

MINUTES OF REGULAR MEETING
SUGAR CITY COUNCIL
THURSDAY, JUNE 11, 2009

Presiding: Mayor Glenn W. Dalling
Meeting Convened at 6:30 p.m.
Prayer: Lamont Merrill
Pledge of Allegiance

Present: Mayor Dalling; Sharon L. Bell, Clerk; Marcie A. Smith, Treasurer; Councilmembers Harold Harris, Bruce King and Lamont Merrill; Brian Hawkes, Planning & Zoning; and Eddie Pincock. Councilmember Brad Orme was excused.

The Mayor asked if there were any corrections to the minutes of the regular meeting held on May 28, 2009. Each councilmember had a copy of said minutes prior to the meeting. It was moved by Councilmember Merrill and seconded by Councilmember Harris to accept said minutes; motion carried.

Marcie presented the May reconciliation reports for the General Fund. It was moved by Councilmember Harris and seconded by Councilmember King to accept the May reconciliation reports for the General fund; motion carried. Marcie presented the May reconciliation reports for the Utility Fund. It was moved by Councilmember King and seconded by Councilmember Harris to accept the May reconciliation reports for the Utility Fund; motion carried.

Marcie presented the current bills in the amount of \$103,248.86. It was moved by Councilmember Harris and seconded by Councilmember Merrill to pay the current bills, together with all regular June bills that have not yet been received; motion carried.

PLANNING & ZONING REPORT: P&Z Chairman Brian Hawkes addressed the council.

Sugar-Salem School District #322 public hearing: Brian reported that the school district filed an application for a special use permit to extend the school's maintenance building on North Front Street on the north side of the building and for a variance permit to allow a setback of three feet instead of 20 feet from the curb. Utility lines do not run beneath the city's easement along this curb. Planning and Zoning has set a public hearing for Thursday, June 25, 2009, at 5:30 p.m. At City Council meeting that same night, P&Z will present the results of the public hearing for the council's consideration. Brian will be out of town that night, so Commissioner Vaun Waddell will conduct the public hearing and make a report to the council. Brian said if the special use and variance permits are granted, it would be wise to install a stop sign on the corner of 1st North and Cutler Avenue for eastbound traffic. A discussion was had on snow removal, and the school district said they would keep their sidewalk to the north of the new building clear.

Rezoning public meeting: Brian said P&Z is holding another public meeting on

rezoning the city on Thursday, June 18, at 7 p.m. at the beginning of their regular meeting. The council is invited to come.

ATTORNEY'S RECOMMENDATION FOR CORRECTIVE ORDINANCE TO REZONE LARGE PORTION OF OLD FARM ESTATES:

Sharon reported receiving an e-mail from Attorney Forsberg, which was confidential and protected by attorney/client privilege. There is an issue with Old Farm Estates because the city thought it was zoned R-1, with the exception of the northwest corner, which is R-2. After research, it was found that the entire parcel of property had been rezoned R-2 by mistake. Attorney Forsberg said the city could choose to treat the correction of the zoning as it does any other zone change. This would require that the Planning and Zoning Commission hold a public hearing and give the owner/developer notice of the proposed change, plus the opportunity to comment prior to passage of a correcting ordinance.

MOTION: It was moved by Councilmember King and seconded by Councilmember Merrill to direct the Planning and Zoning Commission to initiate the rezoning process for the Old Farm Estates property due to an error in the legal description; motion carried.

CENTER STREET REPAIRS (STATE): Councilmember Harris said the city needs to install catch basins and storm drains on Center Street to eliminate problems with flooding. He reported that he sought bids from three contractors, but only two responded. He received bids from Dick Hill & Son and DePatco Excavation, but he did not receive a bid from Edstrom Construction. The Idaho Transportation Department has given the city permission to work in the state highway right-of-way on the condition that city crews complete this work before state crews begin repaving the street in the fall.

