

**MINUTES
PORT OF PEND OREILLE
BOARD OF COMMISSIONERS MEETING
October 13, 2009**

Chairman Kiss called the regular 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.

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 September 8, 2009 as presented. Motion seconded by Commissioner Shanklin, so ordered by Chairman Kiss.

COMMENTS:

None at this time.

ADVERTISED ITEM:

PRELIMINARY BUDGET HEARING 2010:

A. DISCUSSION: The preliminary budgets for the Debt Service Reserve Fund in the amount of \$301,549 and the Operating Expense Fund in the amount of \$1,567,807 were discussed.

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

OLD BUSINESS:

1. M-BAR-D OPERATIONS:

A. DISCUSSION: Kelly informed the Board there M-Bar-D's last day will be October 15th. M-Bar-D's current contract runs through November 30th however she requested the Board waive the November rental payment and the \$1,000 minimum fee per month for October and November provided that they are current and pay through the end of October on all utilities and that they sell approximately \$4,000 of inventory to the Port at cost.

B. ACTION: Commissioner Shanklin moved to approve staff recommendation. Motion seconded by Commissioner Harkness, so ordered by Chairman Kiss.

2. INDUSTRIAL PARK CLEAN UP:

A. DISCUSSION: Commissioner Shanklin and Leslie Jones from TEDD attended the PUD's Economic Development Fund Board meeting where the PUD awarded the Port \$40,000 in grant funds for the clean-up of the proposed industrial park site. There was discussion regarding the appointment of an environmental engineer and the work that needs to be completed in the spring of 2010.

3. OTHER OLD BUSINESS:

None at this time.

NEW BUSINESS:

1. CAR REPAIR EMPLOYEE/ UPDATE BUDGET FORM:

A. DISCUSSION: Kelly reported that she and Cliff conducted interviews for the permanent position with the Port and have offered the position to Alan Corning. Alan will begin work on October 19th. The Board signed the necessary papers for the auditor regarding the hiring for this position.

2. LEADERS MEETING/ NOVEMBER MEETING TIME CHANGE:

A. DISCUSSION: The Leaders meeting originally scheduled for this date was delayed to November 10th at 10 a.m. at the Camas Wellness Center. The regular Port meeting will begin at approximately 1:30 p.m.

3. CROSSING SIGNAL GRANT:

A. DISCUSSION: Kelly and Brett informed the Board about a grant they have applied for through the WUTC for crossing signal upgrades. This grant, if awarded, will require the Port to provide the labor and front fund the purchase of materials. Once the project is completed and inspected by the State the Port can submit for reimbursement of the cost of the parts and materials.

POVA has applied for a total of \$60,000 for upgrades to the North and South lone, Blueslide, Birdhouse and Wolfred crossings. Brett explained the funds would pay for new High Visibility LED heads, new high visibility crossbucks, new battery chargers and railroad industry batteries, new "power off" lights which would have a strobe light that goes off when there is not AC power to the crossing.

The deadline to have the work completed is June 30, 2010. Staff should be told by the end of October the results of the grant application process.

4. INSURANCE CHANGES:

A. DISCUSSION: Kelly informed the Board that the annual railroad liability and rolling stock renewal process is underway. She has also a meeting with an insurance broker who is pursuing the Port's business.

5. OTHER NEW BUSINESS:

A. PRIVATE CROSSING REPAIRS: Discussion on upgrading some private crossings to multi-residential crossings and replacing planks and signs.

B. WPPA MEETING: None of the Board will be attending the annual WPPA meeting.

STAFF REPORTS:

1. ROADMASTER: Cliff reported:

- Crossing replacements have been completed at Dalkena and Metaline Falls.
- WUTC inspection on walkways. Upgraded around some switch stands to ½ minus.
- Crews are cleaning flanges getting ready for winter.
- Crews have tamped holes between Newport and Priest River and have spread ballast and replaced ties.
- Crews will be working on the Tacoma Creek Bridge next.

2. MANAGER: Kelly reported:

- Insurance renewal process is under way.
- Car repair billing system has been ordered as well as a computer too.
- Meeting with Ponderay on October 14th

3. FINANCIAL OFFICER: Susan presented the financial information for the month of September.

4. CHIEF MECHANICAL OFFICER: Brad reported:

- He checked the locomotives at KFR involved in a derailment. He has offered a bid on one but will not bid on the other as the damage is too extensive.
- Working on the 85- has ordered the computer.
- Headed to Eastern Gateway to do 92-day inspections on October 14th.
- Swapped an engine and a generator in a GP-7 for Western Rail.
- Two POVA locomotives will be drained for the winter.

RECORDS FOR APPROVAL:

A. TIME AND EXPENSE SHEETS: Approved as submitted.

B. WARRANTS: 32568 - 32651 totaling \$95,694.67 approved as submitted.

EXECUTIVE SESSION:

At 11:35 a.m. Chairman Kiss recessed the regular meeting to convene in executive session to complete personnel evaluations. The session was called for approximately 45 minutes. At 12:00 noon the executive session was extended for another 60 minutes. At 1:02 p.m. Chairman Kiss brought the meeting back to order and stated no decisions were made in the executive session.

ADJOURN: There being no further business Chairman Kiss adjourned the meeting at 1:30 p.m.

Stephen C. Kiss, Chairman

Kelly J. Driver, Manager

Date Approved