

**By-Laws
Of
Hayden Lake Irrigation District
Hayden, ID
Kootenai County**

The Board of Directors of the Hayden Lake Irrigation District met in a Regular Meeting of the Board of Directors on the 17th of November 2009. Present were Directors Bert Rohrbach, Chairman of the Board; Tammi Kerr, Secretary/Treasurer and Brian Eifler. At this time a resolution was made and unanimously carried by the three Directors to repeal the old by-laws as set for the District on the 16th day of September, 2008, and upon motion duly made and approved by the Board of Directors the following by-laws were adopted as the by-laws of the District.

ARTICLE 1. OFFICE

The principal office of the Hayden Lake Irrigation District (the "District") in the State of Idaho shall be located at 2160 W. Dakota Avenue, Hayden, ID 83835. The Board of Directors (the "Board" or "Directors") may change the principal office of the District within the State of Idaho as it may determine from time to time in its sole discretion. I.C. § 43-302.

ARTICLE 2. DIRECTORS AND OFFICERS

Section 1. Board of Directors. The affairs of the District shall be managed by the Board of Directors. Directors must be residents of Kootenai County, possess all the qualifications required of electors under the general laws of the state, and be an owner of land within the District for the thirty (30) day period preceding the election. The Board shall have all powers conferred upon it by statute. The Board of Directors shall fix the salaries and wages of all employees, and may change the same from time to time. I.C. §§ 43-111; 43-201; 43-304.

Section 2. Number and Term of Office. The number of Directors constituting the Board of Directors will be three unless otherwise ordered by a vote of the electors of the District as required by law. The term of office of a Director is three years. A Director shall hold office from the first Tuesday in January next following the election and until a successor is elected and qualified. I.C. §§ 43-109; 43-203-204.

Section 3. Regular Meetings: The Board of Directors shall hold a regular monthly meeting in their office on the first Tuesday in every month or such date each month as it

shall fix by resolution and such special meetings as may be required for the proper transaction of business. I.C. § 43-303.

Section 4. Special Meetings. All special meetings shall be ordered by the president (or chairman) or a majority of the board. The order must be entered of record and the secretary must give each member not joining in the order five (5) days' notice of such special meetings. The order must specify the business to be transacted at such special meeting and none other than that specified shall be transacted: provided that whenever all members of the Board are present, however called, the same shall be deemed a legal meeting and any lawful business may be transacted. I.C. § 43-303.

Section 5. Emergency Meetings. Emergency meetings of the Board of Directors may be called by the Administrator or any board member when an actual emergency exists.

Section 6: Executive Session. Upon a two-thirds (2/3) vote recorded in the minutes of the meeting by individual vote, the District may enter into executive session during any meeting as allowed by Title 67, Chapter 23. I.C. § 67-2345(1).

Section 7. Notice of Board of Directors Meetings and Agendas. Written notice and agenda packets for any regular monthly or special meeting of the Board of Directors shall be provided to Directors. Such notice shall specify the time and place of the meeting and, in the event of a special meeting, the purpose(s) for which the meeting has been called. The notice shall be delivered either by mail, electronic mail or in person. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the Director at the Director's address as it appears on the records of the District, with postage prepaid thereon. Any Director may waive notice of any meeting. I.C. § 43-303.

Notice of meetings shall be given to the public as required under Idaho's Public Meetings Law. I.C. § 67-2340 through 67-2347.

Any entity, business, or individual requesting to address the Board or have the Board consider an item shall notify the Secretary/Treasurer no later than Wednesday noon the week before a regularly scheduled meeting.

Section 8. Quorum. A majority of the members of the Board of Directors shall constitute a quorum for the transaction of business by the District. However, on all questions requiring a vote there shall be concurrence of a majority of all the Directors. I.C. § 43-303.

Section 9. Public Meetings and Records. Meetings of the Directors shall be public and all records of the Board of Directors shall be open for public inspection during business hours. I.C. § 43-303.

Section 10. Vacancies ~~-(Board)~~. Any vacancy in the Board shall be filled for the unexpired portion of the term by a majority vote of the remaining Directors, at any

regular monthly meeting or special meeting called for such purpose. A vacancy shall be filled as provided by law. I.C. § 43-209.

Section 11. Recall of Directors. A Director may be removed from office only by recall as provided in I.C. §§ 43-214 through 43-231.

