

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

Wednesday, October 10, 2007 ~ **10:00**

Eureka City Council Chambers

531 K Street, Room 208

Humboldt County

DRAFT MINUTES

A. CALL TO ORDER

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

B. ROLL CALL

Directors Present: Kelley, Ziedrich, Simonson, Ollivier, Woolley, Chairman Hemphill

Directors Present Via Conference Call: Arnold

Directors Absent: Leland, Colfax

Also Present: Executive Director Mitch Stogner, Legal Counsel Christopher Neary, Recording Secretary Heather Lindsteadt

C. AGENDA APPROVAL

The Agenda stood as presented.

D. MATTERS FROM THE BOARD

Chairman Hemphill recommended that consideration be given to a Board policy which prohibits participation in NCRA Closed Sessions by teleconference.

Director Arnold expressed concern that physical presence by Board members was sometimes difficult and teleconference was a reasonable alternative . She also asked that NCRA schedule meetings closer to Marin County to enable the Marin County Directors to attend the meetings in person.

Chairman Hemphill directed Staff to bring the issue of teleconferencing during closed session and location of Board meetings to the Policies and Procedures Committee, and bring a recommendation back to the full Board.

Director Woolley said that because the item was not ajenized, his recommendation was that the teleconferencing during the October 12, 2007 Eureka meeting be permitted. He also updated the Board on the efforts to remove the CBS Outdoor billboards on NCRA property between Eureka and Arcata.

E. CONSENT CALENDAR

1. **Approval of Minutes Regular Board Meeting – September 2007**
2. **Approval of Minutes Property Committee Meeting – September 2007**
3. **Approval of Warrants Issued Agency 787010- September 2007**
4. **Approval of Warrants Issued TCRP 787101 – September 2007**
5. **Approval of Warrants Issued F&G Dewatering 787408 – September 2007**

Upon Motion by Director Kelley, seconded by Director Ziedrich, and carried unanimously by roll (7-0, Leland and Colfax absent).

F. PUBLIC COMMENT

Marcus Brown – President Timber Heritage Association – Mr. Brown said that he is concerned about the Annie and Mary line being turned into a trail. He said that Humboldt Flakeboard is an important industry that could potentially be serviced by rail and asked that the Board consider this in the context of any proposal to convert the line to a trail. He said he supports rail with trail and added that both rail and trail is possible. He said it is important to maintain the tracks for freight service and excursion trains.

Mr. Brown also told the Board that the Timber Heritage Association has continued in its volunteer efforts to clear the tracks around the Samoa Cookhouse.

Bill Kier – Business Owner – Humboldt County – Mr. Kier expressed confusion over the timeline and the funds necessary to get freight service to Humboldt County. He asked Chairman Hemphill to clarify both issues.

Chairman Hemphill explained that the Russian River Division is viewed as a separate part of the entire project. He said the application for funding and the repairs are currently being done on the Russian River Division. He said that a complete EIR/EIS needs to be completed for the Eel River Canyon before any accurate timeline can be decided upon, and those studies have started.

Executive Director Stogner said that NCRA is currently doing repairs on the first phase consisting of 62 miles from Lombard to Windsor. He said that when the EIR/EIS on the Eel River Division is complete, the timeline will be easier to pinpoint.

Lawrence J. Wieland – Medical Doctor – Eureka – Mr. Wieland expressed concern over health issues related to lack of trails in Humboldt County. He said the Alta Planning Team that completed the Trail Feasibility Study listed the health benefits to residents of Humboldt County and also the increased revenue from tourism because people would be using the trail. He asked the Board to support rail banking.

John Webb – Trinidad Resident – Mr. Webb said that he does not support rail banking because once a line is rail banked, it very rarely reverts back to railroad proposes. He also said that the corridor should be used for rails and trails. He said that not everyone would be able to use the trail from Arcata to Eureka. Mr. Webb said that Caltrans should

use some of the transportation funds they have access to and consider a trail through the corridor that would preserve the railroad.

Kaye Strickland – Citizens for Port Development- Railroad Supporter – Mrs. Strickland said that many people have not attended the meetings and witnessed the issues that NCRA has had to overcome. She said that she supports safe, multi use trails through the corridor as long as the railroad is preserved. She also said that the economic benefits of having train service around Humboldt Bay would be immense. Ms. Strickland thanked Greenwheels and said that both groups should be able to work together to discuss rails with trails.

Aaron Antrim – Greenwheels Outreach Director, Homeowner, Business Owner, and University Employee– Humboldt County – Mr. Antrim said that it is very difficult to get funding for rails with trails because there is no railroad. He said that NCRA needs to “use it or loss it.” He also handed out excerpts from the recent Alta Planning Study. This hand out is hereby made part of these minutes by reference. Mr. Antrim highlighted option # 4 of the Alta study and said that it includes \$6 mill to replace the rail. He asked the Board what the timeline is for restoration of rail service in Humboldt County.

