

Rail Advisory Committee (RAC)

Tuesday, June 18, 2024

9:00 a.m. – 3:30 p.m.

Meeting Minutes

Attendees, RAC Members

Bruce Carswell, Chair

Johan Hellman, Co-Chair

Aaron Hunt

Carmen Merlo

Chase Kitchen

Toby Van Altvorst

Ross Lane

Bob Krebs

Introductions and Committee Business

- Quorum confirmed.

Connect Oregon IX - Kathy Holmes

- Process Overview:
 - Connect Oregon rail applicants will provide a brief presentation to the RAC and RAC members will then have time to ask additional questions of the applicants.
 - This afternoon the committee will be ranking the rail project applications.
- Conflict of Interest:
 - Kathy Holmes reviewed the list of project and asked committee members to declare any conflict or potential conflict of interest for each project. (see table below)

1R0484 – Hampton Tree Farms – Jon Calhoun

- Focusing on Portland reload.
- Adding 190 feet to the spur which will add three additional rail cars per switch. Shift additional traffic to rail and off the road. 780 carloads per year.
- Currently cannot ship some product via rail due to the lack of available cars due to limited track capacity. Some sales would go to trucking, or they would not make the sale.
- Additional switches are not an option.
- If grant is not awarded, they would continue to look for ways to optimize the facility.

1R0485 – Hood River Railroad LLC – Scott Webster

- The project would bring three miles of Mount Hood excepted track up to Class 1 track standards.
- If awarded this funding would be used as match for a federal CRISI grant. The grants are separate but would complement each other.
- There is currently no Plan B to fund this project. They applied for a bank loan but was denied due to potential DEQ hazard. Carson Oil plans to locate there but Mount H would need to pay for it all without grant funding. Debt service would encumber future profits, handicapping Mount Hood's ability to fund further capital projects.

2R0496 – Greenhill Reload – Greg Demers

- Extends the existing tail track by 1,750 feet and installing a new main line switch to Coos Bay Rail Line (CBRL) and constructing a new 2,200-foot siding track with two main line switches on CBRL.

- Upon completion of this project, it is expected that carloads would increase from 2000 to 2200.
- Provides 33 percent of Coos Bay Rail Line's traffic.
- They currently do their own switching with a mover.
- There is room to extend the siding in the future if needed.

2R0497 - Portland & Western Railroad (PNWR) – Ross Lane

- This project would crop and weld existing 112-pound bolted rail.
- It is a small but critical project between Salem and Woodburn.
- Ultrasonic testing has been done on the track and most defects are found at the bolts.
- This work will allow PNWR be more competitive and eliminate a 10-mph slow order.

3R0504 - Central Oregon & Pacific Railroad (CORP) – Ross Lane

- Building a new transload on the CORP line.
- CORP provided a letter of commitment for the project.
- Bulk fuel and timber are already being shipped from that facility by rail.
- The project is shovel ready and have commitments to use the facility.
- The products are currently moved by truck.
- This project has a 50% match.
- The new track will be built where the old track was and will be building a small office and warehouse with 2 full time positions.
- There is nothing like this closer than Medford. The customers looking at it do not currently have access to rail.

3R0503 - LTM, Inc DBA Knife River Materials – Bill Gibson

- Oregon has a shortage of high-quality aggregate. High-quality aggregate will be offloaded from bottom-dump hopper cars.
- 12-14 loaded cars will come in and CORP will position them to be moved from the siding to unload one at a time.
- Knife River has had discussions with CORP and they are supportive of the project.
- This project will create 4 full time positions at the processing plant, plus an additional 2-3 positions at unloading.

4R0509 - Beaver Pumice, LLC – Tracy Young

- The project would re-establish private rail spur lines to transport pumice.
- Application does not show Union Pacific Railroad (UPRR) support. ECO has had discussions with UPRR and they have shared the intent and agreed to the approach. But they have not begun the formal UPRR process.

4R0510 - Lake County Railroad – Melanie Lasley

- The green cement plant is almost complete and will provide 37 jobs.
- The project would replace 1.5-2 miles of track and crossings.
- Looking to diversify due to loss of sawmills. Being able to support businesses with rail is critical.
- Partnering with Green Cement. Green Cement has committed \$466,000 in matching funds and grant will be used to apply for a CRISI grant to replace about 20 miles of 100-year-old track.
- If the Connect Oregon grant is not awarded, they have a line of credit through Business Oregon. However, the county would need to use a carload surcharge to pay back the line of credit and that would negatively impact profits.

5R0511 – NW Volcanic Holdings, LLC – Nathan Prete

- This project will construct 1,825 feet of track including switches necessary to allow loading and transportation of product on the UPRR line.
- Estimates about 650 rail cars of materials shipping annually, eliminating 1,800 to 2,600 trucks per year on the highway.
- Received notice from UPRR that they can put it out to bid.
- Currently have a spur track but it serves a building and is so close to the mainline and siding they cannot safely load hopper cars there.

