

**RESOLUTION NO. 98-1**

**A RESOLUTION PROVIDING FOR THE ACQUISITION AND CONSTRUCTION OF IMPROVEMENTS TO THE WATER SYSTEM AND FACILITIES FOR THE NORTH KOOTENAI WATER DISTRICT OF KOOTENAI COUNTY, IDAHO, AT AN ESTIMATED COST OF \$2,500,000; PROVIDING FOR THE ISSUANCE OF WATER REVENUE BONDS IN THE SUM OF NOT TO EXCEED \$2,500,000 TO PAY THE COSTS THEREOF, WHICH BONDS SHALL BE PAID ONLY OUT OF THE REVENUES AND EARNINGS OF THE WATER SYSTEM, SUBJECT, HOWEVER, TO THE APPROVAL OF THE QUALIFIED ELECTORS OF SAID DISTRICT AT A SPECIAL ELECTION ORDERED HEREIN; DESCRIBING SAID BONDS AND THE CONDITIONS UNDER WHICH THEY WILL BE ISSUED; CALLING A SPECIAL ELECTION FOR THE SUBMISSION TO THE QUALIFIED ELECTORS OF SAID DISTRICT THE QUESTION OF THE RATIFICATION OR REJECTION OF SAID BOND ISSUE AND OF SAID INDEBTEDNESS; PROVIDING FOR PUBLIC NOTICE OF SAID ELECTION; PROVIDING FOR THE EFFECTIVE DATE OF THIS RESOLUTION; AND PROVIDING FOR OTHER MATTERS PROPERLY RELATING THERETO**

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

**WATER REVENUE BOND ELECTION**

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

**WHEREAS, the North Kootenai Water District (the "District"), is a duly existing water district organized and operating under the laws of the State of Idaho; and**

**WHEREAS, it is hereby determined by the Board of Directors of the District (the "Board") to be necessary and essential to the health, safety, comfort, and welfare of the inhabitants of said District to acquire, install, and construct certain improvements to its water system; and**

**WHEREAS, the Board has determined to finance the costs of the acquisition and construction of said improvements by the issuance of water revenue bonds of the District, pursuant to the provisions of the Revenue Bond Act of the State of Idaho, Sections 42-4101 to**

42-4115, inclusive, Idaho Code, and the Municipal Bond Law of the State of Idaho, Chapter 2 of Title 57, Idaho Code; and

WHEREAS, said revenue bonds cannot be issued without the assent of a majority of the qualified electors of the District voting in an election called for such purpose; and

WHEREAS, in order to authorize such revenue bonds, the Board has determined to call and conduct a special municipal bond election for the aforesaid purposes as required by said Revenue Bond Act;

WHEREAS, pursuant to the provisions of Idaho Code, the District has elected pursuant to the provisions of the Uniform District Election Law to contract with the Kootenai County Clerk to conduct the election under the provisions of Title 34 and Title 42.

NOW, THEREFORE, BE IT FURTHER RESOLVED BY THE CHAIRMAN AND BOARD OF DIRECTORS OF THE NORTH KOOTENAI WATER DISTRICT as follows:

**Section 1: THE PROJECT**

A. It is deemed necessary and advisable that the District acquire, install, and construct certain improvements to the District's water system and facilities. Such improvements consist of the following:

- (1) The acquisition of Hayden Pines Water System, also known as Allied Water;
- (2) The acquisition, construction and installation of necessary improvements and betterments thereto;

together with the purchase of sites and easements therefor and all appurtenances and machinery necessary or useful for said system (the "Project"), all pursuant to the preliminary maps, plans, and specifications therefor which have been prepared and filed by Welch Comer & Associates, Engineers, heretofore selected by the Board for such purpose and on file in the office of the District.

B. The estimated cost and expense of the acquisition, installation, and construction of the Project is \$2,500,000, including payment of all preliminary expenses incurred and incident to the Project and properly incident to the issuance of the bonds as such expenses are set forth in said Revenue Bond Act and Municipal Bond Law, and including payment of interest on such bonds or bond anticipation notes or other interim financing during the period to be covered by the acquisition and construction of the improvements as described in subparagraph A above, and including the funding of any Reserve Account to secure repayment of the Bonds. Any portion of the cost of the Project not paid for by the proceeds of the Bonds authorized herein will be paid by other funds of the District and grant funds received from agencies of the United States or the State of Idaho, if any.

