

East Side Highway District
Board Meeting Minutes
October 24, 2016

Chairman Sverdsten called the meeting to order at 8:31 a.m.

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

Guests: Doug Jaworski, Dawson Mortimore of A.J. Gallagher and Co.; Rande Warner, Dan Yake, Scott McKahan, Joe Whipple, Graham Christensen, Tracey Yost, Denny Davis, Lorna Casey-Kaiser

Guest Topic: VEBA Mr. Jaworski and Mortimore followed up with the Board regarding the VEBA program shared at the September board meeting and information they sent to the Commissioners after that meeting. The VEBA plan pamphlet indicates that the common funding sources include mainly employer contribution, and mandatory employee contribution. Supervisor Pankratz asked what the program would cost the district, to which Mr. Mortimore said there is a minimal fee to the employee. They did not address what the cost would be to the district. Commissioner Sverdsten said that the board is inclined not to move forward at this time with the VEBA program.

Guest Topic: Leonard Road Mr. Warner gave the board a brief history of this road. "In 1908 a Viewers Report of a road survey was done and accepted by the council. This proposed road was never built, and the report was never recorded at the Kootenai County. In the 1900's Washington Water Power Company built a dam which raised the water level in Rose Lake and flooded a lot of farmland around the lake. Looking at the survey notes there are several areas in this road survey that were just feet above the high water table. Now they are probably well below that." Mr. Warner went on to say that a neighbor informed him that they recently purchased 15 1/2 acres of swamp and 1.5 acres of dry land at the south end of Mr. Warner's property, and that neighbor now wants access to that land through Mr. Warner's property citing it as public (via the Viewers Report). Since the lake level was raised there is no other dry ground access to that land.

Mr. Warner is requesting the Board of Commissioners to consider vacating this portion of Leonard Road on the main principle that it was never built and to consider the fact that since it has been 108 years since the viewers report was created and all the steps are incomplete.

There are several factors that must be considered:

- The East Side Highway District office became aware of the Viewer Report and recorded it with the Kootenai Recorder's Office in September 2016 (as per established District policy) - not knowing about the chain of events that are now unfolding. The County has not completed the filing of this recording as of October 2016.
- The road was never built nor maintained by the Highway District.
- If the recording had not occurred yet, then according to Idaho Statute, the right of way would have self-vacated by now.
- According to Idaho Statute, the District is not allowed to vacate/abandon right of way if by that action, a property owner is land locked.

ACTION: The District will consult with Attorney Susan Weeks on this matter.

Previous Minutes:

ACTION: Commissioner Fillios made a motion to accept the September 19, 2016 Board Meeting Minutes as presented. Commissioner Addington seconded the motion, which was unanimously approved.

Treasury Report:

ACTION: Commissioner Addington made a motion to accept the Treasury Report: The general checking account expenses and transfers from checking were in the amount of \$227,205.58 covered by checks #15814-15863 (including electronic transactions.) Commissioner Fillios seconded the motion, which was unanimously approved.

Treasury Report:

| | | |
|---|-----------|---------------------|
| Petty Cash | \$ | 200.00 |
| Umpqua Checking | \$ | 159,697.99 |
| State Treasury Account Fund 891 | \$ | 747,231.57 |
| Less Umpqua Assured Macro-Balance | \$ - | 1,500.00 |
| Balance of Working Capital this Date | \$ | 905,629.56 |
| Dedicated Funds at State Treasury Office Fund 369 TMF | \$ | 163,468.89 |
| Funds Total | \$ | 1,069,098.45 |

Discussion on Correspondence, Reports, Permits: (See attached)

Item #9: Permit 2016-41 issued to AECOM for utility work to be completed on Canyon Road. Commissioner Sverdsten asked about this permit, and Supervisor Pankratz responded that it was a geotechnical soil boring permit issued to an AVISTA subcontractor.

Item # 14: Blue Creek (BLM) Project - Commissioner Fillios asked if we had heard anything back from the BLM since the comment letter was sent. Supervisor Pankratz indicated that no new developments have been discussed with BLM in regards to infrastructure improvements leading to the proposed project.

