

Minutes of the Regular Meeting of the City Council of the City of Lava Hot Springs, Idaho held on Thursday, September 12, 2019 at 5:30 p.m., Lava City Hall, 115 West Elm Street, Lava Hot Springs, Idaho.

Present: Jon Thomson, Council President
Lisa Guthrie, Councilperson
Brian Hinz, Councilperson
Rickey Frandsen, Councilperson
Gary Cooper, City Attorney
Canda Dimick, City Clerk
Amantha Sierra, Office Assistance

Excused:

Guests: Greg Stevens, Brigitta Bright, Alice Jean Avery, Afton Diane Beckstead, Golson, Fred Dries, Bryan Phinney, Matthew Hill, Kathy Etcheverry, Henry Etcheverry, Brian Canty, Lisa Morgan, Amy Pike, Kelly Myers, Jed Golson, Gail Palen

Jon Thomson, Council President opens the meeting and welcomes everyone.

Announce Agenda Deadline for October 10, 2019 meeting will be October 3, 2019:

Motion to Approve Minutes (July 11, 2019, July 25, 2019, and August 8, 2019)
- **ACTION ITEM:** Councilperson Hinz made a motion to approve minutes for July 11, July 25 and August 8, 2019). Councilperson Guthrie seconded the motion. All voted aye, unanimous.

The Pledge of Allegiance is led by Council President Thomson.

Review & Approve Bills - ACTION ITEMS: City Clerk Canda Dimick reviewed list of bills with council. Council President Thomson made a motion to approve bills with exception to Knife River, Michelson & Weston Industrial. Councilperson Guthrie seconded the motion. All voted aye, unanimous.

Law Enforcement/Code Enforcement

A) Building Permit Report – Canda Dimick, City Clerk: City Clerk Canda Dimick explained report.

B) Mowing City Properties and Vacant Lots – ACTION ITEM: Council President Thomson reports the City received the Clutch for the repairs on the Mower. The City will begin mowing lots once the mower is repaired. Council President Thomson made a motion to continue to send out notices. Councilperson Guthrie seconded the motion. All voted aye, unanimous. Councilperson Frandsen made a motion to continue mowing lots and have the City maintenance crew weed whack the property by the 8-plex. Council President Thomson seconded the motion. All voted aye, unanimous.

C) Garbage Service Complaint – Iva Michaels - ACTION ITEM: City Clerk Canda Dimick reported on complaint by Iva Michaels he feels like the contractor needs to be consistent with pickup times. The City doesn't have a contractual agreement on time of pickup. Council President Thomson has received complaints about the driver being rude. Council President Thomson made a motion to forward complaint onto MR&E. Councilperson Guthrie seconded the motion. All voted aye, unanimous.

D) Tree Trimming Notices – ACTION ITEM: Council President Thomson comments to continue working on. Councilperson Hinz reported his tree has been removed and can be taken off the list. Council President Thomson will have the City maintenance crew remove list and determine who to send the notices to. Councilperson Guthrie made a motion to send out tree trimming notices. Council President Thomson seconded the motion. All voted aye, unanimous.

E) Monthly Law Enforcement/Code Enforcement Reports: No law enforcement in attendance. Monthly law enforcement report received. Council President Thomson explained the report to the audience. Question was asked if it's available to the audience. Council President Thomson will check to see if report is public information.

Vacation Rental Ordinance Enforcement – Greg Stevens: Gregg Stevens introduced himself and explained he has a nightly rental business. He is concerned about a neighbor who is renting out her house on the corner of Fife & 4th on a nightly basis and she is located in a residential zone. Lisa Morgan agrees with Greg Stevens. He explains the house is consistently rented. He explains he has a business license and pays his taxes, he is doing everything legal for his nightly rental. He walks by this house on a regular basis and it's not right that they are

