

ORDINANCE NO. 2011-01

An ordinance creating Local Improvement District No. 3 – Chilco East of North Kootenai Water District, of Kootenai County, Idaho; describing and setting forth the boundaries of said Local Improvement District; providing for the improvements to be made therein; authorizing the advertising for bids for said work as provided by law; providing for the payment of costs and expenses of said improvements to be assessed against the property within the District specially benefitted thereby and the method of assessment; providing for the issuance of local improvement district bonds and warrants; providing for the publication of a summary of this ordinance; and providing for other matters properly relating thereto

NORTH KOOTENAI WATER DISTRICT
Kootenai County, Idaho

LOCAL IMPROVEMENT DISTRICT NO. 3 – CHILCO EAST

BE IT ORDAINED BY THE BOARD OF DIRECTORS OF NORTH KOOTENAI WATER DISTRICT, Kootenai County, Idaho as follows:

WHEREAS, North Kootenai Water District, of Kootenai County Idaho, (the "District"), is a water district operating and existing under and pursuant to the provisions of the Constitution and laws of the State of Idaho, and as such is authorized and empowered to create local improvement districts and to construct improvements pursuant to Idaho Code, Title 50, Chapter 17;

WHEREAS, the District is authorized by Idaho Code, Title 50, Chapter 17, to create local improvement districts within the District for the purpose of acquiring, constructing and installing certain improvements and appurtenances, together with engineering, legal, accounting, costs of bond issuance, and other costs incidental thereto as authorized by law (the "Project"), and to finance said improvements by the issuance and sale of local improvement district bonds or warrants, which bonds or warrants are payable solely from assessments upon the property benefitted by said improvements; and

WHEREAS, the Board of Directors, by Resolution No. 2011-12, adopted on August 18, 2011, declared its intention to form a local improvement district to be designated "North Kootenai Water District Local Improvement District No. 3" ("LID No. 3"); described the boundaries of proposed LID No. 3 and the improvements to be constructed therein; set forth the

total estimated cost and the method of assessment; fixed the time and date for a public hearing to consider the creation of proposed LID No. 3; and

WHEREAS, after proper publication and mailing of notice to the property owners of the Board of Director's intention to create proposed LID No. 3, a public hearing was held by the Board of Directors on October 6, 2011, at which hearing the residents and owners of property within the proposed LID No. 3 had the opportunity to appear and to submit written protests to the formation of the proposed LID No. 3; and

WHEREAS, the Board of Directors has considered each written protest submitted and and determined that it is in the best interests of the residents of the District to proceed with the formation of proposed LID No. 3 and to acquire, construct and install such improvements.

NOW, THEREFORE, BE IT FURTHER ORDAINED BY THE BOARD OF DIRECTORS OF NORTH KOOTENAI WATER DISTRICT, Kootenai County, Idaho, as follows:

Section 1: The Board of Directors hereby finds and declares:

A. That the formation of LID No. 3 will be in the best interests of the property affected and of the District;

B. That there is a reasonable probability that the obligations of LID No. 3 will be paid;

C. That the value of the property subject to assessment within LID No. 3 (such value being determined by the current assessed valuation of such property for ad valorem tax purposes, as shown by the records of the Assessor of Kootenai County) exceeds the sum of the estimated costs to be assessed against the property included in LID No. 3; and

D. That the Board of Directors has heard, considered, and passed upon all protests which were filed in writing in advance of the hearing, which protests are attached hereto and incorporated herein collectively as Exhibit "A". After consideration of all public testimony and comment, including written objections, if any, the Board of Directors desires to move forward with the formation of the LID.

Section 2: There is hereby created and established a local improvement district within North Kootenai Water District, Kootenai County, Idaho, to be designated "North Kootenai Water District Local Improvement District No. 3" ("LID No. 3"), the boundaries of which local improvement district are set forth in Exhibit "B", which is annexed hereto and by reference made a part of this Ordinance.

Section 3: The improvements to be made within LID No. 3 are as follows:

A. Extension of a new water main from the District's existing Chilco Water System south to Chilco Road;

B. Construction of a new 8" water main including the pipe and incidentals as well as new water services to extend from the new main to the edge of the right-of-way line, inclusive of all related appurtenances and incidentals;

C. Acquisition of related appurtenances necessary to operate the Chilco pump station;

together with engineering, legal, accounting, costs of bond issuance, costs of interim financing, costs of financial advice, and other costs incidental thereto. All work will be performed and all materials supplied after the advertisement for bids therefore by giving notice calling for sealed bids for the construction of work.