Section 12. Telephonic/Electronic Meeting. Subject to compliance with Idaho's Open Meetings Law, any meeting of the Board may be accomplished in whole or in part by telephonic conference call or other electronic communication. I.C. § 67-2342(5).

Section 13. Officers. The District shall have the following officers: a President (or Chairman); a Secretary and a Treasurer. Provided however, the Secretary and Treasurer positions may be held by one or two person(s). Such officers who are elected or appointed by the Board shall have such authority and perform such duties as are designated from time to time by the Board. The same person may not hold more than one office other than the Secretary/Treasurer. I.C. § 43-301.

Section 14. Election and Term of Office. On the first Tuesday of January next following their election, the Board shall meet and organize as a Board, elect a President (or Chairman) from their number and appoint a Secretary and Treasurer, who shall each hold office during the pleasure of the Board. At any regular or special meeting the Board of Directors may appoint an Assistant Secretary or an Assistant Treasurer, or both, and fix the duties. I.C. § 43-301.

Section 15. Vacancies – (Officers). Any office of the District which becomes vacant prior to expiration of the normal term thereof for any reason, including resignation, removal, disqualification or death, may be filled by the Board for the unexpired portion of such normal term or until the next regular election, whichever ever comes first. I.C. 43-209.

Section 16. Removal of Officers. The Board of Directors may remove any officer of the District at any time, provided they determine that such removal is in the best interests of the District.

Section 17. Chairman. The Chairman of the District shall preside at all meetings of the Board of Directors of the District. The Chairman may sign, together with the Administrator, or any other Director designated by the District, any contract, deed, mortgage, evidence of indebtedness or other document authorized to be executed by the Board of Directors, except where the Board of Directors, these Bylaws or applicable law has authorized execution by other parties. To the extent permitted by applicable law and these Bylaws, the Chairman shall have all powers and perform all duties incident to the Office of Chairman, or as otherwise designated by the Board.

Section 18. Secretary. The Secretary shall keep the minutes of all meetings of the District and the Board and provide appropriate individuals with notice of such meetings; act as custodian of the corporate records and corporate seal; execute documents on behalf of the District as provided by these Bylaws, by authority of the Board or applicable law. The Secretary shall perform all duties and functions of Secretary in the conduct of District

Elections as provided by law. This position shall oversee the audit of the District books by a certified public accountant at the Directors' request.

To the extent permitted or required by applicable law and these Bylaws, the Secretary shall have all powers and perform all duties incident to the Office of Secretary, or as otherwise designated by the Board.

The Secretary shall collect all charges and assessments of the District; shall be responsible for preservation and maintenance of all funds, securities and related items of the District, and shall maintain full and complete books of account with respect thereto. The Secretary shall deposit funds of the District in such banks or other depositories and in such manner as is provided in these Bylaws, as directed by the Board, or as required by law. I.C. § 43-701.

The Secretary (or Secretary/Treasurer) can appoint an assistant Secretary to perform these duties as necessary. I.C. § 43-301.

Section 19. Compensation of Board of Directors. The Board shall, subject to applicable laws, from time to time, fix the compensation to be paid the Directors. I.C. § 43-319.

ARTICLE 3. ADMINISTRATOR

Section 1. Employment of Administrator. The Board may employ an Administrator of the District who shall serve at the pleasure of the Board.

Section 2. Duties of Administrator. The Administrator shall perform such duties and have such powers and authority as prescribed from time to time by the Board. Except as provided in these Bylaws, or by law, or otherwise by the Board, the Administrator shall supervise the business and affairs of the District and all employees of the District.

ARTICLE 4. FISCAL YEAR

The fiscal year of the District shall commence the first day of October and end the thirtieth day of September of each and every year.

ARTICLE 5. BOOKS AND RECORDS

The District shall keep and maintain books and records of account, minutes of all meetings of the Board, and shall keep at its principal office a record giving the names of the owners of lands subject to the charges and assessments of the District. All requests for copies of public records must be submitted in writing to the District. The District shall charge employee time and material fees for public information requests as established by the Board.

ARTICLE 6 RIGHTS-OF-WAY

Section 1. Dedication of Right of Way. The District shall require dedication of right of way in plats or deeding of right of way for installation, maintenance, repair and replacement of pipelines, prior to providing service to any new parcel.

Section 2. Rights of Way to be Clear of Obstructions. No permanent structures, trees, shrubs, fences, or other obstructions shall be placed upon the easement or right-of-way. In the event it is necessary to maintain, repair or replace lines, the structures, trees, shrubs, fences, or other obstruction shall be removed at the owner's expense.

