

WILLIAM'S CREEK WATER DISTRICT
75-B
September 2, 2004

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DEPARTMENT OF
WATER RESOURCES

RE: Formation of a Lateral Ditch Association.

Those attending:

Bill Gattung	Jason Beyeler
Kevin Rice	Randy Capps
David Logan	Mike Broce

The meeting was called to order at 7:00 p.m. on 2 September 2004 at the home of Bill Gattung for the purpose of organizing a lateral ditch from William's Creek Water District 75-B. It will be known as the Highline Lateral Ditch Water's Association.

Bill Gattung, Secretary of William's Creek Water District 75-B called for a vote on this matter. There were five who voted for this association and I abstained.

As stated in Chapter 13 of the Idaho Department of Water Resources Statutes (Mar. 2001):

1A - That the land owner on the lateral ditch with water rights on William's Creek will not use the monies from William's Creek Water District 75-B for the Highline Lateral Ditch Project.

2A - The lateral ditch was constructed by the Hodge's family, consisting of George Hodge's and his two sons, Gar and Paul. This ditch was constructed in 1935 and 1936 with three diversion points (or head gates), one on the property of each family member.

The Lateral Ditch remains the same at the present time except for improvements – the three (3) diversions shared the water with 1/3 going to each family. At present the three diversions are approximately in the same location.

Diversion #1	Gar Hodges	SW1/4 NE1/4 Section 12
Users	Bill Gattung Jason Beyeler David Logan	

Diversion #2	George Hodges	NW1/4 NE1/4 Section 12
Users	Kevin Rice Mike Broce	

Diversion #3	Paul Hodges	SW1/4 SE1/4 Section 1
Users	Randy Capps	

Elections were held. The following offices were filled:

Chairman	Bill Gattung
Secretary	Dave Logan
Water Manager	Kevin Rice

We discussed an affidavit from Gar Hodges, one of the original builders of the high line ditch. An affidavit was also received from George Rice. Water fees were discussed but not decided upon. They will be decided at a later meeting, which at this time has not been decided upon or a Date set.

Bill Gattung, Secretary

MINUTES OF THE ORGANIZATIONAL MEETING OF THE
WILLIAM CREEK LATERAL DITCH WATER USERS' ASSOCIATION

Pursuant to the laws of the State of Idaho, Idaho Code #42-1301 et.seq., the organizational meeting of the Board of Directors was held in Lemhi, County, Idaho on _____, 2004, at the Bill Gattung residence, 88 Lois Ln., Salmon, Idaho.

Following discussion, nominations and motions were duly made, seconded and carried. Elections were held and it was

RESOLVED that the following named persons were elected to office.

Chairman: Bill Gattung

Vice-Chairman:

Secretary-Treasurer: David Logan

Manager/Watermaster Kevin Rice

The secretary presented and read to the meeting, the proposed by-laws. After discussion and upon a motion duly made, seconded and carried to adopt the By-Laws of the Highline Lateral Ditch Water Users' Association, the by-laws were adopted and ordered appended to the minutes of the meeting.

Upon motions duly made, seconded and carried, it was

RESOLVED, the lateral ditch users' association carry on with business for which it was formed, and further agreed that there shall be no additional diversions without the unanimous agreement of the association owners.

RESOLVED, that the signing of these minutes shall constitute full ratification thereof.

There being no further business before the meeting, on a motion duly made, seconded and carried, the meeting was adjourned.

DATED: _____

HIGHLINE LATERAL DITCH WATER USERS' ASSOCIATION

ARTICLE 1

Section 1. Meetings of members shall be held at the registered office of the Association unless another place shall have been determined by the directors and stated in the notice of the meeting. The annual meeting shall be held anytime between January 1st and the last Monday in March of each year at the call of the secretary and said secretary shall give ten (10) days notice by Mail of such annual meeting. If for any reason the secretary shall fail to call a meeting then the annual meeting of this Association shall be held on the last Monday of March of each year.

Section 2. Members of the Association shall be those individuals owning lands or an Interest therein which are served by the laterals from the Highline Ditch point of diversion in the L1 SE1/4NE1/4NE1/4 Section 11, T 20 N, R 21 E, Boise Meridian.

