AUGUST 1, 2008

WATER USER ADDRESS CITY, STATE, ZIP

RE: ORGANIZATIONAL MEETING OF WATER USERS IN BASIN 71

Dear Water User:

This letter provides notice of a public meeting of water users to be held in Stanley, ID on August 22, 2008. The Purpose of the meeting is to discuss creation of a Basin 71 subdistrict within Water District No. 170. Basin 71 includes the Salmon River and tributaries upstream of Big Casino Creek.

TIME AND PLACE:

When: 2:00 p.m. Friday, August 22, 2008

Where: Stanley Community Center, Stanley, ID

BACKGROUND/PURPOSE:

On April 6, 2006, the Director of the Idaho Department of Water Resources (IDWR) issued an order creating Water District No. 170 (WD170). WD170 was created to administer water rights from the Salmon River and tributaries (including groundwater) upstream of the confluence with the Pashimeroi River. Because WD170 encompasses such a large geographic area, the order creating WD170 anticipated that a number of subdistricts could be created within the larger district to facilitate administration, limit costs associated with the district, and provide a level of local control. The meeting in Stanley is held to discuss organization of water users in Basin 71 into a subdistrict within WD170.

IDWR has agreed to provide watermaster services for WD170 for a limited initial period, after which users will elect and fund a WD170 watermaster. Currently, the WD170 Watermaster is performing the measuring and reporting duties in Basin 71 and is funded by IDWR. Although IDWR will continue to provide watermaster services for WD170 during 2009, the costs associated directly with measurement and reporting in Basin 71 will be funded by the Basin 71 users starting in 2009. Organizing into a subdistrict will provide the Basin 71 users more control over the cost of performing those activities. Furthermore, the Director of IDWR has stated that when IDWR no longer provides watermaster services to WD170 free of charge, users in a functioning subdistrict will not be required to fund the budget to operate WD170. In other words, users in a functioning subdistrict will be responsible only for funding that subdistrict and will not incur additional costs to fund the larger district.

If a subdistrict is not created in Basin 71, the WD170 watermaster will hire additional staff to perform the measurement and reporting in Basin 71 starting in 2009. The budget to fund the additional staff will be collected from users in Basin 71 through assessments by WD170.

WHAT TO EXPECT FROM A SUBDISTRICT:

A subdistrict is essentially a semiautonomous organization responsible for administering water rights within a defined area of the larger district. As the subdistrict is a part of the larger water district, the subdistrict watermaster would report to and be supervised by the WD170 watermaster. Although a subdistrict is not a water district in and of itself, a subdistrict would organize and operate similar to a water district, as provided in Chapter six of the Idaho Code. If a subdistrict is created, users will hold an annual meeting each spring to adopt a budget and elect a local watermaster to perform measurement, reporting, and regulation duties associated with day to day operation of the district. The budget will be collected from water users within the subdistrict based on each user's proportional use of water. The budget may be large or small, depending on the level of service the users choose to fund. As an example, users in Basin 71 may choose to elect a full-time watermaster and fund a full-time salary, or they may choose to adopt a policy that includes some level of self-reporting with only a seasonal, part-time watermaster at a lesser cost.

If the users at the August 22, 2008 meeting decide to pursue forming a subdistrict, the Director of IDWR will schedule a public hearing and will notify each water right holder in the proposed subdistrict of the time and place of the hearing. The hearing provides an opportunity for affected users to provide input on the creation of the subdistrict. After the public hearing is held, the director considers the input received at the hearing and any written comments submitted after the hearing and will issue an order creating the subdistrict if he determines it is appropriate to do so.

Questions, concerns or needs related to the scheduled meeting may be directed to Nick Miller at 208-287-4956, or by e-mail at Nick.Miller@idwr.idaho.gov. You may also contact Bob Foster at the IDWR Field Office in Salmon, Idaho at 208-756-6644, or by e-mail at Bob.Foster@idwr.idaho.gov.

Sincerely,

Nick Miller, P.E.

Staff Engineer, IDWR

Watermaster, Water District No. 170