

**NORTH COAST RAILROAD AUTHORITY (NCRA)
BOARD OF DIRECTORS REGULAR MEETING**

Wednesday, June 13, 2007 ~ **11:00 a.m.**

Healdsburg City Council Chambers
401 Grove Street
Sonoma County

Approved Minutes

A. CALL TO ORDER

Chairman Hemphill called the meeting to order at 10:05 a.m.

B. ROLL CALL

Directors Present: Simonson, Ziedrich, Arnold, Leland, Ollivier, Colfax, Woolley,
Chairman Hemphill

Directors Absent: Kelley

Also Present: Executive Director Mitch Stogner and Recording Secretary Heather
Lindsteadt

C. AGENDA APPROVAL

The agenda stood as presented.

D. MATTERS FROM THE BOARD

1. Introduction of Newly Appointed Board Members

Chairman Hemphill introduced Marin County Supervisor Judy Arnold and Novato
Councilmember Jim Leland as newly appointed Marin County NCRA Directors.

E. CONSENT CALENDAR

1. Approval of Minutes – April 2007
2. Approval of Financial Statements – April 2007
3. Approval of Financial Statements – May 2007
4. Approval of Warrants Issued – April 2007
5. Approval of Warrants Issued – May 2007
6. Approval of Executive Director Expenses – April 2007
7. Approval of Executive Director Expenses – May 2007
8. Approval of NCRA Draft Agency Budget for Fiscal Year 07-08
9. Approval of NCRA - TCRP Budget for Fiscal Year 07-08
10. Approval of Contract for Specialized Certified Public Accountant

Upon Motion by Director Ollivier, seconded by Director Ziedrich the Consent Calendar Items 1-10 were approved unanimously (8-0 Kelley absent).

F. PUBLIC COMMENT

Steve Birdlebough from the organization “Friends of SMART” introduced himself to the Board and offered his organization’s support for NCRA efforts to repair the line and resume freight service next year between Lombard and Windsor.

Mike Pechner read to the Board a hand-out which is hereby made part of these minutes by reference and is attached. Mr. Pechner welcomed the new Board members from Marin County and urged them to support NCRA’s goal of repairing the line and restoring freight service from Lombard to Windsor.

G. CONDUCT OF BUSINESS

1. Approval of Signal Repair Contract Time Extension

Executive Director Stogner updated the Board on the progress of the RFP for Signal Repairs. He said that an extension was needed so that prospective proposers would have the ability to get commitments from vendors, in terms of delivery dates, so that their respective proposals would be as accurate as possible.

Executive Director Stogner said that the new date for the bid opening would be June 18, 2007 and that a Special Board meeting would be held to consider bids received.

Upon Motion by Director Ziedrich, seconded by Director Colfax, and carried unanimously (8-0 Kelley absent), the Board approved extension of the bid opening for the signal repair contract until June 18, 2007.

2. Approval of California Transportation Commission Application for Project 32.9 - Bridges and Structures Repair

Executive Director Stogner told the Board that NCRA will request the California Transportation Commission (CTC), on July 26 in Glendale, to approve \$13.5 million for Phase I repairs from Lombard to Windsor. He said the repairs will include rehabilitation of 3 movable bridges, and restoration of roadbed, ties, ballast, and culverts that are critical for the movement of work trains. He also said that this will be the last allocation for Phase I repairs.

Upon Motion by Director Woolley, seconded by Director Ollivier, and carried unanimously (8-0 Kelley absent) the Board approved the July 26, 2007 CTC application for Phase I repairs from Lombard to Windsor.

3. Approval of Agreement #P0630022 between the Department of Fish and Game and North Coast Railroad Authority for a not to exceed amount of \$3,057,480 – Flood Damage Repairs to Wingo/Camp 2 Adjacent to the Rail at Schellville

Executive Director Stogner updated the Board on the \$4.9 million that the California Transportation Commission approved for emergency repairs needed as a result of the 2005-06 storms. He said that the money will fund 3 projects; Schulz Slough, Fields Landing Levee in Humboldt County, and Levees at Wingo/Camp 2 in Schellville. Mr. Stogner said that the Department of Fish and Game has funds for the levee repair at Schellville and that NCRA and Fish and Game have been working to combine funds to complete the project. He requested approval for NCRA to enter into a Memorandum of Understanding with the Department of Fish and Game.

Director Woolley asked if Legal Counsel had an opportunity to review the agreement. Mr. Stogner said that Legal Counsel has reviewed and approved the MOU.

Director Ziedrich asked if this was a long-term repair. Dave Anderson, NCRA Project Manager, said that it will address a significant part of the problem and that Sonoma County is working with the Corps of Engineers on a long-term flood control project that will also aide in the prevention of flooding in that area.

Director Simonson asked how high the roadbed would be raised. Mr. Anderson said that it would be raised approximately 10 feet.

Upon motion by Director Ziedrich, seconded by Director Ollivier, and carried unanimously (8-0 Kelley absent), the Board approved agreement PO630022 between NCRA and the Department of Fish and Game for an amount not to exceed \$3,057,480 for flood damage repairs to Wingo/Camp 2 adjacent to NWP rail line at Schellville.