MOTION: It was moved by Councilmember King and seconded by Councilmember Merrill to authorize Councilmember Harold Harris to award the city contract for installing Center Street storm drainage to Hill & Son of St. Anthony in the amount of \$39,421.37, subject to contacting Edstrom Construction and to identifying the legal expenditure limitation on the project; motion carried. The mayor assigned Sharon to check this out. (Idaho Code, Title 67 Chapter 28, says: "\$25,000 to \$100,000: the city seeks bids from at least three licensed public works contractors and takes the low bid.")

CITY ROAD BUDGET – PLAN FOR REPAIRS AND MAINTENANCE: Councilmember Harris reported that south Railroad Avenue needs crack sealing. He would like to get the county lined up to do some chip sealing, but was concerned that he did not have sufficient budget. The mayor said that crack sealing and chip sealing are normal repair and maintenance on the city roads. He encouraged Harold to go as far as money will allow on these maintenance projects.

DEPARTMENT REPORTS:

COUNCILMEMBER HARRIS: No further report.

COUNCILMEMBER ORME: In Brad's absence, the mayor reported that one of the wards is going to help with the community breakfast on July 25.

COUNCILMEMBER KING: No report.

COUNCILMEMBER MERRILL:

Report on LEPC meeting: Lamont said a fellow gave a report on the national weather service and what they do to track storms and keep us informed. They monitor storms hourly and are asking for volunteers to be weather spotters.

Report on progress of water piping inside pump house 4: Lamont reported that the city is in the process of asking for bids. The city does not have to advertise it because the

cost is under \$10,000. Before the work can be done, the city needs approval from the Idaho Department of Environmental Quality (DEQ). City Engineer Dick Dyer has submitted whatever paperwork is necessary to get their approval.

MAYOR'S BUSINESS:

Response to water letter: The mayor reported that Toscano and Calaway Ranch have responded to the letter that the city sent on May 18, 2009, asking that developers help pay the cost of the water system infrastructure analysis and of the water right application in response to anticipated demands on the water system from theirs and other proposed developments in the city. They indicated they are willing to help pay their proportionate share. We have heard nothing from Old Farm Estates.

MOTION: Since Toscano and Calaway Ranch have agreed to help cover the cost of the water system analysis and of the water right application, it was moved by Councilmember King and seconded by Councilmember Merrill to authorize the mayor to apply for a water right of 4.22 cubic feet per second, which is recommended by results of the water analysis and which is necessary to cover all foreseeable developments, and to assess at a later date the proportion of the cost to Old Farm Estates as specified in the letter of May 18, 2009, to developers; motion carried. A copy of said letter is attached hereto marked "Attachment 1."

Toscano update: The mayor reported that everything we hear is positive, but nothing has happened at the construction site.

Meeting adjourned at 8:45 p.m.

Signed: _____
Glenn W. Dalling, Mayor

Attested: _____
Sharon L. Bell, Clerk



City of Sugar City
Post Office Box 56 --10 East Center
Sugar City, Idaho 83448

Support our local businesses

Glenn W. Dalling, Mayor
Sharon L. Bell, Clerk
Marcie A. Smith, Treasurer

Phone: 356-7561
Fax: 359-2654
Office Hours: 9 a.m. to 4 p.m.

May 18, 2009

Mr. Dwayne Seiter
Summit Developers, LLC
343 East 4th North, Suite 106
Rexburg, ID 83440

Mr. Gary Stillman
Old Farm Estates
3214 South 300 West
Salt Lake City, UT 84115

Calaway Ranch
c/o Triangle R, LLC
970 W. Broadway, #446
Jackson, WY 83001

Re: Water System Evaluation and Water Right Application

Gentlemen:

Sugar City has initiated water system infrastructure planning and water right applications in response to anticipated demands on the water system that will result from proposed development around the City. The City requests that you participate in these efforts. We believe that your development will benefit from participation in the water system planning and water right application efforts as described below, as the city will not be able to approve further development until adequate water supplies are procured.