Dave Meserve – Arcata – Mr. Meserve said that he was on the trails planning committee. He said that the consensus of the committee was rails with trails. He said that the City, the County, NCRA, Caltrans, and the trail advocates need to work together to provide a highway, a railroad, and a trail, and a tourist train.

Ms. Winterson – Arcata Resident – Bicyclist -Ms. Winterson said that she lives in Arcata and very rarely travels to Eureka because of the limited transportation options through the corridor. She said she supports a bike/hiking trail on the right-of-way between Eureka and Arcata.

Pete Nichols – Humboldt Baykeepers – Mr. Nichols asked the NCRA Board about the timeline for resumption of rail service to the North Coast. He asked if there was staff in place working on developing an appropriate timeline. Mr. Nichols said that NCRA needs to think realistically, and added that if it is going to take 25 to 30 years before rail service returns, that should be publicly stated and discussed.

Chairman Hemphill said plans cannot be developed until NCRA completes the aforementioned EIR/EIS. He said there is no contradiction in the timeline and that it is a 4 or 5 step process. He also said that the funding for repairs of the Eel River Canyon will have to identified. He said NCRA has a process and a mandate to preserve and restore rail service.

Mark Matteoli – Eureka Resident – Mr. Matteoli said that he supports the railroad and the rail line is an asset to everyone. He said that ff the rail is torn up, rail service will never resume. He said that if a trail is too close to the rail, rail service would be unable to

return. He also said he supports trails, but taking away the railroad, he said, is taking away an asset that the public owns.

Daniel Peirce – He said that NCRA’s mandate is a problem and should be changed to say that the rail line should be used for the best use of the public. He said that the rail needs to be used for a passenger train, a trail, and the railroad.

Karen Deemer – Rail Trail Planning Group – Ms. Deemer Thanked Director Woolley for his participation in trail group meetings and said that the next meeting will be held in late October. She said that her group could be a resource for the NCRA Board is considering trail issues. She also said that the trails group would like to make a presentation at the January 2008 NCRA Board meeting.

Gerry Tomsak – Timber Heritage Association – Mr. Tomsak presented a hand out which is hereby made part of these minutes by reference. Mr. Tomsak said that he does not support cutting of the track, or abandonment. He also said that the locomotive that the Timber heritage Association is currently restoring could be operational soon. He also said that there are a variety of businesses that could be served by rail. He said that with rail service, the local economy would benefit, and that without jobs, no one would use the trail.

Mike Bittner – Eureka Resident – Mr. Bittner said that he has read the minutes, and documents posted on the NCRA website. He said that he thinks the Board has a responsibility to keep the public up to date. He said that if there was a timeline showing resumption of rail service, it would help the public understand the constraints surrounding resumption of rail service. He asked that the Board be responsible and honest.

Hal Burris – Transportation Manager Hamburg Group - Mr. Burris presented a handout which is hereby made part of these minutes by reference. Mr. Burris said that he is with Humboldt Flakeboard and said that since loss of rail service, Humboldt Flakeboard has had to ship panels by truck, and is anxious to use the rail when it returns to Humboldt.

Sarah Deightman – Arcata Resident – She said that she commutes using the corridor between Eureka and Arcata regularly. She said that the corridor is an asset to Humboldt County.

David Schonbrun – TRANSDEF – Mr. Schonbrun expressed his pleasure in being able to attend an NCRA meeting by conference call. He also suggested that the sound amplification should be increased so that conference call participants can clearly hear the meeting.

Director Woolley said that the NCRA’s mandate is to return rail service to the North Coast. He also said that NCRA has received investment from State and Federal sources. He said that NCRA is diligently working toward that goal. He said that NCRA was

created and given a state mandate without any agency funding to carry out that mandate. He said that the Authority has challenges and will continue to move forward. Director Woolley said that rail banking has been discussed at several recent planning meetings. He said the primary problem is that rail banking requires a commitment to set – aside railroad right-of-way for 20 years. He also said that NCRA cannot go against its mandate by committing to rail bank the line for 20 years. Director Woolley said that the first step is defining the cost and time it will take to complete repairs for the Eel River Canyon. He said the EIR/EIS for the canyon will answer these questions.

Director Woolley also updated the Board on the CBS Outdoor billboard issue. He said that Humboldt County department of Public Works is currently researching ownership of the property between Arcata and Eureka so that NCRA knows exactly which billboards will be removed.

Director Ziedrich said that he knows that NCRA is trying to get the rail line completed on the southern portion of the line. He acknowledged the public comments and said that it appears that there is a communication breakdown with Humboldt County and suggested that NCRA be more involved with the public in Humboldt County so that some of the fundamental questions regarding rail service North of Willits can be addressed.

