



**VENTURA COUNTY TRANSPORTATION COMMISSION
SANTA PAULA BRANCH LINE ADVISORY COMMITTEE
(SPBLAC)**

**WEDNESDAY, October 17, 2012
3:30 – 5 PM**

www.goventura.org

AGENDA*

**Actions may be taken on any item listed on the agenda*

**VENTURA COUNTY TRANSPORTATION COMMISSION CONFERENCE ROOM
950 COUNTY SQUARE DRIVE - SUITE 106 (Downstairs)
VENTURA, CA 93003**

In compliance with the Americans with Disabilities Act and Government Code Section 54954.2, if special assistance is needed to participate in a Commission meeting, please contact the Clerk of the Board at (805) 642-1591 ext 101. Notification of at least 48 hours prior to meeting time will assist staff in assuring that reasonable arrangements can be made to provide accessibility at the meeting.

- 1. CALL TO ORDER**
- 2. ROLL CALL**
- 3. PUBLIC COMMENTS** (For items not on the agenda) – *Each individual speaker is limited to speak three (3) continuous minutes or less. Any written documents to be distributed or presented to the Commission shall be submitted to VCTC SPBLAC staff. This policy applies to Public Comments and comments on Agenda Items.*

Under the Brown Act, SPBLAC should not take action on or discuss matters raised during Public Comment portion of the agenda which are not listed on the agenda. SPBLAC members may refer such matters to staff for factual information or to be placed on the subsequent agenda for consideration.

- 4. APPROVE SUMMARY FROM MAY 16, 2012 SPBLAC MEETING**

5. COMMITTEE MEMBER/STAFF REPORT

This item provides the opportunity for the SPBLAC members VCTC staff to report on attended meetings and any other items related to SPBLAC activities.

- 6. ADDITIONS/REVISIONS** – *The SPBLAC may add an item to the Agenda after making a finding that there is a need to take immediate action on the item and that the item came to the attention of the SPBLAC subsequent to the posting of the agenda. An action adding an item to the agenda requires 2/3 vote of the SPBLAC. If there are less than 2/3 of the SPBLAC members present, adding an item to the agenda requires a unanimous vote. Added items will be placed for discussion at the end of the agenda.*

7. FRA REQUIRED SPBL RAIL BRIDGE INVENTORY PROJECT UPDATE

Recommended Action:

Receive update on FRA-required rail bridge inventory and repairs.

Responsible Staff: Mary Travis

8. FILLMORE & WESTERN RAILWAY PROPOSAL FOR LONG-TERM OPERATIONS AND MAINTENANCE OF THE SPBL

Recommended Actions:

Direct staff to continue working with Fillmore & Western Railway to structure a long-term arrangement for operation and maintenance of the SPBL.

Concur with staff recommendation to Commission authorizing the Executive Director to execute a contract with Egan Consulting Group not to exceed \$50,000 for assistance to review current operational agreements on the SPBL.

Responsible Staff: Darren Kettle

9. FUTURE MEETINGS

Recommended Action:

At this time, no meeting is scheduled.

Responsible Staff: Mary Travis

10. ADJOURNMENT



Item # 4

Summary of 5/16/12 SPBLAC Meeting

- Item # 1 **Call to Order:**
The meeting was called to order at the VCTC Conference Room at 3:30 PM by County Supervisor Kathy Long.
- Item # 2 **Roll Call:**
Attending the meeting in addition to Commissioner Long, were Commissioners Jamey Brooks (Fillmore), and Carl Morehouse (San Buenaventura). Also attending were Dave Wilkinson, Bill Bartels and AJ Farrar from Fillmore & Western Railway (F&W), Dave Fleisch and Kathy Connell from Ventura County Public Works Transportation, Fillmore City Manager Yvonne Quiring, JL Patterson project managers Dan Davis and Richard Gonzalez, VCTC Legal Counsel Mitch Kahn, and, VCTC staff Darren Kettle and Mary Travis.
- Item # 3 **Public Comments for items not on the agenda:**
There were no public comments.
- Item # 4 **Approval of 11/16/11 SPBLAC Meeting Summary:**
The meeting summary was approved.
- Item # 5 **Committee/Staff Report:**
There were no Committee or staff reports.
- Item # 6 **Additions/Changes to Agenda:**
There were no changes or additions to the agenda.
- Item # 7 **Update on Federal Railroad Administration (FRA) Bridge Inventory Project:**
Darren Kettle introduced Dan Davis, JL Patterson & Associates, who has been managing the FRA required railroad bridge inventory for the SPBL. Dan briefly reviewed the requirement and said the SPBL is actually in remarkable shape but there are four bridges needing repairs and one of them had to be taken out of service. Dave Wilkinson with F&W mentioned they had already repaired this bridge because it was needed immediately back in service for their operations. Darren mentioned there is a federal program with loans available for railroad rehabilitation projects, and that VCTC could work with F&W on obtaining this money. Dave responded he would be glad to work with VCTC on this but operation of the line has to be a partnership.
- Supervisor Long noted that, as SPBLAC has already discussed, the Commission owns the SPBL and must therefore manage the asset and not walk away from it, so some type of joint VCTC/F&W application would be appropriate. She also asked about VCTC's agreement with UP for freight; it was confirmed that as long as UP wants to run freight on the SPBL, VCTC has to keep the line open. However, because the only customer currently is International Paper in