Section 3. Each member shall be entitled to vote one vote for each acre or fraction of acre Thereof in which the member owns or has interest therein. There shall be no more than one vote Per acre or fraction thereof and in the event an acre is owned by more than one person, said Persons shall cast the one vote in such manner as they determine between themselves.

Section 4. The Association members may adopt rules and regulations for the Management of the lateral or laterals or distributing ditch or ditches and the delivery of water Therefrom as they deem best.

ARTICLE 11

Directors

Section 1. The number of directors shall be four (4).

Section 2. A regular meeting of the Board of Directors shall be held without Notice immediately following the annual meeting of the shareholders and at the same

Place. The Board of Directors may provide for the holding, without notice of additional Regular meetings.

Section 3. Special meetings of the Board of Directors may be called by the Chairman or any director on three days notice given personally or by telephone, e-mail Facsimile or by mail. Special meetings shall be held at the place fixed by the Board of Directors for the holding of meetings, or if no such place has been fixed, at the principal Business office of the association.

ARTICLE 111

Officers

Section 1. The officers of the Association shall be a Chairman, one Vice-Chairman, Secretary-Treasurer, and a Manager. Said officers shall be elected annually at the regular meeting Of the Board of Directors held after the annual meeting of shareholders and shall hold office for One year.

Section 2. The Chairman shall be the principal executive officer of the association to put Into effect the decisions of the Board of Directors. He shall preside at meetings of the shareholders And directors.

Section 3. Subject to any specific assignments of duties made by the Board of Directors, The Vice-Chairman and Secretary-Treasurer shall act under the direction of the Chairman. The Vice Chairman shall perform the duties of the Chairman when the Chairman is absent or unable to act. The Secretary-Treasurer shall prepare and keep the minutes of the meeting of the stockholders and Directors and shall have general charge of the records of the Association. He shall also have custody Of the funds of the Association and keep its financial records.

Section 4. Association members, at the annual meetings, shall fix the compensation of The officers.

ARTICLE IV
Secretary-Treasurer

Section 1. The Secretary-Treasurer shall make receipts for all funds received in behalf of The Association. He shall keep the funds of the Association in the name of the Association and shall Draw warrants or checks thereon to pay the costs and expenses of managing the lateral or distributing Ditch, upon the order of the Board of Directors, and shall perform such other duties as the Association may prescribe.

ARTICLE V
Lateral Manager (Watermaster)

Section 1. At the regular annual meeting the association shall elect a manager of said Lateral or laterals and he shall be known as lateral manager for the succeeding season and the Association shall fix the compensation of said manager. Should the association, at its annual Meeting, fail to elect a lateral manager or fix his compensation, such lateral manager may be Elected by the Board of Directors who may also fix his compensation.

Section 2. One person shall not hold the office of lateral ditch manager and secretary-Treasurer at the same time.

Section 3. The lateral manager shall have charged, during the succeeding season, of the Distribution of water from the lateral or laterals. It shall be his duty to ascertain and see that the Amount of water to which each of the shareholders is entitled is property apportioned and distributed

Section 4. Immediately after the annual meeting, or as soon thereafter as weather will Permit, the lateral manager shall examine the lateral or distributing ditch or ditches and make an Estimate as to the cost of any necessary repairs or improvements needed, and the cost of the Maintenance for the succeeding season. Said improvements, repairs and maintenance shall be Under the direction of the Board of Directors.

Section 5. Said cost of repairs, improvements and maintenance shall be assessed pro-Rata, (or as owners determine), to each water user in proportion to the water he is entitled to Receive from the lateral or distributing ditch.

Section 6. The lateral manager shall not deliver water to any water user whose Assessment is due and unpaid, EXCEPT upon order of the Board of Directors.

Section 7. The lateral manager shall keep a flow of water in the lateral or distributing Ditch sufficient to provide for the requirements of the members of the Association from the last day Of April to the first day of November, provided however, that when the public streams or other Natural water sources from which water is obtained is too low and inadequate for that purpose, Then the lateral or distributing ditch shall be kept with as full a flow of water therein as may be Practicable, subject, however, to the rights of priority from the streams or other natural sources as Provided by law.

Section 8. Each water user shall be responsible for installation and maintenance of his Own headgate at his point of diversion.

