

ORDINANCE NO. 2011-02

An ordinance creating Local Improvement District No. 4 – Chilco West 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 benefit 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. 4 – CHILCO WEST

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 benefited by said improvements; and

WHEREAS, the Board of Directors, by Resolution No. 2011-16, adopted on September 1, 2011, declared its intention to form a local improvement district to be designated "North Kootenai Water District Local Improvement District No. 4" ("LID No. 4"); described the boundaries of proposed LID No. 4 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. 4; 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. 4, 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. 4 had the opportunity to appear and to submit written protests to the formation of the proposed LID No. 4; 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. 4 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. 4 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. 4 will be paid;

C. That the value of the property subject to assessment within LID No. 4 (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. 4; 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. 4" ("LID No. 4"), 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. 4 are as follows:

A. Extension of a new water main from North Kootenai Water District's existing Chilco Water System. The extension will extend from a connection point with the existing water system located on the east side of US95 and extend due west along Chilco Road an estimated 3,700 lineal feet;

B. Construction of a new 8 inch water main including the pipe and incidentals as well as new water services necessary to connect each service to the new main, including meter box, service connections and lines, and incidentals;

C. Supply and installation of a new generator at the existing 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. 4 according to the benefits derived method of assessment.

Section 5: The total estimated cost of the proposed Project is approximately \$432,400, 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. 4 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. 4, and each and all of the provisions thereof in regard to all of said matters concerning the creation of LID No. 4 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 20th 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 20, 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: 4

NAYS, Directors: 0

ABSENT, Directors: 1

ABSTAIN, Directors: 0

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 20, 2011.

AAnne Brooks

District Secretary

(SEAL)



Exhibit "A"

Summary of Protests to Creation of LID No. 4

Name and Address	Comment Regarding LID
Richard & Janet Burkley 20100 N. Lester Rd, Arko, ID	Do NOT wish to continue any participation in Project or LID formation
Judy Brooks Chilco Road	cannot afford to be in LID
Betty Bishop	can not afford to be in LID

This is merely a summary of the written protests received regarding the possible formation of LID No. 4. 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.

LID-11

North Kootenai Water
Atten: Mike Galante
Cc: DEQ

Oct 6, 2010

We think it is Idaho Forest Group's responsibility to cover the cost of clean up to our ground water from rotten wood by-products, which we believe they have no intentions of rectifying. Our water would be useable if not for this major contamination. Water quality is very vital to our quality of life and we are not going to give up on having clean water, which we had until last summer.

It has been stated that there is lack of proof that the mill is causing the contamination, but isn't all the information that has been discovered enough to at least be concerned. The investigation at least narrows it down to water they are using on their logs or the run off of the standing water and rotting wood.

As you know, we have contacted Mike Henley and asked him if the mill would cover the cost of our hook ups considering the problems we have had with the well water. He informed me they were already making a sacrifice for us by purchasing 30 ERU's. (~~to be attached~~) This doesn't help the water issue at all. Everyone seems to be overlooking the real issue.

We are very adamant about this major water problem and will have our records of our water checks printed out if needed, because apparently DEQ's records are inconclusive. We believe we have had the water checked many more times in the past years than DEQ has, plus they never checked all the wells in the area, namely all the wells at the mill. We don't understand why a study is done if it is not completed.

I realize that as an agency, North Kootenai Water System, a public water system is the answer to everyone's problems, but not when the cost is out of reach for the homeowners on Chilco Road. None of us are able to afford the cost associated with something as simple as having clean water to drink. Think about that in your own life how it would feel to buy land, build a home and pay for a well to have clean drinking water. Then a business begins polluting your water (which is a necessity to live) and you can do nothing about it. Your only option is to spend more money to hook up to a public water system or haul water from other sources. It seems like the most simple and only fair solution would be to have the business that caused the problem bear the responsibility of their action. That would be to provide clean drinking water to all of their neighbors that they polluted.