C. Subject to the following paragraph, the acquisition of the improvements, as described in subparagraph A, above, are hereby ordered.

D. Subject to the approval thereof by the qualified electors voting at the election for which provision is hereinafter made, revenue bonds of the District shall be issued pursuant to the provisions of the Revenue Bond Act, Sections 42-4101 to 42-4115, inclusive, Idaho Code, in the amount of not to exceed \$2,500,000 to pay the costs of the Project.

**Section 2: SPECIAL ELECTION**

A special municipal bond election is hereby called within the District to be held on Tuesday, August 4, 1998, for the purpose of enabling the qualified electors of the District to vote upon the proposition set forth in Section 4 hereof. Said election shall be held in accordance with the laws of the State of Idaho, more particularly Titles 34 and 42.

**Section 3: CONDUCT OF ELECTION AND NOTICE TO ELECTORS**

Said election shall be conducted as specified in Idaho Code, Title 34, Chapter 14; and Title 42, Chapter 41; and in the Notice of Election attached hereto, marked Exhibit "A", and by this reference made a part hereof.

**Section 4: POLLING HOURS AND PLACES**

A. **Polling Hours.** The polls of said election shall open at the hour of 8:00 o'clock A.M. on said day and shall remain open continuously on said day until the hour of 8:00 o'clock P.M., at which time said polls shall be closed.

B. **Polling Places.** The polling places for the election shall be as follows:

Precinct 14  
Cloverleaf Grange  
1.5 Miles North of Seltice on McGuire

Precincts 1, 2 and 5  
Twin Lakes Fire Substation  
Hwy 41 and Par 3 Road

Precincts 7, 9, 11, 12 and 13  
Hayden Lake Library  
8385 Government Way  
Hayden Lake, ID 83835

**Section 5: DESIGNATION OF KOOTENAI COUNTY CLERK TO CONDUCT ELECTION**

Pursuant to Chapter 14, Title 34, Idaho Code, the District designates the Kootenai County Clerk (the "Clerk), including the appropriate officers within his office, as the one to conduct the election, including the appointment of judges and clerks of election. Each member of each Board

of Election shall take an oath, which shall be administered by any qualified elector or by the Clerk of the District, faithfully to perform the duties of such member.

**Section 6: QUALIFICATION OF ELECTOR'S; OATH**

A. **Qualifications.** Each person voting at such bond election shall be at the time of the election, eighteen (18) years of age or older, and a United States citizen who has resided in the State of Idaho and the District at least thirty (30) days next preceding the election.

B. **Registration.** Registration requirements set forth in Title 34, Chapter 4, Idaho Code, shall be applicable to the election. Such registration laws allow for registration on the day of the election assuming that the requirements set forth in Idaho Code §34-408A are met.

C. **Voting Process.** An elector desiring to vote in the election shall follow the procedure outlined in Idaho Code Section 34-1106. The elector may be required to furnish to the election official proof of residence, which proof shall be established by either an Idaho motor vehicle driver's license or any document definitely establishing the elector's residence within the District.

D. **Absentee Voting.** If a qualified elector will either be absent on the day of the election or unable to go to the polling place due to a physical disability, he/she may vote by absentee ballot. Any such elector shall make application to the Clerk of Kootenai County, or other official charged by law with the duty of issuing official ballots for the election, for an absentee ballot. The application shall contain the name of the elector, his/her home address, county and address to which the ballot should be sent. The Clerk, after receiving the application in the manner prescribed in Idaho Code §34-1002 shall deliver either personally, or by mail, an absentee ballot. The absentee ballot shall be returned to the Clerk in a sealed envelope in the manner prescribed in Idaho Code §34-1004. The Absentee Ballot must be received by 8:00 o'clock P.M. on the day of the election to be counted. After verification of the qualification of the elector to vote in the election, the absentee ballot shall be counted.

