

**GARDEN CREEK & CHALLIS CREEK
WATER DISTRICT No. 72-A**

P. O. Box 910
Challis, Idaho 83226-1220

RECEIVED

JAN 18 2008

DEPT. OF WATER RESOURCES
SOUTHERN REGION

January 15, 2008

James E. Stanton
Senior Water Resource Agent
Idaho Department of Water Resources
1341 Fillmore Street, Suite 200
Twin Falls, ID 83301-3380

Dear Jim:

Enclosed please find the following:

- 2007 Treasurer's Report Summary
- 2007 Treasurer's Income & Expense Breakdown
- 2007 Watermaster's Report (signed and notarized)
- 2007 Water Right Owner – Water Use History
- 2008 Proposed Budget

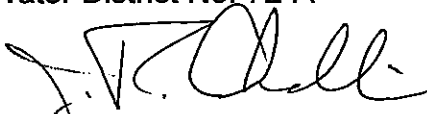
These items should be self-explanatory but please let me know if there are any questions or concerns.

Also enclosed is a copy of the cover letter being sent to all water right owners in the District reminding everyone of the Annual Meeting as well as providing them with the items outlined therein to review prior to the meeting. I would ask that you pay particular attention to the paragraph explaining the two (2) different costs per CFS provided. As we discussed in our telephone conversation yesterday I did, in fact, prepare the Watermaster's Report based upon our actual cash expenditures during calendar 2007. The 2008 Proposed Budget was computed from these same actual cash expenditures **less** the special, one-time expenses we discussed. This, in my opinion, will provide a more realistic representation of the true expenses we can anticipate in 2008.

In case there are any questions regarding the time and/or mileage charges for the Secretary/Treasurer, Ditch Rider or me I have also enclosed copies of the Secretary/Treasurer's Time & Material Worksheet, the Ditch Rider Weekly Time Sheets as well as my Watermaster's Time & Material Worksheet. These too should be self-explanatory.

Again, if there are any questions or anything required has been overlooked, please let us know.

Sincerely,
Garden Creek & Challis Creek
Water District No. 72-A



J. R. Challis
Watermaster

cc: All Water District 72-A Advisory Committee members
Tim Luke; Robert E. Foster; Mike Miller (via email attachment)