

CASE NO. PTE-W-24-01

Farko Water Company, INC.  
Attn: Larry Fairfax  
PO Box 826  
Sagle, Idaho 83864

April 11, 2023

Commission Secretary  
Idaho Public Utilities Commission  
PO Box 83720  
Boise, ID 83720-0074

RE: Application for a Transfer of Certificate of Public Convenience and Necessity ("CPCN")

This letter is to inform you that on **October 1, 2016** the Ponderosa Terrace Estates Water Company, Inc. outside of Sagle and Sandpoint Idaho was sold to Farko Water Company, INC. ("Farko") and cancellation of CPCN No. 393 is now being requested.


Farko is a non-profit association with elected board members and a president. Enclosed is our association non-profit filed with the State of Idaho.

Farko has continued to supply water and operate the water system located south of Sandpoint and east of the community of Sagle in Bonner County. More specifically, the water system is located on certain territory in Government Lots 3 and 5 of Section 5, Township 55 North, Range 1 West, Boise-Meridian, Bonner County, Idaho embraced generally within but not limited to the plats known as Ponderosa Terrace Estates and First Addition to Ponderosa Terrace Estates as recorded in the Bonner County Recorder's Office.

Enclosed with the application are required supplemental information. The purpose of this application is to request the Commission to issue a cancellation of the CPCN and recognize Farko as a non-profit utility in the state of Idaho.

At this time we would ask that CPCN No. 393 be cancelled.

Sincerely,



Farko Water Company, INC.  
Lawrence Fairfax

Enclosed: Articles of Incorporation & Appendices



0004041266



**STATE OF IDAHO**  
*Office of the secretary of state, Lawrence Denney*  
**ARTICLES OF INCORPORATION (NONPROFIT)**  
 Idaho Secretary of State  
 PO Box 83720  
 Boise, ID 83720-0080  
 (208) 334-2301  
 Filing Fee: \$30.00

*For Office Use Only*  
**-FILED-**  
 File #: 0004041266  
 Date Filed: 10/25/2020 11:09:10 PM

Articles of Incorporation (Nonprofit)							
Select one: Standard, Expedited or Same Day Service (see descriptions below)	Standard (filing fee \$30)						
Article 1: Corporation Name Entity name	Farko Water System Inc.						
Article 2: Effective Date The corporation shall be effective	when filed with the Secretary of State.						
Article 3: Purpose The purpose for which the corporation is organized is:	Water Users Association						
Article 4: Voting Members: The corporation	has voting members.						
Article 5: Asset Distribution on Dissolution Upon dissolution the assets shall be distributed:	the residual assets of the Corporation (after all creditors of the Corporation have been paid), shall be distributed to the members prorated in accordance with their respective membership interests.						
Article 6: IRS Designation Is this nonprofit a 501(c)3? 501(c)3 purpose for which the corporation is organized:	Yes Water Service						
Article 7: The mailing address of the corporation shall be: Mailing Address	PO BOX 826 SAGLE, ID 83860-0826						
Article 8: Registered Agent Name and Address Registered Agent	Registered Agent Larry Fairfax Physical Address: 468665 HWY 95 N. UNIT 738 SAGLE, ID 83860 Mailing Address: LARRY FAIRFAX PO BOX 826 SAGLE, ID 83860-0826						
<input checked="" type="checkbox"/> I affirm that the registered agent appointed has consented to serve as registered agent for this entity.							
Article 9: Incorporator Name(s) and Address(es)							
<table border="1"> <thead> <tr> <th>Name</th> <th>Incorporator Address</th> </tr> </thead> <tbody> <tr> <td>Larry Fairfax</td> <td>468665 HWY 95 N. UNIT 738 SAGLE, ID 83860</td> </tr> </tbody> </table>		Name	Incorporator Address	Larry Fairfax	468665 HWY 95 N. UNIT 738 SAGLE, ID 83860		
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Larry Fairfax	468665 HWY 95 N. UNIT 738 SAGLE, ID 83860						
Article 10: Director Name(s) and Address(es)							
<table border="1"> <thead> <tr> <th>Name</th> <th>Title</th> <th>Director Address</th> </tr> </thead> <tbody> <tr> <td>larry fairfax</td> <td>President</td> <td>468665 HWY 95 N. UNIT 738 SAGLE, ID 83860</td> </tr> </tbody> </table>		Name	Title	Director Address	larry fairfax	President	468665 HWY 95 N. UNIT 738 SAGLE, ID 83860
Name	Title	Director Address					
larry fairfax	President	468665 HWY 95 N. UNIT 738 SAGLE, ID 83860					

2020 OCT 25 11:09 PM RECEIVED BY ID SECRETARY OF STATE LAWRENCE DENNEY



James Maher	Director	PO BOX 826 SAGLE, ID 83860
Chris Esstis	Director	PO BOX 826 SAGLE, ID 83860

The Articles of Incorporation must be signed by at least one Incorporator.

*Larry Fairfax*

Larry Fairfax

*10/25/2020*

Date

D0040-4094 10/23/2020 11:59 PM RECEIVED BY THE SECRETARY OF STATE LAWRENCE DENNEY

**Instrument # 997169**  
**Bonner County, Sandpoint, Idaho**  
**12/09/2021 08:09:10 AM No. of Pages: 8**  
Recorded for: GORE & GREWE, PS  
Michael W. Rosedale Fee: \$33.00  
Ex-Officio Recorder Deputy cbrannon  
Index to: MISC

RETURN TO:  
Gore & Grewe, P.S.  
103 E. Indiana Avenue, Suite A  
Spokane, WA 99207-2317

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**STATEMENT OF CLARIFICATION OF OWNERSHIP AND OPERATION**

Notice of this Statement of Clarification of Ownership and Operation of the Farko Water System is hereby given that on the 18 day of November 2021, by and between **JAMES H. DOUGHTY**, (hereafter referred to as "Doughty"), and **FARKO WATER SYSTEM, INC.**, an Idaho non-profit corporation and Public Water System (hereafter referred to as "FARKO") located upon the following-described real estate in Bonner County, Idaho as follows:

Parcel ID No.: RP55N01W054500A

Legal Description: See Attached Exhibit "A"

WHEREAS, FARKO recorded a Statement of Ownership and Operation of the water system for Ponderosa Terrace Estates on October 22, 1980 under Bonner County Auditor File No. 234423; and

WHEREAS, a perpetual road right-of-way easement was granted to and through the Property described above to service the Ponderosa Terrace Estates water storage tanks and upper well site road on April 22, 1983 under Bonner County Auditor File No. 268792; and

WHEREAS, said Statement of Ownership and Operation is not only difficult to read as recorded but did not clarify the rights of the parties in great detail; and

WHEREAS, Doughty purchased the underlying Property upon which part of the water system water well and improvements are located on March 26, 2021 as recorded under Bonner County File No. 979201; and

WHEREAS, the parties desire to clarify the rights and obligations between the parties as to the underlying land owned by Doughty and the water well site improvements, storage tank, and pump houses owned by FARKO.

NOW THEREFORE, in order to clarify the water system and water rights for the above-described Property, use, and access to the water wells, storage tank, and pump houses, the parties hereby agree as follows:

1. Scope of Easement. The parties agree that said easement described above shall only be used for maintaining and repairing the water system owned and operated by Farko, including the water wells, pump houses, storage tank, pipelines and other appurtenances relating thereto as follows:
  - a. The water line easement shall be twenty (20) feet in width, ten (10) feet on each side of the existing pipelines.
  - b. The Water Wells, Pump Houses and Storage Tank site easements shall be limited to a fifty (50) foot radius around each improvement as depicted on Exhibit "B" attached hereto and made part hereof.
  - c. The Pump Houses and Water Wells Site shall be granted reasonable easement access not to exceed twenty (20) feet in width in the most feasibly direct route from Ponderosa Road to the Pump Houses and Water Well Sites.
2. Operation of Water System. The parties acknowledge that Farko, at its sole cost and expense, is responsible to operate the water system, water wells, storage tank, pump houses, and its components, furnish water for public consumption, and protect such water source against any potential source of contamination of any kind, and provide continuing certification of the water system in compliance with local and/or state law. Doughty shall not be responsible for any upkeep, maintenance, or protection of such water system, water wells, water lines, storage tank, pump houses or any component of the water system.
3. Use, Maintenance and Repairs. Farko and its successors in interest, at its sole cost and expense, shall have the right to enter the subject Property (Property owned by Doughty) at any time as is necessary to maintain and repair the water system, water wells, storage tank, pump houses, pipe line and appurtenances thereto, together with the right to excavate and refill ditches and trenches for the location of such pipelines and the further right to remove trees, bushes, undergrowth, and other obstructions interfering with the necessary location, construction, and maintenance of said pipelines, water wells, and pump houses. The above-described easement shall not be open to public use and only employees or agents of Farko Water shall be allowed to use the easement(s) solely for the purposes described herein. In the event that Farko exercises its rights herein, Farko shall be responsible to restore the Property at its sole cost and expense to the same or better condition after use of the easement or any portion of the subject Property.
4. Limitation of Expansion. The parties further agree that the easements described herein do not grant to Farko the right to expand the water system or its components beyond the above-described easement limitations.
5. Doughty's Use of Easement. Nothing herein shall limit Doughty's use and enjoyment of the Property or the easement herein so long as Doughty's use of said easement does not

materially interfere with the operation of the water system.

6. **Farko Indemnification.** Farko hereby agrees to indemnify, defend, and hold Doughty harmless from and against any liability, lawsuit, cause of action or any other claim or claims asserted against the other with respect to the water system including, any and all liabilities of any nature, environmental risks, all direct and indirect costs associated with remedial action whether environmental or not (including the repair, replacement or restoration of improvements and equipment; and monitoring and other closure requirements imposed by any governmental entity), liabilities, demands, claims and causes of action (including those asserted by third parties for personal injury, illness, death, and damage to real and personal Property), damages (including natural resource damages, consequential damages and punitive damages), expenses, reasonable attorneys' fees, fines, assessments, penalties, forfeitures, judgments, settlements, orders, equitable relief of any kind, suffered, paid, incurred by, or sought from an indemnified party by any person in connection with, in whole or in part, or arising or allegedly arising, directly or indirectly out of the operation of the water system, presence, suspected presence, or threat of contamination; non-compliance with any environmental law, institutional control or engineering control; any environmental claim; or the filing or imposition of any environmental lien against the Property.
7. **Successors and Assigns.** The Easement and covenants contained herein shall run with the land and be binding on the Grantee and the Grantor, their heirs, successors and assigns, and all parties having or acquiring any right title or interest in the Servient Property and Benefited Property described herein or any part thereof.
8. **Attorney's Fees.** In the event of any suit or action is instituted to declare or enforce the terms of this Easement, or otherwise, arising out of this Agreement, the prevailing party shall be entitled to recover from the other party all of its reasonable attorney's fees and other reasonable expenses incurred in connection with such suit or action.
9. **Waiver, Modification or Amendment.** No waiver, modification or amendment of any term or condition of this Agreement shall be effective unless in writing, and no waiver or indulgence by either Party or any deviation by the other Party from full performance of this Agreement shall be a waiver of the right to subsequent or other full, strict, and timely performance.
10. **Merger Clause.** This Agreement expresses the full and final purpose and agreement of the parties and will not be qualified, modified or supplemented by course of dealing, usage of trade, or course of performance. There are no verbal agreements which qualify, modify or supplement this Agreement.

DATED this 19 day of 11 2021.

FARKO WATER SYSTEM, INC.

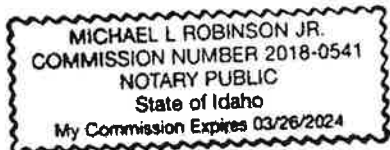
BY: Lawrence Fairfax  
ITS: President-owner

STATE OF IDAHO )  
                                                  :SS  
County of BONNER )

I certify that I know or have satisfactory evidence that Lawrence Fairfax is the individual who appeared before me, and said individual acknowledged that he/she signed this instrument and acknowledged it to be his/her free and voluntary act for the uses and purposes mentioned in the instrument; and on oath stated that he is authorized to execute the instrument, and acknowledged it as PRESIDENT of Farko Water Water System, Inc., to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated this 19 day of NOVEMBER 2021.

Michael L. Robinson Jr.  
Notary Public in and for the State of IDAHO  
residing at BONNER COUNTY  
My Appointment Expires: 03/26/2024  
(Notary seal must be legible for scanning and not conceal text.)



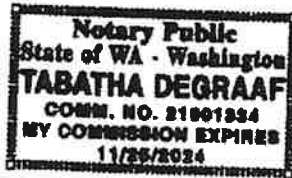
DATED this 18 day of November 2021.


  
\_\_\_\_\_  
JAMES H. DOUGHTY

STATE OF Washington  
:SS  
County of Spokane )

I certify that I know or have satisfactory evidence that **JAMES H. DOUGHTY** is the person who appeared before me, and said person acknowledged that he signed this instrument and acknowledged it to be his free and voluntary act for the uses and purposes mentioned in the instrument.

Dated this 18 day of November, 2021.



  
\_\_\_\_\_  
Notary Public in and for the State of Wa  
residing at Spokane County  
My Appointment Expires: 11/25/2024  
(Notary seal must be legible for scanning and not conceal text.)



**Exhibit 'A'**

A tract of land located in Section five (5), Township 55 North, Range 1, West of the Boise Meridian, Bonner County, Idaho, more fully described as follows: From an initial point which point is the West Quarter corner of the said Section 5; thence North  $1^{\circ}02'35''$  West 390.5 feet to the point of beginning; thence North  $89^{\circ}19'54''$  East 1320 feet; thence South  $0^{\circ}35'43''$  East to the North boundary of Block 6 as shown on the recorded plat of the Ponderosa Terrace Estates; thence North  $89^{\circ}26'1/2'$  East along this boundary to the Northwest corner of Lot 3, Block 6, of said plat; thence North  $0^{\circ}34'45''$  West 208 feet ; thence North  $89^{\circ}26'1/2'$  East 208 feet; thence South  $0^{\circ}34'45''$  East 208 feet; thence North  $89^{\circ}16'22''$  East 369 feet ; thence North  $0^{\circ}35'43''$  East 660 feet; thence South  $89^{\circ}19'54''$  West 660 feet; thence South  $1^{\circ}02'35''$  East 155.82 feet; thence South  $89^{\circ}19'54''$  West to the West boundary of said Section 5; thence South  $1^{\circ}02'35''$  East 115 feet to the point of beginning, less a well site serving the Ponderosa Terrace Estates whose boundaries as follows:

Commencing on the West Quarter corner of said Section 5; thence North  $89^{\circ}26'30''$  East along the East-West centerline of said section a distance of 1636.10 feet; thence North  $0^{\circ}34'48''$  West 364.9 feet to the point of beginning ; thence North  $7^{\circ}21'40''$  East 100 feet; thence South  $82^{\circ}38'21''$  East 100 feet; thence South  $7^{\circ}21'40''$  West 100 feet; thence North  $82^{\circ}38'21''$  West a distance of 100 feet to the point of beginning.

AND

A tract of land located in Section five (5), Township 55 North, Range 1 West of the Boise Meridian, Bonner County, Idaho, more fully described as follows:

Commencing at the West Quarter corner of said Section five (5); thence North  $0^{\circ}50'59''$  West along the West line of said section a distance of 661.32 feet; thence South  $89^{\circ}26'41''$  East a distance of 435.76 feet to the point of beginning; thence South  $1^{\circ}02'35''$  East a distance of 155.82 feet; thence South  $89^{\circ}26'41''$  East a distance of 884.24 feet; thence North  $1^{\circ}02'35''$  West a distance of 155.82 feet; thence North  $89^{\circ}26'41''$  West a distance of 884.24 feet to the point of beginning.

