

The regular scheduled meeting of the Lakes Highway District Board of Commissioners was called to order by Chairman Twete at 5:30 p.m. on September 18, 2017, at the District Office, 11341 N. Ramsey Road, Hayden, Idaho 83835. Those in attendance were Commissioners Montgomery, Fountain and Twete, Director Shanley and Deputy District Clerk Howell. Attending regarding the request to set a date to re-consider the Abandonment & Vacation 5th & Lakeside in Bayview were Walter and Faye Bare. Scott Jordan, City of Dalton Gardens Council member, attended regarding the public hearing on surplus equipment. Mike Curry attended regarding North McKenzie Ridge, 1st Addition. In attendance were Donna Montgomery and Doug Wall.

Chairman Twete called the meeting to order and led the Pledge of Allegiance.

Chairman Twete asked if any Board member had a conflict of interest with any item on the agenda. Commissioners Twete, Montgomery and Fountain indicated no conflicts of interest.

Commissioner Montgomery moved to approve the September 18, 2017 agenda, with the correction on Item 4 being August 28, 2017 approval of meeting minutes, as there was not a September 5, 2017 meeting. Commissioner Fountain seconded the motion which carried unanimously.

Commissioner Montgomery moved to approve the August 28, 2017 meeting minutes as presented with Commissioner Fountain seconding the motion which carried unanimously.

After reviewing the Payments Journal and Financial Worksheet, Commissioner Fountain moved to approve the payments journal with bills paid by check numbers 034113 through 034185 in the amount of \$1,077,729.30 and the direct deposit dated September 5, 2017 in the amount of \$29,552.72 for a total of \$1,107,282.02. Commissioner Montgomery seconded the motion which carried unanimously.

Chairman Twete asked if there was any public comment related to an item that was not on the agenda. Seeing none, Chairman Twete moved to Item 8l, as Scott Jordan with the City of Dalton Gardens was in the audience.

Item 8l, was to consider setting a public hearing for surplus equipment. Director Shanley discussed surplus Grader 10 and Truck 17 as the District plans to replace Truck 17 with Truck 21. After deliberations, Commissioner Montgomery moved to set November 6, 2017 at 5:45 p.m. or as soon thereafter as possible for the public hearing to consider declaring surplus equipment. The motion also included authorization for District staff to advertise the public hearing in the Coeur d'Alene Press. Commissioner Fountain seconded the motion which carried unanimously.

Chairman Twete now moved to item 8f which was the Construction Warranty Bond, North McKenzie Ridge, 1st Addition. Mike Curry addressed the Board and explained the process he is proposing and is acceptable with other agencies. At the time of the acceptance of a road into an agency's jurisdiction, the bond for the construction phase is returned and in its place a warranty bond is issued and takes effect. Director Shanley stated Section 205.01 of the 2015 Associated Highway District Standards requires a 2-year guarantee on completed work in a form acceptable to the Highway District prior to the Highway District signing the final plat. The Director explained the standards also state that any financial guarantee be in a form acceptable to the District. If a bond is placed with the County, the District shall also be named. Director Shanley stated that the Developer would like to place a bond with the District in an amount equal to ten

(10) percent of the engineers estimated cost of road construction. After deliberations, Commissioner Fountain moved to accept the developers offered guarantee and once it is received, authorizing the chairman or vice-chairman to sign the final plat provided all the conditions are met. Motion also included clarifying the road being Parapet Road on the bond. Commissioner Montgomery seconded the motion which carried unanimously.

Chairman Twete now moved back to item 7a under Old Business.

Item 7a was to reconsider the Abandonment and Vacation of 5th and Lakeside. Director Shanley presented Attorney John Magnuson's letter to the board requesting the Board re-consider their decision on Abandonment and Vacation of 5th and Lakeside. Upon deliberation Commissioner Fountain moved to reconsider the decision of the Abandonment and Vacation and reopen the hearing on the Abandonment and Vacation of 5th and Lakeside with a hearing date set for Monday, October 2, 2017 at 5:45 p.m. on or as soon as possible and authorize staff to notify the neighboring community of the upcoming hearing. Commissioner Montgomery seconded the motion, which carried unanimously.

