



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, June 13, 2018 - 10:30 a.m.

MINUTES

A. CALL TO ORDER

Chair Wagenet called the meeting to order at 10:01 a.m.

B. ROLL CALL

Directors Present: Kelley, Breen, Marks, McCowen, Fennell, Peters, Wagenet

Directors Absent: Hagele, Hart

Others Present: Executive Director - Mitch Stogner, Legal Counsel – Chris Neary, American Rail Engineers – Dave Anderson

C. AGENDA APPROVAL

Upon Motion by Director McCowen, seconded by Director Kelley the Agenda was Unanimously Approved with the removal of Agenda Item G.1.

D. PUBLIC COMMENT

No Public Comment.

E. PRESENTATION

Dave Anderson, American Rail Engineers, Project Manager/Project Engineer - Regarding EVA Crossing, BCDC Stipulated Order and other Engineering Issues.

F. CONDUCT OF BUSINESS

Director Peters recused himself from Discussion of Item F.1 at 10:43 a.m.

1. Discussion and Possible Action Regarding License Agreement Recology MP 300.9 Humboldt County

Upon Motion by Director Kelley, seconded by Director Fennell the Board Approved License Agreement With Recology MP 300.9 Humboldt County.

Motion Carried:

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

NOES: 0

ABSENT: 2- Hagele, Hart

ABSTAIN: 1- Peters

Public Comment:

Roger Graber – Mr. Graber said he wanted to remind the Board that garbage on trains cause lots of damage.

Director Peters returned to the meeting at 10:58 a.m.

2. Discussion and Possible Action Regarding License Agreement EVA Crossing Quaker Hill MP 70.85 Sonoma County

Upon Motion by Director Kelley, seconded by Director Marks the Board Unanimously Approved License Agreement for EVA Crossing Quaker Hill with the change that the crossing will be located at MP 71.02 in Sonoma County and not at MP 70.85 as shown on the Agenda.

3. Discussion and Possible Action Regarding Resolution No. 2018-08 Approving 2018-2019 Draft Agency Budget

Upon Motion by Director Peters, seconded by Director Kelley the Board Unanimously Approved Resolution 2018-08 Approving 2018-2019 Draft Agency Budget.

4. Discussion and Possible Action Regarding Resolution No. 2018-09 Approving 2018-2019 Draft Property Budget

Upon Motion by Director Kelley, seconded by Director Breen the Board Unanimously Approved Resolution 2018-09 Approving 2018-2019 Draft Property Budget.

5. Discussion and Possible Action Regarding Resolution No. 2018-10 Approving Draft 2018-2019 Federal Railroad Administration RRIF Budget

Upon Motion Director McCowen, seconded by Director Kelley the Board Unanimously Approved Resolution 2018-10 Approving Draft Federal Railroad Administration RRIF Budget.

6. Discussion and Possible Action Regarding Resolution No. 2018-11 Approving 2018-2019 Draft TCRP Budget

Upon Motion by Director McCowen, seconded by Director Peters the Board Unanimously Approved Resolution 2018-11 Approving 2018-2019 Draft TCRP Budget.

7. Discussion and Possible Action Regarding SB1029 (McGuire)

Dir. Kelley – Dir. Kelley said that having a portion of the rail line in an interim period owned by the state would be problematic.

Dir. Wagenet – Dir. Wagenet said he would like to see this item on the Agenda as a continued discussion.

Dir. Breen – Dir. Breen said it is clear that this bill is a trail bill. He also asked if this bill passed would NCRA shut the door and walk away?

Dir. Wagenet – Dir. Wagenet said that NCRA is being directed to transfer part of its assets by April 1st and the newly formed Trail Agency assets would need to be transferred by July 1st.

Dir. Fennell – Dir. Fennell said that she has been in contact with Sen. McGuire’s staff and has been discussing land owner views with the Senator and that the Farm Bureau has a position on this bill and has been in contact with Sen. McGuire’s staff. She also said that she has a question about the right and responsibilities concerning the transfer of debt and liabilities.

Chris Neary- Mr. Neary said that the State is prohibited from adopting legislation that inhibits contractual obligations and that this bill would violate the State and Federal Constitution. He also said that what we are being told is that all the details of the bill will be worked out later.

Dir. Fennell – Dir. Fennell said that the transfer of assets while retaining liabilities does not make sense to her and she would like more clarity.

Dir. McCowen – Dir. McCowen said that, in terms of state funding, the legislation is doing for SMART and the Trail Agency what the state would not do for the NCRA. He said that NCRA has managed to complete several major clean-ups, sold the Ukiah Depot property, and could have been more effective if the State would have given a small amount of financial assistance.

