From:	Tom Hellen
To:	Ned Williamson
Cc:	Beth Robrahn
Subject:	FW: Quigley memo
Date:	Wednesday, August 10, 2011 9:52:55 AM

SPF Water Engineering comments below.

Tom Hellen
Public Works Director/City Engineer
(208) 788-9830 X14

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From: Roxanne Brown [mailto:RBrown@spfwater.com]
Sent: Wednesday, August 10, 2011 9:47 AM
To: Cathy Cooper; Tom Hellen
Subject: RE: Quigley memo

Tom, I thought I'd add my comments to Cathy's reply….in green below.

Roxanne

From: Cathy Cooper
Sent: Wednesday, August 10, 2011 8:23 AM
To: 'Tom Hellen'; Roxanne Brown
Subject: RE: Quigley memo

Tom – My responses regarding sewer and water service below in pumpkin. I'll leave water rights to Roxanne.

Cathy

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Cathy Cooper, P.E.
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From: Tom Hellen [mailto:tom.hellen@haileycityhall.org]
Sent: Tuesday, August 09, 2011 3:35 PM
To: Roxanne Brown; Cathy Cooper
Subject: Quigley memo

Roxanne & Cathy,

Please review the following to see if I understand your intents in your memo.

Paragraph 5 – Sewer and Water Service:

The developer is requesting septic systems be allowed on properties greater than

1 acre in size at the far eastern end of the development. This would be allowed by the Health District and DEQ under current regulations but would require a revision of City Ordinance as septic systems are not allowed within city limits. I do have some concerns with this and the proposed location of the municipal well which can likely be solved with a relocation of the well site. Agreed. The well site doesn't appear to meet other required setbacks either (mainly from surface water). I'll send you the list of required setbacks from the DEQ rules in a separate e-mail.

The developer proposes to accept from the City separate irrigation water; surface, groundwater or reclaimed water; but makes no provision for installing a separate irrigation system in their proposal. This is how I read it. Are they assuming that the City will provide the irrigation system facilities? Seems like a definite topic for negotiation.

The installation of an overall water distribution system is going to require specific elements such as pressure reducing stations and a booster pump station (including multiple pumps); if development is allowed up side canyons; that are not addressed in the agreement. Another consideration is the value of the Quigley water storage tank providing both peak day demand and fire protection capacity. The SPF spreadsheet makes the case for recovering this cost from the developer. You got it. The storage volume could be a negotiating point if the City chooses. You have it available…if they didn't get it from you, they'd have to build it.

The developer proposes a municipal well be developed at the eastern end of the property with a cost sharing arrangement with the city. The developments estimated average day demand is 400 gallons per minute (gpm) which they propose using in the cost sharing agreement. SPF Water Engineering's suggestion is to use their maximum day demand at 745 gpm is calculating the cost share agreement for the well construction costs. The developer also proposes that the value of the well site be deducted from the costs of the well installation. Given the location of the well site in what appears to be open space I would question the actual value of this property and recommend this be negotiated with the developer. Agreed. Sources have to provide maximum day demand with peaking coming from storage, so maximum day demand makes sense as the cost share portion. Need to discuss a different well site also, per your first point in this e-mail. It may make sense to reconsider the proposed well site. In other words, any new municipal well should be constructed where (1) a well is likely to be most productive, and (2) a well makes the most sense for the City system. This is likely lower in the canyon than proposed, perhaps at the mouth of the canyon or some other location all-together.

Paragraph 11 – Appurtenant Water Rights:

The developer has proposed transferring their water rights to the city upon approval of the first development phase subdivision final plat in lieu of any annexation fees. SPF Water Engineering has reviewed this proposal and has some questions as to the true value of these water rights to the city. They have recommended that an appraisal of these water rights be undertaken before we agree to this request. True. An appraisal is likely to be difficult given the variables (priority dates relative to other dates, seasonal supply parameters in Quigley Creek, pending conjunctive management), but we believe a good appraisal is the best place to start negotiations. Using the appraisal as a starting point, the City can decide the real value of the water rights to the City, and decide whether that value offsets the annexation fees.

In addition, LLUPA has a provision (see attached Statute) requiring the use of existing water rights for irrigation when making land use changes. This also addresses my earlier comments regarding the lack of a proposed irrigation system by the developer. Whether any remaining water right not used for irrigation could be used for mitigation of conjunctive management requirements is not known at this time. The unknown answers to the water rights issue is the reason why an independent appraisal is recommended. Actually, an appraisal will determine the actual value of the water rights today, which we can use to determine the likely value of the water rights to the City. The water rights might be used for any or all

of the following: (1) irrigate lawns and landscaping in the development, (2) irrigate open land conveyed to the City by Quigley (even if the open land is returned to natural habitat open space, it will require irrigation during the transition to establish natural grasses, shrubs and trees), (3) irrigated agriculture (Quigley proposes continued ag use during development), (4) transfer of groundwater rights to the City's municipal water right portfolio to provide irrigation within the City's service area, (5) conversion of the groundwater rights to municipal use, (6) use of the Quigley Creek rights for mitigation, etc. The value of the water rights to the City is dependent on what the City wants to do with the water. I suggest we discuss these options.

Thanks.

Tom Hellen
Public Works Director/City Engineer
(208) 788-9830 X14

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