



IDAHO WATER RESOURCE BOARD

L. "Butch" Otter
Governor

Jerry R. Rigby
Chairman
Rexburg
At Large

Terry T. Uhling
Vice Chairman
Boise
District 2

Bob Graham
Secretary
Bonners Ferry
At Large

**Charles "Chuck"
Cuddy**
Orofino
District 1

Leonard Beck
Burley
District 3

L. Claude Storer
Idaho Falls
District 4

**Gary M.
Chamberlain**
Challis
At Large

**Lawrence "Vic"
Armacost**
New Meadows
At Large

MINUTES OF TELECONFERENCE MEETING NO. 06-08

Idaho Department of Water Resources
Idaho Water Center, Boise Idaho
April 23, 2008, 8:00 a.m.

Chairman Rigby called meeting 06-08 to order at 8:00 a.m. and requested roll call.

Agenda Item No. 1, Roll Call

Board Members by Phone

Jerry Rigby, Chairman
Vic Armacost
Claude Storer
Bob Graham, absent

Leonard Beck
Gary Chamberlain
Chuck Cuddy, in person
Terry Uhling, absent

Staff Members and Guests Attending

Hal Anderson, Administrator
Patsy McGourty, Admin. Asst.
John Homan, Deputy AG

Brian Patton, Bureau Chief
Phil Rassier, Deputy AG
Bob McLaughlin, PIO

Guests by Phone

Harold Johnson, Idaho Trout Co. Jon Boling, Idaho Power

Agenda Item No. 2, Public Comment

Mr. Harold Johnson, Idaho Trout Company, addressed the Board with a question about how the decision was made as to which water rights in the area would be purchased for the City of Twin Falls. Chairman Rigby stated that issue would not be addressed today. He asked Mr. Homan to respond.

Mr. Homan stated that this particular water right was chosen because it met the need to mitigate the Blue Lakes Call and assist the City of Twin Falls with their water issues.

Mr. Johnson asked if the Blue Lakes water right would not have been better to purchase to address the city's needs. Mr. Homan responded that there were discussions with Blue Lakes to acquire their water rights. He was not involved in the discussions and did not know why those negotiations were not successful. Chairman Rigby also responded that there were many other discussions.

Agenda Item No. 3, Pristine Springs Acquisition Resolution Amendment

Mr. Anderson stated that progress had been made with D.L. Evans bank to secure a short-term loan for \$10 million until the City of Twin Falls can arrange long-term financing. Closing is set for Friday with D.L. Evans bank. However, certain costs for title insurance and interest on the loan were omitted. A new resolution outlines all the details of the bond sale and the corrected total amount of the loan at \$10,150,000. The resolution was drafted by Mr. Rick Skinner working with Mr. John Homan, Deputy Attorney General.

Mr. Homan noted the changes in the new resolution were for title fees, interest, trust fees and bond counsel fees that should cover everything needed for closing this Friday. Mr. Skinner was absent from today's meeting due to a time change for the meeting. Mr. Anderson stated that this is a fairly straight-forward amendment involving additional transaction costs.

Chairman Rigby noted that he thought the fees were a little steep but after discussing it with Board counsel he said this is the best that can be done. Mr. Rassier pointed out the additional amount also includes interest on the short-term promissory note.

Mr. Armacost asked when the City of Twin Falls might have their long-term financing in place and when that happens would they reimburse the Board for fees. Mr. Homan responded that the city has held a council meeting to get agreement for the transaction. They will then need judicial confirmation from the District Court. This may take four months. Mr. Homan stated that the Board would be reimbursed by the City of Twin Falls on several of the fees at the time their long-term financing goes into place.

Mr. Beck asked some questions on wording in the resolution and suggested a grammatical correction on the first page that everyone agreed was needed. Mr. Anderson answered other questions by the Board.

Mr. Armacost moved that the Pristine Springs financing resolution be approved with the one grammatical change. Mr. Chamberlain seconded. Chairman Rigby called for further discussion and there was none. He called for a roll call vote.

Roll Call Vote:

Cuddy: Aye; Armacost: Aye; Mr. Storer: Aye; Mr. Beck: Aye; Mr. Chamberlain: Aye; Mr. Graham: Absent; Mr. Uhling: Absent; Chairman Rigby: Aye. 6 Ayes, 2 Absent. Motion passed.

Agenda Item No. 4, Other Items Board Members May Wish to Present

Mr. Anderson stated that he had been contacted by Mr. Pat Sullivan, a representative from FMC Corporation who stated that they would send a letter of intent to the Board to purchase water rights for Palisades Storage today. Mr. Anderson proposed another teleconference for tomorrow morning, April 24th, to discuss the acquisition of FMC storage water in Palisades.

Chairman Rigby noted that Mr. Patton and Mr. Anderson would be in Rexburg at the chairman's office for the conference call. Board members were available for Thursday at 8:00 a.m., April 24th.

Mr. Chamberlain moved to adjourn. Mr. Armacost seconded. All were in favor. The meeting was adjourned.

Dated this _____ day of _____, 2008.

Secretary

Patsy McGourty, Administrative Assistant II

Board Actions:

1. Mr. Armacost moved that the Pristine Springs financing resolution be approved with the one grammatical correction. Mr. Chamberlain seconded. Chairman Rigby called for further discussion and there was none. He called for a roll call vote.

Roll Call Vote:

Cuddy: Aye; Armacost: Aye; Mr. Storer: Aye; Mr. Beck: Aye; Mr. Chamberlain: Aye; Mr. Graham: Absent; Mr. Uhling: Absent; Chairman Rigby: Aye. 6 Ayes, 2 Absent. Motion passed.