Section 4: All of the costs and expenses of the improvements shall be paid from special assessments against the lots and parcels within proposed LID No. 3 according to the benefits derived method of assessment.

Section 5: The total estimated cost of the proposed Project is approximately \$408,000, all of which shall be borne by and assessed against the properties specially benefited by such improvements. Any remaining cost of the Project will be paid from funds of the District and other legally available funds.

Section 6: Costs and expenses as herein provided shall include the contract price of the improvements, engineering and clerical services, advertising, costs of inspection, costs of collecting assessments, interest on any warrants issued to temporarily pay for the improvements, and for legal services for preparing the proceedings and in advising in regard thereto, and for the costs of acquiring land, if necessary.

Section 7: The Board of Directors hereby finds that such apportionment is equitable and is based upon the special benefits each parcel will receive from the Project.

Section 8: To provide for the immediate payment of the improvements herein provided for, pending the payment of the installments on special assessments hereinabove provided for, the District shall issue bonds as provided in Idaho Code §§ 50-1715, 50-1722, and 50-1724. For the purpose of making payments for said improvements as the same are installed,


prior to the issuance or sale of bonds, the District may issue warrants against LID No. 3 special assessments, payable to the contractor or other persons upon the estimate of the engineer for the District, bearing interest at rates not in excess of allowable limitations as determined by the Board of Directors, which warrants, together with interest thereon to the date of the issuance of the bonds, if issued, shall be redeemed and retired by the proceeds of special assessments paid in full and proceeds of the sale of said bonds.

Section 9: All matters and things done and performed in regard to the creation of said LID No. 3, and each and all of the provisions thereof in regard to all of said matters concerning the creation of LID No. 3 and the doing of the improvements and payment thereof, are hereby expressly incorporated as part of this Ordinance.

Section 10: This Ordinance shall take effect and be in full force from and after its passage, approval, and publication of a summary hereof one time in the official newspaper of the District. A summary hereof is attached hereto as Exhibit "C" and incorporated herein by this reference.

PASSED at a special meeting of the Board of Directors of North Kootenai Water District, held on the 6th day of October, 2011.

NORTH KOOTENAI WATER DISTRICT,
Kootenai County, Idaho



President, Board of Directors

ATTEST:



District Secretary

(SEAL)



I, the undersigned, Secretary of the Board of Directors of North Kootenai Water District, of Kootenai County, Idaho hereby certify that the foregoing Ordinance is a full, true, and correct copy of an Ordinance duly adopted at a special meeting of the Board of Directors held on October 6, 2011, of which meeting all members of said Board of Directors had due notice and at which a majority thereof were present; and that at said meeting said Ordinance was adopted by the following vote:

AYES, and in favor thereof, Directors: 5

NAYS, Directors:

ABSENT, Directors:

ABSTAIN, Directors:

I further certify that I have carefully compared the same with the original Ordinance on file and of record in my office; that said Ordinance is a full, true, and correct copy of the original Ordinance adopted at said meeting; and that said Ordinance has not been amended, modified, or rescinded since the date of its adoption, and is now in full force and effect.

I have set my hand and affixed the official seal of the District on October 6, 2011.

Alanna Brooks
District Secretary

(SEAL)



Exhibit "A"

Summary of Protests to Creation of LID No. 3

Name and Address	Comment Regarding LID
None	

This is merely a summary of the written protests received regarding the possible formation of LID No. 3. The written comments referenced above, and any others timely received, are a part of the official record of the District regarding this project and LID.