Santa Paula, and they have just announced the Santa Paula plant is closing, the current status of freight service on the line is uncertain.

Dan Davis noted that the bridges could remain open at least temporarily if they were inspected bi-weekly, and that JL Patterson could do this inspection as long as needed with a minor change-order to their current contract with the Commission. Dave Wilkinson suggested that F&W staff might be able to handle these inspections; Dan said he would work with F&W on this to ensure the inspections were properly completed. Darren said an adjustment to the JL Patterson contract for this purpose would be possible.

It was agreed the next steps would be for VCTC staff to:

1. Make arrangements for with JL Patterson and F&W to handle the bridge inspections until it is decided by SPBLAC what to do about the bridge repairs.
2. Continue to work with Union Pacific to transfer any future freight operations to the F&W.
3. Postpone the repairs to the Ellsworth Barranca bridge until freight operations of some type resume.
4. VCTC work with F&W on obtaining federal railroad rehabilitation funds.

The full bridge inventory repair will be available in early June and will be distributed to the SPBLAC for review at the anticipated June SPBLAC meeting. After SPBLAC consideration, the bridge inventory will be presented to the Commission in July and then sent to the FRA no later than September 13, 2012.

Item # 8

Update on Freight Operations on the SPBL:

Darren Kettle summarized the staff initiatives to work with Union Pacific (UP) and F&W to transfer freight operations on the SPBL to F&W. The operating agreement in place between UP and VCTC allows VCTC to give UP a six-month notice to UP and the Surface Transportation Board (STB) to transfer common carrier freight service, and staff recommends initiating action in that direction.

Item # 9

Santa Paula Branch Line FY 2012/2013 Proposed Budget

After brief discussion, it was recommended the proposed budget be forwarded to the Finance Committee and then the full Commission for approval.

Item # 10

Schedule Future Meetings:

The next meeting will be June 20, 2012 at 3:30 PM at the VCTC Conference Room.

Item # 11

Adjournment:

The meeting was adjourned at 5 PM.



Item # 7

October 17, 2012

MEMO TO: SANTA PAULA BRANCH LINE ADVISORY COMMITTEE
FROM: MARY TRAVIS, MANAGER OF TRANSPORTATION DEVELOPMENT ACT AND RAIL PROGRAMS
SUBJECT: SANTA PAULA BRANCH LINE RAIL BRIDGE INVENTORY UPDATE

RECOMMENDATION:

- Receive and file.

DISCUSSION:

In 2011, the Federal Railroad Administration (FRA) published its Final Rule requiring railroad track owners to adopt and follow specific procedures to protect the safety of their bridges and to strengthen federal oversight of railroad bridge maintenance programs. VCTC, as owner of the Santa Paula Branch Line (SPBL) railroad, was subject to this requirement. Phase One of the requirement was completion of an inventory of the 37 bridges on the SPBL, which was finished last month via a Commission contract with JL Patterson & Associates. The report has now been submitted for review to the FRA.

In summary, JL Patterson found there are four bridges on the SPBL with structural flaws. Three of the four bridges have comparatively smaller problems but one of the bridges is bad enough that it had to be put out of service. This last noted bridge is over a barranca just east of Saticoy. When it was "red-tagged", it effectively halted rail operations at this location on the SPBL until the bridge is repaired. Because this happened at the same time International Paper announced it was closing its Santa Paula facility, there is no requirement for VCTC to repair the bridge. However, if future freight opportunities occur, the bridge will need to be repaired before those operations can take place on a regular schedule.