Water System Analysis - Water infrastructure planning has become necessary because of the unprecedented increase in development in the Sugar City area, and particularly because of the large scale of recent developments. It is clear that the current water system cannot accommodate the demand associated with these new developments. As we have discussed previously, each new development will be responsible to provide infrastructure and water rights sufficient to meet its water demands. When evaluating the demands and proposed improvements for the purpose of acquiring a new water right, it is required by law that an evaluation be completed for the overall system, including existing and future infrastructure and water demand. Therefore, the City is completing a comprehensive analysis rather than relying solely on individual

impact evaluations from each development. The water system analysis identifies potential impacts of proposed developments, establishes an infrastructure improvements plan to address these impacts, and provides the technical background for a water rights application. A draft is to be completed for City review in May and finalized in June 2009.

Water Rights Application - In addition to infrastructure, additional water rights will need to be obtained by each new development to meet its anticipated demand. The City has determined it should be the agency completing a water rights application for new developments. This should help reduce cost and speed up the process because (1) there will be a single application for all developments rather than multiple applications for each development and (2) it eliminates the need for an additional step to turn the water right over to the City once it is obtained. The aforementioned water system analysis provides technical background information to support a water rights application. The City initiated this process last year. A water right application was submitted, but was protested. Follow up discussions with the protesting organization are anticipated. The following summarizes completed and anticipated tasks necessary to complete the application process:

1. A water right application for consumptive and non-consumptive use was submitted to Idaho Department of Water Resources (IDWR) last year and was protested.
2. An updated application for non-consumptive and 10% consumptive use will be forwarded to the protesting entity as an alternative to the original proposal.
3. If the updated application is not accepted, and the protesting agency responds with a counter proposal, the City will evaluate the counter proposal and either update the application accordingly or suspend negotiations with the protesting entity.
4. If an acceptable application is generated, the City will update the water right application accordingly and submit it to IDWR. If not, the City and participating developers will then determine if pursuit of an IDWR hearing for approval of the water right is warranted.

Water Rights Mitigation Studies - In addition to work being completed by the City, the Eastern Idaho Water Coalition is conducting studies to support the use of surface water injection as a means of mitigation for new water rights. The Coalition has requested that the City of Sugar City and associated developments contribute \$1,000 to support these studies.

The City requests that you participate by providing input regarding infrastructure planning and the water rights application and bearing a proportionate share of the associated costs. The cost will be shared by those who will benefit therefrom. The City's estimated costs for these efforts are shown below with proportionate share listed for each entity involved. The cost share for the water study is based on equivalent residential units (ERUs) that will be added to the current system. The ERUs for a development include the number of proposed residential units for each development plus equivalent residential units to represent the anticipated commercial use for each development. The cost share for the water right application is based on the anticipated water right discharge rate associated with each development. Where the application includes water right discharge rates for potential future development, the City will bear that portion of the cost and will be subsequently reimbursed from future development. The total cost for water right application does not include the cost for pursuing a hearing with IDWR.

Cost Share Breakdown

Toscano, Old Farm Estates, Calaway Ranch
May 18, 2009
Page three

Water System Analysis (Total study cost \$20,000)

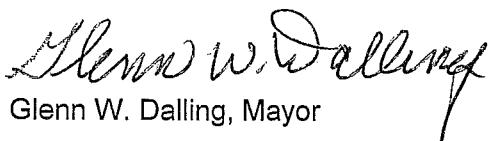
Development	Equivalent Residential Units	% of Total	Cost Share
Toscano Subdivision	591	49.6%	\$ 9,920.00
Old Farm Estates	361	30.3%	\$ 6,060.00
Calaway Ranch	140	11.8%	\$ 2,360.00
Sugar City Business Park	63	5.3%	\$ 1,060.00
Sugar City Growth	36	3.0%	\$ 600.00
Total	1191	100%	\$ 20,000.00

Water Rights (Includes \$4,000 for Water Right Application and \$1,000 for Coalition Contribution)

Development	Total Units	% of Total	Cost Share
Toscano	1.61	38%	\$1,909.30
Old Farm Estates	0.88	21%	\$1,036.59
Calaway Ranch	0.36	9%	\$425.42
West Expansion	0.55	13%	\$651.47
North Expansion	0.83	20%	\$977.21
Total	4.22	100%	\$5,000.00

Please contact us to let us know if you are willing to be a part of these efforts, or if you would like to discuss the associated costs and our means of evaluating proportionate share. It is our intention to submit the updated water right application during the first week in June. If we have not heard from you by June 1, 2009 we will assume that you have declined to participate. We look forward to working with you.

