

East Side Highway District  
Minutes April 17, 2017

Chairman Sverdsten called the meeting to order at 9:00 a.m.

**Present:** Chairman Sverdsten, Commissioner Christensen, Commissioner Addington, Supervisor Pankratz, Secretary Leake.

**Guests:** Chris Shipley with Magnuson McHugh & Co., Eric Olson & Marc Levesey with HMH LLC., Lorna Casey-Kaiser, Diane Eve with Straight Eight Films

**Guest:** Resident Lorna Casey-Kaiser thanked the board for looking into alternative funding for the **FLAP** grant application, but expressed some concerns about parts of the application. Some of the concerns stated were:

- The choice of roads: She said other high-use roads such as Mullan Trail Road, and Bonnell may be a better choice for this application.
- Considering the estimated project costs - where are we going to get the additional match funds?
- Ms. Casey-Kaiser believes there were misleading or erroneous statements in the application in regards to the estimated approval percentage (of the locals). She would also like to know more about the crash data -where the numbers came from and where the accidents took place in relation to the segments of proposed improvements.

The response to her concerns involved some of the following discussion.

- This road would serve as an alternative east/west route in the event of emergency closure of I-90 through that corridor. The road also is an access route to Federal and State lands and to public recreational areas. One section of the road is currently reduced to one lane due to severe deterioration. The District has attempted many times throughout the last 15 years to work with ITD in getting necessary repairs done to no avail. While the district does make use of other grants like LHRIP and LHSIP, this road only met the qualifications for the FLAP grant. The added benefit of match funding assistance from other agencies who could benefit from the improved roadway further enhances the District's ability to get the needed improvements on this roadway. The costs were the engineer's estimate based on Federal Design Criteria. If and when we get to the preliminary design stage then those costs can be better defined. The District will save the match requirement for this project like we do all other large projects - it takes time to set aside funding from the general fund. We frequently seek assistance from other entities and this project won't be any different. Supervisor Pankratz did emphasize that while this road improvement would benefit the BLM's project, their project is completely separate. The district cannot independently financially accomplish this needed road improvement - we need outside financial support and it makes sense to ask the benefited agencies for that support.
- The application stated "ESHD estimates approximately 90% of the area public would support the proposed roadway improvements."

In closing the Board thanked Ms. Casey-Kaiser for bringing her concerns to the Board's attention.

**Guest:** Eric Olson & Marc Levesey with HMH-LLC. Mr. Olson is the Engineer of Record with the Camp Easton (Boy Scouts of America) project, which the District is Sponsoring. In a brief project status

update he said the State-Local Agreement is signed and in place. We should expect a Project Development contract for review and approval at our next board meeting to meet the Phase 4 Materials Reporting requirements. This sub-contract is expected to have minimal effect on the project's budget, and no impact on the District's budget. The project is still on course to begin this fall after camp closes.

**Guest:** Chris Shipley with Magnuson McHugh & Co.

Mr. Shipley CPA & Director of Audit and Assurance Services provided the Board a brief overview of our recently completed 2016 Fiscal Year Audit. He indicated that the management statements and activities are accurate and the preparation of financial records and materials are clean. New this year in auditing is GASB 72 which deals with fair values. The treatment of lease/purchases will be changing in the reporting aspect, but should not impact the District's decision making process. Magnuson McHugh & Co. conducts annual audits (as required by Idaho code) to many local governmental agencies and Mr. Shipley said kudos to the Board and staff for a job well done, and thanked us for working with MMC. Commissioner Sverdsten asked about holding funds in reserve for future projects. Mr. Shipley said it is important that the Board Members continue to discuss our projects and funding plans in the Board Meetings to keep the public aware. He said each district's needs are unique and there is no Idaho Code that indicates a specific amount. The District expressed their thanks to Auditor Korby Baker and MMC staff for all their hard work. We appreciate their professional advice throughout the year and the working relationship we have with MMC.

9:35 Chairman Sverdsten called for a break. 9:40 Chairman Sverdsten reconvened the regular meeting.

