

RESOLUTION NO. 07-03

A RESOLUTION OF NORTH KOOTENAI WATER DISTRICT, OF KOOTENAI COUNTY, IDAHO, INCREASING RATES IN VALLEY GREEN AREA FOR STREET LIGHTS AND RECREATION AREA MAINTENANCE; AND PROVIDING FOR OTHER MATTERS PROPERLY RELATING THERETO

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

VALLEY GREEN LIGHT AND MAINTENANCE FEES

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 duly 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, a successor in interest, has heretofore provided certain services within the Valley Green area of the District, including maintaining and paying for power for electric street lighting in the area, and maintaining that certain public recreation area described as Lot 7, Block 2, Valley Green;

WHEREAS, property owners within the Valley Green area, as set forth in the Grant of Easement and Covenants, Conditions and Restrictions filed with the Kootenai County Auditor-Recorder on June 15, 1977, have agreed to pay a monthly fee to the District to provide such maintenance, repair, replacement and electrical power, plus 15%;

WHEREAS, the District has accumulated all information and evaluated the current charges and compared the actual expense to those charges, and has determined that the charges do not cover the expenses, as demonstrated by the following chart:

<u>Service</u>	<u>Current Billing</u> <u>Per Lot</u>	<u>Actual Cost</u> <u>Per Lot</u>
Recreation Area maintenance	\$1.50	\$5.16
Street Lights	<u>1.60</u>	<u>2.78</u>
Totals:	\$3.10	\$7.94

(A copy of these calculations is attached hereto as Exhibit "A").

WHEREAS, the District now wishes to increase the homeowner's rates in order to cover the costs of such services in accordance with the cost evaluation prepared by the District Manager; and

WHEREAS, the District has communicated with all of the residents in the Valley Green area by letter dated January 8, 2007, attached hereto and incorporated herein by reference as Exhibit "B" and through a published notice of a public hearing in the form attached hereto as Exhibit "C";

WHEREAS, the District held a public hearing on this matter on February 1, 2007 and considered the comments presented to the Board; and

WHEREAS, the Board received a report back from its Manager on the concerns raised at the public hearing, a copy of which is attached as Exhibit "D";

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

Section 1: INCREASE OF MONTHLY RECREATIONAL MAINTENANCE AND STREET LIGHT OPERATIONAL CHARGES IN VALLEY GREEN AREA

The Board hereby determines, after examining the costs of upkeep and maintenance of the recreation area, and costs of power to operate the street lighting system, that it is necessary to immediately increase the per lot rate to \$7.94 per lot per month. All customers within the Valley Green area shall be required to pay the amounts identified as they are now established or may be modified hereafter by the Board.

This amendment shall be effective for all lots within the Valley Green area of the District beginning on February 16, 2007.

Section 2: 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 3: 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 4: EFFECTIVE DATE


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

DATED this 1st day of March, 2007.

NORTH KOOTENAI WATER DISTRICT,
Kootenai County, Idaho


Chairman, 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 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 1, 2007, 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: *Four*

NAYS, Directors: *None*

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 March 1, 2007.



District Secretary

(SEAL)

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Recreation Fee:

	Hours	# Mos.	Rate	Total Expenses
Mowing	9	6	\$ 25.00	\$ 1,350.00
Sprinkler Repair	3	6	\$ 25.00	\$ 450.00
Litter Pickup	2	6	\$ 25.00	\$ 300.00
Sprinkler Blowout	1	1	\$ 25.00	\$ 25.00
Best Way-Fertilize April			\$ 120.00	\$ 120.00
Best Way-Broadleaf May			\$ 125.00	\$ 125.00
Best Way-Fertilize June			\$ 120.00	\$ 120.00
Irrigation			\$ 2,136.20	\$ 2,136.20

discounted to 417.55

$4626.20 + 693.93 = 5320.13$
 $5320.13 + 98.52 = 5418.65$
 $5418.65 - 111.45 = 5307.20$
 $5307.20 \times 15\% = 796.08$
 $5307.20 - 796.08 = 4511.12$
 $4511.12 \div 12 = 375.93$

Lights:

Street Lights	\$ 1,563.84	\$ 234.58	\$ 1,798.42	\$ 33.30	\$ 2.78
					(1.60) Currently Billed
					\$ 1.18 Difference

