

*Signed
Minutes*

**Minutes of Regular Meeting of the Board of Directors
of the Wood River Valley Irrigation District # 45
December 16, 2013**

The Regular Meeting of the Board of Directors of the Wood River Valley Irrigation District # 45 originally set for December 9, 2013 (but postponed to December 16, 2013) was **called to order** by Director Wilson at 5:00 p.m. on December 16, 2013 at its regular place of meeting located at 110 Honeysuckle Street, Bellevue, Idaho.

Director Wilson declared that a *quorum* was present, consisting of Directors Wilson, Super and Gardner.

The minutes of the meetings of October 3, 2013 and November 12, 2013 were read, approved and signed by the Directors.

OPENING PUBLIC COMMENT TIME

Mr. Pete Vandermullen informed the board of a cloud seeding program in process and requested that the board consider authorizing at its next meeting a contribution to the fund established for the program. Pete provided the name of Karl Townsend down at Big Wood as a contact person and indicated he would give Director Wilson Mr. Townsend's number.

CHERI HICKS: Individual land owner in Griffin Ranch, a PUD, as president of Griffin Ranch PUD, and as Director of the Joint Operations Board of Griffin Ranch Subdivision which controls irrigation in Griffin Ranch, requested that the the board consider the current situation respecting the confusing and inconsistent information which the District provided at the most recent election (in November of 2013) as it related to the District' maps, particularly as they relate to Griffin Ranch and the inconsistent information in prior elections as to the rights of HOA's to vote. As it presently stands, there appear to be unrecorded maps, some of which appear to exclude half of the Griffin Ranch sub-division, but yet those excluded had been allowed to vote in the past thru the HOA and Ms. Hicks recalls a map which did include those purportedly now excluded members. Ms. Hicks indicated Griffin Ranch owners are fully prepared to formally petition to include all Griffin Ranch lands, if that is necessary. All land owners in Griffin Ranch have surface water rights and they all water with a pressurized system which includes water from the ditch. Ms. Hicks requested that the board look into the situation and find out what happened and why and to fix the problem so that no Griffin Ranch landowners, who are otherwise eligible to vote, are disenfranchised again in any future elections. Ms. Hicks noted that they would be happy to move

forward with a formal petition for inclusion in the District of any portion of Griffin Ranch that may not already be included in the district once the issue of the map is resolved, if that is necessary.

DIRECTOR SUPER: Commented that on the issue of a map there are at least a couple of questions; one includes the question of Griffin Ranch and the other is Harry Rinker's property, all are good customers who pay their assessments but that somewhere along the line properties were included or excluded for which there is no real record and it's never been recorded with the county. Mr. Super went on to comment: that if necessary, there is a process of petition for annexation. Mr. Super commented further: "There's (at least) two maps and they're in conflict with each other if you look at it... and I don't know the answer. But without it being recorded at the County, we need to depend on the 1915 legal description of the boundary and go from there."

MR. SUPER commented further as to Place of Use designations, that "those things are recorded and we have a data file of all those place of use maps, IDWR has them. (So, (t)hat's definitely on the agenda.

CHERI HICKS provided the Directors with her cell number as her contact number.

DIRECTOR WILSON commented: "I don't think the board is against those in Griffin Ranch who may have been disenfranchised being part of the district. So, again, they pay their assessments. So.. Any other comments?

PEPPIN CORSO-HARRIS commented: "Um ... the legal description that came out of the vault the meets and bounds descriptions - the map that you have with the red boundary line, the one from 1915, is the only one that was ever recorded at the court house and the maps Jim (Super) was referring to was juried by the soil conservation district and they declined to figure out who was being served as far as the legal description that is the boundary. So, they were just trying to update the map, but no one followed through."

There being no further public comment time requested, the Chairman called for the Report of Mr. Shannon and Mr. White.

