

**MINUTES
PORT OF PEND OREILLE
BOARD OF COMMISSIONERS MEETING
Date: October 11, 2016**

Chairman Harkness called the meeting of the Port of Pend Oreille Board of Commissioners to order at 9:00 a.m. in the Port office located at 1981 Black Road, Usk, Washington. In attendance: Chairman Harkness, Vice Chairman Shanklin, Secretary Whyson and Port staff members Kelly Driver, Susan Bluff, Cliff Bauer, and Brad Byrd. Also in attendance, Peter Cooper with Pan Am Railways Inc.

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 September 13, 2016 as presented. Motion seconded by Commissioner Whyson, so ordered by Chairman Harkness.

COMMENTS: Peter Cooper with Pan Am Railways Inc. discussed options with the Board about the possibility of a public/private joint partnership to keep the north end of line open. There was discussion on Mr. Cooper's ideas for freight and passenger operations.

OLD BUSINESS:

1. SHOP BUILDING UPDATES:

A. DISCUSSION: The pond is basically complete; the fence is built to protect it. The plan for the next phase was discussed as well.

B. ACTION: None at this time.

2. OVERTIME AND COMP TIME POLICIES:

A. DISCUSSION: Discussion was held on overtime and comp time draft. Changes were approved and will be discussed with the employees.

B. ACTION: Commissioner Whyson moved to approve the personnel policy changes. Motion seconded by Commissioner Shanklin, so ordered by Chairman Harkness.

3. SAFETY DINNER:

A. DISCUSSION: The dinner is scheduled for Saturday, December 3rd at the American Legion in Cusick. Kelly has asked for RSVP's by November 4th.

4. OTHER OLD BUSINESS:

A. DIKE INSPECTION:

1. DISCUSSION: Kelly reported the inspection of the culverts has been completed. The PUD is waiting on the report.

NEW BUSINESS:

1. BACKHOE:

A. DISCUSSION: Cliff and Kelly discussed purchasing a new backhoe to replace the 1998 model currently in use. New hyrail gear will also need to be purchased.

B. ACTION: Motion was made by Commissioner Shanklin, seconded by Commissioner Whyson and so ordered by Chairman Harkness to approve the purchase of a new backhoe complete with hyrail gear.

2. SECOND STREET ABANDONMENT AGREEMENT:

A. DISCUSSION: Kelly reported that the agreement was signed with the PUD.

3. PERFORMANCE AWARDS/ RESOLUTION 2016-02:

A. DISCUSSION: Kelly presented Resolution 2016-02 authorizing performance awards for 2016.

B. ACTION: Commissioner Whysong moved to approve Resolution 2016-02. Motion seconded by Commissioner Shanklin, so ordered by Chairman Harkness.

4. PERSONAL HOLIDAYS:

A. DISCUSSION: Discussion on the use of personal holiday hours.

B. ACTION: Based on the discussion it was determined that the personnel policy will be modified and effective January 1, 2017 these holidays must be used in blocks of four (4) or eight (8) hours.

5. OFFICE LIGHTING UPGATE:

A. DISCUSSION: Kelly reported that upgrades will be made to the office lighting to retrofit the existing ballasts to accommodate LED bulbs.

6. OTHER NEW BUSINESS:

There was no other new business discussed at this time.

STAFF REPORTS:

1. ROADMASTER – CLIFF BAUER:

- Monitoring rides and testing completed on Brad, Terry, Tom, Brett.
- Picked up and cleaned up old ties.
- Tamping areas where new ties installed.
- Fixed broken rail nearly Stanley Drive.
- Getting ready for winter. Will be bringing equipment in for repairs over the winter.
- LEPC Drill
- BNSF line inspection hyrail trip.

2. MANAGER- KELLY DRIVER:

- Still working on budget. Waiting on information on medical insurance rates.
- Cliff, Corey and Kelly met with Steve Salzman from BNSF to discuss the potential of Hitest Sand shipments.
- Another FRA Audit.
- WPPA meeting next week. Agenda includes grants, contracts and procurement issues.
- The Port's attorney, Bill Schroeder, will be leaving Paine Hamblen and opening his own firm with other attorneys. Discussion on moving legal business with Mr. Schroeder. The Board agreed with Kelly's recommendation to move with Mr. Schroeder.

3. AUDITOR - SUSAN BLUFF:

- Susan presented the financial report and storage report information for the month ending September 30, 2016.

4. CHIEF MECHANICAL OFFICER- BRAD BYRD:

- Ordered a computer for 1745. Need to rewire and is changing air. Project will start when locomotives come back from Lions Club rides.
- Lost a Hotstart in 8325.
- Blasted a locomotive for Western Rail.
- Wolford signal issue may finally be resolved.
- Going to Agrium the end of this week.

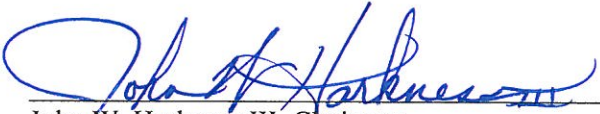
RECORDS FOR APPROVAL:

A. TIME AND EXPENSE SHEETS: Approved as submitted.

B. WARRANTS: Operating Expense warrants 42981-43102 totaling \$133,667.27 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: Nov 8 2014