

# Rail Advisory Committee (RAC)

Wednesday, February 16, 2022

9:00 a.m. – 4:30 p.m.

## Meeting Minutes

### Attendees

#### *RAC Members*

*Gary Cardwell*

*Bruce Carswell*

*Rob Eaton*

*Johan Hellman*

*Peggy Harris for Aaron Hunt*

*Paul Langner*

*Ivo Trummer*

Meeting called to order at 9:04 AM. A quorum was confirmed.

Adopt minutes from December 21, 2021. Paul moves to adopt. Ivo seconds. Approved.

### Connect Oregon VIII

#### Conflict of interest

- Bruce Carswell – Wyoming Colorado Railroad
- Paul Langner – Teevin Brothers
- Peggy – Union Pacific conflict on all except Oregon Coast Railroad; will update as needed
- Ivo – no conflict
- Johan – no conflict
- Gary – no conflict

### 1R0429 – Peninsula Terminal Company – John Manos

#### Presentation

- Summary states 1400 feet of track. Proposal should say add 3400 feet of transfer track.
- Currently provide rail service to five industries.
- Currently 3000 cars is full capacity; would increase throughput by 1000 cars annually.
- Positions PT for extending track to connection with BNSF at Terminal 6 support yard.

#### *Questions and comment*

- Have not looked at how this might improve capacity of the system in general.
- Project is not fully engineered. It doesn't appear possible to build that much track within the property. Will configure track to allow for maximum railcars.
- If we do not receive funding the project will continue but at much slower pace.
- Port of Portland had hired an engineer to prepare a drawing of connection to BNSF.

### 3R0431 – Oregon International Port of Coos Bay – Mike Dunning

#### Presentation

- Repair four through-truss spans on the North Bend side of the Coos Bay swing bridge.
- Truss members meet minimum requirements, but goal is to get to normal state of good repair.
- Replace truss members, floor beams, top boards, and vertical members.
- In 2018 the Coos Bay Bridge was down for an entire year when vertical member failed on swing portion of that bridge.
- Rail supports employment of 1000 people along the line.

#### *Questions and comment*

- Partial fixes present a reliability and safety issue.

- It is a one day trip to get to Eugene with 10 mph track restrictions so prevalent.
- Bridges are rated at 286k, but currently have a speed restriction of 10 mph.
- The current traffic level over the Coos Bay Bridge is 800 cars per year.
- State and Federal grant funds have provided \$25 million and \$13 million for these bridges in the past.
- If we do not receive this funding we will seek other funding and/or move at a much slower process.

## 2R0435 – Oregon Coast Scenic Railroad and Port of Tillamook Bay – Samuel Aldridge

### Presentation

- Rehabilitate timber piers holding up the Nehalem Bridge.
- There are 64 piles but only 9 are capable of carrying weight.
- Bridge remains closed to all traffic and is preventing OCSR from moving by rail ballast from a quarry east of the bridge.
- Engineering is complete and Copper's Railroad Structures are ready to proceed.
- Application based on 2019 figures. OCSR 2021 figures show economic impact of \$11.75 million.

### Comment

- 20-25% of all OCSR's activities involve operating across the bridge.
- Ballast is currently being trucked in which limits scale and increases cost.
- If we do not receive funding we will only repair 9 piles on each corner, which reduces lifespan due to inability to apply sway bracing and install shock wall.
- There is direct income loss of \$140,000 but does not account for indirect income loss to businesses in Wheeler.

## 2R0462 – Oregon Independence Railroad – David Anzur

### Presentation

- Class III shortline railroad
- Western Interlock has purchased property for building a new manufacturing site to be served by Oregon Independence Railroad.
- Track lead can be used for loading and rail car storage. New spur for Western Interlock would diverge off this lead.

### Questions and comment

- 500 carloads will be shipped based on conservative numbers (not year one). 100% truck-serviced now.
- If we do not receive funding we would add additional ties and patch the track. The track is currently 75-pound rail and the ties are weak.
- Track to be upgraded was the old track 4 in the V&S yard and other three belong to P&W.

## 1R0469 – The Fruit Company Inc. – Scott Webster

### Presentation

- Took ownership of the Mt. Hood Railroad on December 9<sup>th</sup>.
- Working with Intellectual Property Solutions on ways to move fruit in refrigerated cars to the rest of the country.
- Carson Oil purchased Mid-Columbia Propane which reduces truck traffic with rail service.