JL Patterson made the following assessments of all the problematic bridges and estimated repair costs as follows:

1. Mile Post #408.60 (near Ellsworth Barranca just east of Saticoy)
6,022 foot ballast deck trestle needs both end abutment wood stringers replaced; bridge is currently closed.
Estimated repair cost: \$75,000
2. Mile Post # 416.09 (near the Christmas tree farm at Hallock Drive just east of Santa Paula)
A small (15 foot) bridge over culvert needed repair to both abutment supports – repair cost \$20,192 (note: repairs on this bridge have already been completed by F&W to allow their tourist trains to operate)

3. Mile Post # 416.40 (over Haun Creek east of Santa Paula)
45-foot ballast deck trestle bridge has been problematic during storms for several years and needs reinforcement. In addition, stringers on spans one and two on the left side and span three on the right side need to be replaced and bent two needs replacement with a posted pile bent on a concrete sill. Bridge is open with monthly inspections and slow orders.
Estimated repair cost: \$45,000 - \$50,000
4. Mile Post # 420.22 (over unnamed barranca just west of Hall Road west of Fillmore)
Ballast deck trestle bridge needs abutment one cap replaced, span one on the right side stringers replaced and the cross beams reinforced. Bridge is open with monthly inspections and slow orders.
Estimated repair cost: \$25,000 - \$30,000

At the September VCTC meeting, Fillmore and Western Railway (F&W) provided their perspective that the Commission is responsible for repairing the Ellsworth Barranca bridge just east of Saticoy. However, after review of the existing agreements, General Counsel concluded that VCTC is not responsible for making any bridge repairs necessary for F&W's operations; an opinion from the General Counsel is attached. Also included in the General Counsel report is his opinion about an additional issue, that is, whether or not prevailing wages will have to be paid on the work. After reviewing the Labor Code, General Counsel has concluded that prevailing wages will have to be paid and should be paid in general by the F&W for work related to the existing agreement as they are a recipient of public funds.

Because F&W is valued partner to the Commission on the track to make the SPBL self-supporting, staff will continue working with them to identify funds F&W could use for the bridge repair work. The concern with federal and/or State loan or grant programs is the time required to access these funds and also the eligibility of the bridge repairs. As an alternative to a State or Federal grant, VCTC could facilitate short term, low interest financing using the current balance of State Transit Assistance (STA) funds.

After discussing the repairs in greater detail at the October 5th Commission meeting, staff was directed to further explore some type of allocation or loan of the STA funds to make sure repairs are in place as soon as possible. Staff will continue to work with F&W on this project.

October 8, 2012

MEMORANDUM

TO: SANTA PAULA BRANCH LINE ADVISORY COMMITTEE
FROM: GENERAL COUNSEL
SUBJECT: SANTA PAULA BRANCH LINE REPAIRS AND MAINTENANCE

BACKGROUND:

At the regular meeting of the VCTC on October 5, 2012, two Commissioners expressed concerns regarding the potential liability of VCTC for failing to undertake the repair of a bridge that was red-tagged following an annual inspection conducted by Patterson & Associates, Inc. The estimated cost of repairing the bridge located west of the City of Santa Paula is \$75,000.00. The Commission briefly discussed a variety of options, including closing that portion of track, paying for the bridge repairs, looking to Fillmore & Western Railway (F&W) to pay for the repairs and the possibility of VCTC loaning funds for a short term to F&W to make the repairs. No decision was made. Staff indicated your committee would be considering the matter at your October 17th meeting.

The bridge in question crosses the Ellsworth Barranca at milepost 408.60.

DISCUSSION:

I am advised of the following facts:

1. The maintenance of the subject bridge was the responsibility of VCTC pursuant to a 1997 First Amendment to Usage Agreement with Union Pacific Railroad Co. as a result of a stated intent of VCTC to upgrade the line from FRA Class 1 to Class 3 standards for passenger use. Union Pacific did not require a Class 3 line for its freight traffic.
2. The portion of track where the bridge exists was used until mid-2012 by Union Pacific Railroad Co. to access a single business site in the City of Santa Paula. That business no longer requires rail service and Union Pacific no longer utilizes that portion of track.
3. VCTC leased that portion of track in 2001 to F&W for tourist excursions and movie production. The lease provides as follows: F&W pays VCTC for the lease, but also receives a monthly payment from VCTC to maintain the track and its support structures for a distance of 15

feet of the centerline of the track. The agreement runs for a term of 20 years. In addition, VCTC pays F&W for weed abatement, debris removal, emergency callouts, etc., outside the 15-foot area on each side of the track on a project-by-project basis. The lease has been amended two previous times, in 2004 and 2007, as it relates to only to VCTC annual maintenance fees paid to F&W.

4. The 2001 lease to F&W defines "maintenance" to mean ". . .those activities required for continued basic operation of track and signal equipment of Fillmore & Western's uses and in accordance with applicable regulations." Track support structures means ". . . those properties necessary for use or support of Track, including . . . bridges, culverts, other structures, . . . embankments . . . and drainage facilities."