AND

A tract of land located in Section five (5), Township 55 North, Range 1 West of the Boise Meridian, Bonner County, Idaho, more fully described as follows:

Commencing at the West Quarter corner of said Section five(5); thence North  $89^{\circ}26'30''$  East along the East-West centerline of said section a distance of 1636.10 feet; thence North  $0^{\circ}34'48''$  West a distance of 364.90 feet to the point of beginning; thence North  $7^{\circ}21'40''$  East a distance of 100.00 feet; thence South  $82^{\circ}38'21''$  East a distance of 100.00 feet; thence South  $7^{\circ}21'40''$  West a distance of 100.00 feet; thence North  $82^{\circ}38'21''$  West a distance of 100.00 feet to the point of beginning.

EXCEPT that portion described as follows;

Tax 45

A tract of land situated in the South half of the Northwest Quarter of Section 5, Township 55 North, Range 1 West, Boise Meridian, Bonner County, Idaho, more particularly described as follows:

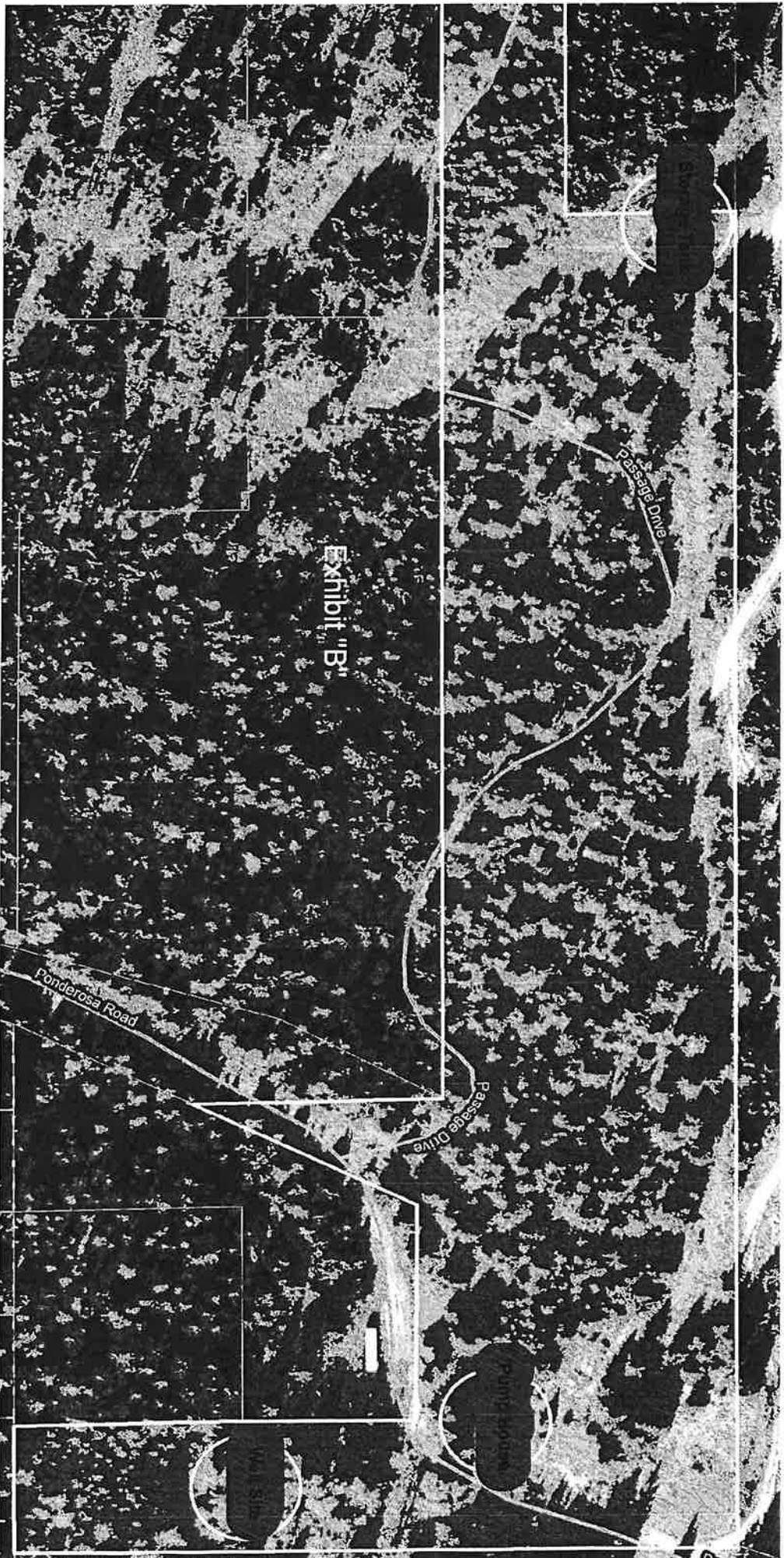
BEGINNING at a point on the East-West centerline of said Section 5, said point being also the Northwest corner of Lot 3, Block 6 of the 1st Addition to Ponderosa Terrace Estates, Instrument No. 125875, Bonner County, Idaho records; thence along said centerline and the North line of Lots 2 and 1 of said Block 6, South 89°26'30" West, 189.19 feet to the Northwest corner of Lot 1 Block 6; thence leaving said centerline North 26°00'49" East, 411.46 feet to a point; thence parallel to the East-West centerline of Section 5, North 89°26'30" East, 208.00 feet to a point; thence South 00°34'35" East, 160.00 feet to the Northeast corner of Tract 2 (also known as Tax 5) as described in Correction Quitclaim Deed, Instrument No. 577096; thence South 89°26'30" West, 208.00 feet to the Northwest corner of said Tract 2; thence along the West line of Tract 2, South 00°34'55" East, 208.00 feet to the POINT OF BEGINNING..

AND EXCEPT

Lot 1 of Our Home Subdivision, according to the plat thereof, recorded in Book 12 of Plats, Page 71, records of Bonner County, Idaho. Formerly known as Tax 46, described as follows:

A tract of land situated in the West Half of the Southeast Quarter of the Northwest Quarter (W ½ SE ¼ NW ¼) of Section 5, Township 55 North, Range 1 West of the Boise Meridian, Bonner County, Idaho, more particularly described as follows:

BEGINNING at the Northeast corner of said W ½ SE ¼ NW ¼; thence along the East line of the W ½ SE ¼ NW ¼, South 00°01'08" West, 1320.72 feet to the Southeast corner of the W ½ SE ¼ NW ¼; thence along the South line of the W ½ SE ¼ NW ¼, North 89°41'37" West, 250.33 feet; thence, parallel to the East line of the W ½ SE ¼ NW ¼, North 00°01'08" East, 662.97 feet to the intersection of the South line of the North Half of the Southeast Quarter of the Northwest Quarter (N ½ SE ¼ NW ¼) and the Westerly right of way of Ponderosa Terrace Estates Access Road; thence along said Westerly right of way as shown on ROS #299193, Bonner County, Idaho records, the following 4 courses: North 19°33'26" East, 42.25 feet; thence North 30°24'39" East, 105.98 feet; thence North 08°39'44" East, 138.56 feet; thence North 18°05'27" East, 64.50 feet to the intersection with the South line of the North Half of the North Half of the Southeast Quarter of the Northwest Quarter (N ½ N ½ SE ¼ NW ¼); thence North 23°27'27" East, 356.36 feet to the POINT OF BEGINNING.



RETURN TO:  
Gore & Grewe, P.S.  
103 E. Indiana Avenue, Suite A  
Spokane, WA 99207-2317

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Parcel ID No.: RP55N01W054500A

Legal Description: See Attached Exhibit "A"

WHEREAS, FARKO recorded a Statement of Ownership and Operation of the water system for Ponderosa Terrace Estates on October 22, 1980 under Bonner County Auditor File No. 2234423; and

WHEREAS, a perpetual road right-of-way easement was granted to and through the Property described above to service the Ponderosa Terrace Estates water storage tanks and upper well site road on April 22, 1983 under Bonner County Auditor File No. 268792; and

WHEREAS, said Statement of Ownership and Operation is not only difficult to read as recorded but did not clarify the rights of the parties in great detail; and

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7. **Successors and Assigns.** The Easement and covenants contained herein shall run with the land and be binding on the Grantee and the Grantor, their heirs, successors and assigns, and all parties having or acquiring any right title or interest in the Servient Property and Benefited Property described herein or any part thereof.
8. **Attorney's Fees.** In the event of any suit or action is instituted to declare or enforce the terms of this Easement, or otherwise, arising out of this Agreement, the prevailing party shall be entitled to recover from the other party all of its reasonable attorney's fees and other reasonable expenses incurred in connection with such suit or action.
9. **Waiver, Modification or Amendment.** No waiver, modification or amendment of any term or condition of this Agreement shall be effective unless in writing, and no waiver or indulgence by either Party or any deviation by the other Party from full performance of this Agreement shall be a waiver of the right to subsequent or other full, strict, and timely performance.
10. **Merger Clause.** This Agreement expresses the full and final purpose and agreement of the parties and will not be qualified, modified or supplemented by course of dealing, usage of trade, or course of performance. There are no verbal agreements which qualify, modify or supplement this Agreement.

DATED this 19 day of 11 2021.

FARKO WATER SYSTEM, INC.

BY: Lawrence Fairfax  
ITS: President - owner

STATE OF ID AHO )  
:SS  
County of BONNER )

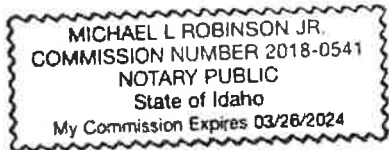
I certify that I know or have satisfactory evidence that Lawrence Fairfax is the individual who appeared before me, and said individual acknowledged that he/she signed this instrument and acknowledged it to be his/her free and voluntary act for the uses and purposes mentioned in the instrument; and on oath stated that he is authorized to execute the instrument, and acknowledged it as PRESIDENT of Farko Water Water System, Inc., to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated this 19 day of NOVEMBER, 2021.

Michael L. Robinson Jr.

Notary Public in and for the State of ID AHO,  
residing at BONNER COUNTY  
My Appointment Expires: 03/26/2024

(Notary seal must be legible for scanning and not conceal text.)



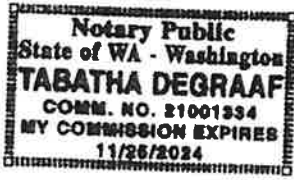
DATED this 18 day of November 2021.

James H. Doughty  
JAMES H. DOUGHTY

STATE OF Washington  
:SS  
County of Spokane )

I certify that I know or have satisfactory evidence that **JAMES H. DOUGHTY** is the person who appeared before me, and said person acknowledged that he signed this instrument and acknowledged it to be his free and voluntary act for the uses and purposes mentioned in the instrument.

Dated this 18 day of November, 2021.



Tabatha DeGraaf  
Notary Public in and for the State of Wa.  
residing at Spokane County  
My Appointment Expires: 11/25/2024  
(Notary seal must be legible for scanning and not conceal text.)



**Exhibit 'A'**

A tract of land located in Section five (5), Township 55 North, Range 1, West of the Boise Meridian, Bonner County, Idaho, more fully described as follows: From an initial point which point is the West Quarter corner of the said Section 5; thence North 1°02'35" West 390.5 feet to the point of beginning; thence North 89°19'54" East 1320 feet; thence South 0°35'43" East to the North boundary of Block 6 as shown on the recorded plat of the Ponderosa Terrace Estates; thence North 89°26' 1/2' East along this boundary to the Northwest corner of Lot 3, Block 6, of said plat; thence North 0°34'45" West 208 feet ; thence North 89°26' 1/2' East 208 feet; thence South 0°34'45" East 208 feet; thence North 89°16'22" East 369 feet ; thence North 0°35'43" East 660 feet; thence South 89°19'54" West 660 feet; thence South 1°02'35" East 155.82 feet; thence South 89°19'54" West to the West boundary of said Section 5; thence South 1°02'35" East 115 feet to the point of beginning, less a well site serving the Ponderosa Terrace Estates whose boundaries as follows:

Commencing on the West Quarter corner of said Section 5; thence North 89°26'30" East along the East-West centerline of said section a distance of 1636.10 feet; thence North 0°34'48" West 364.9 feet to the point of beginning ; thence North 7°21'40" East 100 feet; thence South 82°38'21" East 100 feet; thence South 7°21'40" West 100 feet; thence North 82°38'21" West a distance of 100 feet to the point of beginning.

AND

A tract of land located in Section five (5), Township 55 North, Range 1 West of the Boise Meridian, Bonner County, Idaho, more fully described as follows:

Commencing at the West Quarter corner of said Section five (5); thence North 0°50'59" West along the West line of said section a distance of 661.32 feet; thence South 89°26'41" East a distance of 435.76 feet to the point of beginning; thence South 1°02'35" East a distance of 155.82 feet; thence South 89°26'41" East a distance of 884.24 feet; thence North 1°02'35" West a distance of 155.82 feet; thence North 89°26'41" West a distance of 884.24 feet to the point of beginning.

AND

A tract of land located in Section five (5), Township 55 North, Range 1 West of the Boise Meridian, Bonner County, Idaho, more fully described as follows:

Commencing at the West Quarter corner of said Section five(5); thence North 89°26'30" East along the East-West centerline of said section a distance of 1636.10 feet; thence North 0°34'48" West a distance of 364.90 feet to the point of beginning; thence North 7°21'40" East a distance of 100.00 feet; thence South 82°38'21" East a distance of 100.00 feet; thence South 7°21'40" West a distance of 100.00 feet; thence North 82°38'21" West a distance of 100.00 feet to the point of beginning.

EXCEPT that portion described as follows;

Tax 45

A tract of land situated in the South half of the Northwest Quarter of Section 5, Township 55 North, Range 1 West, Boise Meridian, Bonner County, Idaho, more particularly described as follows:

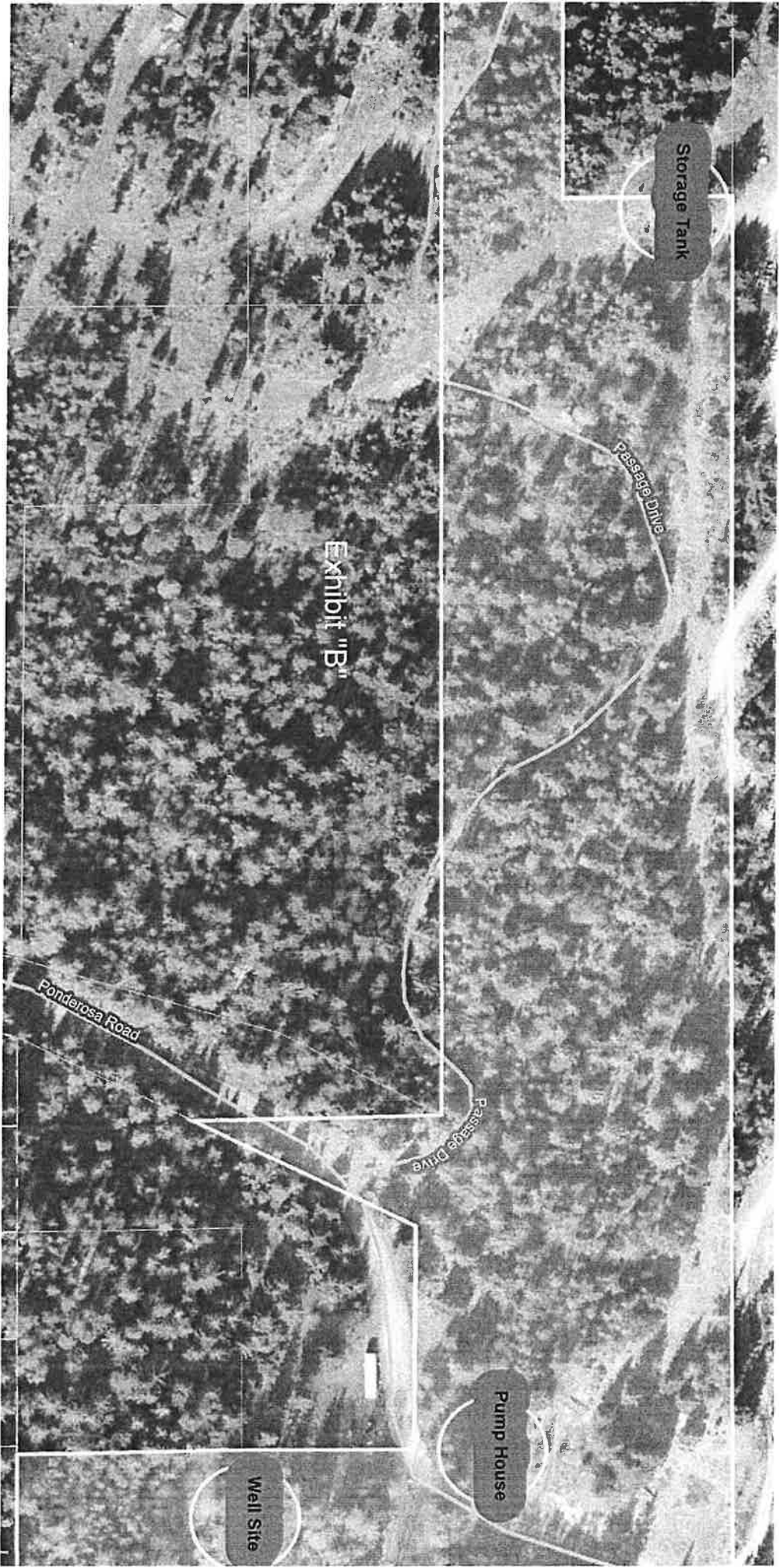
BEGINNING at a point on the East-West centerline of said Section 5, said point being also the Northwest corner of Lot 3, Block 6 of the 1st Addition to Ponderosa Terrace Estates, Instrument No. 125875, Bonner County, Idaho records; thence along said centerline and the North line of Lots 2 and 1 of said Block 6, South 89°26'30" West, 189.19 feet to the Northwest corner of Lot 1 Block 6; thence leaving said centerline North 26°00'49" East, 411.46 feet to a point; thence parallel to the East-West centerline of Section 5, North 89°26'30" East, 208.00 feet to a point; thence South 00°34'35" East, 160.00 feet to the Northeast corner of Tract 2 (also known as Tax 5) as described in Correction Quitclaim Deed, Instrument No. 577096; thence South 89°26'30" West, 208.00 feet to the Northwest corner of said Tract 2; thence along the West line of Tract 2, South 00°34'55" East, 208.00 feet to the POINT OF BEGINNING..

AND EXCEPT

Lot 1 of Our Home Subdivision, according to the plat thereof, recorded in Book 12 of Plats, Page 71, records of Bonner County, Idaho. Formerly known as Tax 46, described as follows:

A tract of land situated in the West Half of the Southeast Quarter of the Northwest Quarter (W ½ SE ¼ NW ¼) of Section 5, Township 55 North, Range 1 West of the Boise Meridian, Bonner County, Idaho, more particularly described as follows:

BEGINNING at the Northeast corner of said W ½ SE ¼ NW ¼; thence along the East line of the W ½ SE ¼ NW ¼, South 00°01'08" West, 1320.72 feet to the Southeast corner of the W ½ SE ¼ NW ¼; thence along the South line of the W ½ SE ¼ NW ¼, North 89°41'37" West, 250.33 feet; thence, parallel to the East line of the W ½ SE ¼ NW ¼, North 00°01'08" East, 662.97 feet to the intersection of the South line of the North Half of the Southeast Quarter of the Northwest Quarter (N ½ SE ¼ NW ¼) and the Westerly right of way of Ponderosa Terrace Estates Access Road; thence along said Westerly right of way as shown on ROS #299193, Bonner County, Idaho records, the following 4 courses: North 19°33'26" East, 42.25 feet; thence North 30°24'39" East, 105.98 feet; thence North 08°39'44" East, 138.56 feet; thence North 18°05'27" East, 64.50 feet to the intersection with the South line of the North Half of the North Half of the Southeast Quarter of the Northwest Quarter (N ½ N ½ SE ¼ NW ¼); thence North 23°27'27" East, 356.36 feet to the POINT OF BEGINNING.



Storage Tank

Passage Drive

Exhibit "B"

Ponderosa Road

Passage Drive

Pump House

Well Site



Received  
SEP 22 2023  
Jan

Revised 10/16/2019

Reset Form



**Certificate Request**  
Idaho Secretary of State  
Corporation Division

REQUESTER INFORMATION:

(Name)

Larry Fairfax

(Mailing Address Line 1)

PO Box 826

(City) Saqle

(State) Id.

(Zipcode) 83860

(Country) Bonner

ENTITY NAME AND FILE NUMBER:

Entity Name: Farko Water

File Number: \_\_\_\_\_

CERTIFICATE ATTESTING TO:

<sup>223</sup> Existence or Goodstanding – \$10     <sup>222</sup> No Record – \$10     <sup>222</sup> Merger – \$10     <sup>222</sup> Name Change – \$10

<sup>242 & 240</sup> Certified Copy – \$10 + .25 per page (includes the original filing and all amendments)

From 2015 when first filed. Please

DELIVERY INFORMATION:

Mail to requester address     Pick Up

If overnight or express delivery is required, you must provide a prepaid airbill.

- Check – Make payable to 'Idaho Secretary of State'
- Credit Card – Please enter your email **OR** phone number (must be able to receive text) below. Once we receive your application, we will send you a link for you to enter your credit card information and submit back to us.

Email farkowater@gmail.com

Phone 208-920-9110

Submit to:  
Office of the Secretary of State  
450 N 4th Street  
PO Box 83720  
Boise, ID 83720-0080

If you have questions or need help, call the Secretary of State's office at (208) 334-2301.



# STATE OF IDAHO

Phil McGrane | Secretary of State

**Business Office**

450 North 4th Street

PO Box 83720

Boise, ID 83720

**Request Type: Certified Copies of Business**

Request #: 5284178

Issuance Date: 06/14/2023

Receipt #: 835614

Copies Requested: 1

I, Phil McGrane, Secretary of State of the State of Idaho, do hereby certify that **Farko Water System Inc.**, File # 4041266 was formed or qualified to do business in the State of Idaho on 10/25/2020. Farko Water System Inc. has a home jurisdiction of Idaho and is currently in an Active-Good Standing status.

The attached documents are true and correct copies and were filed in this office on the date(s) indicated below.

Phil McGrane  
**Idaho Secretary of State**

Processed By: Business Division

The attached document(s) was/were filed in this office on the date(s) indicated below:

<u>Reference #</u>	<u>Date Filed</u>	<u>Filing Description</u>
B0546-4593	10/25/2020	Initial Filing



0004041266



**STATE OF IDAHO**  
*Office of the secretary of state, Lawrence Denney*  
**ARTICLES OF INCORPORATION (NONPROFIT)**  
 Idaho Secretary of State  
 PO Box 83720  
 Boise, ID 83720-0080  
 (208) 334-2301  
 Filing Fee: \$30.00

*For Office Use Only*  
**-FILED-**  
 File #: 0004041266  
 Date Filed: 10/25/2020 11:09:10 PM

B0546-4593 10/25/2020 11:39 PM Received by ID Secretary of State Lawrence Denney

Articles of Incorporation (Nonprofit)							
Select one: Standard, Expedited or Same Day Service (see descriptions below)	Standard (filing fee \$30)						
Article 1: Corporation Name Entity name	Farko Water System Inc.						
Article 2: Effective Date The corporation shall be effective	when filed with the Secretary of State.						
Article 3: Purpose The purpose for which the corporation is organized is:	Water Users Association						
Article 4: Voting Members: The corporation	has voting members.						
Article 5: Asset Distribution on Dissolution Upon dissolution the assets shall be distributed:	the residual assets of the Corporation (after all creditors of the Corporation have been paid), shall be distributed to the members prorated in accordance with their respective membership interests.						
Article 6: IRS Designation Is this nonprofit a 501(c)3? 501(c)3 purpose for which the corporation is organized:	Yes Water Service						
Article 7: The mailing address of the corporation shall be: Mailing Address	PO BOX 826 SAGLE, ID 83860-0826						
Article 8: Registered Agent Name and Address Registered Agent	Registered Agent Larry Fairfax Physical Address: 468665 HWY 95 N. UNIT 738 SAGLE, ID 83860 Mailing Address: LARRY FAIRFAX PO BOX 826 SAGLE, ID 83860-0826						
<input checked="" type="checkbox"/> I affirm that the registered agent appointed has consented to serve as registered agent for this entity.							
Article 9: Incorporator Name(s) and Address(es)							
<table border="1"> <thead> <tr> <th>Name</th> <th>Incorporator Address</th> </tr> </thead> <tbody> <tr> <td>Larry Fairfax</td> <td>468665 HWY 95 N. UNIT 738 SAGLE, ID 83860</td> </tr> </tbody> </table>		Name	Incorporator Address	Larry Fairfax	468665 HWY 95 N. UNIT 738 SAGLE, ID 83860		
Name	Incorporator Address						
Larry Fairfax	468665 HWY 95 N. UNIT 738 SAGLE, ID 83860						
Article 10: Director Name(s) and Address(es)							
<table border="1"> <thead> <tr> <th>Name</th> <th>Title</th> <th>Director Address</th> </tr> </thead> <tbody> <tr> <td>larry fairfax</td> <td>President</td> <td>468665 HWY 95 N. UNIT 738 SAGLE, ID 83860</td> </tr> </tbody> </table>		Name	Title	Director Address	larry fairfax	President	468665 HWY 95 N. UNIT 738 SAGLE, ID 83860
Name	Title	Director Address					
larry fairfax	President	468665 HWY 95 N. UNIT 738 SAGLE, ID 83860					



James Maher	Director	PO BOX 826 SAGLE, ID 83860
Chris Esstis	Director	PO BOX 826 SAGLE, ID 83860

The Articles of Incorporation must be signed by at least one Incorporator.

*Larry Fairfax* \_\_\_\_\_ 10/25/2020  
Larry Fairfax Date



# STATE OF IDAHO

Phil McGrane | Secretary of State

**Business Office**

450 North 4th Street

PO Box 83720

Boise, ID 83720

---

## Request Type: Certified Copies of Business

Request #: 5284193

Issuance Date: 06/14/2023

Receipt #: 835614

Copies Requested: 1

---

I, Phil McGrane, Secretary of State of the State of Idaho, do hereby certify that **FARKO WATER SYSTEM INC**, File # 624707 was formed or qualified to do business in the State of Idaho on 12/17/2015. FARKO WATER SYSTEM INC has a home jurisdiction of Idaho and is currently in an Inactive-Dissolved status.

The attached documents are true and correct copies and were filed in this office on the date(s) indicated below.

Phil McGrane

**Idaho Secretary of State**

Processed By: Business Division

---

The attached document(s) was/were filed in this office on the date(s) indicated below:

<u>Reference #</u>	<u>Date Filed</u>	<u>Filing Description</u>
A0115-9782	12/17/2015	Initial Filing
A0182-0298	10/13/2016	Legacy Amendment
A0426-0277	01/30/2017	Legacy Amendment
A0182-0296	04/27/2017	Application for Reinstatement
A0426-0278	05/08/2017	Application for Reinstatement
A0426-0279	05/16/2017	Legacy Amendment
A0426-0280	03/06/2018	Legacy Amendment
B0198-7790	04/22/2019	Application for Reinstatement
B0499-9658	04/07/2020	Application for Reinstatement
B0518-3614	06/20/2020	Statement of Change of Business Mailing Address
B0518-3616	06/20/2020	Change of Registered Office/Agent/Both (by

Phone: 208-334-2301 \* Email: [business@sos.idaho.gov](mailto:business@sos.idaho.gov) \* Website: [sosbiz.idaho.gov](http://sosbiz.idaho.gov)



---

The attached document(s) was/were filed in this office on the date(s) indicated below:

<u>Reference #</u>	<u>Date Filed</u>	<u>Filing Description</u>
B0518-3915	06/22/2020	Entity) Statement of Change of Business Mailing Address
B0518-4360	06/22/2020	Articles of Amendment
B0518-4435	06/22/2020	Articles of Dissolution

201



**ARTICLES OF INCORPORATION**  
(Non-Profit)

**FILED EFFECTIVE**

Title 30, Chapters 21 and 30, Idaho Code  
Filing fee: \$30 typed, \$50 not typed  
Complete and submit the form in duplicate.

2015 DEC 17 AM 11:54

SECRETARY OF STATE  
STATE OF IDAHO

Article 1: The name of the corporation shall be:  
Farko Water System INC

Article 2: The purpose for which the corporation is organized is: water distribution  
See attached

Article 3: Registered agent name and address:  
Larry Fairfax 1172 Ponderosa Rd Sagle ID 83860

Article 4: The board of directors shall consist of no fewer than three (3) people. The names and addresses of the initial directors are:

Larry Fairfax P.O. Box 738 Sagle ID 83860

Dimitrius Kovacs P.O. Box 826 Sagle ID 83860

Stephanie Kovacs P.O. Box 826 Sagle ID 83860

Article 5: Incorporator name(s) and address(es):  
Larry Fairfax P.O. Box 738 Sagle ID 83860

Article 6: The mailing address of the corporation shall be:  
P.O. Box 826 Sagle ID 83860

Article 7: The corporation (  does  does not ) have voting members.

Article 8: Upon dissolution the assets shall be distributed: Evenly See attached

Signatures of all incorporators:

Printed Name: Larry Fairfax

Signature: [Signature]

Printed Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Revised 08/2015

Secretary of State use only

IDAHO SECRETARY OF STATE  
12/17/2015 05:00

CK: 3447372 CT: 172099 BH: 1504727  
1 @ 30.00 = 30.00 INC NONP #2

C208144

**Supplemental Information for  
Articles of Incorporation  
State of Idaho**

**Article 2: The purpose for which the corporation is organized is:**

Said corporation is organized exclusively for charitable, religious, educational, and scientific purposes, including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under section 501 (c) (3) of the Internal Revenue Code, or corresponding section of any future federal tax code.

**Article 8: Upon dissolution the assets shall be distributed:**

Upon dissolution of the corporation, assets shall be distributed for one or more exempt purposes with the meaning of section 501 (c) (3) of the Internal Revenue Code, or the corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government, for public purpose. Any such assets not so disposed of shall be disposed of by a Court of Competent Jurisdiction of the county in which the principal office of the corporation is then located, exclusively for such purposes or to such organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.

204



# ARTICLES OF AMENDMENT (Non-profit)

Title 30, Chapters 21 and 30, Idaho Code  
Filing fee: \$30 typed, \$50 not typed

Complete and submit the application in duplicate.

**FILED EFFECTIVE**

2016 OCT 13 PM 1:55

SECRETARY OF STATE  
STATE OF IDAHO

1. The name of the corporation is:  
Farko Water System Inc.

*If the corporation has been administratively dissolved and the corporate name is no longer available for use, the amendment(s) below must include a change of corporate name.*

2. The text of each article being amended:

Article (4) initial directors are:

Lawrence Fairfax P.O. Box 738, Sagle Idaho 83860

Demetrius Kovacs P.O. Box 826, Sagle Idaho 83860

Stephanie Kovacs P.O. Box 826, Sagle Idaho 83860

Article (9) Establishment of Entity prior to Incorporation in the State of Idaho.

Farko Water System Inc. was created and established on 7/1/2015 for the purpose of taking over operations for Ponderosa Terrace Estates Water System Inc. known as PTE INC. It was documented prior to Incorporating for the sole purpose of receipt of real property assets of the aforementioned Corporation (PTE INC.) prior to dissolution and no revenue was generated before incorporating in the State of Idaho.