- Train ramp facilitates bringing customers to the facility creating ag-tourism. Renovation of spur, platform, and parking would allow visitors to Hood River to park at Pine Grove and take the train into Hood River alleviating parking congestion.

#### *Questions and comment*

- Roughly \$500,000 to \$800,000 including the Hood River portion of the project budget is focused on parking improvements. This would allow us to add an additional 100 parking spots to get from 200 parking spots to 300 parking spots.
- The parking lot expansion is mainly for tourism. Customers would park in shared parking (with Mt. Hood Winery) then take train into Hood River. Looking at running up to 3 trips per day.
- If we do not receive funding we would only be able to do half the volume between us and the transfer station in Hood River. We'd have to double up runs and/or forfeit the project until have the funding needed.
- The application would have been from the railroad and The Fruit Company if purchase had gone through before the Connect Oregon application deadline. Project would benefit both.
- Shipping fruit via rail hasn't worked well in the past due to crushing of boxes at bottom of stacks in railcar. Working with American Refrigerated Express on transporting perishable items point to point. Facility would purchase \$30,000 to \$50,000 tables that would palletize fruit and stack in racks in car.
- Will be a 5- to 8-year ramp up to full potential. In the '50s and '60s they shipped 4000 railcars a year out of the valley. Don't think they would get back to that level, but if fuel prices go up it is possible they could. Not so much for the west coast but certainly for the east coast.

#### 5R0448 – Wyoming Colorado Railroad Inc. – Jeff VanSchaick

##### Presentation

- Will stabilize about 280 jobs.

#### *Questions and comment*

- There have been 4 derailments over the last three years.
- Once this project is done there will still be 4 miles of 75-pound rail left to be upgraded.
- Railcar repair, diatomaceous earth mineral, propane are the primary products being shipped.
- If we do not receive funding we will continue as is, only investing about 20% to rail. There is a risk of diversion of BP minerals to truck as the rail continues to become less efficient.

#### 4R0467 – Klamath Northern Railway Company – Mike Zojonc

##### Unable to present

#### 5R0450 – Columbia Rail – Chris Hyland

##### Presentation

- Project area is the line running south from Walla Walla to Weston.
- Estimate of moving 2000 trucks to rail annually.
- Benefits local communities and connection with national rail.

#### *Questions and comment*

- A majority of the funding is going to Oregon. Cleared the small amount going to Washington with ODOT. All customers served on this line are Oregon customers.
- Do not believe this line 286k capable, but would need to double check.
- In 2020 there were 168 car loads generated in Oregon.

- Access to a grain elevator in Wallula, critical for originating grain in Oregon, is in the process of being solved.
- If we do not receive funding we will limp along. Service is clunky without longer sidings and improvement to switches.

## 2R0434 – Teevin Bros Land & Timber Co LLC – Paul Langner

### Presentation

- Adding capacity to rail line at Westport, Oregon.
- Adding turnouts on Astoria line and construct about 700 feet of rail siding that can be accessed on both sides.
- Opens up rock quarry in Clatsop to Portland markets.
- Year one, 8300 trucks off of Highway 30 annually.

### Questions and comment

- Does loading barges at your site interfere with the operation of the Westport ferry? Ferry only has a 30-foot beam. The available space is 100 feet so the navigation channel would still be open.
- The total length of siding is 700 feet clear – 10 car spots.
- The destination point of rock by rail for offloading has two locations in the Portland market: one on P&W and the other on BNSF.

## 2R0455 – Pacific Recycling – Sam Arnold

### Presentation

- Eliminates 7000 one-way truck trips.
- Two new spur tracks to load railcars.
- First phase (track one) fully approved and funded by Pacific Recycling. Remaining \$737,000 to complete second phase (track two).

### Questions and comment

- The product coming from as far south as Redding, going as far north as Seattle and as far east as Utah.
- A high percentage of the volume moves to Portland. Currently ship some into Portland by rail; Union Pacific Railroad (UPRR) has been helpful. This would allow for further expansion.
- The inbound commodity is unprocessed scrap for shred material and heavy melting scrap (HMS). 60% shred and 40% cut grade.
- Won't your track layout require you to move rail cars as part of the loading process? We have equipment to move railcars currently and may need attachments but no significant amount of additional money spent to move railcars around area.
- If we do not receive funding we will complete phase one but delay phase two.