5. The lease at Section 4.b. reads:

"Fillmore & Western shall maintain the Track and Track Support Structures from milepost 405.31 to milepost 435.07 to such standards as required for its uses and in accordance with applicable regulations."

6. The lease at Section 4.c. reads:

"In the event that specific Track and Track Support Structures are determined to need extensive replacement, beyond maintenance as defined in Section 1. VCTC shall be responsible for said replacement. Any and all replacement activities shall be undertaken at the sole discretion of VCTC as funds may become available. It is understood by the parties that VCTC shall seek state and/or federal funds to the greatest extent possible for such work."

ISSUES:

The issues to be decided include the following:

1. Is the repair of the Ellsworth Barranca railroad bridge "maintenance" or "extensive replacement"?
2. Does VCTC have a duty to provide "extensive replacement" or is it within its sole discretion?
3. If no maintenance or extensive replacement is undertaken to the track support structure, what are the options for reducing or eliminating liability for both F&W and VCTC if the bridge remains unusable?
4. If VCTC pays for or loans the funds at less than market rates necessary for repairing all or any part of the structure, do prevailing wage laws apply?

RESPONSES:

1 and 2. According to the April 16, 2012 inspection by Patterson & Associates, Inc., the work required was referred to as a “repair requiring the replacement of the east end stringers.” Such a repair would ordinarily constitute “maintenance” as that term is defined by the lease. However, even if the ultimate determination of VCTC is that the work does constitute an “extensive replacement” pursuant to the terms of the lease, VCTC is under no obligation to pay for it.

3. It is common practice and entirely appropriate, if no rail traffic exists on the stretch of track and no repair to the bridge structure is going to be made, to post that portion of the track as being out of service and to notify the operators of such closure. In the instant case, Union Pacific has stopped the freight use on that stretch of track and the current tourist excursion use by F&W does not proceed that far to the west of the City of Santa Paula. Therefore, there may be no present need to keep that portion of track open to rail traffic and posting the stretch as being out of service would be appropriate in lieu of making the repairs. That is a judgment call of the owner and the lessee. In addition, should an incident causing injury to, or the death of, any person or damage to, or loss of, any property as a result of the bridge remaining in service, the lease with F & W at Section 6 provides for indemnifying VCTC against any such claims or causes of action. In addition, Section 10 of the lease requires F & W to maintain liability insurance coverage, naming VCTC as an additional insured.

4. The contribution by any public agency toward the repairs, maintenance or replacement of the track or its support structures, including a loan at less than market rates, requires the payment of prevailing wages under the Labor Code. However, inasmuch as VCTC currently pays an amount annually to F&W for that work, the payment of prevailing wages is already required.



Item # 8

October 17, 2012

MEMO TO: SANTA PAULA BRANCH LINE ADVISORY COMMITTEE (SPBLAC)

FROM: MARY TRAVIS, MANAGER OF TRANSPORTATION DEVELOPMENT ACT AND RAIL PROGRAMS

SUBJECT: FILLMORE & WESTERN RAILWAY PROPOSAL FOR LONG-TERM SANTA PAULA BRANCH LINE OPERATIONS AND MAINTENANCE

RECOMMENDATION:

- Direct staff to continue working with Fillmore & Western Railway (F&W) to structure a long-term arrangement to operate and maintain the Santa Paula Branch Line (SPBL).
- Concur with staff recommendation to Commission authorizing the Executive Director to execute a contract with the Egan Consulting Group not to exceed \$50,000 for assistance to review current agreements for maintenance and operation of the SPBL.

DISCUSSION:

VCTC has partnered with the F&W to operate and maintain the SPBL since the Line was purchased from Southern Pacific Railroad in 1996. This partnership is documented in a lease between the Commission and F&W for operation of their tourist and movie train services, and also, for maintenance and upkeep of the Line and for 15-feet on either side of center line. On a case-by-case basis, F&W also does special maintenance activities when authorized by staff such as emergency call-out repairs, weed abatement and trash pickup on the SPBL on VCTC property outside the 15-foot operating agreement.

Staff has continued to work with F&W over the past several months to update the existing agreements and to arrange a settlement for past overpayments made under the VCTC/F&W maintenance contract. At the same time, F&W has been considering their future operations and the best way to manage them. As a starting point to discussions, F&W submitted the attached initial proposal for a 20-year franchise on the SPBL for both operation and maintenance of the Line, and it is presented for your information.

In addition to staff continuing to work with F&W, and after discussions with the other Transportation Commissions who own and/or operate railroad property, it is recommended that VCTC procure consultant services to provide a professional and objective review of the SPBL operations with the ultimate goal of the SPBL becoming self-sustaining. Because of the specialized nature of the railroad and property management business greater expertise is needed to evaluate all aspects of the SPBL in order to achieve the Commission's goals. This analysis has never been done before and it is critically important that it be completed now.