REPORTS:

MANAGER KELLY SHANNON: Updating the Directors on ditch matters, Mr. Shannon reported as follows: that he appreciate the District picking up the expenses for repairs to the used ATV which someone gave to him; that he also got a trailer and weed sprayer unit and it will be used on the ditch; that he expects to be meeting with Craig Wolfrom, Sarah Gardner, Craig Eccles and Commissioner

Larry Schoen soon on the status and planning for the proposed White Water Park; that he believes it is important to proceed with a mapping project so that many issues can be cleared up, including, but not limited to Mr. Rinker's property and the Griffin Ranch properties; that he has discussed the situation of the well casings on the Gannett Road property and they are still waiting on IDWR to respond; that as to the accumulated felled logs, he has given permission to allow people to take, cut for firewood and remove what they want; that as to the old pickup which the district has but is not using, he has been contacted by interested persons and he is looking into the matter of the location and possible replacement of the certificate of title.

SEC-TREAS JIM WHITE: Reported as follows: that the most recent bank statement was forwarded to the Directors several days ago; as to other monthly financial statements that are in process, he is working with the new bookkeeper on a new methodology of keeping track of and associating expenses with particular income years, such that, for example, for Water Year 2013, all the income that was generated from that Water Year would be reported with all the associated expenses; And, similarly the income that we are receiving now for 2014 will be lumped together with 2014 related expenses so for the first time we will be able to track expenses to a particular water year; further monthly financial statements will be forwarded as they are finalized and readied for distribution; that invoices from Moffatt Thomas law firm, the district's legal counsel, are submitted for board approval.

STEVE WILSON inquired, as to the invoices from Moffatt Thomas, whereupon the directors evaluated and approved payment of the pending invoices from Moffatt Thomas for work done by the district's lawyers to this point in time.

OLD BUSINESS REPORTS

CHAIRMAN WILSON reported that he has had further discussions with Steve Beevers and other large land owners and that, as far as he is concerned, matters have come to a head. Mr. Wilson passed out a flier which he prepared setting forth, as he sees it, the choices for the board to consider. Mr. Wilson reported that the large land owners have made it clear to Mr. Wilson that either the district proceed to adopt acreage weighted voting – which could be done at an election held in February – or the large land owners will pursue their efforts to partition the district pursuant to a new Petition to Partition the District. Indeed, Mr. Wilson reported that the large land owners have told him they will file a new petition to partition the district before the end of 2013. Mr. Wilson indicated that the district could proceed to adopt two By Laws, and then put them before the electors at an election in February. Mr. Wilson asserted that both by-laws he has in mind would also require a 2/3 vote of the land owners. One would be the adoption of an

acreage weighted vote system, and the second would allow people who live within 15 miles from the land they own within their division to serve as a director. Mr. Wilson re-asserted that both of these proposed matters are things that are required by statute to have a vote (of the electors) on.

Mr. Wilson also asserted that his understanding is that By-Laws which do not require elector approval can be spelled out and voted on by the Board of Directors and, in such cases, the board (or a new board) could, in the future, acting by itself, change those by-laws (*i.e.*, those that do not require elector approval).

Mr. Wilson asserted that he wanted to present options to the membership as a whole by way of an election in February.

Mr. Wilson asserted that if matters were to be put before the electors in February and were not approved by the electors, that he is informed that then the large land owners would simply continue with their efforts to partition the district pursuant to their soon to be re-filed partition petition.

Mr. Wilson also explained that in the package he passed out was another version of an MOU by which the large landowners seek to obtain the consent of the Board of District # 45 to the filing of the new petition for partition. Mr. Wilson suggested that the proposed MOU would, in part, define how the Board of Control would be set up as the large landowner's envision.

Mr. Wilson also explained that as part of the package he passed out is a conceptual map of what the old and the new districts and the joint works might look like under the proposed MOU.

JIM SUPER: Inquired if the latest version of the draft MOU is substantially the same as what Mr. Waldera worked on 3 months ago, with not a whole lot of changes.

STEVE WILSON: Confirmed that there were not a whole lot of changes.

JIM SUPER: Indicated he had only been provided the package within the last hour and that he has not had sufficient time to study it and that he was confused by it. In any event, Mr. Super commented that he did not understand, and did not believe that District # 45's legal responsibilities to assess and spend assessment funds, which are, in effect, taxpayer dollars, for the benefit of the members of District # 45, could be negated by an MOU with a newly formed district and the funds transferred to that new district to be spent as the new Board of Control might see fit.

STEVE WILSON: Indicated that he did not understand what Mr. Super meant or

was trying to say.