Item # 26: Fluid Applied Roofing - The District received a quote from Luke Yoder of Fluid Applied Roofing for the proposed repairs on the Rose Lake Shop roof in the amount of \$16,750. Last spring the District requested repair quotes from three local roofing companies with no response. The District has budgeted \$20K for building maintenance in this fiscal year which easily accommodates that price quote. Supervisor Pankratz said work can begin as soon as the contractor provides the District with an Idaho Public Works License and an Idaho Contractor's License.

Item # 32: Resident Ron Grisby filed a Public Records Request for copies of District Resolutions related to our relinquishing maintenance on the Wolf Lodge side of Yellowstone Trail Road.

Item # 96: Resident Zac Watson 23030 E King St. Cataldo / Rose Lake requested "No Jake Brake" signs to be posted as you pass through the town of Rose Lake. The District responded to his email that he should contact ITD for that request.

Old Business: (Follow-up List)

- Item #1: Fernan Lake Road. Commissioner Addington inquired as to the status of the last parcel in the right of way acquisition. Supervisor Pankratz replied that we are waiting to hear from Attorney Doug Marfice for the remaining parcel which is now bank owned. Pankratz will speak with Attorney Weeks about progressing the case forward with legal action.

- Item # 2: Training on the prevention of wash-boarding roads. Commissioner Sverdsten suggested this item be removed due to the length of time being on the list (9/15/14) and the apparent unavailability of this particular training. Supervisor Pankratz said he would check with LHTAC's T2 Center about the likelihood of getting this class scheduled.
- Item # 4: VEBA - Commissioner Sverdsten said that he really hadn't devoted time to completely review the packet of information that Mr. Jaworski had sent and asked that it be added to the next meeting agenda again.
- Item # 5: Addendum to Arrow View Estates - it is completed and will be removed from the list.
- Item # 7: Discarded Guardrail on Canyon Road: This item will be removed from the list. (The topic will be discussed later in the meeting under the Supervisor Report).

New Business

A. Fernan Hill Road Right of Way Acceptance (Reed Property) Attorney Denny Davis represented his client Mary Lou Reed and presented the Board of Commissioners two Quit Claim Documents. The First Quit Claim deed relinquished all interest in the property as described in the Exhibit as Description for Reed - Fernan Hill Road; and the second Quit Claim deed relinquished all interest in the Exhibit for the remnant portions described in the following manner: Description for Reed - South part of Parcel 1; Description for Reed - Middle part of Parcel 1; Description for Reed - North part of Parcel 1; Description for Reed - West of Fernan Hill Road; Description for Reed - Portion of Parcel 1, under road.

ACTION: Motion by Commissioner Fillios to accept the Right of Way on Fernan Hill Road as presented in the Quit Claim Deed and the Right of Way as presented as South Part of Parcel 1; Middle Part of Parcel 1; North Part of Parcel 1; Reed-West of Fernan Hill Road; and Portion of Parcel 1, under Road. Commissioner Addington seconded the motion. Motion carried with unanimous approval. (*The two Quit Claim Deeds were recorded under # 2568596 and # 2568597 at Office of Kootenai County Recorder.*)

B. Set hearing date for Fernan Hill Road Right of Way Exchange (Dodge Property):

ACTION: Motion by Commissioner Fillios to schedule a public hearing on December 19, 2016 at 8:45 a.m. for the proposed Right of Way Exchange on Fernan Hill Road. Commissioner Addington seconded the motion. Motion carried with unanimous approval.

C. Peirce Plat Sign-off:

ACTION: Motion by Commissioner Addington to accept the MIN16-0010 Peirce Tract subdivision plat and to sign the mylars as presented. Commissioner Fillios seconded the motion. Motion carried with unanimous approval.

D. Truck Purchase via Bonner County Piggy-Back Bid :

Supervisor Pankratz informed the Commissioners that the motor in Unit 232 (27 years old) is done. We can either spend the money at replacing the motor in a worn down truck or we can take advantage of the piggy-back bid used to purchase the 3 new dump trucks from Freedom to obtain a 4th truck. He proposed to purchase the truck outright in the spring as opposed to the lease purchase agreement.

