

**MINUTES  
PORT OF PEND OREILLE  
BOARD OF COMMISSIONERS MEETING  
Date: November 14, 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, Vice Chairman Kiss, Secretary Harkness and Port staff members Kelly Driver, Cliff Bauer, Brad Byrd, Susan Bluff and Corey Ives. Also in attendance Port attorneys William Schroeder and Anne Schroeder from KSB Litigation.

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

**EXECUTIVE SESSION:** At 9:00 a.m. Chairman Shanklin called for an executive session regarding pending litigation issues. At 9:50 a.m. Chairman Shanklin brought the meeting back to order with no action in the executive session.

**MINUTES:** Commissioner Harkness moved to approve the minutes of the regular meeting held on October 10, 2017 as presented. Motion seconded by Commissioner Kiss and so ordered by Chairman Shanklin.

**COMMENTS:** None at this time.

**OLD BUSINESS:**

**1. BLAST BOOTH:**

**A. DISCUSSION:** Kelly asked the Board to accept October 24, 2017 as the date of completion on the Blast Booth project. Racco has not called for an inspection by the County so Kevin Sewell has done so. There is an error on the Affidavit from Walls Construction, they have listed our project as being in Spokane; Walls is responsible to correct the issue. Kelly has made Sewell's aware of the problem.

**B. ACTION:** Commissioner Harkness moved to accept October 24<sup>th</sup> as the date of completion by Racco. Motion seconded by Commissioner Kiss, so ordered by Chairman Shanklin.

**2. TOWN OF IONE -NEW LAND LEASE:**

**A. DISCUSSION:** Kelly reported that Ione Mayor, Charles Spears, wanted a new agreement signed instead of just agreeing to extend the existing land lease. Kelly prepared the new agreement, with the same terms and conditions, just a new land lease number, and she and Cliff signed on behalf of the Port.

**B. ACTION:** The Board gave their general approval of this action.

**3. BACKHOE ARRIVAL:**

**A. DISCUSSION:** Corey informed the board that the backhoe has arrived. Mitchell Equipment's wiring on some of the hyrail gear was not acceptable to Pape' Machinery but POVA accepted and made the repairs. A five (5) year warrant was purchased on the backhoe by Big Sky Trucking at no cost to POVA. It is a preventative maintenance warranty; 5- years or 5,000 hours. No one is to add oil to the machine for the first 500 hours as it is filled with "break-in" oil; Corey will be providing this service to ensure that the oil is not contaminated. Big Sky has our diminished value information.

**B. ACTION:** No action necessary.

**4. OTHER OLD BUSINESS:**

There was no other old business at this time.

## **NEW BUSINESS:**

### **1. ROTARY CLUB 2018:**

**A. DISCUSSION:** Kelly provided information from attending a meeting with a few of the Rotarians. They want to increase the number of rides in September and October including Labor Day weekends as well as rides over Memorial Day weekend. Crew members did a sign-up this morning and have indicated the amount they require for the rides including an increase for the holiday weekends.

Kelly also brought up a need for a lease in addition to a use permit as the Rotary Club ended up using quite a bit of Port property that was not anticipated in their initial proposal and first season of operations. She will draw up a draft user agreement and a draft lease for everyone to review.

**B. ACTION:** Commissioner Kiss made a motion to tentative approval of the proposed ride schedule pending reaching a User Agreement and Land Lease permit with the Rotary Club. Motion seconded by Commissioner Harkness, so ordered by Chairman Shanklin.

### **2. SAFETY DINNER:**

**A. DISCUSSION:** The annual safety dinner will be held on Saturday, December 2<sup>nd</sup> at the American Legion in Cusick; dinner begins at 5 p.m. The Legion has invited everyone to stay and enjoy the live music that will start at 7 p.m.

### **3. PRELIMINARY BUDGETS:**

**A. DISCUSSION:** Kelly went over the Insurance Reserve, Capital Improvements, Debt Service Reserve and Operating Expense Fund preliminary budgets. Discussion was held on each of the budgets.

**B. ACTION:** The Board gave their approval to move forward with the final budget process.

### **4. RESOLUTION 2017-03 SAFETY INCENTIVES/PERFORMANCE AWARDS:**

**A. DISCUSSION:** Kelly indicated that the only change from the 2016 Resolution was changing the dates and signatures. Questions regarding the point system were answered.