5R0515 – Wyoming Colorado Railroad, Inc. dba Oregon Eastern Railroad – Jeff Van Schaik

- This project would replace 75-pound rail with 115-pound rail between milepost 21.5 to 22.5 and removes it from “excepted” status.
- Only about 2 miles of track left to replace before the entire line is upgraded.
- Will enhance the Vale yard by addressing the deteriorating tie conditions by replacing over 1,400 rail ties and surface over 1,200 track feet.
- Continuation of improvements funded by previous grants.
- Preserving about 280 jobs that this rail line provides.

Review Process and Conflict of Interest

- No new Conflict of Interests
- When ranking need to keep the statutory considerations in mind as well as the State Rail Plan.
- The statutory consideration score on the tabulation sheet is an accumulation of multiple internal scores.
- The RAC has the option change the ranking if the rationale is clearly stated.
- Once ranking begins there can be no outside discussions or input beyond the committee and staff.

Public Comments

- Doug Allen, Alternate for AORTA – does not believe the number of rail projects should prevent them from being awarded grants. He would like to see rail receive at least a third of the funding, and a push should be made at the final review committee to stress the importance of rail.

Project Ranking

- The RAC will be ranking the rail projects from 1 to 10. The regions will be responsible for ranking all the projects within their regions.
- There is no longer the requirement to ensure that each region gets a minimum amount of funding.
- Bob Melbo briefly explained the Rail Need Inventory (RNI) and its purpose. There is an application process for getting proposed projects into the RNI. Applications can be submitted at any time. Contact Jill Eckenrode or Kathy Holmes if you have any questions.
- The RAC ranked the rail projects as follows:
 1. Mt. Hood Railroad, Mt. Hood Railroad Track Upgrade for Freight Expansion – Strong application, resurrection of an existing local short line, and aiming to revive an old market moving perishable fruit, building on prior investments and fills a unique niche within the mode.
 2. Lake County, Lake County Railroad Customer Connections – Leveraging funding and stakeholder support, project is part of a larger plan and provides geographic diversity. Invests in a publicly owned asset.
 3. Oregon Eastern Railroad, Oregon Eastern Railroad 286k Upgrade Phase 3 – Anchor customers, important to preserve the line, ensure infrastructure will be there for years.

4. Portland & Western RR, Salem to Woodburn Rail Modernization – system preservation, key to the I-5 rail parallel network, is an existing service.
5. Central Oregon & Pacific Railroad, Douglas County Rail Access, and Expansion Project – Has a solid match, higher measurement of success, modest investment for truck to rail conversion.
6. Green Hill Reload, Greenhill Reload Multi-Modal Center Rail Improvement – The way the application was constructed does not point to the benefit of Coos Bay Rail Line; the project potentially could be scaled down by dropping the siding from the project.
7. NW Volcanic Holdings, LLC, NW Volcanic Holdings SCM Rail Facility – Well along in the UP process, has some UPRR documentation, is a smaller funding ask.
8. Beaver Pumice, LLC, Beaver Pumice Rail Spur – Spur diverges off the main track which increased project cost, lacks a design drawing of track layout and documentation that UPRR will support the project.
9. Knife River Materials, Green Siding Aggregate Offloading Facility – Good quality source of aggregate, it is important get trucks off I-5.
10. Hampton Lumber, Hampton Lumber Portland Reload Expansion - Small cost, why not just do project themselves? Concerns based on the Banks project where they finished the project and then closed the facility.

Closing comments and adjourn – Bruce Carswell

Meeting adjourned at 3:30 PM

**Rail Advisory Committee
Connect Oregon
Conflict of Interest Declaration**

APP.#	APPLICANT	PROJECT NAME	Bruce Carswell	Johan Hellman	Aaron Hunt	Ross Lane	Carmen Merlo	Chase Kitchen	Bob Krebs	Toby VanAltvorst
1R0484	Hampton Tree Farms	Hampton Lumber Portland Reload Expansion		P	P					
1R0485	Hood River Railroad LLC	Mt. Hood Railroad Track Upgrade for Freight Expansion			P					
2R0496	Green Hill Reload	Greenhill Reload Multi-Modal Center Rail Improvement			P					
2R0497	Portland & Western Railroad	Portland and Western RR Salem to Woodburn Modernization		P	P	C				
3R0503	LTM, Inc DBA Knife River Materials	CORP Green Siding Aggregate Offloading Facility			P	P				
3R0504	Central Oregon & Pacific Railroad	Douglas County Rail Access and Expansion Project			P	C				
4R0509	Beaver Pumice, LLC	Beaver Pumice Rail Spur			P					
4R0510	Lake County Railroad	Lake County Railroad Customer Connections			P					C
4R0511	NW Volcanic Holdings, LLC	NW Volcanic Holdings SCM Rail Facility			P					
5R0515	Wyoming Colorado Railroad, Inc. dba Oregon Eastern Railroad	Oregon Eastern Railroad 286k Upgrade Phase 3	C							