INTERNATIONAL RAINY LAKE BOARD OF CONTROL (IRLBC) INTERNATIONAL RAINY RIVER WATER POLLUTION BOARD (IRRWPB)

NEWSLETTER

2nd Quarter 2010

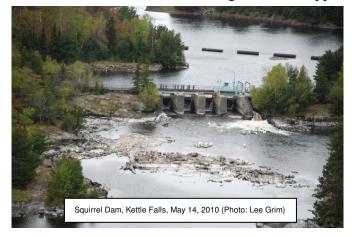
This newsletter provides a summary of the activities of the International Rainy Lake Board of Control (IRLBC) and the International Rainy River Water Pollution Board (IRRWPB) during the 2nd Quarter (April to June) of 2010.

Basin Conditions and Regulation

Regulation during the quarter was dominated by dry conditions throughout the basin. Following an early spring runoff in March, inflows across the basin declined in April and remained low through the end of June. Although rain fell on about 26 days in June in the Rainy-Namakan basin, sufficient rainfall was not received over a large enough area to significantly improve the low inflow conditions. Water levels, inflows and outflows are shown on the attached graphs for both lakes.

Namakan Lake level began the quarter at 72% of its IJC band but, with inflow declining from near upper

decile at the beginning of April to lower decile by mid-April, the rise in lake level was less than the slope of the lower rule curve, despite outflow reductions by the Companies. By mid-April, outflow was at, or very near, the specified IJC minimum, where it remained to the end of the quarter. Namakan Lake levels fell below the IJC lower rule curve on May 17 and, although rising steadily, remained below the lower rule curve through the end of June. The maximum deviation below the lower rule curve was 46 cm (18 in) on June 7. At the end of June, the level was 10 cm (4 in) below the lower rule curve and inflow was below lower decile.



The level of Rainy Lake was at 68% of its IJC band at the beginning of April. With very little freshet and declining inflow, outflow was reduced to the IJC minimum in early April. Even with the outflow reductions, there was very little recovery in lake level and Rainy Lake fell below its IJC lower rule curve on May 10. Inflow remained between lower decile and lower quartile through May and June, allowing some lake level increase, although not enough to see the lake rise into the rule curve band. In the latter half of June, inflow declined again and the lake level began a slow drop. The maximum deviation below the lower rule curve was 25 cm (10 in) on June 3. At the end of June, the level was 19 cm (7 in) below the lower rule curve and inflow was lower decile.

Board Meetings and Activities

A combined meeting of the Boards was held in Washington, D.C. on April 21 in advance of their appearance before the Commission. In addition to finalizing preparations for their presentation, the Boards also discussed the concerns over the dry basin conditions, finalized a 2010-2011 Boards work

plan, made preliminary plans for basin meetings in August and discussed the 2015 rule curve review process. The Boards appeared before the IJC during the afternoon of April 21.

In addition to its meetings in Washington, the Board held a conference call on May 13. The main purpose of the call was to discuss project planning and budgeting for the 2015 rule curve review for Namakan and Rainy lakes.

The Boards were represented by several attendees at a modeling workshop hosted by the IJC in Winnipeg on June 28-30. The workshop centered around a needs assessment for modeling for the IJC's International Watersheds Initiative.

Other items of note during the quarter included the following:

- The Rainy River Peaking Work Group held its initial 2010 conference call on April 1. The Work Group agreed via consensus to start the spring spawning window immediately, with a tentative end date of June 15. During this period ACH LP and Boise agreed voluntarily that there would be no peaking at the hydroelectric power houses at Fort Frances/International Falls. The work group held their mid-window review conference call on June 1 at which time the spawning window end date of June 15 was confirmed.
- In April and May, the Boards received several calls regarding the dry conditions in the basin. On April 1 a letter was received from the Kabetogama Lake Association, expressing concerns over

