

Signed

**Minutes of Meeting of the Board of Directors
of the Wood River Valley Irrigation District # 45
July 8, 2013**

The meeting of the Board of Directors of the Wood River Valley Irrigation District # 45, noticed for July 8, 2013, was **called to order** by Director Wilson at 5:01 p.m. on July 8, 2013 at its regular place of meeting located at 110 Honey-suckle Street, Bellevue, Idaho.

Director Wilson declared that a *quorum* was present, consisting of Directors Wilson and Super. Director Gardner was absent, having told Directors Super and Wilson of another commitment which came up that she needed to attend.

The **minutes of the prior meeting of June 10, 2013 were read, approved** by the consent of all Directors and then signed.

Director Wilson opened the meeting for initial "Public Comments": No one asked to speak at this time.

REPORTS

DIRECTOR WILSON invited representatives of the HUB insurance agency to update the Board on the insurance coverages they had placed for the District, its directors and officers. The representatives gave their presentation and copies of the policy packages to the Board. The Board then made inquiries and heard the responses from HUB.

DIRECTOR SUPER: Reported that the Data Base Project For a Digital Assessment Book is proceeding. Director Super indicated he needed input from the book-keeper, Stacie Brew. Mr. White and Director Super will seek additional information from Stacie Brew. Director Super also updated the board on efforts with Chuck Brockway to determine the condition and usability of old system measuring devices in place. Some of the devices in place are useless and others may be made usable once Brockway provides sufficient instructions as to how to

use the devices, as is, and/or provides sufficient estimates as to the means and costs necessary to modify them to be usable. Director Super will continue to work with Mr. Brockway on this project.

DIRECTOR WILSON announced that the District has determined to engage new legal counsel, Andrew Waldera of Moffett Thomas and termination of prior legal counsel, Al Barker. Director Super moved to ratify the action taken by the Board in Executive session (at which all three Directors were present and agreed) to hire the Moffett Thomas firm. Director Wilson seconded the motion and it was unanimously approved by the Directors present (Wilson and Super). Director Wilson indicated he would notify Attorney Al Barker that his services were no longer needed and that Attorney Barker should turn over to the Board all of its files and records.

DIRECTOR WILSON announced that he has learned of threatened actions by as yet unidentified members represented by Attorney Tom Arkoosh under a new law that purports to allow certain members to petition the county commissioners for approval of a partition of the district and as a result, the board intends to pursue discussions with its new Attorney, Andrew Waldera of Moffett Thomas to be conducted in Executive Session.

MANAGER KELLY SHANNON: was not present due to a family emergency. Director Super reported that Kelly told him that Kelly has provided Director Gardner with a plan for removal of the Cottonwood suckers. The Board will consider the plan at the next meeting.

SEC-TREAS JIM WHITE: updated the Board on the status of the bank account and reviewed the status of the Accounts Receivable and the financial reports provided by Stacie Brew, the book-keeper. He reported on recent collections, which are going well. He also reported on the in process status of the Certificate of Amount Collected per Idaho code section 43-709. He noted that there were unresolved issues of form and content that he will work with Stacie and Attorney Waldera. Mr. White presented his suggestions for line item considerations for the upcoming budget matters for the 2014 Assessment Year. Director Wilson indicated he would prepare a preliminary spread sheet for the budget process for consideration at the next and following meetings.

BY LAWS COMM UPDATE: MARK GOWER: Reported no change in status from his last Report.

OLD BUSINESS

Water Bank Applications: Mr. White reported on the status of negotiations with Pam Skaggs at IDWR regarding the Boyer, Casson and Armstrong Water Bank applications and that mutually acceptable language has been agreed upon and the IDWR's approval of the applications on the agreed conditions is expected soon.

Bloomfield Claim: Mr. White reported that the carrier has been put on notice, has acknowledged the claim and has assigned an investigator and the claim process is proceeding.

Upper Wood River Management District: Director Super reported he attended the recent meeting, but the meeting, in his opinion, was disjointed and seemed to be without clear purpose. Mr. Berman interjected that he too had attended the meeting and he was as baffled as Director Super, as a result of the meeting.

Discussion re End of Control and Maintenance of Ditches: The Directors agreed the matter shall remained tabled pending further discussions with Attorney Waldera.

NEW BUSINESS

Discussion time for goals and project lists: The Directors agreed the matter shall remained tabled pending further discussions respecting the matter of the pending petition for partition.

