

ORIGINAL  
COPY

JOINT POWERS AGREEMENT

OF THE

HAYDEN AREA REGIONAL SEWER BOARD

FOR THE

HAYDEN AREA REGIONAL SEWER FACILITIES

THIS AGREEMENT is entered into this 9<sup>th</sup> day of October, 1986, between THE CITY OF HAYDEN (the "City") and THE HAYDEN LAKE RECREATIONAL WATER AND SEWER DISTRICT (the "Sewer District"), being governmental Entities in Kootenai County, Idaho, who are referred to herein individually as "Entity" and collectively as "Entities." The Entities desire to join together, under the authority of Idaho Code § 67-2328, to provide for the acquisition, ownership, development, operation, and maintenance of the proposed Hayden Area Regional Sewer Facility (the "Facility"), which Facility shall consist of the following:

- A. Phase I: Interim Drain Field and Regional Collector;
- B. Phase II: Mechanical Treatment Plant;
- C. Phase IIIA: Spokane River Outfall; and
- D. Phase IIIB: Mechanical Treatment Plant Expansion.

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complete  
9-87

commenced 1991

As used in this Agreement, the term "Facility" shall refer to and include all real and personal property and equipment and related rights necessary to the collection and treatment of sewage from areas within the jurisdiction of each Entity, as more fully described herein.

The parties contemplate: (i) the construction and operation, as part of the Facility, of an Interim Drainfield on land owned by Kootenai County, pursuant to the terms of an existing agreement with Kootenai County; (ii) the construction and operation of a Mechanical Treatment Plant on land to be owned by the Board; (iii) the providing of sewer service to specific Entity Service Areas within the jurisdiction of each Entity as defined herein (and the possible expansion of the Entity Service Areas); and (iv) the providing of sewer service to individuals or entities occupying land outside the Entity Service Areas but within the Kootenai County Airport Service Area as defined herein.

Attached hereto and incorporated herein as Exhibits are the following descriptions which pertain to the Facility and the operations of the Board:

<u>Exhibit</u>	<u>Description</u>
"A-1"	Schematic Map showing the Hayden Area Regional Sewer System, including the Regional Collector, the Interim Drainfield and the Treatment Plant Site (the "Facility") as presently contemplated
"A-2"	Map showing the Airport Service Area
"B"	Description of Facility Components
"C"	Legal Description of Interim Drainfield and Treatment Plant Site

Immediately following execution of this Agreement, each Entity shall execute such documents as may be necessary to convey all right, title, and interest in the Facility components to the Board.

NOW, THEREFORE, the Entities agree as follows:

1. NAME AND COMPOSITION. The entity created by this Joint Powers Agreement shall be known as the "Hayden Area Regional Sewer Board," to be referred to herein as "the Board". The members of the Board shall be the two (2) Entities described above, each of which shall appoint two (2) individual representatives, each of whom shall be fully authorized and empowered to attend all meetings and vote on all Board matters on behalf of the respective Entities. Each Entity shall designate one representative as "primary" and the other as "secondary," with the function of the secondary representative being only to act in the absence or unavailability of the primary representatives. Each Entity shall provide and maintain at the office of the Board, a duly authorized resolution of that Entity setting forth the authority of the individual representatives to bind such Entity with respect to all decisions required of or deemed appropriate by the Board. Except for the Major Decisions described in Paragraph 5 below, which must be approved by direct action of both Entities, the representatives shall have full authority to vote on behalf of the Entities with respect to Board business, and it shall be the responsibility of each Entity to provide guidelines to its representatives as to how that Entity's interests should be voted.

2. OFFICE. The principal office of the Board shall be at the Hayden City Hall, or at such other place as may be designated by the Entities. This Agreement and all records of the Board shall be maintained at the office and shall be available to all Entities and all members of the general public for inspection and/or copying (at the requesting party's expense) at reasonable business hours and on reasonable notice.

