

**MINUTES
PORT OF PEND OREILLE
BOARD OF COMMISSIONERS MEETING
Date: November 8, 2016**

Chairman Harkness called the meeting of the Port of Pend Oreille Board of Commissioners to order at 9:03 a.m. in the Port office located at 1981 Black Road, Usk, Washington. In attendance: Chairman Harkness, Vice Chairman Shanklin, Secretary Whysong and Port staff members Kelly Driver, Susan Bluff, Cliff Bauer, and Brad Byrd. Also in attendance, Colin Willenbrock, PUD General Manager.

For purposes of clarification, the minutes are presented as listed on the agenda, not necessarily in the order they were discussed.

MINUTES: Commissioner Shanklin moved to approve the minutes of October 11, 2016 as presented. Motion seconded by Commissioner Whysong, so ordered by Chairman Harkness.

COMMENTS: None at this time.

GUEST: The Board welcomed PUD General Manager, Colin Willenbrock. There was discussion on HiTest Sand, Ponderay Newsprint, the high voltage transmission line and the placement of the rail line in out of service status for freight operations.

OLD BUSINESS:

1. CULVERT INSPECTIONS:

A. DISCUSSION: The report on the inspection of the culvert has been received and was discussed. The next step is to meet with the County and PUD to discuss further action.

B. ACTION: No action necessary at this time.

2. SHOP BUILDING UPDATES:

A. DISCUSSION: The blast booth plans continue and should be put out to bid for January or February.

B. ACTION: None at this time.

3. LEADERS MEETING:

A. DISCUSSION: Smaller turnout but good discussion. Next meeting will be held February 10, 2017 at the Wellness Center.

4. LIONS CLUB RIDES:

A. DISCUSSION: The Lions Club cars and locomotives returned from Ione with the cars being placed at Dalkena for now. The Lions Club is continuing to work with the Rotary Club to work out potential rides from Newport to Dalkena.

5. OTHER OLD BUSINESS:

None at this time.

EXECUTIVE SESSION: At 10:30 a.m. Chairman Harkness called for an executive session regarding a personnel issue. Session was called for approximately 10 minutes. At 10:36 a.m. Chairman Harkness returned the meeting the regular session stating no decisions were made in the executive session.

NEW BUSINESS:

1. SALARY SCHEDULE UPDATE:

A. DISCUSSION: Kelly presented an updated salary schedule for the Board's review and consideration.

B. ACTION: Commissioner Whysong moved to approve the salary schedule as presented. Motion seconded by Commissioner Shanklin and so ordered by Chairman Harkness.

2. PRELIMINARY BUDGET:

A. DISCUSSION: Kelly presented the preliminary budgets for 2017. She stated that she had finally received medical insurance rates on Monday so there will be some changes made to the final budget. The insurance reserve budget includes a transfer of \$117,000 to the debt service reserve fund which should then be sufficient to pay off the bond payments through 2021. There was some discussion.

B. ACTION: The Board gave the general approval for the preliminary budgets.

3. 4TH AND UNION CROSSING IN NEWPORT:

A. DISCUSSION: Cliff reported that the City of Newport has received grant funding for improvements which will include the redesign of the island and sidewalks and include replacing asphalt at the crossing.

4. OTHER NEW BUSINESS:

A. PORTA AD:

1. DISCUSSION: Kelly presented information received from PORTA on advertising in their upcoming magazine. Discussion followed.

2. ACTION: Commissioner Shanklin moved to approve a half-page ad for \$425. Motion seconded by Commissioner Whysong, so ordered by Chairman Harkness.

STAFF REPORTS:

1. ROADMASTER – CLIFF BAUER:

- Monitoring rides and testing completed on Brad and Myles.
- Fixed broken rail at Stanley Drive and replaced ties and crossing planks.
- Hyrail trip with the Rotary Club and Commissioner Shanklin.
- Hyrail trip with BNSF to look at conditions of track and areas of concern due to erosion. Discussed working with the Corps of Engineers with them as well. An additional hyrail trip with BNSF Vice President Steve Salzman will be on November 15th.
- He and Corey are working on the backhoe purchase, should be finalized in the next few days.
- Laclede crossing work completed for the year. May have to replace asphalt next spring.

2. MANAGER- KELLY DRIVER:

- Medical insurance rates received yesterday, will mean budget changes.
- Railroad liability insurance renewed with an increase. She also secured the renewal so it extends through December 31, 2017 rather than in the third week of October.
- Attended the WPPA meeting in Leavenworth. Main topics were grants, procurement, public disclosure changes.
- She signed the agreement transferring legal services from Paine Hamblen to KSB Litigation.
- Attending HiTest Sand meetings.
- The three crossings on the north end of the line will have the power disconnected as soon as Brett can get the batteries out. The arms will be turned to the side and there may be "tracks out of service" signs installed so buses and commercial vehicles do not have to stop.

3. AUDITOR - SUSAN BLUFF:

- Susan presented the financial report and storage report information for the month ending October 31, 2016.

4. CHIEF MECHANICAL OFFICER- BRAD BYRD:

- Replaced Hotstart in 8325.
- 1745 has been placed in the shop. The wheels are out from under it at this time. The computer has been received for it. This will be an on-going job for the crew.
- US Sugar job coming from Florida, it will be the biggest job we have ever done.
- Two paint jobs ready to start.
- Brad discussed a bid he had been asked to consider for repairs and painting of up to 45 locomotives. He has turned this bid down as it is too much for the POVA shop; it is a job for a much larger shop.


RECORDS FOR APPROVAL:

A. TIME AND EXPENSE SHEETS: Approved as submitted.

B. WARRANTS: Operating Expense warrants 43103-43228 totaling \$\$281,880.33 were approved as submitted.

EXECUTIVE SESSION: At 11:58 a.m. Chairman Harkness recessed the regular meeting to convene in executive session for approximately 45 minutes to discuss the performance of a public employee. At 12:45 p.m. Chairman Harkness brought the meeting back to order stating no decisions had been made in the executive session.

ADJOURN: There being no further business Chairman Harkness adjourned the meeting at 12:46 p.m.



John W. Harkness III, Chairman



Kelly J. Driver, Manager

Date Approved: _____

Dec. 13, 2016