To be realistic, Betty Bishop is 86 years old, The ~~Morris~~ are elderly and Sonjia has recently lost her husband, which means the entire above are in a financial situation that does not allow for any extras in their limited income. It is not possible for any of us to pay for this. The mill should clean up the mill area and discontinue whatever they are doing to cause this problem (namely watering their logs and standing water over the Chilco water table)! And it is DEQ's responsibility to see that it is done!

In conclusion, we are unable to afford the cost of this endeavor. Our last understanding was approximately \$8600/\$9500 to bring the pipe down the road per ERU (with a small interest loan over 30 years, payable annually) and another \$8-10 thousand to put the meter in and run the line to our homes.

Even though DEQ has some loan/grant monies available for some of the residents, with possibly a small interest rate, we really don't understand why we should have this burden at all. We assume the cost will average \$325 annually to NKW and approximately \$50-\$60 dollars a month to DEQ (just a rough estimate) for both loans, plus the monthly fee for water. We believe one loan is for 30 years and the other is for 20 year

We are very disappointed in our system and will find a way to help resolve this water issue instead of costing us more money to fix a problem we never caused or had until last year. We will not be able to put this expenditure in our already stretched budget, for the extension of the water line down Chilco road. We do not wish to be annexed into this project.

Thank you for your time.

Always,
Judy Brooks
& Neighbors on Chilco Rd
Sonjia Mac Donald
Betty Bishop



LID #4
Protest

Mike

From: Janet Burkey <yatahafriend@yahoo.com>
Sent: Thursday, October 06, 2011 9:58 AM
To: contactus@nkwsd.com
Cc: mikeg@nkwsd.com; yatahafriend@yahoo.com
Subject: Chilco Project/LID Hearing

North Kootenia Water District

In refrence to Chilco Water Project LID Hearing, Scheduled for Oct. 6, 2011 @ 4:30 pm to be held at Hayden Lake, Id.

We are writting to let it be known I, RICHARD W. BURKEY AND I, JANET A. BURKEY at 20600 N Lester Ct., Athol, Id. 83801, DO NOT wish to continue any participation in the Chilco Water Project and LID Formation. It is our intent this will be exceptable in lue of personal written delivery or mail. We had inteneded to present a letter personally but are currently out of state due to unexpected loss of family member. Please except this email letter on our behalf as our participation in todays LID Hearing.

Thank You,

Richard & Janet Burkey
20600 N. Lester Ct.
Athol,Id. 83801
(208)762-5986
(208)304-3434 - Janet cell
(208)691-8780 - Rick cell
yatahafriend@yahoo.com

Exhibit "B"

Legal Description and Map of the Boundaries of LID No. 4

NKWD

Local Improvement District No. 4

Legal Description

The North Half of the Northeast Quarter of the Northeast Quarter of the Northwest Quarter of Section 18, Township 52 North, Range 3 West, Boise Meridian. Excepting therefrom that portion conveyed to the Lake's Highway District by deed recorded July 18, 1984, Instrument Number 979760, described as follows: the south 5 feet of the North 30 Feet of the North one half of the Northeast quarter of the Northeast Quarter of the Northwest Quarter, Section 18, Township 52 North, Range 3 West, Boise Meridian, Kootenai County, Idaho.

TOGETHER WITH

Lots 1, 2 and 3 of the CHILCO SUBDIVISION, according to the plat recorded in Book G of Plats, page 125, Records of Kootenai County, Idaho.

TOGETHER WITH

A portion of the Northwest quarter of the Northeast quarter of Section 18, Township 52 North, Range 3 West, Boise Meridian, Kootenai County, Idaho, lying northwesterly of old Highway #95, which highway lies Northwesterly of the right of way of the Spokane International Railroad, more particularly described as follows:

Beginning at the Northwest corner of said Northwest Quarter of the Northeast Quarter of said Section, being also on the centerline of 7th Avenue; thence

East to a point which is 225 feet from the intersection of the centerline of said 7th Avenue and the Northwesterly right of way line of Old Highway #95, being the TRUE POINT OF BEGINNING; thence

East 225 feet, more or less, to the intersection of said centerline of 7th Avenue and the northwesterly right of way line of Old Highway #95; thence

Southwesterly along the Northwesterly right of way line of Old Highway #95 to a point due South of the TRUE POINT OF BEGINNING; thence

Due North to the True Point of Beginning.