getting away with doing it without a business license it's not legal according to the City ordinance. The law states the violation is punishable, a thousand (1,000.00) dollar fine and or both up to six (6) months in county jail per occurrence. Every night it's rented out illegally they can be hit with that fine. I would like to know what the City is doing about it. Council President Thomson responds they're aware of it and there is a couple of others around town the City is aware of and the City is progressing forward with taking action. With that being said he would like Gary Cooper, City Attorney add a general statement on how broad this problem is becoming. Council President Thomson announced there will be no open discussion on this. He knows it's a sensitive issue and at this point we *cannot* resolve it in this meeting tonight. This is a conflict between Local government & State government. Gary Cooper, City Attorney reported that in 2018 the State legislature passes a law that put certain restrictions on the City ability to enforce ordinance that regulated or prohibited vacation rentals. That's caused a lot of uncertainty amongst many cities. In fact I'm meeting with some other Cities attorney's later this month to discuss this problem. Most Cities had ordinance in affect before that statute was passed. That's true of the City of Lava Hot Springs. I think that the ordinance the City has is enforceable and if somebody is violating that ordinance then when directed he will take action by notifying them of the violation just like he has other business owners here in town who have violated the ordinance. I think all of us hope that we are not the test City were we will get into litigation that will go up to the Supreme Court. That process will takes two (2) or three (3) years. It's expensive, it erodes the budget that the City has to do other things. So we hope we are not the test case. That's why we are taking things cautiously so, we don't get into that fix. To answer your question is if somebody is violating the ordinance and if he is directed to do it he will give them notice that they are in violation. Legally we are looking at whether or not we have to change our ordinance to comply with the State Statute. There was some indication at this year's legislative session that they were going to change the law because of some problem in trying to interrupt it that didn't happen. I think this is going to be dealt with and at some point it will get to the supreme court, a district judge will give some interpretation and hopeful give us some guidance. Gregg Stevens asked if we can enforce the City ordinance right now. Gary responds that exactly what I said, I said I think it's is enforceable if somebody is violating it and if I'm directed to do, I'll give them notice that they are in violation and take what every action that we feel we can do as a City to enforce. Someone from the audience asked if the City is inclined to force the law or lay back for three (3) years and wait for the court. Council President Thomson answered he is inclined to enforce the law with caution. Council President Thomson closed further discussion and thank Greg Stevens.

Lava Chamber of Commerce – Kelly Myers, Event Coordinator

A) July 24th Community Day Report: Kelly Myers reported that everything went well. Discussed doing foam during the middle of the event rather than the end. City is looking at some type of material for the slide, different than plastic. Old vinyl from bill boards is an option. A dunk tank was mentioned for next year. Inflatables, different food suggested no corn on the cob. Have hot dogs and watermelon. Face painting needs to be re-addressed. Councilperson Hinz suggested a new person for the face painting and will get Kelly her contact number.

B) Oktoberfest Plans: Kelly Myers reported the event will be held at the community center. Nothing different will have a Beer garden, music, fire dancers, kids carnival. The event is sponsored by the chamber no longer fund raiser for trail system. Funds help fund chamber events. No fun run this year.

C) Miscellaneous: Brigitta Brite presented packet of fall advertising plans. She has a line item she would like council to review. Page one (1) is the approved funding for 2019. Digital travel network for twenty seven fifty (2750) when she contacted the publisher to get statistic on it and the data on how the campaign went. When her sales rep pulled the information they found out that the campaign never ran on their network. They've been wonderful and are doing a lot to make up for their mistake. The packet I've given you is what they're doing to make up for their mistake. They are not charging us for what they didn't run. They're putting us in the fall version of the travel planner and running banners. They're really stepping up and making up for it. Would like to use fund balance to fund a full page add in the Idaho Travel Magazine. We have a twenty seven fifty (2750) balance and we have an opportunity to change what that money is being spent for. One (1) of the things we've talked about is doing a full page ad in the Idaho State Travel Guide. This is distributed by the State for anyone requesting information about the State of Idaho and they do a lot of promotion to get it out there. Brigitta explained how the format was before they changed to the new format. Lava Hot Springs use to have great coverage, with the new format. The new format is more of blogger type promotions and photos from Instagram and Lava Hot Springs only has a few. Brigitta recommends to the council to place an ad in the travel guide for more coverage of Lava Hot Springs. She would like to use the twenty seven fifty (2750) and put it towards buying an ad and the Lava Hot Springs Foundation has agreed to co-op and pay for half of the ad. The cost for a full page ad would be twenty seven eighteen (2718) for each, City of Lava Hot springs and Lava Hot Springs Foundation. I would need your approval to place the ad in the Idaho

Travel Magazine. It goes to press in October and the design is due by September 20th, 2019 and distribution for new guide is January 2020. City Clerk Canda Dimick questioned other line items in the contract are over spent. Brigitta explained the post cards and certified folders ended up costing more than the estimated budget and I've taken down some of the other budget line items to make up for it. Trying to do the same thing but a little less. City Clerk Canda Dimick verified that the line items in the contract have been adjusted. Brigitta answered yes and explained they will see it in the contract she is submitting with the application for next year. City Clerk Canda Dimick asked if the chamber of commerce is paying the difference or is she is expecting the City to pay for it. Brigitta explained the total is the same but the line item on the contract might change. City Clerk Canda Dimick explained the line items are on the contract and will not match. Brigitta explains that some of the lines are setup as estimates at the time the contract is made. Like postage, the rate changed after the she made the budget for that line item. Council President Thomson explained once the contract is written, in contract form per line item they must match. Had the contract been for one line per total then you can make adjustment but, when the contract is line item per cost none of the line items can change. You over spend you over spend and better come up with the additional funds somewhere else. City Clerk Canda Dimick explains she thinks they are asking for a change in the line item, they're wanting to shift the dollars for the contract line items and the total cost of the contract does not change. Brigitta will bill out per the line item. Council President Thomson suggest they may want to review how they setup the contract for next year's. City Clerk Canda Dimick explains they are asking for a contract amendment and the council should just do a complete amendment to the contract now and get it in line with the actual expense. Councilperson Frandsen made a motion to use the twenty seven fifty (2750) towards the full page ad the Idaho Travel Magazine at a cost of twenty seven eighteen seventy five (2,718.75) and co-op share with Lava Hot Springs Foundation. Councilperson Guthrie seconded the motion. All voted aye, unanimous.