3. The date of adoption of the amendment(s) was: 12/19/2015

4. Manner of adoption (check one):

Each amendment consists exclusively of matters which do not require member approval pursuant to section 30-30-705, Idaho Code, and was, therefore, adopted by the incorporators, or by the board of directors. (Please fill spaces below)

- a. The number of directors entitled to vote was: \_\_\_\_\_
- b. The number of directors that voted for each amendment was: \_\_\_\_\_
- c. The number of directors that voted against each amendment was: \_\_\_\_\_

The amendment consists of matters other than those described in section 30-30-705, Idaho Code, and was, therefore adopted by the members. (Please fill spaces below)

- a. The number of members entitled to vote was: 3
- b. The number of members that voted for each amendment was: 3
- c. The number of members that voted against each amendment was: 0

Printed Name: Lawrence Fairfax  
President

Signature: [Signature]

Revised 06/2016

Secretary of State use only

IDAHO SECRETARY OF STATE  
**10/13/2016 05:00**  
 CK:4279712 CT:172099 BH:1550657  
 I@ 30.00 = 30.00 NON PROF A #2  
 I@ 20.00 = 20.00 NON EXPEDI #3

*C208144*



LAWRENCE DENNEY  
SECRETARY OF STATE

PRESORTED  
FIRST-CLASS  
US POSTAGE PAID

NIXIE 992 DE 1300 0001/19/17

SEID  
NO. 849

RETURN TO SENDER  
NO MAIL RECEIPTABLE  
UNABLE TO FORWARD

BC: 837200080 \*3014-04005-16-42



ed 01/09/2017

C 208144  
FARKO WATER SYSTEM INC  
LARRY FAIRFAX  
1172 PONDEROSA RD  
SAGLE ID 83860

2850 0

NO OTHER ADDRESS ON FILE

NMR

Use this card to file online at [www.spis.com](http://www.spis.com) 



# State of Idaho

Office of the Secretary of State

## CORPORATION REINSTATEMENT CERTIFICATE

I, LAWRENCE DENNEY, Secretary of State of the State of Idaho, do hereby certify that **FARKO WATER SYSTEM INC**, file number C 208144, a non-profit corporation organized under the laws of the State of Idaho, was administratively dissolved on March 21, 2017, for failure to file the required annual report form by the date due.

I FURTHER CERTIFY That the non-profit corporation has on April 27, 2017, been reinstated on the records of this office, and that its corporate powers or its right to do business in the State of Idaho are hereby restored.

Dated: April 27, 2017



*Lawrence Denney*  
SECRETARY OF STATE

By *John Denney*



# APPLICATION FOR REINSTATEMENT

To the SECRETARY OF STATE, STATE OF IDAHO

2017 APR 27 AM 9: 10

SECRETARY OF STATE  
STATE OF IDAHO

1. The name of the Idaho corporation applying for reinstatement following administrative dissolution or forfeiture, if available, is:  
FARKO WATER SYSTEM INC
2. The date of its incorporation was: December 17, 2015
3. The corporation hereby applies for reinstatement. If the entity name is unavailable, a certificate of amendment for a name change must be attached.

Signature:

Title:

President - Owner

Date:

4-24-17

(must be signed by a chairman of the board of directors or officer of the corporation)


Secretary of State use only

IDAHO SECRETARY OF STATE

04/27/2017 05:00

CK:5118 CT:338698 BH:1581252

1@ 30.00 = 30.00 CORP REINS #2

<p>No. <b>C 208144</b></p>	<p align="center"><b>Reinstatement Annual Report Form ADMIN DISSOLVED 03/21/2017</b></p>		<p>2. Registered Agent and Office <b>(NOT A P.O. BOX)</b> LARRY FAIRFAX 1172 PONDEROSA RD SAGLE ID 83860</p>															
<p>Return to: SECRETARY OF STATE 450 N 4th STREET PO BOX 83720 BOISE, ID 83720-0080</p> <p><b>REINSTATEMENT FEE DUE: \$30.00</b></p>	<p>1. <b>Mailing Address: Correct in this box if needed.</b> FARKO WATER SYSTEM INC PO BOX 826 SAGLE ID 83860</p>		<p>3. <u>New</u> Registered Agent Signature.</p>															
<p>4. Corporations: Enter Names and Business Addresses of President, Secretary, Directors, Treasurer, Vice Pres.</p> <table border="1"> <thead> <tr> <th>Office Held</th> <th>Name</th> <th>Street or PO Address</th> <th>City</th> <th>State</th> <th>Country</th> <th>Postal Code</th> </tr> </thead> <tbody> <tr> <td>President - owner,</td> <td>Lawrence FAIRFAX</td> <td>PO Box 826 (P.O. Box 738 Home)</td> <td>Sagle</td> <td>ID.</td> <td>Boomer</td> <td>83860</td> </tr> </tbody> </table> <p align="right">Phone 208-263-8437</p>					Office Held	Name	Street or PO Address	City	State	Country	Postal Code	President - owner,	Lawrence FAIRFAX	PO Box 826 (P.O. Box 738 Home)	Sagle	ID.	Boomer	83860
Office Held	Name	Street or PO Address	City	State	Country	Postal Code												
President - owner,	Lawrence FAIRFAX	PO Box 826 (P.O. Box 738 Home)	Sagle	ID.	Boomer	83860												
<p>5. Organized Under the Laws of:</p> <p align="center"><b>IDAHO C 208144</b></p>		<p>6. Signature: </p> <p>Name (type or print): <u>Lawrence FAIRFAX</u></p>			<p>Date: <u>4-24-17</u></p> <p>Title: <u>President</u></p>													
<p>Issued 04/24/2017 by online</p>																		

**INSTRUCTIONS FOR THE IDAHO ANNUAL REPORT FORM**



FARKO WATER SYSTEM INC.

PO BOX 826

Sagle Id.83860

C208144

2017 MAY 11 AM 10:06

SECRETARY OF STATE  
STATE OF IDAHO

C208144  
officer  
update

CURRENT BOARD

05-10-2017

---

To Secretary of State Idaho,

The Board members are as Follows:

Lawrence Fairfax, President and incorporator. (NP-not paid) PO BOX 738 Sagle Id. 83860

Demetrius Kovacs , Assistant secretary, (NP- not paid). PO BOX 826 Sagle Id. 83860

James Maher, voting Board member, (NP-not paid). PO BOX 826 Sagle Id. 83860

As of 3-20-2017 no board members will be paid.

The previous secretary was dismissed (after board meeting) for not performing the duties requested from her, and for violation company policy.

Thank you

Lawrence Fairfax

Signed, Lawrence Fairfax

C208144

update officers

SECRETARY OF STATE  
STATE OF IDAHO



**LAWRENCE FAIRFAX**

Po box 826  
Sagle Idaho 83860  
farkowater@gmail.com  
208-263-8437

**SECRETARY OF STATE**

• EMAIL BUSINESS@SOS.IDAHO.GOV ,208-334-2300  
• FAX 208-334-2080 • PO BOX 83720, BOISE ID 83720

2-28-2018

Dear secretary of state,

I want to inform you that as President of Farko water, and the owner of the company.

We have a disgruntled ex-employee who is forging documents, including one that says myself (Lawrence Fairfax) and My secretary (Demetrius Kovacs), who is also the ex husband of this disgruntled employee (Stephanie Kovacs) has signed over the company to her.

. I filed documents removing her from the board and she has since been removed from the company completely. She has forged Both my signature on deeds trying to take my house and property, see case #17-007100. Sandpoint city Police dept. detective Ryan, 208-265-1482.

I want to state that myself (Lawrence Fairfax) nor anyone else has signed over any of the company to Mrs..Kovacs and we never will. Mr. Kovacs is in a bitter divorce with this person and she is retaliating in various ways, since her removal from the company and since being ordered by the Judge to turn over company property, which she has failed to do.

Sincerely, Lawrence Fairfax President Farko Water.



EMAIL



TWITTER HANDLE



TELEPHONE



LINKEDIN URL

**General Affidavit Form**

I, Lawrence Fairfax, personally appeared before me, Laurie Mattila

the undersigned notary public, and under oath or affirmation make the following statements:

Lawrence Fairfax as the President and owner of Farko Water System, does hereby state that he has not signed over the Company (Farko Water) to Stephanie Kovacs or any other person. This person (Stephanie Kovacs-Stephens) is a disgruntled employee who was fired for not performing her duties and for performing illegal activities and for theft of company funds, Mrs. Kovacs is still performing illegal acts as she has tried to forge deeds in Lawrence Fairfax name and is currently trying to take the water company by presenting fake -forged documents that were never signed nor notarized by Mrs. Kovacs. She has been suspended as a notary for these acts of fraud as per the Secretary of State of Arizona filings. She is currently under investigation for at least two attempts at filing false deeds in Bonner county Idaho, trying to take Mr. Fairfax's home and property. See case #17-007100 Sandpoint Police Dept. 208-265-1482 Detective Ryan. \_


I state the following:

Lawrence Fairfax never signed over the Farko water system to Stephanie Kovacs -Stephens.

Any signed documents she has are fraud and faked. She never notarized any document giving title to any Property or Company owned By Lawrence Fairfax.

I Lawrence Fairfax further state Mrs. Kovacs-Stephens is not authorized to represent Farko water or Lawrence Fairfax or his Family in any capacity. She is also not to receive any property owned by any of the Fairfax's.

Signed Lawrence Fairfax

  
\_\_\_\_\_

date 2-28-2018

Signature of Affiant

Date: 2-28-2018

State of Idaho)

County of Bonner) ss

Signed and sworn to (or affirmed) before me on 2-28-2018\_ Date

by Lawrence Fairfax,  
Printed name(s) of individual(s) making statement

who proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.

Personally Known

or

Produced Identification

Type of ID Drivers License

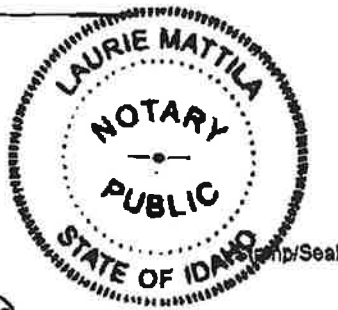
Laurie Mattila

Signature of notary public

Laurie Mattila

(Name of notary, typed, stamped or printed)

Notary Public State of Idaho



My commission expires: 8/25/2022

Two pages



# Idaho Corporation Reinstatement Form

File online at: [sos.idaho.gov](http://sos.idaho.gov)

Return completed form to:  
Idaho Secretary of State  
Attn: Reinstatements  
450 North 4th Street  
Boise, ID 83720  
Phone: (208) 334-2300

Reinstatement fee: \$30.00.

SOS Control Number: 624707  
Non-Profit Corporation (D)

Filing Status: Inactive-Dissolved  
Date Formed: 12/17/2015

Formation Locale: ID

Name and Mailing Address:  
FARKO WATER SYSTEM INC  
PO BOX 826  
SAGLE, ID 83860

(1) Add or Change Mailing Address:

Registered Agent (RA) and Registered Office (RO) Address:  
LARRY FAIRFAX  
1172 PONDEROSA RD  
SAGLE, ID 83860

(2) Change RA and/or RO Address:

Note: The Registered Office address must be a physical Idaho address (no postal box).

(3) New Registered Agent (RA) Signature: \_\_\_\_\_

*If a new agent is appointed in item (2) above, the new agent must sign here to accept the appointment.*

(4) Corporations: Enter names and business addresses (with zip code) of the President, Vice President, Secretary, Treasurer.

Title	Name	Business Address	City, State, Zip
President	Larry Fairfax	PO BOX 826	Sagle Id. 83860
Secretary	Demetrius Kovacs	PO BOX 826	Sagle Id. 83860

(5) Board of Directors names and business address (with zip code). Attach additional sheet if necessary.

Name	Business Address	City, State, Zip
Larry Fairfax	PO BOX 826	Sagle Id 83860
James Maher	PO BOX 826	Sagle Id. 83860
Chris Estes	PO BOX 826	Sagle Id. 83860

(5) Signature: \_\_\_\_\_

(6) Date: 04/19/2019

(7) Type/Print Name: Larry Fairfax

(8) Title: President

Instructions: Legibly complete the form above. Enclose a check made payable to the Idaho Secretary of State for \$30.00. Sign and date this form and return to the address provided above.

B0198-7790 04/22/2019 9:41 AM Received by ID Secretary of State Lawrence Denney



0003837353



**STATE OF IDAHO**  
Office of the secretary of state, Lawrence Denney  
**REINSTATEMENT ANNUAL REPORT**

Idaho Secretary of State  
PO Box 83720  
Boise, ID 83720-0080  
(208) 334-2301  
Filing Fee: \$30.00 - Make Checks Payable to Secretary of State

For Office Use Only

**-FILED-**

File #: 0003837353

Date Filed: 4/7/2020 8:57:29 AM

Reinstatement Annual Report Form																
Select one: Standard, Expedited or Same Day Service (see descriptions below)	Standard (filing fee \$30)															
Current Entity Name	FARKO WATER SYSTEM INC															
The file number of this entity on the records of the Idaho Secretary of State is:	0000624707															
Organized under the laws of:	IDAHO															
Entity Type:	Non-Profit Corporation (D)															
Non-Profit Corporation Name:	FARKO WATER SYSTEM INC															
Nonprofit Corporation Purpose	General Nonprofit															
The registered agent on record is:	LARRY FAIRFAX Registered Agent Physical Address 1172 PONDEROSA RD SAGLE, ID 83860 Mailing Address 83860															
The mailing address of the corporation is:	PO BOX 826 SAGLE, ID 83860-0826															
Corporate Officers and Directors:																
<table border="1"> <thead> <tr> <th>Name</th> <th>Title</th> <th>Address</th> </tr> </thead> <tbody> <tr> <td>DIMITRIUS KOVACS</td> <td>Secretary</td> <td>PO BOX 826 SAGLE, ID 83860</td> </tr> <tr> <td><input checked="" type="checkbox"/> LARRY FAIRFAX</td> <td>President</td> <td>PO BOX 826 SAGLE, ID 83860</td> </tr> <tr> <td>JAMES MAHER</td> <td>Director</td> <td>PO BOX 826 SAGLE, ID 83860</td> </tr> <tr> <td><input checked="" type="checkbox"/> CHRIS ESTES</td> <td>Director</td> <td>PO BOX 826 SAGLE, ID 83860</td> </tr> </tbody> </table>		Name	Title	Address	DIMITRIUS KOVACS	Secretary	PO BOX 826 SAGLE, ID 83860	<input checked="" type="checkbox"/> LARRY FAIRFAX	President	PO BOX 826 SAGLE, ID 83860	JAMES MAHER	Director	PO BOX 826 SAGLE, ID 83860	<input checked="" type="checkbox"/> CHRIS ESTES	Director	PO BOX 826 SAGLE, ID 83860
Name	Title	Address														
DIMITRIUS KOVACS	Secretary	PO BOX 826 SAGLE, ID 83860														
<input checked="" type="checkbox"/> LARRY FAIRFAX	President	PO BOX 826 SAGLE, ID 83860														
JAMES MAHER	Director	PO BOX 826 SAGLE, ID 83860														
<input checked="" type="checkbox"/> CHRIS ESTES	Director	PO BOX 826 SAGLE, ID 83860														
The Application for Reinstatement must be signed by at least one governor.																
<i>Larry Fairfax</i>	04/07/2020															
Sign Here	Date															
Job Title:	President															

B0499-9658 04/07/2020 8:57 AM Received by ID Secretary of State Lawrence Denney



0003912889



**STATE OF IDAHO**  
 Office of the secretary of state, Lawrence Denney  
**CHANGE OF BUSINESS MAILING ADDRESS**  
 Idaho Secretary of State  
 PO Box 83720  
 Boise, ID 83720-0080  
 (208) 334-2301  
 Filing Fee: \$0.00

For Office Use Only  
**-FILED-**  
 File #: 0003912889  
 Date Filed: 6/20/2020 6:21:31 PM

The entity name and address for which the mailing address is being changed:

The name of the business entity is: FARKO WATER SYSTEM INC

The file number of this entity on the records of the Idaho Secretary of State is: 0000624707

