

RESOLUTION NO. 08-01

**A RESOLUTION OF NORTH KOOTENAI WATER DISTRICT, OF KOOTENAI COUNTY, IDAHO, ESTABLISHING RATES IN THE GOZZER RANCH SERVICE AREA FOR SEWER USAGE CHARGES AND WATER SERVICE CHARGES; AND PROVIDING FOR OTHER MATTERS PROPERLY RELATING THERETO**

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

**GOZZER RANCH SERVICE AREA SEWER USAGE CHARGES AND WATER SERVICE CHARGES**

BE IT RESOLVED BY THE Board of Directors of North Kootenai Water District, of Kootenai County, Idaho (the "District") as follows:

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

WHEREAS, the District intends to assume full ownership of the wastewater treatment plant and collection system and the potable water treatment system built and currently operated by Discovery Coeur d'Alene Investors, LLC. (the "Systems") in an area commonly known as "Gozzier Ranch Service Area";

WHEREAS, the District has accumulated all information and evaluated the actual expense of operating the Systems and has determined the appropriate sewer and water usage rates to cover the costs of providing such services in accordance with the cost evaluation prepared by the District Manager;

NOW, THEREFORE, BE IT FURTHER RESOLVED by the Board of Directors of the District as follows:

**Section 1: ESTABLISHMENT OF MONTHLY SEWER USAGE CHARGES IN THE GOZZER RANCH SERVICE AREA**

The Board hereby determines, after examining the costs of operation, upkeep and maintenance of the wastewater treatment plant and collection system that all customers within the Gozzier Ranch Service Area shall be required to pay the amounts established in Schedule "A" attached hereto, or as may be modified hereafter by the Board.

This rate schedule shall be effective for all lots within the Gozzer Ranch Service Area of the District immediately upon final execution of the Transfer Agreement between the District and Discovery Coeur d'Alene Investors, LLC.

Section 2: ESTABLISHMENT OF MONTHLY WATER USAGE CHARGES IN THE GOZZER RANCH SERVICE AREA

The Board hereby determines, after examining the costs of operation, upkeep and maintenance of the potable water treatment plant and distribution system, that all customers within the Gozzer Ranch Service Area shall 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 lots within the Gozzer Ranch Service Area of the District immediately upon final execution of the Transfer Agreement between the District and Discovery Coeur d'Alene Investors, LLC.

Section 3: 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 4: 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 this potential annexation and the hearing process is hereby ratified and approved.

Section 5: EFFECTIVE DATE

This Resolution shall become and is effective as of the date of its adoption.

DATED this 3d day of January, 2008.

NORTH KOOTENAI WATER DISTRICT,  
Kootenai County, Idaho

Jack Berger  
Vice Chairman, Board of Directors

ATTEST:

Hairhurst  
District Secretary



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I, the undersigned, 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 meeting of the District, duly and regularly held at the regular meeting place thereof on January 3, 2008, of which meeting all members of the 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:

NAYS, Directors:

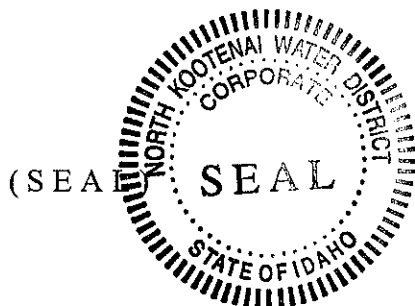
ABSENT, Directors:

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 the District on January 3, 2008.

  
\_\_\_\_\_  
District Secretary



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SCHEDULE "B"  
WATER USAGE RATES

Up to 15,000 gallons	\$50.00 per month per ER*
15,000 to 30,000 gallons	an additional \$2.50 per 1000
30,000 gallons and up	an additional \$3.80 per 1000

\*Multi-family or commercial lots will be assessed a single ER until a certificate of occupancy ("CO") is issued by the local government. Upon issuance of CO, the full occupancy allocation of ERs allotted to the lot will be assessed.

**SCHEDULE "A"**  
**SEWER USAGE RATES**

**\$50.00 per month per lot.**

NKWD/GOZZER RANCH RATE ANALYSIS

Water	
Total Annual	Monthly

Wastewater	
Total Annual	Total Monthly

O&M	\$ 88,392	
Depreciation	\$ 88,264	
Debt Service	\$ 15,239	
<b>Total</b>	<b>\$ 191,895</b>	

O&M	\$ 186,687	
Depreciation	\$ 83,176	
<b>Total</b>	<b>\$ 269,863</b>	

# of paying connections 329

# of paying connections 500

Monthly Rate \$48.61

Monthly Rate \$539.73 \$44.98

Raw Water

Cost of power \$142 per Million Gallons  
 Depreciation Percentage of annual intake depreciation (\$10,054) based on water use.