Special Event Permit(s) - ALL ACTION ITEMS

A) Blue Moon Car & Bike Show – September 21, 2019, 9 a.m. to 3 pm: Plans same as last year. Councilperson Hinz made a motion to approve. Councilperson Guthrie seconded the motion. All voted aye, unanimous.

B) Oktoberfest – October 4 & 5th, 2019, 11 am to 7 pm: Councilperson Hinz made a motion to approve per fire chiefs signature. Councilperson Guthrie seconded the motion. All voted aye, unanimous.

Alcohol Beverage Permit(s) - ALL ACTION ITEMS:

A) Blue Moon Bar & Grill catering permit for Car Show – Sept. 21st:

Councilperson Hinz made a motion to approve. Councilperson Guthrie seconded the motion. All voted aye, unanimous.

B) Oktoberfest Temporary Permit – Kelly Myers, Event Coordinator:

Councilperson Hinz made a motion to approve pending receipt of application and payment. Councilperson Guthrie seconded the motion. All voted aye, unanimous.

Business License(s)/Alcohol Beverage Licenses(s)/Coin-Op License(s) - ALL ACTION ITEMS:

A) Proposed Amendments to Title 3 Business License Regulations – Gary Cooper City Attorney: Council President Thomson made a motion to table and address at September 26th, 2019, 6:00 p.m. special meeting, agenda item number one (1). Councilperson Guthrie seconded the motion. All voted aye, unanimous. City Clerk Canda Dimick explained she gave council copies of how Pocatello is handling a few items that council has questioned, like on contractors and general contractor plus insurance requirements for licensing.

B) Gili Apartments – Becky Gili, Owner/Applicant: Councilperson Hinz made a motion to approve for monthly rental only. Councilperson Guthrie seconded the motion. All voted aye, unanimous.

C) BMC West LLC – BMC Stock Holdings, Inc., Owner/Applicant:

Councilperson Hinz made a motion to approve. Councilperson Guthrie seconded the motion. All voted aye, unanimous.

Non-Property Tax Permit(s) - ACTION ITEM:

A) BMC West, LLC: Councilperson Hinz made a motion to approve. Councilperson Guthrie seconded the motion. All voted aye, unanimous.

Building Permit(s)/Development Permit(s)/Demolition Permit(s)/Sign Permit(s) - ALL ACTION ITEMS

A) Revised Building Permit Application & Permit Forms: City Clerk Canda Dimick reported that P&Z (Planning and Zoning commission) has reviewed form and addressed recommendations. Recommendation sent to State. No response received back. Councilperson Hinz made a motion to table and move to October 2019 meeting. Councilperson Guthrie seconded the motion. All voted aye, unanimous.

B) Attached one car garage and front porch – 163 S. 5th W. – Diane Beckstead, Owner/Applicant/Contractor: Council President Thomson reports that council has had this permit before and it was approved by P&Z (Planning and Zoning commission). Council approved the smaller front porch and a garage pending approval from Rocky Mountain Power Company. Diane Beckstead comments that they have approved the new drawing she submitted. Her contractor discussed the changes. City Clerk Canda Dimick explained to Diane that the City has not received approval from the State on the new plans. Diane will contact them. Council President Thomson explained the plans were previous approved pending the Power Company approval. City Clerk Canda Dimick explained that council didn't approve the building permit it was the variance. Councilperson Hinz made a motion to approve pending State approval. Councilperson Guthrie seconded the motion. All voted aye, unanimous.

C) Demo old stairs; build new deck and stairs – 135 East Elm – Kathleen Cochran, Owner/Applicant; Riley's Construction, Contractor: City Clerk Canda Dimick reported Kody Tillotson could not attend however he will be available by phone if needed. City Clerk Canda Dimick explained survey. She is concerned with the motion that was made at prior meeting, motion was as long as it doesn't encroach any further. The concern is that the current encroachment location could be lost when they remove the stairs she suggested that the City mark existing stairs so we are sure it doesn't encroach any further than they currently are encroaching on City property. Councilperson Hinz made a motion to approve application for permit as long as City marks existing encroachment before construction begins and the stairs *do not* exceed that point. Councilperson Guthrie seconded the motion. All voted aye, unanimous.

Adopt Resolution 2019-1 increasing water rates effective October 1, 2019 - ACTION ITEM: Council President Thomson read resolution in full.

