CHALLIS CREEK RANCH, LLC RandRforHorses.com

March 1, 2008

Richard A. Philps, Watermaster Garden Creek & Challis Creek Water District 72-A P. O. Box 910 Challis, ID 83226-0910

Dear Rick:

In a recent conversation with Mark Lupher, Mark and I discussed the diversions which we knew needed attention prior to the beginning of the 2008 irrigation season. Mark reminded me these should have been outlined to you since neither he nor I had provided a list of same in the files provided. We, of course, both knew what they were and what needed to be done. However, we realized this information had not been conveyed to you. Therefore the following is what had been scheduled for this spring and, in most cases, had been conveyed to the respective users verbally and/or in writing the end of last season.

- Diversion No. A0002578 Burchill: This diversion is old, antiquated, leaks and is in need of extensive repair if not total replacement
- Diversion No. A0002583 Stanley: This diversion head gate is set too low and oftentimes floods the measuring devise; it needs to be watched closely especially during high water to insure it is not washed out
- Diversion No. A0002585 Van Kampen: The Van Kampens have committed to installation of a new Parshall Flume at this diversion prior to the release of water this spring
- Diversion No. A0002586 Axline/Challis/Stanley/Van Kampen: This is the diversion that was flooded by the beaver dams the end of last season and will likely need expensive repair before usable this spring
- Diversion No. A0002589 Wegner: This measuring devise leaks under and around making a true measurement difficult if not impossible and needs to be reset or replaced
- Diversion No. A0002611 USDI-BLM/Valnoski: This ditch is totally "blown out" approximately 100 yards below the Fish Screen and needs repair before water is released
- Diversion No. A0002705: Bauchman/Cranney/Gammache/Hanson/Latimer/Schut/Schaul/Simmons: A letter was sent to these users last fall outlining the problems at this diversion; a copy is in the file

- Diversion A0002717 Bird: A letter was sent to this user last fall outlining the requirement for an approved means of flow measurement before the beginning of the 2008 irrigation season; a copy is in the file
- Diversion No. A0002721 Summers: This diversion is in need of extensive repair or replacement
- Diversion No. A0002723 Watson: A letter was sent to this user last fall outlining the requirement for an approved means of flow measurement before the beginning of the 2008 irrigation season; a copy is in the file
- Diversion No. A0003058 Bruno: Per request last season this user has installed a "V" Notch Weir but the head gate is in need of repair and resetting (it leaks badly) or replacement

Rick, needless to say the winter may well have caused additional concerns but these are those of which we were aware and intend to follow through with this spring as we assume you will now do.

Sincerely,

J. R. Challis

cc: Tim Luke-IDWR, Boise; Robert E. Foster-IDWR, Salmon; Nick Miller-IDWR, Boise (via email attachment)