



North Coast Railroad Authority
419 Talmage Road, Suite M
Ukiah, Ca 95482

NORTH COAST RAILROAD AUTHORITY (NCRA) Board of Directors Meeting

Healdsburg City Council Chambers
401 Grove Street, Healdsburg, CA
Sonoma County
Wednesday, February 8, 2017 – 10:30 a.m.

DRAFT MINUTES

A. CALL TO ORDER

Chair Hemphill called the meeting to order at 10:30 a.m.

B. ROLL CALL

Directors Present: Stroeh, Peters, Wagenet, McCowen, Kelley, Fennell, Marks, and Chair Hemphill

Others Present: Executive Director Mitch Stogner, Legal Counsel Chris Neary, NWP Co. Legal Counsel Doug Bosco, Steve Honeycutt Guillon Inc.

C. AGENDA APPROVAL

Upon Motion by Director Stroeh, seconded by Director Peters the Board approved the Agenda with the change that Items F.4, F.6, and F.7 be moved to follow Closed Session.

Motion Carried: AYES: 8- Stroeh, Peters, Wagenet, McCowen, Kelley, Fennell, Marks, and Chair Hemphill

D. PUBLIC COMMENT

No public comment.

E. PRESENTATIONS – Steve Honeycutt – Guillon Inc. Update regarding Ukiah Depot Property Improvements

Mr. Honeycutt updated the Board on Site Improvements at the Ukiah Depot property on Perkins St. The permitting process is progressing with some minor setbacks due to wetland findings on the property and the crossing of Gibson Creek. He said overall the improvements are progressing as anticipated. Wetland and biological experts have been employed to assist with the permitting process. An application for the Permit 1600 (crossing of Gibson Creek) has been submitted to Dept. of Fish and Wildlife, but no biologist has been assigned. Director McCowen suggested, and the Chair approved, that he prepare a support letter regarding these permits and forward it to the appropriate jurisdictions to assist with the expedition of this

application approval process.

Mr. Honeycutt said he has asked Dave Anderson, NCRA contracted Engineer, to take on some of the work for the Clay St. crossing. The crossing is being reviewed by Mr. Anderson and he is working on moving forward with the improvements at this part of the Ukiah Depot property.

Mr. Honeycutt also gave an update on, "The Mason St." property in Ukiah. The title for this property still lies with Union Pacific Railroad (UPR) and was not transferred to NCRA. At this point, the Covenant Running of the Land, listed on the Agenda as an Action Item is required to make this land usable by NCRA. Numerous land use possibilities are being explored by Guillon Inc. with the highest and best use in mind, which includes, talking to Ukiah Valley Medical Center staff about possible temporary pedestrian access, discussions with the City for future parking areas, and the possibility of a small recreation area that would benefit the community.

F. CONDUCT OF BUSINESS

1. Appointments to NCRA Committees for Calendar Year 2017

Upon Motion by Director Kelley, seconded by Director Wagenet the Board Approved Appointments to NCRA Committees for Calendar Year 2017 with the change that Director Madrigal be removed from Committees and the Vacant Seat be filled by a City Representative when appointed by Sonoma County.

Motion Carried: AYES 8- Stroeh, Peters, Wagenet, McCowen, Kelley, Fennell, Marks, and Chair Hemphill

2. Consideration and Possible Approval of Lease of Railroad Property to Mendocino Redwood Company at MP 116 in Ukiah

Upon Motion by Director McCowen, seconded by Director Kelley the Board Approved the Lease of Railroad Property to Mendocino Redwood Company at MP 116 in Ukiah.

Motion Carried: AYES 8- Stroeh, Peters, Wagenet, McCowen, Kelley, Fennell, Marks, and Chair Hemphill

3. Consideration and Possible Approval of Authorization of Executive Director to Execute and Record a Covenant Running with the Land as Required by the North Coast Regional Water Quality Control Board pertaining to Allowable uses of "The Mason St. Property"

Upon Motion by Director McCowen, seconded by Director Peters the Board Approved Authorization of Executive Director to Execute and Record a Covenant Running with the Land as Required by the North Coast Regional Water Quality Control Board pertaining to Allowable uses of "The Mason St. Property."

Motion Carried: AYES 8- Stroeh, Peters, Wagenet, McCowen, Kelley, Fennell, Marks, and Chair Hemphill

4. Consideration and Possible Approval of Authorization to Sell Interest in Petaluma Railroad Easements

Upon Motion by Director Wagenet, seconded by Director Kelley the Board Authorized Executive Director to Execute any Documents necessary to Abandon the Right, Title, and Interest in the Petaluma Railroad Easements located at 368 and 402 S. Petaluma Blvd in Petaluma and Approve any Minor Amendments as necessary.

Motion Carried: AYES 8- Stroeh, Peters, Wagenet, McCowen, Kelley, Fennell, Marks, and Chair Hemphill

5. Consideration and Possible Approval of Selection Process for Vacant City Representative Seat on the NCRA Board of Directors

Upon Motion by Upon Motion by Director Peters, seconded by Director Wagenet the Board Approved the Selection Process for Vacant City Representative Seat on the NCRA Board of Directors. Vacant Seat will be filled by a Sonoma County Representative for a two-year term and the remainder of the current term which runs through June of 2017.