RESOLUTION NO. 2019-1

A RESOLUTION ESTABLISHING WATER RATES FOR THE CITY OF LAVA HOT SPRINGS, RELATIVE TO COSTS ASSOCIATED WITH MAINTENANCE, OPERATION AND IMPROVEMENT COSTS OF THE WATER SYSTEM WITHIN THE CITY OF LAVA HOT SPRINGS, IDAHO.

*BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF LAVA HOT SPRINGS,
IDAHO THAT:*

WHEREAS, the City Council desires to maintain the overall quality of life experienced by its constituents; and

WHEREAS, THE City Council desires to collect from all water users or those who are situated so as to benefit from the water system, an equitable fee to cover maintenance, operation and depreciation costs of the system; and

NOW, THEREFORE, be it resolved by the Mayor and City Council of the City of Lava Hot Springs, effective October 1, 2019 the water rate schedule shall be as follows:

A. Water Rates:

Water charges will be determined on a monthly usage basis, calculated based on the volumetric amount of water passing through a City water meter, actual meter size, or number of living units and/or spaces. The City's minimum standard is hereby set as a ¾ x ¾ inch water meter. The following rates are hereby established:

1. Single Occupant – Standard Meter

The Base Water Rate for a single standard water meter is \$31.50 per month.

The Volumetric Rate for any water consumed is \$.63 per 1,000 gallons of water.

The Total Monthly Water Rate is the total of the Base Water Rate and the Volumetric Rate as calculated above.

2. Single Occupant – Non Standard Meter

The Non Standard Base Water Rate is based on the size of the existing or requested new water meter. This rate is determined by comparing the City's standard water meter orifice area to the water user's requested water meter orifice area. This comparison would yield an Adjustment Factor which is then multiplied to previously defined Base Water Rate.

The Adjustment Factors and rates are as follows:

Water Meter Size	Orifice Area	Adjustment Factor	Monthly Rate	Price Per 1,000 Gal.
5/8 or ¾ inch	.44 sq. in.	1.0	\$31.50	\$.63
1 inch	.79 sq. in.	1.8	\$48.30	\$.63
1 ½ inch	1.77 sq. in.	4	\$94.50	\$.63
2 inch	3.14 sq. in.	7	\$157.50	\$.63
3 inch	7.07 sq. in.	16	\$346.50	\$.63
4 inch	12.57 sq. in.	28	\$598.50	\$.63

3. Seasonal Water Rate Fee: The water rate fee for a seasonal user shall be the sum of \$15.75 per month for those months in which the service to said property has been turned off. When service is restored the base fee should be otherwise set forth herein.

4. The rates charged to water users outside city limits shall be 1.5 times the rate charged users within the city limits.

PASSED BY the City Council and APPROVED by the Mayor this 12th day of September, 2019.

Jon Thomson, Council President

ATTEST:

Canda L. Dimick, City Clerk

Councilperson Guthrie made a motion to adopt resolution 2019-1. Council President Thomson seconded the motion. All voted aye, unanimous.

Meetings/Announcements/Miscellaneous:

A) Schedule Special Meeting to review Zoning Ordinance Draft- ACTION

ITEM: Councilperson Guthrie made a motion to schedule meeting on September 26, 2019 at 6:00 p.m. review Zoning Ordinance Draft. Council President Thomson seconded the motion. All voted aye, unanimous.

B) Caldwell Canyon Mine Declaration of Appeal – ACTION ITEM: Council discussed letter and legal advice given. Gary Cooper, City Attorney suggested striking out paragraph six (6). Councilperson Hinz made a motion to strike out paragraph number six (6) and authorize Council President Thomson to sign. Councilperson Guthrie seconded the motion. All voted aye, unanimous.

C) List of Insured City Property and Vehicles – City Clerk: City Clerk Canda Dimick provided counsel with a list of all city location and vehicles insured by the City for their review. She has concerns with Fire Trucks registered and titled under the Rural Fire district. Her understanding was the City insured all vehicles where the truck is titled to the City. City Clerk Canda Dimick explained the City has an agreement with the fire rural fire district to provide fire protection and in that agreement there is certain term as far as what is covered under the agreement term and I guess they are including these vehicles that are only tilted to the rural fire district, there are some titled together. Councilperson Hinz clarified there are three (3) different types of vehicles we are talking about. City, City & Rural, and Rural and all three are under the City insurance policy. City Clerk Canda Dimick according to the list of insured vehicles. This is not an action item it is on the agenda for council to review and consider. Canda reported that Tom Prather has told me if they need to pass on more money to the City to be covered they are willing to do that. Gary Cooper, City Attorney addressed his concerns. The City

should have liability insurance on them, because we have some connection here but that protects the City from liability but doesn't necessary protect the fire district from its liability and that's an issue. If these vehicles are titled in their name we may not have an insurable interest and while we are paying for insurance and have insurance if it were destroyed it might not be covered because we don't have an insurable interest. Those are things that the agent should be able to tell us. Gary Cooper will contact Bryan Neil, insurance designer agent, and review policy with agent and report back to council.

