

**MINUTES
PORT OF PEND OREILLE
BOARD OF COMMISSIONERS MEETING
Date: September 19, 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 were North Pend Oreille Valley Lions Club members Gayle Pollock and Dick Norton.

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 August 15, 2017 as presented. Motion seconded and so ordered by Chairman Shanklin.

OATH OF OFFICE: Chairman Shanklin administered the oath of office to newly appointment commissioner for District 3, Ryan Kiss.

COMMENTS: None at this time.

OLD BUSINESS:

1. BRIDGE INSPECTIONS:

A. DISCUSSION: Cliff reported that the dive inspections at Albeni Falls and Priest River were completed in August. The same company that dove for BNSF 25 years ago provided the diving service this time too. They did not find any new issues and feel that the bridges are in as good of condition as they were 25 years ago.

Bridge reports are available on line and hard copies and a thumb drive will be given to the Port later this week.

2. BLAST BOOTH:

A. DISCUSSION: There are two leaks in the building that will have to be addressed with the contractor. The contractor is not quite done but a walk-through of the project will be done later this week. POVA will still have to put up the curtains and have a sprinkler system installed prior to receiving an occupancy permit from the County.

B. ACTION: No action required.

3. LEADERS MEETING:

A. DISCUSSION: Due to the death and funeral of a tribal member the Camas Center was closed September 15th which caused the Leaders meeting to be rescheduled. The meeting will be held on October 13th.

4. TOWN OF CUSICK/KALISPEL COMMERCE PARK:

A. DISCUSSION: The Tribe felt that RCW 4.24.210 would protect the Port for the walking path along the railroad right-of-way without the need for insurance coverage by the Town or the Tribe. The Port's railroad liability insurance broker and Port attorney, William Schroeder, do not believe this to be correct. Discussion followed, insurance coverage will still be required.

5. BACKHOE:

A. DISCUSSION: Corey reported that John Deere completed over \$20,000 in repairs to replace the boom on the backhoe. It is currently at Mitchell Equipment where it will receive over \$48,000 amount in repairs. Mitchell is replacing everything so it is new. It will be another four to six weeks before it is completed. Diminished value of the backhoe was discussed; staff will pursue and extended warranty, without cost to POVA, for the machine.

6. CULVERT ISSUE NEAR DALKENA:

A. DISCUSSION: Meeting on September 11th with the WSDOT, landowners, DOE and County to discuss the drainage issue. The railroad culvert will need replaced, this is a two-foot culvert approximately 80 feet long. Corey is looking into costs to have this work completed before winter.

7. OTHER OLD BUSINESS:

None at this time.

NEW BUSINESS:

1. NORTH PEND OREILLE VALLEY LIONS CLUB- RAILRIDERS:

A. DISCUSSION: Gayle Pollock and Dick Norton spoke to the Board regarding the possibility of operating Railriders on the line between Box Canyon Dam and Greenhouse Road, a total trip of 12 miles. Discussion on the equipment used, Lions Club coverage of the rides, insurance coverage and more.

B. ACTION: Commissioner Harkness moved to approve the concept of the Railriders for the Lions Club, motion seconded by Commissioner Kiss, so ordered by Chairman Shanklin. Kelly will work with the Lions regarding an agreement and costs.

2. CUMMINS- LOCOMOTIVE PROJECT:

A. DISCUSSION: Brad reported that he and Kelly met with Cummins regarding the possibility of money being available to upgrade a locomotive due to a settlement with the federal government with Volkswagen. The State of Washington will receive around \$190 million which is to be used for emissions reductions. POVA will watch this process and apply for funds, if we qualify, to improve locomotive emissions.

3. OTHER NEW BUSINESS:

A. SAFETY DINNER:

1. DISCUSSION: Kelly confirmed with the Board that she should proceed with the annual safety dinner. She will begin making plans.

STAFF REPORTS:

1. ROADMASTER, CLIFF BAUER: Cliff reported on:

- Efficiency testing of engineers and conductors.
- Crews have installed about 5,100 ties and are at McCloud Creek. He hopes to have 7,000 installed before freezing weather makes tie installation stop. The old backhoe has had lots of issues, continually working on it in order to make it last through the season.
- Chevron's project is running slower than anticipated.
- WUTC inspection resulted in replacing of some crossing planks and doing some asphalt patching.
- A new WUTC track inspector stopped and introduced himself last week; he will be back for a track inspection next month.

2. MANAGER- KELLY DRIVER: Kelly reported on:

- BNSF was here for a meeting last week on the track lease and other issues.
- HiTest Sand should be making an announcement if they are going to proceed with their proposed smelter. Discussion on rail study for a loop track.
- She is waiting on shipper projections so she can begin the budget process.
- Railroad liability insurance application is in progress.

3. AUDITOR - SUSAN BLUFF:

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

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

- Working on the Savage locomotive.
- Rewired a locomotive for Western Rail.
- Working on a GP 20, cutting wheels and troubleshooting electrical problems.
- US Sugar locomotive is here.
- 8325 will need a new wheel soon.
- Pressure washer is in the shop getting a new motor. The portable pressure washer is also in for repairs.
- DOE will be here on Thursday to check on the blast booth pond.

5. TRACK FOREMAN – COREY IVES:

- Roger has been working on car repairs all month.
- Flat bed for the new truck is in production.
- Unit 10 is currently in the shop getting three (3) new injectors; it may be under warranty. He believes part of the issue with Unit 10 is that they are welding on the back of the truck causing voltage spikes to go through it. He has ordered some voltage spike arrestors for it and Unit 7.

RECORDS FOR APPROVAL:

A. TIME AND EXPENSE SHEETS: Approved as submitted.

B. WARRANTS: Operating Expense warrants 44437- 444637 totaling \$1,011,848.22 were approved as submitted.

EXECUTIVE SESSION:

Per RCW 42.30.110 an executive session was called at 11:20 a.m. by Chairman Shanklin. In attendance were the Board of Commissioners and Kelly Driver. At 11:40 a.m. Chairman Shanklin brought the regular meeting back to order stating no decisions were made in executive session.

ADJOURN: There being no further business Chairman Shanklin adjourned the meeting at 11:42 a.m.



R. L. Shanklin, Chairman



Kelly J. Driver, Manager

Date Approved:

Oct. 10, 2017