

RESOLUTION 98-3

A RESOLUTION OF THE NORTH KOOTENAI WATER DISTRICT, KOOTENAI COUNTY, IDAHO, PROVIDING FOR THE EXECUTION OF A DEFINITIVE PURCHASE AGREEMENT BETWEEN CHARLES A. FORD, ALLIED WATER, INC., HAYDEN PINES WATER COMPANY, INC., COLLECTIVELY ACTING AS SELLERS, AND THE NORTH KOOTENAI WATER DISTRICT ACTING AS PURCHASER, WHICH AGREEMENT SETS FORTH THE TERMS AND CONDITIONS UPON WHICH THE NORTH KOOTENAI WATER DISTRICT WILL ACQUIRE ALL OF THE WATER SUPPLY ASSETS OF THE SELLERS

NORTH KOOTENAI WATER DISTRICT Kootenai County, Idaho

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

Whereas, North Kootenai Water District (the "District"), is a duly incorporated and existing water district operating under the laws and Constitution of the State of Idaho;

Whereas, the District has undertaken to acquire all of the water supply system assets of the Sellers named above in Kootenai County, Idaho, utilized in the operation of the Idaho Public Utilities Commission regulated water supply system;

Whereas, the District has undertaken extensive negotiations with the Sellers to establish a definitive agreement providing for the acquisition of the assets of the water supply system of Sellers which has culminated in Sellers executing the agreement attached hereto and denominated "AGREEMENT";

WHEREAS, at a duly called special meeting of the Board of Directors of the District on Monday, November 23, 1998, attended by a quorum of directors the AGREEMENT was

presented to the directors for their consideration, and upon motion duly made, seconded and unanimously carried

IT WAS FURTHER RESOLVED BY NORTH KOOTENAI WATER DISTRICT as follows:


1. The AGREEMENT has been fully considered and evaluated by the directors of the District and judged by them that it is in the best interests of the constituents of the District that the District acquire the water system supply assets of the Sellers upon the terms and conditions set forth in the AGREEMENT.
2. The Chairman of the Board, Dean Kastens, is authorized to execute the AGREEMENT attached hereto as Exhibit "A" to this resolution on behalf of North Kootenai Water District.
3. The Chairman of the Board is further authorized to execute such other instruments, including a Promissory Note and leases as may be necessary and appropriate to consummate the acquisition of assets.
4. The Chairman of the Board is further authorized to take such actions subject to further direction from the Board of Directors of the District to engage necessary employees and conduct the business of the District in the operation of the water supply system assets acquired pursuant to the AGREEMENT.

PASSED AND ADOPTED THIS 23rd day of November, 1998.

NORTH KOOTENAI WATER DISTRICT


CHAIRMAN

ATTEST:


District Secretary

NORTH KOOTENAI WATER DISTRICT

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Subject to further direction and input from its
constituents,

BE IT RESOLVED BY THE CHAIRMAN AND BOARD OF
DIRECTORS OF THE NORTH KOOTENAI WATER DISTRICT, OF
KOOTENAI COUNTY, IDAHO, AS FOLLOWS:

WHEREAS, THE BOARD OF DIRECTORS OF THE NORTH KOOTENAI WATER
DISTRICT (the "District"), has been requested by persons
desiring to obtain water service from the water system
proposed for acquisition by the District to approve and
support the application of such persons for subdivision and
plat approval by the Kootenai County Board of Commissioners;
and,

WHEREAS, the Board of Directors of the District believes
that the performance of portions of said water system should
be improved and not degraded by the expansion of water
service to new customers,

NOW THEREFORE, IT IS RESOLVED BY THE CHAIRMAN AND BOARD OF
DIRECTORS OF THE DISTRICT THAT THE DISTRICT NOT SUPPORT THE
EXPANSION OF WATER SERVICE BY THE SYSTEM PROPOSED FOR
ACQUISITION BY THE DISTRICT IN PORTIONS OF THE SYSTEM WHERE
SERVICE IS CURRENTLY NOT IN COMPLIANCE WITH THE REQUIREMENTS
OF THE IDAHO RULES FOR PUBLIC DRINKING WATER SYSTEMS IF,
WHEN SUCH EXPANSION HAS REACHED THE FULL CAPACITY REQUESTED,
THE ADDITIONAL WATER DEMAND WILL DEGRADE THE LEVEL OF
SERVICE TO CURRENT CUSTOMERS OF SAID SYSTEM. IT WILL
FURTHER BE THE POLICY OF THE DISTRICT TO REQUIRE THAT ALL
INFRASTRUCTURE NECESSARY TO PERMIT THE SYSTEM TO DELIVER
WATER SERVICE TO ITS CUSTOMERS IN THE AFFECTED AREA IN A

ORIGINAL

MANNER MEETING THE REQUIREMENTS OF THE IDAHO RULES FOR PUBLIC DRINKING WATER SYSTEMS BE FULLY INSTALLED PRIOR TO EXPANSION OF WATER SERVICE TO A NEWLY PLATTED SUBDIVISION.


IT IS FURTHER RESOLVED THAT THE DISTRICT WILL SEEK FROM THOSE PERSONS REQUESTING A COMMITMENT FOR SERVICE TO AREAS PROPOSED FOR SUBDIVISION PLATTING FUNDING FOR CAPITAL IMPROVEMENTS TO THE SYSTEM, WHEN SUCH IMPROVEMENTS ARE TO BE LOCATED OUTSIDE THE BOUNDARIES OF THE PROPOSED NEW SUBDIVISION, WHICH ARE NECESSARY TO ALLOW THE SYSTEM TO DELIVER WATER SERVICE IN A MANNER MEETING THE REQUIREMENTS OF THE IDAHO RULES FOR PUBLIC DRINKING WATER SYSTEMS, SPECIFICALLY INCLUDING SECTION 552 THEREOF. THE FUNDING OF SUCH IMPROVEMENTS, AT THE DISCRETION OF THE BOARD OF DIRECTORS OF THE DISTRICT, MAY BE ACCOMPLISHED BY CONTRIBUTION OF SUCH IMPROVEMENTS OR BY PREPAYMENT OF FEES ESTABLISHED BY THE DISTRICT FOR CONNECTION TO THE WATER SYSTEM.

Dated this 9th day of July, 1998.

NORTH KOOTENAI WATER DISTRICT,
Kootenai County, Idaho


Chairman

ATTEST:


Secretary