



**NORTH COAST RAILROAD AUTHORITY (NCRA)
PROPERTY COMMITTEE MEETING**

**Willits City Council Chambers
111 E. Commercial Street, Willits
August 8, 2007
10:00 a.m.
Approved Minutes**

A. CALL TO ORDER

Chairman Simonson called the meeting to order at 10:15 a.m.

B. ROLL CALL

Directors Present: Simonson, Kelley

Directors Absent: Colfax

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

C. MATTERS FROM COMMITTEE MEMBERS

No matters

D. AGENDA APPROVAL

Upon request by Executive Director, agenda item F.1 was moved to F.2 in order to take up agenda item F.2 first.

E. PUBLIC COMMENTS

No public comments

F. CONDUCT OF BUSINESS

1. Discussion and Possible Action Regarding Authorization to Execute Security Agreement with NWP Co.

Executive Director Stogner updated the committee on the process by which NCRA receives reimbursement for paid invoices to contractors/consultants under TCRP projects. He said the NCRA needs a bridge loan of up to \$5 million during the process so that vendors can be paid and reimbursement requests can be approved by CalTrans District 01. He also said that NWP Co. is willing to provide this much needed line of credit to

NCRA so that the process can be accomplished as outlined by Caltrans. He also summarized the Security Agreement and said that NCRA is in the construction phase of the Lombard - Windsor Project and that financing requirements will be significantly larger, thereby necessitating the bridge financing.

Director Kelley thanked, NWP Co. for the assistance as NCRA attempts to adhere to the TCRP reimbursement process. He asked John Williams when he would request the financing and if it would be a one time loan or a line of credit. Mr. John Williams said he would request fund transfers from Merrill Lynch as the funds were needed, not as a single loan. Director Kelly asked Executive Director Stogner if NCRA had a system in place to receive reimbursements and repay NWP Co in a timely manner so that interest payment to NWP Co. could remain minimal. Director Kelley also said that this process is extremely important so the NCRA can rid itself of the “high risk grantee” designation so that bridge loans of this nature would not be needed in the future.

Executive Director Stogner said that NCRA has a process in place to receive reimbursement and repay the bridge financing to NWP Co.

Director Kelley asked if NCRA Legal Counsel and NWP Co have approved the Security Agreement. Legal Counsel and John Williams both responded that they do approve of the agreement.

Upon Motion by Director Kelly, the Property Committee recommended approval of the Security agreement and directed staff to present the Security Agreement to the full NCRA Board at the August Regular board meeting, seconded by Director Simonson carried unanimously (2-0 Colfax absent).

2 Discussion and Possible Action regarding Trione Winery Lease Agreement.

Director Stogner updated the committee on the proposal from Trione Winery regarding a long-term lease agreement. He said that NCRA had received a letter requesting a reduction in the annual lease fee that NCRA had proposed.

Upon motion by Director Kelly, NCRA staff was directed to continue negotiations with Trione Winery. Motion seconded by Director Simonson and carried unanimously (2-0, Colfax absent).

G. STAFF REPORTS

1. Executive Director – Mitch Stogner

Executive Director Stogner updated the committee on a meeting that has been scheduled with Mr. Will Kempton, CalTrans Director for August 9 in Sacramento. He also reported on the status of SB 861 (Wiggins), NCRA sponsored legislation to fund the ECD and emergency maintenance issues along the NWP line.

2. American Rail Consultants - Dave Anderson

Mr. Anderson said that SMART has plans to lease the Schelville Depot. He said that he spoke to the operator, John Williams, about this issue and Mr. Williams indicated that he did not have a problem with the proposed lease.

Mr. Anderson reported that Mass Electric Construction Co. is in the process of setting up a construction base for the signal repairs. He said that SMART has issued Mass Electric a permit and also allowed them to utilize a portion of property to set up their base. Mr. Anderson said that the second signal repair contract would be advertised within the next two weeks.

Mr. Anderson reported that NCRA had recently moved 11 railcars from the City of Windsor to a siding located at Shamrock Materials. He said that it took four days to move the cars and that the FRA was in support of movement of the cars.

Mr. Anderson said that NCRA is in negotiations with the City of Healdsburg and Green Valley Projects for a development that will require the developer to upgrade the drainage along its property line. He said that he has met with John Williams and the PUC and that the process is proceeding well.

Mr. Anderson updated the Board on the Scotia Depot rail car that had been cleaned-up. He said that Humboldt County Environmental Health later found some hazardous materials inside the boxcar. He said that Klienfender has taken a sample of the debris and he is awaiting results of their study so that clean-up can begin. Mr. Anderson reported that Humboldt County Environmental Health has put NCRA on notice that there is a piece of equipment in South Fork that is leaking and needs to be taken care of.

Mr. Anderson said that the Haystack Landing Bridge lights were vandalized and a temporary fix has been effectuated. He said that Contra Cost Eclectic will hopefully be out to give an estimate for the repairs.

Mr. Anderson updated the Committee on communications with Comcast regarding potential fiber optic lines along the NCRA right-of-way.

3. Operator – John H. Williams

Mr. Williams reported that Clos Du Bois and Beam Wine Estates have expressed an interest in transporting wine by rail and that he would keep the committee updated as information becomes available. He said that he has sketched up possible spur lines that may facilitate this process.

Mr. Williams reported that he is in communication with the City of Willits for a potential lease of a piece of City property to be used as a quarry. He said that the Willits City Council will be discussing the issue at the City Council Meeting scheduled for August 8, and that if all goes as planned he will use the proceeds from the quarry to help rebuild the NWP line to Willits.

4. Legal Counsel – Christopher Neary

Legal Counsel Neary reported that NCRA's former operator has signed over the STB Common Carrier agreement.

H. CLOSED SESSION

The Committee did not convene into Closed Session.

I. ADJOURNMENT

Chairman Simonson adjourned the Committee Meeting at 11:17 p.m.