JIM SUPER: Explained further, that given that under the proposed Board of Control, which would attempt to run the day to day operations of the District, that would appear to require District # 45 to turn over to the Board of Control funds which only District # 45 has the authority to assess from its members. Mr. Super asserted that he did not believe that it was constitutionally permissible for District 45 to turn over to another entity the funds which District 45 has the constitutional responsibility to collect from its members and spend for the benefit of its members.

STEVE WILSON: Commented that he understood Mr. Super to be asking “How (the Board of Control) was going to spend the money? Mr. Wilson acknowledged that he didn’t know all the facts nor the practicality’s of the matter.

JIM SUPER: Then asked another question about the proposed MOU, that being, “to which of the proposed districts in the map provided by Mr. Wilson would the “Dry Lot” owners belong?”

STEVE WILSON: Acknowledge that Mr. Super’s question was a good question. Mr. Wilson suggested that unless the “Dry Lot” owners petition to join the new district they would remain in the existing district.

JIM SUPER: Then inquired if Andy Waldera had written the proposed MOU presented by Mr. Wilson.

STEVE WILSON: Confirmed that the District’s attorney had not had a roll in preparing the MOU presented by Mr. Wilson. Mr. Wilson commented that as he understood it, the Gardeners, the Stevensons, and Redstone (Mr. Beevers) had approved it, which, represent at least 58% of the land in the District.

JIM SUPER: Indicated he needed a lot more time to read through the MOU before he could consider it.

JAN SUPER: Asked if there was such a thing as District 46?

STEVE WILSON: Responded, that there was not, as far as he knew.

JAN SUPER: Asked if people can’t come together why don’t they just split the District and everybody do their own thing. That would be so easy.

STEVE WILSON: Responded that such a solution was not necessarily easy because of the existence of works in place that would need to be used jointly.

JAN SUPER: Commented that under a Board of Control, the large owners would have control over the small owners by a vote of Three against two.

STEVE WILSON: Conceded the point, but indicated that he didn't see how it could be set up any other way.

JAN SUPER: Reiterated her question as to "Why can't we just split it and let you guys do your thing and we can do our thing?"

STEVE WILSON: Reiterated that because of the joint works, it could not be done no matter what.

JIM SUPER: Interjected that some sort of agreement would have to be set up.

STEVE WILSON: Indicated that there are probably hundreds of options that could be considered and that the district could spend hundreds of thousands of dollars on attorneys looking at all the different options. But that he was not in favor of doing so. For himself, he wanted to see the matter put before the electors to make a choice. Mr. Wilson asserted that if the Board were to decide to have an election in February, all the district has to do is post notice. Mr. Wilson affirmed that the future board (to include Gary Frugard as a new director) would always have an option to cancel the election and not have it. Mr. Wilson asserted that if the election was held that it would take a 2/3s of the vote of all the electors to pass it to have acreage weighted voting. Mr. Wilson asserted that if the next board determined that holding an election would be a total waste of time, then that board could determine not to hold it. But the large land owners, the group that are (involved) in the petition to partition group are going proceed; one way or the other they are going proceed with their plans.

GARY FRUGARD (Director Elect): Interjected, that he would like Mr. Wilson to name, if he could, just three reasons that the small users should consider as beneficial to the majority of users, to give up, maybe forever, their voting rights, and the ability to influence activities in the district?

STEVE WILSON: Responded that if it were his choice he would prefer the approach of the proposed MOU. Mr. Wilson explained his reasoning as follows: that if it goes to an acre weighted voting system, assuming the worst (*i.e.*, that the large land owners say ... "We want to control it ... we are gonna control it.. we don't want anybody in there that's small..."), the large landowners would then have complete control and the small owners would lose the ability to ensure that a small land owner would even sit on the board.

Mr. Wilson continued that, in his view, under the proposed MOU, by stipulating to not oppose the Partition to Petition, and even though we have a Board of

Control, the small users would be assured of 2 of the 5 votes on the Board of Control. In that way, according to Mr. Wilson, the small users would still have some influence. The other way there is at least a chance that the small users would have no influence... ever.

GARY FRUGARD: Reiterated his question, rhetorically: Are there any reasons for the people, the (small) users to vote for acreage weighted voting? Answering his own rhetorical question: Mr. Frugard commented, "There aren't any."