**B. ACTION:** Commissioner Harkness moved to approve Resolution 2017-03. Motion seconded by Commissioner Kiss, so ordered by Chairman Shanklin.

### **5. OTHER NEW BUSINESS:**

None at this time.

## **STAFF REPORTS:**

### **1. ROADMASTER, CLIFF BAUER:** Cliff reported on:

- Black Road Crossing (railroad MP 15.6) was redone. Crews replaced ties and then installed concrete panels.
- Grant work is completed until spring weather permits resuming work. Kelly and Corey will work with the State on billing soon. Crews installed approximately 7,200 ties. Next spring, they will begin picking up and disposing of old ties, regulate, tamp, spread ballast and install the remaining 700 ties.
- Efficiency testing of engineers and conductors continue, just a few more to do.
- Minor derailment at Ponderay Newsprint, no injuries to crew or equipment. Ponderay needs to install a target on the switch that was missing.
- He and Corey worked on evaluations and will be going over them with the crew later today.

**2. MANAGER- KELLY DRIVER:** Kelly reported on:

- Railroad liability insurance application has been sent out for pricing.
- POVA safety dinner work.
- Medical insurance renewal has been completed it is only good for six months. Premera is changing the renewals dates to run from July 1 through June 30 starting in 2018. The new policy will allow for coverage of more area hospitals.
- Timetable 17 draft in the works.
- Chevron tank cars may possibly be leaving but there is a possibility of storing empty bio-diesel cars next.
- BNSF is still keeping our operations to two (2) days per week for the time being.

**3. AUDITOR - SUSAN BLUFF:**

- Susan presented the financial report and car storage report information for the month ending October 31, 2017.

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

- US Sugar locomotive still being worked on.
- Load box on the switcher now.
- 9975 will be shipping off to Texas after it is put back on the load box.
- 7100 Savage Switcher – needs a new generator and then will be painted.
- He will be going to EWG to look at a locomotive that may have lost a turbo. It will be coming to POVA for work.
- 8325 - wheel replacement is needed.
- Steel ordered for short wall on blast booth.
- Crew worked on the crane for the track crew.

**5. TRACK FOREMAN – COREY IVES:**

- New outriggers came with the new backhoe which cannot be used by POVA because of its use on the rail. He will work on finding a source to sell these through. The value is less than \$5,000. Board gave their general approval to surplus these as not necessary to the Port's operations.
- Unit 10 – now in the shop for an electrical connection problem. Hard to find someone in the area that works on a Chevrolet diesel.
- Unit 7 – is at Cobalt in Spokane waiting for the flatbed to be installed. Knapheide was backed up on production so the installation is running behind.
- Culvert near Dalkena. We will be dropping from a 24-inch culvert to a 20-inch culvert. This lines up with the State's 18-inch culvert under Highway 20. Waiting for pricing from Versatile Industries.

**RECORDS FOR APPROVAL:**

**A. TIME AND EXPENSE SHEETS:** Approved as submitted.

**B. WARRANTS:** Operating Expense warrants 44710-44840 totaling \$220,419.74 were approved as submitted.

**EXECUTIVE SESSION:**

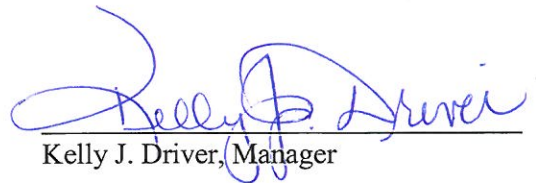
At 11:30 a.m. Chairman Shanklin called for an executive session to review the performance of public employees. At 1:50 p.m. Chairman Shanklin brought the regular session back to order and stated no decisions were made in the executive session.

Commissioner Harkness moved to approve a settlement agreement as discussed with the Port's attorney. Motion seconded by Commissioner Kiss, so ordered by Chairman Shanklin.

**ADJOURN:** There being no further business Chairman Shanklin adjourned the meeting at 1:50 p.m.



R. L. Shanklin, Chairman



Kelly J. Driver, Manager

Date Approved:

Dec. 12, 2017