

From: DWR01::TLUKE 1-MAR-1996 10:16:45.36  
To: MAIL\_DWR80DWR01  
CC: \*  
Subj: WATER DISTRICTS/WATERMASTERS WORKERS COMPENSATION

Regional Staff Attending Water District Meetings:

The state office sent a letter to water districts last month reminding them of workers compensation requirements for watermasters. This reminder was sent in response to a situation which was raised last year in one of our water districts. It is the opinion of the IDWR deputy attorney generals that water districts are public entities and workers comp is required of water districts.

Our letter to the districts last month generated a number of calls and letters by districts to the State Insurance Fund, legislative representatives and the governor's office. In response, the Insurance Fund contacted us for some more information about water districts. Earlier this week, John Homan, John Westra and I met with representatives at the fund. I would like to pass on some information which we received at that meeting. This may be useful to you in case questions are raised at next weeks annual water district meetings.

1) Insurance Fund responsibilities: the Fund is a quasi-government agency, i.e.; it is a state agency but does not operate on general tax funds, it is supported only by insurance premiums. The Fund only writes and administers insurance policies, mainly for workers compensation. It functions very much like a normal insurance company. The Industrial Commission is the state agency that actually enforces the act. The commission may investigate organizations which do not comply with the workers comp. act.

2) Costs: Currently, workers comp. costs \$398.00 per \$5000 of payroll. Thus, a water district with a payroll budget of \$2000 pays \$398, and a district with a payroll budget of \$200 also pays \$398. The Fund is aware that this cost may be as much or more of a district's total budget, but says that the minimum still applies. Each policy however also covers all elected water district officials, whether they are on the payroll or not, including water master assistants, secretary, treasurer and advisory committee. It would even include volunteer work. The \$398 minimum therefore covers the water master and all other district officials (it is not \$398 x each salaried person).

3) Combined Policies: Several questions were raised about possibly combining policies for watermasters who also work as ditch riders for canal companies etc. The Fund says that separate policies are required in this case (i.e.; they won't consider such combined policies).

The Fund says that at this time there are 17 water districts in the state which have workers comp policies with the Insurance Fund. I interpret this to mean that there are probably a lot of small water districts that are not presently covered, but should be covered under current state law.

The Fund also says that plans to send general information and applications to water districts which are not presently enrolled. This correspondence will be sent by the Fund on March 15 of this year. The Fund also plans to forward our water district/water master list to the Industrial Commission.

The Fund wishes to assist and address all questions regarding workers comp for water districts. They have assigned two individuals (underwriters) to assist districts, they are:

Mike Rudi 1-800-334-2370 (ext. 368)

Roger Mary 1-800-334-2370 (ext. 331)

The Fund has asked that all inquiries by Districts be directed to these two individuals (they are located in State Insurance Fund office in Boise). Please advise districts to call these individuals rather than the Insurance Fund regional offices.

The Insurance Fund said it was going to send a letter to me which I could fax to the regional offices prior to Monday's waer district meetings. I beleive this letter was intended to provide more information about workers comp for water districts. I have not yet received their letter.

December 15, 1995

Water District Secretary, Treasurer and Watermaster

Re: Workers Compensation Insurance and Withholding Taxes

Dear Sir:

Several questions have been directed to the Department of Water Resources (Department) in the past year regarding workers compensation insurance requirements for watermasters and other water district staff.

The purpose of this letter is to remind all water districts that workers compensation insurance is required for all water district employees. This requirement applies to all water districts in Idaho, regardless of annual budget. Insurance should be applicable at least to all paid water district staff, including the watermaster as well as watermaster assistants, advisory committee, secretary and treasurer. The costs associated with workers compensation insurance is paid directly by the water district and should be considered an expense of the district. For information about obtaining insurance and insurance costs etc., please contact the Idaho State Insurance Fund. The State Insurance Fund has offices in Boise, Couer d'Alene, Idaho Falls, Pocatello and Twin Falls.

Water districts are also reminded that all paid water district staff may be subject to state and federal withholding taxes. These tax requirements will vary depending on salaries and total income of each watermaster or employee. In many water districts, particularly smaller districts with part-time staff, payment of these withholding taxes may be the responsibility of the the watermaster or each employee. Districts may wish to contact the State Tax Commission or the Internal Revenue Service for information about state and federal withholding taxes.

General questions regarding water districts. watermaster appointments, and water district budgets may be directed to IDWR regional offices. You may also contact Tim Luke, IDWR state office, at 327-7864.

Sincerely,

Tim Luke

cc: Regions