

RESOLUTION NO. 08-16

A RESOLUTION OF NORTH KOOTENAI WATER DISTRICT, OF KOOTENAI COUNTY, IDAHO, CONFIRMING AND ESTABLISHING RATES IN THE GOZZER RANCH SERVICE AREA FOR SEWER SERVICE CHARGES AND WATER USAGE CHARGES; AND PROVIDING FOR OTHER MATTERS PROPERLY RELATING THERETO

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

GOZZER RANCH SERVICE AREA SEWER USAGE CHARGES AND WATER SERVICE CHARGES

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 provides water and sewer utility services;

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

WHEREAS, effective March 15, 2008 the District has assumed full ownership of the wastewater treatment plant and collection system and the potable water treatment system built and currently operated by Discovery Coeur d'Alene Investors, LLC. (the "Systems") in an area commonly known as "Gozzer Ranch Service Area", which also serves the Arrowpoint area;

WHEREAS, the District has accumulated all information and evaluated the actual expense of operating the Systems, including, but not limited to a review of staffing and equipment needs, operational requirements of the systems, equipment upgrades required and other comments and input received from those receiving utility services. Based upon this range of input, the Board has determined the appropriate sewer and water usage rates to cover the costs of providing such services in accordance with the cost evaluation prepared by the District Engineer and District Manager;

WHEREAS, the District is incurring substantial operating costs for the systems and needs to collect sewer and water fees to cover the cost of operating of the systems. The unique nature of the systems requires a fixed amount of operating costs in order to be established on all lots and parcels served by the systems, or that could be served by the systems;

WHEREAS, the work of the District Engineer and District Manager have identified improvements that need to be made to the systems in the short term in order to provide for optimal operations and compliance with applicable rules by DEQ and other regulatory bodies;

WHEREAS, the Board advertised a public hearing on rates by sending notice of the public hearing via regular first class mail to all residents of the Gozzer Service Area and also by publication of such notice in the official newspaper of the District, which notices invited telephone calls, public comments and attendance at the public hearing held on Friday, May 16, 2008 at 12:30 p.m. in the Hayden Lake City Hall; and

WHEREAS, the Board has considered and discussed the comments and input received at the public hearing, as well as all telephonic and written comments received by the District.

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

Section 1: ESTABLISHMENT OF MONTHLY SEWER USAGE CHARGES IN THE GOZZER RANCH SERVICE AREA

The Board hereby determines, after examining the costs of operation, upkeep and maintenance of the wastewater treatment plant and collection system that all customers within the Gozzer Ranch Service Area shall be required to pay the amounts established in Schedule "A" attached hereto, or as may be modified hereafter by the Board.

This rate schedule shall be effective as of March 15, 2008 for all lots within the Gozzer Ranch Service Area of the District.

Section 2: ESTABLISHMENT OF MONTHLY WATER USAGE CHARGES IN THE GOZZER RANCH SERVICE AREA

The Board hereby determines, after examining the costs of operation, upkeep and maintenance of the potable water treatment plant and distribution system, including required and necessary reserves to insure the adequate repair, replacement and continued operation of the systems, that all customers within the Gozzer Ranch Service Area shall be required to pay the amounts established in Schedule "B" attached hereto, or as may be modified hereafter by the Board.

This rate schedule shall be effective as of March 15, 2008 for all lots within the Gozzer Ranch Service Area of the District.

Section 3: EVALUATION OF FEES FOR SYSTEM SERVICES

The Board acknowledges that the District is just commencing its operational responsibilities for the Systems. The Board will continue to monitor the actual costs and revenues of the water and sewer systems and regularly review system rates.

Section 4: 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 5: 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 rate setting and the hearing process is hereby ratified and approved.

Section 6: EFFECTIVE DATE


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

DATED this 16 day of May, 2008.

NORTH KOOTENAI WATER DISTRICT,
Kootenai County, Idaho

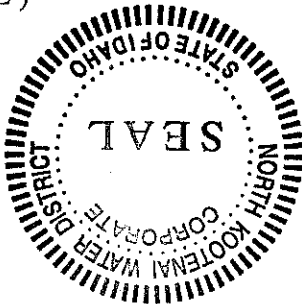
Chairman, Board of Directors

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 special meeting of the District on May ____, 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: *all OK*

NAYS, Directors: —

ABSENT, Directors: —

ABSTAIN, Directors: —

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 May *16* 2008.

[Handwritten Signature]

District Secretary

(SEAL)



SCHEDULE "A"

Sewer Rates

A. \$50.00 per month per lot for all occupied lots in the Area. A lot is deemed occupied for purposes of assessments upon connection to the sewer system.

All unoccupied lots will be assessed a monthly charge of \$45.00 per month. At the time the lot is connected to the sewer system, the sewer rate will increase to the rate for ~~un~~occupied lots, inclusive of the minimum assessment. *FT*

B. Septic Tank Inspection Fee of \$100.00/inspection visit.

SCHEDULE "B"

Water Rates

Up to 15,000 gallons	\$50.00 per month per Equivalent Residential Unit ("ERU")
15,000 to 30,000 gallons	an additional \$2.50 per 1,000 gallons
30,000 gallons and up	an additional \$3.80 per 1,000 gallons

*Multi-family or commercial lots will be assessed a single ERU until a Certificate of Occupancy ("CO") is issued by the appropriate local government. Upon issuance of the CO, the full occupancy allocation of ERUs allotted to the lot will be assessed.

All unbuilt lots in the Area will be assessed a minimum of \$44.75 per lot, even if not constructed on or connected to the water system. At the time the lot is metered or connected to the water system, the water usage rates above will be applicable, inclusive of minimum assessment.