



City of Ketchum

CITY COUNCIL MEETING AGENDA MEMO

Meeting Date: March 17, 2025 Staff Member/Dept: Jade Riley – Administration

Agenda Item: Recommendation to approve the revised Memorandum of Understanding 25-003 with Idaho Foundation for Parks and Lands.

Recommended Motion:

"I move to approve the revised MOU 25-003 with the Idaho Foundation for Parks and Lands."

Reasons for Recommendation:

- The City has been working closely with the Idaho Foundation for Parks and Lands (Foundation) who has managed the Reinheimer Ranch regarding the following public infrastructure elements:
 - Long-term irrigation strategy for ranch property (Exhibit A)
 - Waterline easement (Exhibit B)
 - Future landscaping easement at Highway 75 and Serenade intersection (Exhibit C)
- The MOU outlines commitments between the City and the Foundation regarding these elements.
- Regarding the lease of irrigation water rights, the Foundation has agreed to key revisions which achieve City's partnership goal with the foundation but also promote future water conservation on the property. Specifically, staff proposes to tie the value of a waterline easement to a long-term water lease from the City. The City attained a 7 CFS irrigation-only (surface water) right when Weyyakin was developed. The Foundation is proposing to lease 4 CFS for a five-year period and then down to 2 CFS from the City for the 55 acres that have been historically irrigated of the total 110 acres.
 - Staff evaluated this request with legal counsel specializing in water rights and has not identified any long-term downside with the lease concept.
 - The City's main use of the existing water right would be for any future surface irrigation needs in the area (future city parks/green space in River Run annexation area).

Sustainability Impact:

Staff has indicated to the Foundation to deploy irrigation best practices (e.g., nighttime irrigation, drip lines, irrigation guns) versus typical gravity flow irrigation.

Financial Impact:

Funds exist within the Water Fund for the \$25,000 payment. The long-term irrigation water lease would follow Idaho Water Resources (IDWR) financial formula and would offset any costs associated with easement for potable city water line. The City and ITD would be responsible for any future landscaping costs at Highway 75 and Serenade.

Attachments:

1. MOU 25-003

2. Exhibit A
3. Exhibit B
4. Exhibit C

MEMORANDUM OF UNDERSTANDING
25-003
IDAHO FOUNDATION FOR PARKS AND LANDS
CITY OF KETCHUM; BLAINE COUNTY, IDAHO

PARTIES

THIS AGREEMENT (“Agreement”) is made and entered into this 3rd day of March 2025 by and between the **CITY OF KETCHUM**, hereafter called the **CITY**, and the **IDAHO FOUNDATION FOR PARKS AND LANDS**, hereafter called the **FOUNDATION**.

PURPOSE

The Idaho Foundation for Parks and Lands is a statewide public benefit privately funded organization whose mission is to preserve and protect open space lands and unique natural, scenic settings for public benefit through various flexible conservation methods. The Foundation has sustainably managed Reinheimer Ranch for nearly 50 years.

In tandem with the Idaho Department of Transportation’s (ITD) planned rehabilitation of Highway 75, the City has proposed installing a dual waterline through the adjacent private properties – one being Reinheimer Ranch – via permanent easements. Additionally, the City is working with the Foundation, ITD, and Sun Valley Company regarding roadway and landscaping improvements at the intersection of Serenade Lane and Highway 75.

The City and the Foundation have worked cooperatively regarding the long-term supplemental irrigation plan for the historic ranch property. In exchange for each permanent easement, the City has offered a lease of surface water rights to be used by the Foundation for irrigation.

The Parties agree as follows:

SECTION I. That the **CITY will:**

1. Pay the **FOUNDATION** \$25,000 upon assignment of and signing of the water main easement agreement.
2. Acknowledges the water line easement land value at \$102,000 and shall pay the Foundation the remaining sum of \$77,000 in water rental by leasing 4.0 CFS of 7.0 CFS water right #37-289 to the **FOUNDATION** commencing on 01.01.2027 for a five-year period, and beginning year six, the lease will continue to be renewed but at 2 CFS level and run with the property as long as the **CITY** holds a water main easement on said property. The water lease (section II-1) annual payment shall be initially offset from the waterline easement value granted by the Foundation until which time the remaining value of \$77,000 is reached. The rental rates are to be consistent with the rates Idaho Department of Water Resource’s Water Bank charges throughout the duration of this agreement.
3. The **CITY** agrees to adjust the point of diversion of the McCoy ditch from its current location to a new location adjacent to Trail Creek as outlined in Exhibit A.

