



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

NORTH COAST RAILROAD AUTHORITY (NCRA) Board of Directors Meeting

Humboldt County Board of Supervisor Chambers
825 5th Street, Eureka, CA
Humboldt County
Wednesday, September 13, 2017 – 10:30 a.m.

DRAFT MINUTES

A. CALL TO ORDER

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

B. ROLL CALL

Director Present: Breen, McCowen, Wagenet, Fennell, Peters, Marks, and Chair Hemphill

Directors Absent: Hagele and Kelley

Others Present: Executive Director Mitch Stogner, NCRA Legal Counsel Chris Neary, Recording Secretary Hiedy Torres

C. AGENDA APPROVAL

Upon Motion by Director McCowen, seconded by Director Fennell the Agenda was approved with removal of Consent Calendar Item G.7 – Property Management Report.

Motion Carried:

AYES:7 - Breen, McCowen, Wagenet, Fennell, Peters, Marks, Chair Hemphill

NOES:0

ABSTAIN:0

ABSENT:2- Hagele, Breen

D. PUBLIC COMMENT

Kent Sawastzki – Mr. Sawastzki shared some local economic facts about Humboldt County and asked that the Board consider expanding rails-with-trails projects in the County.

E. PRESENTATIONS

Hank Seemann - Humboldt County Public Works - Humboldt Bay Eureka-Arcata Corridor Shoreline Protection Project

Steve Honeycutt – Guillon Inc. – Ukiah Depot Improvement Project

F. CONDUCT OF BUSINESS

1. Discussion and Possible Action Regarding Resolution Reaffirming NCRA Policy Regarding Rail Service North of Willits MP 142.5

Upon Motion by Director McCowen, seconded by Director Peters the Board Approved Resolution 2017-13 with the following changes:

1. Revise the 5th “WHEREAS” to read: “WHEREAS the costs of restoration of the railroad line North of Willits are substantial, and it is believed that there are no foreseeable funding sources to fund the restoration costs;
2. Revise the 6th “WHEREAS” to read: “WHEREAS the NCRA Board has adopted a formal rails with trails policy and has routinely approved rails-with-trails projects consistent with its adopted policy”;
3. Revise “NOW THEREFORE BE IT RESOLVED” as follows:
 1. NCRA desires to open the Eel River Block and the Humboldt Bay Block, either separately or together, at the earliest possible time, contingent on securing the necessary funds for restoring the line and the services of a qualified operator.
 2. NCRA is receptive to any proposals from private operators to restore service to any part of either or both the Eel River Block and Humboldt Bay Block.
 3. NCRA is particularly receptive to any proposal to restore passenger, excursion and/or freight service to any part of the Humboldt Bay Block, especially in the Humboldt Bay and surrounding area.
 4. NCRA is receptive to rails-with-trails proposals on either or both the Eel River Block and the Humboldt Bay Block consistent with a Rails with Trail project on the NWP Line Rights of Way, Design, Construction, Safety, Operations, and Maintenance Guidelines, codified as Chapter 0907 of the NCRA Policy and Procedures Manual.

Motion Carried:

AYES:7 - Breen, McCowen, Wagenet, Fennell, Peters, Marks, Chair Hemphill

NOES:0

ABSTAIN:0

ABSENT:2- Hagele, Breen

Public Comment:

Kent Sawastzki – Mr. Sawastzki said he strongly supports this resolution and that the City of Arcata has interest in the tracks if they get removed. He also said the City of Blue Lake has local residents interested in restoring a portion of the track for a speeder and possibly a small train.

2. Discussion and Possible Action Regarding Long-Term Lease Between NCRA and Recology Inc. at MP 300.9 in Samoa, Humboldt County

Director Peters recused himself at 11:32 a.m.

Upon Motion by Director Marks, seconded by Director Wagenet the Board Approved Long-Term Lease between NCRA and Recology Inc. at MP 300.9 in Samoa, Humboldt County subject to revision.

Motion Carried:

AYES:6 - Breen, McCowen, Wagenet, Fennell, Marks, Chair Hemphill

NOES:0

ABSTAIN:1- Peters

ABSENT:2- Hagele, Breen

Public Comment:

Pete Oringer- Mr. Oringer said Timber Heritage is in support of the Long-Term Lease suggested.

Director Peters returned to the meeting at 11:36 a.m.

3. Discussion and Possible Action Regarding PG&E After Discovery Occupancy Payment Distribution

Upon Motion by Director Marks, seconded by Director the Fennell the Board Approved payment terms with PG&E and Authorized withholding of funds in trust until staff can clarify its agreement with FEC regarding AT&T Settlement.

Motion Carried:

AYES:7 - Breen, McCowen, Wagenet, Fennell, Peters, Marks, Chair Hemphill

NOES:0

ABSTAIN:0

ABSENT:2- Hagele, Breen

Chair Hemphill Suggested and The Board Approved to Move Item F.6 to follow Item F.3 for Discussion Only.

