

PO Box 910
Challis, ID 83226-0910
Phone: 208-879-4703
Fax: 208-879-4280

**Challis Creek & Garden Creek
Water District 72-A**

Fax

To: Tim Luke

From: Jon Winegarner

Fax: 208-287-6700

Date: March 20, 2008

Phone: 208-287-4959

Pages: 9 pages including cover page

Re:

Urgent For Review Please Comment Please Reply Please Recycle

•Comments:

Garden Creek & Challis Creek
Water District No. 72-A
PO Box 910
Challis, ID 83226-0910

March 18, 2008

Idaho Department of Water Resources
Attention: Tim Luke
PO Box 83720
Boise, Idaho 83720-0098

Dear Mr. Luke,

I am writing this letter to express my concern raised in a recent phone call to Nick Miller regarding payment to Jack Challis for work done in January 2008. Enclosed is his two-page cover letter dated February 1, 2008 with a total of charges noted. I offer his time and material worksheets for himself and the secretary/treasurer detailing work done and charges incurred for the said time period.

I have also enclosed a copy of the proposed/adopted budget 2008 to give you some idea of the impact of the water district's operating budget should we pay these charges before we even start the irrigation season.

My reading of Idaho Code 42-612, notes that the adopted budget is to cover expenses incurred for the "ensuing year". My consultation with "Phil" at the legal services department of the Boise IDWR offices confirms my reading of the "ensuing year" is from the annual meeting hence forth, not the calendar year and therefore fiscal year as Jack maintains.

In an angry, abusive, unreasonable and threatening phone call with Jack last night, I was told that the "closing of the books" for the previous year and preparation for the annual meeting has always been covered by the adopted budget for the year in which that annual meeting occurred. I tried to point out to him that Idaho Code 42-612 and Nick's confirmation of my reading after Nick's consultation with you also concurred. He would listen to none of it. When I asked why he was working on the proposed budget up to 10 days before the

Annual Meeting, given Idaho Code 42-615 requires filing such at least 30 days before the Annual Meeting, he noted a "special dispensation" to do so from Jim Stanton.

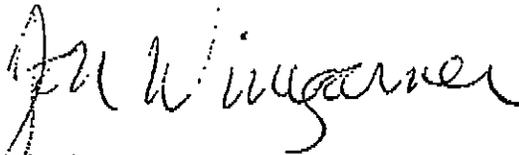
The call ended shortly thereafter with a threat to pay or be sued and then he hung up before I could offer that as he failed to offer the outstanding charges he notes for January 2008 as an amendment to the proposed budget, I would like to see these charges paid after consideration of such at a "special meeting" per Idaho Code 42-605 #11.

As I have called an advisory committee meeting for Monday, March 31, 2008 to consider this matter, as well as other water district business, a timely reply on this matter would be greatly appreciated.

Anything you could offer in writing to clarify this matter for Jack and myself, if you care to, may help keep the tone and level of acrimony anticipated to a less volatile level.

Thank you so much for your time and consideration.

Jon Winegarner
Chairman Water District 72-A



P.S. Upon further consideration of Idaho Code 42-612 I believe the operative phrase is actually the last four words. The statute reads "... for the ensuing year", were it to read ".... during the ensuing year" it could preclude said adopted budget covering work done in preparation for the annual meeting and proposed budget for said 'ensuing year". Such work may perhaps legitimately be regarded as part of the expenses incurred for the delivery of water for the "ensuing year".

Competition of the Watermaster's Report, though requisite to working up a proposed budget given the need for CFS delivery/cost analysis, is work more appropriately charged to the previous or current year, rather than the "ensuing year".

Maybe "Phil" at IDWR's Legal Services Office can offer a clarifying opinion. I await your response and thank you again.

CSC
RJR

CHALLIS CREEK RANCH, LLC

COPY

RandRforHorses.com

February 1, 2008

Mr. Jon Winegarner, Chairman
Water District 72-A
Garden Creek & Challis Creek
P. O. Box 910
Challis, ID 83226-0910

Dear Jon:

The following is a general itemized list of materials in our possession relating to Water District 72-A herewith being provided for the new Water District 72-A Officers and Watermaster:

- ✓ The Bank of Commerce Cashier's Check Number 00279303 in the amount of \$ 91.13 to clear the current Water District 72-A checking account (because The Bank of Commerce District checking account was associated with our personal social security numbers and personal banking relationship we have closed the account accordingly allowing your opening a new account at a banking institution of your choice)
- ✓ Petty Cash Box containing cash receipts for postage in the amounts of \$10.74, \$1.14, & \$.97, one \$5.00 bill, \$14 in singles, \$12.25 in quarters, \$3.90 in dimes, \$1.75 nickels, & \$.25 in pennies (Petty Cash total of \$50.00); the District's remaining quantity of unused "Forever" postage stamps; a personal check recently received from Mario Rankin for his 2008 Budget billing (this was not invoiced and was received completely unsolicited); two (2) USPS keys to Water District 72-A Post Office Box 910
- ✓ A Hon two-drawer (forward opening) filing cabinet containing all 72-A related documents and files; ASUS Model A636N "MYPAL" PDA/GPS with all related software, hard copy documentation and related media; the remaining supply of #10 envelopes, 10" x 13" mailing envelopes & labels; etc.
- ✓ CD media containing all Water District 72-A related files and the Watermaster 72-A software program containing all 2007 Water District 72-A applicable records
- ✓ Box containing Watermaster materials including extra locks and keys (the balance the Watermaster materials of this type are available from Mark Luper, 2007 Ditch Rider)
- ✓ Brief outline of the 2008 Annual Meeting activities (with meeting Sign-In Sheets) for preparation of applicable Minutes by the new Secretary/Treasurer and Chairman

CHALLIS CREEK ROAD - P. O. BOX 1220 - CHALLIS, IDAHO 83226-1220

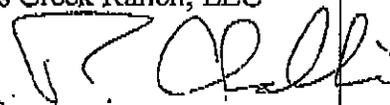
PHONE: (208) 879-4617 - FAX: (208) 879- 5238

E-MAIL: Jack@RandRforHorses.com or Trish@RandRforHorses.com

Also supplied herewith are hard copies of the 2008 Watermaster's Time & Material Worksheet and 2008 Secretary/Treasurer's Time & Material Worksheet reflecting the total monies due each for work completed prior to the change in administration. Additionally are receipts (listed below) for personal cash outlays for copies made for the recent Annual Meeting mailing and 10" x 13" envelopes also purchased for use in this mailing and as a supply to remain on hand. It is understood and herein acknowledged the total amount outlined below will be forwarded (to the address shown hereon) upon establishment of a new District checking account and immediately upon receipt of enough 2008 Annual Budget billings to cover said amount.

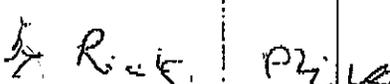
Watermaster's Time & Material Worksheet-total payable:	\$ 700.50
Secretary/Treasurer's Time & Material Worksheet-total payable:	383.31
Discount Office Supplies (copies production)	233.20
Office Max (10" x 13" envelopes)	<u>33.91</u>
Total amount payable:	\$ 1,350.92

Sincerely,
Challis Creek Ranch, LLC


J. R. Challis

Received this date: 2-4-08

By: 
Jon Winegarner, Chairman, Water District 72-A


Rick Pile

2008 Watermaster Time & Material Worksheet

Date	Description	Copies	Total Mileage Driven	Mileage @ \$.445 Per Mile	Labor Hours	Labor Charges @ \$15/hr	Total Charges
1/2/2008	Went to Custer County Court House & reserved the facility for our 1/28/08 Annual Meeting at 7:00 P.M.; completed the Watermaster 72-A entry corrections & began to prepare the 2007 Watermaster's Report from the Water Right Owner/Water Use History Report	\$3.75	18	\$8.01	7.50	\$112.50	\$124.26
1/3/2008	Contacted IDWR-Twin Falls regarding the Gammache/Bruno right changes; updated Watermaster 72-A program accordingly; completed the Watermaster's Report; began the cost per CFS analysis & Proposed Budget breakdown; due to our extraordinary 2007 expenses began to prepare an adjusted cost per CFS to reflect appropriate expenses & relate to our 2008 budget; calculated, prepared & mailed 1099-MISC & 1096 IRS forms to recipients & IRS	\$3.15			4.75	\$71.25	\$74.40
1/13/2008	Began to prepare documents for our Annual Meeting & reporting to IDWR for 2007 Irrigation season; contacted Jim Stanton, IDWR, Twin Falls for recommendations as to handling the excessive 2007 expenses; will report both calculations	\$0.45			3.50	\$52.50	\$52.95
1/16/2008	Took "master sets" to Discount Office Supplies for duplication; had had IDWR copy of the Watermaster's Report notarized; prepared mailing to all WRO; prepared Stanton & Advisory Committee packets for mailing; emailed all those we could both to WRO & Advisory Committee; also copied (via email) Tim Luke, Bob Foster & Mike Miller; communicated with Mike Miller regarding WD 170 Advisory Committee meeting as well as the WD 170 Annual Meeting;	\$18.75	54	\$24.03	9.50	\$142.50	\$185.28
1/25/2008	Following conversations with Tim Luke & others at IDWR it was agreed to redo the 2007 Watermaster's Report to reflect the normal expenses incurred in 2007 & NOT include those one time, abnormal expenses that had occurred; thus completely revised the 2007 Watermaster's Report to reflect \$15,792.93 expense total &						