TOGETHER WITH

A parcel of land being a part of Tracts 66, 67, 70 and 71 of the old Spokane Valley Commercial Orchard Tracts in the North half of the Northwest quarter and Government Lot 1 of Section 18, Township 52 North, Range 3. W.B.M., Kootenai County, Idaho, more particularly described as follows:

BEGINNING at a point on the North boundary of Section 18, said point being South 89°58'03" West, 3721.48 feet from the Northeast corner of Section 18; thence

South 01°04'20" West, 1322.36 feet; thence

North 89°56'37" West, 412.50 feet; thence

North 01°04'22" East 1321.72 feet to a point on the north boundary of Section 18; thence

North 89°58'03" East 412.50 feet to the POINT OF BEGINNING.

EXCEPT the following parcel identified as parcel 114

EXHIBIT A

Idaho Transportation Department
US-95, Garwood to Sagie - Chilco Segment
No. ADD9(780)
Key No. 09780

Connecting Idaho Partners
July 27, 2010
Assessor's Parcel N° 52N03W-18-2700
91,165 Sq. Ft. (2.093 Acres)

PARCEL 114
ITD FID 8043973
FREE ACQUISITION
REVISED JULY 27, 2010

A tract of land being a portion of the northeast quarter of the northwest quarter (NE¼, NW¼) of Section 18, Township 32 North, Range 3 West, Boise Meridian, Kootenai County, Idaho, more particularly described as follows:

COMMENCING at the north quarter corner of said Section 18, marked by a found 2 1/2-inch diameter Aluminum Cap on a 5/8-inch rebar, as referenced by Corner Record Instrument No's. 1742797, 1285951 and 1893066; thence along the northerly line of said Section 18, South 89°42'36" West, a distance of 1074.20 feet to the northeast corner of that certain parcel of land described in Deed Instrument No. 1320520 of the Official records of Kootenai County, Idaho, said point being 60.34 feet left of Abbott Road Centerline Station 56+68.89 and the TRUE POINT OF BEGINNING;

thence leaving said northerly line along the easterly boundary of said parcel, South 0°17'03" East a distance of 25.00 feet to the southerly right-of-way of Chilco Road, said point being 59.53 feet left of Abbott Road Centerline Station 56+94.21;

thence leaving said southerly right-of-way line, along the easterly boundary of said parcel, South 0°47'48" West a distance of 1104.16 feet to a point 67.03 feet right of Abbott Road Centerline Station 67+82.35;

thence leaving said easterly boundary, North 10°34'06" West a distance of 150.96 feet to a point 65.00 feet right of Abbott Road Centerline Station 66+45.07;

thence North 5°17'03" West a distance of 885.30 feet to a point 68.40 feet right of Abbott Road Centerline Station 57+62.32;

thence North 35°30'15" West a distance of 89.98 feet to said southerly right-of-way line, said point being 117.19 feet right of Abbott Road Centerline Station 56+88.19;

thence along said southerly right-of-way, South 89°42'56" West a distance of 235.67 feet to a point 352.73 feet right of Abbott Road Centerline Station 56+80.83;

thence leaving said southerly right-of-way, North 0°17'03" West a distance of 25.00 feet to the northerly line of said section 18 and the northerly boundary of said parcel, said point being 351.99 feet right of Abbott Road Centerline Station 585+00.50 Ahead;

thence along said northerly boundary, North 89°42'36" East a distance of 412.50 feet to the POINT OF BEGINNING.
Said parcel contains 91,165 square feet or 2.093 acres, more or less.

Area includes 10,314 square feet or 0.237 acres, more or less of existing Chilco Road right-of-way.

Located between Abbott Road Centerline Stations 585+00.50 Ahead and 67+82.35 Back.

