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**Minutes of Special Meeting of the Board of Directors
of the Wood River Valley Irrigation District # 45
July 14, 2014**

Approved &
Signed w/ Approval
Addendum
"Insert A"
from G.
Frugard

The Regular Meeting of the Board of Directors of the Wood River Valley Irrigation District # 45 was **called to order** by Director Super at 5:00 p.m. on July 14, 2014 at the office of the district located at Unit 4B, 1411 S. Main Street, Bellevue, Idaho.

QUORUM

Director Super assumed the chair and declared that a **quorum** was present, consisting of Directors, Super, Gardner and Frugard.

READING AND CORRECTION OF MINUTES FOR APPROVAL

The minutes of June 16, 2014 were read, approved and signed by the Directors.

MANAGER REPORTS: Kelly Shannon –

Reported that the system is functioning well, but that due to several low spots in the banks, we are not able to take the full amount of water early in the season to which the members are entitled; to take the full entitlement, the District needs to do some work on the system, top to bottom; that he is making a list of the work to be done, including concrete work and measuring device work that needs to be done on the system, noting that many parschal flumes have been removed from the ditch over the years and are on the ditch banks in many places, and he will be getting bids for the work which could be done after the delivery season; herbicide spraying continues on banks on portions of the system; that we are on a fire department burn ban until further notice; that he just got word that the rest of the 1984 rights will be cut tomorrow morning; that we are currently taking 95 cfs at the measuring device at the river; that just after installing the

diverting berm in the river, we were cut down to late 1884 rights; he reported that he, Gary and Sarah met with Kevin Lakey at the main head gate at the river and discussed options for long term repairs of the main diversion; Kelly and Kevin discussed the status of the White Water park project and in particular the improvements to our head gate as may come about as a result of that project, noting that even though the City of Bellevue may not have given its support to the project, that, according to Mr. Lakey, we would not need the City's approval to improve our head gate as a part of the project; that there are still District 37 delinquencies outstanding from District 45 patrons, but checks are coming in for District 37 and they would keep us informed of any action needed; that there was an incident with a Bellevue Farms patron where there was some confusion on rights, which was resolved; and he submitted a ditch burning protocol for 2015.

SEC-TREAS REPORT: Jim White –

Reported that he had provided the directors with the monthly Financial Reports, including banking status and Accounts Receivables reports; that he provided reports on the status of the penalty and interest calculation planning, the status of Easement Matters affecting Beck/ Gardner/ Browning/ Campbell properties, a report of the 2013 Delinquencies and the 2014 Delinquencies, and he reported on three negative balances on the AR list, and he reported on the status of compliance with public information requests.

As to the 2013 Delinquency and 2014 Delinquency Lists in process, on **Motion** by Frugard, seconded by Gardner, and unanimously carried that the Secretary Treasurer is to eliminate property # 214 from the 2013 and 2014 draft Delinquency lists and to confirm with IDWR representatives that the surface right billed to her for the last two years is a right which remains per decree in the river and for which the property owner should not have been assessed and will not be assessed hereafter.

As to the three negative balances on the AR, of 93 cents, \$52.44, and \$294.08 on Motion by Director Gardner, seconded by Director Frugard and unanimously carried, Mr. White was instructed to refund

each overpayment.

PUBLIC COMMENT TIME

Ralph Lapham inquired about the property owner who had converted surface rights to ground rights. Mr. Super explained that the property owner's surface rights are to remain in the river and for that reason the District is not assessing those surface rights.

Pepin Corso-Harris commented that she believed it has been taking an awfully long time to be getting what she considers as basic public records when she requests them and that this is the second time she requested documents and that it had taken three weeks for her to receive the "Sign In" sheets. She added that she wanted her comments to be recorded that she believed she was not getting public documents within the statutory time limit.

Ray Goettsch suggest the board should re-evaluate the Water Park project and form a committee to investigate the matter further.

Jan Super commented that the cuts are cuts and continued use after cuts should not be allowed.

Dave Berman inquired as to when cuts for 1883 and 1883 rights occurred. Mr. Super clarified the cut dates.

OLD BUSINESS:

Gary Frugard –

Reported as follows:

He reported on the ongoing efforts, and reformulation of concepts for the formation of Galena Ground Water District and that he would continue to monitor the situation as it may relate to District 45;

He report on Sub-Committee negotiations with large landowner, indicating that there have been three meetings and another meeting is planned, but so far there is no willingness to withdraw the current Petition for

Partition, but there is agreement that the District is presently functioning well; he requested Ray Goettsch to share his perspective; Mr. Goettsch indicated that the conversations were generally friendly, and that he felt it was important for the small landowners to understand that the large landowners have an opinion of mistrust of the small landowners as to what the small landowners might do to the large landowners in the future and that such mistrust was felt by the large landowners, that his sense was that the large landowners believed that the board was somewhat dis-functional, but he was not sure as to the reasons for such a believe; that the large owners were not interested in pulling their petition because they expressed the belief that the reason that there were discussions ongoing was because of the pending petition; that there was discussion about how the Board of Control would function, with the idea expressed by the large landowners that they viewed the Board of Control only as "advisory" in nature; that there were discussions about projects that could be done that could benefit the entire district; that they are looking for positive signs that the District that their positions are valued; that talks should continue because you never know when a break through may occur; whereupon Mr. Frugard indicated that Mr. Stevenson had said that the Board of Control has teeth, but that it "could" work as in an "advisory" manner; whereupon, Mr. Super went back to the Wilson/Beevers work on the MOU, and commented that in his opinion any assessment power or budget power should not reside with the Board of Control, but remains in the scope of the authority and responsibilities of the respective districts; that they have been in the past asked to participate; that the sub-committee is another invitation to the large landowners to come into the conversation and be part of the solution; whereupon, Jan Super asked for Sarah's perspective; Sarah commented that she believed the discussions are a step in the right direction; Gary indicated he is working to get "actionable ideas"

from the sub-committee process; Mr. Goettsch reported that Mr. Stevenson indicated to him that if the large landowners lost on their petition before the county, they would file an appeal;

Whereupon, Mr. Frugard continued that he is still moving forward with the formation of an advisory committee and he announced a hydrologist has offered to serve on the committee.

