

RESOLUTION NO. 2008-18

A Resolution of North Kootenai Water District, Kootenai County, Idaho, setting a public hearing to receive input on the increase of various water service and connection charges in the District; directing that public notice of such hearing be given; and providing for other matters properly relating thereto.

NORTH KOOTENAI WATER DISTRICT
Kootenai County, Idaho

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

WHEREAS, the North Kootenai Water District ("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 ("Board");

WHEREAS, the District provides water service to fourteen discreet systems within the boundaries of this District;

WHEREAS, the current water service charges have been in place in the District since 2006;

WHEREAS, the Board adopted Ordinance 99-4 on May 13, 1999 setting forth certain rules of operation for the District and further providing that water fees and charges could be later established or modified by resolution of the District;

WHEREAS, the Board has directed its staff and District engineer to study the current rate structure and the District has accumulated information and evaluated the expense of operating the numerous water systems within the District and has determined that the water usage rates to cover the cost of providing such services in accordance with the cost evaluation prepared by the District Manager and also various other fees and charges that should be assessed for the appropriate operation of the District need to increased;

WHEREAS, the Board wishes to disseminate the proposed rate schedule and other fees and charges to the ratepayers of the District and conduct a public hearing allowing residents of the District and others to provide public comment on the proposed rate fee schedule prior to its enactment;

NOW, THEREFORE, IT IS HEREBY FURTHER RESOLVED as follows:

Section 1: INCORPORATION OF RECITALS

The Board hereby incorporates the recitals set forth herein as a part of this resolution.

Section 2: FINDING OF INCREASED COSTS OF OPERATION OF THE WATER SYSTEM

After examination of the information and material developed by the District engineer, District staff and the District manager, the Board concludes that the cost of the providing water service to the residents of the District has increased. The various components of this increased cost include, but are not limited to, the items listed in Exhibit "A" attached hereto and incorporated herein by this reference.

Section 3: INCREASE OF MONTHLY WATER USAGE CHARGES NECESSARY IN THE VARIOUS SERVICE AREAS OF THE DISTRICT

The Board hereby determines, after examining the costs of operation, upkeep and maintenance of the wells, treatment and distribution systems in the various systems of the District, that all customers within the District (except the Gozzer Ranch Service Area) should 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 for all users on or about July 15, 2008, or such time thereafter, and in such amounts as may be determined by the Board after the public hearing. The water use rates will be reflected in bills received by customers on or after August 15, 2008.

Section 4: OTHER CHARGES

The Board has also required a study be done of the other rates and charges of the District, identified in Exhibit "B", attached hereto and incorporated herein by this reference and find that those charges should be adjusted as well. The components supporting this increase include, but are not limited to, those identified in Exhibit "C" and vary from system to system within the District.

At the same hearing, the Board will also seek public comment and testimony from all interested parties in the proposed increase in these rates and charges as well. The changes, if any, in this rate schedule shall be effective as of July 15, 2008, or such time thereafter and in such amounts as may be determined by the Board after the public hearing.

Section 5: PUBLIC HEARING

The Board hereby sets Thursday, June 26, 2008 at the hour of 7:00 p.m. as the date and time for a public hearing on the modification of rates, charges and other costs as set forth in this Resolution. The public hearing shall be held at:

Hayden Lake City Hall
9393 North Strahorn Road
Hayden Lake, ID

All interested parties are invited to attend this public hearing and provide any comments they wish to provide on the proposed rates and charges.

Any individual who is unable to attend the public hearing, but has comments to make on rates and charges is invited to provide written comments on or before the date of the public hearing by mailing or emailing such comments to:

North Kootenai Water District
Attn: Board of Directors
1841 West Hayden Ave.
P.O. Box 2290
Hayden, ID 83835
Email: mikeg@nkwsd.com

The Board will consider all written and oral communication in making a final determination of the appropriate rate schedules.

Section 6: NOTICE AND PUBLICATION OF THE PUBLIC HEARING ON RATES AND CHARGES

The secretary is directed to provide notice of this public hearing by mailing notice to all District residents and advertising with a public notice as provided in Idaho Code Section 63-1311A.

Notice of the proposed rates, in a form similar to that set forth in Exhibit "D" attached hereto shall be mailed to all residents of the District, affected by the proposed rates, not less than seven (7) days before the date set for hearing. Notice in similar form shall also be published at least once each week for the two (2) weeks preceding the date of the public hearing.

Section 7: 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 8: 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 the implementation of new rates and charges, and the hearing process is hereby ratified and approved.

Section 9: EFFECTIVE DATE OF RESOLUTION


This Resolution shall take effect and be in force and effect from and after its passage and approval.

PASSED at a special meeting of the Board of Directors of the North Kootenai Water District, held on the 5th day of June, 2008, upon which a roll call vote was duly taken and duly enacted.

NORTH KOOTENAI WATER DISTRICT


Chairman

ATTEST:


Secretary

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I, the undersigned, Secretary of the North Kootenai Water District, 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 Board of Directors, duly and regularly held at a special meeting place thereof on June 5, 2008, of which meeting all members of said 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, Boardmembers: *Five*

NAYS, Boardmembers: *None*

ABSENT, Boardmembers: *None*

ABSTAIN, Boardmembers: *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 Board on June 5, 2008.