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

Basis of bearing is South 89°42'56" West, 2629.04 feet, between the found 2 1/2-inch diameter Aluminum Cap on a 5/8-inch diameter rebar, Corner Record Inst. No's. 1742797, 1285951 and 1893066 marking the north quarter corner of Section 18, and the found 5/8-inch diameter rebar, Corner Record Inst. No's. 1287712 and 1708611 marking the northwest corner of Section 18, both in Township 32 North, Range 3 West, Boise Meridian.

Prepared by CH2M Hill, July 27, 2010
End of description



Mitchell D. Christian, P.L.S.

License No. 7043

TOGETHER WITH

The West half of the East 412.50 feet of Tracts 67 and 70 of the old Spokane Valley Commercial Orchard Tracts, in the Northeast quarter of the Northwest quarter of Section 18, Township 52 North, Range 3 West of the Boise Meridian, Kootenai County, Idaho.

Said west half shall be defined by a straight line between the midpoints of the northern and southern boundaries of said East 412.50 feet of said Tracts 67 and 70;

TOGETHER WITH

The East half of the East 412.50 feet of Tracts 67 and 70 of the old Spokane Valley Commercial Orchard Tracts, in the Northeast quarter of the Northwest quarter of Section 18, Township 52 North, Range 3 West of the Boise Meridian, Kootenai County, Idaho.

Said East half shall be defined by a straight line between the midpoints of the northern and southern boundaries of said East 412.50 feet of said Tracts 67 and 70;

EXCEPT the following two parcels identified as Parcels 112 and 113

Idaho Transportation Department
US-95, Clearwood to Sagle - Chilco Segment
No. A009(780)
Key No. 09780

Connecting Idaho Partners
May 13, 2010
Assessor's Parcel N^o 52N03W-18-2850
788 Sq. Ft (0.018 Acres)

PARCEL 112
ITD PID 0043971
FEE ACQUISITION
REVISED MAY 13, 2010

A tract of land being a portion of the northeast quarter of the northwest quarter (NE4, NW4) of Section 18, 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 18, marked by a found 2 1/2-inch diameter Aluminum Cap on a 5/8-inch rebar, as referenced by Corner Record Instrument No's. 1742797, 1285951 and 1893066; thence along the northerly line of said Section 18, South 89°42'56" West, a distance of 867.91 feet; thence leaving said northerly line South 0°17'03" East a distance of 25.00 feet to the southerly right-of-way line of Chilco Road and the northwest corner of that certain parcel of land described in Dead Instrument No. 1487641 of the Official records of Kootenai County, Idaho, said point being 265.69 feet left of Abbott Road Centerline Station 57+01.84; thence leaving said southerly right-of-way line, along the westerly boundary of said parcel South 0°47'48" West a distance of 1237.95 feet, said point being 57.83 feet left of Abbott Road Centerline Station 69+92.08 and the TRUE POINT OF BEGINNING;

thence leaving said westerly boundary, South 25°41'04" East a distance of 62.61 feet to the southerly boundary of said parcel, said point being 43.62 feet left of Abbott Road Centerline Station 70+58.24;

thence along said southerly boundary, South 89°52'58" West a distance of 27.92 feet to the southwest corner of said parcel, said point being 22.47 feet left of Abbott Road Centerline Station 70+39.05;

thence leaving said southerly boundary, along said westerly boundary, North 0°47'48" East a distance of 56.48 feet to the POINT OF BEGINNING.

Said parcel contains 788 square feet or 0.018 acres, more or less.

Located between Abbott Road Centerline Stations 69+92.08 and 70+58.24

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

Basis of bearing is South 89°42'56" West, 2629.04 feet, between the found 2 1/2-inch diameter Aluminum Cap on a 5/8-inch diameter rebar, Corner Record Inst. No's. 1742797, 1285951 and 1893066 marking the north quarter corner of Section 18, and the found 5/8-inch diameter rebar, Corner Record Inst. No's. 1287712 and 1708611 marking the northwest corner of Section 18, both in Township 52 North, Range 3 West, Boise Meridian.