## 4R0464 – Wilsonart LLC – Scott Siracusa

### Presentation

- Includes spur, covered dock and rail space for four cars.
- At least 1000 trucks taken off road.
- Ancillary economic benefits estimated at \$250,000 annually.
- Inbound rail would allow for raw materials to be moved from La Grande.
- Our lack of detailed information about the rail spur and serving carrier in our application was due to learning about the grant and applying for it the day before the deadline.

#### *Questions and comment*

- The outbound commodity is Thermally-fused Laminate sheets loaded in boxcars.
- UPRR is the service rail carrier. We have provided all of our design work and paid permitting fees to UPRR's business development. Completed and submitted within last two weeks.
- Will send a plan overview or schematic to Kathy Holmes.
- We don't use transload but Collins has assisted in loading cars to get our product out of state. Measurement of success numbers would be completion of the project that would allow for another 200 rail loads per year. Current is 5 to 10 rail cars. Collins and Wilsonart would be able to add a 4<sup>th</sup> shift.
- This a new facility. Received final occupancy in December 2021. Closed facilities in Washington and California and shifted all production here. Not having rail was one of the biggest concerns in buying undeveloped property. We couldn't find a rail-served site in Klamath Falls that we could buy.
- We worked with UPRR in Tacoma and California.
- Had some funding from the Strategic Reserve fund, but those funds were diverted because of the pandemic.
- If we do not receive funding we will delay project and would not be able to add four jobs and additional shifts.

#### 5R0456 – Tidewater Transportation and Terminals – Neil Maunu

##### Presentation

- Moving grain, wood, solid waste, project cargo and renewable fuels.
- Enable renewable and bio-fuel blends to come by rail.
- 12 unload spots, 3 tracks, 4300 feet of track.
- Enhances Oregon's Clean Fuel Program.
- Could be supplying upwards of 500 railcars a year just for UPRR.

#### *Questions and comment*

- We are receiving B-99 renewable diesel. Most is blended off to B-20. Looking to receive R-99 via rail.
- Can you receive unit trains? This facility is not capable of receiving full unit trains only manifest.
- Currently in the process of going through the UPRR economic development process. UPRR has seen design but have not received final approval.
- If we do not receive the funding we will set up a tiered/phased approach. Transition some tanks and pumps to handle larger volumes. Bring in single cars and pumping those into the facility. In discussions with the Port of Umatilla.

#### 1R0446 – Dominguez Family Enterprises – Luis Dominguez

##### *Questions and comment*

- Mt Hood railroad is currently double switching the lumber mill and running up to Odell every day. There is no concern about availability of train service for all these projects. Existing spur is 75-pound and all rail ties shot. May be beneficial to have separate track for oil. A boxcar has already been ordered for this project.
- Turnouts on one end are completely removed but switch components are there. If we do not receive the funding we may be able to get enough switch components for one turnout but it will be difficult to spot cars.
- Believe Mt. Hood Railroad has 286k up to this location but not entirely sure.

## 2R0466 – Portland & Western Railroad – Ross Lane

### Presentation

- 140 Oregon customers served.
- Allows for continued ability to run 286k cars. Upgrades needed at Bridge 71.8 in Salem due to arson. Replace with steel.
- If the funding is not received operation costs will be higher due to more frequent inspections and maintenance.

### Questions and comment

- All of these bridges are running at Class 1 (10 mph) speeds.

## 4R0430 – Lake County – Mark Albertson

### Presentation

- 55-mile shortline railway.
- Two major customers ship perlite and lumber/woodchips.
- Update: replacing top rail on 28 bridges helps achieve 286k and increases speed from 8 mph loaded to eventually 25 mph.
- A derailment in 2020 occurred at 5 mph.

### Questions and comment

- 970 annual carloads in 2020.
- CRISI grant matching funds came from private match from customers, county, state, and Cal Trans.
- Applied for RAISE funds but did not receive the funding for phase three.
- Red Rock restarted construction in 2022 and will begin shipping in late 2023. Initially 5 carloads per week but if able to utilize carbon sequestration it could bump it up to 30.
- Would carbon sequestration be a byproduct of the biofuel plant? Not really.
- Cattle feed volume, new business starting in 2022, would start slow then ramp up. Initially one car per week then ramping up to 10-15 (1000 tons per week) over 5-year span. Adel Ranches is requesting DDG (dried distiller's grain) rates.
- If we do not receive the funding we will continue to make incremental progress. We will apply for a CRISI grant and look to Cal Trans as well.

