

RESOLUTION NO. 2006-02

A RESOLUTION OF NORTH KOOTENAI WATER DISTRICT, OF KOOTENAI COUNTY, IDAHO, INITIATING THE FORMATION OF LOCAL IMPROVEMENT DISTRICT NO. 1, DESCRIBING THE PROPOSED BOUNDARIES; DESCRIBING GENERALLY THE IMPROVEMENTS TO BE CONSTRUCTED IN THE PROPOSED DISTRICT; AND PROVIDING FOR OTHER MATTERS PROPERLY RELATING THERETO

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

LOCAL IMPROVEMENT DISTRICT NO. 1

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

WHEREAS, North Kootenai Water District, (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; and

WHEREAS, the Board of Directors of the District (the "Board") is desirous of initiating the creation of a local improvement district within the boundaries set forth herein;

NOW, THEREFORE, BE IT FURTHER RESOLVED, DETERMINED, AND ORDERED as follows:

Section 1: The organization of Local Improvement District No. 1 ("LID No. 1") of the District is hereby initiated.

Section 2: A general description of the improvements to be constructed within the proposed LID No. 1 is as follows:

- A. The acquisition, construction and installation of approximately 11,500 feet of new water line and related appurtenances to serve the area identified as LID No. 1; and
- B. The acquisition of rights-of-way and relocation of utilities, if necessary;

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.

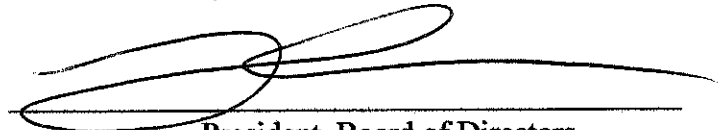
Section 3: The boundaries of the proposed LID No. 1 and of the properties to be assessed are particularly described in Exhibit "A" which is attached hereto and by reference incorporated herein.

Section 4: The costs and expenses of the Project to be paid from special assessments shall be assessed against the lots and parcels within proposed LID No. 1 according to the benefits derived method of assessment, all in accordance with Section 50-1707, Idaho Code.

Section 5: This Resolution shall take effect and be in full force from and after its passage and approval.

DATED this 9th day of March, 2006.

NORTH KOOTENAI WATER DISTRICT
Kootenai County, Idaho



President, Board of Directors

ATTEST:



District Secretary

(SEAL)

EXHIBIT A

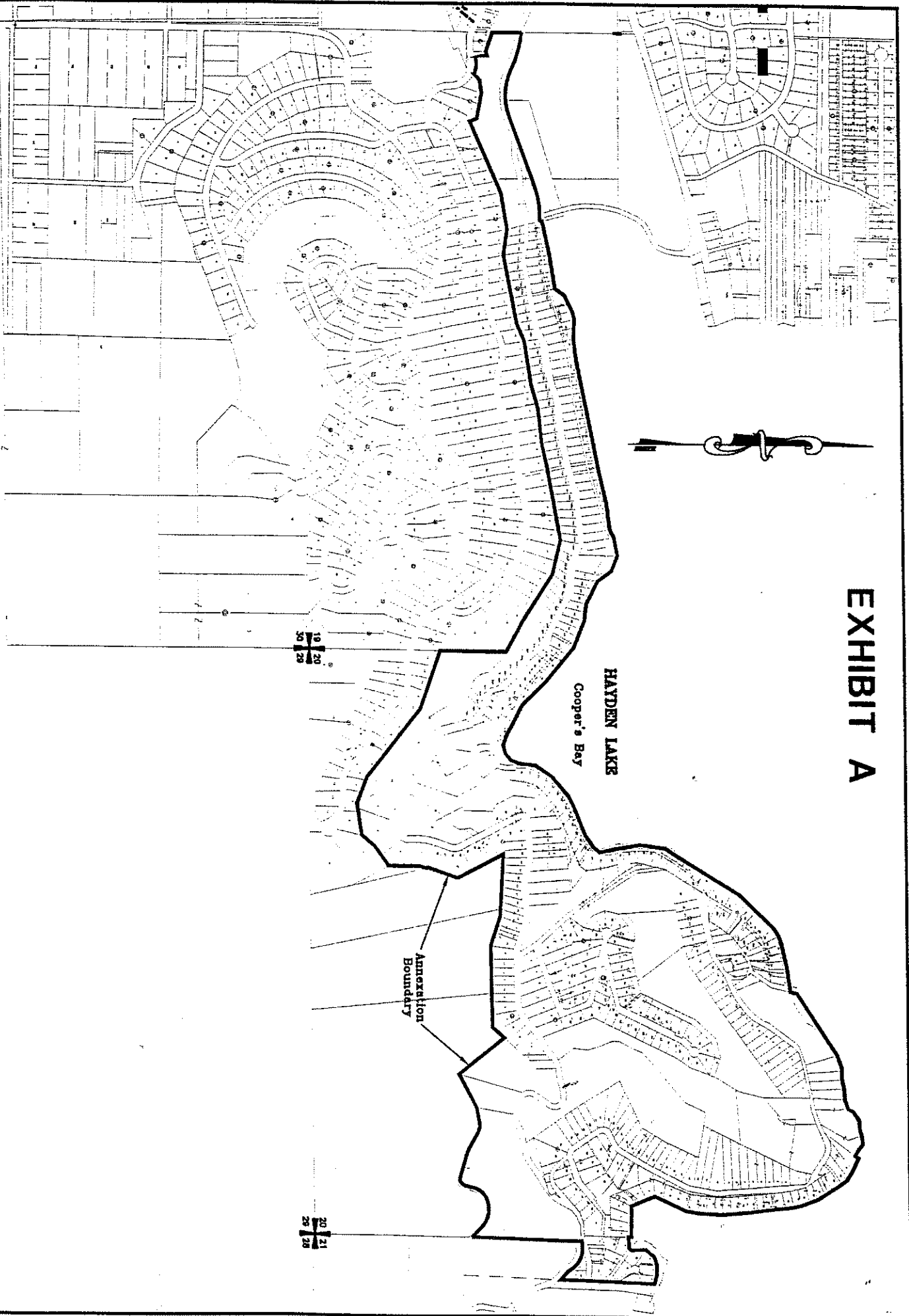


HAYDEN LAKE
Cooper's Bay

Annexation
Boundary

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I, the undersigned, Secretary of the Board of Directors of North Kootenai Water District, of Kootenai County, Idaho, hereby certify that the foregoing Resolution is a full, true, and correct copy of a Resolution duly adopted at a regular meeting of the District, duly and regularly held at the regular meeting place thereof on March 9, 2006, of which meeting all members of the Board had due notice and at which a majority thereof were present; and that at said meeting said Resolution was adopted by the following vote:

AYES, and in favor thereof, Directors: *Davis, Berger, Crimmins, Moore & Fairhurst*

NAYS, Directors: *none*

ABSENT, Directors: *none*

ABSTAIN, Directors: *none*

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

IN WITNESS WHEREOF, I have set my hand and affixed the official seal of the District on March 9, 2006.

Fairhurst

District Secretary

(SEAL)