ACTION: Motion by Commissioner Fillios to utilize the piggyback bid of Bonner County to purchase an additional Western Star dump truck from Freedom Truck. Commissioner Addington seconded the motion. Motion carried with unanimous approval.

E. FY17 Local Federal-Aid Incentive Program CDA River Bridge Application:

Supervisor Pankratz said that there is 5 million dollars allocated statewide in bridge repairs through LHTAC. This bridge is rated the lowest efficiency bridge on a major collector in our jurisdiction. Initial assessments have indicated that the bridge in question would cost close to 2.5 million dollars, and the likelihood of getting the state to approve half of the available funding to one project seems rather slim. With this in mind, JUB Engineers suggest that we may want to do a Feasibility Study prior to completing the application process.

ACTION: Motion by Commissioner Addington to proceed with a Feasibility Study through JUB Engineering. Commissioner Fillios seconded the motion. Motion carried with unanimous approval.

F. FY17 Additional LHSIP Funding for Durable Pavement Markings Application:

Supervisor Pankratz said that one-time funding has been made available that would pay for centerline and edge striping on the following roads: O'Gara, Mullan Trail, Sunnyside, Canyon, Burma, Fernan Hill, Latour Creek, Harrison Ave, Stanley, and French Gulch (about 120 miles of striping). There is a 7.34% match requirement and the total grant will be \$50-75K.

ACTION: Motion by Commissioner Fillios to submit an application to LHTAC for the additional FY17 LHSIP funding for the durable pavement markings. Commissioner Addington seconded the motion. Motion carried with unanimous approval.

G. Advanced Benefits - Medical Insurance:

Broker Tracey Yost distributed medical insurance renewal options to the Board Members. The Federal Government has extended the ACA plan transition requirement another year - provided you do not change your existing plan (from Regence Innova). The initial renewal was a 28% increase, but Mr. Yost negotiated it down to a 19% increase. Last year at the IAHD Conference in Boise we were introduced to a relatively new self-funded medical insurance provider called Triple IIIA based out of Pocatello and underwritten by Blue Cross of Idaho. Our Board reviewed the material about their plan, but opted to stay in the committed contract to Regence Blue Shield. However since it is renewal season Advanced Benefits has been working with enrolled employees to complete an online health assessment so Mr. Yost can shop this particular company. Last year Worley Highway District changed to Triple IIIA with significant savings and their projected increase this year is 2%. Mr. Yost said that he expects a reply from Triple IIIA in the next week or so.

Other renewal options showed plans through Regence and Blue Cross with projected increases ranging from 49%-52% - all of which he has been predicting for the last several years. He went on to say that for us to capture any kind of savings based on the projected numbers we will have to shift from our current \$1000.00 deductible to a much higher one. While we haven't discussed VEBA in the past, we have worked with Health Reimbursement Arrangements. He said it is good to get creative with our health care plan, but the challenge is funding those added options like VEBA that could offer short term premium assistance after retirement. He did some preliminary research into PERSI and how the District could contribute to an employee's account. The funds the District contributes would not be taxed until withdrawn, but secured in solid investments with the opportunity to gain interest, and it would not be limited to use for medical related costs. Idaho's PERSI is known nationally for being a solid and viable system. Tracey is the broker for Shoshone County and they have used VEBA alongside of their medical insurance plan, but because of the surging premium costs are now looking at some serious challenges on funding their VEBA and removing that from their employee's benefit package.

Mr. Yost said other changes in the insurance industry such as narrowing networks are taking place with individual plans across the board and we should be expecting those changes to effect groups in the future. He said the State of Colorado is voting in November on Amendment 69 - a single-payer system called ColoradoCare. If approved the universal healthcare will be financed partly through an additional 10 percent payroll tax.

Commissioner Sverdsten called a recess at 10:02 am. The meeting was called back into order at 10:15.

