



State of Idaho

DEPARTMENT OF WATER RESOURCES

322 East Front Street • P.O. Box 83720 • Boise, Idaho 83720-0098

Phone: (208) 287-4800 • Fax: (208) 287-6700 • Web Site: www.idwr.idaho.gov

C. L. "BUTCH" OTTER
Governor

GARY SPACKMAN
Interim Director

May 28, 2010

Ethlene Rock
WD 29-D Treasurer
PO Box 2166
Pocatello, ID 83206-2166

Re: Workers Compensation Requirements for State Water Districts

Dear Ethlene,

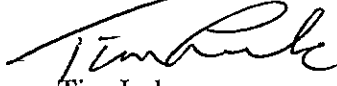
This letter is intended to formally document with you and Water District 29-D that all water districts in the State of Idaho are required to obtain workers compensation insurance. I understand from you that the State Insurance Fund recently sent you correspondence regarding this requirement. This letter verifies the need for the requirement as per the understanding of the Idaho Department of Water Resources (Department).

For clarification and reference, I have attached a copy of a form letter from 1996 that the Department sent to all active water districts at that time regarding workers compensation requirements. The letter documents the Department's official understanding and direction to water districts on this matter. Obviously, you would not necessarily have known about the workers compensation requirement other than through communication from me as you began organization of the district's finances, including federal and state withholding requirements. I apologize if I did not clearly articulate this requirement or provide direction to you on contacting the appropriate state agency to obtain the insurance. I may have assumed you understood the requirement since we did list workers compensation along with FICA and Medicare as a line item in the District's budget that was presented at the annual meeting and included in the adopted resolutions. I did discuss the requirement with the steering committee in preparation of the budget before the annual meeting but we probably glossed over it at the meeting. In any case, I should have provided you with more information about workers comp after the annual meeting. I apologize again for that oversight. Please note that the workers compensation only covers water district officials for potential claims occurring while performing water district duties.

I also want to take this opportunity to clarify that the water district is not required to obtain any type of liability insurance. All water district officials who take an oath of office and who are officially appointed by the Director of the Department, including the watermaster, watermaster assistants and treasurer, are covered by the state group surety bond upon appointment for actions taken within the authorized scope of duties for each position. The state group surety bond therefore covers the water district with respect to potential liability or tort claims filed against the water district. The surety bond negates the need for water districts to obtain separate liability coverage. Water districts are not required to pay any bonding fees. The

oath and appointment process automatically covers district officials, at no cost, through the state surety bond.

Respectfully,



Tim Luke
Water Distribution

Cc: Marshall Wheatley, Water District 29-D Watermaster
James Cefalo, IDWR Eastern Region

Post-It® Fax Note	7671	Date	# of pages
To	SKIP Jones	From	T. LUKE
Co./Dept.		Co.	
Phone #		Phone #	
Fax #		Fax #	

February 13, 1996

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