Exhibit "B"

Legal Description and Map of the Boundaries of LID No. 3

Exhibit "A"

Legal Description and Map of Proposed Boundaries of LID #3

Lots 1, 2, 3, and 4, Block 1 of the plat of Serendipity Falls as recorded in Book G of Plat, Pages 92 and 92A, records of Kootenai County, Idaho

TOGETHER WITH

That part of the Southwest Quarter of the Southwest Quarter formerly described as Block 10 and Lot A, Block 14 (also known as Lot A, Block 15) Spokane Valley Commercial Orchard Tracts, now vacated within Section 8, Township 52 North, Range 3 West, B.M., Kootenai County, Idaho

TOGETHER WITH

A portion of the Southeast quarter of Section 7, Township 52 North, Range 3 West, B.M., Kootenai County, Idaho lying Easterly on the East right of way line of U.S. Highway 95, further described as follows:

Commencing at the Southeast corner of said Section 7; thence, South 89°58'53" West along the South line of said Section 7, a distance of 661.06 feet to the Southeast corner of the Southwest quarter of the Southeast quarter of the Southeast quarter and the True Point of Beginning for this description; thence North 00°53'43" East, along the East line of said Southwest quarter of the Southeast quarter of the Southeast quarter, a distance of 282.89 feet to a point; thence South 89°58'53" West, a distance of 676.52 feet to a point on the Easterly right of way of U.S. Highway 95; thence South 34°04'39" West along said right of way, a distance of 341.57 feet to a point on the South line of said Section 7; thence North 89°58'53" East, a distance of 863.49 feet to the Place of Beginning:

EXCEPT any portion lying within those streets and roads dedicated by the plat of Spokane Valley Commercial Orchard Tracts, according to the plat recorded in the office of the County Recorder in Book "C" of Plats, at page 120, records of Kootenai County, Idaho

EXCEPT right of way deeded to State of Idaho under instrument numbers 2290876 and 2293943

TOGETHER WITH

The Northeast quarter of the Northeast quarter of the Northeast quarter of Section 18, Township 52 North, Range 3 West, Boise Meridian, Kootenai County, Idaho

TOGETHER WITH

The South half of the Northeast quarter of the Southeast quarter of the Southeast quarter of Section 7, Township 52 North, Range 3 West, Boise Meridian, Kootenai County, Idaho, less U.S. Highway 95. Formerly known as Block 11, Spokane Valley Commercial Orchard Tracts

TOGETHER WITH

The North half of the Northeast quarter of the Southeast quarter of the Southeast quarter of Section 7, Township 52 North, Range 3 West, Boise Meridian, Kootenai County, Idaho

EXCEPT

The following two parcels identified as Parcel 164 and Parcel 0043908

Idaho Transportation Department
US-95, Garwood to Eagle - Chalko Segment
Project No. A009(780)
Key No. 09780

Connecting Idaho Partners
July 27, 2010
Assessor's Parcel N° 52N03W-07-0100
4,294 Sq. Ft. (0.099 Acres)

EXHIBIT A

**PARCEL 164
ITD PID 0044823
FEE ACQUISITION
REVISED JULY 27, 2010**

A tract of land located in the southeast quarter of the southeast quarter (SE4 SE4) of Section 7, Township 52 North, Range 3 West, Boise Meridian, Kootenai County, Idaho, more particularly described as follows:

COMMENCING at the north quarter corner of said Section 7, marked by a found 5/8-inch rebar with a 2 1/2-inch Aluminum Cap, as referenced by Corner Record Instrument No's. 1742797, 1285951, and 1893066; thence along the southerly line of said Section 7, North 89°42'22" East, a distance of 1119.25 feet to the southeasterly right-of-way line of existing U.S. Highway 95, said point being 46.00 feet right of Project Centerline Station 615+88.39; thence along said southeasterly right-of-way line, North 33°48'53" East, a distance of 1574.75 feet to the southerly right-of-way line of Fifth Avenue as shown on the plat of Spokane Valley Commercial Orchards, on record in the office of the Kootenai County Recorder in Book "C" of plats at Page 128, said point being 80.00 feet right of Project Centerline Station 631+67.31; thence leaving said southeasterly right-of-way line of existing U.S. Highway 95, North 89°44'36" East a distance of 15.07 feet to the northwest corner of that certain parcel of land described in Deed Instrument No. 1690820 of the Official records of Kootenai County, Idaho, said point being 92.49 feet right of Project Centerline Station 631+75.73; thence continuing along said southerly right-of-way line of Fifth Avenue, also the northerly boundary of said parcel, North 89°44'36" East a distance of 105.65 feet to a point 180.00 feet right of Project Centerline Station 632+34.94 and the TRUE POINT OF BEGINNING;

