

AMENDMENT TO RESOLUTION 2006-1

**A RESOLUTION OF THE NORTH KOOTENAI WATER DISTRICT,
KOOTENAI COUNTY, IDAHO, AMENDING THE PROVISIONS OF
ORDINANCE 99-4 REGARDING ADDITIONS TO THE WATER
SYSTEM WHEN ITS EXISTING CAPACITIES ARE INADEQUATE
TO PROVIDE SERVICE WITHOUT SUPPLEMENTATION**

**NORTH KOOTENAI WATER DISTRICT
Kootenai County, Idaho**

**BE IT RESOLVED BY THE CHAIRMAN AND BOARD OF DIRECTORS
OF THE NORTH KOOTENAI WATER DISTRICT, as follows:**

Whereas, North Kootenai Water District (the
"District"), is a duly incorporated and existing water
district operating under the laws and Constitution of the
State of Idaho; and,

Whereas, the District operates various public water
supply systems primarily to supply domestic water service;
and

Whereas, the various water systems have been designed
to provide levels of service that were required at the time
that the systems were designed; and,

Whereas, design standards have varied over the more
than fifty year period during which water systems operated
by the district have been constructed and as a result, there
are differing levels of service found in different systems
and portions of systems throughout the district; and,

Whereas, the District undertakes to design and operate
its public water systems in compliance with all applicable
regulations of the State of Idaho and its regulatory
agencies; and,

Whereas, the District previously adopted Ordinance 99-4
to establish a schedule of capitalization and hookup fees
and a mechanism to determine such fees in the future; and,

Whereas, the District has determined that in certain of
its systems the existing capacity of the system is

inadequate to provide service to large newly platted subdivisions without extensive supplementation of water system infrastructure; and,

Whereas, the District subscribes to a policy that requires that applicants for service for a large number of connections should pay the costs of providing such service without imposing a burden upon the existing constituents of the District; and,

Whereas, it is a fundamental premise of Ordinance 99-4 that new users should pay as a capitalization fee the value of that portion of the system that the new user will utilize when a new water service is established;

IT WAS THEREFORE RESOLVED BY NORTH KOOTENAI WATER DISTRICT as follows:

That the provisions of Paragraph C of Ordinance 99-4 be amended by the addition of Paragraph C(3) which shall be as follows:

C. 3. When the District receives an application for a service commitment to an area that is in a portion of the system in which existing capacity is inadequate to provide the requested service and if the District elects to offer service to the applicant, the applicant shall pay fees for water service as follows:

(a) When the application for service is one in which the water service demand as determined by the district will be less than the equivalent of fifteen ER's, the applicant shall pay for each service the then current capitalization fee as determined under Ordinance 99-4 plus the standard mitigation fee as determined by the District for each unit of capacity that is required by such service.

(b) When the application for service is one in which the water service demand as determined by the District is greater than fifteen ER's but less than fifty ER's, the applicant shall pay for each service the then current capitalization fee as determined under Ordinance 99-4 plus the standard mitigation fee as determined by the District for each unit of capacity that is required by such service, or, at the expense of the applicant, the District shall analyze its system to determine a mitigation fee based upon the particular costs of mitigating the impacts on the system of the requested water service.

(c) When the application for service is one in which the water service demand as determined by the District is greater than fifty ER's, at the expense of the applicant, the District shall analyze its system to determine the following:

- i. Existing capacities that are available to provide service
- ii. Additional infrastructure that will be required to provide the requested service without any degradation of service to existing customers and committed water services.
- iii. The value of the portion of the existing system that will be utilized by the requested service.
- iv. The value of all water system infrastructure that will be required to meet the needs of the requested service.
- v. The projected contribution of the requested new service to recovery by the District of accruing depreciation of the water system infrastructure identified in the preceding item 4.

Upon completion of the foregoing analysis, the Board of Directors of the District shall be authorized to establish a special capitalization fee for water service connections within the proposed service area only if such special capitalization fee represents an amount that is equal to the value of that portion of the system that a new user of one ER will utilize at that point in time.

PASSED AND ADOPTED THIS 6th day of April, 2006.