3. TERM. The term of this Agreement and of the Board shall be for so long as the Facility, or any part thereof, is required to provide sewer collection and treatment service for Users in the area to be served by the Facility.

4. PURPOSE AND POWERS.

4.1 Purpose. The purpose of the Board shall be as follows:

(a) To acquire, own, develop, operate, and maintain the Facility so as to provide the most cost-effective sewer service possible to the Users of the Facility. Users are classified as follows:

(1) Entity Users are those Users entitled to sewer service by virtue of their location within the Entity Service Areas. The Entity Service Areas are currently coextensive with the jurisdictional boundaries of the City and the Sewer District, and may be expanded in the discretion of either Entity, subject only to the provisions of Paragraph 9.2 below.

(2) Airport Users are third parties located outside the Entity Service Areas, but within the Airport Service Area, who are entitled to sewer service by virtue of a written contractual arrangement between Kootenai County and the Board, to be executed concurrently with this Agreement.

(b) To coordinate the performance of the Entities' responsibilities toward their respective constituents with respect to the provision of sewer services.

4.2 Powers. Subject to the provisions of this Agreement, and such limitations as may be imposed by law, the Board shall have the following powers:

(a) To acquire, own, develop, operate, and maintain the Facility, and to conduct and operate the business of the Board, and to execute documents and instruments relating to such business;

(b) To negotiate agreements with the Panhandle Health District, Division of Environment, and other local, state, or federal agencies, for funding, design, etc., of the initial and subsequent Phases of the Facility;

(c) To negotiate agreements for the acquisition of land, improvements, equipment, easements,

permits, or other interests in real or personal property which may become components of or otherwise be needed for the construction, operation, and/or maintenance of the Facility (including the Treatment Plant Site);

(d) To negotiate arrangements with Kootenai County for the providing of sewer service to the Airport Service Area and for the use of the Interim Drainfield;

(e) To establish and collect appropriate assessments, fees, and service charges to be levied against Users of the Facility in order to cover any necessary capital improvements and any repair, operation, and maintenance costs, including reserves therefore;

(f) To procure and maintain insurance covering the various risks to which the Board (including the Entities and the individual representatives) or its operations may be subjected;

(g) To open bank accounts in the name of the Board, designate the authorized signatures therefor, and make deposits and withdrawals from Board accounts on the signatures of one or more designated individuals;

(h) To pay expenses incurred in performing the business and purposes of the Board;

(i) To employ, discharge, and pay the compensation of the Managing Agent, accountants, contractors, engineers, laborers, Facility operators, consultants, lawyers, and others whose services are required or necessary;

(j) To perform rate analysis and establish User fees, and to provide minimum standards for sewer use, spill control, and industrial pretreatment;

(k) To monitor actual flows to the Facility and actual numbers of Equivalent Residences (ERs) connected to the Facility from all Users, and to require control of significant commercial and industrial discharges;

(l) To provide secretarial and administrative services for Board meetings, including, but not limited to, agendas, secretarial services for the meetings, and minutes;

(m) To establish billing procedures and provide for the collection of funds from all Users for repair, maintenance, and operation of the Facility, including such sinking fund reserves as may be considered necessary;

(n) To establish bookkeeping and auditing procedures for the receipt and expenditures of all funds collected by the Board;

(o) To furnish an annual status report to each Entity on the Facility, including an audit of all financial aspects and the status of actual flows and hookups from each Entity;

(p) To prosecute or defend, as the case may be, any suit, arbitration, or administrative proceedings asserted against or brought on behalf of the Board;

(q) To review and approve contracts for acquisition, design, construction management, and construction of Facility components, even though only one (1) Entity may be providing the funding or acting as the "lead" Entity with respect to the construction of any such component;

(r) To apply for and cause compliance with the requirements of any grant or loan which would be utilized to establish or increase capacity for the Facility or reduce expenses of operation of the Facility;

(s) To do all other things allowed or required by law and necessary, incidental, or convenient to the exercise of the foregoing powers and to the accomplishment of the foregoing purposes.

