

RESOLUTION NO. 2008-22

A Resolution of North Kootenai Water District, Kootenai County, Idaho, setting a public hearing to receive input on the increase of the capitalization and mitigation fees in the District; directing that public notice of such hearing be given; 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, the Board adopted Ordinance 99-4 on May 13, 1999 ("Ordinance No. 99-4") setting forth certain rules of operation for the District and further providing that water fees and charges, including Capitalization and Mitigation Fees, could be later established or modified by resolution of the District;

WHEREAS, the Board wishes to follow the processes outlined in Ordinance No. 99-4 to set the appropriate Capitalization and Mitigation fees;

WHEREAS, the Board has directed its staff and District engineer to study the current capitalization, connection and mitigation fees of the District and has accumulated information and evaluated the expense of the acquisition and repair of the System. The District has also further refined the elements associated with its mitigation fees to cover the cost of providing required services, particularly in accordance with adequate fire protection;

WHEREAS, the Board wishes to disseminate the proposed schedule of fees for capitalization, connection and mitigation measures to the ratepayers of the District and conduct a public hearing allowing residents of the District and others to provide public comment on the proposed fee schedules prior to its enactment;

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: FINDING OF INCREASED COSTS OF OPERATION OF THE WATER SYSTEM

After examination of the information and material developed by the District engineer, District staff and the District manager, the Board concludes that the application of the factors and formulas contained in Ordinance No. 99-4 increases the equity value of the water system and therefore supports an increase of the Capitalization Fee. The various components of the increased equity value of the water system include, but are not limited to, the items listed in Exhibit "A" attached hereto and incorporated herein by this reference.

Section 3: INCREASE OF CHARGES NECESSARY IN THE VARIOUS SERVICE AREAS OF THE DISTRICT

The Board hereby determines, after examining the factors listed in Exhibit "A" and the values reflected in Exhibit "B", attached hereto, that the Capitalization Fee for the District should be set at \$_____.

Section 4: MITIGATION FEE FACTORS

The factors the District considers in setting a Mitigation Fee for a property owner requesting an increase or upgrade in service are included in Exhibit "C".

Section 5: PUBLIC HEARING

The Board hereby sets Thursday, August 7, 2008 at the hour of 12:30 p.m. as the date and time for a public hearing on the modification of rates, charges and other costs as set forth in this Resolution. The public hearing shall be held at:

North Kootenai Water District
1841 West Hayden Ave.
Hayden, ID 83835

All interested parties are invited to attend this public hearing and provide any comments they wish to provide on the proposed rates and charges.

Any individual who is unable to attend the public hearing, but has comments to make on rates and charges is invited to provide written comments on or before the date of the public hearing by mailing or emailing such comments to:

North Kootenai Water District
Attn: Board of Directors
1841 West Hayden Ave.

P.O. Box 2290
Hayden, ID 83835
Email: mikeg@nkwsd.com

The Board will consider all written and oral communication in making a final determination of the appropriate rate schedules.

Section 6: PUBLICATION OF THE NOTICE OF PUBLIC HEARING ON CAPITALIZATION FEES AND MITIGATION FEES

The secretary is directed to provide notice of this public hearing by publishing Notice of the Public Hearing (in the form generally shown in Exhibit "D" at least once each week for the two (2) weeks preceding the date of the public hearing.

Section 7: 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 8: 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 new Capitalization or Mitigation Fees, and the hearing process is hereby ratified and approved.

Section 9: 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 3rd 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 special 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*

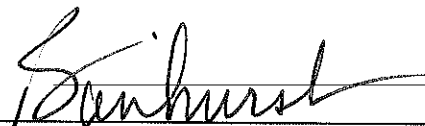
ABSENT, Boardmembers: *None*

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



Secretary

EXHIBIT "A"

Factors that Increase "Equity" In the North Kootenai Water District

Replacement and Construction of New Water Lines

Increase in Storage Capacity Within the Water system

Repair and Replacement of Water Sources

Completion of other items in the Capital Plan of the District

Increase in the Cost to Replace the Water System