Staff recommends the VCTC contract with the Egan Consulting Group to guide us forward; details about Thomas Egan, Principal of the firm, are attached. If SPBLAC decides to proceed in this way, a detailed contract with goals, objectives and timelines will be developed along with associated costs.

In anticipation that consultant services might be needed this fiscal year, funding for this purpose was included in the FY 12/13 SPBL budget. Originally, these funds were to be used for Phase II of the FRA - required Rail Bridge inventory. However, completion of the inventory is not required until 2018 allowing these budgeted funds to be used instead for this purpose.

Memo to Darren Kettle from Dave Wilkinson - Fillmore & Western

July 27, 2012

Dear Darren;

The Fillmore & Western would like to propose a 20 year franchise for the operation and maintenance of the Santa Paula Branch Line. The first 5 years would be at a fee of \$1 per year. The subsequent periods would be at 5% of net based on rail line income from tourism and freight service. It would be the purpose of the franchise to give the F & W full responsibility and control of the full line and entire right of way. In the short term, VCTC would re-allocate the \$90,000 for bridge study to bridge repair and the Fillmore & Western would assume the responsibility for the bridge certification that is due by 2015. The Fillmore & Western is currently accepting freight service through the Union Pacific. This freight is wind trains that are in need of reconfiguration. This has resulted in a set of informal operational agreements between the F & W and UP. In researching current funding schemes that appear to have some traction, freight as a funding source for line improvement, economic development and infrastructure goods movement are all present. It would be F & W's desire to leverage the VCTC project list to include specific line improvements for federal funding as a partner. Since 2004 when the last lease amendment was processed, much has changed. It is F & W's desire to be an aligned partner in that change instead of the recipient of litigation, threats, and innuendo. To this end, it would be the goal and desire of F & W to work to enhance the current asset through a thoughtful public private partnership. This means that a healthy operator creates a healthy asset.

In no specific order, the following items are areas of clarification and negotiation.

General areas of interest include:

The Fillmore & Western would have:

Exclusive Right to Operate and the exclusive right and responsibility to maintain the entire line to at least class 1 standard. The deal would be for a term of 20 years with check back at 5 year intervals. For the first 5 year interval the fee to VCTC would be \$1 per year. This right and responsibility is based on the clear shared responsibilities of the line owner and the legislative support or affirmation of desire and outcome from the owner VCTC.

Responsibility of Property Owner:

Affirm through legislative action the branch line as an asset

Affirm through legislative action the branch line as an economic driver

Affirm through legislative action the specific areas of Business development to include:

Freight

Movies

Commuter partnership Train, VCTC, FATCO

Train Maintenance, Wind train

Memo to Darren Kettle from Dave Wilkinson - Fillmore & Western

Tourism Partnerships with ... Santa Paula, Fillmore, Bennet's Honey Farm, Railfest, Pumpkins, Christmas trains, Limoneira, Thomas, 4th of July, May Festival, Balloon Festival

Affirm the Legislative requirements for property management by declaration of the operator as the property management authority
Affirm the Legislative requirements for declaration of operator's authority for management of the railroad right of way.

This would include From a perspective of railroad right of way.
A legislative setting of change in condition for lease fee
A legislative setting of the Lease fee
A legislative setting of the right of entry fee
A legislative setting of the pipeline or utility fee
Adoption of standard lease agreement
Adoption of standard access agreement
Adoption of standard also insured requirements for private rail crossings

Affirmation that All lease income will accrue to the line for The whole branch
Lease income to branch
Lease management authority made clear for:
Lease management
Property adjacent leases
Access leases
Authority to fence
Authority to collect leases in partnership with VCTC
Backing of VCTC legislative authority to authorize collection of lease and legal authority to provide collection
Right of Way definitions
Current is 15' from centerline
New, the whole right of way
Abatement of hazards with authority from VCTC and monetary support for the same

Limits to liability as a railroad

Partner in Federal funds for freight movement improvement
Validation of exclusive right to operate as the branch freight railroad

FRA requirements support either legislatively and/or legislatively and monetarily
Partner in Federal funds for people movement

Indemnification from lawsuit for actions of owner
Indemnification and all fees covered for any insult to lease through actions of owner

The Fillmore & Western would be responsible for annual budgeting for the line with concurrence of the owner. This budgeting process would depend on annual lease

Memo to Darren Kettle from Dave Wilkinson - Fillmore & Western

income, signal income, weeds and hazards support, and a working budget developed by Fillmore & Western using standards of the rail industry.