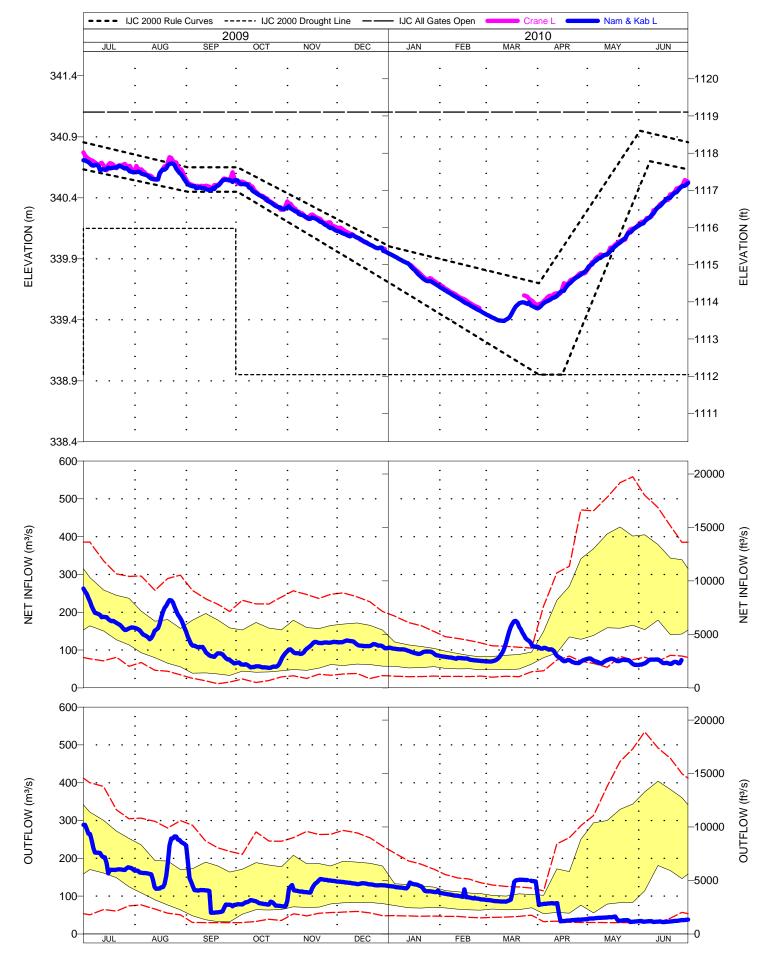


low spring lake levels on Kabetogama Lake and possible negative impacts to the local economy with regard to hosting the 2010 Minnesota Governor's Fishing Opener event. The Boards responded on April 8, noting that they and the operators of the dams at Kettle Falls were also concerned about the dry conditions. However, the Boards noted that the 2000 rule curves provide a balance between the risks of both drought and flooding and lake level regulation would follow the rules laid out in the

2000 Order, while being influenced by an awareness that precipitation in the basin over the winter and so far during the year were below normal.

- On April 30, Lee Grim, US local member of the IRLBC, visited with residents, resort and houseboats operators of Lake Kabetogama and representatives of the Kabetogama Lake Association who were concerned about the dry conditions and the impact that might have on the Governor's Fishing Opener scheduled for May 13-14.
- Rick Walden, the Canadian Chair of the IRLBC, retired from Environment Canada on April 28. Rick had served as engineering advisor to the International Rainy Lake Board of Control from July 1981 to January 2007 and as a Member of the IRLBC since January 10, 2007. While Rick will remain the Canadian co-chair of the IRLBC until the IJC names his replacement, he advised that the meetings in Washington in April would be his last official function.
- On June 17, the governments of the United States and Canada issued a reference to the International Joint Commission to examine and make recommendations regarding the bi-national management of the Lake of the Woods and Rainy River watershed and the IJC's potential role in this management.

IRLBC Figure 1 NAMAKAN LAKE



IRLBC RAINY LAKE