## 5R0477 – Oregon Military Department – Randy Bentz

### Presentation

- Provides readiness to the National Guard.
- Camp Umatilla is outside of the Cascadia subduction earthquake zone and would be important for post-earthquake response.
- Benefits entire state at some point and the day-to-day operations within the camp.

### Questions and comment

- We compete for projects within Oregon Military Department and we have a priority listing. This project is on list and probably would have been budgeted within the next several years. Saw the grant as an opportunity to get started sooner. Budget may cover some of it but this would give us a head start.
  - Why wasn't the economic development authority involved? The UPRR connection is the most critical.

- The switches were removed as part of process when government was closing down military bases across the United States in the '90s. The switches were old style manual switches that UPRR does not use anymore. But not really clear why they were removed. \$4 million of the initial budget is dedicated to the UPRR tie-in then based on distance of track. \$5 million to rebuild the switch line and spur. Just to get connected to mainline and usable spur would be about \$9 million.
- Heavy armor units currently transported via truck. Goal is to move 27 pieces of heavy equipment in and out of the camp 2 to 3 times per year. Striker and mid-armor can be moved via truck for short distances, but not for long distance. There is no good heavy equipment access or space so equipment arriving by highway can become backed up outside the camp creating a safety issue.
- There are duplicate facilities at the Port of Morrow allowing for marine highway system. Preference is to move equipment directly into training camp for safety reasons. Transport would still be needed from Morrow, but it may be a partial solution.
- 7 acres turned over to Columbia Development Agency. Having rail access available can provide significant incentive to investors. Once we have access to the mainline it becomes smaller projects for switches.
- Yes, the project is scalable, the most critical element is mainline access. \$9 million gets us a connection, spur, and switch. \$4 million for connection.
- If we do not receive the funding we will put it into 2030 OMD budgeting cycle and hope no other priorities squeeze it out. Possibility of working with UPRR.

### 3R0475 – Rogue Valley Terminal Railroad Corporation – Scott DeVries

#### Presentation

- Assisting new customers in realigning and extending track and building a second track to support new traffic.
- Allows Allweather Wood lumber producer to expand operations.
- Not enough clearance on the north side of an existing spur track for loading certain products, requires the track to be shifted for access to both sides of centerbeam flatcars.

#### Questions and comment

- Most of the parcel is owned by Allweather.
- Approximately 2000 car loads currently. 600 would be a 30% growth.
- To load centerbeam cars need forklift access to both sides. Maybe bring in boxcars in the future.
- Phase one is realigning track and extending the spur – currently being worked on. Phase two will add additional track and improve infrastructure/fencing.
- We are a small company with limited resources. If we do not receive the funding we simply wouldn't be able to build this without grant funds.

### 1R0433 – Oregon Rail Heritage Foundation – Roger Woehl

#### Presentation

- Wye at steel bridge does not accommodate turning radius for the large steam locomotives housed at the rail heritage center. We have to go to North Portland to wye engines, a 4-5-hour trip one-way.
- Have plans to operate excursions with passenger cars on hand at center. They will be shortline certified, not Amtrak certified.
- Current plans are to complete installation of turntable by December 2022.

- Negotiations on-going with Oregon Pacific Railroad for at least 6 excursion runs per month 10 months out of the year.
- Avoiding trips to North Portland protects on-time Amtrak performance.
- Historic preservation is listed as a Connect Oregon priority.

#### *Questions and comment*

- How often do locomotives need to be wye'd at North Portland? Haven't been out on the Class I line since 2016. Most trips have been the Holiday Express over Oregon Pacific but looking to get back to excursions on other lines 3 to 4 times per year.
- The largest turntable cost is the pit. Have to put down pilings 85-100 feet to create stability. The turntable has already been rehabilitated.
- We plan to run shortline routes for the excursions. We have connections to make excursions possible.

### 4R0468 – Basin Fertilizer & Chemical Co LLC – Chris O'Grady

#### Presentation

- All growth is depending on Basin development.
- Savings from rail gets passed onto our growers keeping money in the community.

#### *Questions and comment*

- Very close to clearing the drainage ditch hurdle. Making final adjustment to the cultural study and will go to 30-day review.
- Is the runaround track needed to support volume part of the criteria? Something UPRR added – push 10 in and pull 10 out. Thought we had enough money set aside but now required to install more turnouts than originally planned.
- If we do not receive the funding we will try to move forward but it will cause multiyear delay.