thence continuing along said northerly boundary, North 89°44'36" East a distance of 24.14 feet to a point 200.00 feet right of Project Centerline Station 632+48.47;

thence leaving said northerly boundary parallel with said southeasterly right-of-way line, South 33°48'53" West a distance of 236.70 feet to the westerly boundary of said parcel, said point being 200.00 feet right of Project Centerline Station 630+11.76;

thence along said westerly boundary, North 0°33'54" East a distance of 36.45 feet to a point 180.00 feet right of Project Centerline Station 630+42.27;

thence leaving said westerly boundary parallel with said southeasterly right-of-way, North 33°48'53" East a distance of 192.67 feet to the POINT OF BEGINNING.

Said parcel contains 4,294 square feet or 0.099 acres, more or less.

The above described parcels are located between Project Centerline Stations 630+11.76 and 632+48.47 Right.

Together with and subject to covenants, easements and restrictions of record.

Base of bearing is North 89°42'22" East, 2643.78 feet, between the found 5/8-inch rebar with a 2 1/2-inch Aluminum Cap, as referenced by Corner Record Instrument No's. 1742797, 1285951, and 1893066 marking the south quarter corner of Section 7, and the found 2-inch iron pipe with Brass Cap, as referenced by Corner Record Instrument No. 794770 marking the southeast corner of Section 7, both in Township 52 North, Range 3 West, Boise Meridian.

Prepared by CHAM HILL, July 27, 2010
End of Description



Mitchell D. Christian, P.L.S.

License No. 7043

Exhibit A

Idaho Transportation Department
US-93, Garwood to Sagle - Chilico Segment
Project No. A009(780)
Key No. 09780

Connecting Idaho Partners
March 3, 2008
Assessor's Parcel No. 52N03W-07-9100
10,988 Sq. Ft. (0.252 Acres)

PARCEL 0043908 RIGHT OF WAY

A tract of land being a portion of the southeast quarter (SE4) of Section 7, Township 52 North, Range 3 West, Boise Meridian, Kootenai County, Idaho, more particularly described as follows:

COMMENCING at the South quarter corner of said Section 7, marked by a 2-1/2 inch Aluminum Cap monument, as referenced by Corner Record Instrument No. 1742797; thence along the southerly line of said Section 7, North 89° 42' 22" East, a distance of 2643.78 feet to the southeast corner of said Section 7, marked by a 2-inch diameter iron pipe, as referenced by Corner Record Instrument No. 794770;

thence along the easterly line of said Section 7, South 89° 42' 22" West a distance of 1524.53 feet to the southeasterly right of way line of US Highway 95;

thence along said right of way line of North 33° 48' 53" East a distance of 1574.87 feet; thence South 00° 33' 54" West a distance of 0.09 feet to the TRUE POINT OF BEGINNING, said point being 80.06 feet right of Project Centerline Station 631+67.35 and said point being the northwesterly corner of that certain Parcel of land described in Deed Instrument No. 1690820 of the Official records of Kootenai County, Idaho;

thence continuing along the northerly line of said Parcel, North 89° 44' 36" East a distance of 120.65 feet to a point being 180.00 feet right of Project Centerline Station 632+34.94;

thence leaving said northerly line and parallel with said right of way line, South 33° 48' 53" West a distance of 220.03 feet to a point being 180.00 feet right of Project Centerline Station 630+14.91 and on the Westerly line of said Parcel;

thence along the westerly line of said Parcel, North 00° 33' 54" East a distance of 182.27 feet to the POINT OF BEGINNING.

Said parcel contains 10,988 square feet or 0.252 acres, more or less.

Together with and subject to covenants, easements and restrictions of record.