5. MANAGEMENT AND ACCOUNTING. The affairs of the Board shall be managed by both Entities, through their respective representatives, with all decisions to be made by a unanimous vote of the Entities at a regular or special meeting; provided, however, that the Entities may unanimously appoint a Managing Agent, who may or may not be a representative of an Entity, to manage the day to day administrative affairs of the Board, subject to such scope and limitation as may be unanimously agreed upon by the Entities.

Regardless of the appointment of a Managing Agent, or of the general authority of the Entity representatives as set forth herein, the following major decisions ("Major Decisions") shall require the written approval of both Entities (acting directly and not through their representatives):

5.1 Sale, transfer, or encumbrance of all or any part of the Facility;

5.2 Adoption or revision of an operational budget for the Board, or the incursion or payment of any obligation or contract, except as specifically contemplated in a unanimously approved budget;

5.3 Expansion or reduction of the capacity of the Facility except as specifically contemplated in Paragraph 9 below;

5.4 Modification or amendment of this Agreement;

5.5 Negotiation, amendment, or modification of agreements for the acquisition or disposition of rights in land and/or improvements, including, without limitation, the agreements for use of the Interim Drainfield and for acquisition of the Treatment Plant Site;

5.6 Negotiation, amendment, or modification of agreements with Kootenai County pertaining to the Airport Service Area;

5.7 Establishment, modification, or revision of rates to be charged Users in the Service Areas for sewer hookups, collection, or treatment services;

5.8 Appointment, dismissal, establishment, or verification of the authority of Managing Agent;

5.9 The resolution of a voting deadlock between representatives; and

5.10 The doing or causing to be done of any act which would have a material adverse effect on the Board of the Facility or which would impose a financial obligation on the Board or either Entity over and above those imposed under a duly approved budget of the Board.

The books and records of the Board shall be kept on a cash basis in accordance with generally accepted accounting principles applied on a consistent basis from year to year. The fiscal year of the Board shall be from December 1 until November 30 of the following year.

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year - accrual  
f/s*

## 6. MEETINGS.

6.1 Regular Meetings. Regular meetings of the Board shall be conducted at least monthly at such time and place as may be fixed by the Board. Notice of the time and place of each regular meeting shall be given to each primary representative, personally, or by mail

or telephone, at least three (3) days prior to the day of the meeting, and shall be posted on the door of the Board office.

6.2 Special Meetings. A special meeting of the Board may be called by either Entity. Except in the case of an emergency, notice shall be provided and posted in the manner prescribed for notice of regular meetings, and shall include a description of the nature of any special business to be conducted by the Board.

6.3 Waiver of Notice. Before or at any meeting of the Board, either Entity may waive notice of such meeting, and such waiver shall be deemed equivalent to the giving of such notice of to that Entity.

6.4 Quorum. The presence in person of a representative of all Entities shall be required at all meetings. However, in the absence of one Entity at a duly noticed meeting, the attending Entity present may adjourn the meeting to another time, but may not transact any other business. Any such adjournment for lack of attendance shall be to a date not less than five (5) days, nor more than twenty (20) days from the original meeting date. Notice for this reconvened meeting shall be provided by the Entity in attendance, in the same manner as for regular meetings. At any such reconvened meeting, which is not attended by both Entities, the attending Entity shall be empowered to take any action on behalf of the Board which would be authorized by this Agreement, except for the Major Decisions described in Paragraph 5 above, which shall require unanimous consent in all cases.

6.5 Chairman. The Chairman of the Board will be alternated annually between the representatives of the two Entities of the Board at the first regular meeting in January. The first Chairman will be selected by the flip of a coin at the first regular meeting after the effective date of this Agreement, and shall serve until the next January meeting.

6.6 Open Meetings. Regular and special meetings of the Board shall be open to all members of the public; provided, however, that only the representatives of the Entities (or the Entities themselves) may participate in the actual decision-making.