D) 2019 Group Meetings with PERSI Executive Director – ACTION ITEM: Council President Thomson made a motion to send Canda to meeting in Blackfoot. Councilperson Guthrie seconded the motion. All voted aye, unanimous.

E) November 5, 2019 Election Ballot – ACTION ITEM: Council President Thomson read list of candidates. Local option tax question discussed. Councilperson Hinz asked Gary Cooper, City Attorney for any suggestion on rewiring the question for the ballot. Monday is the deadline to get the question added to the ballot. Gary will call Bannock County tomorrow and find out if an explanation can be added to the question to clarify question and make people understand taxes will not be raised. Councilperson Hinz made a motion to have Gary edit wording for question one (1) on ballot. Councilperson Guthrie seconded the motion. All voted aye, unanimous.

F) Pickleball/Tennis Court Proposed Striping Plan: Councilperson Frandsen reported the original bid was for four (4) pickle ball courts and Ron Hunt suggested six (6) pickle ball courts and they put together a sketch. Now some of the pickle ball players are upset about this plan. They didn't like the ideal of keeping both tennis courts and they would like to keep one permanent tennis court and take down the net on the other tennis court and make two (2) permanent pickle ball courts. Council discussed the plans and resurfacing cost. Councilperson Frandsen & Council President Thomson have expressed their concerns with the pickle ball committee on the extra cost beyond resurfacing. The City has only budgeted for the resurfacing cost any additional cost for improvement will need to be approved by council once they have raised the money for the improvement they are requesting. The poles should not be moved too difficult to remove. The plans show fencing the city is not going to put up a fence. Councilperson Frandsen explains he has addressed his concerns to the pickle ball committee concerning the additional cost of items outside of the resurfacing project and he reported to them that they would need to raise the money first then present to council for consideration. The committee would also like to add a rubber compound at the

time of resurfacing to makes the surface more cushioned, easier on their joints and Councilperson Frandsen has also explained to them the additional cost would need to come from the pickle ball committee and need to be approved by council once the money is raised.

G) FY2019 Budget Amendment Hearing – ACTION ITEM: Councilperson Hinz made a motion to schedule Budget Hearing Amendment on September 26, 2019. Councilperson Guthrie seconded the motion. All voted aye, unanimous.

H) Wage Rate Increase FY2020 – ACTION ITEM: Councilperson Hinz made a motion effective October 1st, 2019 wage rate increase according to F2020 budget. Councilperson Guthrie seconded the motion. All voted aye, unanimous.

I) Special Assessments – City Clerk - ACTION ITEM: City Clerk Canda Dimick explained Monday is the last day to file for special assessments. One delinquent account for services they will be in tomorrow to get the account up to day. We also have a bill which has not been. The property owner came in and explained the bill has the wrong property address. Which is in correct should be 78 instead of 74 however the bill has the correct structure on it for the hookup billed. He refuses to pay the bill because he was told it was not a separate hookup. Canda explained the last notice explained if not paid a special assessment to be placed. Council President Thomson explained the issue with Gary Cooper, City Attorney. City Clerk Canda Dimick reported on the ordinance. City Clerk Canda Dimick also explained there appears to be some charges for sidewalk snow removal that have never been paid. She is looking through Dennis Callahan files to find invoices he sent to the property owners. Councilperson Frandsen made a motion to work with Gary Cooper, City Attorney and proceed with special assessment on sewer hookups and others for sidewalk snow removal. Councilperson Guthrie seconded the motion. All voted aye, unanimous.

J) Water Line Locator Purchase – ACTION ITEM: Council President Thomson reported Wade needs to find the exact location of the water line on Portneuf. Councilperson Hinz made a motion to approve water line locator. Councilperson Guthrie seconded the motion. All voted aye, unanimous.

K) Miscellaneous: None

Projects

A) Water Improvement Project:

1) Change Order # 6 – ACTION ITEM: Bryan Phinney, City Engineer explained Knife River delivered a huge stack of change order to them and they didn't agree with the numbers. Keller's observer has done an excellent job taking photo to document before and after pictures and site location photo of people and equipment plus the photo had date and time stamps. Change order is for sixty three thousand one hundred and seventy two dollars and thirty four cents (63,172.34) this is the amount that settle on for item sixteen though forty two (16-42), does not cover all items in the range. Bryan reported analysis efforts on change order are predominately for moving things or items that were unidentifiable when project was designed and bid. Some of the items are for the French drain no one knew was there. Mathew Hill, City Engineer handed council a page that showed the reaming item. Still going through the remaining item with Knife River. We are waiting on more information from Knife River or just received document from them. Mathew reported everything has been submitted to them as of today. Bryan reported the reason for all the changes orders from their perspective it appears that a project manager is a little bit overwhelmed. He has also submitted some request that we are having to track information on. The gentleman they meant with was a Knife River Attorney and the General Manager for Knife Rivers operations in the State of Idaho, the gentleman who oversees the operation in Eastern Idaho and Jeremy Jenkins, the project manager for this project. Bryan confirmed that everything on the change order is justifiable. Contractor encountered a lot of sewer service lines that were not accounted for. There was a questioned why the contractor didn't' pot hole. Pot hole done to find depth of sewer line not location. Fire hydrant on Elm Street moved for safety reasons. Mathew reported at the condo Tony was there and they capped the pipe and connected to the existing pipe that was there and it turned out that was an abandoned one. So they had to find the active line and connect a second time. Condo's line was identified as a one (1) inch on the plans and it was a different size and parts had to be found to connect to the two and one-half (2 ½) inch irrigation pipe. Tony had to make decision on what needed to be done with the meter due to the difference in pipe size. This took a couple of days to work out all the issues. The meter was a two (2) inch and lines outside the pit was a two and one-half (2 ½), irrigation pipe. Bryan reported in addition to that. Not only was it irrigation pipe that serve the condos it doesn't meet building standard, it may have then but it doesn't now. There was changes that required changing out. Procurement of water discussed and Bryan will need to check the contract before he can answer. Mathew read from the specs. The section about construction and test water the owner will supply necessary construction and test water for the project. The contractor will be responsible for to supply means to load and convey the water. Water for soil moisture, for compaction and dust control. That is

typical the cost of man hours and equipment would be a lot higher than the cost of the City supplying the water. Council President Thomson questioned the four (4) inch line found at the corner of 5th West and River Street. Mathew reported that on that corner the drawing showed a ninety (90) for that location but when they got there they found a T to the east and a four (4) inch line that continue to unknown distance. Tony decided to put a T and cap instead of a ninety (90) in case it's needed in the future and continued with the service line. Council President Thomson asked about the relocation of the fire hydrant on River Street and 6th West. Hydrant relocated to City property. Change order line items discussed. Bryan reported they feel comfortable with their documentation that the numbers that are represented in this change orders and these different request are accurate. Council President Thomson confirms total cost on change order sixty three thousand one hundred and seventy two dollars and thirty four cents. (63,172.34). Bryan reports change order one through five (1-5) approved to date, this is change order six (6). Knife Rivers request numbers fifteen, seventeen, nineteen, thirty, thirty six, forty four & forty five (15, 17, 19, 30, 36, 44 & 45) those sum to one hundred and twenty six thousand dollars (126,000.00) Keller's is still in negotiating with Knife River on those items. Councilperson Frandsen made a motion to approve change order number six (6). Councilperson Guthrie seconded the motion. All voted aye, unanimous.

2) Easement for fire hydrant and water meter at Lava Mobile Estates Status Report: Mathew Hill, City Engineer confirmed that City received the description and figures. City Clerk Canda Dimick comments yes and reported she is working with Gary Cooper, City Attorney to draft the easement agreement.

Mickelson's Bill: Mathew Hill, City Engineer explained asphalt was a quantity bid. They had exceeded cost slightly. Councilperson Hinz made a motion to approve Mickelson's bill One hundred and twenty one thousand three hundred and twelve dollars and twenty cents. (121,312.20) with August 21st, 2019 substantial completion. Councilperson Guthrie seconded the motion. All voted aye, unanimous. Bryan Phinney, City Engineer explains the warranty is a one year warranty and suggest at eleven (11) months City needs to inspect and if required get letters sent to address any concerns with workmanship. Councilperson Hinz asked City Clerk Canda Dimick to mark calendar mid-July to review warranty work and send out letter if need be.

Knife River Pay App for Extra Paving:

Councilperson Hinz made a motion to table until work is completed. Councilperson Frandsen seconded the motion. All voted aye, unanimous.

Knife River Pay App 12.1: Mathew Hill, City Engineer reported this one is for two (2) months of work and contractor is anxious to get paid. Councilperson Hinz made a motion to approve pay app 12.1. Councilperson Guthrie seconded the motion. All voted aye, unanimous.

North 1st East: Bryan Phinney, City Engineer reported contractor had to hand dig under the storm drain in order to protect the existing wooden storm drain line. The City needs to be aware of a change order for extra time on it. It's not on the list of change orders submitted.