**Section 7: BALLOT PROPOSITION**

The ballot title for said special election shall be in substantially the following form:

SHALL NORTH KOOTENAI WATER DISTRICT ISSUE AND SELL ITS WATER REVENUE BONDS TO PAY THE COSTS OF THE ACQUISITION AND CONSTRUCTION OF IMPROVEMENTS TO THE DISTRICT'S WATER SYSTEM IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED \$2,500,000? SAID BONDS SHALL MATURE OVER A PERIOD OF NOT TO EXCEED TWENTY (20) YEARS, AND SHALL BE PAYABLE SOLELY FROM THE REVENUES OF THE WATER SYSTEM, ALL AS MORE FULLY PROVIDED IN RESOLUTION NO. 98-1, ADOPTED ON JULY 9, 1998.

IN FAVOR OF issuing Water Revenue Bonds  
for the purposes provided by Resolution No. 98-1

AGAINST issuing Water Revenue Bonds for  
the purposes provided by Resolution No. 98-1

**INSTRUCTIONS TO VOTERS:** To vote on the foregoing proposition, the voter must make a cross (X) in the space to the right of the words "IN FAVOR OF issuing water revenue bonds for the purposes provided by Resolution No. \_\_\_\_" or "AGAINST issuing water revenue Bonds for the purposes provided by Resolution No. \_\_\_\_" according to the way you desire to vote on the question. If you, by mistake or accident, mark, tear, deface, or otherwise mutilate this ballot, return it to the election Judge and obtain another ballot.

The following information is required by section 34-440, Idaho Code.

The existing indebtedness of the District is \$--0--. The interest rate anticipated on the proposed water revenue bonds is 5.15%. The range of anticipated interest rates is from 4.5% to 7.5%. The total amount to be repaid over the life of the proposed water revenue bonds, principal and interest, based on the anticipated interest rate, is estimated to be \$4,068,017.50.

**Section 8: NOTICE OF SPECIAL BOND ELECTION; PUBLICATION AND POSTING**

Pursuant to Idaho Code §34-1406, the Clerk or their designee is hereby authorized and directed to give Notice of Special Bond Election in substantially the form attached hereto as Exhibit "A", prior to said election, by publication and posting as follows:

**A. Publication.** Said Notice of Special Election shall be published at least twice in the official newspaper of the District, with the first publication not less than twelve (12) days before the election and the second publication not less than five (5) days before the election.

**B. Posting.** Said Notice of Special Bond Election shall be posted not less than twenty-one (21) days prior to the day of the election in at least three (3) public places in the District.

**C. Affidavits.** Proof of publication shall be upon the affidavit of the publisher of the newspaper, and proof of posting notice shall be upon the affidavit of the person posting the same. Such affidavits shall be filed with the Board by those posting and publishing the Notice.

**Section 9: DEBT DISCLOSURE STATEMENT**

Pursuant to Idaho Code Section 34-440, as amended, a debt disclosure statement shall be submitted to and independently verified by the Kootenai County Recorder.

## **Section 10: WATER REVENUE BONDS**

If, at said election, a majority of the qualified electors of the District voting therein vote in favor of the issuance of said bonds for the purposes set forth herein and designated on the aforesaid ballot, fully registered water revenue bonds of the District shall be authorized, issued, sold, and delivered. Said bonds shall mature over a period of not to exceed twenty (20) years, and shall bear interest payable annually or at such lesser intervals and at such rate or rates as may be prescribed by the ordinance or resolution authorizing the issuance of such bonds.

All bonds shall be issued in the form and manner, and be registered, disposed of, and redeemed, in accordance with the provisions of the Revenue Bond Act of the State of Idaho, Sections 42-4101 to 42-4115, inclusive, Idaho Code, and the Municipal Bond Law of the State of Idaho, Chapter 2 of Title 57, Idaho Code.

The net revenues of said water system (gross revenues minus normal expenses of maintenance and operation) are pledged for the payment of principal and interest, and redemption premiums, if any, on said water revenue bonds. Said bonds shall not be a debt of the District within the meaning of any State Constitutional provision or statutory limitation, nor a charge against the general credit or taxing powers of the District, and the District shall not be liable therefor, nor shall said bonds or the interest thereon be payable out of any funds other than the revenues of the water system specified above.

