

Minutes of the PCC Rail Authority Stake Holders Meeting on March 24, 2011, at Spokane, WA.

MEETING CALLED TO ORDER: The meeting was called to order at 1:00 p.m. 32 attendees at the meeting, attached is the attendance sheet.

PCC RAIL REPORT AND OUTLINE OF STRATEGIES:

Joe Poire, Executive Director of the Port of Whitman County gave a short recap of the history of the PCC rail authority work on funding strategies. The plan for funding in the next biennium is being considered by the PCC rail board at this time. An outline of the priorities is as follows:

Adopt HDR maintenance report with priorities as outline by WSDOT rail.

Break on going maintenance needed into categories to be accomplished by operators as normal contract maintenance and work put out to bid.

Develop a schedule of the work broke out into yearly schedules

Gather shipping units from all three lines.

Work with Dr Casavant on a study showing the savings of road maintenance form shipping units. Use report to demonstrate tax payer savings by using rail over road.

Work with legislature on funding of projects.

RAIL INVESTMENT BANK/RAIL ASSISTANCE GRANT: Kevin Whitehall made comment of funding and legislative requests and requested we look into rail investment bank and rail assistance grants for the short lines. Scot Witt, WSDOT rail reported that rail operators or shippers may also apply for these grants.

HDR REPORT: Mike Rowswell gave a report on the status of the maintenance study done by HDR engineers. . HDR broke the study into a 18-year term, projects are entered by mile post

along all three lines. Focus is on areas of importance taking into consideration input from road master and operations personnel. Five million per biennium will be needed for the first 18 years. It is important to note that the revenue on the lines will not cover ongoing maintenance costs. Two million per year for maintenance will be needed after the initial 18 year program. This is in 2009 dollars.

Mike wanted to make clear to the board that this is a living document. As maintenance is accomplished or problems occur new priorities will be established inside the budget as operations dictate. New critical needs, bridge maintenance and drainage problems are examples of how priorities can change rapidly. We have experienced this in the first four years of state ownership already.

WSDOT Rail Staff Funding.

Scot Witt reported on the internal staff budget at state rail and how internal staff funds have shifted away from state owned short line freight needs. The department needs \$50,000 dollars in additional funding have staff work on rail projects over the next year.

ACTION ITEM: The board agreed to seek \$50,000 from the legislature immediately to secure state staff for assistance in the operation of the state owned short line rail.

Scot Witt reported that WSDOT rail will be requesting staff funding from the legislature to work with PCC Rail. Funding for FTE stops June 20, 2011. Preliminary request to continue staffing after June 30, 2011.

Moses Lake Rail Project

The Port of Moses Lake is turning back \$1.9 million that will become available this year in the legislative budget. The

Pcc rail board will have a conference call Monday, March 28, 2011 with Ron Pate, WSDAT rail to discuss a strategy to secure these funds for the PCC rail ines.

Request for car shipping numbers from all three lines.

Joe Poire requested from all operators, shippers and WSDOT rail staff member Mike Rowswell the current car shipping numbers and forecast for the next three years.

WSDOT RAIL: Scott Witt reported on change in staffing.. Mike Rowswell has been promoted to a project in light passenger rail. Ron Pate will be taking his place.

Operator Reports

John Howell operating on the CW line brought up some ideas to communicate with the legislature the value of funding the line and offered his resources to help on funding efforts.

Stan Patterson noted the north end of the PL line is very busy moving unit trains

Mark Blazer noted the PV line volume is up

Where are we now? 110,000 cars on C.W. line. Lines move 400 cars today. Action item: work with John to tell the story.

Stan Patterson. North end of track is busy. 50 miles of south end track moves 200 cars per year.

Mark Blazer. P.V. Hooper 85 miles, 2,700 cars. UP ??

Oakesdale Thornton Tie -

Peter Cooper, *list name if company*: Looking at 50% public/private match. Stan would operate. This give P.V. Hooper access to Marshall and P.L. access to Hooper.

Mark Blazer answered, 268 cars needed for unit train. Need 30 miles of 70 lb rail for P.V. Hooper. Work with Peter.