

# **WATER DISTRICT 72-C, CHALLIS CREEK & WATER DISTRICT 72-B, GARDEN CREEK**

January 6, 2007

## **To All Water District 72-B, Garden Creek, & 72-C, Challis Creek, Water Right Owners:**

As you may have noticed in this week's Challis Messenger on Tuesday, January 23<sup>rd</sup>, at 7:00 P.M. in the Challis High School cafeteria, the Idaho Department of Water Resources (IDWR) will be holding a Hearing regarding the merging of our two water districts. For those who did not attend either of last year's District meetings it was unanimously recommended to seek this merger to consolidate and improve operational efficiency and, as a result, decrease the overall cost per CFS (24 Hour Second Feet) to **all** water right owners. It was further unanimously approved to function this past irrigation season (2006) with one Watermaster, Ditch Rider and Secretary/Treasurer, which we did, with a separate "paper trail" maintained for both Districts as realistically possible.

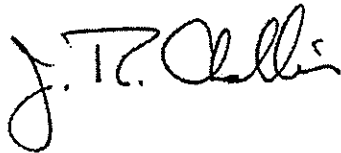
During last year's meetings detailed projections were presented as to what the 2006 season would cost if the Districts operated separately as well as one entity. The cost per CFS for Challis Creek was projected at \$0.7574 based upon an \$8,000 budget and Garden Creek was projected at \$1.9916 per CFS with a \$5,600 budget. These projections were derived from 2005 actual respective District flows and expenses. The latter were adjusted slightly wherever necessary for any expense variations anticipated in 2006. Operating jointly as one district the cost per CFS was projected at \$0.6545 with a \$10,000 budget.

The actual 2006 combined operating expenses (less a prior, one-time commitment for an \$850 expenditure by 72-B for purchase of the Watermaster software program) were \$10,354.64 or, based upon actual combined CFS usage, \$0.5848 per CFS. It should be noted 2006 was an above average water year allowing more flow than recent year's flow averages which tended to skew this cost per CFS in a more favorable light. However, were we to use 2005 actual CFS flows, a more realistic representation of recent years, and apply these same expenses to those flows the cost per CFS would be \$0.6266 per CFS, still significantly less than the projected cost and far less than the cost per CFS if the Districts functioned separately.

Minimum users should note that either separately or as one district their charge will likely remain \$50.00 annually, the most that can be charged by current Statute for minimum usage. Major users who pay by CFS consumed can readily see the saving they will realize.

Anyone who might desire further explanation with regard to the proposed merger and/or that might have questions regarding this issue in general or the calculations used to derive the conclusions herein may feel free to contact the undersigned accordingly. In any case everyone is encouraged to attend this Hearing and anyone who might desire to comment at the Hearing is further encouraged to do so.

Sincerely,  
Water District 72-C, Challis Creek  
Challis Creek

A handwritten signature in black ink that reads "J. T. Challis". The signature is written in a cursive style with a large, looped initial "J".

Watermaster  
(208) 879-4617

**All Water District 72-C, Challis Creek Water Right Owners:**

In light of the foregoing the 2006 72-C, Challis Creek, Annual Meeting scheduled for Monday, January 22, 2006, at last year's meeting has been, by vote of your Advisory Board, postponed. Should the merger be approved a combined meeting date will be set and all water right owners will be notified accordingly. If rejected the 72-B, Garden Creek, Annual Meeting will be Tuesday, March 6<sup>th</sup> as set at last year's meeting; 72-C, Challis Creek, water right owners will be advised of a new date when set by their Advisory Board.