## **Section 11: ELECTION RESULTS; CANVASS**

A. **Board of Canvassers.** Pursuant to Idaho Code Title 34, Chapter 12, the Clerk of Kootenai County shall form a Board of Election for each polling place and conduct the election.

B. **Computation of Election Results.** The Board of Election for each polling place shall compute the results of the election pursuant to Idaho Code §34-1203. The Board of Election shall then make a return to the Board of Directors of the District, including all poll books, election registers, and all ballots cast, under seal. No more than seven (7) days after the election, the canvassers of election shall report their findings to the Chairman of the Board. The Board of Directors shall thereupon canvass such returns at their next meeting and the results shall be entered in the minutes of the Board and proclaimed as final. The Board may hold a special meeting for this purpose.

## **Section 12: OFFICERS AUTHORIZED**

The officers of the District are hereby authorized and directed to take all action necessary or appropriate to effectuate the provisions of this Resolution.

## **Section 13: RATIFICATION**

All action heretofore taken (not inconsistent with the provisions of this Resolution) by the Board and the officers of the District directed toward construction and installation of said water

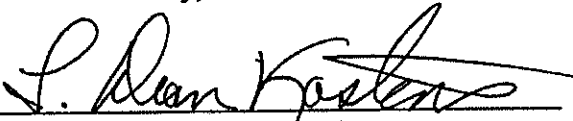
system and the issuance of water revenue bonds of the District therefor, and for the holding of a special municipal bond election, is hereby ratified, approved, and confirmed.

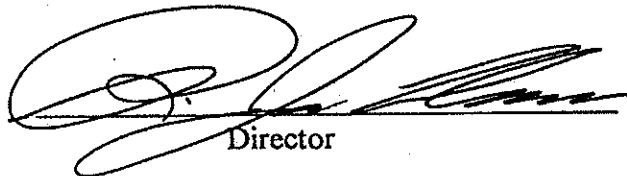
**Section 14: EFFECTIVE DATE**

This Resolution shall be effective on and after its approval by the Board.


PASSED AND APPROVED this 9th day of July, 1998.

NORTH KOOTENAI WATER DISTRICT,  
Kootenai County, Idaho

  
Chairman of the Board of Directors

  
Director

  
Director

  
Director

\_\_\_\_\_  
Director

ATTEST:

  
Secretary

(SEAL)

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I, the undersigned, the 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 [regular/special] meeting of the District Board of said District, duly held at the regular meeting place thereof held on July 9, 1998, of which meeting all members of said District 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: 4 - *Dean Haster, James Coleman, Mary Lou Crouter, Maimie Moore*

NOES, Directors: 1 - *Arthur Sotal*

ABSENT, Directors: *None*

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 said District on July 9, 1998.

*Maimie L Moore*  
Secretary

(SEAL)



NORTH KOOTENAI WATER DISTRICT  
Kootenai County, Idaho

**NOTICE OF SPECIAL BOND ELECTION**

NOTICE IS HEREBY GIVEN that pursuant to Resolution No. 98-1 adopted on July 9, 1998, of the North Kootenai Water District of Kootenai County, Idaho, a Special Bond Election will be held in said District on

TUESDAY, AUGUST 4, 1998

between the hours of 8:00 o'clock A.M. and 8:00 o'clock P.M., for the purpose of voting upon the question and proposition of issuing water revenue bonds in the principal amount of not to exceed \$2,500,000 for the purpose of providing funds to pay the costs of the acquisition and construction of improvements to the water system of the District, pursuant to the provisions of said Resolution, which Resolution is hereby referred to for further particulars, and which by reference is made a part of this Notice.

The total estimated cost of the Project is \$2,500,000, all of which is to be paid from the sale of the proposed water revenue bond issue.

The question to be submitted to the electors shall be by ballot reading substantially as follows:

SHALL NORTH KOOTENAI WATER DISTRICT ISSUE AND SELL ITS WATER REVENUE BONDS TO PAY THE COSTS OF THE ACQUISITION AND CONSTRUCTION OF IMPROVEMENTS TO THE DISTRICT'S WATER SYSTEM IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED \$2,500,000? SAID BONDS SHALL MATURE OVER A PERIOD OF NOT TO EXCEED TWENTY (20) YEARS, AND SHALL BE PAYABLE SOLELY FROM THE REVENUES OF THE WATER SYSTEM, ALL AS MORE FULLY PROVIDED IN RESOLUTION NO. 98-1, ADOPTED ON JULY 9, 1998.

