authorizing the City to enter into a contract with IDWR to lease city Northridge water rights numbers, (37-22773, 37-22774, 37-22775, and 37-22776), and authorize the Mayor to sign this contract as well as the one for Old Cutters water rights numbers, 37-22311, 37-22316, 37-22321, which has not yet been received.

ACTION OF THE CITY COUNCIL:

Date _____

City Clerk _____

FOLLOW-UP:

*Ord./Res./Agrmt./Order Originals: Record

Copies (all info.):

Instrument # _____

*Additional/Exceptional Originals to: _____

Copies (AIS only)

**CITY OF HAILEY
RESOLUTION NO. 2018-126**

**RESOLUTION OF THE CITY COUNCIL FOR THE CITY OF HAILEY
AUTHORIZING A CONTRACT WITH IDAHO WATER RESOURCE BOARD TO
LEASE WATER RIGHT NOS. 37-22773, 37-22774, 37-22775 and 37-22776, WATER
RIGHTS, TO THE IDAHO WATER BANK.**

WHEREAS, the City of Hailey desires to lease surface water right nos. 37-22773, 37-22774, 37-22775 and 37-22776, irrigation water with a place of use at the, to the Idaho Water Bank.

WHEREAS, the City of Hailey agrees to the terms and conditions of the Water Supply Bank Leas Contracts, a copy of which is attached hereto.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HAILEY, IDAHO, that the City of Hailey approves the Water Supply Lease Contract and authorizes the Mayor to sign, and authorizes the execution of the attached Contract,

Passed this 22nd day of October, 2018.

City of Hailey

Fritz X. Haemmerle, Mayor

ATTEST:

Mary Cone, City Clerk



State of Idaho

DEPARTMENT OF WATER RESOURCES

322 East Front Street • P.O. Box 83720 • Boise, Idaho 83720-0098
Phone: (208) 287-4800 • Fax: (208) 287-6700 • Website: www.idwr.idaho.gov

C.L. "BUTCH" OTTER
Governor

GARY SPACKMAN
Director

October 16, 2018

CITY OF HAILEY
115 S MAIN ST # H
HAILEY ID 83333-8408

RE: APPLICATIONS TO LEASE WATER RIGHT 37-22773, 37-22774, 37-22775 & 37-22776 TO THE
WATER SUPPLY BANK CONTRACT 851

****TIME SENSITIVE RESPONSE REQUIRED****

Dear Applicant:

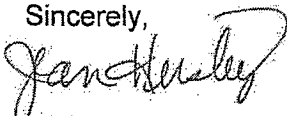
The Department of Water Resources has completed its review of your application to lease the above-mentioned water right to the Water Supply Bank. I have enclosed two original Water Supply Bank Lease Contracts for your review and signature. Please sign and return ALL Lease Contracts within 14 days. Upon signature and return of the contracts, the Department will also sign the original contracts and return an executed copy to you. The Lease Contract is not considered final until you and the Department have both signed.

The right will automatically be released from the Bank on December 31, 2023, unless the right is released earlier by the Board, or upon your request. To release the right from the Bank prior to the release date, submit a written request on the Request to Release a Water Right from the Bank form. To propose a new lease period, submit a new Application to Sell or Lease a Water Right to the Water Supply Bank form along with applicable fees to the Department. These forms are available from any IDWR office or from our public website at <http://www.idwr.idaho.gov>. Please note your rights may not be available for immediate release if they have been rented.

Please review the conditions of acceptance listed on the Lease Contract, including #3 which says: "While a right is in the bank, the lessor may not use the right without approval of the department even if the right is not rented from the bank. Any violation of the terms of this lease may result in enforcement procedures pursuant to Idaho Code § 42-351 for illegal diversion and use of water and may include civil penalties pursuant to Idaho Code § 42-1701B."

If you have questions regarding this matter, please contact this office at 287-4800.

Sincerely,


Water Supply Bank

Enclosures: Proposed Lease Contracts

c: SPF Water Engineering LLC, Lori Graves

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 851

This Lease Contract ("Lease") is between the Idaho Water Resource Board ("Board"), and

LESSOR: CITY OF HAILEY
115 S MAIN ST # H
HAILEY, ID 83333-8408

RECITALS

1. The Board is authorized under chapter 17, title 42, Idaho Code to operate a water supply bank and to contract with lessors to act as an intermediary in facilitating the rental of water.
2. The Lessor has filed a completed application to lease water rights described below into the Water Supply Bank on forms supplied by the Idaho Department of Water Resources and received by the Department on September 19, 2018.
3. The Director of the Idaho Department of Water Resources has reviewed the application for compliance with the Water Supply Bank rules and has approved the Lease subject to conditions listed below.

