

**MINUTES  
PORT OF PEND OREILLE  
BOARD OF COMMISSIONERS MEETING  
Date: December 20, 2018**

Chairman Kiss 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 Kiss, Vice Chairman Harkness, Secretary Shanklin and Port staff members Kelly Driver, Susan Bluff, Cliff Bauer, Corey Ives and Brad Byrd. Also present Dick and Marita Norton representing the North Pend Oreille Valley Lions Club. Joining the meeting later were Port employees Riley Bauer, John Bezanson, Don Endicott, Tyler Frisque, Tom Hardwick, Myles Keogh, Terry Miller, Roger Moran, Jared Smiley, Lieven Walston.

**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 the regular meeting held on November 13, 2018 as presented. Motion seconded by Commissioner Harkness and so ordered by Chairman Kiss.

**COMMENTS:** None at this time.

**OLD BUSINESS:**

**1. BNSF AGREEMENT – PRIEST RIVER TRACK:**

**A. DISCUSSION:** Kelly stated the agreement for the lease of land for the Stimson siding has finally been worked out. She signed the document on behalf of the Port.

**2. PERSONNEL POLICY UPDATES – RESOLUTION 2018-06**

**A. DISCUSSION:** Kelly provided a revised policy which incorporates all policy changes previously adopted by the Board. She made one addition; the addition calls for employees to complete an incident report in the event of a near-miss, accident or other event.

**B. ACTION:** Commissioner Harkness moved to approve the changes to the Personnel Policy as well as the new Personnel Policy with an effective date of January 1, 2019 and Resolution 2018-06. Motion seconded by Commissioner Shanklin, so ordered by Chairman Kiss.

**3. OTHER OLD BUSINESS:**

None at this time.

**NEW BUSINESS:**

**1. 2019 ROTARY TRAIN RIDE SCHEDULE/RENTAL AGREEMENT:**

**A. DISCUSSION:** Kelly presented a draft agreement for the 2019 Rotary rides. She has worked with the insurance broker and he suggested a change in language on insurance and indemnity. She will submit this to the Rotary Club. There was discussion regarding the Rotary Club's request for a two-year agreement. It was determined that an annual agreement will be required, at least for the time being as dates will change year to year anyway. More discussion held on how "robbers" are protected getting on and off the train. Kelly will follow up with the Rotary Club.

**2. 2019 LIONS CLUB RAILRIDER AGREEMENT**

**A. DISCUSSION:** Dick Norton thanked the Port for being awesome partners in 2018. He said the 11<sup>th</sup> railrider will be ready for the 2019 rides and will have an electric motor for host use to get them to the trestle and other areas faster. Prices for 2019 will be \$24 per adult and \$12 per child.

**B. ACTION:** Commissioner Harkness moved to approve the 2019 agreement with the Lions Club. Motion seconded by Commissioner Shanklin, so ordered by Chairman Kiss. Signed agreements were given to Mr. Norton for signature by the Lions Club.

**3. BOARD REORGANIZATION:**

**A. DISCUSSION:** Nominations were as follows for 2019: Chairman- John Harkness, Vice Chairman – Bob Shanklin, Secretary - Ryan

**B. ACTION:** The Board gave their general approval of the nominations and Board reorganization for 2019.

**4. ROAD EASEMENT REQUEST:**

**A. DISCUSSION:** Kelly presented information on a request for a road easement in the area north of the North Ione Crossing. Roadmaster, Cliff Bauer, believes that this does not conform with Port policy on crossings having no greater than a 5% grade 40-feet each side of the track and that the area concerned is so steep that the road would have to be right against, or very near, the edge of the ties.

**B. ACTION:** Based on Cliff's recommendation and comments, the Board denied the request for an easement. Kelly will inform the land owner.

**5. OTHER NEW BUSINESS:**

None at this time.

**STAFF REPORTS:**

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

- Highway 41 bridge work is done until March. The bridge is open and he has pulled the derails. Work is scheduled to resume in March.
- The tie disposal portion of the grant is complete; the ties have been hauled to Graham landfill.
- Annual bridge inspections are done. Need DEA to sign off on his inspection reports.
- Annual written testing is taking place.
- Crews are cutting brush up north with the brush cutter and working with chain saws near MP 1.

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

- Railroad liability insurance has been secured for 2019.
- Kalispel Tribe of Indians is basically assured of their Class I air designation.
- Working on a Timetable update.
- The grant reimbursement request has already been received. We need to provide our match paperwork; Corey is helping with that.
- Our request for grant funding for 2019 is looking good so far. The Governor's budget has to be presented and the legislature has to fund yet. We may not know until the end of June 2019. We cannot purchase anything until the grant agreement is signed or July 1, whichever is later.
- The State of Idaho has been invoiced for the 2018 bridge safety work.
- Based on information from the WPPA, the Board will also be subject to sick leave tax deductions beginning January 1, 2019.
- The rail miles tax credit is tied up with the border wall funding. It is unknown if we will get the tax credit in 2019 with a retroactive date to 2018.

**3. AUDITOR - SUSAN BLUFF:**

- Susan presented the financial report information for the month ending November 2018.

**4. CHIEF MECHANICAL OFFICER- BRAD BYRD:**

- Two locomotives are in the shop on is running and being tested. Working on a deturbo.
- The Cummins project should be here any day.
- Roger is working in the shop now. Cliff has provided additional help as time allows.
- Doing fine on projects, plenty of work to do.

**5. TRACK FOREMAN – COREY IVES:** Corey reported on:

- He is assisting with the grant paperwork putting together equipment use
- New tires on unit 8 and they are actually balanced now due to having a part built that works on the larger wheels. The crew reports that it drives better than it ever has.
- Annual hyrail inspections have been completed. Unit 9 needs new hyrail wheels and other parts. Unit 8 needs a new wheel too. He will be ordering parts.
- Bought a new Husqvarna 562 chain saw for approximately \$750; the track crew loves it.
- November car repairs were approximately \$33,000 with 107 cars worked. Year to date repairs is approximately \$319,000.

**RECORDS FOR APPROVAL:**

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

**B. WARRANTS:** Operating Expense warrants 46385-46585 totaling \$ 303,663.04 were approved as submitted.

**EXECUTIVE SESSION:**

At 10:20 a.m. Chairman Kiss recessed the regular session and convened the meeting in executive session. At 10:55 a.m. he adjourned the executive session and brought the regular meeting back to order stating no decisions were made in the executive session.

All employees joined the Board for discussion on the Port's sexual harassment policy. All employees signed an Anti-Harassment policy memo from the Board of Commissioners.

At 11:10 a.m. a second executive session was called for performance review of public employees. This session lasted until 12:45 p.m. Chairman Kiss adjourned the executive session stating no decisions were made in the closed session.

Based on the executive session there was discussion regarding personnel, wages, benefits and other budgetary items. Kelly will work on 2019 budget revisions for the January 8, 2019 meeting.

**ADJOURN:** There being no further business Chairman Kiss adjourned the meeting at 12:55 p.m.

  
John W. Harkness III, Chairman

  
Kelly J. Driver, Manager

Date Approved: 