7. SEWER SERVICE CHARGES. With respect to each ER, the Board shall be responsible for assessing and collecting from each Entity (or directly from the Entity Users, as determined by the Board) and from the Airport Users:

7.1 A discharge/hookup fee or its equivalent (sometimes referred to as a "capitalization fee") in a minimum amount as established by the Board (which shall be uniform for all Entity Users, and which shall be subject to a mandatory annual adjustment at the beginning of each fiscal year according to the Engineering News Record Index increase over the most recent year for which the Index is published). Even though the capital expense of constructing the Facility shall be paid by the initial Users, the purpose of the charge described in this subparagraph is to create a reserve fund for the construction of further improvements to expand capacity and to spread the burden of capital expenses over new Users as well as the original Users;

7.2 Periodic assessments, as established by the Board, in amounts sufficient to provide for repair, maintenance, and operation of the Facility and reserves therefor ("O&M fees") with each Entity's and User's share of costs to be computed in accordance with the general policy guidance of Article 8 below. The intent of the parties is to have O&M fees be uniform for all Entity Users, to the extent that the fees pertain to operation and management of the Facility as defined herein; however, the Board may, in its discretion, adjust fees to individual Entity Users if the Board undertakes management and operation of collection systems owned by the Entities but which are not part of the Facility;

While each Entity must collect, as a minimum, O&M fees and discharge/hookup fees established by the Board, this section in no way precludes each Entity from establishing its own O&M fees and discharge/hookup fees for the area within its jurisdiction. Minimum O&M fees and discharge/hookup fees must be collected by each Entity and deposited in a dedicated fund maintained by the Board on a monthly or quarterly basis.

Each Entity agrees to provide, by Ordinance, that discharge/hookup fees or their equivalent will be collected for each building or structure requiring new or additional sewer service within its Service Area boundaries and to standardize its definition of an ER and the allocation of ERs to a particular property. Each Entity agrees to provide periodic reports as required by the Board giving the numbers of structures, ERs assigned, the amount of fees collected, and other relevant information requested by the Board.

8. PRORATION; INDEMNIFICATION. It is the intent of this Agreement to allocate costs equitably between the Entities on an approximate percentage of use basis. Each Entity will pay a percentage of the repair, operation, and maintenance of the Facility (including Sewer Collector Lines, Lift

Stations, and all other Facility components, as well as the Treatment Plant) based upon its number of ERs on line compared to the total of all ERs on line for the Entity Users. Arrangements with Airport Users shall similarly be made on an approximate percentage of use basis; provided, however, that the Board may, in its discretion, exclude certain components of the Facility from consideration in establishing fees to be paid by Airport Users.

Further, in the event of a federal, state or local court action, concerning the Facility, the two Entities will assume responsibility for such litigation in a direct proportion to the percentage of use of the system. This formula shall be based upon the total ERs on line and in use by that Entity to the total number of ERs on line and in use by both Entities at the time of the event on which the court action is based. Each Entity shall agree to indemnify the other Entity in the same percentage for any damages or costs suffered by the other Entity due to such court action. Any unanticipated cost of such a court action may then be charged to the Entity Users and Airport Users as a cost of operation of the Facility, to be incorporated into and amortized on a reasonable schedule, payable along with the periodic O&M charges.

9. EXPANSION OF SERVICE AND/OR CAPACITY. The parties agree that service provided by the Facility may be expanded in one or more of the following manners, and subject to the following terms and conditions:

9.1 Addition of Users Within A Service Area. The Entity Service Areas and the Airport Service Area, as defined herein, are recognized under Sewage Management Plan Agreements with the Panhandle Health District, where required. Either Entity shall have the right to expand its number of Users within its Service Area without the consent of the Board; provided, however, that any such expansion shall be subject to availability of capacity of the Facility of a "first come, first served" basis. However, the additional capacity may only be reserved by payment of the appropriate capitalization (discharge/hookup) fee set by the Board as provided herein.