Prepared by CH2M Hill, May 13, 2010
End of description



Idaho Transportation Department
US-95, Garwood to Sagle - Chilco Segment
No. A009(780)
Key No. 09780

Connecting Idaho Partners
May 14, 2010
Assessor's Parcel No. 52N03W-1E-2800
107,005 Sq. Ft. (2.456 Acres)
Page 1 of 2

PARCEL 113
ITD FID 8043972
FREE ACQUISITION
REVISED MAY 14, 2010

A tract of land being a portion of the northeast quarter of the northwest quarter (NE¹/₄, NW¹/₄) of Section 18, 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 18, marked by a found 2 1/2-inch diameter Aluminum Cap on a 5/8-inch rebar, as referenced by Corner Record Instrument No.'s 1742797, 1285951 and 1893066; thence along the northerly line of said Section 18, South 89°42'56" West, a distance of 867.91 feet to the northeast corner of that certain parcel of land described in Deed Instrument No. 1487641 of the Official records of Kootenai County, Idaho, said point being 266.53 feet left of Abbott Road Centerline Station 56+75.34 and the TRUE POINT OF BEGINNING;

thence leaving said northerly line along the easterly boundary of said parcel, South 0°17'03" East a distance of 25.00 feet to the westerly right-of-way line of Chilco Road, said point being 265.69 feet left of Abbott Road Centerline Station 57+01.84;

thence along said southerly right-of-way line, South 89°42'56" West a distance of 157.57 feet to a point 108.21 feet left of Abbott Road Centerline Station 56+95.95

thence leaving said southerly right-of-way line, South 30°55'58" West a distance of 83.60 feet to a point 61.86 feet left of Abbott Road Centerline Station 57+66.81;

thence South 59°17'03" East a distance of 875.94 feet to a point 65.00 feet left of Abbott Road Centerline Station 66+45.07;

thence South 11°23'49" East a distance of 139.88 feet to a point 63.17 feet left of Abbott Road Centerline Station 68+00.62;

thence South 25°41'04" East a distance of 173.09 feet to the easterly boundary of said parcel, said point being 57.63 feet left of Abbott Road Centerline Station 69+92.06;

thence along said easterly boundary, South 0°47'48" West a distance of 56.48 feet to the southerly boundary of said parcel, said point being 22.47 feet left of Abbott Road Centerline Station 70+39.05;

thence along said southerly boundary, South 89°52'58" West a distance of 206.28 feet to the southwest corner of said parcel, said point being 146.85 feet right of Abbott Road Centerline Station 69+30.63;

thence leaving said southerly boundary, along the westerly boundary of said parcel, North 0°47'48" East a distance of 1293.83 feet to the southerly right-of-way line of Chilco Road, said point being 59.53 feet left of Abbott Road Centerline Station 56+94.21;

thence leaving said southerly right-of-way line, North 0°17'03" West a distance of 25.00 feet to northerly line of said Section 18 and the northerly boundary of said parcel, said point being 60.34 feet left of Abbott Road Centerline Station 56+68.89;

thence along the northerly line of said Section 18 and the northerly boundary of said parcel, North 89°42'56" East a distance of 206.29 feet to the POINT OF BEGINNING.

Said parcel contains 107,005 square feet or 2.456 acres, more or less.

Area includes 5,158 square feet or 0.118 acres, more or less of existing Chilco Road right-of-way.

Idaho Transportation Department
US-95, Garwood to Sagle - Chilco Segment
No. A009(780)
Key No. 09780

Connecting Idaho Partners
May 14, 2010
Assessor's Parcel No. 52N03W-1E-2800
103,065 Sq. Ft. (2.366 Acres)
Page 2 of 2

Basin of bearing is South 89°42'56" West, 2629.94 feet, between the found 2 1/2-inch diameter aluminum cap on a 5/8-inch diameter rebar, Corner Record Inst. No.'s 1742797, 1285951 and 1893066 marking the north quarter corner of Section 18, and the found 5/8-inch diameter rebar, Corner Record Inst. No.'s 1287712 and 1702611 marking the northwest corner of Section 18, both in Township 52 North, Range 3 West, Boise Meridian.