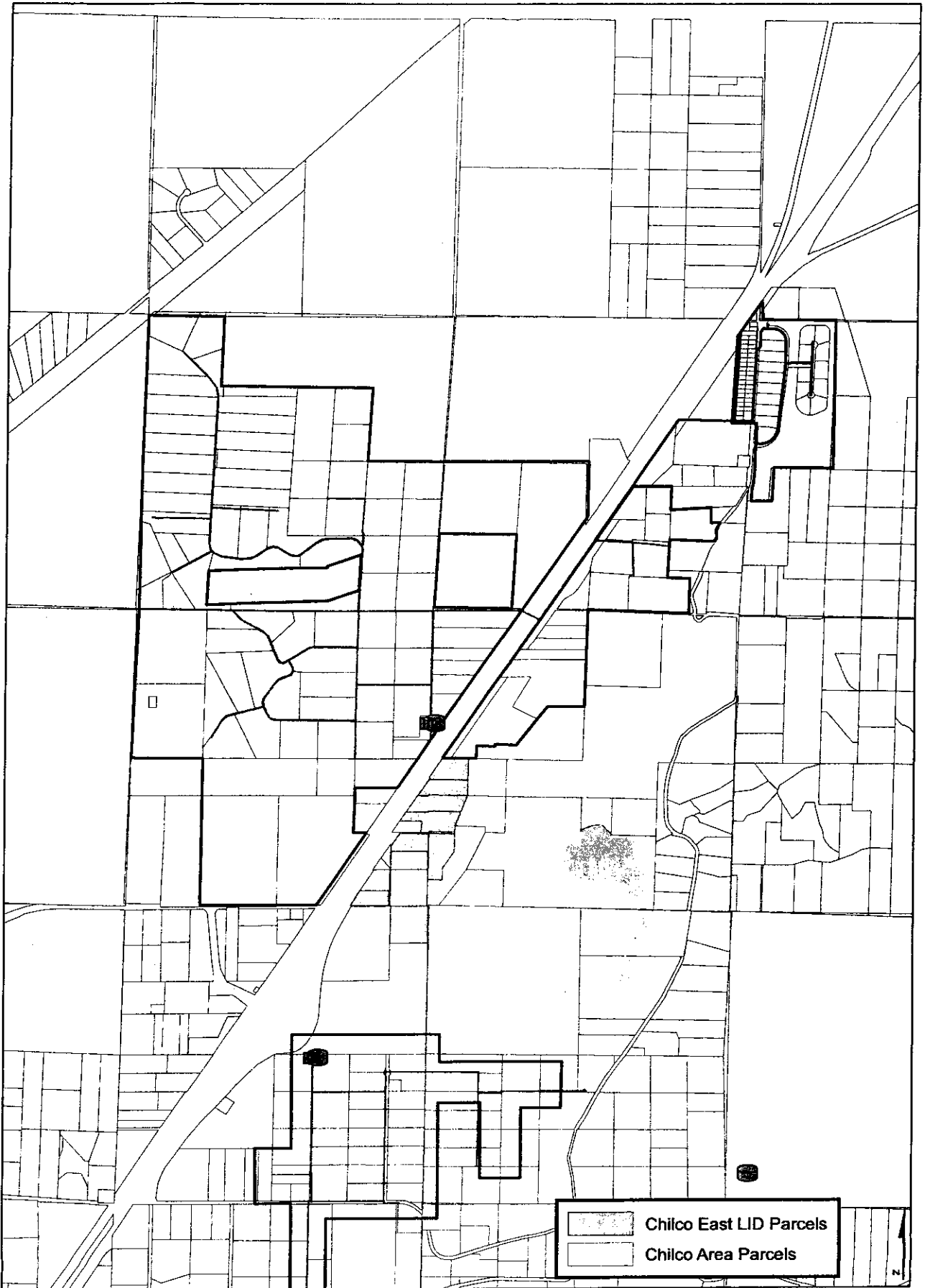
Basis of bearing is North 89° 42' 22" East, 2643.78 feet, between a found 2-1/2 inch Aluminum Cap monument marking the south quarter corner of Section 7 and 2-inch diameter iron pipe, Corner Record Instrument No. 794770, marking the southeast corner of Section 7, Township 52 North, Range 3 West, Boise Meridian, Kootenai County, Idaho

Prepared by CH2M Hill, March, 2008
End of Description



Gordon N. Anderson, P.L.S.