Under New Business, item 8a was Blonde Bear Minor Subdivision which is a proposed two (2) lot minor subdivision, creating one (1) additional lot located at 1175 W. Brunner Road on 9.743 acres. Director Shanley presented his review to the Board and after deliberations, Commissioner Fountain moved to authorize District staff to submit a letter of comment to the County outlining items in Director Shanley's review. The motion also included authorization for the Chairman or Vice Chairman to sign the Mylars when presented. Commissioner Montgomery seconded the motion which carried unanimously.

Item 8b, the Rimrock Garden Minor Subdivision, which is a proposed one (1) lot minor subdivision located at 2231 E. Dodd Road on 6.67 acres. Director Shanley presented his review to the Board and after deliberations, Commissioner Fountain moved to authorize District staff to submit a letter of comment to the County outlining items in Director Shanley's review. The motion also included authorization for the Chairman or Vice Chairman to sign the Mylars when presented. Commissioner Montgomery seconded the motion which carried unanimously.

Item 8c was a proposed Zone Change for PSP Enterprises requesting to change zoning on a single 4.04-acre parcel from Agricultural to Commercial. The parcel is located on the east side of North Government Way, south of its intersection of Hwy 95. Director Shanley presented his review to the Board and after deliberations, Commissioner Montgomery moved to authorize District staff to submit a letter of comment to the County outlining the items in Director Shanley's review. Commissioner Fountain seconded the motion which carried unanimously.

Item 8d was the Winter Sand Quotes. Director Shanley discussed with the Board requesting quotes for approximately 4,000 tons of sanding material necessary for the upcoming winter season. After deliberations, Commissioner Fountain moved to authorize District staff to obtain sand quotes for the 2017-2018 winter season with Commissioner Montgomery seconding the motion which carried unanimously.

Item 8e was the Winter De-icer Piggyback. Director Shanley stated that District staff would like to piggyback off of the Idaho Transportation Departments bid for winter de-icing material. Cost per ton this year would be \$158.86 per ton vs \$154.28 last year. Price includes freight charge. Prices would be effective October 1, 2017 through September 30, 2018. After deliberations

Commissioner Montgomery moved to piggyback off the ITD bid for winter de-icing product from Roadwise, Inc. at \$158.86 per ton. Commissioner Fountain seconded the motion which carried unanimously.

Item 8g – Audit Engagement Letter. Director Shanley presented an Audit Engagement letter from Magnuson McHugh, which upon acceptance by the board would authorize audit services for an estimated amount of \$7,000. After deliberations, Commissioner Fountain moved to approve the 2016-2017 Audit Engagement Letter from Magnuson McHugh and authorized the Chairman or Vice Chairman to sign the letter. Commissioner Montgomery seconded the motion which carried unanimously.

Item 8h was Zito Estates. This minor subdivision is a proposed three (3) lot minor subdivision, creating two (2) additional lots on 20-acres off a private road, extending east from Garwood Road, not within the District's maintenance jurisdiction. Director Shanley presented his review to the Board and after deliberations, Commissioner Montgomery moved to authorize District staff to submit a letter of comment to the County outlining the Director's review including acknowledgment that the District's signature on the final plat would not be provided as the subdivision is on a private road. Commissioner Fountain seconded the motion which carried unanimously.

Item 8i was the Bunco Road Right-of-Way Acquisition, Consultant Services Agreement. Director Shanley presented a proposed consultant services agreement from RAH Consulting to assist the District with acquisition of rights-of-way necessary to complete the Bunco Road Improvement Project. After deliberations, Commissioner Fountain moved to approve the consultant services agreement for the proposed compensation of \$2,000 per parcel and authorized the Chairman or Vice Chairman to sign the letter. Commissioner Montgomery seconded the motion which carried unanimously.

