File_WD 37-0 2004

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Muldoon Ranch Co., LLC

Department of Water Resources

ABC Enterprises P.O. Box 378 Jerome, Idaho 8338

Mr. Tim Luke Idaho Department of Water Resources P.O. Box 83720 Boise, Idaho 83720

May 5, 2004

Dear Tim,

Thank you for your involvement on the Muldoon area water challenges. As you directed, we had an election of a water master. The vote was done by each of the users having an equal vote. I have had a conversation with Cory Skinner in Twin Falls and from that discussion I have the following understanding:

- 1. The vote should not be an equal vote by all water users.
- 2. All water users are not equal. Fees charged determine authorized votes.

The biggest problem is the re-election of Jim Peterson as the water master. Jim has a conflict of interest. I do not believe it is fair to Jim.

- He is a water user himself.
- He is related to Guy Peterson, another water user.
- Most important, he has been the water master for many years and over the last several years, when we have had a shortage of water and the misuse of the water, he has not perform his duties.

Jim is a very honorable man and I do not want to show any disrespect to him as an individual. However, he has not fulfilled his duties as the water master. The results of the last years speak for themselves.

We are following the instructions regarding the measuring weirs and we will have them in place as directed. We hope all of the others will do likewise.

We request your assistants in eliminating any conflict of interest in the water master. We would also ask for a clarification on the rules in choosing a water master and the fees to be charged. I understand we are not following the rules of procedure.

I sure would like to get this all settled so we can get on with running the ranch as best we can. Ranching is hard enough. We want to follow the rules and we expect everyone else to do the same. I would be interested in understanding more about the water judification process for us. Do you have any guess on the time line?

By the way, I believe it is important to go on record that the woman that is with Guy Peterson, told Blair Crouch, my son, that if our ranch manager, Pete Peterson or our hired man ever went up to check the water on Muldoon Creek that she would turn her dogs loose on them. That threat is being taken very seriously and cannot disregarded. By the way, they have a lot of dogs.

Thanks for your help.

Arlen B. Crouch

MEETING OF WATER USERS OF MULDOON CREEK DISTRICT 37-0 April 6, 2004 Carey City Hall

Those present: Mike Stevens Muldoon Grazing Assoc.

Guy and Kathleen Peterson Jim and Mary Peterson Terry and Anita Clark

Blair Crouch Muldoon Ranch Pete Peterson Muldoon Ranch

Purpose of meeting: Elect a watermaster Adopt a budget

Meeting was called to order by Mary Peterson, Secretary. The budget of \$125.00 was explained and discussed. Wells Fargo Bank is chargin \$5.00 per month service charge so secretary is moving the account to Mountain West bank who will not charge a service fee. There is \$126.88 in the bank at this time. The 2004 assessments have not been sent out.

Everyone attending agreed they were going to put in headgates and weirs as directed by Department of Water Resources.

Guy Peterson moved we adopt the budget of \$125.00 and if necessary meet and agree to increase it. Mike Stevens seconded. The motion passed.

Nominationwere opened for watermaster.
Blair Crouch nominated Bob Simpson
Mike Stevens nominated James Peterson
There were no other nominations and the vote was 1 for
Bob Simpson; 4 for James Peterson.
James Peterson was elected watermaster.

Terry Glark wanted to know when the water could be turned on.. He was told he could turn the water on by April 15.

After the election the water decrees and use were discussed by all present.

Mary Setersone Decretary

Mike Stevens moved we adjourn. Guy Peterson seconded Motion passed and Meeting adjourned.

SCANNED AUG 2 9 2007

Department of Water Resources