JIM SUPER: Asserted that as far as he's concerned, the proposed MOU boils down to an attempt to get acreage weighted voting and eliminate one person - one vote. Mr. Super commented that our constitutions (federal and state) were set up with one person - one vote, and that the District should not change that constitutional structure. However, Mr. Super acknowledged that the needs of the large land owners need to be considered. Mr. Super asserted that he believed great damage to all users in the District would follow if the district were to be split. Mr. Super referred to the uncertainty of future mitigation and conjunctive management requirements and the uncertainty as to how that will impact the management of ground water and surface water together. Mr. Super asserted that given the future uncertainty, the District should stay together, seek to understand that our neighbors really do need that ground water...and do everything in our power to be sure we are delivered what is supposed to be delivered to the district. Mr. Super noted that "One solid voice gets you way farther than two bickering entities." Mr. Super noted that the MOU and the Partition to Petition will simply set up more conflict than we've ever seen in the past five years combined.

JIM SUPER: Also noted that he was confused by the notion of expanding the voting eligibility for a property owner by 15 miles.

STEVE WILSON: Then called on Ralph Lapham (who had asked to speak) and asked if he had a new opinion.

RALPH LAPHAM: Expressed the view that acreage weighted voting is really un-American. Mr. Lapham observed that Ted Turner doesn't get any more votes than Ralph Lapham gets. It's a one person, one vote. The minute you start changing that, it becomes un-American and that would not be right.

JIM SUPER: Suggested that he would prefer a cooling off period. He further suggested that since there is so much mis-trust on both sides that we should go thru this year. Mr. Super noted that the District had reached out to Steve Beevers and he sat down at the table, and that Mr. Super was planning on having further discussions with Poppie (Englehardt) and he invited Brett Stevenson to further discussions.

JIM SUPER: Suggested that the large land owners should be able to come to us and come to their neighbors and tell them why you think it's so important, in a constructive manner, for the district to adopt acreage weighted voting.

RALPH LAPHAM: Noted that under acreage weighted voting, then 10% of the people would control everything

GARY FRUGARD: Modified his prior question and ask Mr. Wilson to articulate just *one* reason why the small users, which make up 90% of the water users in the district, as to why they should give up their voting rights?

SHEILA WHITE: Commented that she understood the directors to be addressing asserted claimed "hardships" for the large ranchers? Mrs. White observed that 40% of the State of Idaho is below poverty level and yet, this is one of the wealthiest counties in the whole state of Idaho. Mrs. White wondered if the members and directors knew that 67% of federal Government subsidy money for Idaho in the Farm Bill comes to Blaine County and that the largest recipient is the Stevenson family and that large amounts of government money flow to the Gardener family, and to Mr. O' Garah, and to Steve Beevers (Redstone) from the USDA.

STEVE WILSON: Commented that's that has nothing to do with what were talking about.

SHEILA WHITE: Disagreed, indicating that if the directors are going to be talking about the "hardships" faced by farmers, then the discussion needs to be considered in context of the vast amounts of money that we all already supply as tax payers to the large property owners in the district thru the Farm Bill.

RAY GOETTSCH: Comment, that he would like to remind the Directors and members that Mr. Beevers and his company DO NOT have the right to vote, as they claim they do. They (are not eligible) to vote. Also, Mr. Goettsch inquired if Mr. Beevers ever met with any individual member of the group since the last meeting when he said he would seek to do so?

JIM SUPER: Responded by indicating he didn't believe that Mr. Beevers had met with anyone (other than Mr. Wilson) but that Mr. Supe did understand that Mr. Beevers had other things come up, such as a trip that he'd planned, a death in the family, and other matters.

STEVE WILSON: Called on Ray Goettsch.

RAY GOETTSCH: Asked if one of the large land owners would be willing to tell the small land owners why they don't trust or approve of what this Board has been

doing?

STEVE WILSON: A great question.

BRETT STEVENSON: Asked, "Should I lead".

JAN SUPER: Indicated that she would like to hear from the Stevenson family why acreage weighted voting would be a good thing for the district?

