

COPY

BY-LAWS OF
IDAHO
ARROWHEAD WATER DISTRICT

31 DECEMBER 1983

ARTICLE I - OFFICERS

Section 1. The officers of this district shall consist of five (5) Directors, one of which shall be elected as Chairman, a Treasurer, who also may be one of the Directors and a Secretary; all of which comprise the directing Board of the Water District. In addition, the Directors of the District may appoint an Operations Manager to assist the Board of Directors in the management of the business of the district.

ARTICLE II - DUTIES OF OFFICERS

Section 1. Chairman, Board of Directors: It shall be the duty of the Chairman to preside at all meetings, to have general charge of the affairs of the district, to sign legal documents, agreements and other papers concerning the district when not otherwise provided by the Board of Directors. The Chairman is a voting member of the board of directors in the district.

Section 2. Other Directors: The other directors of the board will meet together in meetings called by the Chairman of the board of directors to discuss and transact pertinent business and matters of the district. These directors will fulfill assignments received from the Chairman, and will participate in general district matters.

Section 3. Treasurer: The treasurer shall keep custody of the funds of the district and prepare and keep accounts, records and books pertaining to the finances of the district. These duties include billing and collecting the fees and assessments.

Section 4. Secretary: The secretary shall retain the district minute books and record all of the acts of the official meeting and transactions.

Section 5. Operation Manager: The operations manager, if one is appointed, shall be responsible to arrange for and supervise work required in the operation and maintenance of the district water systems. It will be the responsibility of this person to police the overall system and insure that it is in serviceable and satisfactory condition. The operations manager will bring to the Director's attention work and maintenance that needs to be done and will get their approval, prior to preceeding with work accomplishment.

ARTICLE III - COMPENSATION

Section 1. The board of directors, including the chairman, other directors, and a secretary shall serve without compensation.

Section 2. The treasurer, who will be responsible for billing, collecting fees and assessments, and maintaining other financial records may be compensated as approved of the board of directors.

Section 3. The operations manager, if one is appointed, may be compensated for work in maintaining a serviceable water system as approved by the board of directors.

ARTICLE IV - ELECTION AND MEETINGS OF DIRECTORS

Section 1. The ordered, adjudged, and decreed directors of the district and their terms of service are as follows:

- 1 director for 2 years
- 2 directors for 4 years
- 2 directors for 6 years

Section 2. The directors shall be elected at the regular annual meeting of the property owners within the district. This annual meeting will be held on or about the 14th of November each year and an election will be held for those directors whose terms of office are due to expire. Directors elected shall hold office until their successors are elected or qualified. Term of office for each director elected will commence 1 January of year following election.

Section 3. The Board of Directors will determine how often meetings will be held and members will be notified by the secretary as to time and place of meetings. Special meetings can be called at anytime by order of the Chairman when majority of board approves. Two members of the board of directors present at any meeting called in accordance with these by-laws shall constitute a quorum for the transaction of business.

Section 4. Vacancies on the board of directors may be filled by the remaining board of directors by appointment of a qualified individual for the remainder of the term of that particular director.

ARTICLE V - MANAGEMENT AND TRANSACTION OF BUSINESS

Section 1. The directors, or such manager as may be designated by the directors shall have the power to enforce all of the provisions of these by-laws concerning delivery of water and payment of fees and assessments.

Section 2. The directors, or such manager as may be designated shall also have the power and authority to contract for and pay for labor, materials, and supplies necessary for maintenance, operation, construction, replacement, and inspection of the district's water system requirements.

ARTICLE VI - FEES AND ASSESSMENTS

Section 1. A hook-up fee will be charged for each lot or parcel of ground serviced by the district. The amount of fee will be determined by the board of directors in consideration of overall system requirements, and labor and material costs criteria. Changes in criteria may result in changes of hook-up fees. Charges for water use shall commence when water hook-up is made to the lot or parcel of land within the district. Water line size shall be $\frac{1}{4}$ inch in size installed to the property line.

Section 2. The board of directors shall have the power to levy monthly assessments against each property owner of a lot or parcel of land within the water district for water delivered. The assessments shall be levied for the purpose of paying for necessary expenditures for the operation and maintenance of the system, and for any capitol improvements which have been approved by the board of directors. The directors shall have full authority to make any extraordinary expenditures for repairs to the system in an emergency situation for delivery of water within the district.

Section 3. If an owner or user of water on a lot or parcel of land within the district fails to pay the assessment levied by the district, the directors shall proceed to enforce assessments under the provisions of the statutes of the State of Idaho regarding same.

Section 4. The assessment rates shall be raised or lowered by the board of directors based on estimated costs of operation, maintenance and expenditures.

ARTICLE VII - PROPERTY COVERED

Section 1. The Idaho Arrowhead Water District was established to insure continued, uninterrupted water service to property owners in Smedley Estates Sub-Division being developed on the Old Oliver/Jolley Ranch on the West Bar of Salmon. The concept Under which this district was established was that the Smedley Development Co. would provide sources of water, reservoirs for storage, and a delivery system to the lots and parcels of land being developed. The Idaho Arrowhead Water District would then provide a hook-up to each lot or parcel of land and operate and maintain the system on an on-going basis. The by-laws and conditions under which the district operates is therefore predicated on this concept. Water can only be provided by the district to the extent that it is available (sources, reservoirs, delivery systems) from the developer.

Section 2. Initially, Phase I was approved for administration by the district. Since then Phase II, Smedley Estates Sub-division has been approved. Other sub-divisions or parcels to be developed must petition the district to be annexed. If sources of water, reservoirs and delivery systems placed in being by the developer are adequate, approval may be granted by the district for annexation and administration under the district. If approval is not granted the reasons will be provided by the district to the party requesting annexation. The board of directors of the district will have full power and authority to make the decision on whether water can be delivered to new lots or parcels of land proposed

for annexation. When additional sources of water, reservoirs, or delivery systems are in being to provide additional needed resources, the district may then approve request for annexation and provide water as appropriate.

Section 3. The district may charge a special fee for annexations to cover additional costs involved in determining capability to provide water to these new lots or parcels of land.

ARTICLE VIII - AGREEMENT WITH DEVELOPER

Section 1. The district will consummate and record an agreement with the Smedley Development Co. clearly outlining concepts of operation, responsibilities, transfer of water rights as appropriate and the general parameters under which the Developer and district will operate to insure delivery of water to lots and parcels as appropriate.

ARTICLE IX - AMENDMENTS

These by-laws may be amended at any meeting of the board of directors. Amendments must be approved by a majority of the board of directors.

CERTIFICATE

We, the undersigned, directors of the Idaho Arrowhead Water District, hereby certify that the foregoing by-laws consisting of IX Articles have been duly adopted as the by-laws of the said water district this 12 August 1984

James J. Jones
Salome Jones
Beverly Jones

Margaret J. Woodward
Vern J. Woodward