

**MINUTES
PORT OF PEND OREILLE
BOARD OF COMMISSIONERS MEETING
Date: July 18, 2017**

Chairman Shanklin 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 Shanklin, Secretary Harkness and Port staff members Kelly Driver, Cliff Bauer, Brad Byrd and Corey Ives. Also in attendance was Port attorneys William Schroeder and Ann Schroeder, Tell Hamilton from the Kalispel Tribe and Kevin Schafer from Garco Construction.

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

MINUTES: Commissioner Harkness moved to approve the minutes of the regular meeting held on June 11, 2017 as presented. Motion seconded and so ordered by Chairman Shanklin.

COMMENTS: None at this time.

EXECUTIVE SESSION: At 9:02 a.m. Chairman Shanklin recessed the regular meeting calling for an executive session to discuss pending litigation matters with the Port's attorneys. At 9:50 a.m. Chairman Shanklin brought the regular meeting back to order stating no decisions were made in executive session.

OLD BUSINESS:

1. BRIDGE INSPECTIONS:

A. DISCUSSION: Cliff reported the on-site above pier inspections were completed within a week; diving inspection on the steel bridges are scheduled for the week of August 21st. DEA is currently working on capacity information. One cap was found at Davis Creek that is starting to crush, crews will be working to replace that cap soon. On the steel bridges shaling, which is common, was found and one (1) small hole in the I-Beam where snow and ice accumulates was found. DEA noted that the bridges need paint but painting is extremely expensive.

2. BLAST BOOTH:

A. DISCUSSION: Brad and Kelly met with Sewell's, Rraco and Walls Construction on Monday. Discussion on the contractors requesting another month beyond the existing ending date to complete the project. Rraco feels that the delays were due to submittal issues and not as a result of anything they did. If the Port does not grant additional time then Rraco will begin the process of documentation of their hours and all details associated with their claim for lost time, which would then have to be reviewed by Sewell's at a cost to the Port, if no resolution then it could end up in court with attorney fees as well. Staff recommended that the Port offer to consider an additional two-weeks' time, with consideration of an additional period of time, provided that Rraco's performance keeps the Port's costs down.

Staff also discussed that based on all of the submittals the Port has exceeded the time allowed in our contract with Sewell's and we will be receiving additional bills. Staff estimates that Sewell's contract will be exceeded by over \$20,000.

B. ACTION: Board agreed with staff recommendations.

3. ROTARY TRAIN RIDES:

A. DISCUSSION: The Rotary has things worked out with Newport Towing on the access needs. A handicapped ramp is in place. Proof of L & I coverage is still needed from the Rotary. Discussion on food vendor locations.

4. TOWN OF CUSICK/KALISPEL COMMERCE PARK:

A. DISCUSSION: Tell Hamilton and Kevin Schafer presented information on changes to the Tribe's Commerce Park north of Cusick. The Tribe needs to have a pressurized sewer line run down the railroad right-of-way with a push under the tracks to allow it to flow into the Town of Cusick's lagoons. There is no design for this line yet, basic information is needed regarding location of PUD infrastructure. Garco needs to do some potholing to determine depths. Kelly will find out who the contact person will be for the PUD.

Discussion included that the crossing under the track will have to be sleeved. With a pressurized line, the Tribe will have to assume any responsibility for damages to land owners, the PUD, Diking District 2 as well as repair the dike and rail line if the line were to break and cause damage.

There was also talk on the Town of Cusick's water system as well as Tribal plans for a 75,000-square foot grocery store, 33 RV spots with full hook ups, 8 tiny homes, storage units, office building and further expansion of a hotel and casino. This will take place on the area north of the rest stop. The area will have to be raised about four feet with about 30,000 yards of fill. The hope is to have concrete work in the ground before winter.

5. PERSONNEL POLICY DRAFT CHANGES:

A. DISCUSSION: The Board did not have any changes to the draft policy. Kelly will work on a final copy for the August meeting.

6. BACKHOE:

A. DISCUSSION: Corey reported that Rowan Machinery has turned the damaged backhoe over to their insurance company to handle. They have placed an order for a new backhoe and are working with Mitchell Equipment to have hyrail gear installed. It will be about six (6) or seven (7) months before we see the new machine.