NOW, THEREFORE, in consideration of the mutual covenants and contracts herein contained, and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto agree as follows:

1. **WATER RIGHTS:** The Lessor shall lease and the Board shall accept into the Bank the Applicant's water rights described as follows:

Summary of Water Rights or Portions Leased to the Bank

Water Right No.	Priority Date	Source	Diversion Rate (CFS)	Diversion Volume (AF)	Acres (AC)
37-22776	3/24/1883	BIG WOOD RIVER, tributary to MALAD RIVER	0.14	49.4	14.1
37-22775	6/30/1884	BIG WOOD RIVER, tributary to MALAD RIVER	0.24	49.4	14.1
37-22774	9/18/1885	BIG WOOD RIVER, tributary to MALAD RIVER	0.12	49.4	14.1
37-22773	5/1/1888	BIG WOOD RIVER, tributary to MALAD RIVER	0.12	49.4	14.1
Combined Lease Totals			0.24	49.4	14.1

Summary of Water Rights Elements Rentable From the Bank

Water Right	Diversion Rate (CFS)	Diversion Volume (AF)	Acres (Limited) (AC)	Rate Per Acre (CFS/AC)	Volume Per Acre (AF/AC)
37-22776	0.11	49.4	14.1	0.008	3.5
37-22775	0.19	49.4	14.1	0.013	3.5
37-22774	0.09	49.4	14.1	0.006	3.5
37-22773	0.09	49.4	14.1	0.006	3.5
Combined Limit Totals	0.19	49.4	14.1	0.017	3.5

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 851

** The water right elements rentable have been reduced from the water right elements leased to account for conveyance losses of 20 %.*

2. **COMPENSATION:** The Lessor shall accept and the Board shall pay compensation determined by the amount of water rented under the following rental rate during such times as the water is rented from the Bank over the term of this Lease.

Minimum Payment Acceptable: Current Rental Rate

3. **TERM OF LEASE:** The term of this lease shall be January 1, 2019 to December 31, 2023. This Lease shall bind the parties and take effect when both parties have signed it.
4. **WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE:** The Lessor shall abide by all terms and conditions contained in the Water Supply Bank Conditions of Acceptance, attached hereto as "Attachment A" and incorporated herein by this reference.
5. **CHANGE OF WATER RIGHT:** This lease specifies water right elements including but not limited to: diversion rates; diversion volumes; number of acres authorized to be irrigated; places of use; points of diversion; beneficial uses; and seasons of use. During the term of this lease, if a water right is administratively changed due to a water right split and renumbering, this lease may be reduced by an equal amount to reflect the water right elements as legally defined under the water right. If a lease contract cannot be reduced sufficient to reflect the legal definition of a water right as amended through a water right split and/or water right transfer, the Board may release the water right from the Water Supply Bank.
6. **ASSIGNMENT OF CONTRACT:** This lease is between the Board and the Lessor, who is the recognized owner or designated representative of the recognized owners of water rights described herein. Should ownership of any part of a water right herein described change during the term of this lease, either through a water right split, a water right transfer, sale of property to which the water right is appurtenant, or through any other recognized water right reassignment, the lease benefits and obligations to the conditions of acceptance for any such water rights will be assigned to the new owners.
7. **DUPLICATE ORIGINAL:** This Lease is executed in duplicate. Each of the documents with an original signature of each party shall be an original.

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 851

IN WITNESS WHEREOF, the parties have executed this Contract on the date following their respective signatures.

LESSOR: CITY OF HAILEY
115 S MAIN ST # H
HAILEY, ID 83333-8408

By _____
Title _____
Date _____

IDAHO WATER RESOURCE BOARD
322 East Front Street
P.O. Box 83720
Boise, ID 83720-0098

By _____
Brian Patton, Acting Administrator
Idaho Water Resource Board

Date _____

Lease approved by IDWR _____

Date _____

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 851

ATTACHMENT A WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE

The water rights or portions thereof leased to the bank are described as follows:

Source and Location of Point(s) of Diversion for Water Right No(s): 37-22773, 37-22774, 37-22775, 37-22776