New Address: PO BOX 700A  
CASHION, AZ 85329-0259

---

Signature: Demetrius J Kovacs 06/20/2020

Sign Here \_\_\_\_\_ Date \_\_\_\_\_

Job Title: Sole Share Holder and Secretary

B0518-3614 06/20/2020 6:21 PM Received by ID Secretary of State Lawrence Denney



0003912890



**STATE OF IDAHO**  
*Office of the secretary of state, Lawrence Denney*  
**REGISTERED AGENT/OFFICE CHANGE**

Idaho Secretary of State  
PO Box 83720  
Boise, ID 83720-0080  
(208) 334-2301  
Filing Fee: \$0.00

For Office Use Only

**-FILED-**

File #: 0003912890

Date Filed: 6/20/2020 6:39:05 PM

B0518-3616 06/20/2020 6:39 PM Received by ID Secretary of State Lawrence Denney

The name and address of the entity for which the registered agent is being changed:	
Select one: Standard, Expedited or Same Day Service (see descriptions below)	Expedited (+\$40; total fee \$40)
The name of the business entity is:	FARKO WATER SYSTEM INC
The file number of this entity on the records of the Idaho Secretary of State is:	0000624707
The registered agent on record is:	
Registered Agent	LARRY FAIRFAX Registered Agent Physical Address 1172 PONDEROSA RD SAGLE, ID 83860 Mailing Address 83860
The name and street address of the new registered agent and office in Idaho is:	
Registered Agent	Registered Agent Demetrius J Kovacs Physical Address: 913 CHESTNUT ST SANDPOINT, ID 83864 Mailing Address: ATTN: D KOVACS CEO & OWNER PO BOX 700A CASHION, AZ 85329-0259
<input checked="" type="checkbox"/> I affirm that the registered agent appointed has consented to serve as registered agent for this entity.	
Entity Signature:	
<u>Demetrius J Kovacs</u>	<u>06/20/2020</u>
Sign Here	Date
Job Title:	Sole Share Holder and Secretary





0003913089



**STATE OF IDAHO**  
 Office of the secretary of state, Lawrence Denney  
**CHANGE OF BUSINESS MAILING ADDRESS**  
 Idaho Secretary of State  
 PO Box 83720  
 Boise, ID 83720-0080  
 (208) 334-2301  
 Filing Fee: \$0.00

For Office Use Only  
**-FILED-**  
 File #: 0003913089  
 Date Filed: 6/22/2020 8:21:28 AM

The entity name and address for which the mailing address is being changed:

The name of the business entity is: **FARKO WATER SYSTEM INC**

The file number of this entity on the records of the Idaho Secretary of State is: **0000624707**

New Address: **Farko Water  
 PO BOX 826  
 SAGLE, ID 83860-0826**

---

Signature: *Larry Fairfax* 06/22/2020  
 Sign Here Date

Job Title: owner -Operator

B0518-3915 06/22/2020 8:21 AM Received by ID Secretary of State Lawrence Denney



0003912888



**STATE OF IDAHO**  
*Office of the secretary of state, Lawrence Denney*  
**ARTICLES OF AMENDMENT (NONPROFIT CORP)**

Idaho Secretary of State  
PO Box 83720  
Boise, ID 83720-0080  
(208) 334-2301  
Filing Fee: \$30.00 - Make Checks Payable to Secretary of State

*For Office Use Only*

**-FILED-**

File #: 0003912888

Date Filed: 6/22/2020 11:33:29 AM

B0518-4360 06/22/2020 11:33 AM Received by ID Secretary of State Lawrence Denney

Articles of Amendment (Nonprofit Corporation)

Select one: Standard, Expedited or Same Day Service (see descriptions below) Same Day Service (+\$100; filing fee \$130)

The current name of the nonprofit corporation is: FARKO WATER SYSTEM INC

The file number of this entity on the records of the Idaho Secretary of State is: 0000624707

---

Article 1: Corporation Name  
Change Corporation Name? I do not want to change the name of the corporation

---

Article 2: Adoption  
Date of Adoption: 06/20/2020  
Select the manner of adoption: Each amendment consists exclusively of matters which do not require member approval pursuant to section 30-30-705, Idaho Code, and was, therefore, adopted by the incorporators, or by the board of directors.

The number of directors entitled to vote was: 1

The number of directors that voted for each amendment was: 1

The number of directors that voted against each amendment was: 0

---

Article 3: Purpose  
Select the purpose of this non-profit General Nonprofit

---

Article 4: Voting Members  
The corporation does have voting members.

---

Article 5: Upon dissolution the assets shall be distributed:  
the residual assets of the Corporation (after all creditors of the Corporation have been paid), shall be distributed to the members prorated in accordance with their respective membership interests.

---

Article 6: IRS Designation  
Is this nonprofit a 501(c)3? Yes  
501(c)3 purpose for which the corporation is organized: POTABLE WATER UTILITY

---

Article 7: Mailing Address  
DEMETRIUS J KOVACS  
PO BOX 700A  
CASHION, AZ 85329-0259

---

Article 8: Director Name(s) and Address(es)

Name	Title	Director Address
<input checked="" type="checkbox"/> Demetrius J Kovacs	President	PO BOX 700A CASHION, AZ 85329
<input checked="" type="checkbox"/> Joseph Smith	Director	PO BOX 700A CASHION, AZ 85329
<input checked="" type="checkbox"/> Bernard D Spray	Treasurer	PO BOX 700A CASHION, AZ 85329

---

The articles of amendment must be signed by the presiding officer of the board of directors or by an officer of the corporation.

Demetrius J Kovacs 06/22/2020

Sign Here Date



Job Title Sole Share Holder, Secretary



0003913166



**STATE OF IDAHO**  
 Office of the secretary of state, Lawrence Denney  
**ARTICLES OF DISSOLUTION (NONPROFIT CORPORATIONS)**  
 Idaho Secretary of State  
 PO Box 83720  
 Boise, ID 83720-0080  
 (208) 334-2301  
 Filing Fee: \$0.00

For Office Use Only  
**-FILED-**  
 File #: 0003913166  
 Date Filed: 6/22/2020 12:17:06 PM

B0518-4435 06/22/2020 12:17 PM Received by ID Secretary of State Lawrence Denney

Articles of Dissolution (General Business and Professional Corporations)	
Standard, Expedited or Same Day Service (select one)	Standard (filing fee \$0)
1. The name of the corporation is: <b>FARKO WATER SYSTEM INC</b> The file number of this entity on the records of the Idaho Secretary of State is: 0000624707	
2. The date the dissolution was authorized is: Date authorized: 06/22/2020	
3. The corporation is dissolved upon the effective date of its articles of dissolution. Effective date of dissolution: 06/22/2020	
4. Select the manner by which the dissolution was approved: If the corporation has no members, the dissolution was approved by a sufficient vote of the board.	
The Articles of Dissolution must be signed by the presiding officer of the board of directors or by an officer of the corporation.	
<u>Larry Fairfax</u> Sign Here	<u>06/22/2020</u> Date
Job Title: President, Ceo, Manager, Control operator	



# STATE OF IDAHO

Phil McGrane | Secretary of State

**Business Office**

450 North 4th Street

PO Box 83720

Boise, ID 83720

June 14, 2023

**Request Type: Certificate of Existence/Filing**

Request #: 0005284184

Receipt #: 000835614

Issuance Date: 06/14/2023

Copies Requested: 1

**Regarding: Farko Water System Inc.**

Filing Type: Non-Profit Corporation (D)

Formation/Qualification Date: 10/25/2020

Status: Active-Good Standing

Duration Term: Perpetual

File #: 4041266

Formation Locale: IDAHO

Inactive Date:

### Certificate of Existence

I, Phil McGrane, Secretary of State of the State of Idaho, do hereby certify that effective as of the issuance date noted above

**Farko Water System Inc.**

is a Corporation duly incorporated under the law of this State with a date of incorporation and duration as given above.

Phil McGrane

**Idaho Secretary of State**

Processed By: Business Division

**Verification #: 024148930**



# STATE OF IDAHO

Phil McGrane | Secretary of State

**Fiscal Division**

PO Box 83720

Boise, ID 83720

PromptPay Payment  
450 N 4TH ST  
BOISE, ID 83702

06/08/2023

## Receipt Detail

Receipt #: 835614

Receipt Total: \$45.00

Item	Description	Check/Ref #	Image ID	Fee	#	Total
Certified Copies	Certification	5284178	B0805-0963	(\$10.50)	1	(\$10.50)
Certificate of Existence/Good Standing	Certification	5284184	B0805-0964	(\$10.00)	1	(\$10.00)
Certificate of Existence/Good Standing	Certification	5284189	B0805-0965	(\$10.00)	1	(\$10.00)
Certified Copies	Certification	5284193	B0805-0966	(\$14.50)	1	(\$14.50)
Payment-CC (office)	PromptPay Payment, BOISE, ID 83702	58057736	B0805-0962			\$45.00

Balance: **\$0.00**



# STATE OF IDAHO

Phil McGrane | Secretary of State

**Business Office**  
450 North 4th Street  
PO Box 83720  
Boise, ID 83720

June 14, 2023

**Request Type: Certificate of Existence/Filing**

Request #: 0005284189

Receipt #: 000835614

Issuance Date: 06/14/2023

Copies Requested: 1

**Regarding: FARKO WATER SYSTEM INC**

Filing Type: Non-Profit Corporation (D)

Formation/Qualification Date: 12/17/2015

Status: Inactive-Dissolved

Duration Term: Perpetual

File #: 624707

Formation Locale: IDAHO

Inactive Date: 06/22/2020

I, Phil McGrane, Secretary of State of the State of Idaho, do hereby certify that effective as of the issuance date noted above

**FARKO WATER SYSTEM INC**

Phil McGrane

Idaho Secretary of State

Processed By: Business Division

Verification #: 024149124



# STATE OF IDAHO

Lawrence Denney | Secretary of State  
**Business Office**  
450 North 4th Street  
PO Box 83720  
Boise, ID 83720

November 1, 2020

**Request Type: Certificate of Existence/Filing**

Request #: 0004045708

Receipt #: 000401921

Issuance Date: 11/01/2020

Copies Requested: 0

**Regarding: Farko Water System Inc.**

Filing Type: Non-Profit Corporation (D)

Formation/Qualification Date: 10/25/2020

Status: Active-Good Standing

Duration Term: Perpetual

File #: 4041266

Formation Locale: IDAHO

Inactive Date:

## Certificate of Existence

I, Lawrence Denney, Secretary of State of the State of Idaho, do hereby certify that effective as of the issuance date noted above

**Farko Water System Inc.**

is a Corporation duly incorporated under the law of this State with a date of incorporation and duration as given above.

A handwritten signature in black ink, appearing to read "Lawrence Denney".

Lawrence Denney

**Idaho Secretary of State**

Processed By: Business Division

**Verification #: 009741828**





# Idaho Corporation Reinstatement Form

File online at: [sos.idaho.gov](http://sos.idaho.gov)

Return completed form to:

Idaho Secretary of State  
Attn: Reinstatements  
450 North 4th Street  
Boise, ID 83720  
Phone: (208) 334-2300

**Reinstatement fee: \$30.00.**

**SOS Control Number:** 624707

**Filing Status:** Inactive-Dissolved

Non-Profit Corporation (D)

**Date Formed:** 12/17/2015

**Formation Locale:** ID

**Name and Mailing Address:**

(1) Add or Change Mailing Address:

FARKO WATER SYSTEM INC  
PO BOX 826  
SAGLE, ID 83860

**Registered Agent (RA) and Registered Office (RO) Address:**

(2) Change RA and/or RO Address:

LARRY FAIRFAX  
1172 PONDEROSA RD  
SAGLE, ID 83860

Note: The Registered Office address must be a physical Idaho address (no postal box).

**(3) New Registered Agent (RA) Signature:**

*If a new agent is appointed in item (2) above, the new agent must sign here to accept the appointment.*

(4) Corporations: Enter names and business addresses (with zip code) of the President, Vice President, Secretary, Treasurer.

Title	Name	Business Address	City, State, Zip
President	Larry Fairfax	PO BOX 826	Sagle Id. 83860
Secretary	Demetrius Kovacs	PO BOX 826	Sagle Id. 83860

(5) Board of Directors names and business address (with zip code). Attach additional sheet if necessary.

Name	Business Address	City, State, Zip
Larry Fairfax	PO BOX 826	Sagle Id 83860
James Maher	PO BOX 826	Sagle Id. 83860
Chris Estes	PO BOX 826	Sagle Id. 83860

(5) Signature:

(6) Date: 04/19/2019

(7) Type/Print Name: Larry Fairfax

(8) Title: President

**Instructions:** Legibly complete the form above. Enclose a check made payable to the Idaho Secretary of State for \$30.00. Sign and date this form and return to the address provided above.



0004041266



**STATE OF IDAHO**  
*Office of the secretary of state, Lawrence Denney*  
**ARTICLES OF INCORPORATION (NONPROFIT)**  
 Idaho Secretary of State  
 PO Box 83720  
 Boise, ID 83720-0080  
 (208) 334-2301  
 Filing Fee: \$30.00

*For Office Use Only*  
**-FILED-**  
 File #: 0004041266  
 Date Filed: 10/25/2020 11:09:10 PM

B0546-4593 10/25/2020 11:39 PM Received by ID Secretary of State Lawrence Denney

Articles of Incorporation (Nonprofit)		
Select one: Standard, Expedited or Same Day Service (see descriptions below)	Standard (filing fee \$30)	
Article 1: Corporation Name		
Entity name	Farko Water System Inc.	
Article 2: Effective Date		
The corporation shall be effective	when filed with the Secretary of State.	
Article 3: Purpose		
The purpose for which the corporation is organized is:	Water Users Association	
Article 4: Voting Members:		
The corporation	has voting members.	
Article 5: Asset Distribution on Dissolution		
Upon dissolution the assets shall be distributed:	the residual assets of the Corporation (after all creditors of the Corporation have been paid), shall be distributed to the members prorated in accordance with their respective membership interests.	
Article 6: IRS Designation		
Is this nonprofit a 501(c)3?	Yes	
501(c)3 purpose for which the corporation is organized:	Water Service	
Article 7: The mailing address of the corporation shall be:		
Mailing Address	PO BOX 826 SAGLE, ID 83860-0826	
Article 8: Registered Agent Name and Address		
Registered Agent	Registered Agent Larry Fairfax Physical Address: 468665 HWY 95 N. UNIT 738 SAGLE, ID 83860 Mailing Address: LARRY FAIRFAX PO BOX 826 SAGLE, ID 83860-0826	
<input checked="" type="checkbox"/> I affirm that the registered agent appointed has consented to serve as registered agent for this entity.		
Article 9: Incorporator Name(s) and Address(es)		
Name	Incorporator Address	
Larry Fairfax	468665 HWY 95 N. UNIT 738 SAGLE, ID 83860	
Article 10: Director Name(s) and Address(es)		
Name	Title	Director Address
larry fairfax	President	468665 HWY 95 N. UNIT 738 SAGLE, ID 83860



James Maher	Director	PO BOX 826 SAGLE, ID 83860
Chris Esstis	Director	PO BOX 826 SAGLE, ID 83860

The Articles of Incorporation must be signed by at least one Incorporator.

*Larry Fairfax* \_\_\_\_\_ 10/25/2020  
Larry Fairfax \_\_\_\_\_ Date

These By-Laws supersede all previous By-Laws of the Ponderosa Water Company

By-Laws

Of

Farko Water System

Article I

Name and Location

Section 1. The name of this Association is Farko Water.

Section 2. The governing body of this Association shall be known as the Farko Water Board referred to herein as *the board*.

Section 3. The principal place of business of this Association shall be at PO BOX 826 Sagle Id.83860. The Association may, however, maintain offices and places of business at such other places within the State of Idaho as the board may determine.

Article II

Fiscal Year

The fiscal year of Farko Water shall begin the first day of June of each year.

Article III

Members

Section 1. The holders of membership certificates of this Association are its members. Each membership certificate is equivalent to one vote in the affairs of the Association. Each membership certificate pertains to one individual property parcel and its associated drinking water connection. The number of household members does not affect voting rights in the affairs of the Farko Water. One drinking water connection is equal to one membership certificate.

