

RESOLUTION NO. 2008- 20

A Resolution of North Kootenai Water District, Kootenai County, Idaho, indemnifying directors and employees for any costs incurred or damages awarded in litigation by Lawrence Spencer.

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 political subdivision of the State of Idaho, governed by an elected Board of Directors ("Board");

WHEREAS, the District also employees individuals to carry out the District's responsibilities;

WHEREAS, the members of the Board and an employee of the District are being sued by one Lawrence Spencer in a United States District Court for the District of Idaho Civil Action, Case No. 08-CV-0004-CWD (the "Litigation").

WHEREAS, the Litigation appears to relate to services provided by the members of the Board and the employee of the District in their capacity as representatives of the District, and within the scope of their responsibilities as members of the Board and as an employee, therefore the members of the Board and District employee are entitled to indemnification under applicable Idaho law;

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

Section 1: INDEMNIFICATION

The Board hereby finds that it is in the best interests of the District that the members of the Board, past and present who are listed as defendants in the litigation, specifically Jack Berger, Tom Crimmins, Linda Davis, Richard Fairhurst and Maimie Moore are entitled to be indemnified and held harmless for the allegations set forth in the Complaint. In addition, the Board finds that its employee who was also sued, Mike Galante, is also entitled to the same indemnification as the Board members.

Section 2: REQUIREMENTS FOR INDEMNIFICATION

Indemnification provided by the District is predicated upon the District, the members of the Board and the employee of the District fully cooperating in the defense against this claim and

in preparation for any and all steps necessary to defend against the Litigation. Failure to fully comply with this requirement will end the District's indemnification of said Board member or employee.

Section 3: FURTHER LIMITATION OF INDEMNIFICATION

If, during the course of the Litigation, it is discovered that actions complained of on behalf of any individual member of the Board or the employee are outside the scope of their duties and/or responsibilities as an employee or member of the Board of the District, any allegations related to these outside or unrelated activities shall not be subject to this indemnification by the District.

Section 4: INSURANCE COVERAGE

Should insurance coverage be available for members of the Board or the employee, the District will take all steps that it can to affect said coverage for the Board members and employee. The existence of insurance coverage shall have no impact on the indemnification responsibility of the District to the members of the Board or the District employees.

Section 5: 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 6: 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 indemnification of members of the Board and employees of the District.

Section 7: EFFECTIVE DATE OF RESOLUTION

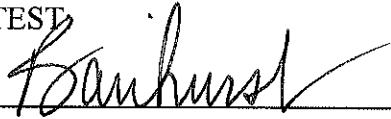
This Resolution shall take effect and be in force and effect from and after its passage and approval.

PASSED at a special meeting of the Board of Directors of the North Kootenai Water District, held on the 3<sup>rd</sup> day of July, 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 regular meeting of the Board of Directors, duly and regularly held at a special meeting place thereof on July 3, 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 July 3, 2008.

NORTH KOOTENAI WATER DISTRICT

*Bainhurst*  
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Secretary