**Previous Minutes:**

Commissioner Christensen made a motion to accept the March 13, 2017 Special Call and Special Call - Disposal of District Property Meeting Minutes. Commissioner Addington seconded by motion which was unanimously approved.

**Treasury Report:**

Petty Cash	\$	200.00
Umpqua Bank (general checking)	\$	174,710.91
Fund 891	\$	927,871.88
Less Assured Macro-Balance	\$ -	1,500.00
<b>Balance of Working Capital this Date</b>	<b>\$</b>	<b>1,101,282.79</b>
Funds 369 TMF (Dedicated)	\$	175,114.42
<b>Funds Total</b>	<b>\$</b>	<b>1,276,397.21</b>

**ACTION:** Commissioner Addington made a motion to accept the Treasury Report: The general checking account expenses totaled \$460,049.13 for checks #16096-16159 (includes electronic payments.)

Commissioner Christensen seconded the motion, which was unanimously approved.

**Budget Notes:**

- Secretary Leake informed the Commissioners that the Forest Reserve Funds were only \$8.5K this year (we had budgeted 80K). This funding source is now terminated.

**Correspondence Log Discussion:**

**Item # 34** An email dated 4/4/2017 from Kristen Larson of DEQ informed the District that "Idaho Fish and Game now own the Black Lake Ranch. JJ Teare (IDFG Regional Habitat Manager) and his staff are now charged with the management of the parcel." In March of 2016 Supervisor Pankratz wrote a letter to Idaho Fish and Game (when the land exchange was first proposed to the public). The letter

said " I am very concerned regarding the impacts that increased traffic loading on these roads will have both during and after the proposed improvements. Should this exchange occur, the U.S. Fish and Wildlife Services and Idaho Fish and Game need to consider, as part of the planning process, both Black Lake and Upper Black Lake Roads to allow for improvements that would bring these roads in compliance with current Highway District Standards. These roads are narrow, steep, and winding in mountainous terrain with a gravel surface within the Superfund Site, that equates to run-off sediment and dust." We will continue to encourage them to assist with infrastructure costs.

Item # 67 Fernan Lake Road Chip Seal: The chip seal done last year by Poe Asphalt had a one year warranty. Because we still don't know exactly what caused the failure it is difficult to know what measures to take before the new chip seal is done. Supervisor Pankratz said it is just a matter of time before the faulty chip seal breaks up and if we blade off what is left, does that impact the warranty etc. Once the remedial work is done this year, then any additional work that needs to be done would be our costs. Conversations continue between LHTAC, the contractor, the engineer, and District.

**Old Business / Follow-Up List:**

1. Fernan Lake Road (right of way)- Commissioner Christensen sent Attorney Weeks an email today in this regard.
2. Avista Easement - this is addressed today as Agenda Item 7 C. and will be *removed* from this list.
3. Fernan Lake Road (chip seal) remains on the list.
4. Springview Dr. - *remove* from the list.

**New Business:**

**A.** Mylars for The Homestead at Gozzer Ranch. The district reviewed the proposal with no objections. **Action:** Commissioner Addington made a motion to approve and sign the mylars. Commissioner Christensen seconded the motion. Due to a lack of signature line for the Board Chairman on the mylars, the action could not be completed at this time.

**Action:** Commissioner Addington made a motion to rescind the first motion. Commissioner Christensen seconded the motion. Motion carried with unanimous approval.

**B.** 2017 Local Piggyback bid for Oil. The District has the opportunity to piggyback off of Shoshone's bid for oil from Idaho Asphalt at last year's prices which is a savings from other 2017 prices.

**Action:** Commissioner Christensen made a motion to accept the piggyback bid. Commissioner Addington seconded the motion. Motion carried with unanimous approval.

**C.** Electric Line Right of Way Easement. Attorney Susan Weeks provided the District with an easement document that better served the District in this situation with AVISTA.

