

RESOLUTION NO. 08- 11

**A RESOLUTION OF NORTH KOOTENAI WATER DISTRICT, OF
KOOTENAI COUNTY, IDAHO, ADOPTING CRITERIA FOR THE
RANKING OF CAPITAL IMPROVEMENT PROJECTS PLANNED 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 duly and properly formed water district under and by virtue of the constitution and laws of the State of Idaho; and

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

WHEREAS, the Board of Directors is responsible for the management of all District resources which include the funds of the District and other valuable environmental resources; and the District supports the management of its water resources through appropriate conservation measures; and

WHEREAS, the District supports the evaluation of necessity and need for all capital improvement projects on a uniform and consistent basis and has developed a method for ranking capital improvement projects that assigns a scale of importance to such capital projects;

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

**Section 1: ESTABLISHMENT OF CRITERIA FOR THE RANKING OF
PROJECTS IN THE CAPITAL IMPROVEMENT PLAN**

All capital improvements proposed for inclusion in the District's Capital Improvement Plan shall be ranked according to the following numerical scale of importance:

1. Health and Safety

2. System Reliability
3. System Performance
4. Water Conservation
5. Opportunity Cost
6. Public Right of Way Required Relocations

In preparing the schedule for construction of the projects included in the Capital Improvement Plan, the District shall take the assigned ranking of each project into consideration. Project rankings may be amended from time to time or as deemed appropriate by the Board.

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.

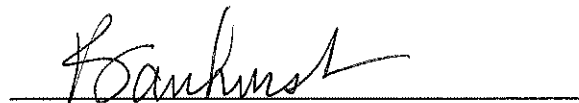
DATED this 17th day of April, 2008.

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 April 17, 2008, 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*

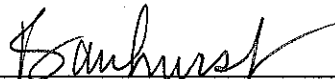
NAYS, Directors: *None*

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 April 17, 2008.



District Secretary

(SEAL)