

Merritt, Allen

From: Merritt, Allen
Sent: Wednesday, March 11, 2009 4:03 PM
To: Spackman, Gary
Subject: Old Cutter's water to City of Hailey in lieu of cash newspaper article

Gary,

I called Jim Speck to discuss with him the implications of the newspaper article. Specifically I asked him how it might impact the Dry Lot transfer and the Old Cutter's transfer. Jim indicated that negotiations are still going on between Dry Lot and Old Cutter's and the exact numbers are not yet settled but he indicated that each right is going to be split into essentially four pieces:

1. For the unchanged irrigation within the Old Cutter's for the large lots not covered by City water.
2. For transfer of irrigation to ponds at Old Cutter's which is the subject of the Old Cutter's transfer.
3. For sale to Dry Lot for their recharge subject of the Dry Lot transfer.
4. For City of Hailey.

Jim indicated that the City of Hailey water is essentially reducing the amount of water for Dry Lot. He indicated the Old Cutter's pond transfer should not be affected other than maybe it may cause the protestant to withdraw their protest.

He indicated that the Dry Lot transfer would likely need to be reduced..... So I do not know how that will affect your hearing schedule on that.

I'm not certain what the City of Hailey intends to do with their water.

Allen

3/11/09

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Times-News, Twin Falls, Idaho

LOCAL/IDAHO

Hailey takes water in lieu of cash from development

By Ariel Hansen
 Times-News writer

HAILEY — The developers of the Old Cutter subdivision in Hailey came before the Hailey City Council on Monday to request a trade of water rights for overdue cash payments of annexation fees. The council approved the request, gaining \$930,000 in water rights that will continue to appreciate and can be used by the city for any purpose.

They also pushed back the deadline for the developer to make the next lump payment, after attorney Jim Speck said the developer would make installment payments as each unit sold in the interim.

"It's of benefit to the city of Hailey," said Hailey City Councilman Fritz Haemmerle, who has been working closely with the developer and the city's attorney to reach an agreement.

He noted that if someday the city is in dire straits, it

could sell those water rights, probably for more than they are currently being traded for. The city can also use them to mitigate water demands under the state's upcoming conjunctive management system, since the rights in question are quite senior. "Water is a valuable resource to dry parts of the West. I don't think its value can be understated," Haemmerle said.

The developer also asked that the city modify its obligations to build community housing, requesting that Cutters include more workforce houses in exchange for abandoning a requirement to build income-restricted houses. Speck noted that while community housing ordinance requirements in other towns have been successfully legally challenged, he would prefer not to litigate.

To allow the developer's request, the city's ordinances would have to change, requiring public

hearings and planning and zoning board involvement.

John Campbell, the developer and contractor, said there is a significant market for workforce housing, but little market for income-restricted housing, and that the margin on workforce housing makes it more doable for local contractors.

"I hate to sound harsh, whether these guys will have jobs or not, but it really comes down to that," Campbell said. "I can't afford to build something I'm going to lose money on."

The council said it would consider initiating the public hearing process.

"I like the concept," Haemmerle said. "Having money spent in this community now is really important."

Expert: Extent of

MISSOULA, Mont. (AP) — A medical expert testifying Tuesday in the W.R. Grace trial described his disbelief when, arriving in Libby 10 years ago, he found that people who had never worked at Grace's vermiculite mine were dying from asbestos-related disease.

"To see an individual who had died of asbestos-related disease who was not a worker was unheard of," said Dr. Aubrey Miller, a physician and investigator with the U.S. Environmental Protection Agency. "I had never seen a case or heard of a case like that."

The Missoulian newspaper reported Miller's testimony on its Web site.

U.S. District Judge Donald Molloy overruled defense motions to keep Miller off the stand or restrict his testimony.

Miller testified about a range of product tests that

Buhl to keep high school block schedule

By Blair Koch
 Times-News correspondent

BUHL — Trustees on the Buhl School District board voted Monday night to keep the high school on its

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