Prepared by CH2M Hill, May 14, 2010
End of description



Mitchell D. Christian, P.L.S.

License No. 7043

AND TOGETHER WITH

PARCEL 1:
The North half of the Northeast Quarter of the Southwest Quarter and the North half of Government Lot 3 and the Northwest Quarter of the Northwest Quarter of the Southeast Quarter of Section 7, Township 52 North, Range 3 West, Boise Meridian, Kootenai County, Idaho.

PARCEL 2:
The Northeast Quarter of the Northwest Quarter of the Southeast Quarter of Section 7, Township 52 North, Range 3 West, Boise Meridian, in Kootenai County, Idaho.

PARCEL 3:
The Northwest Quarter of the Northeast Quarter of the Southeast Quarter, EXCEPT Lots 5 and 6, Block 4, of Spokane Valley Commercial Orchards, in Section 7, Township 52 North, Range 3 West, Boise Meridian, Kootenai County, Idaho.

ALSO
that part of the Northeast Quarter of the Northeast Quarter of the Southeast Quarter lying West of the rights of way of the Idaho State Highway No. 95, the Spokane International Railroad, and Spokane Boulevard as delineated on the plat of Spokane Valley Commercial Orchards;
EXCEPT that part of Lot 4, Block 3 of said subdivision lying South of the South line of the North 131.5 feet of said Lot 4, in Section 7, Township 52 North, Range 3 West, Boise Meridian, Kootenai County, Idaho, the plat of Spokane Valley Commercial Orchards was recorded February 14, 1916 in Book "c" of Plats at page 120 and partially vacated by order recorded in Miscellaneous Book 5 at page 315, records of Kootenai County, Idaho.

PARCEL 4:
The Southeast Quarter of Government Lot 3, (formerly Block 104 of Spokane Valley Commercial Orchard Tract), and the East half of Government lot 4, (formerly Blocks 113 and 116 of Spokane Valley Commercial Orchard Tract), all in Section 7, Township 52 North, Range 3 West, Boise Meridian, Kootenai County, State of Idaho.

PARCEL 5:
The West half of the Southeast Quarter of the Southwest Quarter, and the Southwest Quarter of the Northeast Quarter of the Southwest Quarter, all in Section 7, Township 52 North, Range 3 West, Boise Meridian, Kootenai County, Idaho, formerly known as Blocks 105, 112 and 117, Spokane Valley Commercial Orchards Tracts, now vacated except for right of way for County Road along the South line said Section 7.

PARCEL 6:
That portion of the Southeast Quarter of the Southwest Quarter of Section 7, Township 52 North, Range 3 West, Boise Meridian, Kootenai County, State of Idaho, formerly described as

Blocks 111 and 118, Spokane Valley Commercial Orchard Tracts, now vacated, and Southeast Quarter of the Northeast Quarter of the Southwest Quarter, formerly described as Block 106, Spokane Valley Commercial Orchard Tracts, now vacated, all in Section 7, Township 52 North, Range 3 West, Boise Meridian, Kootenai County, State of Idaho

PARCEL 7:
The South half of the Northwest Quarter of the Southeast Quarter of Section 7, Township 52 North, Range 3 West, Boise Meridian, Kootenai County, Idaho.

PARCEL 8:
The East half of the Northwest Quarter of the Southwest Quarter of the Southeast Quarter and the Northeast Quarter of the Southwest Quarter of the Southeast Quarter, lying Westerly of the right of way of the Spokane International Railway, of Section 7, Township 52 North, Range 3 West, Boise Meridian, Kootenai County, State of Idaho, formerly described as Block 109 and the East half of Block 110, Spokane Valley Commercial Orchard Tracts, now vacated.

PARCEL 9:
The East half of the Southwest Quarter of the Southwest Quarter of the Southeast Quarter, Section 7, Township 52 North, Range 3 West, Boise Meridian, Kootenai County, State of Idaho, formerly described as Lots 1 to 5, Block 119, Spokane Valley Commercial Orchard Tracts, now vacated.