NORTH KOOTENAI WATER DISTRICT



Secretary

EXHIBIT "A"

Component Cost Increases to Provide Water Service

Labor
Electricity
Gasoline and Diesel Fuel
General Construction & Contract Costs
Professional Services
Regulatory and Assessment Charges
Conservation Costs and Charges
System Maintenance and Repair

EXHIBIT "B"

Proposed Rates

A) Water Rate Increases:

Rate	2006 Monthly Rate	Proposed 2008 Monthly Rate
Debt Service	\$ 3.82	\$ 3.82
Access Fee	\$13.78	\$15.00
1 – 5000 Gallons	\$1.00/1000 Gallons	\$1.10/1000 Gallons
5001 – 15,000 Gallons	\$1.15/1000 Gallons	\$1.27/1000 Gallons
15,001 – 30,000 Gallons	\$1.25/1000 Gallons	\$1.44/1000 Gallons
Over 30,000 Gallons	\$1.90/1000 Gallons	\$2.19/1000 Gallons

B) New Construction Inspection Fees

The District Board is committed to having development pay for any impact it has on the District so existing customers do not subsidize development. The District Board is proposing a new construction inspection fee that will charge developers the cost of having the District staff inspect new construction.

Number of Lots	Inspection Fee
1 – 5	\$300.00
6 – 15	\$450.00
16 – 30	\$700.00
31 – 50	\$1,400.00
51 – 100	\$2,100.00
> 100	Hourly by Agreement

C) Sewer Inspection Fees

\$100/Inspection Fee

D) Meter Installation Fees

The District continually monitors the cost of new meter service installations. The increasing costs of fuel and materials has increased the District's costs and the District is proposing to increase the cost of new meter service installations as follows:

Meter Size	Current Fee	Proposed Fee
1 Inch	\$1,100	\$1,370
1-1/2 Inch	\$2,340	\$2,340
2 Inch	\$2,675	\$2,675

EXHIBIT "C"

Components Driving Increased Inspection and Installation Fees and Charges

- 1) Increased value of Water System
- 2) Costs of improvements to the Water System
- 3) Costs of labor and inspection

EXHIBIT "D"
 NOTICE OF PUBLIC HEARING ON
 WATER RATES

NORTH KOOTENAI WATER DISTRICT

The Board of Directors ("Board") of North Kootenai Water District ("District") will hold a public hearing on June 26, 2008 at 7:00 p.m. at Hayden Lake City Hall, located at

Hayden Lake City Hall
 9393 N. Strahorn
 Hayden Lake, ID

The District has undertaken an extensive review of the income generated by and the costs of operating the various water systems which comprise the District. The result of this review is a recommendation that various fees and charges of the District, including water usage fees, be increased. The fees generated by these rates are necessary to operate the water system and provide for adequate reserves for the maintenance and operation of the water system. The District has established these fees based upon their review of estimated costs and revenues which are generated by existing fees.

A) The proposed rates for water are as follows:

Rate	2006 Monthly Rate	Proposed 2008 Monthly Rate
Debt Service	\$ 3.82	\$ 3.82
Access Fee	\$13.78	\$15.00
1 – 5000 Gallons	\$1.00/1000 Gallons	\$1.10/1000 Gallons
5001 – 15,000 Gallons	\$1.15/1000 Gallons	\$1.27/1000 Gallons
15,001 – 30,000 Gallons	\$1.25/1000 Gallons	\$1.44/1000 Gallons
Over 30,000 Gallons	\$1.90/1000 Gallons	\$2.19/1000 Gallons

B) New Construction Inspection Fees

The District Board is proposing a new construction inspection fee that will charge developers the cost of having the District staff inspect new construction.

Number of Lots	Inspection Fee
1 – 5	\$300.00
6 – 15	\$450.00
16 – 30	\$700.00
31 – 50	\$1,400.00
51 – 100	\$2,100.00
> 100	Hourly by Agreement

C) The septic tank inspection fee will be set at \$100.00 per inspection.

D) Meter Installation Fees

The District continually monitors the cost of new meter service installations. The increasing costs of fuel and materials has increased the District's costs and the District is proposing to increase the cost of new meter service installations as follows:

Meter Size	Current Fee	Proposed Fee
1 Inch	\$1,100	\$1,370
1-1/2 Inch	\$2,340	\$2,340
2 Inch	\$2,675	\$2,675

If you are unable to attend the hearing, but wish to provide written comments to the Board for consideration, comments may be sent to:

North Kootenai Water District
P.O. Box 2290
Hayden, ID 83835

or dropped off at the District at:

North Kootenai Water District
1841 West Hayden Ave.
Hayden, ID 83835

Comments may be emailed to the District as well to:

mikeg@nkwsd.com

If you have any questions, please feel free to call Mike Galante, District Manager at (208) 772-3619.

The effective date of the new rates shall be as set forth in Resolution No. 2008-18. Water rate increases, if approved, will be effective in July and reflected in bills received by District customers in August.