BIG WOOD RIVER SWNW Sec. 20 Twp 03N Rge 18E BLAINE County

Water Right	Beneficial Use	Season of Use			Diversion Rate (CFS)	Volume (AF)
		From		To		
37-22773	IRRIGATION	04/15	to	10/31	0.12 cfs	49.4 AF
37-22774	IRRIGATION	04/15	to	10/31	0.12 cfs	49.4 AF
37-22775	IRRIGATION	04/15	to	10/31	0.24 cfs	49.4 AF
37-22776	IRRIGATION	04/15	to	10/31	0.14 cfs	49.4 AF
Totals:					0.24 cfs	49.4 AF

PLACES OF USE TO BE IDLED UNDER THIS LEASE: IRRIGATION

Twp	Rng	Sec	NE				NW				SW				SE				Totals		
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE			
02N	18E	4								2.1	6.6					5.4					14.1

Total Acres: 14.1

ADDITIONAL CONDITIONS OF ACCEPTANCE

1. The water rights referenced above will be rented from the bank at the current rental rate.
2. There is no rental payment to the lessor of the water right if the right or a part thereof is not rented from the bank.
3. While a right is in the bank, the lessor may not use the right without approval of the Department even if the right is not rented from the bank. Any violation of the terms of this lease may result in enforcement procedures pursuant to Idaho Code § 42-351 for illegal diversion and use of water and may include civil penalties pursuant to Idaho Code § 42-1701B.
4. A right accepted into the bank stays in the bank until the Board releases it, or the lease term expires. A right may be released from the bank upon request, provided the Board approves the release. Unless approved by the Department, leased rights may not be immediately available for release.
5. While a water right is in the bank, forfeiture provisions are stayed pursuant to Idaho Code § 42-223(5).
6. Rental of water under this right is subject to the limitations and conditions of approval of the water right.
7. Failure of the right holder to comply with the conditions of acceptance is cause for the Director to rescind acceptance of the lease.

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

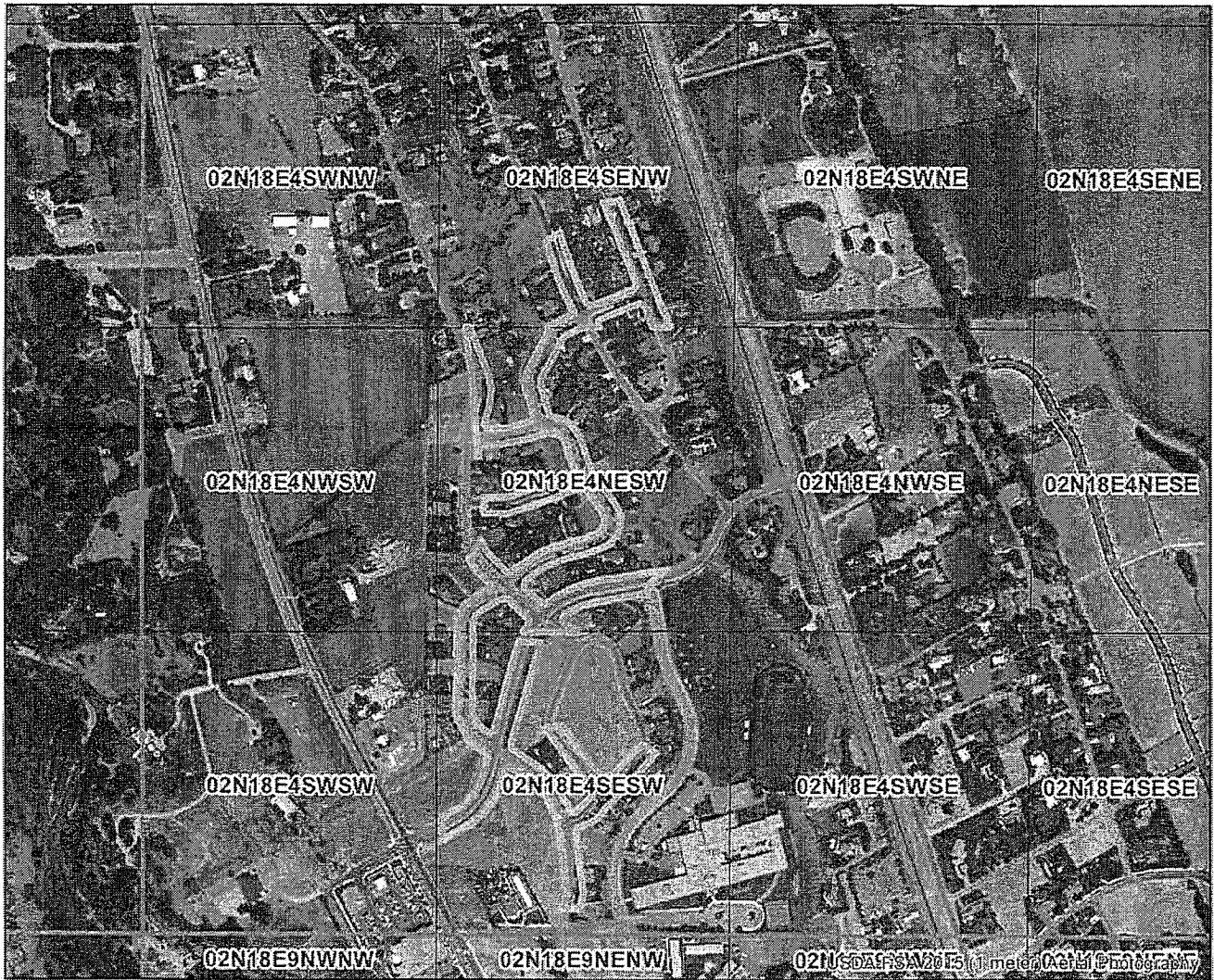
WATER SUPPLY BANK LEASE CONTRACT No. 851