7. CULVERT ISSUE NEAR DALKENA:

A. DISCUSSION: Regarding the request to inspect an area prone to ground water a meeting has been scheduled in September with the County, WSDOT, DOE and Corps of Engineers to see what if anything can be done to address the wetlands and ground water issue.

8. OTHER OLD BUSINESS:

A. GRANT WORK:

1. DISCUSSION: Crews are working at replacing ties. In two days, with the rented tie inserter, Corey was able to pull out 1,400 ties. With the old backhoe and the tie inserter they were able to insert 220 in one day. So far 1,100 ties have been inserted.

NEW BUSINESS:

1. COMMISSIONER VACANCY:

A. DISCUSSION: Kelly has advertised the Commissioner vacancy as required by law.

2. REPORT ON SOLD SURPLUS PROPERTY:

A. DISCUSSION: While cleaning a box car an old crank hoist was found, it was not useful to the Port and was sold for \$25.00. A 2-ton Dayton electric chain hoist, 3-phase power, will be surplus as well as it is no longer used by the Port.

3. OTHER NEW BUSINESS:

A. AUGUST MEETING CHANGE:

1. **DISCUSSION:** Due to a conflict in schedules the August meeting will be rescheduled to August 15th. Kelly will advertise the change and notify anyone who may apply for the Commissioner vacancy.

B. SECURITY SYSTEM:

1. **DISCUSSION:** A quote from Newport Alarm, to expand the existing system to include security cameras, was discussed. The Board and Staff agree that they expansion is too costly at this time. Possibly revisit at another time or consider other options.

STAFF REPORTS:

1. ROADMASTER, CLIFF BAUER: Cliff reported on:

- On the grant project work.
- Brush was cut under the bridges.
- Bridge inspections completed.
- Weed spraying. Done late due to weather conditions. Also sprayed about 30 miles of brush.
- Repaired broken rail at PNC.
- WUTC will be inspecting walk-ways, 4th and Union Street crossing and in August will be inspecting crossings north of Newport.

2. MANAGER- KELLY DRIVER: Kelly reported on:

- Attending juvenile court hearings.
- Chevron project is starting.
- Employee injury.
- UP track work will interrupt POVA operations for several weeks. Train crew members will report to work late to avoid going dead.
- CPR class for all permanent employees was held July 5th.
- Transformer for Boundary Dam is moving this direction.

3. AUDITOR - SUSAN BLUFF:

- Susan was not present but left the financial report and car storage report information for the month ending June 30, 2017.

4. CHIEF MECHANICAL OFFICER- BRAD BYRD: Brad reported on:

- Locomotive being blasted.
- 3514 rebuilt and rewired. Brett is currently testing.
- GE for Great Western Railroad needs painted.
- He has been to Warden to service an SD-9, needs to make another rip for brake valves. He also needs to make another trip to Agrium.
- US Sugar locomotive made it to Sandpoint, somehow it got put in an outbound train and is currently in Nebraska.
- Crews cleaned out the box car and built storage shelves. Goal is to move the box car closest to the shop so semi-trucks can get in and out more easily.
- Worked on the Regulator, putting on the wings for track work.

5. TRACK FOREMAN – COREY IVES:

- Showed the Board the new truck. Explained that the box is being built to our specifications.
- Discussed car repairs.

RECORDS FOR APPROVAL:

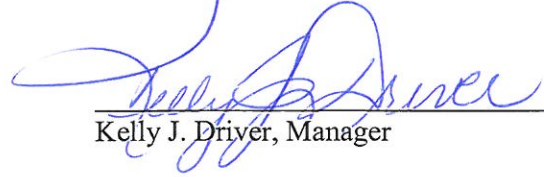
A. TIME AND EXPENSE SHEETS: Approved as submitted.

B. WARRANTS: Operating Expense warrants 44171-44361 totaling \$377,625.39 were approved as submitted.

ADJOURN: There being no further business Chairman Shanklin adjourned the meeting at 12:28 p.m.



R. L. Shanklin, Chairman



Kelly J. Driver, Manager

Date Approved:

08-15-17