Report on IWUA Meeting: Mr. White reported he attended the seminar and obtained a large booklet available for review by the Directors. Mr. White reported the meeting was helpful, but not earthshattering.

ADDITIONAL PUBLIC COMMENT TIME

Ms. Pepin Corso Harris addressed the Board and inquired as to the status of the Delinquency List for 2012. Director Wilson asked Mr. White to respond. Mr. White responded that he was working thru the matter with Attorney Waldera in light of what has been discovered regarding some of the deficiencies in the record keeping for the District in the past.

Mr. Goetsch addressed the Board regarding Al Barker and suggested that formal written notice to Attorney Barker be provided terminating his services. Mr. White commented that the files and records of the District in Attorney Barker's possession belong to the District and should be returned to the District forthwith and that, although Attorney Barker may wish to make copies for himself, he cannot charge the District for the costs of copying the files. Director Wilson reiterated he would inform Attorney Barker in these respects in writing.

Mr. White addressed the Board on the status of the as yet unfiled Petition for Partition and requested the Board address the members on the subject.

Director Wilson informed the members present that he is informed that the Petition is likely to be filed this week and that there is a tentative meeting scheduled with Attorney Arkoosh and some members of the petitioners set for Friday with the Board and our new attorney to try to determine what the issues may be that has resulted in the petitioners' decision to file their petition. Director Wilson reflected on his opinions of the events of the last several years and the situation regarding the petition. He indicated that he believed that assessment charges under prior boards had been illegal in several respects. He indicated he would update the membership as events unfolded respecting the petition, when and if it is filed, and the options which will be considered by the Board in connection with the petition after consulting with newly hired legal counsel. Director Super commented that he believed the conduct of past boards was improper, illegal in many respects and lacked transparency. He also commented that he believed this current board has been open to input from the large users and invited them to participate in the By-Laws committee, but the large users declined to participate in any meaningful way. Director Super indicated he believe the Board has a fiduciary responsibility to evaluate the petition under the new law and

that it may be subject to challenges, including potential challenges on the grounds of constitutional issues. Director Wilson indicated he had many questions as to how the partitioned districts will operate, but he indicated his understanding that the partitioned districts will still have to operate under all applicable requirements of Idaho Code, Title 43. Mr. Super commented that the holding ponds in the system are extremely important to the district for conjunctive management and mitigation issues, including as a potential recharge revenue asset. Both Directors indicated they will keep the members informed of events as they unfold.

Mr. Goettsch inquired if the directors had considered or have any interest in considering legal options as against prior directors on account of past conduct. Director Wilson indicated he would not be interested in pursuing any such claims. Director Super did not comment.

Mr. Gower commented that he hoped the Board would not go into the process of dealing the people behind the petition with a conciliatory attitude. Mr. Gower commented that he hoped the Board would play "hard ball" with the petitioners, since, as he understands it, the petition is a clear attempt to circumvent a series of three lawfully held elections and is the result of the big landowners' failure to treat the smaller owners with respect and their failure to be transparent and their own arrogance.

Director Wilson indicated he wanted to hear out the other side. Mr. Wilson and Mr. Super asked the members for their patience and they indicated they will be moving forward in evaluating all options, with a recognition of their fiduciary responsibilities.

Mrs. Super commented that she believed the large users were just being bullies.

NEXT MEETING DATE SET

The date for the next meeting on August 12, 2013 at 5:00 p.m. was then announced.

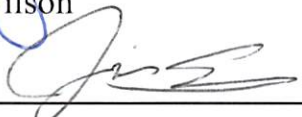
EXECUTIVE SESSIONS

The Board then went into Executive Session. In Executive Session, Directors Wilson and Super, with Mr. White attending, conducted discussions with the District's Attorney, Andy Waldera. The executive session was continued for further discussions. The regular meeting was then adjourned at 7:15 p.m., subject to the completion of continued sessions for additional discussions with Attorney Waldera which was continued to and reconvened at 4:30 p.m. on July 15, 2013 and at 6:00 p.m. was continued again to and reconvened at 4:30 p.m. on July 22, 2013 and at 5:40 p.m. was continued again to and reconvened at 3:00 p.m. on July 30, 2013.

The executive session was concluded on July 30, 2013 at 4:45 p.m..



Director Wilson



Director Super

→ Reflected Director Gardner was not part of or invited to attend the continued executive sessions and did not recuse herself.