4. Committee Assignments

Executive Director Stogner said that with the addition of two new Directors, additional appointments should be made to the NCRA Committees.

Director Woolley directed staff to review Committee functions to evaluate whether Ad Hoc Committees should be reconstituted as Standing Committees. He asked that the recommendation should be brought before the Board at the July meeting. He also said that an Executive Committee may need to be formed.

Director Leland asked if a Joint NCRA/SMART Committee may be useful. Chairman Hemphill said that staff is conducting informal meetings with SMART. He said that if a Joint Committee was needed NCRA would work with SMART on the formation of such a committee at the appropriate time.

H. STAFF REPORTS

1. Executive Director – Mitch Stogner

a. CTC Update

Executive Director Stogner said that the CTC update was discussed under Agenda Item G.2.

b. SB 861 (Wiggins)

Executive Director Stogner updated the Board on SB 861 (Wiggins). He said that the bill passed the Senate with a vote of 21-12. He said the bill now goes before the Assembly Transportation Committee on June 25. Mr. Stogner said that in order for NCRA to conduct the environmental clean-up as mandated by the court, oversee the repair work, take care of emergencies, and clean-up the right-of-way of debris, weeds and other hazards, the passage of SB 861 is extremely important.

2. Engineer's Report – Dave Anderson - NCRA Project Manager

Dave Anderson presented a PowerPoint presentation and updated Gant Chart outlining the railroad repair work that has been completed to date. He also updated the Board on the King Salmon Project, in Humboldt County, and Signal Repair RFP progress. He said that the second signal repair RFP is combined and will cover the remaining signal crossings which total 54 from Lombard – Willits.

Loretta Ellard, Mendocino Council of Governments asked if the EIR had been completed for the Windsor to Willits segment. Mr. Anderson said that for the rehabilitation, a categorical exemption under CEQA has been issued for the Russian River Division (Lombard-Willits).

John Williams, NWP Co. said that the schedule seems to be slipping and he has shippers contacting him asking him when the line will be reopened. He said he has to be able to confirm a date so that he can begin to enter into agreements with potential shippers.

Mr. Anderson also said that the railcars that are located at the Petaluma Depot will be moved to Hopper Street and he described the process for moving the cars.

Mr. Anderson also said that he and Executive Director Stogner met with the Petaluma City Council and that the Council approved closure of the Hopper Street railroad crossing. He said that the Hopper Street crossing is one of the most dangerous crossings on the NWP line. He said that the Petaluma City Council will divert traffic to Caulfield Lane. He said the PUC supports closure of the Hopper Street Crossing for safety reasons.

3. Operator's Report - John H. Williams – NWP Co.

John Williams, NWP Co. updated the Board members on the timeline of repairs and the process for reimbursement in regards to the TCRP projects. He said that it is a cumbersome process and that he has a concern about the length of time it is taking to get the line repaired and invoices reimbursed. He said that NCRA needs a bridge loan so that it can pay vendors and be reimbursed by CalTrans. He said that this bridge loan can go as high as \$6 million. He said that NCRA was going to use the Willits segment for collateral on a Bridge Loan through Sonoma County. He said that CalTrans informed

NCRA that, because Proposition 116 funds were used to purchase the Willits segment, CTC approval would be required to use the Willits segment as collateral. He said that the issue needs to be resolved with CalTrans and the CTC.

Executive Director Stogner said that \$12 million Q – Fund was used to purchase the South End and \$5 million was used to purchase segment from Willits North. He said that it is NCRA’s position that no state funds were used to purchase the Willits segment.

Chairman Hemphill requested staff research the funds that were used to purchase the Willits segment.

4. Legal Counsel - Chris Neary

No report

Chairman Hemphill convened into Closed Session at 12:28.

I. CLOSED SESSION

1. CONFERENCE WITH REAL ESTATE NEGOTIATORS

Gov Code Section 54956.8

Healdsburg and Lombard Segments NWP Railroad Line

Negotiators: John Williams, Mitch Stogner

Negotiating Parties: NCRA, NWP Co; and SMART

Under Negotiation: Operating Agreement revision and approval of NWP Co.

2. EVALUATION OF EXECUTIVE DIRECTOR

Government Code Section 54957.6

Evaluating Party: NCRA Board of Directors

Item being evaluated: COLA Increase Request

J. ANNOUNCEMENT OUT OF CLOSED SESSION

Chairman Hemphill reconvened the regular meeting at 1:25

The Board met with Legal Counsel by conference call, received information and gave direction.

Action taken: Board unanimously (8-0 Kelley absent) approved a 3% retroactive COLA increase for Executive Director for fiscal years 03-04 and a 3% retroactive COLA increase for fiscal year 04-05, beginning July 1, 2007.

K. ANNOUNCEMENT OF NEXT MEETING

July 11, 2007 - 10:00 a.m.

Eureka City Council Chambers

531 K Street, Room 208

Humboldt County

L. ADJOURNMENT

Chairman Hemphill adjourned the meeting to the next regularly scheduled meeting on July 11, 2007 at 1:34.