Recap:

	Diff.	X	54 lots	X	12 mos.	Total Loss
Rec Fee	\$ 6.71					
Street Lights	\$ 1.18					
	\$ 7.89		\$ 426.06		\$ 5,112.72	

Irrigation

NKWD Rates:

	Consumption	Charge
10/15/2006	133,000	\$ 46.55
9/15/2006	175,200	\$ 61.32
8/15/2006	180,500	\$ 63.18
7/15/2006	164,500	\$ 57.58
6/15/2006	412,800	\$ 144.48
5/15/2006	-	\$ -
4/15/2006	127,000	\$ 44.45
	1,193,000	\$ 417.55

Hayden Lake Irrigation Rates:

Consumption	Charge
205,380	\$ 10.00 * Tract Fee
	\$ 28.00 Maintenance Fee
	\$ 6.00 Fed Repay
	\$ 10.00 Idaho Division of Environmental Quality
987,620	\$ 740.72 Overage (867,000 gallons @ .75/1,000)
1,193,000	\$ 794.72

*Tract Fee = 326,000 gallons/1 Irrigation Unit (1 Acre).
 NKWD Lot = .63 acres = .63 Ac x 326,000 = 205,380

Difference:

Consumption	Charge
-	\$ (377.17)

**North Kootenai Water District
1841 West Hayden Ave.
P.O. Box 2290
Hayden, ID 83835**

January 8, 2007

Re: Proposed Increase in Fee Charges for Recreation Area Maintenance and Electricity for Street Lights

Dear Valley Green Resident:

As you know North Kootenai Water District ("NKWD") pays and maintains the recreation area that serves the Valley Green development. NKWD also pays the electricity charges for the street lights that are in the development. At its last meeting, the Board of Directors ("Board") of NKWD received a report of the actual cost for maintenance of the recreation area and street light expenses.

Enclosed with this letter is a summary of the estimate of the costs incurred by NKWD for the maintenance of the recreation area and street light electricity charges. This worksheet suggests that this District spends \$8.89/month more for each residents than it collects. Of course the Board was very concerned that revenue collected from other residents was being used to subsidize these expenses.

The Board did review the "Grant of Easement and Covenants, Conditions and Restrictions" which is of record in Kootenai County and describes the obligations of NKWD for providing the services and the responsibility for Valley Green subdivision residents to pay the attendant expenses. The Easement Document provides that residents are to pay "cost of maintenance of the recreation area...and a pro rata share of the actual costs of power for street lights divided by the number of lots in Valley Green less the recreation area, plus 15%, the additional cost of billing." The Easement Document also provides for the creation and funding of a reserve account for maintenance and repair, which has not been done.

The Board is very committed to being fair to all involved, including residents of Valley Green and the other residents and ratepayers of NKWD. To that end, the Board believes it

January 8, 2007

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needs to increase the fees charged to residents of Valley Green to offset the costs of maintenance of the recreation area and electrical expenses. The Board is considering an increase of charges to the residents of Valley Green to \$11.99/month for the cost of the recreation area maintenance fee and the electricity for the street lights. The Board does not want to implement this fee without providing you and the other residents of the Valley Green area with an opportunity to provide comments on this proposed increase.

The Board will consider comments from you and other residents at its next Board meeting, which is scheduled for January 18, 2007 at the District offices which are located at 1841 West Hayden Ave., Hayden, Idaho. The meeting will begin at 12:30 p.m. and the Board will consider this issue at the beginning of the meeting to provide you with a "time certain" to plan on being in attendance. If you cannot attend the meeting but would like to provide comments to the Board, please feel free to send a letter with your thoughts as follows:

Board of Directors
North Kootenai Water District
1841 West Hayden Ave.
P.O. Box 2290
Hayden, ID 83835

None of us like to see fees or costs increased. Based on the information that we have developed for the Board, it appears that NKWD has been subsidizing the maintenance of the recreation area and electrical charges in the amount of approximately \$5,000/year. The Board is not interested in recapturing lost revenue, but would like to set a reasonable reimbursement fee for these costs going forward. If adopted, it is expected that this fee increase would go into place with your next bill.

