

**MINUTES  
PORT OF PEND OREILLE  
BOARD OF COMMISSIONERS MEETING  
Date: October 9, 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.

**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 14 as presented. Motion seconded by Commissioner Shanklin and so ordered by Chairman Kiss. (Note: There was no meeting in September due to lack of a quorum).

**COMMENTS:** None at this time.

**OLD BUSINESS:**

**1. SMART GROWTH GRANT UPDATE:**

**A. DISCUSSION:** Kelly gave an update on the meetings with the County, EDC, Tribe and other involved parties.

**2. LEADERS MEETING – SEPT. 21:**

**A. DISCUSSION:** Limited attendance, PacWest Silicone continues to be a hot topic; the next meeting will probably be in February.

**3. TOWN OF IONE WATER LINE AGREEMENT:**

**A. DISCUSSION:** Kelly informed the Board that the Town of Ione was awarded a grant for their water system improvements and that an agreement between the Town and the Port had been worked out. The Town was to sign and return the originals for signing but they have not yet been received.

**4. OTHER OLD BUSINESS:**

None at this time.

**NEW BUSINESS:**

**1. SALARY SCHEDULE REVISION:**

**A. DISCUSSION:** A revised salary schedule was presented providing a retroactive wage increase to an employee.

**B. ACTION:** Commissioner Shanklin moved to approve the revised salary schedule, retroactive to September 1, motion seconded by Commissioner Harkness, so ordered by Chairman Kiss.

**2. PERSONNEL POLICY CHANGES:**

**A. DISCUSSION:** Kelly reported that in doing some research on Washington State's sick leave law she has found that the Port is actually not in compliance with all aspects. She and Susan explained that the Port's policy, as currently written, does not account for overtime hours. Suggestions were made changing the language, also that no employee would be penalized by any change in language up to the date of adoption but those who had worked overtime would get credit for additional hours worked from January 1, 2018.

An additional correction to language in the policy was also discussed.

**B. ACTION:** Commissioner Harkness moved to accept the changes recommended by staff, as amended during discussion, with a retroactive date to January 1, 2018. Motion seconded by Commissioner Shanklin, so ordered by Chairman Kiss. Staff will write up the changes for formal adoption.

**3. 2019 PRELIMINARY BUDGETS:**

**A. DISCUSSION:** Kelly presented the preliminary budgets for the Debt Service Reserve Fund, Insurance Reserve Fund, Capital Improvements Fund, and Operating Expense Fund for 2019. She explained that revenues are anticipated to be down significantly in 2019 due to the loss of storage cars and an anticipated loss in the shop projects due to the loss of a key employee. Other line items were also discussed.

**B. ACTION:** Commissioner Shanklin moved to approve the preliminary budgets for 2019. Motion seconded by Commissioner Harkness, so ordered by Chairman Kiss.

**4. WSDOT FREIGHT RAIL ASSISTANCE GRANT APPLICATION:**

**A. DISCUSSION:** Kelly informed the Board that she had received information that very few projects had been submitted to the WSDOT for the 2019-2021 project period, so with the help of Cliff and Corey a grant application was written within about a week's time and submitted to the WSDOT for approximately two (2) miles of rail including bars, plates and other OTM.

The application forms had a new requirement which requires a self-assessment on scoring. She and Corey did this exercise and out of 100 points it was estimated that the Port's application earned 58 points.

**5. RESOLUTION 2018-01 SURPLUS PROPERTY:**

**A. DISCUSSION:** Kelly presented the resolution which allows the Port to dispose of property valued at \$10,000 or less.

**B. ACTION:** Commissioner Harkness moved to approve Resolution 2018-01. Motion seconded by Commissioner Shanklin, so ordered by Chairman Kiss.

**6. RESOLUTION 2018-02 PERFORMANCE AWARDS 2018**

**A. DISCUSSION:** Kelly presented the resolution for annual performance awards.

**B. ACTION:** Commissioner Harkness moved to approve Resolution 2018-02. Motion seconded by Commissioner Shanklin, so ordered by Chairman Kiss.

**7. STORAGE OF LOADED HAZ MAT CARS:**

**A. DISCUSSION:** Staff explained that with the nation's economy going well storage cars are not readily available. There is a possibility of being able to obtain loaded propane or butane cars for storage. Kelly is working with a broker to get more information on federal requirements and contract terms.