SECTION II. That the **FOUNDATION will:**

1. Provide for a 15-foot permanent utility (water) easement to the city as shown in Exhibit B. The detailed easement with legal description for easement area will be executed and recorded 90 days after substantial completion of water infrastructure.
2. Provide a landscaping easement at no cost to the city at the Serenade intersection as shown in Exhibit C. The Foundation is not expected to contribute financially to the installation or ongoing maintenance. The City will be responsible for coordinating those elements with Idaho Department of Transportation.
3. Coordinate with the City regarding the design details of new fencing surrounding the ranch property and said fence installation and maintenance is at no cost to the Foundation.

SECTION III. Both parties agree that:

1. This Agreement shall become effective on the first date mentioned above and shall remain in full force and affect until amended or replaced upon the mutual consent of the **CITY** and **FOUNDATION**.

EXECUTION

This agreement is executed for the **FOUNDATION** by its Board President, and executed for the **CITY** by the Mayor, attested to by the City Clerk, with the corporate seal of the **CITY OF KETCHUM**.

IDAHO FOUNDATION FOR PARKS & LANDS

Brandy Wilson
IFPL President

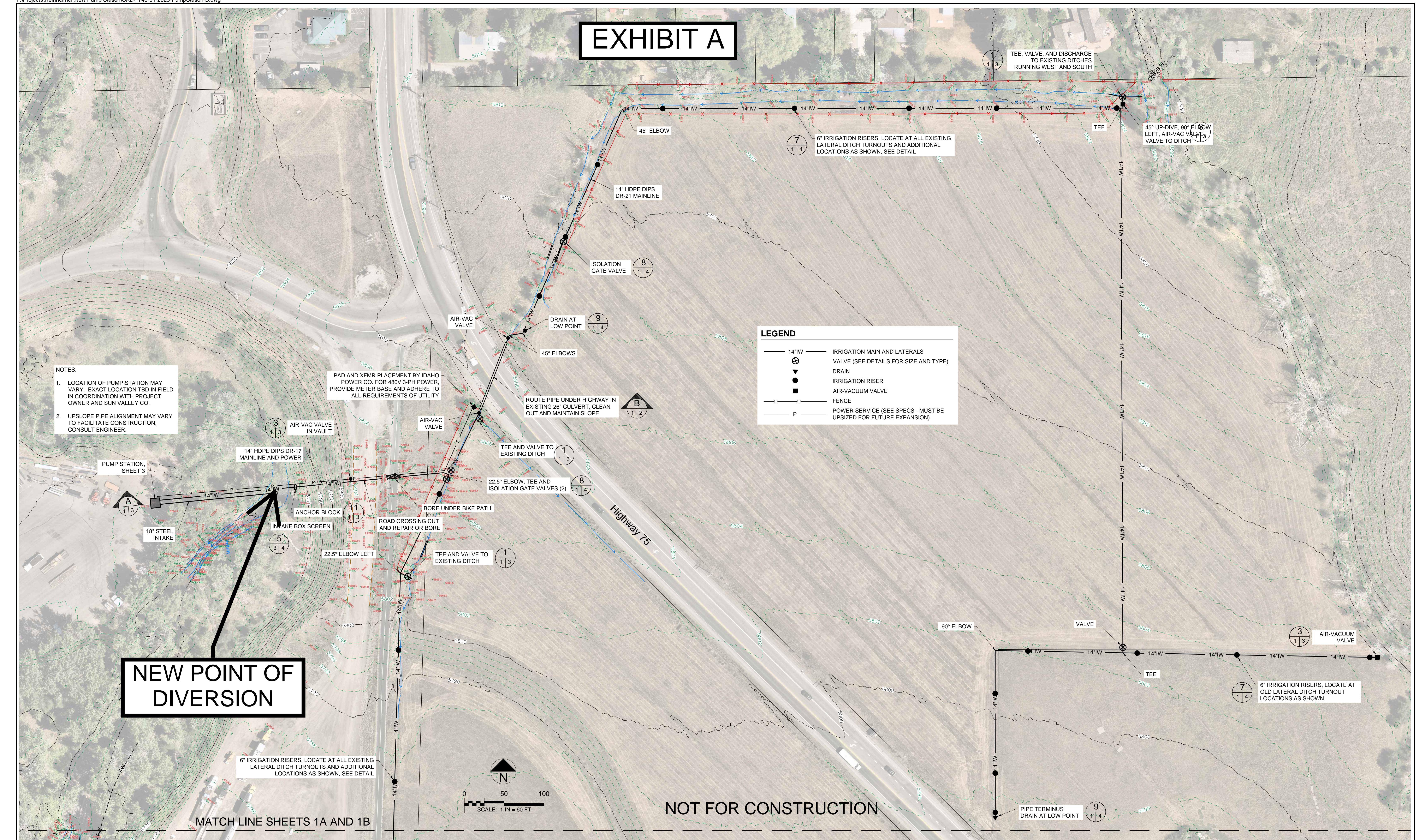
ATTEST:

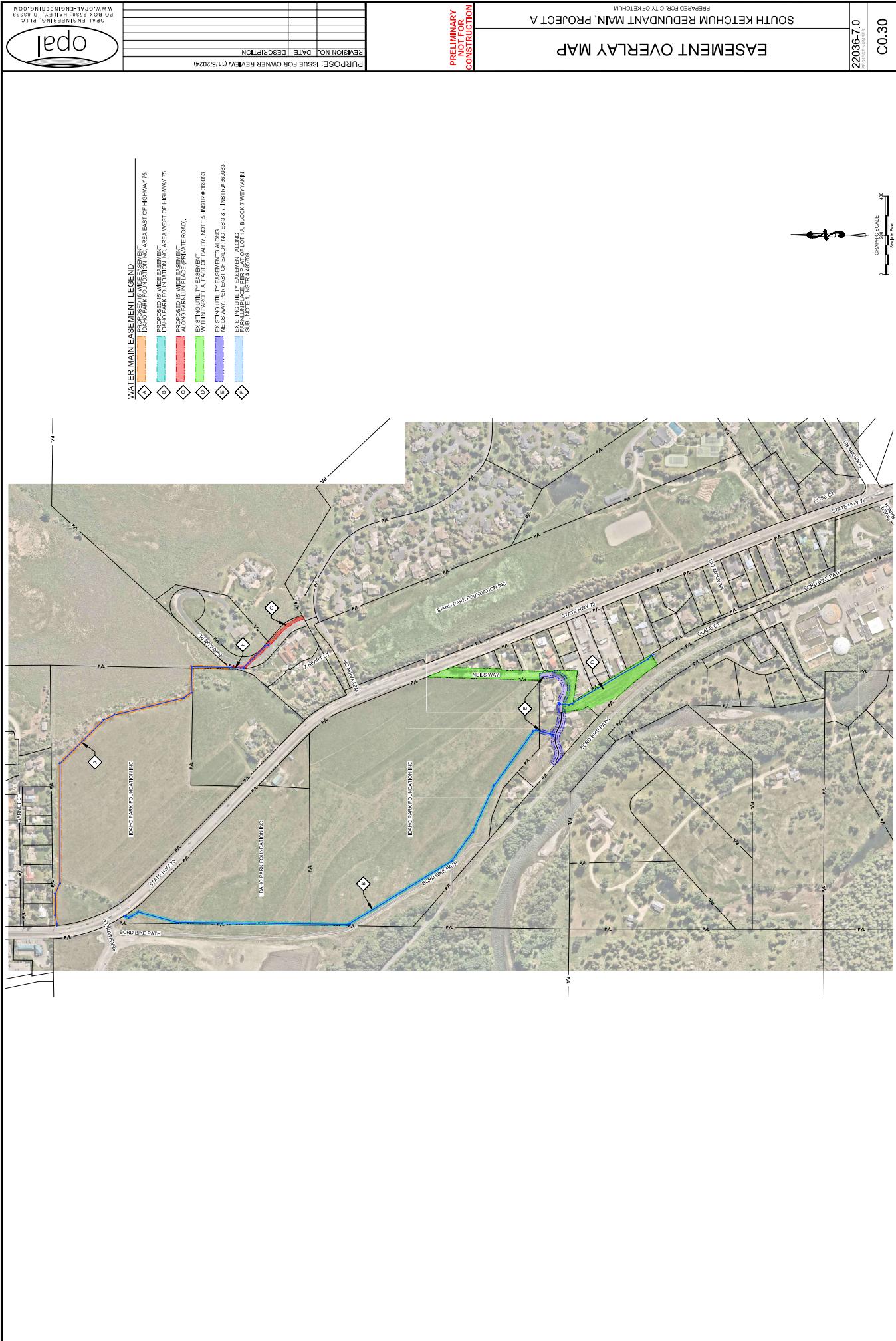
CITY OF KETCHUM

Trent Donat, City Clerk

Neil Bradshaw, Mayor

EXHIBIT A





SERENADE CONCEPT



LEGEND

- ① Rustic Fence
- ② Signage (future phase by others)
- ③ Native Wildflowers and Grasses Traffic Light
- ④ Aspen Groves
- ⑤ Douglas Fir
- ⑥ BCRD Trail
- ⑦ Sidewalk