NORTH KOOTENAI WATER DISTRICT		2004/2005 Actual		2005/06 BUDGET		PROPOSED 2006/07 BUDGET		Gozzer Water		Gozzer Wastewater	
Fiscal Year	REVENUE										
	Water Billing	\$1,029,091	\$	1,203,917.00	\$	1,485,158.00			\$176,656.00		\$269,863.00
	Capitalization Fees	\$240,980	\$	319,700.00	\$	202,500.00					
	Reconnection Fees	\$680	\$	1,000.00	\$	1,000.00					
	Debt Service Surcharge	\$193,174	\$	217,657.00	\$	179,509.00			\$15,239.00		
	Account Setup Fee	\$3,100	\$	4,000.00	\$	1,500.00					
	Annexation Fee	\$1,700	\$	5,000.00	\$	5,000.00					
	Plan Review Fee	\$300	\$	5,000.00	\$	5,000.00					
	Impact Study Fee	\$6,000	\$	5,000.00	\$	18,000.00					
	Misc. Service Fee on site insp.	\$10,280	\$	10,000.00	\$	10,000.00					
	Misc. Income (Cell Tower Rent)	\$0	\$	15,390.00	\$	15,390.00					
	Reimbursed Expenses	\$2,069	\$	1,200.00	\$	1,300.00					
	Property Tax	\$18	\$	0	\$	0					
	Interest	\$31,826	\$	17,000.00	\$	35,000.00					
	Street Light Fee	\$1,036	\$	1,044.00	\$	1,044.00					
	Recreation Service Fee	\$980	\$	990.00	\$	990.00					
	<b>Total Revenue</b>	<b>\$1,521,233</b>	<b>\$</b>	<b>1,806,898.00</b>	<b>\$</b>	<b>1,961,391.00</b>			<b>\$191,895.00</b>		<b>\$269,863.00</b>
	less equipment lease/purchase	\$0	\$	-	\$	-					
	less tsf. to Capitalization Fund	\$240,980	\$	319,700.00	\$	202,500.00					
	less tsf. to Depreciation Fund	\$405,475	\$	487,275.00	\$	650,686.00			\$88,264.00		\$83,176.00
	less tsf. to Bond Prin. Fund	\$100,000	\$	105,000.00	\$	110,000.00					
	<b>Total Income</b>	<b>\$774,778</b>	<b>\$</b>	<b>894,923.00</b>	<b>\$</b>	<b>998,205.00</b>			<b>\$103,631.00</b>		<b>\$186,687.00</b>
	<b>EXPENSE</b>										
	Pump House	\$367	\$	2,400.00	\$	4,000.00					
	Purchased Water	\$10,037	\$	4,000.00	\$	4,000.00					
	Water Samples	\$3,134	\$	3,000.00	\$	5,000.00					
	DEQ Oversight Expense	\$5,568	\$	16,000.00	\$	18,000.00					
	Pump Repairs	\$9,698	\$	4,800.00	\$	15,000.00					
	Purchased Power	\$118,829	\$	150,000.00	\$	170,000.00					
	Chlorine	\$6,107	\$	4,500.00	\$	5,000.00					
	Chlorinator Repair	\$0	\$	700.00	\$	1,000.00					
	Sequest. Equip. Repair	\$0	\$	-	\$	-					
	Sequestering Agent	\$0	\$	-	\$	-					
	Reservoir Expense	\$1,799	\$	4,000.00	\$	5,000.00					
	Meter Expense	\$1,002	\$	2,000.00	\$	2,000.00			\$600.00		
	Main Line Rep. & Maint.	\$2,730	\$	6,000.00	\$	6,000.00					
	Locating Expense	\$2,333	\$	2,400.00	\$	3,000.00			\$500.00		\$500.00
	Service Exp. & Maint.	\$843	\$	3,000.00	\$	1,000.00			\$500.00		\$500.00
	Fire Hydrant Repair	\$0	\$	2,000.00	\$	3,000.00			\$4,200.00		\$4,200.00
	Vehicle Expense	\$9,279	\$	12,000.00	\$	8,000.00			\$2,500.00		\$2,500.00
	Fuel Expense	\$10,426	\$	12,000.00	\$	17,000.00			\$350.00		\$490.00
	Shop Expense	\$2,598	\$	3,500.00	\$	3,500.00			\$450.00		\$630.00
	Uniform Expense	\$4,395	\$	4,000.00	\$	4,500.00			\$750.00		\$750.00