PARCEL 10:
The Southeast Quarter of the Southwest Quarter of the Southeast Quarter of Section 7, Township 52 North, Range 3 West, Boise Meridian, Kootenai County, State of Idaho, lying Westerly of the Spokane International Railway, formerly described as Lots 1, 2, 3 and 4, Block 120, Spokane Valley Commercial Orchard Tracts, now vacated.

PARCEL 11:
That portion of Township 52 North, Range 3 West, Boise Meridian, Section 7, described as follows:
BEGINNING at the Southwest corner of the Southeast Quarter of Section 7, Township 52 North, Range 3 West, Boise Meridian, Kootenai County, State of Idaho; thence running North 264 feet; thence East, 315.62 feet; thence South 264 feet; thence West, 315.62 feet to the PLACE OF BEGINNING and known as Lots 6 and 7, of Block 119, Spokane Valley Commercial Tracts, Kootenai County, State of Idaho, according to the plat recorded in Book .. c .. of Plats, page 120.

PARCEL 12:
That portion of Township 52 North, Range 3 West, Boise Meridian, Section 7 described as follows:
The West half of the Northwest Quarter of the Southwest Quarter of the Southeast Quarter (formerly described as the West half of Block 110, Spokane Valley Commercial Orchard

AND TOGETHER WITH

TAX #	<u>22862</u>	PAGE	<u>1</u>	OF	<u>1</u>
DOCUMENT TYPE				<u>QCD</u>	
INSTRUMENT #				<u>2296471</u>	
DOCUMENT DATE				<u>12/29/2010</u>	

A tract of land being a portion of the Southwest quarter of the Southeast quarter (SW4, SE4) and 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:

A strip of land sixty six feet (66.00') wide;

bounded on the South by a Line 30.00 feet North of the South Line of the Southeast Quarter of said Section 7;

bounded on the Southeast by the Westerly Right-of-Way Line of the Union Pacific Railroad;

bounded on the North by a Line 30.00 feet South of the North Line of the said Southwest quarter of the Southeast quarter (SW4, SE4) and the Southeast quarter of the Southeast quarter (SE4, SE4);

bounded on the Northwest by a Line 66.00 feet Northwest of the Westerly Right-of-Way Line of the Union Pacific Railroad.