GNA 7 MAR 2008 License No. 7314



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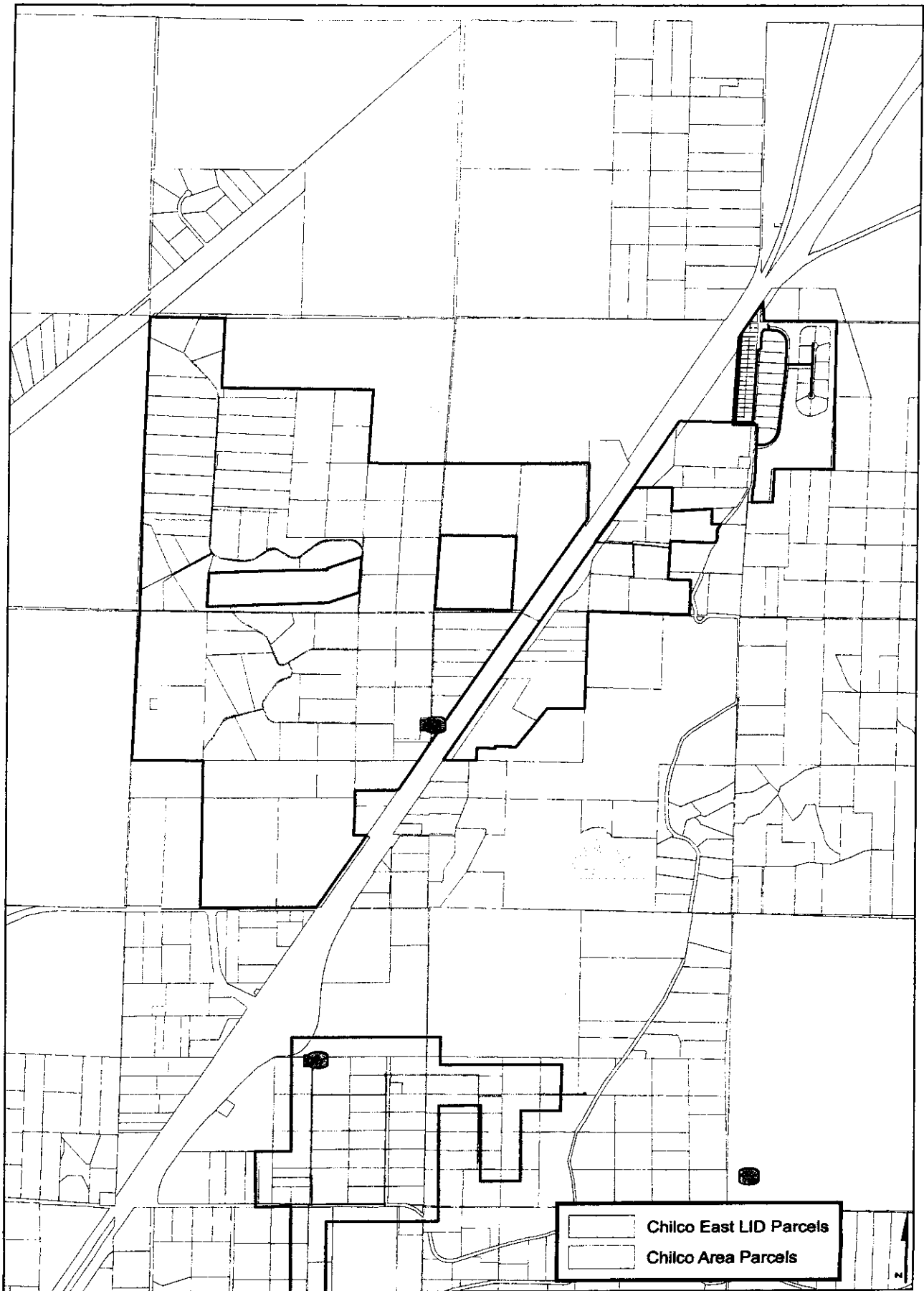
North Kootenai Water District

2011 Chilco East LID

0 750 1,500 3,000
Feet

Source:
Madame County GIS Department
WEBCE Idaho, University of Idaho
North Kootenai Water District
North Star The Commission
USDA NAD 83

PROJECT NO. _____-1182
DRAWN BY: _____TC
FILE NAME: _____2011_Chilco_East_LID.mxd
DATE: _____08/16/2011



Chilco East LID Parcels
 Chilco Area Parcels

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North Kootenai Water District

0 750 1,500 3,000 Feet

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Coeur d'Alene, ID
83815

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(toll free)
877-815-6782
(fax) 208-684-8846