If you have any questions, please do not hesitate to contact me at the District office. Again, please feel free to share your thoughts regarding this proposal with the Board, either in person or by letter, at its next meeting on January 18. Thank you in advance for your consideration of the information in this letter and this proposal.

Very truly yours,

NORTH KOOTENAI WATER DISTRICT

By
Mike Galante
Manager

Cc: Members, Board of Directors

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AFFIDAVIT OF PUBLICATION

STATE OF IDAHO,
County of Kootenai,

} ss.

Getchen Herdrich being first duly sworn upon oath deposes and says:

1. I am now and at all times hereinafter mentioned was a citizen of the United States, resident of the State of Idaho, over the age of twenty-one years and not a party of the above entitled action.

2. I am now and at all times hereinafter mentioned was the printer (principal clerk) of the "Coeur d'Alene Press," a newspaper printed and published daily except Sunday in Coeur d'Alene, Kootenai County, Idaho, and having a general circulation in said county.

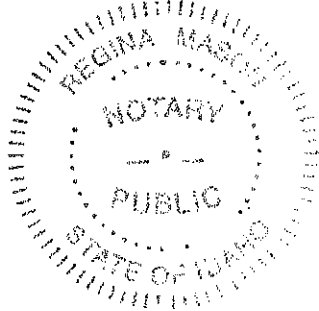
3. The Legal Notice

of which the annexed is a printed copy, was published in the regular Thursday issue of said newspaper for one consecutive week commencing on the 25 day of Jan 2007, and ending on the 23 day of Jan 2007 and such publication was made as often during said period as said daily newspaper was regularly issued.

4. That said newspaper has been continuously and uninterruptedly published in said Kootenai County, during a period of more than seventy-eight consecutive weeks immediately prior to the first publication of said notice. Getchen Herdrich
On this 25 day of Jan in the year of 2007, before me, a Notary Public, personally appeared Getchen Herdrich, known or identified to me to be the person whose name subscribed to the within instrument, and being by me first duly sworn, declared that the statements therein are true, and acknowledged to me that he executed the same.

Regina Mason
Notary Public for the State of Idaho,
residing at Coeur d'Alene, Idaho.

MY COMMISSION EXPIRES 6/18/09



NORTH KOOTENAI WATER DISTRICT
Kootenai County, Idaho
NOTICE OF PUBLIC HEARING
RATE INCREASE IN VALLEY GREEN SUBDIVISION
PLEASE TAKE NOTICE that the Board of Directors of North Kootenai Water District will hold a public hearing on February 1, 2007, at 12:30 o'clock P.M. on an increase in rates to property owners in the Valley Green Subdivision to pay the cost of maintenance of recreation areas and electricity for street lights. The hearing will be held at the District offices, which are located at North Kootenai Water District 1841 Hayden Avenue Hayden, ID 83835
It is proposed that the rate be increased to \$14.99 per month to cover the costs incurred by the District. If you are unable to attend the public hearing, but have comments, please feel free to send your written comments to:
Board of Directors
North Kootenai Water District
P.O. Box 2290
Hayden, ID 83835
Legal 486
January 25, 2007

Responses to the Valley Green Residents
February 15, 2007

Following the public hearing on February 1, 2007, the District manager has reviewed the complaints of the Valley Green residents that were present at the meeting.

1. The Rose family complaint about park upkeep. District personnel routinely spend time picking up litter and Valley Green resident's dog poop. Litter pick up is a requirement prior to mowing the grass.
2. MacDonald's letter and verbal complaints about park maintenance are similar.
3. The District will install additional sprinkler heads for the lawn area that fronts Valley Way.
4. Litter pick up will be intensified, with Jared assigned to patrol the park on a minimum of a weekly basis. Walk the grounds, do litter pick up etc.
5. Compared NKWD water rates for the park to those of Hayden Lake Irrigation. Our costs are approximately \$2100/year at our rate structure. For the same amount of water HLID would charge the District \$754.00.
6. I would like to propose to the Board that we create a wholesale rate for our own park property. This rate would be charged to the Valley Green residents, and would be less than the HLID rate.
7. The remaining charges for streetlights, park maintenance should be adopted as originally presented to the Board.