**Action:** Motion by Commissioner Christensen to enter into the Right of Way Easement with AVISTA utilities. Commissioner Addington seconded the motion. Motion carried with unanimous approval. The document will be recorded once signed and returned from AVISTA Utilities.

**D.** Abandonment / Vacation of the old Burma Road Right-of-Way.

**Action:** Commissioner Addington made a motion to proceed with scheduling a hearing date and advertisement once we receive the necessary legal description with full consideration of the Idaho Code time lines for this action. Commissioner Christensen seconded the motion. Motion carried with unanimous approval.

**E.** Immaculate Conception Church in Post Falls submitted a Special Events Permit Application for their annual pilgrimage to Cataldo. **Action:** Commissioner Addington made a motion to approve the permit. Commissioner Christensen seconded the motion. Motion carried with unanimous approval.

**E.** **Guest** Diane Eve with Straight Eight Films submitted a Special Events Permit Application for the production of a commercial on Fernan Lake Road Tuesday 4/18/17 from 8am-12noon. She explained the time line, expectations and who was involved. The application was accompanied by proof of insurance, and a traffic control plan through Precision Traffic Control. Only one lane would be closed in segmented increments with traffic control and minimum wait times.  
**Action:** Commissioner Christensen made a motion to approve the permit. Commissioner Addington seconded the motion. Motion carried with unanimous approval.

**G.** Supervisor Pankratz received a phone call from resident Tom Lamb last week asking him to look into a lake access spur road off Anderson Lake Road that was gated by Mr. Warnike. Our information shows that access is public right of way. Idaho Code 40-2319 authorizes the District to have the gate removed.  
**Action:** Commissioners asked Supervisor Pankratz to contact Mr. Warnike and make attempts to resolve the issue before seeking legal support.

**H.** Variance Request- Silver Beach Road: Ryan Neary with d'Zign Group Architecture submitted a written variance request for his client - Mr. Wardian. The request states " to allow a new single family residence and garage at 2291 S Silver Beach Road to be constructed within the East Side Highway District prescriptive easement for S. Silver Beach Road. The new structure will be located approximately 5 feet from edge of pavement per the attached site plan." They are requesting the variance because the significant vertical slope and stability issues.  
Discussion regarding the request brought up a number of concerns - some of which were: Utilities that may be in the easement that would be covered by their building, the insufficient space for plowed snow, the already narrowed travel-way, the lots above that have slope failures.  
Kootenai County, not the Highway District, has the authority to approve set-back requirements however; the District is responsible to make recommendations to the County that could influence their decision to approve or deny.  
**Action:** Commissioner Christensen made a motion to deny the variance request based on the information presented. Commissioner Addington seconded the motion. Motion carried with unanimous approval.

**Supervisor Pankratz:**

1. John will be out of the office the week of July 24th.
2. Supervisor Pankratz recently assessed flooding damage throughout the district. Gravel loss and shoulder repair are the main impacts at a cost of about 180K if the District does the repairs. If the repairs go through the FEMA process the costs will increase significantly because of the bid process etc... (Senate Bill 1141 passed late last week authorized 50 million from the Surplus Eliminator for Emergency Repairs- these projects would be subject to the FEMA process. Federal Aid routes will qualify for emergency funds through a different process.