Section 2. When a member sells or disposes of any tract within the system, his/her membership for said tract shall cease and shall be automatically transferred as herein provided to the new homeowner or property owner.

Section 3. The Secretary shall keep a record of the changes of title of all tracts within the boundaries of this Association, so far as possible, and upon the sale or conveyance in any manner of a member's tract, the Secretary shall create a new membership certificate and it shall be delivered to the person to whom the property is conveyed, who automatically becomes the owner thereof upon the purchase or securing a conveyance of the land.

In the event that the Secretary or board fails to issue a new membership certificate, yet the conveyance of land and household in connection to the Farko Water has transferred ownership in legal manner, the new property owner will nonetheless possess ownership of one membership certificate and voting right in regard to the governing affairs of the Association.

A transfer fee of two hundred fifty dollars (\$250.00) shall be charged on each transfer. This transfer fee will be paid by the new homeowner/property owner to the Farko Water Association. The Association shall not be required to transfer any membership or provide any membership certificates until all fees, including original hookup fee, transfer or ownership fee, and all monthly service fees, are paid in full.

#### Article IV

##### Membership Certificates

Section 1. This Association shall not have capital stock. Its members shall be represented by membership certificates which shall be recorded, and the records shall always remain with the Secretary of Farko Water (at the Association offices).

#### Article V

##### Association Member Meetings and Elections

Section 1. The board of Farko Water shall meet quarterly at address (to be announced) and time. Time and place of these meetings is subject to change at the board's discretion.

Section 2. All-member meetings of Farko water shall occur quarterly/annually at address and time. Notice must be mailed to all members one month in advance of quarterly/annual all-member meetings. Association business, including financial records, profits, debts and liabilities must be shared at all-member meetings. Written copies of annual financial statements must also be mailed to each member.

Section 3. Special meetings of the members of the Association may be called at any time by the Chairman, or upon written petition to the Chairman, signed by ten percent (10%) of the members of the Association. The purpose of every special meeting shall be stated in the notice thereof, and no business shall be transacted at said special meeting except such as is specified in the notice.

Section 4. The members present at any meeting of the members shall constitute a quorum for the transaction of business. The voting powers of the members of this Association shall be equal; each member shall have one vote for each membership certificate he/she/ may hold, and the members shall be entitled to vote in person or by proxy.

Section 5. The board of this Association shall be elected at the all-member meeting on the third Sunday in April and board members shall take office on the first of May.

Section 6. The order of business at Association meetings and so far as possible at all other meetings shall be conducted by Robert's Rules of Order, Current Edition.

## Article VI

### Governing Body

Section 1. The board of this Association shall consist of five (5) regular members and two (2) alternates who shall make every attempt to attend all meetings. Only holders of member certificates of the Farko Water shall be eligible board members. All members will receive a letter in February to see if they want to be a nominee on the board. Nominations shall be at the April meeting with ballots mailed to certificate holders by the 1<sup>st</sup> of March and returned to the board by mail or delivered by 7:00 p.m. of the night of the March meeting. At the May meeting of the members, five directors and two alternates shall be elected for a term of one year. Elections shall be held annually thereafter. The board shall serve until their successors are elected and have qualified.

Section 2. The board shall meet within ten (10) days after election and shall elect a Chairman, Vice- Chairman, Secretary and a Treasurer from among themselves, each of whom shall hold office until the term is up unless removed by death, resignation or for cause.

Section 3. Any vacancy in the board, other than from the expiration of a term of office, shall be filled by appointment by the remaining members of the board until the next election of the members of the Association. The disqualification of a board member as a member of the Association shall operate to disqualify him/her as a board member and to create a vacancy in the office of the board.

Section 4. A majority of the board members shall constitute a quorum at any meeting of the board.

Section 5. A board member cannot miss more than 5 consecutive meetings or that board member will be immediately removed from office. All board members that are going to miss a meeting need to notify the Secretary beforehand. When possible the board member that is missing needs to attend the meeting via teleconference.

## Article VII

### Duties of the Board

Section 1. The board, subject to restrictions of law or these By-Laws shall exercise all of the powers of the Association and, without prejudice to or limitations upon their general powers, it is hereby expressly provided that the board shall have, and are hereby given, full power and authority in respect to the matters and as hereinafter set forth:

- A. To pass upon the qualifications of members, as set forth in the above and to cause to be issued appropriate certificates of membership and cause the same to be recorded.
- B. To enter into any contracts necessary to maintain the routine distribution of safe, potable water to the members of this Association in accordance with the Idaho Administrative Code for Public Water Systems, or IDAPA 58.01.08, and as required by the Idaho Department of Environmental Quality.
- C. To select and appoint all officers, agents or employees of the Association, or remove any officers, agents or employees of the Association for just cause, prescribe such duties and designate such powers as are consistent with these By-Laws.
- D. To borrow from any source money, goods, or services, and to make and issue notes and other negotiable and transferrable instruments, mortgages, deeds of trust and trust agreements, and to do every act and thing necessary to effectuate the same.
- E. To prescribe, adopt and amend, from time to time, such equitable uniform rules and regulations as, in their discretion, may be deemed essential or convenient for the conduct of the business and affairs of the Association and the guidance and control of its officers and employees, and to prescribe adequate penalties for the breach thereof.
- F. A review of the books and accounts will be performed quarterly by the board. A full audit will be performed annually and should be budgeted for accordingly.
- G. To levy assessments against the members of the Association and to enforce the collection of such assessments by the suspension of services for the period of time the assessments are not paid. If necessary the board may impose a lien on the defaulting member for non-payment, provided, however, that services shall be promptly resumed and any lien shall be removed within three (3) days of the satisfaction of the indebtedness.
- H. Non-payment for 60 days after due date specified on bill: member will start accruing late fees at the rate of \$20 per month of delinquent payment.
- I. Non-payment for 90 days after due date: member will start accruing a 12% interest rate every month after until account is paid in full.
- J. Non-payment for one hundred twenty (120) days after due date: water will be shut off at the delinquent member's property and the bill, including late charges, will be sent to a collection agency. Member will be charged a shut off fee of \$100. To start receiving services once again, bill must be paid in full and/or a reconnection fee of \$2500. (which ever is less) a \$250. turn on fee must be paid. All accumulated charges must be paid before said member is again entitled to water services and benefits.
- K. To impose a lien on defaulting members.
- L. The board shall pass any reasonable rule to carry these provisions into effect.
- M. All fees are at the board's discretion and can be changed at any meeting of the board by a majority vote.

N. To always sufficient to pay all operation, maintaining expenses, reserve to pay indebtedness, interest and a reasonable sum as surplus fund, and to enforce these rules by refusing to furnish water or by other proper means.

## Article VIII

### Duties of Officers

Section 1. Duties of the Chairman: The Chairman shall preside over all meetings of the members and board, call special meetings of the members and board, perform all acts and duties usually performed by an executive and presiding officer, and sign all membership certificates and such other papers of the Association as he/she may be authorized or directed to sign by the board. The Chairman may call special meetings of the Association at any time and does not require the 10% member requirement mentioned in Article V section 2. The Chairman shall perform such other duties as may be prescribed by the board. The Chairman shall make all reports required by law to stay a corporation in good standing with the Idaho Secretary of State. Upon resignation or change of office the Chairman will return all books, records, membership certificates, and other property belonging to the Association that may be in his or her possession to the Association offices or the successor of the position.

Section 2. Duties of the Vice-Chairman: In the absence or disability of the Chairman, the Vice-Chairman shall perform the duties of the Chairman, provided, however, that in case of death the Association members shall elect a successor.

The Vice-Chairman shall make all reports required by law and shall perform such other duties as may be required to maintain a corporation in good standing with the Idaho Secretary of State. Upon resignation or change of office the Chairman will return all books, records, membership certificates, and other property belonging to the Association that may be in his or her possession to the Association offices or the successor of the position. The Vice-Chairman will perform all other duties as agreed upon by the board by a majority vote.

Section 3. Duties of the Treasurer: The Treasurer shall have general charge and supervision of the financial records of the Association. The Treasurer shall preside over the revenue and expenses of the Association and shall prepared and furnish the financial statements for Association members and board to review. The Treasurer shall make all financial reports required by law and shall perform such other duties as may be assigned by the board. Upon resignation or change of office the Treasurer will return all books, records, and other property belonging to the Association that may be in his or her possession to the Association offices or the successor of the position.

Section 4. Duties of the Secretary: The Secretary shall keep a complete record of all meetings of the Association and of the board. The Secretary shall sign all membership certificates with



the Chairman and such other papers pertaining to the Association as he/she may be authorized or directed to do so by the board. The Secretary shall serve all notices required by law and by these By-Laws and shall make a full report of all matters and business pertaining to his/her office to the members at the monthly meeting. The Secretary shall keep the membership certificate records of the Association and complete and countersign all certificates issued. The Secretary shall keep a membership certificate record that includes the name of each member of the Association and date of issuance, surrender, and cancellation of forfeiture.

Upon resignation or change of office the Secretary will return all books, records, membership certificates, and other property belonging to the Association that may be in his or her possession to the Association offices or the successor of the position.

Section 5. Duties of Board Member: The fifth member of the board will be responsible for keeping the water system operational. This will include obtaining updates or reports from the Idaho Licensed Water Operator regarding the functionality of the water system and associated infrastructure, water quality and water samples, longevity of infrastructure and parts, new connections and disconnected services, changes to Idaho rules for public water systems, communication with the Department of Environmental Quality, and anything else pertaining to the safe and legal operation of a public water system. This information will be shared with the members and board of Farko Water. Upon resignation or change of office the Board Member will return all books, records, membership certificates, and other property belonging to the Association that may be in his or her possession to the Association offices or the successor of the position.

Section 6. Duties of the Board: The Board of Farko water is bound and obligated to provide safe, potable water to its members at all times. The board will take measures to ensure members do not go without water at any time and will enter into contracts with outside businesses in order to do. The board is obligated to use member fees to pay for the services of an Idaho Licensed Water Operator in accordance with Idaho Rules and Regulations for Public Water Systems. An Idaho Licensed Water Operator shall be employed by Farko Water at all times for the purpose of supplying potable water to each property owner and to remain in compliance with the Department of Environmental Quality regulations regarding such.

## Article IX

### Benefits and Duties of Members

Section 1. The Association will install, maintain and/or operate a distribution pipeline that conveys potable water to the property line of each member of the Association. The point at which the distribution pipeline meets each individually owned property shall be designated the "delivery point." At each delivery point meters may be installed. The meters will be owned and maintained by the Association. The cost of the service line from the main

distribution pipeline of the Association to the property line of each member shall be paid by the Association. The Association\* will also purchase and install a lock out (referred to as cut-off valve) and cut-off valve in each service line from its main distribution line. Each cut-off valve will owned and maintained by the Farko Water,(at no time is anyone other than Farko Water control operator to touch cut-off valve) and will be installed on some portion of the service line owned by the Farko Water. The Farko water shall have the sole and exclusive right to access such cut-off valve and to turn it on or off. Back flow prevention devices will be installed at time of new hook up, \*Any new hook up cost, will be paid by new owner as hook up fee, this is above and beyond all other fees paid to hook up Farko Water System.

All extensions of the main water lines of the existing water system may be done only upon approval of a qualified engineer. The extension, if any, so approved, must be paid for completely (including engineering cost) by the persons desiring the extensions to service their tracts. Any extension, if approved and paid for, shall become the property of the Farko Water and must be installed and constructed under the Farko Water's control, management and supervision, and shall be subject to the rules and regulations of the Farko Water and its By-Laws.

Section 2. Each member should be entitled to one only service line from the Association's water system to each residence owned by such member. The member shall be required to pay a fee, set by the board, for such service line. No new service line or change in an existing service line may be made which will interfere with an existing service line or the delivery of water therein. Each service line shall connect the property served with the Farko Water's distribution pipeline at the nearest available place for use by the member and shall be of sufficient capacity to permit the delivery of water through a service line at that place within the system without interfering with the delivery of water through a prior service line, (Only Farko Water control operator can service any water line). A person may own more than property and as such have more than one certificate. If the Farko Water's water supply is inadequate to permit the delivery of water without interfering with the delivery of water through a prior service line, then a new service line shall be installed at such place as may be designated by the Farko Water and as approved by a qualified professional. Each new member will be required to get permission from Farko Water to dig, or have dug, a ditch for the purpose of connecting the distribution pipeline, at the delivery point, to the member's dwelling and will be required to purchase that portion of the service line (and to pay for installation) of line to be installed for service connection. The Farko Water shall not own nor maintain any part of the distribution piping or plumbing that is found on individual property parcels nor which exists after the delivery point of each service connection. Customer must notify Farko Water of any leaks on the owners property or any part of Farko Water pipes, valves, etc. asap as to limit damages to Farko Water system. Failure to notify will result in a \$1500. Fine.

Section 3. Each member shall be entitled to purchase from the Farko Water, pursuant to such agreements as may from time to time be provided and required by the Farko Water, such water for domestic purposes, \*including livestock and irrigation of property(see section 4), as a member may desire, subject, however, to the provisions of these By-Laws and to such rules and (along with drought condition requirements) as well as regulations as may be prescribed by the board. Each member shall be entitled to have delivered to him/her such water as through the service line may be metered and the charges for such water shall be determined separately. \* Any and all watering must be kept to a minimum and at no time will water be allowed to run uncontrolled or dripping into a tank or other water holding container. At no time shall a customer supply water to a disconnected property, resulting violation will incur \$1500. fine and possible disconnection from Farko water system

Section 4. In the event the total water capacity of the Farko Water shall be insufficient to meet all of the needs of the members or in the event there is a shortage of water, the board may prorate the water available among the various members on such a basis as is deemed equitable by the board. The board may also prescribe a schedule of water use for garden or irrigation purposes as needed and shall require adherence thereto, or they may prohibit the use of water for non-essential services such as gardening and irrigation. Such means shall be employed during any time the total water supply is insufficient to equitably meet the needs of all members for daily necessities. The Farko Water must first satisfy the needs of all members for domestic purposes before supplying any water for livestock purposes and must satisfy the needs of all members for domestic and livestock purposes before supplying water for sprinkling or garden purposes.

Section 5. The board shall, as soon as practical after the ending of each fiscal year, determine the monthly cost to be charged to each member during the following fiscal year for potable water service. Monthly cost (which will be a set rate for all connection, no split level billing will occur,) of service will be assessed per water connection irrespective of whether any water is used by a member during any month. Monthly billing statements shall be mailed to all members of Farko Water at address of record.(It is up to member to keep Farko Water notified of current billing address). Clear payment date, instructions for payment submittal, and late fee penalties shall be communicated with each member in writing. Failure to pay monthly charges shall result in the automatic imposition of penalties as specified in Article VII section 1.

## Article X

### Finances and Surplus Funds

Section 1. The Farko Water shall use all money collected from members for the purpose of operating, maintaining, and repairing as needed the water system and associated facilities and infrastructure. Operating fees shall include payment for contractors and other such professionals

as are needed to achieve and maintain compliance with state and federal regulations for public water systems.

Section 2. Any surplus funds remaining after operational costs have been paid will be held for future repairs, upgrades, or emergencies and with the understanding that lending companies will require proof of sound financial practice.

All outstanding balance will be paid by Farko Water until paid in full. This includes attorneys fees and past wages due to previous employee.\*

## Article XI

### Amendments

Section 1. These By-Laws may be amended by a vote of two-thirds (2/3) of the members present at any regular meeting of the Farko Water, or at any special meeting of the Farko Water called for that purpose, with the exception that the members shall not have the power to change the purpose of the Association so as to decrease its rights and powers under the laws of the State, or to waive any requirements of bond or other provisions for the safety and security of the property and funds of the Association, or to deprive any member of rights and privileges then existing, or so to amend the By-Laws as to effect a fundamental change in the policies of this Association. Notice of any amendment to be made at a special meeting of the members must be given at least ten (10) days before such meeting and must set forth the amendments to be considered.