	Tools	\$3,952	\$	4,000.00	\$	6,000.00			\$60.00		\$84.00
	Bank Service Charge	\$218	\$	240.00	\$	600.00					
	Dues & Subscriptions	\$752	\$	900.00	\$	900.00					
	Insurance	\$69,290	\$	60,000.00	\$	70,000.00			\$1,718.00		\$2,606.00
	Interest Expense	\$7,677	\$	2,800.00	\$	1,000.00					
	Interest & Penalties	\$583	\$	600.00	\$	500.00			\$100.00		\$140.00
	Licenses & Permits	\$560	\$	500.00	\$	1,000.00					
	Fire Protection Expense	\$96	\$	120.00	\$	120.00					
	Miscellaneous	\$2,182	\$	3,000.00	\$	3,000.00			\$500.00		\$500.00
	Damages	\$338	\$	1,000.00	\$	1,000.00					
	Postage	\$12,526	\$	12,000.00	\$	12,000.00			\$1,000.00		\$1,000.00
	Postage Machine Expense	\$390	\$	1,000.00	\$	1,500.00			\$200.00		\$280.00
	Printing & Reproduction	\$2,707	\$	2,000.00	\$	3,000.00			\$2,500.00		\$3,500.00
	Legal Fees	\$54,604	\$	24,000.00	\$	25,000.00			\$1,500.00		\$2,500.00
	Legal Publications	\$573	\$	300.00	\$	2,000.00			\$500.00		\$500.00
	Engineering Fees	\$52,445	\$	40,000.00	\$	45,000.00					
	Repairs	\$502	\$	3,000.00	\$	3,000.00					
	Grounds Maintenance	\$2,562	\$	1,900.00	\$	3,000.00			\$300.00		\$300.00
	Telephone	\$7,871	\$	6,000.00	\$	7,000.00					
	Water	\$485	\$	600.00	\$	800.00					
	Electricity & Gas	\$3,796	\$	4,600.00	\$	5,500.00					
	Sewer	\$461	\$	400.00	\$	400.00					
	Garbage	\$350	\$	720.00	\$	720.00					
	Street Lights	\$1,047	\$	1,044.00	\$	1,044.00					
	Park Maintenance	\$0	\$	990.00	\$	990.00					
	Travel Expense	\$984	\$	3,000.00	\$	3,000.00			\$600.00		\$840.00
	Continuing Education	\$2,802	\$	3,000.00	\$	6,000.00					
	Bond Interest	\$84,285	\$	80,085.00	\$	75,675.00					
	Lease Expense	\$0	\$	-	\$	-					
	Office Expense & Supplies	\$11,350	\$	10,000.00	\$	12,000.00			\$1,200.00		\$1,680.00
	Computer Supplies	\$700	\$	1,500.00	\$	2,500.00			\$250.00		\$350.00
	Internet Expense	\$846	\$	1,200.00	\$	1,200.00					
	Computer Software Expense	\$3,974	\$	9,600.00	\$	10,000.00			\$1,000.00		\$1,400.00
	Answering Service	\$1,675	\$	1,800.00	\$	1,800.00			\$180.00		\$252.00
	Office Security System	\$307	\$	400.00	\$	400.00			\$40.00		\$56.00
	Wages	\$275,307	\$	308,128.00	\$	334,032.00			\$34,440.00		\$63,960.00
	Temporary Labor	\$1,960	\$	-	\$	2,400.00			\$9,643.00		\$17,909.00
	Payroll Expense	\$23,025	\$	28,437.00	\$	35,710.00					
	PERSI - District Contribution	\$26,659	\$	32,259.00	\$	34,514.00					
	Special Program Benefits	\$3,534	\$	3,000.00	\$	3,500.00					
	Accounting/Audit	\$3,600	\$	3,600.00	\$	4,500.00			\$450.00		\$630.00
	Uncollected Acct./Bad Debts	\$0	\$	600.00	\$	600.00					
	Collection Expense	\$0	\$	300.00	\$	300.00					
	O&M								\$24,500.00		\$54,950.00
	<b>Total Expenses</b>	<b>\$856,118</b>	<b>\$</b>	<b>894,923.00</b>	<b>\$</b>	<b>998,205.00</b>			<b>\$103,631.00</b>		<b>\$186,687.00</b>
									329 connections		500 connections
									\$48.61/month		\$44.97/month