Budget Construction:

That the owner and the operator will produce a working list for funds that is recognized in the county, state and federal arena for line protection, improvement and repair.

Creation of a capital repairs budget and reserve is fundamental to this budget construction. Currently, there is no capital reserve.

Capital repairs

Bridges

Creeks

Washouts

Capital Projects

Signal Replacement entire branch

Crossings replacement entire branch

Roadbed upgrades

Inspection areas

Track

Right of way

Adjacent property

Signals

Maintenance areas

Bolts

individual ties (up to three)

Leveling

Spikes

Signs

Certain Capital Improvements/Repairs

Egan Consulting Group

Thomas J. Egan, Principal
227 Hersey Street
Hingham MA 02043

August 27, 2012

Mr. Darren Kettle
Executive Director
Ventura County Transportation Commission
950 County Square Drive
Suite 207
Ventura, CA 93003

Re: Rail Consulting

Dear Mr. Kettle:

The Egan Consulting Group (ECG) is pleased to submit this proposal in response to your outreach of August 17, 2012. As you explained the issue, the Ventura County Transportation Commission (VCTC) is seeking assistance in assessing the relationship between the VCTC and its rail operator on the former Southern Pacific Santa Paula Branch, The Fillmore and Western Railway (FWRY). The current arrangement between the VCTC and FWRY, as you described it, dates from the early 1990's and while preserving the rail assets, does not generate a positive cash-flow for the County or the Transportation Commission. The VCTC sees an opportunity to re-open discussions regarding the operating agreement for the Santa Paula Branch, at least in part because of an initiative brought forth by the Fillmore and Western regarding expanding rail operations. In any exploration regarding the Santa Paula Branch, the VCTC would like to ensure that at minimum, all appropriate agreements are industry standard and to the extent possible provide a mechanism for a positive cash flow for the Ventura County Transportation Commission.

As you may know, Egan Consulting Group (ECG) is a rail consultancy practice formed in 2004, which provides services to government agencies, engineering firms, rail customers and railroads. I am the founder and Principal of ECG, and have worked in the railroad industry for 47 years. For each project, ECG has the ability to pull from a stable of industry experts to specifically meet the perceived needs of the client. In this case, I would propose to provide the required services myself, and rely on my associates for support if needed.

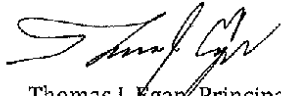
Per our discussion, I would propose to enter this engagement on a time and material basis. We would jointly establish a scope of work and a proposed budget based on that scope. My initial view is that the scope could be divided into three initial tasks with an optional fourth task as outlined below;

1. Document review and assessment. This task that would be conducted remotely, and would involve reviewing the current agreement(s) between VCTC and Fillmore and Western Railway, any agreements between Union Pacific and FWRY, any appropriate accounting documents showing the financial picture as between the County, the Transportation Commission and FWRY, as well as the recent proposal from the railway regarding a re-negotiation.
2. Site visit and field investigation of the property, including meetings with yourself and key players either from Ventura County or the Ventura County Transportation Commission, meetings with the local Economic Development Agency to assess whether there is economic development opportunity along the line, and with officials from the railway to assess their capabilities as relate to expanding their role. In addition, this visit would include an inspection trip along the entire line to better assess the potential for restating the relationship between the Transportation Commission and the railway.
3. Development, in concert with you and your team, of a strategic plan that would identify mechanism(s) for re-defining the relationship between VCTC and FWRY. This plan, among other elements, would include a mechanism to introduce industry standard elements into the relationship and agreements between the Transportation Commission and its operator, as well as identify mechanism(s) for improving the cash flow picture as between VCTC and the railway.
4. (Optional) To the extent needed, ECG would be willing to assist in negotiations with the Fillmore and Western, or in development of agreements, requests for qualifications, or request for proposals as determined necessary by VCTC in order to accomplish the goals of the Transportation Commission.

If you are amenable, we could work from this initial list of tasks (unless you have already created your own list) to develop a proposed scope, which would then put us in the position of being able to develop a budget or a not to exceed amount for initial work. For your planning purposes, my hourly rate, as I advised you on our telephone call is \$150.00 per hour, and expenses are billed with no mark-up.

Please feel free to contact me with any questions. I look forward to working this opportunity through with you.