### 1R0471 and 1R0472 – Hampton Lumber Sales – George Bonner

#### Presentation

- 10% growth from 2020 to 2021.
- 6 to 9 additional rail spots allows for capacity up to 312 railcars per year at Banks.
- New capacity allows coast mills to ship over 520 additional railcars per year.

#### *Questions and comment*

- Yes, we are currently at capacity and will fully utilize additional capacity.
- The current switch frequency at Front Street is 14 cars per day 5 days a week.
- The 160-foot extension in Banks is fairly level. We would extend and pave an apron.
- We will be putting in just asphalt in Portland.
- PTRR switches location, open to both UPRR and BNSF switch at Front Street.
- PNWR switches Banks, open to both UPRR and BNSF.
- If we do not receive the funding we will get creative. See if we can get additional switches at Banks. At Front Street we would not be able to take in as many rail customers as we do now.

#### Public Comments – none

#### Review ranking process

- Main focus tomorrow is prioritization. We will have time in the morning to discuss projects.
- Projects can move tiers but there needs to be clear language as to the reasons. Why are you prioritizing projects the way you prioritize them?



- Prior expenditures means the money has already been spent. If it has not been spent it would not qualify for a match. Prior expenditure must be before an agreement is executed.
- Statutory score is based on strict guidelines and the criteria we must score them on. Up to you to assess how they impact the system.
- All projects ranked by OFAC and region (all modes). The final review committee ranks them all together. Your job is to give advice to following committees about which projects should move forward from a rail perspective.

Motion to adjourn by Ivo Trummer, seconded by Rob Eaton. Adjourned 4:18 PM

**ConnectOregon VIII**  
**Rail Advisory Committee Conflict of Interest Declaration**

APP. #	APPLICANT	PROJECT NAME	David Arnold	Gary Cardwell	Glenn Carey	Bruce Carswell	Rob Eaton	Peggy Harris	Johan Hellman	Paul Langner	Chris Myron	Ivo Trummer
1R0429	Peninsula Terminal Company	Peninsula Terminal Company N. Suttle Intermodal Yard						X				
1R0433	Oregon Rail Heritage Foundation	Brooklyn Roundhouse Turntable Restoration and Reconstruction						X				
1R0446	Dominguez Family Enterprises	Juanita's Fine Foods Spur Track Replacement						X				
1R0469	The Fruit Company INC	The Fruit Company INC Rail Spur						X				
1R0471	Hampton Lumber Sales	Hampton Lumber Sales Track Expansion - Banks						X				
1R0472	Hampton Lumber Sales	Hampton Lumber Sales Transload Improvement - Portland						X				
2R0434	Teevin Bros Land & Timber CO, LLC	Teevin Westport Multimodal Terminal Siding						X		X		
2R0435	Oregon Coast Scenic Railroad and Port of Tillamook Bay	Nehalem River Bridge Pile Replacement										
2R0455	Pacific Recycling	Pacific Recycling Spur Track Expansion						X				
2R0462	Oregon Independence Railroad	Rehab Oregon Independence Railroad						X				
2R0466	Portland & Western Railroad	Northwest Passage Willamette Valley Rail Trestle Improvement Project						X				
3R0431	Oregon International Port of Coos Bay	Coos Bay Rail Line Swing Bridge Steel Repairs						X				
3R0475	Rogue Valley Terminal Railroad Corporation	RVT Allweather Wood Rail Spur Construction						X				
4R0430	Lake County	Lake County Rail Replacement						X				
4R0464	Wilsonart LLC	Wilsonart Rail Expansion						X				
4R0467	Klamath Northern Railway Company	Klamath Northern Railway Track Replacement						X				
4R0468	Basin Fertilizer & Chemical Co., LLC	Basin Fertilizer & Chemical Co., LLC Siding Extension						X				
5R0448	Wyoming Colorado Railroad, Inc.	Oregon Eastern Railroad 286k Upgrade Phase 2				X		X				
5R0450	Columbia Rail	Milton-Freewater Area Shortline Customer Track Extensions						X				
5R0456	Tidewater Transportation and Terminals	Umatilla Terminal Multi-Modal Energy Transition Project						X				
5R0477	Oregon Military Department	Camp Umatilla Rail Upgrade and Switch Replacement						X				