6. Discussion Regarding Long-Term Lease for NCRA Balloon Track Easements Including the Eureka Office Building on W. 2nd Street in Eureka

Chair Hemphill left the meeting at 11:58 a.m.

4. Discussion and Possible Action Regarding Extension of the Current 25 Year Term of the Agreement Between NCRA and the City of Ukiah to Include Phase 3 of the Ukiah Rail Trail Project

Upon Motion by Director Marks, seconded by Director Peters the Board Approved Extension of the Current 25 Year Term of the Agreement between NCRA and the City of Ukiah to Include Phase 3 of the Ukiah Rail Trail Project.

Motion Carried:

AYES:6 - Breen, McCowen, Wagenet, Fennell, Peters, Marks

NOES:0

ABSTAIN:0

ABSENT:3- Hagele, Breen, Chair Hemphill

5. Discussion and Possible Action Regarding Settlement Agreement with Sparetime Supply for Commercial Crossing near Shell Lane in Willits, Mendocino County

No Action Taken. Information item Only.

7. Discussion and Possible Action Regarding Amendment to the June 20, 2011 Operating and Coordination Agreement Between SMART and NCRA

The Board Authorized Legal Counsel to continue revisions to the June 2011 Operating and Coordination Agreement between SMART and NCRA and Approved that this item be continued at the next Board meeting on October 11, 2017.

G. CONSENT CALENDAR

1. **Approval of Minutes – Regular Board Meeting – August 9, 2017**
2. **Approval of Minutes – Special Meeting – August 23, 2017**
3. **Approval of Minutes – Property Committee Meeting – August 31, 2017**
4. **Approval of NCRA Financial Statements – August 2017**
5. **Approval of Warrants Issued – August 2017**
6. **Approval of Cal Card Statement – August 2017**

Upon Motion by Director Marks, seconded by Director McCowen the Consent Calendar stood as presented.

Motion Carried:

AYES:7 - Breen, McCowen, Wagenet, Fennell, Peters, Marks, Chair Hemphill

NOES:0

ABSTAIN:0

ABSENT:2- Hagele, Breen

H. STAFF REPORT – Mitch Stogner – Executive Director

Mr. Stogner said that Senator McGuire’s office has committed to working with the NCRA staff to develop a Strategic Plan as requested by the CTC at the June 29, 2017 meeting that Mr. Stogner attended. Mr. Stogner has been asked to return to the January 2018 CTC meeting in Sacramento for further discussion.

I. LEGAL COUNSEL REPORT – CJ Neary

No Report.

J. MATTERS FROM THE BOARD

Dir. Fennell- Ms. Fennell said she was contacted by Michael Evans stating that he is interested in negotiating with NCRA to remove trestles at Warren Creek on the Annie & Mary line. Ms. Fennell has referred him to Exec. Director Stogner.

Break from 12:27p.m. – 12:32 p.m.

The Board convened to Closed Session at 12:32 p.m.

K. CLOSED SESSION

1. **CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION**
Government Code Section 54956.9(a) two cases
 - a. **FRIENDS OF THE EEL RIVER V. NORTH COAST RAILROAD AUTHORITY**
California Supreme Court Case # S222472
 - b. **CATS V. NORTH COAST RAILROAD AUTHORITY**
California Supreme Court Case # S222472

**2. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
Government Code Section 54956.9(b)**

Filing Notice pursuant to 27 USC § 1257 (two cases)

3. CONFERENCE WITH REAL PROPERTY NEGOTIATORS

**a. Ukiah Depot Property, Including Mason Street Property
Government Code Section 54956.9.8**

Negotiation Regarding Disposition of Ukiah Depot Property, including Mason Street Property

Agency Negotiators: Mitch Stogner, Chris Neary

Under Negotiation: Price, Terms; Interaction with Judicial Council on Joint Courthouse Off-Site Improvements.

**b. NWP Co.
Government Code Section 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. Including other Consideration, Including Track Abandonment and Methodology of Consideration Calculations and Resolution of Outstanding Debt.

L. ANNOUNCEMENT OUT OF CLOSED SESSION

The Board reconvened from Closed Session at 1:12 p.m.

The Board met in Closed Session on 1 item of Pending Litigation. Received information and gave direction.

The Board Authorized Legal Counsel to retain the firm of Mayer Brown in Washington D.C. to handle issues related to California State Supreme Court Case #S222472.

M. ANNOUNCEMENT OF NEXT MEETING

**Regular Board Meeting
Wednesday, October 11, 2017 - 10:30 a.m.
Healdsburg City Council Chambers
401 Grove Street, Healdsburg, CA
Sonoma County**

N. ADJOURNMENT

Chair Hemphill adjourned the meeting at 1:14 p.m.