End of Description
Prepared by Dirk Roeller, December 10, 2010



THIS TAX # REPLACES _____
DEPUTY INITIALS VMW DATE 02/28/2011

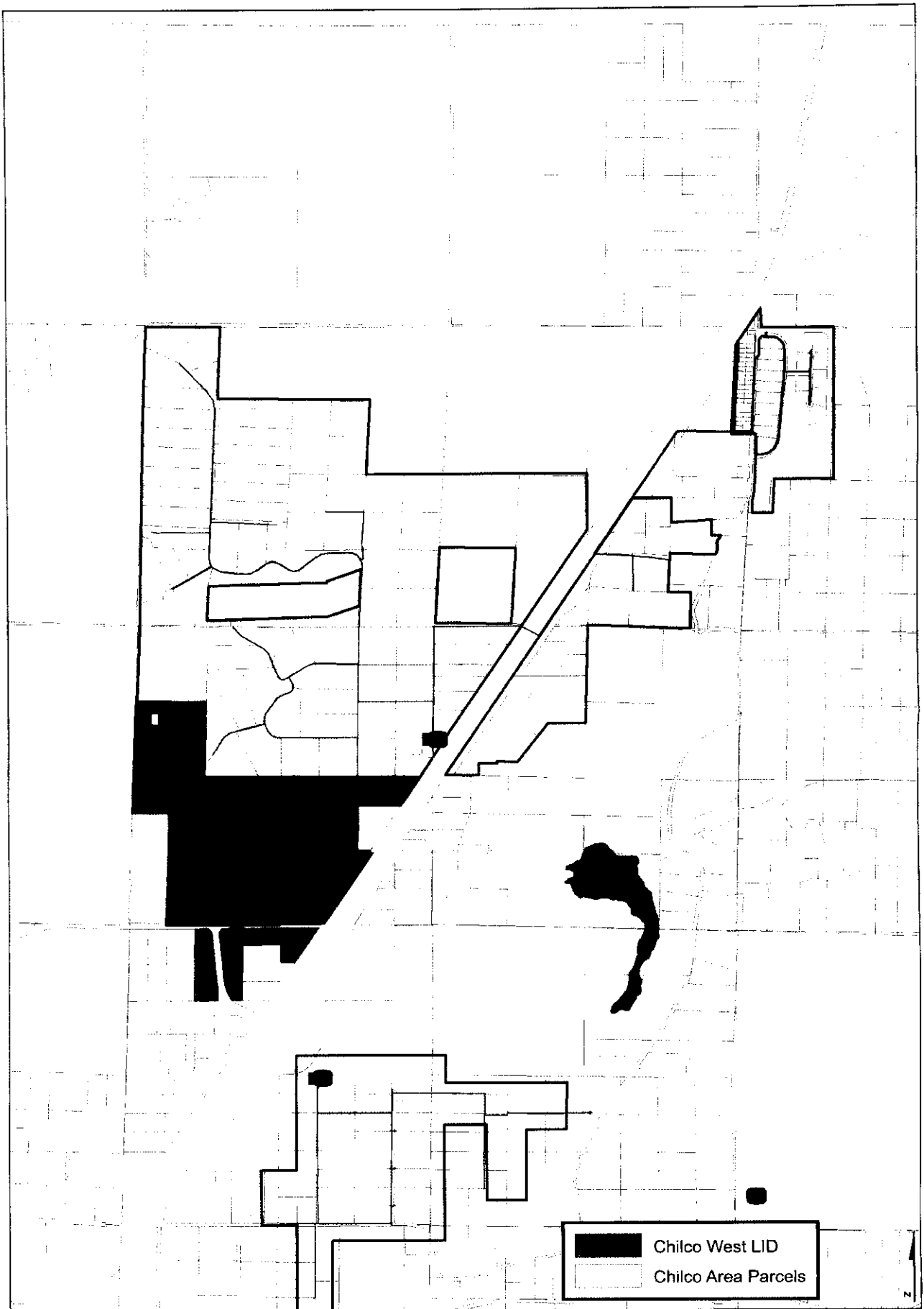


Exhibit "C"

Summary of Ordinance No. 2011-02

An ordinance creating Local Improvement District No. 4 – Chilco West 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. 4 – CHILCO WEST

A summary of the principal provisions of Ordinance No. 2011-02 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. 4 ("LID No. 4") will be in the best interests of the property affected and the District; that there is reasonable probability that the obligations of LID No. 4 will be paid; that the value of property subject to assessment within LID No. 4 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 protests (attached as Exhibit "A") which were filed in writing or heard during public testimony and has considered the same.

Section 2: Creates North Kootenai Water District Local Improvement District No. 4, the boundaries of which are set forth in Exhibit "B".

Section 3: Describes the improvements to be made within LID No. 4 as being the extension of a new water main from a connection point with North Kootenai Water District's existing Chilco Water System located on the east side of US 95 and extending due west along Chilco Road an estimated 3,700 lineal feet; construction of a new 8 inch water main including the pipe and incidentals as well as new water services necessary to connect to the new main; and supply and installation of a new generator at the existing 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. 4 according to the benefits derived method of assessment.

Section 5: States that the total estimated cost of the project is approximately \$432,400.00, 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. 4 as part of Ordinance No. 2011-02.

Section 10: States that Ordinance No. 2011-02 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. 4.

Exhibit "C": Sets forth this Summary.

A full text of Ordinance No. 2011-02 is available at the office of the District Secretary and will be provided to any citizen upon request during normal business hours.

DATED this 20th day of October, 2011.

NORTH KOOTENAI WATER DISTRICT,
Kootenai County, Idaho

President, Board of Directors

ATTEST:

District Secretary

(S E A L)

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. 2011-02 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 20th day of October, 2011.

K&L Gates LLP

s/Laura D. McAloon
Bond Counsel