

WATER DISTRICT #11
BEAR RIVER WATER USERS
P.O. BOX 378
SODA SPRINGS, ID 83276-0378

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June 19, 2006

Connley Baldwin
PacifiCorp Energy
1407 W. North Temple Suite 330
Salt Lake City, UT 84116

Connley:

This letter is to notify you that the irrigators of Idaho Water District 11 wish to make every effort to retain Pete Peterson as water master. In the meeting in Preston on June 15 the members of the advisory board in attendance express this position. This letter is to serve written notice of that position.

The water users were under the impression after the February 7th meeting that Mr. Peterson would be paid expense as he had been in pervious years. He would get actual expense for serving as water master and that he would be given a percentage of those budgeted expenses for delivering storage water. This year the percentage was to 25 %, amounting to \$13,250 an increase of \$1759 over the 2005 irrigation season.

The irrigators were not aware that the mileage expense Mr. Peterson accrues each month was to be subtracted from the \$13,250 advanced to Mr. Peterson. This has not happened in pervious years. In other words, the irrigators were of the impression that all expenses would be handled as they had historically been paid to the water master.

The water users were aware that Mr. Peterson's salary was increased to \$42,000 per year and that Mr. Peterson was given a four-year contract to be renewed each year at the advisory meeting.

At the February Annual meeting, the irrigators were also aware that the expense of water delivery was billed on the flow of water to each irrigation company. The cost to each irrigation company will vary based on the amount of water delivered in the river system each year. Irrigators will experience increased cost if the Power Company is successful in their effort to decommission the Cove Power plant.

We will appreciate your consideration in this matter.

Sincerely,

Dean M. Mathews
Lee C Ream
Joe Larson

Dean Mathews

Joe Larson

Lee Ream

Water District 11 Advisory Board

Cc Pete Peterson

Kelly Holt

Gerry Brown

Doug Bornemeier