8. Acceptance of a right into the bank does not, in itself, confirm the validity of the right or any elements of the water right, or improve the status of the right including the notion of resumption of use. It does not preclude the opportunity for review of the validity of this water right in any other Department application process.
9. In accordance with Idaho Code § 42-248 and § 42-1409(6), all owners of water rights are required to notify the Department of any changes in mailing address or change in ownership of all or part of a water right. Notice must be provided within 120 days of the change.
10. If a water right leased into the Water Supply Bank is sold or conveyed during the lease term, and if the leased right was rented, the rental proceeds will be disbursed in the following manner regardless of any arrangements between the buyer(s) and seller(s) to the contrary:
 - a. Rental payments will go to the lessor(s) of record at the beginning of the rental season, even if the Department processes a Notice of Change in Water Right Ownership during the rental season.
 - b. New lessor(s) of record will receive payment for any subsequent rental seasons.
11. The water right(s) is leased to the bank subject to all prior water rights and shall be administered in accordance with Idaho law and applicable rules of the Department of Water Resources.
12. Right Nos. 37-22773, 37-22774, 37-22775 and 37-22776 are limited to the irrigation of a combined total of 14.1 acres in a single irrigation season.
13. The rights listed below, shall provide no more than 3.5 afa per acre at the field headgate for irrigation of the lands in the place of use whenever sprinkler methods of irrigation are used. Combined Right Nos. 37-22773, 37-22774, 37-22775 and 37-22776.
14. Water diverted from Headgate #22 delivered through Hiawatha Canal.
15. A portion of this right provides conveyance for other right holders in the shared delivery of water through the Hiawatha Canal. To prevent injury to other water right holders, the watermaster shall deliver 20% or 0.05 cfs of the leased portion of these rights into the Hiawatha Canal whether it is rented or not.
16. Use of water under this right may be regulated by a watermaster with responsibility for the distribution of water among appropriators within a water district. At the time of this approval, this water right is within State Water District No. 37.

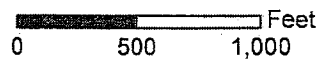
Idaho Water Resource Board
Water Supply Bank Lease Contract No. 851

37-22773, 37-22774, 37-22775 & 37-22776
 Effective until December 31, 2023

This map depicts the **place of use to be idled** pursuant to the lease contract and is attached to the contract solely for illustrative purposes.



- Approved Lease Point of Diversion
- Approved Lease Place of Use
- ▭ Townships
- ▭ PLS Sections
- ▭ Quarter Quarters



02N18E9NWNW 02N18E9NENW 02N18E9NESE 02N18E9ENESE 1 meter Aerial Photography

Idaho Water Resource Board
Water Supply Bank Lease Contract No. 851

37-22773, 37-22774, 37-22775 & 37-22776
Effective until December 31, 2023

This map depicts the point of diversion for the water rights listed above pursuant to the lease contract and is attached to the contract solely for illustrative purposes.



- Approved Lease Point of Diversion
- Approved Lease Place of Use
- ▭ Townships
- ▭ PLS Sections
- ▭ Quarter Quarters