## Article XII

### Severability

Section 1. Invalidation of any part of these By-Laws by judgment in court shall in no way affect any of the other provisions which shall remain in full force.



Tariff No.	<b>IDAHO PUBLIC UTILITIES COMMISSION</b> <b>APPROVED</b> <b>EFFECTIVE</b>  <b>JUN 30 '03</b> <b>JUL 1 - '03</b>
I.P.U.C. No.	
Canceling	
Name of Utility	<i>Jan W. Jewell</i> <b>SECRETARY</b> (Approval Stamp)
<b>PONDEROSA TERRACE ESTATES WATER SYSTEM, INC.</b>	

**SCHEDULE NO. 1**

**Availability:** Ponderosa Estates Subdivision, Ponderosa Estates First Addition and certain surrounding parcels of property.

**Applicability:** To all customers for domestic use and lawn sprinkling.

**FLAT RATES PER MONTH AS FOLLOWS:**

Customer Class	Monthly Flat Rate
Resident Customers	\$48.00 year round
Non-Resident Customers	\$25.00 year round

**DEFINITIONS:**

Resident Customers: Full-time water system users who live year-round on the property serviced by PTE.

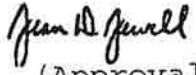
Non-Resident Customers: All other property owners who do not live year-round on property serviced by PTE residing onsite part or none of the year. The Non-Resident customer class includes customers who could be served by the system, even if they are not physically connected to the PTE system.

Approved by Commission Order No. 29276

Issued	July 1, 2003	Effective	July 1, 2003
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Issued by **PONDEROSA TERRACE ESTATES WATER SYSTEM, INC.**

By *Zobae Cobalt* Title *President*

Tariff No. I.P.U.C. No. Canceling	<b>IDAHO PUBLIC UTILITIES COMMISSION</b> <b>APPROVED</b> <b>EFFECTIVE</b>  <b>JUN 30 '03</b> <b>JUL 1 - '03</b>
Name of Utility <b>PONDEROSA TERRACE ESTATES WATER SYSTEM, INC.</b>	 <b>SECRETARY</b> (Approval Stamp)

**SCHEDULE NO. 2**

**Reconnect Fee:** \$35.00

This fee will be charged when a customer is reconnected after having been disconnected, either voluntarily or involuntarily, at the same premises. The reconnection fee shall be paid before service is restored. Reconnection fees will not be charged for any situation or circumstance in which the customer's water supply is disconnected by the Company for its convenience.

**Hook-up Fee:** \$2,500.00

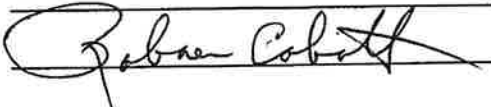

This shall be a one-time charge for hook-up of new customers.

Delinquent customers who wish to begin taking water service after July 1, 2003 have the option of paying in full the delinquent bill or the \$2,500.00 hook-up fee, whichever is less.

No late fee or interest on unpaid bills is allowed.

Approved by Commission Order No. 29276

Issued	July 1, 2003	Effective	July 1, 2003
Issued by <b>PONDEROSA TERRACE ESTATES WATER SYSTEM, INC.</b>			

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*John D. Jewell* SECRETARY

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**GENERAL RULES & REGULATIONS  
FOR SMALL WATER UTILITIES**

**1. GENERAL**

1.1 The Customer, in receiving water service, and the Company, in providing water service, both agree to abide by these Rules and Regulations.

1.2 In the event that there is a conflict between the Company's Rules and Regulations and the Rules and Regulations Governing Customer Relations of Gas, Electric, and Water Public Utilities under the Jurisdiction of the Idaho Public Utilities Commission, the Rules and Regulations of the Commission shall take precedence unless an exception has been granted.

1.3 Any additions, deletions or modifications to these General Rules and Regulations are to be made in the "Special Provisions" section attached as Attachment 1. Any such changes are subject to approval by the Commission prior to becoming effective.

**2. DEFINITIONS**

2.1 Billing Period - the period of time between bills from the Company for normal services rendered.

2.2 Commission - Idaho Public Utilities Commission.

2.3 Commodity Charge - Recurring charge based only on the quantity of water used.

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Title *President*



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- 2.4 Company - water company.
- 2.5 Connection or Hook-Up Fee - non-recurring charge paid by a Customer requesting service for partial or full recovery of the Company's cost of providing a new service connection.
- 2.6 Contribution in Aid of Construction - non-recurring charge paid by a Customer or Developer to help defray the cost of system expansion.
- 2.7 Customer - a person, business or government agency responsible for paying bills and complying with the rules and regulations of the company.
- 2.8 Customer Charge - minimum recurring charge that does not include any water.
- 2.9 Fixed Rate - a recurring charge of a fixed amount, usually in an unmetered system.
- 2.10 Franchise Tax - tax imposed on a Company by a governmental entity for the privilege of doing business within its boundaries.
- 2.11 Minimum Charge - minimum recurring charge for a billing period that may or may not include a specified quantity of water.
- 2.12 Non-recurring Charges - charges that are not assessed each billing period.
- 2.13 Premises - a Customer's property including out buildings which are normally located on one lot or parcel of ground.

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- 2.14 Rate Structure - a schedule of all recurring and non-recurring charges of the company.
- 2.15 Reconnection Fee - charge paid by a Customer to the Company to restore service after its disconnection.
- 2.16 Recurring Charges - charges that are assessed each billing period.
- 2.17 Tariff - rate schedules and Rules and Regulations which govern the Company's service.

**3. SERVICE FOR NEW CUSTOMERS**

- 3.1 The Company shall furnish service to applicants within its service area under the jurisdiction of the Idaho Public Utilities Commission in accordance with rates and Rules and Regulations approved by the Commission.
- 3.2 Applicants for water service may be required to sign a standard form of service application.
- 3.3 The Company shall not be obligated to provide service at a service location until any required deposit or guarantee of payment has been received by the Company in accordance with the "Rules and Regulations Governing Customer Relations of Gas, Electric, and Water Public Utilities under the Jurisdiction of the Idaho Public Utilities Commission" attached and referred to herein as Utility Customer Relations Rules (UCRR).

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- 3.4 Special contracts may be required where large investments in special facilities are necessary to provide the requested service. The Company may require contribution toward such investment and establish such minimum charges as are deemed necessary. All such contracts are subject to the approval of the Commission.
- 3.5 The Company reserves the right to place limitations on the amount and character of water service it will supply and to refuse service to new Customers if, in its opinion:
- (a) The Company is required to refuse or limit service by regulatory authorities having jurisdiction over the Company.
  - (b) The requested service installation is of larger size than is necessary to properly serve the premises.
  - (c) The permanency of the building, structure, or institution requested to be served is such that the Company's investment in such service is jeopardized.
  - (d) The depth of the Customer's service line is less than the minimum depth required for frost protection.
  - (e) The Customer's proposed service, main or other appurtenance does not conform to good engineering design or meet the standard specifications of the Company.

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(f) The Customer refuses to agree to abide by the Rules and Regulations of the Company.

If the Company denies service to a potential Customer for any reason, it will immediately provide the applicant with a written explanation of its decision in accordance with UCRR.

**4. DEPOSITS**

4.1 Rules and Regulations regarding deposits to guarantee payment of bills can be found in Rules 101-109 UCRR.

**5. RATES**

5.1 Rates charged for water service and supply shall be those published in the Company's tariff and approved by the Idaho Public Utilities Commission.

**6. BILLING AND PAYMENT**

6.1 All Customers will be billed on a regular basis as identified on the applicable rate schedule.

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- 6.2 If the system is metered, the Company shall try to read the meters prior to each billing unless specified differently on the applicable rate schedule. If the Company's meter reader is unable to gain access to the premises to read the meter, or in the event the meter fails to register, the Company may estimate the Customer's water consumption for the current billing period based on known consumption for a prior similar period or average of several periods. Subsequent readings will automatically adjust for differences between estimated and actual. Estimated bills shall carry appropriate notice to that effect.
- 6.3 All bills shall clearly indicate the balance due and shall be due and payable no less than 15 days after the date rendered. All bills not paid by due date shall be considered delinquent and service may be disconnected subject to the provisions of UCRR.
- 6.4 The minimum bill or customer charge shall apply when service is provided for less than one month.
- 6.5 Owners of premises with one or more condominiums, buildings, stores, apartments or any other divisions of like or similar character, all of which are served from one (1) service connection are responsible for the entire water charges. If the owner desires to cease being responsible for water bills for such places and desires that the occupant of each division shall be responsible for her or her respective bill, such transfer of responsibility will not be accepted or recognized by the Company until the plumbing

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*President*

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arrangements of the building or premises are so changed by the owner or his or her agent as to permit the Company, to its satisfaction, to serve each division or occupant separately from the other occupants in the same building.

- 6.6 Accounts will be continued and water bills rendered regularly until the Company has been duly notified to discontinue service.

**7. METERING (If Applicable)**

- 7.1 Meters will be installed by the Company near the Customer's property line or at any other reasonable location on the Customer's premises that is mutually agreed upon.
- 7.2 The Company's representative shall be given access to the Customer's premises at all reasonable hours for the purpose of obtaining meter readings. In the event of recurring inaccessibility, the Company, at its option, may relocate its metering equipment at the Customer's expense.
- 7.3 The Company is responsible for the maintenance of its metering equipment. Meters are considered to be sufficiently accurate if tests indicate that meter accuracy is within  $\pm 2$  percent. When for any reason a meter fails to register within these limits of accuracy, the Customer's use of water will be estimated on the basis of available data and charges will be adjusted accordingly. Corrected bills will then be sent out to the customer and additional payment or refund arrangements made in accordance with UCRR.

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- 7.4 The Company reserves the right to test and/or replace any meter. Upon deposit of a "Meter Testing Fee" by a Customer, the Company will test the Customer's meter. If the test indicates that the meter over-registers by more than 2 percent, it will be replaced with an accurate meter at no cost to the Customer and the "Meter Testing Fee" will be refunded and water bills will be adjusted in accordance with UCRR.
- 7.5 At the Company's discretion, unmetered Customers may be converted to metered service if such transition occurs in a planned, systematic manner without unreasonable discriminations and if the Company has an approved metered rate.
- 7.6 The Company shall have the right to set meters or other devices without notice to the Customer for the detection and prevention of fraud.
- 7.7 In any building where the meter is to be installed in the basement, the incoming water pipe must enter the basement at least sixteen (16) inches from the riser in order that a meter can be set in a horizontal position in the basement. All pipes to the different parts of the building or grounds must lead from the riser at least one (1) foot above the elbow.

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**8. CUSTOMER PLUMBING AND APPLIANCES**

- 8.1 All plumbing, piping, fixtures and appliances on the Customer's side of the service connection shall be installed and maintained under the responsibility and at the expense of the Customer or owner of the premises.
- 8.2 The plumbing, piping, fixtures and appliances shall be maintained in conformity with all municipal, state and federal requirements. The nature and condition of this plumbing, piping and equipment shall be such as not to endanger life or property, interfere with service to other Customers or permit those with metered services to divert system water without meter registration.
- 8.3 A stop-and-waste valve must be installed on the Customer's plumbing in a place always accessible and so located as to permit shutting off the water for the entire premises with the least possible delay.
- 8.4 All persons having boilers, water tanks or other equipment supplied by direct pressure from the Company's mains should install a pressure relief valve, or other device to serve the same purpose, so as to prevent excess pressure from forcing hot water and/or steam back into the water meter and mains of the Company. All damage to the Company's property resulting from failure to properly equip Customer plumbing with a relief valve shall be billed to the Customer.

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- 8.5 The Company is not obligated to perform any service whatever in locating leaks or other trouble with the customer's piping.
- 8.6 When the premises served by the Company is also served in any manner from another water supply of any kind, an approved backflow prevention device shall be installed at the service connection. Water service for either stand-by or other purposes will not be furnished until piping and connections are inspected and approved by a representative of the Company.
- 8.7 Property owners will not be allowed to connect the water service of different properties together.
- 8.8 All of the Customer's service pipes and fixtures must be kept in repair and protected from freezing at his or her expense. When there are leaking or defective pipes or fixtures, the water may be turned off at the option of the Company until the proper repairs are made.

**9. INSTALLATION OF SERVICE CONNECTIONS**

- 9.1 The service connection is the property of the Company and as such, the Company is responsible for its installation and maintenance. It consists of piping, curbstop and valve or meter box and a meter, if the system is metered. The service connection transmits water from the Company's water main to a valve or meter box generally located near the Customer's property line. All piping, valves or appliances beyond this point are the property and responsibility of the Customer.

Issued August 8, 2002 Effective August 1, 2002  
 Order No. 29086

Issued by **PONDEROSA TERRACE ESTATES WATER SYSTEM, INC.**

By *Robyn Collett* Title *President*

Tariff No. 1

Page 11

IDAHO PUBLIC UTILITIES COMMISSION  
APPROVED EFFECTIVE

AUG 8 - '02

AUG 1 - '02

Cancelling

Name of Utility

**PONDEROSA TERRACE ESTATES WATER  
SYSTEM, INC.**

*Juan M. Jewell* SECRETARY

(Approval Stamp)

- 9.2 The Company reserves the right to designate the size and location of the service line, curbstop, meter (if applicable) and meter or valve box and the amount of space which must be left unobstructed for the installation and future maintenance and operation thereof.
- 9.3 Where a service connection is desired for a premises on which there is no permanent structure, the Company will install a service connection to said premises only upon payment by the applicant of the estimated cost of said service connection. If within a period of five (5) years from the installation of said service connection a permanent structure is erected on the premises, the Company will refund, with interest, the difference between any approved new Customer charges in effect at the time of connection, and the applicant's advance.
- 9.4 The extra costs of any out-of-the-ordinary circumstances requiring additional equipment or special construction techniques involved in the installation of a service connection will be agreed to in advance by the Customer and the Company.

Issued

August 8, 2002

Effective

August 1, 2002

Order No. 29086

Issued by **PONDEROSA TERRACE ESTATES WATER SYSTEM, INC.**

By

*Rehan Cobett*

Title

*President*

AUG 8 - '02

AUG 1 - '02

Cancelling

Name of Utility

**PONDEROSA TERRACE ESTATES WATER SYSTEM, INC.**

*Jan M. Jewell* **SECRETARY**

(Approval Stamp)


**10. REPLACEMENT OR ENLARGEMENT OF SERVICE CONNECTION**

- 10.1 Unless otherwise provided herein, the Company shall replace or enlarge service connections at its own expense, as follows:
- (a) Whenever it is necessary to change the location of any service connection due to relocation or abandonment of the Company's mains; and
  - (b) For commercial or industrial services where the type or volume of use has changed and the enlargement will result in sufficient increase in annual revenue to justify the enlargement.
- 10.2 The relocation, enlargement or reduction of service connections for the convenience of the Customer will be at the expense of the Customer. Prior to such relocation, enlargement or reduction, the Customer will deposit the estimated cost thereof with the Company. Within fifteen (15) days a refund will be made to the Customer in the amount by which the estimated cost exceeds the actual cost. The amount by which the actual cost exceeds the estimated cost shall be due and payable within fifteen (15) days after billing for such deficiency.
- 10.3 Enlargement of any service connection will be made only after such time as the Customer's plumbing inside his or her premises shall have been enlarged sufficiently to accommodate the additional capacity.