IN FAVOR OF issuing Water Revenue Bonds  
for the purposes provided by Resolution No. 98-1

AGAINST issuing Water Revenue Bonds for  
the purposes provided by Resolution No. 98-1

INSTRUCTIONS TO VOTERS: To vote on the foregoing proposition, the voter must make a cross (X) in the space to the right of the words "IN FAVOR OF issuing water revenue bonds for the purposes provided by Resolution No. 98-1" or "AGAINST issuing water revenue Bonds for the purposes provided by Resolution No. 98-1" according to the

way you desire to vote on the question. If you, by mistake or accident, mark, tear, deface, or otherwise mutilate this ballot, return it to the election Judge and obtain another ballot.

The following information is required by section 34-440, Idaho Code.

The existing indebtedness of the District is \$--0--. The interest rate anticipated on the proposed water revenue bonds is 5.15%. The range of anticipated interest rates is from 4.5% to 7.5%. The total amount to be repaid over the life of the proposed water revenue bonds, principal and interest, based on the anticipated interest rate, is estimated to be \$4,068,017.50.

Qualified electors shall vote at the following polling place(s):

Cloverleaf Grange  
1.5 Miles North of Seltice on McGuire

Twin Lakes Fire Substation  
Hwy 41 and Par 3 Road

Hayden Lake Library  
8385 Government Way  
Hayden Lake, ID 83835

Only qualified electors eighteen (18) years of age or older, who are United States citizens and who have resided in the State of Idaho and in the District at least thirty (30) days next preceding the election, and no others, will be permitted to vote at said special election. No person so qualified and offering himself or herself at the polling place at which he or she is entitled to vote will be denied the privilege of voting at said special election.

Except as herein otherwise provided, such election shall be conducted as other water district elections.

An elector who resides in the District may register at the Kootenai County Clerk's Office at the Kootenai County Courthouse in Coeur d'Alene, Idaho, or before any other appropriate official with authority to register voters in Kootenai County, Idaho.

Persons may register on or before July 10, 1998, at any time during the office hours of the County Clerk or other appropriate official with authority to register voters. Persons may also register to vote on the day of election at their polling place with proper voter identification, such identification could include but not be limited to a valid Idaho Driver's License or other document with the voter's current residential address within the precinct boundaries.

Any registered elector of the District may make written application for an absentee ballot to the Clerk of Kootenai County who is conducting the election for the District not later than 5:00 P.M. on the day prior to the opening of the polls at 8:00 o'clock A.M. on August 4, 1998.

Polls will be open at the hour of 8:00 o'clock A.M. on Tuesday, August 4, 1998, and will be open continuously until the hour of 8:00 o'clock P.M. of the same day, at which time the polls

will be closed. Voting at said election shall be by ballot, and the ballot to be supplied the voters for their use at said election shall be in the form provided by law.

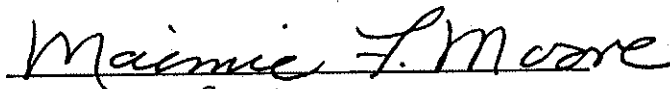
If, at said election, the majority of the qualified electors voting at such election assent to the issuance of said water revenue bonds for the purposes set forth in Resolution No. 98-1, the water revenue bonds of the North Kootenai Water District will be issued for said purposes, which bonds, or so much thereof as may be necessary, will mature over a period of not to exceed twenty (20) years, and will bear interest at a rate or rates to be prescribed by the ordinance authorizing the issuance of the water revenue bonds. The principal of and interest on said bonds shall be payable solely out of and derived from rates and charges for the use of and the services rendered by, and all other income, earnings and revenues of, the water system of North Kootenai Water District, all as more particularly set forth in a resolution to be hereafter passed and approved by the District.

DATED this 9th day of July, 1998.

NORTH KOOTENAI WATER DISTRICT,  
Kootenai County, Idaho

  
Chairman

ATTEST:

  
Secretary

(SEAL)