**B. ACTION:** The Board gave their general consensus to continue pursuing this matter provided there is sufficient insurance coverage and that we would be able to stay in compliance with FRA rules and regulations.

**8. MASTER PLAN/COMP PLAN – DRAFT:**

**A. DISCUSSION:** Kelly presented a draft master plan for Board review and input. She stated that there is a State law that requires a master plan and that many of the grants she has looked at requires a master plan submittal as part of the grant application. She has talked with other small port districts and each of them says that it is important to keep it simple. Kelly also explained that before adopting a plan it must be advertised for a public hearing. Draft will be discussed at the November board meeting.

## **9. RANGLES PROPERTY – VARIANCE REQUEST:**

**A. DISCUSSION:** Kelly explained that Ms. Randles had requested a variance with the City of Newport for putting in a new mobile home with a part of her new mobile home sitting on Port property. In talking with Ms. Randles it was explained that the Port cannot give her the use of the property for free, that if a variance was granted she would be required to lease the property from the Port and provide insurance. Ms. Randles withdrew her request and said she will go a different direction with her new home.

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

## **10. OTHER NEW BUSINESS:**

None at this time.

## **STAFF REPORTS:**

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

- Tie replacement grant is winding up. All new ties are in, old ties have been picked up, ballast will be finished being spread in the next two weeks, tamping and lining complete, crews will just need to finish regulating once all of the ballast is spread. Disposal of the old ties will happen within the next two (2) or three (3) weeks.
- Crews worked to remove the damaged section of the Renshaw Creek culvert near Tiger by using a snatch block.
- Recertification of engineers and conductors is almost completed.
- Weed and brush spray crew will be back on site, without charge to us, due to a lack of kill on the brush spraying.

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

- The WUTC asked for more information on the railrider events. Commissioner Shanklin also reported that the Lions Club is considering fencing out by the Box Canyon trestle to keep riders away from the trestle while they turn cars around. There was discussion on the need to drill into the rock to set any fence posts. Cliff is willing to help transport people and materials to the site with the hyrail but the work would need to be done by the Lions Club.
- Working on the FRA bridge program changes based on the FRA audit.
- Tom completed Drug and Alcohol Supervisor training in New Orleans.
- Ponderay freight contract complete.
- Rotary Club needs to complete an accident report on a “train robber” that was hurt in September.

### **3. AUDITOR - SUSAN BLUFF:**

- Susan presented the financial report and car storage report information for the months ending August and September 2018. She also reported that the State Auditor’s office will be starting their audit of 2016 and 2017 later this month.

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

- U.S. Sugar locomotive shipped out.
- Shipped two (2) switchers to Oregon.
- Three (3) more locomotives to be worked for Oregon; two (2) are ready, waiting for inspection.
- MRL sent one (1) locomotive for paint.
- Blast booth curtains are being hung.
- He has been to Warden and needs to go to the Tri-Cities.
- POVA 102- waiting on correct parts/prints to install.
- Cummings project – all electronics have been sent. The engine is supposed to be here in November.

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

- He took BNSF and Budinger over the Sandpoint line to inspect the sink holes. Budinger will be doing the drilling work. Discussion about the unloading/loading of the drill unit for Budinger which will require the signing of a full release of liability.
- Numerous equipment breakdowns have happened.
- Car repairs were around \$28,000 for September.
- BNSF track crews were working in the Sandpoint yard over the last week which caused delay issues for the POVA train crew.
- As part of the efficiency testing requirements he did a red flag test on Don and John. And he completed a ride-along with Terry Miller.

**RECORDS FOR APPROVAL:**


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

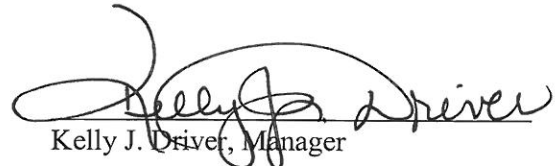
**B. WARRANTS:** Operating Expense warrants 46020-46269 totaling \$480,820.56 were approved as submitted.

**EXECUTIVE SESSION:**

At 11:17 a.m. Chairman Kiss recessed the regular meeting to convene in executive session to discuss pending litigation and to review the performance of public employees. At 12:50 p.m. Chairman Kiss brought the regular session back to order stating no action was taken in the executive session.

**ADJOURN:** There being no further business Chairman Kiss adjourned the meeting at 12:51 p.m.

  
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Ryan Kiss, Chairman

  
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Kelly J. Driver, Manager

Date Approved: 11-13-18