2011 Chilco East LID

Drawn by:
 Kootenai County GIS Department
 2011/11/15/11
 North Kootenai Water District
 Idaho State Tax Commission
 USDA MAPS, 2008

PROJECT NO. 11832
 DRAWN BY: TT
 PLSNAME: 2011_Chilco_East_LID.mxd
 DATE: 08/16/2011

Exhibit "C"

Summary of Ordinance No. 2011-01

An ordinance creating Local Improvement District No. 3 – Chilco East of North Kootenai Water District, of Kootenai County, Idaho; describing and setting forth the boundaries of said Local Improvement District; providing for the improvements to be made therein; authorizing the advertising for bids for said work as provided by law; providing for the payment of costs and expenses of said improvements to be assessed against the property within the District specially benefitted thereby and the method of assessment; providing for the issuance of local improvement district bonds and warrants; providing for the publication of a summary of this ordinance; and providing for other matters properly relating thereto

NORTH KOOTENAI WATER DISTRICT Kootenai County, Idaho

LOCAL IMPROVEMENT DISTRICT NO. 3 – CHILCO EAST

A summary of the principal provisions of Ordinance No. 2011-01 of North Kootenai Water District, of Kootenai County, Idaho, adopted on October 6, 2011, is as follows:

Section 1: Finds and declares that the formation of Local Improvement District No. 3 ("LID No. 3") will be in the best interests of the property affected and the District; that there is reasonable probability that the obligations of LID No. 3 will be paid; that the value of property subject to assessment within LID No. 3 exceeds the sum of the estimated costs to be assessed against the property; and that the Board of Directors has heard, considered, and passed upon all written protests (attached as Exhibit "A") and has considered the same.

Section 2: Creates North Kootenai Water District Local Improvement District No. 3, the boundaries of which are set forth in Exhibit "B".

Section 3: Describes the improvements to be made within LID No. 3 as being the extension of a new water main from the District's existing Chilco Water System south to Chilco Road; construction of a new 8" water main including the pipe and incidentals as well as new water services to extend from the new main to the edge of the right-of-way line, inclusive of all related appurtenances and incidentals; and acquisition of related appurtenances necessary to operate the Chilco pump station; authorizes public bidding as required.

Section 4: States that all of the costs of the improvements will be paid from special assessments against property located in LID No. 3 according to the benefits derived method of assessment.

Section 5: States that the total estimated cost of the project is approximately \$408,000.00, all of which shall be borne by and assessed against the properties specially benefited by such improvements. Any remaining costs of these projects will be paid with funds from North Kootenai Water District and other legally available funds.

Section 6: Defines the costs and expenses to be included in the price of the Project.

Section 7: Determines that the apportionment is equitable and is based upon the special benefits each parcel will receive from the Project.

Section 8: Provides for the issuance of warrants, if necessary, for the immediate payment of the Project and provides for the issuance of bonds.

Section 9: Incorporates all matters and things done in regard to the creation of LID No. 3 as part of Ordinance No. 2011-01.

Section 10: States that Ordinance No. 2011-01 shall take effect after its passage, approval, and publication of a summary thereof.

Exhibit "A": Sets forth the protests received and the disposition of such protests.

Exhibit "B": Provides the boundaries of LID No. 3.

Exhibit "C": Sets forth this Summary.

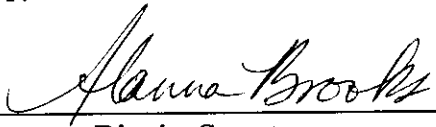
A full text of Ordinance No. 2011-01 is available at the office of the District Secretary and will be provided to any citizen upon request during normal business hours.

DATED this 6th day of October, 2011.

NORTH KOOTENAI WATER DISTRICT,
Kootenai County, Idaho


President, Board of Directors

ATTEST:


District Secretary



CERTIFICATION OF BOND COUNSEL

I, the undersigned Bond Counsel for North Kootenai Water District, Kootenai County, Idaho, hereby certify that I have read the attached Summary of Ordinance No. 2011-01 of said District and that the same is true and complete and provides adequate notice to the public of the contents of said Ordinance.

Dated as of this 6th day of October, 2011.

K&L Gates LLP

s/Laura D. McAloon
Bond Counsel