Condo Road: Bryan Phinney, City Engineer reported that Knife River has informed Keller's that they are not able to cut clean edges for the trench patch. The road is not in good condition, it is chipping out and breaking off and the cracking is continues to expand. They're chasing it. Every time they saw cut it shatters on the side that should be clean. They have stopped. If you look at the road on google earth imagine, it shows the road is alligator cracked severely and there is section of road missing. They've got photos pre-construction it's in bad shape and photos during construction it's in worst shape. Ruts in the road from the loader. Knife River is not completely clean there but that road was not constructed to a standard to meet this kind of construction. He thinks it was probably pavement it was not just layers of rock and oil laid down but it varies any were from an inch thick up to three (3) inches thick as we have gone through there. Eddie brought some samples to me but I left them in the office. The samples vary all the way up and down that road. Not sure if there is an opportunity to talk with the owner. Bryan concerns is they got curbing down both sides. We know why that curbing is there we reached out and talked to the owner about that. The curbing was installed to prevent people from parking half in the road and half on the lawn there. One of Keller's concerns is getting the road redone and the curbing it's asphalt curbing. Keller's transportation crew suggested a solution that's purposed to Knife River. They're working on a price for the proposal. The proposal is rather than going in there and trying to pick up all the asphalt they would go in and pulverize the asphalt. This is a technic called CRAB (concrete reinforced asphalt base) we would not add the concrete to it. This technic is used on a much higher traffic, higher load rated road. This road is just access to the condo's for passenger vehicles. What we have proposed from them to do is pulverize all the asphalt in wet it, grate it, roll it and then pour a one (1) inch cap of asphalt on the top of it. This is a technic used for parking lots, or service roads with low vehicle traffic, number of vehicle and weight restriction. Eighteen (18) feet wide at one (1) inch thick using the same amount of asphalt the patch would have been. This would make a good base which is not there now. We're waiting

to hear back from Knife River on the proposal and we will need to talk with the State to make sure they want to do. Decision on Condo road needs to happen quickly because winter weather is approaching. City may have to hire another contractor.

Hot Tap at the Tanks: Hot tap going to be a change order. Council President Thomson alerted Keller's that City doesn't want to pay for any excavator expenses to remove concrete. Contractor moved excavator before taking out concrete. Bryan Phinney, City Engineer reported hot tap will work as long as the cutter head on their tapping machine is sharp.

3) Access and Options to Purchase Real Estate Agreement for Well Site update: Keller's will meet with Council President Thomson next week before or after construction meeting.

Bryan Phinney, City Engineer asked for contract extension of funding for project inspection. Keller's will put together proposal and submit for approval at the September 26th meeting. City Clerk Canda Dimick that Keller's needs to express the City concerns with the engineering fees due to them not submitting change orders according time frame of the work, timely bases. Bryan reviewed funding with council.

Solar System: Council President Thomson asked Bryan Phinney, City Engineer to have reprehensive provide a project update.

B) Street Improvements:

1) List of streets needing repair or patching - ACTION ITEM: City Clerk Canda Dimick reported Justin Casperson, City Maintenance met with Beus Construction today to get bids for street work that needs to be done before the chip & seal project is done next year. Bues Construction is putting together some cost estimates. Councilperson Frandsen made a motion to table until list is provided to Council. Councilperson Hinz seconded the motion. All voted aye, unanimous. Discussion followed on additional repairs that need to be done due to contractor damage during construction is not included in on this list. Keller will be doing a final walk through with Knife River for those repairs.

C) Buddy Campbell Park:

1) Trees Trimming Bids - ACTION ITEM: Councilperson Guthrie made a motion to get bid on removing the tree by the restrooms in Buddy Campbell Park. Councilperson Frandsen seconded the motion. All voted aye, unanimous.

D) Fish Creek Spring Fence:

1) Re-stake Property Lines - ACTION ITEM: City Clerk Canda Dimick explained the City needs corner pins reset. Councilperson Hinz made a motion to get bid from Keller's to re-stake. Councilperson Guthrie seconded the motion. All voted aye, unanimous.

Councilperson Hinz asked for contract to have the person name in big bold letters instead of entity in big bold letters and contractors in big bold letters. Contractors name should be in small font.

2) Proposed Agreement with The Fence Man - ACTION ITEM: City Clerk Canda Dimick suggested that the City purchase the supplies directly and hire the Fence Man bill for labor only. She will need to check grant rules first. The Fence Man will supply City with list of supplies needed for project. He is a sole proprietor and does not hire labor out. Councilperson Hinz made a motion to accept the Fence Man contract. Councilperson Guthrie seconded the motion. All voted aye, unanimous.

E) Rocky Mountain Power Wattsmart Retrofit LED Program – COMPLETED: Council President Thomson reported project completed.

F) Curb & Gutter Installs Progress Report(s):

1) North side of East Elm: Council President Thomson update. West Elm by Rick Hatch done. East Elm formed today. Tapered curb at corner has to be knocked out and re-poured. City is going to do saw cutting.

2) North side of West Main: Council President Thomson provided update. The North side of Main Street by the condos is completed. Waiting for Asphalt to be completed and the trench across the street where the service was put in at. Part of the expense will be to the contractor. Cost will be shared with the City and the contractor and the other part by the City.