BRETT STEVENSON: I think that this is not a business entity. It's managing assets and that when you go in to business you control the business by stock. By assets and when they are weighted proportionately you vote. You vote based on the assets. So, I think the vote... Democracy is great, but this isn't a democracy, this is managing assets here... so I feel like that's the fairest representation based on the assets.

JAN SUPER: Interjected that in the case of the district the difference is that the assets are all owned by all of us.

BRETT STEVENSON: Commented: Nevertheless, the control should be weighed proportionately. Ms. Stevenson went on to say. " It's not to say that it's (the District, is) not being run well... That's not.. I don't think that's my concern. I feel that there's way more turmoil than you see. I think we all eventually want the same thing. That's what we really should be focusing on. All we want is efficient delivery and fair assessments."

GARY FRUGARD: Commented: that he has been coming to Board meetings for 5 years and he hasn't heard one person come and say that there was something that isn't being done that ought to be done; that he disagreed 100% with Ms. Stevenson; that this is not a business; that we don't have sales and earnings. Rather, this is a Municipal Community Oriented Body that is supposed to administer the district fairly for all the water users in the district. I don't see how this argument (that this is a business and we're like stock holders) can be made. That argument simply is not true.

STEVE WILSON: Public Comment is now stopped.

JIM SUPER: Protested.

STEVE WILSON: Public Comment is done. Thank you. Mr. Wilson suggest that if members wanted to carry on their discussion, they were free to go outside and continue to discuss matters between yourselves. Public Comment is done.

SARAH GARDNER: Indicated she wanted to make a motion to put three issues

to the electors for a February 4, 2014 election: acreage weighted voting, 15 mile for the Board of Directors and 15 miles for voting.

JIM SUPER: Inquired if there should not also be a fourth issue put the voters, that being whether to allow the district to find an office location outside of its boundaries.

SARAH GARDNER: Declined the suggestion to modify her motion.

JIM SUPER: Inquired to confirm his understanding of the motion: "So you want to set up a February 4th vote on Acreage weighted voting, 15 mile election and 15 mile Board of Director."

SARAH GARDNER: Commented: "Correct."

CHERI HICKS: I have a question to clarify that. Would that allow the Griffin Ranch owners to vote in that (election?), and if not, when's the next date for the ones not on the map right now.

STEVE WILSON: I honestly don't know.

CHERI HICKS: That's 25 votes at least.

JIM SUPER: Now again, we go back to the map and we have the same conflicts unless we can get some of these things resolved prior to the next election... that's what problems we have.

CHERI HICKS: I was just wondering when the next day would be.

JIM SUPER: We could be putting the cart before the horse and disenfranchising individuals who would or should really have the ability to vote. What's the next window for election?

SARAH GARDNER: May, well, after February, it would be May Well, anyway, I made my motion.

SARAH GARDNER: We'd get the petition done by May.

JIM SUPER: Indicated that he would not second the motion because he believed it would be improper to disenfranchise anybody at this time and that the District should at least attempt to get certain things done before we have another election.... and the map has to be done first, and we need to address the issues of possible annexation, of the Rinker parcel and Griffin Ranch, if necessary since they have been provided with water thru the system for years and have been

assessed for years and paid the assessments for years. Mr. Super asked Ms. Gardner if she would consider changing her motion to allow for the election to be deferred until May of 2014.

SARAH GARDNER: Declined to modify her motion.

STEVE WILSON: Well, I think from my side, I will second it. Mr. Wilson noted however that if the next board decided to take on the issue anew, they are free to do so.

JIM SUPER: Called for a "point of Order", indicating that he did not believe Mr. Wilson, as the Chairman, could second that motion.

STEVE WILSON: Asserted that he could and did.

JIM SUPER: Argued that Brett Stevenson has already said they were pleased with how things have operated as far as getting water down the ditch. Mr. Super wanted to know, "What's the rush? Because that's not going to change. The delivery of that water is not gonna change. The decision of what this Board looks like next November election is The decision of how we operate and how we operated in the last two years seems to have been that way... and I just don't see what the rush is. I think we should take care of other business matters first, first and foremost being the matter of a map. If we don't have a valid existing map, the petitioners are gonna get challenged on the fact that the map is inconsistent. And, they don't have a petition anyway."

STEVE WILSON: Well, at least we'll get it noticed. So I agree.

