

RESOLUTION NO. 2011-1

A Resolution of North Kootenai Water District, Kootenai County, Idaho, amending the policy regarding the capitalization of fixed assets; providing for an effective date of this resolution; 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, by way of Resolution 2009-32, adopted by the Board on September 17, 2009, the District established a policy regarding the capitalization of fixed assets with a cost of \$5,000 or greater;

WHEREAS, from time to time the District will acquire similar items under a bulk purchase, with the individual cost or value of such similar items less than \$5,000 but the total cost or value of all similar items being \$5,000 or greater;

WHEREAS, the District historically has not considered the similar items with a total value of \$5,000 or more acquired through a bulk purchase to be subject to the policy regarding the capitalization of fixed assets;

WHEREAS, upon the recommendation of its auditors, the Board wishes to amend the policy to address the capitalization of fixed assets acquired through a bulk purchase of similar items with a total cost of \$5,000 or greater;

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: FIXED ASSETS ACQUIRED THROUGH A BULK PURCHASE

The Board hereby determines that for the purpose of the District's policy regarding the capitalization of fixed assets established pursuant to District Resolution No. 2009-32, fixed

assets subject to depreciation shall include the following: Similar items acquired through a bulk purchase with a total cost of \$5,000 or greater.

Section 3: AUTHORITY TO IMPLEMENT A PROCEDURE TO PROVIDE FOR DEPRECIATION

The Board hereby authorizes and directs the staff to amend the normal processes for depreciating assets in a manner consistent with this Resolution.

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 the implementation of a procedure to provide for depreciation and provide a threshold for capitalization of fixed assets is hereby ratified and approved.

Section 6: EFFECTIVE DATE OF RESOLUTION

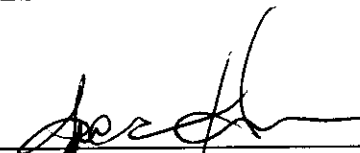
This Resolution shall take effect and be in force and effect from and after its passage and approval.

PASSED at a special meeting of the Board of Directors of the North Kootenai Water District, held on the 20th day of January, 2011, upon which a roll call vote was duly taken and duly enacted.

NORTH KOOTENAI WATER DISTRICT


Chairman

ATTEST:


Secretary *ACTING*

I, the undersigned, ^{Acting} 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 regular meeting place thereof on January 20, 2011 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:	4
NAYS, Boardmembers:	0
ABSENT, Boardmembers:	1
ABSTAIN, Boardmembers:	0

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 January 20, 2011.

NORTH KOOTENAI WATER DISTRICT

[Handwritten Signature]

 Acting Secretary