

RESOLUTION NO. 2006-11

**A RESOLUTION OF THE NORTH KOOTENAI WATER DISTRICT, OF
KOOTENAI COUNTY, IDAHO, AMENDING RESOLUTION NO. 2006-06 TO
RATIFY FEES CHARGED BY THE DISTRICT; AND PROVIDING FOR
OTHER MATTERS PROPERLY RELATING THERETO**

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

BE IT RESOLVED BY THE Board of Directors of North Kootenai Water District, of Kootenai County, Idaho (the "District") as follows:

WHEREAS, North Kootenai Water District, of Kootenai County, Idaho (the "District") is a truly and properly formed water district under and by virtue of the constitution and laws of the State of Idaho;

WHEREAS, the District is governed by an elected Board of Directors (the "Board");

WHEREAS, the Board adopted Resolution No. 2006-06 ("Resolution No. 2006-06") on June 15, 2006, after a public hearing which set the water rates charged in the District;

WHEREAS, the District also incurs expenses and other costs in operating the water system of the District that it needs to recover in order to continue to maintain the water system of the District; and

WHEREAS, the District wishes to confirm the rates set forth in Resolution No. 2006-06 and clarify other charges of the District;

NOW, THEREFORE, BE IT FURTHER RESOLVED by the Board of Directors of the District as follows:

Section 1: RATIFICATION AND CONFIRMATION OF MONTHLY SERVICE CHARGES

The Board ratifies and confirms the following charges:

- (a) Water System Acquisition Debt Service – 2006/2007 \$ 3.82 per month
- (b) Access Fee \$13.78 per month
- (c) Water Use/Consumption
 - (i) 1 – 5,000 gallons at \$1.00 per thousand gallons per month;

- (ii) 5,001 – 15,000 gallons at \$1.15 per thousand gallons per month;
- (iii) 15,001 – 30,000 gallons at \$1.25 per thousand gallons per month; and
- (iv) Over 30,000 gallons at \$1.90 per thousand gallons per month.

This amendment shall be effective for all water delivered after May 15, 2006, and all users/customers with service connections to the water system on or after May 15, 2006.

The Board has established these rates after examining the cost to operate the water system and identifying the amount necessary to pay the principal of and interest on the debt service obligations of the District. All customers of the District, unless they request termination of service, shall be required to pay the amounts identified as Water System Acquisition Debt Service and Access Fee identified in this section, as they are now established or may be modified hereafter by the Board.

Section 2: OTHER FEES AND CHARGES OF THE DISTRICT

A. Charge for New Customer on Existing Service.

The current operating policy of the District provides that when an existing customer sells their property and vacates the premises, the District shuts off service, locks the service and waits for the new owner to request reinstatement of service. The District may require the new owner of the property to sign a form requesting service and provide credit and other information to the District. The charge for new accounts for a new customer will be \$20.00. After one year, this amount shall be credited to the account of the customer, assuming that there have been no payment problems.

The Board, recognizing the cost to the District in time of the office staff and labor of the field staff to reinstate service, ratifies and approves this charge.

B. Responsibility for Unpaid Water Service Charges on Rental Property.

Tenants may be the ones who receive water bills on property served by the District, and the District will look first to the tenant to pay any water bill. However, the District will send a duplicate water bill to a landlord or owner of property. The ultimate responsibility for the payment of water bills is on the property owner.

A new tenant will not be given service if there is a past due amount owing to the District. It is the responsibility of the property owner to resolve the issues surrounding the past due amounts owing.

C. Indefinite Shut-Off.

If a property owner requests that their service be shut-off and they cease paying the monthly water service charges identified in Section 1 hereof, or as charges may be later

modified, the owner of this property will need to pay a Capitalization Fee (as defined in Resolution No. 99-4 of the District, which fee has been increased from time to time) at the time water service is reestablished.

Section 3: SEVERABILITY

If any section, paragraph, clause, or provision of this Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of each section, paragraph, clause, or provision shall in no manner affect any remaining provision of this Resolution.

Section 4: RATIFICATION

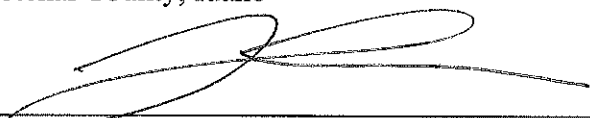
The Board hereby ratifies all acts taken by members of the Board and/or agents on behalf of the Board or District relative to this potential annexation and the hearing process is hereby ratified and approved.

Section 5: EFFECTIVE DATE

This Resolution shall become and is effective as of the date of its adoption.


DATED this 7th day of December, 2006.

NORTH KOOTENAI WATER DISTRICT,
Kootenai County, Idaho

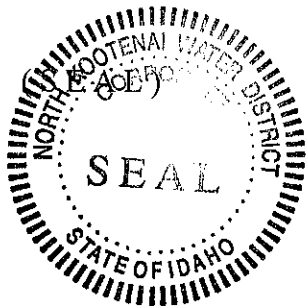


Chairman, Board of Directors

ATTEST:



District Secretary



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 December 7, 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: *Three*

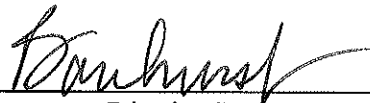
NAYS, Directors: *One*

ABSENT, Directors: *One*

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 December 7, 2006.



District Secretary



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