

**MINUTES
PORT OF PEND OREILLE
BOARD OF COMMISSIONERS MEETING
Date: September 13, 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 Whysong and Port staff members Kelly Driver, Susan Bluff, Cliff Bauer, Brad Byrd and Brett Shults.

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

MINUTES: Commissioner Whysong moved to approve the minutes of August 2, 2016 as presented. Motion seconded by Commissioner Shanklin, so ordered by Chairman Harkness.

COMMENTS: None at this time.

OLD BUSINESS:

1. SHOP BUILDING UPDATES:

A. DISCUSSION: Discussion was held on the pond and drainage work as well as the contract amendments with Sewell Engineering.

B. ACTION: By general consensus the Board authorized Kelly to sign the amendments with Sewell's.

2. OVERTIME AND COMP TIME POLICIES:

A. DISCUSSION: Discussion was held on overtime and comp time draft. Changes will be made for the October meeting.

B. ACTION: No action necessary at this time.

3. SAFETY TRAINING:

A. DISCUSSION: Safety assessment team will be on site in November for about three days.

4. OTHER OLD BUSINESS:

A. GRANT:

1. DISCUSSION: Commissioner Whysong inquired as to any word on the grant. Kelly explained that the earliest the Port would hear any information would be around the 15th of November.

B. DIKE INSPECTION:

1. DISCUSSION: Kelly told the Board that the documents had been signed by the Port, PUD and County. The PUD will make the inspections and then the three entities will need to discuss the next options based on the report.

NEW BUSINESS:

1. POLICY 4003 – PROJECTS OVER \$50,000 AND UNDER \$300,000:

A. DISCUSSION: Kelly stated that the policy was required by the State Auditor and was discussed at the Exit Conference.

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

2. HITEST SAND:

A. DISCUSSION: Kelly discussed the press release by the Washington State Department of Commerce as well as other information that has been discussed at meetings with the County and EDC.

2. SECOND STREET ABANDONMENT AGREEMENT:

A. DISCUSSION: Kelly explained that the PUD has purchased property across Second Street from their existing warehouse facility in Newport. The PUD would like to close Second Street; the City of Newport will need confirmation that the Port does not object to the closure before considering it. Cliff and Kelly previously met with Chris Jones from the PUD and John Jackson from Newport Towing items to be taken care of were outlined as necessary before that approval would be given. The PUD is drawing up an agreement.

B. ACTION: Commissioner Whysong moved to authorize Kelly to sign the agreement with the PUD providing the items were adequately addressed. Motion seconded by Commissioner Shanklin, so ordered by Chairman Harkness

4. MEDICAL INSURANCE COVERAGE:

A. DISCUSSION: Kelly reported she has been informed that there will be about a 30% increase in the Port's medical premiums. She and the broker are working on possible coverage options; if there is a 30% increase it will more than likely mean a change to more of a major medical type policy.

5. SAFETY DINNER:

A. DISCUSSION: Options for the annual safety dinner were discussed. Kelly will look at venue locations.

6. OTHER NEW BUSINESS:

A. FOOD BANK DONATIONS:

1. DISCUSSION: Staff asked for permission to contribute to the four (4) food banks in the area served by the Port and railroad.

2. ACTION: Commissioner Shanklin moved to approve \$150 for each of the four (4) food bank locations as a public relations benefit to the District. The motion was seconded by Commissioner Whysong, so ordered by Chairman Harkness.

B. LEPC DRILL:

1. DISCUSSION: The LEPC emergency management training drill will be on Saturday, September 24th. Kelly, Cliff and Tim will be involved in the drill.

STAFF REPORTS:

1. ROADMASTER – CLIFF BAUER:

- Track crew tried out a hyrail equipped backhoe from Western States.
- Completed a follow up FRA inspection on the track.
- FRA certification audit. Some issues were found with the certification process. Those issues are in the process of being cleaned up.
- FRA inspector in the Priest River yard checking on securement of cars.
- Inserting the last of the ties for the year, crews will be tamping in the next few weeks.

2. MANAGER- KELLY DRIVER:

- Still working on budget
- Insurance application for railroad insurance coverage
- Policies and procedures work.
- On-going FELA issue.

3. AUDITOR - SUSAN BLUFF:

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

4. CHIEF MECHANICAL OFFICER- BRAD BYRD:

- Finishing a Deturbo project then it will be painted.
- Savage locomotive for mechanical work and then paint.
- Western Rail sent another switcher for work and paint.
- MRL paint jobs possible.
- Having a hard time getting parts so it is slowing down shop work. This is giving an opportunity for those qualified as engineers and/or conductors to get recertified.

RECORDS FOR APPROVAL:

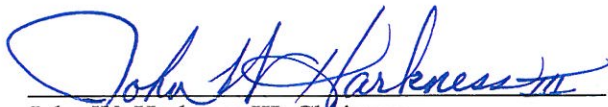
A. TIME AND EXPENSE SHEETS: Approved as submitted.

B. WARRANTS: Operating Expense warrants 42833-42980 totaling \$259,378.52 were approved as submitted.

EXECUTIVE SESSION: At 11:55 a.m. Chairman Harkness recessed the regular meeting to convene in executive session for approximately 15 minutes to discuss the performance of a public employee. At 12:10 p.m. Chairman Harkness brought the meeting back to order stating no decisions had been made in the executive session.

As a result of the executive session, the Board agreed to pay for up to \$300 of an employee's medical expenses as a result of what could have been an on the job injury claim.

ADJOURN: There being no further business Chairman Harkness adjourned the meeting at 12:15 p.m.



John W. Harkness III, Chairman



Kelly J. Driver, Manager

Date Approved: Oct 11 2016