Sarah Gardner –

Reported that she had no update on the status or impact of the new Petition for Partition, if it were to be approved;

Jim Super –

Reported that he has circulated materials to the other directors to begin the process of planning for the 2015 Water Year Budget and Assessment planning.

NEW BUSINESS:

Sarah Gardner –

Reported that her assessment on the meeting she and Kelly had with Kevin Lakey is the same as Kelly reported earlier in this meeting;

That she wanted to review some line items in the last bill from Attorney Waldera and the process for incurring expenses with Attorney Waldera, whereupon Mr. Super commented that the matter should be taken up in Executive Session;

Jim Super –

Introduced the Redstone Water Bank Application, and explained recent approvals of other applications, whereupon, on Motion by Director Frugard, seconded by Director Gardner and unanimously carried, it was duly

RESOLVED, THAT the Secretary was instructed to notify the IDWR Water Bank officials of the

District's consent to the District's consent to the Applications of Redstone Partners, LP subject to and with the continuing condition of a 20% hold-back in the District 45 system and on the further condition that there be no adverse impact on minimum stream flow in the river and that carriage loss sufficient to convey water to the 45 head-gate must be left in the river if the water right is to be leased upstream.

Mr. Super announced that the Board has already taken a position (on a two to one vote) to oppose the Petition for Partition, (to which Mr. Frugard concurred), that the board has instructed Attorney Waldera to prepare written opposition, to be discussed further in Executive session.

Mr. Super announced the Time Line for the November, 2014 election, which is set for November 4, 2014, that Petitions for the Director's seat can be turned in no sooner than 60 days and no later than 40 days before the election.

OTHER ITEMS THE BOARD DEEMS PERTINENT

No such matters were addressed.

PUBLIC COMMENT TIME

Ralph Lapham inquired about the status of the package he is expecting of Andy Waldera's memorandum; Mr. Super commented that there are issues in that regard that will be discussed in Executive Session.

Lynn French inquired of the board's position on the Petition, to which Mr. Super reiterated that the District is on record already, on a prior vote of 2 to 1, as being opposed to the Petition, that Mr. Waldera is preparing written opposition to be presented to the County Commissioners, and any change in that

position, if any, would have to be taken in an open public meeting.

Jan Super inquired if Mr. Waldera is to represent the District in person at the county hearing. Mr. Super indicated more information may be forthcoming after Executive Session.

SETTING DATE FOR NEXT MEETING

The Board then set the next REGULAR MEETING DATE for August 18, 2014 at the office of the district located at Unit 4B, 1411 S. Main Street, Bellevue, Idaho.

Public Information Request:

Ms. Harris indicated she had a written request for public records, specifically for the "2013 Audit Report"; adding that it was a line item in the budget. Mr. White responded immediately and orally to the request stating that there is no "2013 Audit Report", as Ms. Harris knows. Mr. Super added that the funds in the budget for an audit were not sufficient, which was discussed at the time, and no board action had been taken for an audit. Mr. Super commented further that the board should probably consider having an audit done at some point, and it is something that the board would have to talk about.

EXECUTIVE SESSION (Closed to Public): On Motion by Director Gardner, seconded by Director Frugard, and carried, the Board went into Executive Session.

After Executive Session, the Board reconvened, Mr. Frugard offered his opinion that he believed an error had been made in the release of information to certain individuals who have signed a confidentiality agreement beyond what was intended to be released, in his interpretation of his motion made on June 16, 2014 at the District 45 Board Meeting and therefore Mr. Frugard offered a motion that any subsequent release of copies of this information is to be limited to the first ten pages only and furthermore that as to the three copies of pages larger than he had intended be released in the hands of individuals who have signed the

confidentiality agreement that the Board make every effort to retrieve those three copies.

Mr. Super asked if there was a second to Mr. Frugard's motion.

Director Gardner commented, but made no second.

The motion having been made, but no second having been received, the motion died.

ADJOURNMENT

Whereupon, Mr. Frugard moved to Adjourn the meeting, seconded by Director Gardner, and having been unanimously agreed, the meeting was adjourned at 9:14 p.m..




Director Super



Director Gardner



Director Frugard

See Addendum
attached as
offered by G.
Frugard & Approved
by T. Super


INSERT A

Whereupon, Mr. Frugard continued that he is still moving forward with the formation of an advisory group, that the Negotiation Sub-Committee has served that purpose in important ways and that significant expert opinion, paid for by Mr. Stevenson personally, had been shared to help forge future directions important to all D45 members. Previously he announced a hydrologist had joined the group and others are being considered. The current focus is researching the status and validity of the ground water model, which appears to be in question in many important respects.