3. 319 Grant - A collaborative grant application with the Kootenai Soil and Water Conservation District. If approved, this grant will pay for replacement culverts as follows: 2 on Newell Road, 3 on Blue Creek Road, and 1 on Yellowstone. The District will supply labor and materials. Because the grant is not yet awarded we were able to list four of these pipes on the Flood Damage Assessment.
4. Harrison Shop needs a sign storage compartment to keep their supply out of the weather and more accessible when needed. Supervisor Pankratz believes he can get one locally for about 3-3.5K.
5. Harrison Shop has developed a significant mold problem. This winter the floor drain pipe froze, but with the newly insulated roof and new doors there was no easy release of the moisture in the air. A mold remediation company has been called to assess the situation.
6. Harlow Point Road Rehabilitation project is scheduled to begin next month with consideration to preparatory work being completed and weather permitting.
7. East Side Fire District has volunteered to pick up litter at the end of April. The District is having Litter Pick-Up signs made as a safety measure. We will provide the litter bags and disposal when they are done. Commissioner Sverdsten will use the signs after the Fire District for litter pick up on Dredge and Canyon Roads. The District appreciates the collaborative efforts of residents and agencies to keep our roadsides clean.
8. There is a Bike-Ped Safety Workshop scheduled for May 23rd & 24th at the CDA Library and Post Falls City Hall. The District will have a representative at each day's events.
9. The lower portion of Asbury Pit road got washed out when a pipe got plugged this spring. Once the load limits are lifted we will make the necessary repairs.
10. Sub District 2 is converting one of the trucks we purchased from Lakes Highway District last year into a water truck.
11. Foreman Christensen and Supervisor Pankratz met with a resident on Diamond Road regarding the turn-a-round. The improvements discussed were raising the road level and replacing the pipe.
12. Keith Siebert offered to sell the District about 700 yards of material at last year's price. We are also considering purchasing material from Basin Resources, who have a crusher at Willow Creek, to supply us with material for Sub-District 2.
13. EPA has intensified the MS4 Draft Permitting process. The new requirements are placing responsibilities on the highway districts that are well beyond our legal authority. Supervisors from Lakes, Post Falls and East Side Highway Districts have been meeting with Laura Winter of Ruen Yeager (charged with NDPEs compliance for the highway district required to permit) and with Attorney Weeks regarding these requirements. At the last meeting it was decided that Attorney Weeks would meet with Misha Vakoc of EPA while in Seattle on other business regarding the District's position on the new requirements and the permitting process.

**Commissioner Reports:**

**Commissioner Addington**

1. Burma Road: Commissioner Addington was happy to report that the frost heaves on Burma Road seemed to settle although not completely down to pre-frost condition. Supervisor Pankratz added that they may not go back to the original status. Other roads with significant issues were on Gem Road, Bell Canyon Road, and some bad spots (but still passable) on Van Dusen Road.
2. Asbury Pit Road - Commissioner Addington agreed with the proposed repairs. Supervisor Pankratz said he would like to check into obtaining more property to expand the pit.

**Commissioner Christensen:**

1. Commissioner Christensen spoke with a resident about an issue on Whistle Road. The resident was referred to the Idaho Transportation Department.
2. Coeur d Alene Lake Drive Status Update: Commissioner Christensen asked for a status update. Supervisor Pankratz said the conversation was left with ITD. The cost analysis completed by Welch Comer was for pavement only and did not include culverts, signs etc. ITD proposed that we accept the road for maintenance and we responded with a list of conditions. The functionality of this road has transitioned over the years and no longer serves as normal ITD infrastructure, so in that sense, it would be logical that it be within ESHD jurisdiction, however, it does not make sense to accept old and worn out roadways into our maintenance jurisdiction.

**Chairman Sverdsten:**

1. Several residents have contacted Commissioner Sverdsten asking for exceptions to the load limits. Some roads are getting close to getting limits lifted, but for the most part we are still dealing with water retention in the clay based terrain, and overnight freezing temperatures which stall the needed drying period.

11:20 Chairman Sverdsten called for a break. 11:30 Chairman Sverdsten reconvened the regular meeting

Commissioner Christensen made a motion to call an Executive Session at 11:31 a.m. as authorized under Idaho Code 74-206 (a). Motion seconded by Commissioner Addington. Motion carried with unanimous approval.

Commissioner Addington made a motion to adjourn the Executive Session at 11:55 a.m. Commissioner Christensen seconded the motion. Motion carried with unanimous approval.

Commissioner Christensen made a motion to adjourn the meeting at 11:56 a.m. Commissioner Addington seconded the motion. Motion carried with unanimous approval.

---

Commissioner Christensen  
Sub District 1

---

Chairman Sverdsten  
Sub District 2

---

Commissioner Addington  
Sub District 3

---

Secretary Leake