SARAH GARDNER: OK.

STEVE WILSON: Fine, so we'll notice it for February. We can notice it for February.

SARAH GARDNER: Just so that Jim White knows that it has to be noticed by December 23.

STEVE WILSON: So we voted to hold an election, to schedule an election on...February 5th. So we just need to get the notice in, that we're going to do that. (To Jim White, Secretary/ Treasurer), "OK?"

JIM WHITE: I will look into it. I don't have off the top of my head what the notice requirements are, but I will consult with Andy and look into it.

JIM SUPER: Requested that the minutes show that there's one dissenting vote.

STEVE WILSON: Absolutely.

JIM SUPER: Added for the record that his opposing vote is because it's a disenfranchisement of individuals who really should have the right to vote and that there is no reason to rush.

STEVE WILSON: Agreed with Mr. Super but also commented that he felt that it would be a "disenfranchisement" on the other side too. Referring to the next board), Mr. Wilson commented the next board will have the opportunity to revisit this if they wish to.

STEVE WILSON: Inquired if there was any further matters to discuss.

JIM SUPER. Comment on old business that he has met with Kelly and gone over the data and his flow data measurements and this year's flow data from Kevin Lakey from the river and Mr. Super has asked Kelly to look at about 14 different data points to double check the data. From current data, it appears that from the river down to where our laterals begin, that our ditch loss is measuring in the range of 15 to 20%, which is a range of loss which is in conflict with what Mr. Tuttle says we lose.

KELLY SHANNON: Interjected that he wanted to make sure our data was solid so that we don't have someone challenging it if down the road the district were to obtain a federal grant.

JIM SUPER: Noted that he has seen devices that appear to be essentially sticks in the water that are actually flow meters, and he would like to see Kelly look into those and get a price.

SARAH GARDNER: Indicated that Kelly has a catalog.

JIM SUPER: Indicated that we're on our way towards gathering hard data.

SARAH GARDNER: Indicated she wanted to address the MOU and the unused truck that Kelly is looking to sell.

KELLY SHANNON: Indicated he was looking into the issue of the title.

SARAH GARDNER: Turning to the MOU, Ms. Gardner acknowledged that the directors haven't had much time to look at the MOU, but she wanted to know if the Directors would entertain a motion to accept the MOU.

JIM SUPER: Commented that there were still too many parts that need to be negotiated prior to any partition.

STEVE WILSON: Agreed with Director Super, noting that the proposed MOU needs to be reviewed Andy Waldera. Mr. Wilson indicated he knew that it had only been reviewed by Tom Arkoosh.

SARAH GARDNER: Indicated she just wasn't sure how we should proceed with that.

STEVE WILSON: Indicated that since it's only been reviewed by one side, he would not entertain a motion on the MOU.

JIM SUPER: Inquired if there would be additional Public Comment or not?

STEVE WILSON: Indicated that there could be limited closing comments, since we had lots of public comment outside of public comment.

GARY FRUGARD: Indicated that he was really mystified that the board can pass this motion when you couldn't even give me one good reason to put forward to folks of this community who would have to vote on the measure; that putting forward the matter for an election at this time just will further inflame the warring factions of the district and does nothing but widen the gap that will someday need to be bridged and that he hopes, someday, may be bridged; that he was really disappointed by the board's decision to call for an election at this time. He commented that all that has been done by calling for this election is to create confusion and that it is an impediment to getting this community to a point of sitting down and getting issues on the table and addressing them in a fair and impartial way.

STEVE WILSON: Commented that the board's decision is to give an option for to the new board to vote on it one way or the other and the electors to vote.

GARY FRUGARD: Commented: that it's not an option. There's not one good reason that was put forward to encourage folks to vote for it.

BETTE GOWER: Expressed, for herself and her husband, their gratitude for the three hard years working on this Board.

STEVE WILSON: Accepted the Gower's expression of gratitude.

NEXT MEETING DATE CONFIRMED

Mr. Wilson announced that the date for the next regular meeting is set for Monday, January 13, 2014 to commence at 5:00 p.m. at 110 Honeysuckle St., Bellevue, Idaho.

ADJOURNMENT

Whereupon, the meeting was adjourned.



Director Wilson



Director Super



Director Gardner