Issued August 8, 2002 Effective August 1, 2002  
 Order No. 29086

Issued by **PONDEROSA TERRACE ESTATES WATER SYSTEM, INC.**

By *Robyn Cobalt* Title *President*

Tariff No.  Cancelling	Page 13	<b>IDAHO PUBLIC UTILITIES COMMISSION</b> <b>APPROVED</b> <b>EFFECTIVE</b>  <b>AUG 8 - '02</b> <b>AUG 1 - '02</b>
Name of Utility  <b>PONDEROSA TERRACE ESTATES WATER SYSTEM, INC.</b>		 <b>SECRETARY</b> (Approval Stamp)
<p><b>11. DISCONNECTION AND RECONNECTION OF SERVICE</b></p> <p>11.1        When a Customer desires to discontinue service he shall give notice to the Company at least two (2) days in advance and shall be responsible for all water consumed for the two (2) days after the date of such notice.</p> <p>11.2        The Company may discontinue a Customer's service on an involuntary basis only in accordance with UCRR.</p> <p>11.3        When it becomes necessary for the Company to involuntarily discontinue water service to a Customer, service will be reconnected only after all bills for service then due have been paid or satisfactory payment arrangements have been made.</p> <p>11.4        A reconnection fee will be charged each time a Customer is disconnected, either voluntarily or involuntarily, and reconnected at the same premises. The reconnection fee shall be paid before service is restored. Reconnection fees will not be charged for any situation or circumstance in which the Customer's water supply is disconnected by the Company for its convenience.</p> <p>11.5        The Company reserves the right at any time, upon notice, to shut off the water for maintenance or expansion and, in emergencies, may do so without notice. The Company shall at all times use reasonable diligence and care to prevent interruption of said water service.</p>		
Issued                      August 8, 2002                      Effective                      August 1, 2002 <span style="float: right;">Order No. 29086</span>		

Issued by **PONDEROSA TERRACE ESTATES WATER SYSTEM, INC.**

By  Title 

AUG 8 - '02

AUG 1 - '02

Cancelling

Name of Utility

**PONDEROSA TERRACE ESTATES WATER SYSTEM, INC.**

*Jean M. Jewell* **SECRETARY**

(Approval Stamp)

11.6 Except in the case of an emergency, no one, except an authorized Company representative, is allowed to turn-on or turn-off the water on the Company's side of the service connection.

**12. EXTENSION OF WATER MAINS**

12.1 The extension of system water mains for the purpose of providing new service shall be done on a time and material basis.

**13. MISCELLANEOUS**

13.1 No Customer shall permit any person from another premises to take water from his or her water service or tap for more than (1) week without the written permission and consent of the Company.

13.2 No person acting either on his or her own behalf or an agent of any person, firm, corporation or municipality, not authorized by the Company, shall take any water from any fire hydrant on the Company's system except in the case of an emergency.

13.3 No person shall place upon or about any hydrant, gate, box, meter, meter box or other property of the Company, any building material or other substance so as to prevent free access at all times to the same.

13.4 Service will be maintained to domestic Customers on a preferential basis. Delivery of water under all schedules may be restricted, interrupted or curtailed at the discretion of the Company in case of shortage or threatened shortage of water.

Issued August 8, 2002 Effective August 1, 2002  
 Order No. 29086

Issued by **PONDEROSA TERRACE ESTATES WATER SYSTEM, INC.**

By *Robson Cobalt* Title *President*

AUG 8 - '02

AUG 1 - '02

Cancelling

*John W. Jewell* SECRETARY

Name of Utility

**PONDEROSA TERRACE ESTATES WATER SYSTEM, INC.**

(Approval Stamp)

- 13.5 No rate contract or application is assignable from one user to another, except upon agreement of all parties concerned.
- 13.6 The representative of the Company shall be given access to the premises of the Customer at all reasonable hours for obtaining meter readings, for turning on or shutting off the flow of water, for inspecting, removing, repairing or protecting from abuse or fraud any of the property of the Company installed on the premises. Access shall be granted at all times for emergency purposes.
- 13.7 No one, except an authorized agent of the Company, shall tamper with, interfere with, make repairs, connections or replacements of or to any of the Company's property.
- 13.8 Whenever an applicant desires service of a character for which there is no available service classification, a contract may be executed in lieu of a tariff. Any such contract is subject to the approval of the Idaho Public Utilities Commission.
- 13.9 The Customer is held responsible for any violation of these Rules and Regulations even though the breach is committed by someone employed either directly, or indirectly, by the customer.
- 13.10 Copies of the Company's rates and rules summary of regulations will be available at utility's office; will be provided to customers upon commencement of service; and, will be provided to customers annually in accordance with Utility Customer Relations Rules (UCRR) and Utility Customer Information Rules (UCIR).

Issued

August 8, 2002

Effective

August 1, 2002

Order No. 29086

Issued by **PONDEROSA TERRACE ESTATES WATER SYSTEM, INC.**

By *Rebaa Corbett*

Title *President*

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF THE INVESTIGATION )  
INTO WHETHER PONDEROSA TERRACE ) CASE NO. GNR-W-01-1  
ESTATES WATER SYSTEM, INC. IS A PUBLIC )  
UTILITY SUBJECT TO REGULATION BY )  
THE IDAHO PUBLIC UTILITIES ) CERTIFICATE NO. 393  
COMMISSION. )**

---


IT IS HEREBY CERTIFIED that the public convenience and necessity requires Ponderosa Terrace Estates Water System, Inc., its successors and assigns, to hold, construct or otherwise acquire, to maintain and to operate a water system located south of Sandpoint and east of the community of Sagle in Bonner County, said territory being more particularly described as: certain territory in Government Lots 3 and 5 of Section 5, Township 55 North, Range 1 West, Boise-Meridian, Bonner County, Idaho embraced generally within but not limited to the plats known as Ponderosa Terrace Estates and First Addition to Ponderosa Terrace Estates as recorded in the Bonner County Recorder's Office.

This Certificate is for such purpose to own, hold, construct or otherwise acquire and to maintain and operate within said territory water wells, reservoirs, tanks, towers, stand pipes, collectors, settling basins, galleries and other works and structures, and also to lay, take up, repair, remove, extend, alter, maintain and operate water mains, pipes, conduits, aqueducts, hydrants and other appliances, equipment and facilities in, upon, over, under, along, through and across all streets, avenues, alleys, streams, highways, roads, and other public places in said territory as the same now exists or may hereafter be extended, laid out or established, and to exercise the rights and privileges granted, or to which may hereafter be granted Ponderosa Terrace Estates Water System, Inc., its successors or assigns, by any franchise conferred by the state of Idaho or any political subdivisions thereof.


This Certificate is predicated upon and issued pursuant to the findings and conclusions of Order No. 28917 in Case No. GNR-W-01-1 to which reference is hereby made.

Appendix 4

DATED at Boise, Idaho this 3<sup>rd</sup> day of December 2002.

  
\_\_\_\_\_  
PAUL KJELLANDER, PRESIDENT

  
\_\_\_\_\_  
MARSHA H. SMITH, COMMISSIONER

  
\_\_\_\_\_  
DENNIS S. HANSEN, COMMISSIONER

ATTEST:

  
\_\_\_\_\_  
Jean D. Jewell  
Commission Secretary

bls/O:GNRW0101\_Cert393





## Idaho Public Utilities Commission

P.O. Box 83720, Boise, ID 83720-0074

Brad Little, Governor

Eric Anderson, President  
John Chatburn, Commissioner  
John R. Hammond, Jr., Commissioner

December 12, 2022

*Via Email to [farkowater@gmail.com](mailto:farkowater@gmail.com)*

Larry Fairfax  
Farko Water System, Inc.  
PO Box 826  
SageI, ID 83860

### Re: Ponderosa Terrace Estates Water System

Dear Mr. Fairfax:

The Idaho Public Utilities Commission ("Commission") has information on file for the Ponderosa Terrace Estates Water System ("PTE Water") as holding Certificate of Public Convenience and Necessity ("CPCN") No. 393. As stated in Commission letter, dated January 11, 2016<sup>1</sup>, the Commission does not recognize Farko Water System, Inc. ("Farko Water") having any rights to serve customers within CPCN No. 393. We understand that you are interested in transferring CPCN No. 393 to Farko Water. Because you have identified yourself as the owner, or director, of Farko Water, and currently operating PTE Water, we need you to take the following steps:

1. File an Application with the Commission to transfer CPCN to Farko Water;
2. Provide documents outlining and demonstrating current legal ownership of PTE Water assets, well(s), water rights, etc.; and,
3. Provide Corporate documents of Farko Water, including:
  - a. Secretary of State – Articles of Incorporation.

We request that the documents and information be provided in **fourteen (14) days**. Your prompt response will allow us to begin the process of transferring CPCN No. 393.

Additional information regarding the application process to transfer CPCN No. 393 is available at the Commission's website. To access this information, please visit [puc.idaho.gov](http://puc.idaho.gov) and click on the "WATER" icon on the left-hand side of the screen. The "Water Company Information Packet" located within the "WATER" icon includes forms, checklists, and information regarding the Certificate of Public Convenience and Necessity process. Commission Staff is willing to help you through the process if you desire.

<sup>1</sup> See Attachment A - IPUC Letter to Ponderosa Terrace Estates - Farko Water dated January 11, 2016.

December 12, 2022  
Page 2 of 2

For your convenience, you will find a copy of CPCN No. 393 attached to this letter. *See Attachment B.* If you have any questions and would like to speak directly to Staff regarding requested documents and information, please contact Travis Culbertson at [travis.culbertson@puc.idaho.gov](mailto:travis.culbertson@puc.idaho.gov).

Sincerely,



Terri Carlock  
Administrator – Utility Division  
Idaho Public Utilities Commission

Enclosures  
cc:

JAN 06 2016

## **PONDEROSA TERRACE ESTATES WATER SYSTEM, INC.**

*SERVICED BY FARKO WATER SYSTEM INC.*

PO BOX 826, SAGLE IDAHO 83860

(208) 290-9500

IDAHO STATE PUBLIC UTILITIES COMMISSION

P.O. Box 83720 Boise, ID 83720-0074

472 W. Washington Boise, ID 83702

Ph: 208.334.0300

Fx: 208.334.3762

To the Secretary and all that pertain:

per the authority vested in Demetrius Kovacs as Power of Attorney for Robaer Cobott and Zaderea Raphael and sole share owner of 10,000 (shares) in Ponderosa Terrace Estates Water System, Inc. (Company) I assumed full control and ownership of the company and as such filed with the Idaho Secretary of State an "Article of Dissolution" and Change of Agent for the company to myself and hereby acknowledge transfer of all shares to FARKO WATER SYSTEM INC. pending an approved transfer of certification to FARKO WATER SYSTEM, INC (Servicer) upon successful application approval by P.U.C. (commission). In the interim, the servicer for all billing, payment collections and service calls will be:

FARKO WATER SYSTEM INC.  
SERVICER FOR PTE WATER SYSTEM.  
PO BOX 826  
SAGLE IDAHO 83864

After hours emergencies contact: (208) 263-8437  
Normal business hours and administrative contact: (208)290-9500

Larry Fairfax will continue to serve as control operator for the system.

We intend to keep a transparency between our company and the commission. It is our intent to run the system effectively and provide water with quality service at an affordable price, however due to significant financial hardship due to the misappropriation of funds and catastrophic failures on the system we intend to file for a rate increase with the commission as soon as we obtain a favorable ruling based on our future application.

If you should have questions you may direct them to either myself or Mr. Fairfax at the numbers above.

Attached are the documents requested.

Regards,

  
Demetrius J. Kovacs



## Idaho Public Utilities Commission

P.O. Box 83720, Boise, ID 83720-0074

C.L. Butch Otter, Governor

Paul Kjellander, Commissioner  
Kristine Raper, Commissioner  
Eric Anderson, Commissioner

January 11, 2016

Ponderosa Terrace Estates Water System, Inc.  
Attn: Demetrius Kovacs  
P.O. Box 826  
Sagle, ID 83864

RE: Status of Ponderosa Terrace Estates Water System, Inc. (PTE)

Dear Mr. Kovacs:


I am writing this to clarify the status of PTE, a water utility regulated by the Idaho Public Utilities Commission (IPUC). Based on the information you have provided to the staff of the IPUC to date, it appears that ownership of PTE was transferred from Robaer Cobott, President and sole owner of PTE, and Zaderea Raphael, Mr. Cobott's wife and Secretary of PTE, to you, Demetrius Kovacs. Subsequently, in December 2015, action was taken to dissolve PTE, and arrangements were made to continue providing service to customers through Farko Water System, Inc., on an interim basis.

As of this writing, the IPUC has not received an application regarding the transfer of PTE's assets (including its Certificate of Public Convenience and Necessity) to a successor water system. You agreed to submit an application as soon as possible. That application may include a request for an increase in water rates. The application, including any proposal to increase rates, will be subject to the Staff's review and the IPUC's approval. Customers will have the opportunity to comment on the application, including any proposed rate increase. In the interim, you agreed to continue to charge customers the existing PUC-approved rates for water service from PTE. Larry Fairfax will continue to be the System Operator and assume other duties as assigned. Billing, collection of payment, and service calls will be handled by Farko Water System.

The address designated by you for customers to use to send payments is: Farko Water System, Inc., P.O. Box 826, Sagle, ID 83864. Customers can contact the company by phone during normal business hours at (208) 290-9500. Outside of normal business hours, the emergency contact number is (208) 263-8437.

In the event that there are questions or complaints that cannot be answered or resolved directly with the company, customers can contact the IPUC toll free at (800) 432-0369 or (208) 334-0369. Consumer assistance is also available on the IPUC website at [www.puc.idaho.gov](http://www.puc.idaho.gov) by clicking on "Consumer Assistance Form".

Sincerely,

  
Beverly Barker, Director  
Consumer Assistance

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF THE INVESTIGATION     )  
INTO WHETHER PONDEROSA TERRACE        )  
ESTATES WATER SYSTEM, INC. IS A PUBLIC  )  
UTILITY SUBJECT TO REGULATION BY       )  
THE IDAHO PUBLIC UTILITIES             )  
COMMISSION.                                 )**

**CASE NO. GNR-W-01-1  
CERTIFICATE NO. 393**

---


IT IS HEREBY CERTIFIED that the public convenience and necessity requires Ponderosa Terrace Estates Water System, Inc., its successors and assigns, to hold, construct or otherwise acquire, to maintain and to operate a water system located south of Sandpoint and east of the community of Sagle in Bonner County, said territory being more particularly described as: certain territory in Government Lots 3 and 5 of Section 5, Township 55 North, Range 1 West, Boise-Meridian, Bonner County, Idaho embraced generally within but not limited to the plats known as Ponderosa Terrace Estates and First Addition to Ponderosa Terrace Estates as recorded in the Bonner County Recorder's Office.

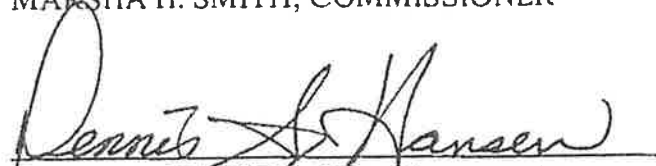
This Certificate is for such purpose to own, hold, construct or otherwise acquire and to maintain and operate within said territory water wells, reservoirs, tanks, towers, stand pipes, collectors, settling basins, galleries and other works and structures, and also to lay, take up, repair, remove, extend, alter, maintain and operate water mains, pipes, conduits, aqueducts, hydrants and other appliances, equipment and facilities in, upon, over, under, along, through and across all streets, avenues, alleys, streams, highways, roads, and other public places in said territory as the same now exists or may hereafter be extended, laid out or established, and to exercise the rights and privileges granted, or to which may hereafter be granted Ponderosa Terrace Estates Water System, Inc., its successors or assigns, by any franchise conferred by the state of Idaho or any political subdivisions thereof.

This Certificate is predicated upon and issued pursuant to the findings and conclusions of Order No. 28917 in Case No. GNR-W-01-1 to which reference is hereby made.

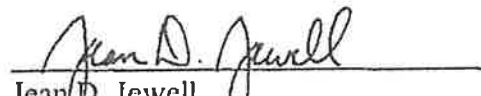
DATED at Boise, Idaho this 3<sup>rd</sup> day of December 2002.

  
PAUL KJELLANDER, PRESIDENT

  
MARSHA H. SMITH, COMMISSIONER

  
DENNIS S. HANSEN, COMMISSIONER

ATTEST:

  
Jean D. Jewell  
Commission Secretary

b1s:O GNRW0101 Cen393