G. PRESENTATIONS

There were no presentations

H. CONDUCT OF BUSINESS

1. Consideration and Possible Action Regarding Award of Contract for Signal Package # 2

Executive Director Mitch Stogner updated the Board on the CTC allocations that for award of the contract for the signal repairs. He said that the first signal contract was awarded on July 11, 2007. He said that Signal Contract # 1 included 28 signals and that work is now underway. Mr. Stogner said that on October 5, two bids were opened for the second signal contract which included 26 signals. Mr. Stogner said that both bids were over budget. He said that Staff is not prepared to recommend award of contract at this time and hopes that a Special Board meeting can be held prior to the November Board meeting to award the contract for Signal Package # 2.

Mr. Stogner said that Staff is recommending that the NCRA Project Manager, and the on-call engineering team be given an extension of time to reevaluate the two bids received, and make a recommendation to the Operator Committee the week of October 17. He said the Operator Committee could then make a recommendation to the full Board at the November meeting or a Special Board meeting held prior to the November Board meeting.

Jeanne MacLeamy acting as a member of the public, read for the record two letters dated October 9, 2007 and October 10, 2007 respectively, addressed to Executive Director Mr. Stogner and Legal Counsel Mr. Neary from Walter & Pistole signed by Mr. Jeffery A Walter regarding Agenda items H.1 and H.2. These letters are hereby made part of the minutes by reference.

Upon Motion by Director Simonson, seconded by Director Kelley, approved unanimously by roll (7-0, Leland, Colfax absent) Agenda items H.1 and H.2 were referred to the Operator Committee for discussion and recommendation to the full Board at a later date.

2. Consideration and Possible Action Regarding Approval of Notice to Proceed for Signal Package # 2

No Action taken – please refer to Agenda Item H.1.

3. Consideration and Possible Action Forming an Ad Hoc Committee for Addressing Rail Car Security

Executive Director Stogner updated the Board on a letter received from the City of Willits regarding the railcars that are stored in Willits, near Commercial Street. The railcars have continuous vandalism issues and are becoming a safety hazard. Executive Director Stogner recommended formation of an Ad-hoc Committee to discuss possible solutions to address the vandalism of the railcars. Chairman Hemphill directed Staff to poll the Directors to see who would be available to serve on the Ad-Hoc Committee.

4. Consideration and Possible Action Regarding NCRA Annual Audit for Fiscal Year 2006-2007 Presented by Stacey Edgmon of Aycock and Edgmon CPA's

Stacey Edgmon of Aycock and Edgmon presented the Board with NCRA Annual Audit for Fiscal Year 2006-2007. She briefly outlined the financial statements and thanked the Board and Staff.

Upon Motion by Director Woolley, seconded by Director Ollivier carried unanimously by roll (7-0, Leland, Colfax absent) the Board accepted the 2006-2007 Annual Audit presented by Aycock and Edgmon CPA's.

I. STAFF REPORTS

1. Executive Director – Mitch Stogner

A. SB 861 (Wiggins)

Executive Director Stogner updated the Board on SB 861 (Wiggins). He said that the bill is on the Governor's desk and the Governor has until October 14 to sign or veto the bill. He briefly outlined the provisions of the bill that includes \$1 million for Quiet Zones in Novato, and \$3.5 Million for the ECD Clean-up.

2. Project Manager – Dave Anderson

Dave Anderson presented a PowerPoint presentation outlining the NCRA repair efforts to date, and a timeline for completion of the repairs that are underway. Mr. Anderson also said that Shannon & Wilson is currently surveying the line from Willits to Dos Rios and it should take 3 months for their report to be completed.

3. Legal Counsel - Chris Neary

Legal Counsel reported that he has responded to a PUC rule relating to PUC authority to fine railroads for maintenance issues.

J. OPERATOR REPORT

1. NWP CO. - John H. Williams

No Operator Report

The Board convened into Closed Session at 12:28 p.m.

K. CLOSED SESSION

1. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (2 cases)

Government Code 54656.9(a)

(1) NWPY vs. NCRA

(2) City of Novato vs. NCRA; Superior Court of California, County of Marin; case # CV074645

2. CONFERENCE WITH LEGAL COUNSEL-ANTICIPATED LITIGATION

Initiation of Litigation, Government Code 54956.9 9 subdivision c; (one case)

The Board reconvened into Open Session at 2:00 p.m.

L. ANNOUNCEMENT OUT OF CLOSED SESSION

The Board met with Legal Counsel, received information and gave direction. Legal Counsel also reported that Supervisor Arnold recused herself from participation in Item K.1(2) relating to pending litigation initiated by the City of Novato against the NCRA.

M. ANNOUNCEMENT OF NEXT MEETING

November 14, 2007 – 11:00 a.m.

Willits City Council Chambers

111 East Commercial Street

Mendocino County

N. ADJOURNMENT

Chairman Hemphill adjourned the meeting at 2:08 p.m.