Dir. Marks – Dir. Marks said that the Harbor District discussed this bill and they have concern about what is going to happen in Humboldt County and around the Humboldt Bay. He said he is concerned that the operator has not been present at Board meetings and he wants to know what is being done in Sacramento, in terms of advocacy for NCRA.

Dir. McCowen – Dir. McCowen asked if either of the Humboldt County Directors have heard if HCOG has a position on SB1029?

Dir. Fennell – Dir. Fennell said she has not heard the position of HCAOG but said she will follow up with her colleagues.

Dir. Wagenet – Dir. Wagenet said he has some serious concerns with this bill and some of the speculative comments in the Finance Committee analysis serve to define areas of concern. He said he cannot support this legislation as written. He requested that NCRA contact Senator McGuire and the Legislative Committees about concerns that NCRA has at this time.

Dir. Kelley – Dir. Kelley recommended that staff amend the letter to Sen. McGuire to include the Board’s current concerns about SB1029 and schedule an Ad-Hoc Legislative Committee to review this letter before obtaining Chair Wagenet’s signature.

Public Comment:

Mike Pechner – Mr. Pechner said he is disappointed by the Board’s view on this matter and that NCRA needs to look at its mandate and preserve the rail corridor. He said this bill makes no sense to him and he

does not understand why NCRA would support a trail along the very corridor they have been preserving for rail.

Upon Motion by Director Kelley, seconded by Dir. McCowen the Board directed staff to amend the May 10th letter to Sen. McGuire to include the Boards current concerns in relation to its debts and liabilities and recommended that an Ad-Hoc Legislative Committee meeting be scheduled to review the letter prior to it being sent to Sen. McGuire and other governing bodies.

Motion Carried:

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

NOES: 1- Wagenet

ABSENT: 2 - Hagele, Hart

ABSTAIN: 0

G. CONSENT CALENDAR

1. Approval of Minutes – Regular Board Meeting – May 9, 2018
2. Approval of Minutes – Property Committee Meeting – May 29, 2018
3. Approval of NCRA Financial Statements – May 2018
4. Approval of Warrants Issued – May 2018
5. Approval of Cal Card Statement – May 2018
6. Approval of Property Management Report – May 2018
7. Approval of Resolutions 2018-12 and 2018-13 - Resolutions Amending NCRA Property Budget FY 2017-18

Upon Motion by Director McCowen, seconded by Director Kelley the Board Unanimously Approved Agenda Items G.2 through G.7 and removed Agenda Item G.1.

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

No Report Provided.

Director Peters asked that the record show that an Operator Report has not been provided for several months.

I. STAFF REPORT – Mitch Stogner – Executive Director

No Report.

J. LEGAL COUNSEL REPORT – CJ Neary

No Report.

K. MATTERS FROM THE BOARD

Dir. Fennell – Dir. Fennell said that Humboldt County has a map of the Humboldt Redwoods if anyone would like to see it.

Chair Wagenet Adjourned the meeting to Closed Session at 12:24 p.m.

L. 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

U.S. Supreme Court Case # 17-915;
Marin County Superior Court Case # CIV1103605

b. CATS V. NORTH COAST RAILROAD AUTHORITY

U.S. Supreme Court Case #17- 915;
Marin County Superior Court Case # CIV1103591

2. 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.

c. Cloverdale Property North of Citrus Fair Drive
Negotiation Regarding Disposition of Cloverdale Property north of Citrus Fair Drive

Agency Negotiators: Mitch Stogner, Chris Neary
Under Negotiation: Terms

3. CONFERENCE WITH LEGAL COUNSEL – INITIATION OF LITIGATION

Government Code Section 54956.9(b) one case

a. Initiation of Litigation – One Case

Chair Wagenet reconvened the meeting from Closed Session at 1:32 p.m.

M. ANNOUNCEMENT OUT OF CLOSED SESSION

The Board met in Closed Session on two matters of Litigation - Received information and gave direction. The Board met on ne item of Initiation of Litigation- No action taken.

The Board met on One Property Negotiation matter related to the Cloverdale Property Transaction – The Board is awaiting an offer and it will be referred to the Property Committee.

N. ANNOUNCEMENT OF NEXT MEETING

Regular Board Meeting
Wednesday, July 11, 2018 - 10:30 a.m.
Mendocino County Board of Supervisors Chambers
501 Low Gap Road, Ukiah, CA
Mendocino County

O. ADJOURNMENT

Chair Wagenet adjourned the meeting at 1:39 p.m.