

February 25, 2019
Lincoln County Port Authority (LCPA)

The Lincoln County Board of Commissioners met for a LCPA meeting on February 25, 2019 in the Lincoln County Courthouse, Libby, Montana. Port Authority Board Members present were Commissioner Bennett, Commissioner Peck, and Commissioner Letcher, Eureka via VisionNet . Also present were Tina Oliphant, Brett McCully, Marc McCully, George Jamison, Chris Bache, Jim Hammons, Brent Teske and Clerk and Recorder Robin Benson.

1:30 PM Commissioner Bennett called the meeting to order.

The following agenda was submitted by Tina Oliphant as follows:

Lincoln County Port Authority
Meeting Agenda
February 25, 2019 1:30 AM
Commissioner Chamber; Libby, MT

1. **Approval of Minutes from November 19, 2018**
2. **Review of Financial Statements for December 31, 2018**
3. **Discussion on Controlled Groundwater Area**
 - a) **Discussion on KLB Business Law**
4. **Discussion on amendment to Fisher Industries Agreement and sale price of the Stinger Welding building**
5. **Review Draft of Land Disposition Policy**
6. **Libby Creek Bank Restoration: Engineering Costs and Estimates**
7. **Review of Infrastructure Projects and status of County work on cleanup of concrete debris fill**
8. **Approval of Loan Review Committee Recommendation**
9. **Confirm monthly schedule of Board meetings**
10. **Old Business**

Open for Public Comments:
Adjourn meeting

1. **Motion** by Commissioner Peck to approve November 19, 2018 minutes as submitted. Second by Commissioner Letcher, motion carried.
2. Tina handed out financial statements to the board for review. Tina talked about the Balance Sheet with Prior Year End as of December 31, 2018 and the Profit & Loss Budget Performance Statement for December 2018. Tina said the audit was complete, there is no significant findings and we will receive an unqualified opinion. A key recommendation was to establish a process to ensure capital expenditures are more formally approved as the part of the budget process. Commissioner Bennett requested an at-a-glance summary of what monies are in the bank as part of the financial packet. **Motion** by Commissioner Letcher to approve financial statements as presented. Second by Commissioner Peck, motion carried.
3. Tina talked about the continued need for conversation with International Paper (IP) for discussion on how to determine restitution of damage to water resources and this impact on the development of the Port Authority property for economic purposes. Commissioner Peck commented that before we engage with IP, we need to know what we are asking for and how does it affect future negotiations with the City. Commissioner Peck expressed that we need expertise in this area to help guide us. Mayor Teske submitted and explained the *Water Payment and Settlement Agreement* between IP and the City of Libby. George talked about scheduling an informational meeting in April with IP, including the BOH, City, County, EPA and the public. George commented about the complex process for any entity that may sponsor the CGA. Commissioner Bennett agreed that we need to establish some legal counsel. Commissioner Peck said we can continue to try to engage with IP separately without legal counsel. George suggested a call to Andrew Schmidt to possibly help facilitate a meeting.
4. Tina said Fisher Industries has been approached with a potential buyer from out of state. The business would manufacture CBD oil into powder; an estimated 20-million-dollar project after the building has been fully equipped. Tina reminded the commission that Fisher Industries has control of the purchase of the stinger building and referred to the General Release and Settlement Agreement. Tina said she has communicated with Fisher Industries and said the question is are we willing to amend the agreement and reduce our proceeds from the sale and also help the buyer meet the negotiated sale price. Commissioner Peck stated that we need something in place that protects our investment. Tina suggested a first lien on the building for \$150,000. Commissioner Bennett questioned if there is any collateral on the loan. Commissioner Letcher said the positive is that the liability would be behind us but agrees on the idea of protecting our investment; it would be an opportunity to see if the buyer is as sure as they say they are. **Motion** by Commissioner Peck to approve moving forward with negotiations based on terms presented and further outlined on the spreadsheet report. Negotiations will include protection of the \$150,000 loan to the buyer. Second by Commissioner Letcher, motion carried.
5. Tina submitted a document that clarifies the statute requirements for Port Authority Adoption of a Resolution for the Sale of Land. Commissioner Bennett suggested the board review the document and place it on the next LCPA meeting agenda for further discussion.
6. Brett said the total cost for the Libby Creek Riprap Project is estimated at \$200,574 and suggested talking with EPA about potential shared costs. Commissioner Bennett suggested EPA paying for on site materials. Brett said he could draft a letter first and follow up with a phone conversation. Brett said he will draft a proposal and letter for LCPA Board review.

7. Brett submitted an overview of the Infrastructure/Projects and Update as of February 25, 2019. Brett said the total fencing cost is estimated at \$105,000 and he is requesting permission to make a deposit, so fencing can be ordered. **Motion** by Commissioner Peck to give Mild Fence Co. a deposit for fencing. Second by Commissioner Letcher, motion carried. Commissioner Bennett said he would like a start and end date if possible. Brett said dates will be dependent on road work in some areas, but there are other areas that need fencing and he can prioritize those areas.
Brett said CDM has moved out of its offices and suggested carpeting that space, expressing it would be appealing to a new tenant. Commissioner Bennett suggested prices for laminate flooring instead of carpet. Brett will get some costs to the LCPA Board.
Commissioner Bennett commented that as we renegotiate leases, we need to get the full value out of the building/space.
Tina asked about the future of the port and what the most logical strategy would be. Commissioner Bennett expressed the initial plans has been to first get the cleanup done, and then look at what monies are available and how to move forward from that. Brett expressed the importance of how answers from IP will help determine strategy moving forward; it will help us determine what the port can offer as far as utilities.
Ideas were discussed regarding the scale shack and how to recoup maintenance and other expenses.
Commissioner Letcher suggested using key fobs for tracking and recommended several ways this could be done.
Brett will draw up a plan for the LCPA Board to review and approve.
8. Tina shared a recommendation from the Loan Review Committee for the refinance of a loan to Montana Sky West, LLC. **Motion** by Commissioner Peck to approve the Loan Review Committee's recommendation as presented for Montana Sky West, LLC. Second by Commissioner Letcher, motion carried. Loan amount is \$108,000.
9. There was no discussion on agenda items #9 and #10.

There were no public comments.

All documents presented or submitted can be obtained in their entirety from the Lincoln County Port Authority or Clerk and Recorder's Office.

Meeting adjourned at 3:00 PM

LINCOLN COUNTY BOARD OF COMMISSIONERS

Jerry Bennett, Chairman

ATTEST: _____
Robin A. Benson, Clerk of the Board