Sincerely,


Glenn W. Dalling, Mayor

slb

Attachment: Estimate of Water Right Discharge for Application

PROJECTED RESIDENTIAL WATER USE

Proposed/Potential Development	(1) No. of Units	(2) Interior Use cfs	(3) Irrigation Use cfs	Total cfs
Old Farm Estates	239	0.40	0.04	0.44
Callaway Ranch	110	0.18	0.02	0.20
Tosceno Single Family	55	0.09	0.11	0.20
Tosceno Multi Family	202	0.34	-	0.34
Tosceno Resort	150	0.25	-	0.25
Tosceno Subtotal	407	0.68	0.11	0.79
West Expansion	300	0.50	0.05	0.55
North Expansion	450	0.75	0.08	0.83
Total Residential	1506	2.52	0.29	2.81

PROJECTED COMMERCIAL WATER USE

Development	(1) Area acres	(4) Equivalent Population person/acre	(5) Equivalent Persons	(6) Peak Day Use Rate gpm/person	(7) Total Water Use cfs
Old Farm Estates	27	10.8	292	0.67	0.44
Callaway	10	10.8	108	0.67	0.16
Tosceno	51	10.8	551	0.67	0.82
Total Commercial					1.42

PROJECTED NEW WATER RIGHT DISCHARGE FOR APPLICATION

Development	Total WR Units (8) cfs	% of Total (9)	Cost Share (10) \$
Tosceno	1.61	38%	\$1,909.30
Old Farm Estates	0.88	21%	\$1,036.59
Callaway Ranch	0.36	9%	\$425.42
West Expansion	0.55	13%	\$651.47
North Expansion	0.83	20%	\$977.21
Total	4.22	100%	\$5,000.00

Estimate of Water Right Discharge for Application

Prepared by: Forsgren Associates

Notes

- (1) From submitted plats for Toscano and Old Farm Estates; from concept plan for Callaway Ranch; estimated probable expansion west and north of current City limits
- (2) Interior Use = $0.75 \text{ gpm/unit} * \text{No. of Units} * 1 \text{ cfs/449 gpm}$. Maximum amount an entity can apply for per IDWR.
- (3) Irrigation Use for Toscano Single Family = $\text{No. of Units} * 0.02 \text{ cfs/acre} * \text{acreage irrigated}$. Maximum allowed for irrigation per IDWR = 0.02 cfs/acre . For Single Family areas, assumed 0.1 acre landscaped and requiring irrigation per unit. For all other developments, assumed Irrigation Use = 10% of Interior Use.
- (4) 20-Year Planning Study recommends in C-2 (commercial) zone, plan for equivalent population of $10.8 \text{ persons/acre}$.
- (5) Equivalent Persons = $\text{Commercial Acres} * 10.8 \text{ persons/acre}$
- (6) Peak Day Use Rate of 0.67 gpm/person based on August 2007 water use records for the City of Sugar City.
- (7) Total Water Use = $\text{Equivalent Persons} * 0.67 \text{ gpm/person} * 1 \text{ cfs/449 gpm}$.
- (8) Total WR Units = $\text{Estimated Total Water User per Development} = \text{Development Residential Water Use} + \text{Development Commercial Water Use}$
- (9) $\text{Percent of Total} = \text{Total Water Use per Development} / \text{Total Water Use for All Developments}$
- (10) $\text{Cost Share} = \% \text{ of Total} * \text{Total Cost}$