9.2 Expansion of Service Areas. Either of the Entity Service Areas may be expanded, in the sole discretion of the appropriate Entity, by the lawful expansion of the City or the Sewer District, and pursuant to modification of the applicable Sewage Management Plan Agreement, where required.

9.3 Expansion of Treatment Plant Capacity. The parties acknowledge that the Facility is presently

designed to accommodate more Users than will require sewer service on completion of the Regional Treatment Plant. By collecting discharge/hookup fees as Users are added to the system, the Board will accumulate a reserve fund which can later be used to finance construction of the Spokane River Outfall, and then for additional capacity at the Treatment Plant. After construction of the Spokane River Outfall, either Entity which desires to add Users to the system, which would require expansion of the Facility for additional capacity, shall have the right to utilize any existing reserve fund for that purpose; provided that the expanding Entity shall pay any additional funds necessary to construct the complete next phase of the development of the Facility (including lift stations as well as Treatment Plant expansion and with the size and scope of the "complete next phase" being determined by the Board). The amount advanced by the expanding Entity shall then be divided by the then current ER capital assessment fee to determine the portion of the excess capacity which then belongs exclusively to the expanding Entity. All remaining capacity shall then be considered available at par to either Entity and to the Airport Users as provided herein or in the User Agreement with Kootenai County. Notwithstanding the right of either Entity to require unilaterally the expansion of the capacity, the Board shall unanimously approve and supervise the design and construction of the expansion.

10. TRANSFERS. No Entity may directly or indirectly sell, transfer, assign, pledge, or encumber all or any part of its rights or obligations in the Board or in the Facility.

11. TERMINATION AND DEFAULT. This agreement will terminate only upon agreement of both Entities or upon the entering of a court order requiring termination of the Board.

12. CONTEMPLATION OF PARTIES. Certain basic facts and/or assumptions have been contemplated by the Entities in connection with the negotiation and execution of this Agreement, and are set forth as follows to assist in the interpretation of intent, should questions later arise:

12.1 The design capacity of the Phase I Regional Pump Stations is 4,000 ERs.

12.2 The design capacity of the Phase II Treatment Plant is to be 0.75 mgd or 3333 ERs, with completion estimated in October 1987;

12.3 The design capacity of the Phase IIIB Treatment Plant is to be based on growth requirements and demand by the participating Entities. Projected total Facility capacity following construction of Phase III is 5200 ERs, or 1.2 mgd;

12.4 Treatment in Phase I will consist of septic tank effluent applied under pressure to Drainfield Module No. 1. Each User under Phase I must utilize an approved septic tank;

12.5 Treatment anticipated under Phase II will be treatment of raw sewage in a mechanical oxidation ditch treatment plant with discharge of effluent to the Interim Drainfield, Modules 1 and 2;

12.6 Subsurface land application of treated effluent may be incorporated into the Phase I and II treatment processes to provide more drainfield capacity on a temporary basis, and/or reduce nutrient loading to the Spokane River;

12.7 Each Entity has purchased through cash contribution to Phase I, the following numbers of paid-up hookups in the Phase II Treatment Plant:

<u>Entity</u>	<u>ERs Paid</u>
City	183
Sewer District	116

12.8 The Sewer District may issue a credit to LID property owners who have already paid discharge/hookup fees, since no further discharge/hookup fees will be charged until after the LID process is completed;

12.9 The Sewer District, under its LIDs 2 and 3, will design and construct the Phase II Treatment Plant as the "Lead Entity." It is estimated that the two thousand one hundred forty-one (2,141) parcels of land within LIDs 2 and 3 will be entitled to Facility capacity (including Treatment Plant and Regional Collector) as a result of the LID process, although the exact number will not be known until the LID process is complete;

12.10 In addition to the cash already contributed, as reflected in the credits allocated in Paragraph 12.7 above, the City agrees to contribute at least eight percent (8%) toward construction of Phase II Treatment Plant and/or Phase IIIB Spokane River Outfall for which it will receive credit for ERs in ratio to the discharge/-hookup fee in effect at the time of construction. These total amounts due will be turned over to the Sewer District in monthly progress payments based upon approved Pay Estimates;