Section 9. The Association shall also at the discretion of the majority of the members elect An assistant watermaster to serve at the pleasure of the directors of the Association and to assist the Lateral ditch manager.

ARTICLE VI Assessment

Section 1. On or before the 15th day of April in each year, the Secretary-Treasurer shall Notify each water user of the amount assessed against him for that year. Such assessment shall Include but not be limited to:

1. Cost of repair, improvements and maintenance of the lateral, Laterals or distributing ditches; and

2. Compensation fixed for the lateral manager; and
3. Compensation fixed for officers.

Section 2. Said assessment shall be due and payable on the first (1st) day of May each year And if not paid on or before the fifteenth (15th) day of June of such year a Ten (10%) penalty shall Be added thereto. The total amount due shall then draw interest at the rate of Ten (10%) per annum From the fifteenth (15th) day of June of such year until paid.

Section 3. Any water user whose assessment is due and unpaid can be denied delivery of Water, EXCEPT, the Board of Directors shall have authority to cause such water to be delivered, Provided; the water user shall give such security for payment of the assessment against him as Shall be required by the Board of Directors.

ARTICLE VII Authority to Borrow Money

Section 1. The Association may borrow money from a private or government source, To be repaid over a period of years and may levy assessments over said period of years for the Purpose of repaying any such loan, or may mortgage and/or pledge any of the assets of the Association as security for said loans.

Section 2. Before any money can be borrowed or any mortgage or pledge can be made and Entered into it must be voted on by the members of the Association and passed by a majority of the Total eligible votes.

Section 3. Notice of such an election must be given by two (2) weekly publications in a Legally authorized newspaper in Lemhi County, and the state, that an election is being called to Determine whether or not the Association shall be authorized to borrow money and mortgage or Pledge its assets. Said notice shall also state the date, time and place of the election. Said election Shall be held with ten (10) days after the date, time and place of the election. Said election

Shall be held within ten (10) days after the date of the last publication of said Notice.

Section 4. If a majority of the eligible votes of the Association are in favor of borrowing Said money and mortgaging and/or pledging said assets of the Association, then the Association, Through its Chairman and the Secretary-Treasurer, shall proceed to borrow the money and mortgage And/or pledge the assets thereof.

ARTICLE VIII
Miscellaneous

Section 1. The Board of Directors may authorize any officer or agent to enter into any Contract or execute any instrument for the association. Such authority may be general or confined To specific instances.

Section 2. Certificated representing the shares of the Association shall be in such form as The Board of Directors shall determine. Transfer of the Shares shall be made only on stock transfer Books of the Association.

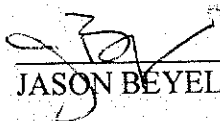
ARTICLE IX
Action Without Meeting

Section 1. Any action required or permitted to be taken by the Owners at a meeting may be Taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all owners as the case may be.


ARTICLE X
Amendment

Section 1. These by-laws may be altered, amended or repealed and new by-laws may be Adopted by the owners.

Adopted and Approved by 2/3 of the owners of the Highline Lateral Ditch Water Users Association, this _____ day of _____ 2004.




JASON BEYELER



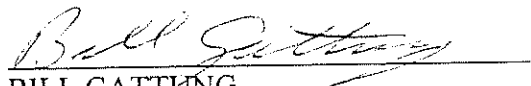
MIKE BROCE



DAVID LOGAN



KEVIN RICE



BILL GATTUNG



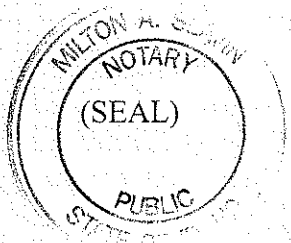
RANDY CAPPS

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STATE OF IDAHO)
 : ss.
County of Lemhi)

On this 1st day of February, 2005, before me, a Notary Public in and for State, personally appeared **JASON BEYELER, MIKE BROCE, DAVID LOGAN, KEVIN RICE, BILL GATTUNG and RANDY CAPPS**, known to me to be the persons whose names are subscribed to the within instrument and acknowledged to me that they executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.



Milton A. Smith
Notary Public for the State of Idaho
Residing at Salmon, Idaho
My Commission Expires: 10/26/05