Sincerely,



Thomas J. Egan, Principal

Egan Consulting Group
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227 Hersey Street
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E-mail: tomegan@comcast.net

Summary:

A performance driven, well-rounded transportation professional with extensive experience in business development, railroad and governmental relations, joint facilities, asset management/line sales, operations and strategic planning, and railroad operations

- ❖ Outstanding record for building business and fostering solid collaborative relationships.
- ❖ Solutions oriented with tactical experience.
- ❖ Develops trust and maintains integrity by following through on commitments.
- ❖ Communicates candidly and values diversity, demonstrating respect, dignity and ethical treatment at all times.
- ❖ Makes fact based decisions, with a broad perspective and thorough knowledge of customer requirements.
- ❖ Confident in leadership abilities, as manifested in communication, networking and mentoring.
- ❖ Meets or exceeds expectations with a contagious drive for excellence.

Professional Experience:

Egan Consulting Group (March 2004-present)

I am currently owner and principal of a transportation consulting company working with Rail Customers, Public Agencies, Railroads and Architectural and Engineering firms. This firm provides management support and subject matter expertise in various areas, including forensic analysis, project analysis, marketing, industrial development, operations planning, management practices and government relations.

Sample of representative projects are contained in the attached listing.

CSX Transportation

Worked for CSXT and predecessor railroads (Conrail, Penn Central and New Haven Railroad) (1965-2004)

Director of Short Line and Regional Railroad Development

Responsibilities included serving as CSXT liaison with 86 short line and regional railroads in 12 states and 2 Canadian provinces. Dealt with all aspects of the relationship between CSXT and these other railroads, including commercial (business development, sales, marketing and customer relation support), operations and service design, joint facility, property, public advocacy and external communications, and field operations. Provided commercial oversight and input for line sales/leases. Was also responsible for a portion of CSXT's relationship with 4 commuter agencies.

Director of Commercial Operations- Northeast

Handled all interface between operations and commercial functions in Northeast. Worked to identify bottlenecks, remove same, and provide platform for business growth. Heavy focus on CSXT's I-95 initiative, improving service, and developing capacity on existing service, between Maine and Florida.

Director of Industrial Switching-Planning, Service Design

Developed CSXT Local Area Management (LAM) program, crafting mechanism for reducing costs and improving asset utilization (crews and cars). Provided tangible linkage in the field between commercial and operations sides of the business, by providing shared P&L responsibility.

Regional Account Manager-Local Area Management

Worked on Conrail Local Area Management project, focusing specifically on operations in New England and downstate New York. Made these units the premier operating units on Conrail.

Manager of Community Affairs and Special Projects

Handled Conrail community relations in New England and downstate New York. Was state coordinator for Mass. Operation Lifesaver, and Conrail liaison to Massachusetts Railroad Association, and Connecticut Railroad Association. Also worked on development of rail participation in movement of construction materials and waste.

Manager of Boston Project

Worked as lead in Conrail's initiative to become a key transportation supplier to major highway construction project (Boston's CA/T- "The Big Dig"). Also lead initiative to certify Conrail as a general contractor for purpose of bidding as prime contractor on Materials Processing Operation contract within that construction project. Initiative lead to significant railroad participation in movement of structural steel, rebar, cement, stone and contaminated dirt, commodities normally handled into and out of construction projects by truck. Initiative also lead to larger understanding of forces at play in construction industry, and mechanisms needed for rail participation.

System Supervisor of Contract Administration

Crafted, negotiated and managed joint facility agreements (interchange, haulage, trackage rights, access, run-through, etc.) with other railroads. These are the various agreements that provide for the interplay between railroads, and allow traffic to efficiently move from one railroad to another.

Terminal General Foreman for New England

Managed a workforce of 190 people, responsible for all maintenance, repair and problem resolution regarding locomotives and rolling stock. Responsible for safety of workforce, equipment quality and reliability as well as oversight of movement of dimensional shipments and emergency response to any on line incidents (accidents, tank-car leaks, derailments, personal injuries, etc)

Trainmaster/General Foreman

General Foreman Car and Locomotives

Foreman/Wreckmaster

Education:

Boston College, Center for Corporate Community Relations:
Certificate in Corporate Community Relations, 1996

Harvard University
Certificate of Special Studies in Administration and Management, 1990

Boston College
B.A in Education, 1971

References furnished upon request

Some ECG Current or Recent Projects:

This is a partial list of projects that Egan Consulting Group is working on, or has worked on over the last several years.