Motion Carried: AYES 8- Stroeh, Peters, Wagenet, McCowen, Kelley, Fennell, Marks, and Chair Hemphill

6. Consideration and Possible Approval of Settlement Agreement with Pacific Bell/AT&T

Upon Motion by Director McCowen, seconded by Director Wagenet the Board Approved Settlement Agreement with Pacific Bell/AT&T and Authorize Chair to sign the same including any Minor Amendments that may be necessary.

Motion Carried: AYES 8- Stroeh, Peters, Wagenet, McCowen, Kelley, Fennell, Marks, and Chair Hemphill

7. Consideration and Possible Approval of Settlement Agreement with SMART Concerning Amendment to Operating Agreement

Upon Motion by Director McCowen, seconded by Director Wagenet the Board Approved Settlement Agreement with SMART Concerning Amendment to the Operating Agreement as stated in Letter of Intent and Authorized the Executive Director to sign the same including any minor Amendment that may be necessary.

Motion Carried: AYES 8- Stroeh, Peters, Wagenet, McCowen, Kelley, Fennell, Marks, and Chair Hemphill

G. CONSENT CALENDAR

- 1. Approval of Minutes – Regular Board Meeting – December 14, 2016**
- 2. Approval of Minutes – Special Meeting – January 13, 2017**
- 3. Acceptance of NCRA Financial Statements – December 2016**
- 4. Acceptance of NCRA Financial Statements – January 2017**
- 5. Acceptance of Warrants Issued – December 2016**
- 6. Acceptance of Warrants Issued – January 2017**
- 7. Acceptance of Cal Card Statement – December 2016**
- 8. Acceptance of Cal Card Statement – January 2017**

9. **Acceptance of Property Management Report – December 2016**

10. **Acceptance of Property Management Report – January 2017**

Upon Motion by Director Kelley, seconded by Director Peters the Board Approved Consent Calendar Items G.1 through G.10.

Motion Carried: AYES 8- Stroeh, Peters, Wagenet, McCowen, Kelley, Fennell, Marks, and Chair Hemphill

H. STAFF REPORT – Mitch Stogner – Executive Director

Mr. Stogner informed the Board that he Approved 2017 Timber Heritage Association (THA) Speeder Schedule.

I. OPERATOR REPORT – Doug Bosco – NWP Co. Legal Counsel

Mr. Bosco said that 2/3 of the Lombard Section of track is under water. Tracks are not being used until the water recedes. At which time, damages will be evaluated and any needed repairs will be addressed.

Mr. Bosco reported that NWP Co. has hired a new General Manager named Mike Edwards. He has many years of experience in railroad operations and he has adapted very well and the transition has been seamless.

Mr. Bosco also said that 2 of the 3 required permits have been obtained for the Lagunitas Spur. The third permit required that is from The Water Board is taking more time than had been predicted but the process is progressing.

J. LEGAL COUNSEL REPORT – CJ Neary

Mr. Neary reported that he got a notification from the Supreme Court and the Environmental case will be coming up for argument in April or May of 2017. He also said that the Schellville damages may qualify for Federal Emergency Aid.

K. MATTERS FROM THE BOARD

Director Fennell reported that an angry resident in the Alton area of Humboldt County had contacted her about the cutting of their power lines and damage to their well that occurred during weed abatement along the NCRA right-of-way. Upon investigation, it was determined that an AT&T private contractor working in this area was at fault and the damage was incurred by that contractor, not NCRA. NCRA had not been informed of this work being performed. Ms. Fennell also mentioned the Breakwater repairs that will need to be addressed in the future due to erosion and weather damage.

Director Kelley mentioned the book that he has been reading, “The Northwestern Pacific Railroad” and mentioned the many challenges that the railroad has faced over the years.

Director Peters discussed the SMART website and mentioned the General Manager’s Monthly Report that is published on that website along with the Positive Train Control (PTC) requirements that SMART will need to follow to comply.

The Board convened to Closed Session at 11:32 a.m.

L. CLOSED SESSION

1. CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION

Government Code Section 54956.9(a) (two cases)

- a. NCRA vs. SMART
Surface Transportation Board # FD 36077
- b. NCRA vs. AT&T, Mendocino Superior Court
Case No. SCUk-CVPO-15-0066151

2. CONFERENCE WITH REAL PROPERTY NEGOTIATORS

- a. Ukiah Depot Property
Negotiation Regarding Sale of Excess Ukiah Depot Property
Agency Negotiators: Mitch Stogner, Chris Neary
- b. NWP Co.
Gov. Code 54956.8
Parties to Negotiation: NCRA; NWP Co.
Agency Negotiators: Mitch Stogner, Chris Neary
Under Negotiation: Payment Provisions of 2006 Lease Agreement with NWP Co.

The Board reconvened to Open Session at 1:08 p.m.

Public Comment-

Paul Downing- Mr. Downing said that he is worried about flooding in Schellville and the security issues surrounding that area.

M. ANNOUNCEMENT OUT OF CLOSED SESSION

The Board met in Closed Session received information from counsel and all 3 items will be discussed in Open Session.

N. ANNOUNCEMENT OF NEXT MEETING

**Regular Board Meeting
March 8, 2017 at 10:30 a.m.
Mendocino County Board of Supervisors Chambers
501 Low Gap Road, Ukiah, CA
Mendocino County**

O. ADJOURNMENT

Chair Hemphill adjourned the meeting at 1:13 p.m.