G) Miscellaneous: None

Discussion: Fred Dries introduced himself, 10745 Thunder Mountain Road, purchased twenty three (23) years ago and retired army officer and law enforcement, I'm a member of the Thunder Mountain Road and they are concerned about property damages that UTV & ATV rentals businesses. Violators have been customers of rental businesses licensed by the City. He reported one of the

business has a map on their wall outlining paths a preferred route for their rentals. The preferred route is through private land of the Thunder Mountain Land owners Association. They suggest you go up Henderson Canyon, through the fence and come out the automatic gate at the bottom. On there way they go off road and tearing up their mountain, pretty severely. Mr. Dries questioned why the businesses allowed to operate. It's not only Thunder Mountains Association private property referenced on their map. Thunder Mountains Association lawyer is going to write a cease and desist letter. They're going to take action. Mr. Dries suggested the city notify business owners to operate legally and lawfully and not allow their customers to trespass on private property or require the business to be guided. There are going to add additional gates and rock, fence and ditch the trails. The tracks are marking the land and they never go away. He has been in contact with the county. They have addressed issues with the local riders and they don't come back but there is too many tourist to contact and address the issue with. Council President Thomson reports that his understanding of Henderson is the road is in bad shape. Fred explained for a reason they don't want people up there so, we don't maintain it. Council President Thomson continues you don't have a choice that is the accepted route to State public lands that must be keep accessible. There should have been in the past some kind of agreement with the Home Owner Association because they come up Henderson canyon and once they enter Thunder Mountain property they have an access road that goes over to the Wyoming trail. That should be the only road that ATV should be. I agree with damage property to our environment but, controlling them on State property or public is beyond the City control. Henderson Canyon is in bad shape so it seems they are going off the road to get it around it. Fred concern is, does our in frustration really justify and support inviting tourists into here rent high power off road vehicles when you have no legitimate off road trails. Council President Thomson comments he will personal talk to the owners off both of those business and I will talk with them about publishing a map that runs off of anything but public assess public roads. The map provided is mostly private property. Discussion followed concerning how to regulate and police the off road activates and who is bring in them in, many cases they our brought into the city by tourist not rented by the two (2) businesses in Lava. Council asked Mr. Dries to report back.

Gail Palen was in attendance to touch base to see what is going on and to report that during their remodel they shut down a few of their hot tubs. They were only using hot tub number One (1), three (3) and two (2) were closed. They recently started filling the hot tubs and had a few issues. They are backing up so they had a contractor run a camera through the line and the GEO thermal engineer came out to investigate, he designed their system. He is wondering if the City cut a line

during the water project. City Clerk Canda Dimick reported that Tony talked with Derek, Knife River contractor, and he is looking back through their records. They documented all the lines they abandoned during the project. Gail reported that she had the pipe snaked and they ran it out one hundred and sixty five (165) feet to the east and it never ended. Council President warned Gail to be careful not to puncher any city lines, it is her responsible to repair if she hits one. Gail is not sure what that line is for. Gail feels that Riverside may have two (2) sewer connections. City will research sewer connection and backup issue.

Motion to adjourn into executive session as permitted by Idaho Code 74-206

(1) (b) and (f) to discuss personnel matters and probable litigation matters

with legal counsel - ACTION ITEM: Councilperson Frandsen made a motion to adjourn into executive session as permitted by Idaho Code 74-206 (1) (b) and (f) to discuss personnel matters and probable litigation matters with legal counsel.

Councilperson Guthrie seconded the motion. All voted aye, unanimous. Roll call. Thomson-Aye, Guthrie -Aye, Frandsen -Aye, Hinz-Aye, unanimous.

Motion to reconvene - ACTION ITEM: Councilperson Guthrie made a motion to reconvene. Councilperson Frandsen seconded the motion. All voted aye, unanimous. Roll call. Thomson-Aye, Guthrie -Aye, Frandsen -Aye, Hinz-Aye, unanimous.

Motion regarding probable litigation matter(s) - ACTION ITEM:

Councilperson Hinz made a motion *not* to hire a City Hall janitor and have the City staff clean for the time being. Councilperson Frandsen seconded the motion. All voted aye, unanimous.

Motion regarding personnel matter(s) - ACTION ITEM: Councilperson Hinz made a motion to have legal counsel send a letter to offending vacation rental on the corner of Fife and 4th Street. Councilperson Guthrie seconded the motion. All voted aye, unanimous.

Motion to adjourn - ACTION ITEM: Councilperson Guthrie made a motion to adjourn. Councilperson Frandsen seconded the motion. All voted aye, unanimous.

Meeting adjourned at 10:40 p.m.

Amantha Sierra, Transcriber

Jon Thomson, Council President

Canda L. Dimick, City Clerk