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Date	Description	Copies	Total Mileage Driven	Mileage @ \$.445 Per Mlie	Labor Hours	Labor Charges @ \$15/hr	Total Charges
	determined a \$0.8933 cost per CFS; updated WRO & WR Data Spreadsheet	\$4.20			5.50	\$82.50	\$86.70
1/27/2008	Ran copies of reports & forms required for tomorrow's Annual Meeting; began to prepare notes for Watermaster's Report at the meeting; called Bob Piva & arranged to meet tomorrow to discuss meeting preparations	\$6.75	28	\$12.46	6.75	\$101.25	\$120.46
1/28/2008	Got revised Watermaster's Report notarized and sent to IDWR, Jim Stanton; created & ran copies of ballots for Annual Meeting;	\$3.75	51	\$22.70	2.00	\$30.00	\$56.45
TOTALS: January 1, 2008 through January 31, 2008		\$40.80	151	\$67.20	39.50	\$592.50	\$700.50

MAR-20-2008 08:28PM FROM-FARM BUREAU

2008 Adopted Budget Expense Breakdown

Water District 72-A

Garden Creek & Challis Creek

Remuneration:

\$1,000.00	Secretary/Treasurer Compensation
\$3,000.00	Watermaster's Compensation
\$6,750.00	Ditch Rider's Compensation

Pro Rata Expenses:

\$2,600.00	Mileage Expense
\$750.00	State Insurance Fund (Workman's Comp)
\$700.00	Computer/PDA/Software Expense
\$250.00	P. O. Box & Postage
\$200.00	Telephone, Office Supplies & Misc.
\$275.00	Copy Charges
\$266.93	Watermaster/Ditch Rider Supplies

\$15,791.93	TOTAL PROPOSED EXPENDITURES
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**Garden Creek & Challis Creek Water District No. 72-A
2008 Secretary/Treasurer's Time & Material Worksheet**

Date	Description	Copies	Total Mileage Driven	Mileage @ \$.445 Per Mile	Labor Hours	Labor Charges @ \$15/hr	Total Charges
1/1/2008	Combined 72-B & 72-C Mailing Lists & updated to create the new 72-A Mailing List to send to IDWR for mailing notification of the upcoming Annual Meeting; began to review the Watermaster 72-A entries (by Lupher); there are some errors that will require corrections; will complete as time allows				3.75	\$56.25	\$56.25
1/14/2008	Completed reports for 2007; prepared cover letter & the following for Jim Stanton, IDWR-Twin Falls: 2007 Treasurer's Report Summary & Income & Expense Statement, 2007 Watermaster's Report, 2007 Water Right Owner/Water Use History, 2008 Proposed Budget & copies of materials being sent to all WRO prior to our Annual Meeting	\$8.25			5.75	\$86.25	\$94.50
1/15/2008	Found error in Proposed Budget & related documents; corrected & ran revised copies as necessary; updated mailing labels & prepared emails to Advisory Committee and all WRO who have email addresses; prepared mailing "masters" to take to Copy Shop for duplication for mailing	\$6.30			4.25	\$63.75	\$70.05
1/17/2008	Mailed all WRO packets plus Advisory Committee Members (who don't have email addresses) and the IDWR packet to Jim Stanton	\$0.30	19	\$8.46	1.50	\$22.50	\$31.26
1/31/2008	Organized, collected & provided all materials relating to Water District 72-A for transfer to Jon Winegarner, Chairman				8.75	\$131.25	\$131.25
TOTALS: January 1, 2008 through January 31, 2008		\$14.85	19	\$8.46	24.00	\$360.00	\$383.31