NORTH KOOTENAI WATER DISTRICT

CHAIRMAN

Tom Crimmins

TOM CRIMMINS, DIRECTOR

Jack Berger

JACK BERGER, DIRECTOR

Maimie Moore

MAIMIE MOORE, DIRECTOR

ATTEST:

Frank Hurst
District Secretary

RESOLUTION 2006-1

A RESOLUTION OF THE NORTH KOOTENAI WATER DISTRICT,
KOOTENAI COUNTY, IDAHO, AMENDING THE PROVISIONS OF
ORDINANCE 99-4 REGARDING LARGE ADDITIONS TO THE
WATER SYSTEM WHEN ITS EXISTING CAPACITIES ARE
INADEQUATE TO PROVIDE SERVICE WITHOUT EXTENSIVE
SUPPLEMENTATION

NORTH KOOTENAI WATER DISTRICT
Kootenai County, Idaho

BE IT RESOLVED BY THE CHAIRMAN AND BOARD OF DIRECTORS
OF THE NORTH KOOTENAI WATER DISTRICT, as follows:

Whereas, North Kootenai Water District (the
"District"), is a duly incorporated and existing water
district operating under the laws and Constitution of the
State of Idaho; and,

Whereas, the District operates various public water
supply systems primarily to supply domestic water service;
and

Whereas, the various water systems have been designed
to provide levels of service that were required at the time
that the systems were designed; and,

Whereas, design standards have varied over the more
than fifty year period during which water systems operated
by the district have been constructed and as a result, there
are differing levels of service found in different systems
and portions of systems throughout the district; and,

Whereas, the District undertakes to design and operate
its public water systems in compliance with all applicable
regulations of the State of Idaho and its regulatory
agencies; and,

Whereas, the District previously adopted Ordinance 99-4
to establish a schedule of capitalization and hookup fees
and a mechanism to determine such fees in the future; and,

Whereas, the District has determined that in certain of its systems the existing capacity of the system is inadequate to provide service to large newly platted subdivisions without extensive supplementation of water system infrastructure; and,

Whereas, the District subscribes to a policy that requires that applicants for service for a large number of connections should pay the costs of providing such service without imposing a burden upon the existing constituents of the District; and,

Whereas, it is a fundamental premise of Ordinance 99-4 is that new users should pay as a capitalization fee the value of that portion of the system that the new user will utilize when a new water service is established;

IT WAS THEREFORE RESOLVED BY NORTH KOOTENAI WATER DISTRICT as follows:

That the provisions of Paragraph C of Ordinance 99-4 be amended by the addition of Paragraph C(3) which shall be as follows:

C. 3. When the District receives an application for a service commitment to an area that is outside the then established boundaries of the District in a portion of the system in which existing capacity is inadequate to provide the requested service and if the District elects to offer service to the applicant, the applicant shall pay fees for water service as follows:

(a) When the application for service is one in which the water service demand as determined by the district will be less than the equivalent of fifteen ER's, the applicant shall pay for each service the then current capitalization fee as determined under Ordinance 99-4 plus the standard mitigation fee as determined by the District for each unit of capacity that is required by such service.

(b) When the application for service is one in which the water service demand as determined by the District is greater than fifteen ER's but less than fifty ER's, the applicant shall pay for each service the then current capitalization fee as determined under Ordinance 99-4 plus the standard mitigation fee as determined by the District for each unit of capacity that is required by such service, or, at the expense of the applicant, the District shall

analyze its system to determine the a mitigation fee based upon the particular costs of mitigating the impacts on the system of the requested water service.

(c) When the application for service is one in which the water service demand as determined by the District is greater than fifty ER's, at the expense of the applicant, the District shall analyze its system to determine the following:

- i. Existing capacities that are available to provide service
- ii. Additional infrastructure that will be required to provide the requested service without any degradation of service to existing customers and committed water services.
- iii. The value of the portion of the existing system that will be utilized by the requested service.
- iv. The value of all water system infrastructure that will be required to meet the needs of the requested service.
- v. The projected contribution of the requested new service to recovery by the District of accruing depreciation of the water system infrastructure identified in the preceding item 4.

Upon completion of the foregoing analysis, the Board of Directors of the District shall be authorized to establish a special capitalization fee for water service connections within the proposed service area only if such special capitalization fee represents an amount that is equal to the value of that portion of the system that a new user of one ER will utilize at that point in time.

PASSED AND ADOPTED THIS 2nd day of ^{2d} ~~February~~ ^{February}, 2006.

NORTH KOOTENAI WATER DISTRICT


CHAIRMAN


TOM CRIMMINS, DIRECTOR


JACK BERGER, DIRECTOR


MAIMIE MOORE, DIRECTOR

ATTEST:


District Secretary