12.11 Capacity in the Phase I Interim Drainfield will be allocated on a first come, first served basis, with a Three Hundred Dollar (\$300.00) per ER charge, in addition to LID or discharge/hookup fees, assessed for

new subdivision lots or buildings which will contribute sewage directly to the Phase I Interim Drainfield. Money assessed under this provision will be placed in a separate account and will be used for construction of Drainfield Module No. 2 or for the Spokane River Outfall. The Interim Drainfield fee may, however, be waived in specific cases on an equitable basis, such as for existing tenants within the Airport Service Area who have already paid discharge/hookup fees to Kootenai County.

12.12 At no time will an Entity be entitled to more connections to Regional Facilities than the total number of paid-up discharge/hookup fees in terms of ERs. Additional reserve capacity will be available to either Entity on a first come, first served basis. Capacity may not be allocated or purchased above and beyond the approved design capacity of the Facility, except by Major Decision, and only if the required additional capacity is under design.

12.13 The Entities shall acquire the Treatment Plant Site, by each advancing fifty percent (50%) of the costs of acquisition, following which the Treatment Plant Site shall be purchased by the Board as an expense of the Facility.

### 13. MISCELLANEOUS AND PROCEDURAL.

13.1 Attorney's Fees. If legal action is required or deemed necessary to enforce or interpret any provisions of this Agreement, the prevailing party shall be entitled to recover its costs of suit, including a reasonable attorney's fee incurred in connection therewith.

13.2 Municipal Authority. Each Entity, and each individual signing on behalf of an Entity, hereby agrees that the execution of this Agreement is fully authorized by appropriate municipal action of the Entity and will be supported by an appropriate resolution to be filed at the office of the Board.

13.3 Integrated Agreement; Modification. This Agreement contains all agreements of the parties and may not be amended or modified except in writing, signed by all parties.

13.4 Termination of Interest of Kootenai County. The Entities acknowledge that this Agreement is a substantial revision of a prior Joint Powers Agreement among the Entities described herein and Kootenai County, and that Kootenai County has elected not to be represented on the Board under this Agreement, but to

obtain sewer service for Airport Users within the Airport Service Area pursuant to a separate agreement between the Board and Kootenai County. Accordingly, the effectiveness of this Agreement is hereby made contingent upon the consent of Kootenai County as set forth below. By execution of the attached Consent, the County shall agree that it is no longer a party to the Board and that further modifications of this Agreement may be adopted by the City and the Sewer District without any consent of the County.

13.5 Arbitration. Any controversy arising from this Agreement or its breach, with respect to interpretation of the provisions hereof or the intent of the parties, shall be resolved by three (3) arbitrators appointed as follows:

(a) Within ten (10) days after notice by either party to the other requesting arbitration and stating the basis of the party's claim, one (1) arbitrator shall be appointed by each party. Notice of the appointment shall be given by each party to the other when made;

(b) Two (2) arbitrators shall immediately choose a third arbitrator to act with them. If they fail to select a third arbitrator within ten (10) days of their appointment, on application by either party, the third arbitrator shall be promptly appointed by the then presiding judge of the District Court for Kootenai County, Idaho, acting as an individual.

The arbitration shall be conducted according to the then prevailing Rules of the American Arbitration Association, and any judgment upon the award rendered in the arbitration may be entered in any court having jurisdiction.

IN WITNESS WHEREOF, the parties to the Agreement have executed the same by reason of the authorization separately obtained by both parties as required by the laws governing their powers.

