

FIRST AMENDMENT TO JOINT POWERS AGREEMENT
OF THE
HAYDEN AREA REGIONAL SEWER BOARD
FOR THE
HAYDEN AREA REGIONAL SEWER FACILITIES

COPY

This First Amendment is entered into and shall be deemed effective as of June 1, 1990, by and among THE CITY OF HAYDEN (the "City"); THE HAYDEN LAKE RECREATIONAL WATER AND SEWER DISTRICT (the "Sewer District"); and KOOTENAI COUNTY (the "County"), being governmental Entities in Kootenai County, Idaho, who are referred to herein individually as "Entity" and collectively as "Entities," with reference to the following facts:

A. The City and the Sewer District constitute the Hayden Area Regional Sewer Board (the "Board"), pursuant to that certain Joint Powers Agreement of the Hayden Area Regional Sewer Board for the Hayden Area Regional Sewer Facilities, dated October 9, 1986 (the "Agreement"), pursuant to which such Entities joined together, pursuant to Idaho Code § 67-2328, to provide for the acquisition, ownership, development, operation, and maintenance of the Hayden Area Regional Sewer Facility, as defined therein (the "Facility").

B. Phases I and II of the Facility have been constructed and are currently operating, with sewage collection and disposal services being provided by the City and the Sewer District to their constituents.

C. Additionally, the County has a substantial interest in the operation of the Facility, in that the County receives collection and disposal services on a contract basis pursuant to that certain Contract User Sewer Agreement, also dated October 9, 1986 (the "User Contract").

D. At this time, the City and the Sewer District desire to have the County join the Board, and the County has expressed its willingness to join the Board, pursuant to the terms of this Amendment.

NOW, THEREFORE, and effective as of the date set forth
e, the Agreement shall be amended to the extent set forth in
s Amendment.

1. Admission of the County to the Board. The County
shall, effective as of the date of this Amendment, be a full
member of the Board, which shall continue to operate according to
the terms of the Agreement, except to the extent modified by this
Amendment. The term "Entity," as used in the Agreement, shall
refer to all three of the Entities executing this Amendment. As
provided in Paragraph 1 of the Agreement, the County shall
appoint two individual representatives ("Primary" and
"Secondary") to serve on behalf of the County, and shall provide
and maintain at the office of the Board, a duly authorized
resolution of the County setting forth the authority of the
appointed representatives to bind the County with respect to all
decisions required of or deemed appropriate by the Board.

2. Effect on User Contract. Notwithstanding the County's
status as a member of the Board, the providing of sewer service
to the Airport Service Area, as defined in the Agreement, shall
continue to be governed by the User Contract. In negotiations
relating to the User Contract (e.g., amendment or interpretation
thereof), the County shall not exercise any voting power by
virtue of its membership on the Board, but shall have all rights
to negotiate on its own behalf.

3. Management and Decision Making. Paragraph 5 of the
Agreement, entitled "Management and Accounting" is hereby amended
to provide that all decisions on behalf of the Board shall be
made by majority vote of all three Entities at a regular or
special meeting, subject to the right of the Entities to appoint
a Managing Agent (also by majority vote), to manage the day-to-
day administrative affairs of the Board, as provided in said
Paragraph 5.

Those decisions designated as "Major Decisions" in said
Paragraph 5 shall also be made by majority vote of the Entities,
but shall require the written approval of a majority of the
Entities, acting directly and not through their respective
representatives; provided that matters affecting the County with

respect to the Airport Service Area, as described in Paragraph 5.6, shall be decided by unanimous decision.

4. Meetings; Quorum Requirements. Subparagraph 6.4 of the Agreement, entitled "Quorum" shall be amended to require that the presence of any two of the entities at a scheduled or duly called meeting of the Board shall constitute a Quorum, which shall be empowered to take any action on behalf of the Board which would be authorized by the Agreement. However, the presence in person of a representative of all Entities shall be required in order to make a Major Decision, except where express written notice of the nature of the Major Decision shall have been delivered to all Entities in writing at least five days prior to the meeting (except in cases of a bona fide emergency). In the absence of a Quorum, the meeting may be adjourned by any attending Entity to a date not less than five days, nor more than 20 days, from the original meeting date.

Subparagraph 6.5 of the Agreement, entitled "Chairman" shall be amended to provide that the Chairman of the Board shall be selected by a majority of the Entities.

5. Miscellaneous. In that the County shall become a member of the Board as provided herein, subparagraph 13.4 of the Agreement, entitled "Termination of Interest of Kootenai County" is hereby deleted in its entirety. Similarly, in that decisions of the Board shall be made by a majority vote, the provisions of subparagraph 13.5 of the Agreement, entitled "Arbitration" shall be interpreted as applicable to disputes respecting interpretation or intent, with the two parties to the arbitration being the majority view and the minority view.

Except as modified by this Amendment, the Joint Powers Agreement and the Contract User Sewer Agreement shall remain in full force and effect.

CITY OF HAYDEN

By Richard C. Panabaker
RICHARD PANABAKER, Mayor

HAYDEN LAKE RECREATIONAL WATER
AND SEWER DISTRICT

By Gerry House
GERRY HOUSE, Chairman

KOOTENAI COUNTY

By Frank Henderson
FRANK HENDERSON, Chairman

By Evalyn Adams
EVALYN ADAMS, Commissioner

By Robert Haakenson
ROBERT HAAKENSON, Commissioner

ATTEST:

SHIRLEY A. DEITZ, CLERK

By Shirley A. Deitz
Deputy Clerk