Item 8j was the Winter Safety, TV Advertising Campaign. Upon discussion of the District's shared efforts with the Associated Highway Districts of Kootenai County, Commissioner Fountain moved to authorized the Chairman or Vice Chairman to sign the agreement with KXLY to provide a Winter Safety Advertising Campaign. The District will act as the lead agency and seek reimbursement from the other participating agencies, sharing the expense equally. Commissioner Montgomery seconded the motion which carried.

Item 8k was the Grader Piggy Back Purchase off of the Eastside Highway District's bid. The Director discussed replacing Grader 10, which is our oldest grader, a 1994 model. The Director stated that Grader 10 is valued at \$48,000 and the City of Dalton has expressed interest in buying this grader. With the purchase, the new grader, a 140M Series would be placed in operation as the primary grader plow route, with Grader 16, our newest grader that we have, a 2007 model would be put into our secondary route and Grader 14, a 2001 model would be placed in the Belmont replacing grader 10. The new grader was included in the approved 2017-18 budget and would arrive in November. After deliberations, Commissioner Fountain moved to approve purchase of the CAT 140M All wheel drive grader at the proposed price of \$326,216.84. Commissioner Montgomery seconded the motion, motion carried.

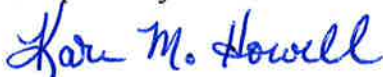
Item 9 under the Director's Report. Director Shanley presented his 2017 State of Roads Report. The District's roads are considered in very good condition, this by the District's Network Pavement Condition Rating of 86. The Director indicated with the District's pavement management philosophy of keeping it's good roads in good condition has enabled the District to maintain an equivalent pavement condition rating, while improving its level of service and

paving more gravel roads. The Director also indicated that through LHTAC's grant funding programs, the District receives higher recognition given 5-year updates to its pavement management plans, this State of Roads Report. After deliberations, Commissioner Montgomery moved to approve the 2017 State of Roads Report. Commissioner Fountain seconded the motion which carried unanimously.

At this time, Commissioner Fountain moved to adjourn to executive session at 6:21 p.m. under Idaho Code §74-206 (b) to discuss employee wages. Commissioner Montgomery seconded the motion. Deputy District Clerk Howell now called the roll with the Commissioners voting as follows: Commissioner Twete aye, Commissioner Montgomery aye and Commissioner Fountain aye. With all Commissioners voting aye, the motion carried unanimously.

Upon reconvening to regular session at 7:05 p.m., Chairman Twete moved to accept Director Shanley's proposal for wage increases and bumping Director Shanley's wage to \$115,000.00 from the \$109,270.00 as discussed in executive session. Commissioner Montgomery seconded the motion and asked if Director Shanley's increase was in the budget. Chairman Twete stated it was and Commissioner Montgomery stated that it clarifies it. Commissioner Montgomery then confirmed his second with Chairman Twete and Commissioner Montgomery voting aye and Commissioner Fountain voting nay and stated she would like more time to discuss this. Chairman Twete stated the motion carried. At this time, Commissioner Fountain made a motion to re-look at the VEBA and maybe bring it down to \$125.00 a month contribution from the taxpayer to the employee. Upon discussion, Commissioner Fountain then made a motion to make the VEBA contribution \$125.00 per month for the employee for the Fiscal Year 2017-2018. Commissioner Montgomery asked if that was a motion or was it being placed on the next agenda to which Commissioner Fountain said she would like to make it a motion. Upon further discussion, Director Shanley stated there was a motion on the table to consider lowering the VEBA to \$125.00. Chairman Twete stated that for lack of a second Commissioner Fountain's motion dies and said it could be placed on the next agenda if desired. Chairman Twete asked for a motion to adjourn with Commissioner Fountain stating she would like it on the next agenda. Commissioner Montgomery concurred and moved to adjourn with Commissioner Fountain seconding the motion which carried unanimously.

Respectfully Submitted:



Karen Howell
District Treasurer/
Deputy Clerk

Approved:



Rodney A. Twete
Chairman