ARTICLE 7. INFRASTRUCTURE

Section 1. Ownership and Maintenance. The District owns all infrastructure up to the downstream side of the meter setter. The property owner is responsible for all infrastructure from the downstream side of the meter setter.

Section 2. Tampering with Infrastructure. Tampering with the District's infrastructure, including pipelines, meters, mains and wells, is prohibited and may be prosecuted under applicable law.

Section 3. Excavation of Rights of Way. No excavation is permitted on the District's rights-of-way or easements without prior authorization from the District. All contractors or excavators must be covered by explosion, collapse and underground insurance prior to excavation of District rights-of-way.

Section 4. Connection. No water user shall be permitted to connect, or tap on, to the infrastructure at any point without first receiving the approval of the Board of Directors.

Section 5. Division of Land. If a tract is divided and additional connection(s) or tap(s) is/are desired, the person desiring such connection(s) shall pay the District a connection fee for each connection to the water system and shall install each connection to District Standards.

Section 6. Capacity. If, in the judgment of the Board, all persons are being served through the main that it will reasonably supply, no additional services shall be allowed.

Section 7. Prohibited Connections. Where a user is allowed to secure water from any main, or pipe of the District, such user shall not be allowed or permit anyone else to connect to any pipe used to carry the water from the main to the user's premises unless with the written consent of the Board.

Section 8. Contamination. No user shall be allowed to cause contamination of the water system by backflow. All users shall be required to comply with the Districts' Cross Connection Control Program.

ARTICLE 8. WATER

Section 1. Delivery of Water. Delivery of water shall be made to the landowner at a point most convenient to the District. Due consideration shall be given to the needs of the landowner.

Section 2. Point of Delivery. The point of delivery shall be the downstream side of the meter set. The landowner shall be responsible for transporting water from the point of delivery to the point of application.

Section 3. Dry Land. No water shall be furnished or used on any land designated dry land until conversion fees are paid.

ARTICLE 9. IRRIGATION

Section 1 Irrigation Season. The irrigation season shall open May 1st, and close September 30th of each year, provided, that the Board of Directors and/or the Administrator may, if it seems advisable, arrange for the delivery of water before or after those dates.

Section 2. Distribution of Irrigation Water. Irrigation water shall be distributed equitably to all users on the basis of the number of acres for which each user is assessed as shown on the assessment rolls. Provided that no delivery of irrigation water shall be made when the user fails to make beneficial use of the water delivered. There will be no delivery of irrigation water unless the Assessment has been paid as provided by statute. The District shall be under no duty, and shall not be held liable for failure to deliver water during the irrigation season when such failure occurs from a deficiency of water or from other unavoidable causes.

ARTICLE 10. DOMESTIC WATER

Water for domestic purposes shall be furnished from but one metered connection or tap for each parcel.

ARTICLE 11. WATER SHUT OFF

Section 1. Repairs. The District shall have the right to shut off the water from any main for the purpose of making repairs as necessary. Service will be restored as promptly as circumstances permit.

Section 2. Failure to Pay. Whenever a water user in the District is in default on payment of their bill, the District shall have the right to shut off the user's water. I.C. § 43-327

ARTICLE 12. ASSESSMENTS

Section 1. Levy. The Board of Directors shall, from time to time as authorized and required by statute, levy assessments for irrigation for the irrigation system as required by law and any contract or contracts executed under Federal Reclamation laws. Tax liens for non-payment of assessments due may be filed as allowed by law. I.C. § 43-328

Section 2. Responsibility. Assessments shall be charged against landowners of the District and it shall be the landowner's responsibility to pay all such charges regardless of renters or lessees on the land.

ARTICLE 13. DOMESTIC TOLLS AND CHARGES

Section 1. Rates. Domestic tolls and charges shall be as set forth by the Board by motion from time to time. I.C. § 43-1903

Section 2. Responsibility. Rates shall be charged against landowners of the District and it shall be the landowner's responsibility to pay all such charges regardless of renters or lessees on the land.

ARTICLE 14. AMENDMENTS TO THE BY-LAWS

Section 1. Amendment. These By-Laws may be altered, amended, or repealed at any regular or special meeting of the Board of Directors, with all Directors present.

Section 2. Effective date. The Board of Directors shall post the By-Laws in force and the proposed By-Laws two weeks prior to the adoption of the new By-Laws. A copy of the By-Laws in force shall be on file in the office of the District for public inspection during office hours.