H. Sale of District Property (guardrail):

Supervisor Pankratz was approached by two individuals who would like to purchase the 424 pieces of discarded guardrail from the Canyon Road project this summer. Pacific Steel Recycling said they are only paying \$50.00 per ton which makes our guardrail worth \$1060. He suggested that the material be divided between the two parties or go out to bid.

ACTION: Motion by Commissioner Addington to divide and sell the guardrail to the two interested parties. Commissioner Fillios seconded the motion. Motion carried with unanimous approval.

I. Arrow View Estates:

ACTION: Motion by Commissioner Fillios to accept the Arrow View Estates Road Development Agreement Addendum. Commissioner Addington seconded the motion. Motion carried with unanimous approval.

J. MOU Standards for Private Roads:

This is a routine update of this Memorandum of Understanding between the four local highway districts in the agreement and implementation of Kootenai County's Land Use Code regarding private roads in conjunction with our AHDKC Standards.

ACTION: Motion by Commissioner Fillios to accept and sign the MOU between districts of the AHDKC to work cooperatively with Kootenai County's Land Use Code regarding private roads and compliance with the AHDKC Standards. Commissioner Addington seconded the motion. Motion carried with unanimous approval.

K. Scott McKahan:

Mr. McKahan submitted a written request to the Commissioners for a variance from the sight distance standards on Carlin Bay Road. He is proposing to further divide the original 42 acre parcel facing Carlin Bay Road. Open Gate Lane, a private driveway runs alongside this parcel. It was determined that the property owner accessing Open Gate Road owns 90% of the road, but that shifts as the road progresses deeper into the parcel.

Mr. McKahan suggested that Supervisor Pankratz remove himself from the variance approval process because John's mother is the owner of the land/ Open Gate Lane. Supervisor Pankratz said that it is the Commissioners that make that determination, not him and furthermore the variance request is from district right of way, not the private drive. It is his job to follow and enforce the AHDKC Standards in the best interest of the Highway District, so there is no conflict of interest.

No easement exists to provide access to the 42 acre parcel through this private drive, so Mr. McKahan is proposing the two approaches to split the accesses between the four building sites. The variance is requested because the distance between the 1st approach is less than 330' (as required per standards) from Open Gate Lane. He proposes that the access closest to Open Gate Lane, while very close, provides a better line of sight onto Carlin Bay Road.

Supervisor Pankratz told the Commissioners that, according to the AHDKC Standards Mr. McKahan's proposal does not meet the variance criteria. He believes that Mr. McKahan can meet the Standards without a variance with one access (depending on placement) to all four proposed lots.

ACTION: The Commissioners asked Mr. McKahan to stake the proposed accesses and agreed to conduct a site inspection on November 16 at 3pm.

Secretary Report: None

Supervisor Pankratz:

1. Resident Christina Funk asked the District to install additional School Stop Ahead signs on Wolf Lodge Creek Road near Alder Creek. He has no concerns about installing one upstream from Alder Creek, but there is more than adequate sight distance from the other direction so doesn't see the need for the second one. He said this request normally comes from the school district.
2. ITD's contractor CPC gave us 15 tons of asphalt regrinds from the Exit 22 project that we spread on the Rocky Canyon portion of Sunnyside Road. We intended to rejuvenate the regrinds with oil, but the temperatures have not been warm enough for proper oil application. Because of this, that area may require more attention and maintenance until the oil can be applied in the spring.
3. He will be leaving for the annual IACERS and IHD conference in Sun Valley on November 7th.
4. Supervisor Pankratz reported that he is looking for a new tank for the water truck in Sub 3. The existing one is an old fatigued aluminum tank and needs replaced.
5. Supervisor Pankratz recommended the Board consider applying for FLAP (Federal Lands Access Program) funds for Yellowstone Trail or Sunnyside (Rocky Canyon). There is a 7.34% match, but he believes both of these roads may meet the needed criteria. He said there are different levels of rating that include access to Federal public lands, recreational, and collector status. He recommended the Board Members go to the FLAP website to further review the program.
6. East Side Fire District volunteers picked up and bagged garbage off Burma Road. He asked the Commissioners if we could install signs in acknowledgement of their efforts and service to the community on each end of the road. The Commissioners were in favor of the suggestion.
7. A representative of ITD asked Supervisor Pankratz what in our letter of conditions of acceptance of Coeur d Alene Lake Drive was up for discussion. Supervisor Pankratz said the only negotiable item on the list would be the purchase of a new plow truck - in that - we would accept \$250K in lieu of the truck, then use the funds to purchase the truck ourselves. He believes that if the State has 3 million dollars to spend on the recreational bike path between Appleway in Coeur d Alene to the SH 53 junction, that perhaps they can meet the District's conditions of acceptance.
8. We have a serious chip seal failure on Fernan Lake Road. The contractor (Poe) has a 1 year warranty on the project. We have swept the road and so has POE. The project will have to be re-done in the spring. He notified the construction engineer who was overseeing it and asked him to review the problem before we plow snow off it.
9. Supervisor Pankratz asked Commissioner Addington if he noticed if the power pole at Litten Lane was removed. It had been erroneously placed in the driveway there, and was scheduled for removal.
10. A memo was sent to employees about the return to winter hours beginning 11/7.
11. The Medimont Bridge Report shows critical status (not the channel bridge, but the next one back). A bridge engineer is needed for full evaluation.
12. Foreman Day's tailgate was replaced for \$100.