CITY OF HAYDEN

By *Chester R. Davis*  
CHESTER R. DAVIS, Mayor Pro-tem

HAYDEN LAKE RECREATIONAL WATER  
AND SEWER DISTRICT

By Henry Hinck  
HENRY HINCK Chairman

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CONSENT OF KOOTENAI COUNTY

Kootenai County hereby consents to the execution of the above Agreement, and to the immediate termination of the prior Joint Powers Agreement among the Entities described herein and Kootenai County. The rights and obligations of Kootenai County with respect to the Facility shall be as described by separate agreements between the Board and Kootenai County, executed simultaneously with this Agreement, and the effectiveness of this Consent is specifically made contingent upon the execution of the Contract User Sewer Agreement between Kootenai County and the Board. Immediately upon execution of this Agreement and such separate agreements, Kootenai County shall execute such documents as may be necessary to convey all of its right, title and interest in all Facility components as described herein, to the Board.

Further, by execution of this Consent, the County hereby agrees that it is no longer a party to the Board and that further modifications of this Agreement may be adopted by the City and the Sewer District without any consent of the County.

BOARD OF COMMISSIONERS OF  
KOOTENAI COUNTY

By \_\_\_\_\_  
GLENN R. JACKSON,  
Chairman

By Frank N. Henderson  
FRANK N. HENDERSON  
Commissioner

By Evalyn R. Adams  
EVALYN R. ADAMS,  
Commissioner

ATTEST:

Leah Phelps  
LEAH PHELPS  
Clerk

By Jennifer Lue  
Deputy Clerk

STATE OF IDAHO )  
 ) :ss.  
County of Kootenai )

On this 10th day of October, 1986, before me,  
Marian L. Jobes, a Notary Public in and for the  
State of Idaho, duly commissioned and sworn, personally appeared  
CHESTER R. DAVIS, to me known to be the Mayor Pro-tem of THE  
CITY OF HAYDEN, the Entity that executed the foregoing  
instrument, and acknowledged the said instrument to be the  
free and voluntary act and deed of said Entity, for the uses  
and purposes therein mentioned, and on oath stated that he  
was authorized to execute the said instrument on behalf of  
said Entity.

WITNESS my hand and official seal hereto affixed the  
day and year first above written.

Marian L. Jobes  
Notary Public for Idaho  
Residing at Hayden Idaho  
Commission Exp. 12/30/86

STATE OF IDAHO )  
 ) :ss.  
County of Kootenai )

On this 2d day of October, 1986, before me,  
Edward F. Wroe, a Notary Public in and for the  
State of Idaho, duly commissioned and sworn, personally  
appeared HENRY HINCK, to me known to be the Chairman of the  
HAYDEN LAKE RECREATIONAL WATER AND SEWER DISTRICT, the  
Entity that executed the foregoing instrument, and acknowl-  
edged the said instrument to be the free and voluntary act  
and deed of said Entity, for the uses and purposes therein  
mentioned, and on oath stated that he was authorized to  
execute the said instrument on behalf of said Entity.

WITNESS my hand and official seal hereto affixed the  
day and year first above written.

Edward F. Wroe  
Notary Public for Idaho  
Residing at Hayden Lake  
Commission Exp. 12/26/88

STATE OF IDAHO                    )  
  : ss.  
County of Kootenai            )

On this 9<sup>th</sup> day of October, 1986, before me,  
Terri R. Anderson, a Notary Public in and for the  
State of Idaho, duly commissioned and sworn, personally  
appeared ~~GLENN R. JACKSON~~, FRANK N. HENDERSON, and EVALYN R.  
ADAMS, to me known to be ~~the Chairman and Commissioners~~, of  
the BOARD OF COMMISSIONERS OF KOOTENAI COUNTY, ~~respectively~~,  
the Entity that executed the foregoing instrument, and acknowl-  
edged the said instrument to be the free and voluntary act  
and deed of said Entity, for the uses and purposes therein  
mentioned, and on oath stated that they were authorized to  
execute the said instrument.

WITNESS my hand and official seal hereto affixed the  
day and year first above written.

Terri R. Anderson  
Notary Public for Idaho  
Residing at Coeur d'Alene  
Commission Exp. 9-9-91