- Working with the Santa Cruz County Regional Transportation Commission (California) to purchase of a branch rail line from the Union Pacific Railroad. Work includes assessment of value of on-going concern, identification and analysis liabilities surrounding the purchase, and negotiations with the Union Pacific.
- Provided Massachusetts Department of Transportation with technical advice and due diligence regarding the purchase of eighty miles of rail assets (main line, secondary lines and yard facilities) to allow expansion of commuter rail operations
- Working with the North Jersey Transportation Planning Authority to perform a capacity analysis of the rail infrastructure in the northern thirteen counties in New Jersey.
- Working on an operational analysis for The Port Authority of New York and New Jersey to assess the throughput capabilities of the collective ExpressRail terminals which provide intermodal connections within the Port.
- Logistics analysis, rail operations and material handling analysis for rail movement of up to 23,000 tons per day of Municipal Solid Waste for the Department of Sanitation for the city of New York. Assignment includes assessment of rail capacities in the New York City area and in New Jersey as well the proposed routes and destination facilities, assessment of intermodal terminal capacities and analysis of viability of proposals from waste companies.
- Provided Metro North Commuter Railroad with process analysis and reengineering regarding MOW inventory and related reorganization.
- Developed rail operations and business analysis for Massachusetts Port Authority project determining potential use of Mystic Wharf Branch in Charlestown.
- Provided rail operation and process analysis, and help in developing contract specifications, for rail movement of up to 4 million tons of Hudson River dredge for an environmental clean-up project in upstate New York.
- Provided rail analysis as part of a transportation and facilities assessment for the Port of Churchill, Manitoba
- Performed rail Intermodal terminal analysis for the Massachusetts Port Authority as it relates to Conley Terminal

- Provided rail economic analysis and logistics planning for a major gas pipeline project in Alaska.
- Provided rail market and operations analysis as part of study by Ontario Ministry of Natural Resources assessment of movement of aggregates by rail or ship.
- Performed management and financial assessment of a major shortline railroad operating in the Pacific Northwest. This initiative involved forensic diagnostics of operations and cost structures.
- Worked with the City of Boston's redevelopment authority to address rail issues in the Boston Marine Industrial Park
- Rail site design, rail logistics and rate negotiation for several major ethanol manufacturers throughout the Mid-West.
- Development of rail served destination facilities for fuel additives (for multiple clients) on both East Coast and West Coast
- Working with a rail equipment producer (Rail Runner) to secure authorizations and approvals to utilize specialized equipment on specific traffic lanes.
- Have worked on several industry-wide initiatives on behalf of the American Short Line and Regional Railroad Association
- Provide operation and coordination analysis for a new commuter operation in Massachusetts, South Coast Rail, with particular emphasis on shared use issues.
- Regularly provide strategic planning, industrial development, commercial guidance and class one railroad relations support for several shortline railroads, including Finger Lakes Railway (NY), New York and Atlantic Railroad (NY), Morristown and Erie Railroad (NJ), Northland Rail (WI), and others.
- Part of a team that developed the Massachusetts State Freight and Rail Plan. Responsibilities include providing analysis of freight trends and traffic flows, analysis of constraints to growth of freight rail market share, joint use (freight/passenger) issues, meetings with key rail service providers, and proposed strategies for market share growth.
- Part of a team that developed the Maine State Rail Plan. Role will include comprehensive overview of current state of freight and passenger operations, review of key issues from a system preservation perspective, identify bottlenecks and choke points, collect and analyze freight industry data on current performance and projected trends in the industry.

- Working on rail operations portion of a study to assist in the determination of relocation possibilities for a major freight and intermodal yard in Boston.
- Worked with Bombardier, a major rail-car manufacturer, to secure clearance approvals for new bi-level coaches to operate on NJT and Amtrak lines in New Jersey and NYC
- Performed rail analysis for Port of Tacoma (WA) initiative to develop a satellite intermodal facility (freight village) away from the port area.
- Provided rail freight and costing analysis for Capital Metro (Austin TX) in relationship to initiation of passenger services on a shared use corridor.
- Worked on creation of an issues and opportunities report, for Massachusetts Executive Office of Transportation, as part of a larger program to support rail initiatives.
- Site analysis and rail relations, including rate negotiations, for various industrial, manufacturing and distribution companies throughout the US. Clients for these services range across industries and regional areas, include; chemical customers in New Jersey; paper companies in Maine and the mid-west, a major resort developer in Colorado, power plants in Kansas; a significant coal receiver in Idaho.
- Worked on team developing multiple TIGER Grant (Federally funded transportation improvement grants) applications for two Class 1 railroads
- Rail contract analysis for an off-shore venture capital firm interested in investing in short line and regional railroads in the US.
- Provided rail analysis to Monmouth county NJ in their evaluation of potential use of rail for solid waste disposal.
- Provided analysis and consultation for Bay Colony Railroad to support the rail movement of solid waste from Cape Cod towns to SEMASS waste to energy plant in Rochester MA.
- Assisted a regional oil distribution company to identify distribution opportunities for Midwest fuel additives utilizing rail and barge
- Development of bio-fuels strategies for several railroads (Class 1 as well as shortline railroads.).