13. Supervisor Pankratz would like to send all three foreman to a bridge construction and repair seminar in Twin Falls on November 16th. LHTAC is paying for the trip except the employee's wages.
14. There was a pre-construction meeting last Friday for the Canyon Road guardrail. Gurney is the contractor and is scheduled to begin work on Thursday or Friday. It is a 15 day contract.
15. Our last oil sample for Unit 345 (2008 Westernstar) was not good. They found metal chunks in the oil plug and it is using an exceptional amount of oil. This is one of our front line plow trucks and it only has 90K miles on it.
16. In the spring high-water water event of 2008 Latour Creek washed out under a shop on Latour Creek Road. Despite Commissioner Sverdsten and Supervisor Pankratz meeting with the home owner the situation was never fixed. Another area resident, Larry Stinson, recently contacted the ESHD office and the County's Office of Emergency Management expressing concerns about the damaged shop ending up in the creek when the next high-water event occurs. Should this happen the debris could impact the bridge downstream causing significant infrastructure damage. Unfortunately because this is on private land there is nothing the District can do until there is a failure to our system.

Commissioner Fillios:

Commissioner Fillios asked for a Boothe Park status update: Supervisor Pankratz reported that since the Judge determined there was no boundary by agreement, Attorney Weeks is pressing the Judge to establish where that boundary actually lays if it isn't where the surveyor said it is. The outcome of that determination will dictate phase 2 (maintenance). We cannot maintain until that area is defined by Judge Haynes. (Phase 1 is Boundary by Agreement / Phase 2 is Prescriptive Use)
Supervisor Pankratz said Mr. Delevan walked into to the room and asked if were ready to stop the silliness, to which Supervisor Pankratz replied that if Mr. Delevan signed the Hold Harmless Agreement that he had requested of the Highway District, we would not be here today.

Commissioner Addington:

Commissioner Addington said residents are happy the Burma Road project is done.

Commissioner Sverdsten

Commissioner Sverdsten asked if there was an accident report for Canyon Road. Secretary Leake indicated that we did not receive it from the KC Sheriff Office as yet.

Commissioner Sverdsten said several folks contacted him about collecting the felled timber between Canyon Road and I-90 near the Rose Lake junction. That is not our jurisdiction. He said there is a lot of white pine felled, but it isn't a very safe place to collect firewood.

He reported that the trees removed from the right of way on Tamarack Ridge Road look excellent.

Commissioner Sverdsten asked how the truck we bought from Lakes Highway District was working out. Supervisor Pankratz has been driving it and gave a very favorable report.

Commissioner Addington made a motion to adjourn the meeting at 11:47. Commissioner Fillios seconded the motion. Motion carried with unanimous approval.

Commissioner Fillios
Sub District 1

Chairman Sverdsten
Sub District 2

Commissioner Addington
Sub District 3

Secretary Leake