

**Feather River Rail Society
Board of Directors Meeting
December 6, 2003
1 p.m.
Volunteer Lounge, Portola Railroad Museum
Portola, California**

President Rod McClure called the meeting to order at 1:10 p.m. The following directors were present:

Andy Anderson	Frank Brehm	Kerry Cochran	Steve Habeck
Norm Holmes	Gail McClure	Wayne Monger (arrived 1:15 p.m.)	
Hank Stiles	Eugene Vicknair (telephone)		

The following staff members were present:

Alan Turner, Legal Counsel

John Walker, Museum Manager

Visitors present:

Chris Skow

Ed Wagner

Correspondence

Director Vicknair advised the Board of an e-mail message he had seen which was extremely complimentary of the museum with respect to our progress in the last year. This was only one of several he has seen.

Consent Agenda

1. Minutes – Approval of the minutes of the regular meeting held November 1, 2003.
2. Financial Reports

Motion # 03-12-01 – Removal of financial reports from the Consent Agenda. Motion made by Director Cochran, seconded by Director Brehm. All Directors present voted in favor of the motion.

Motion # 03-12-02 -- Approval of Consent Agenda as amended. Motion made by Director Brehm, seconded by Director Anderson. All Directors present voted in favor of the motion.

Old Business

WPRRHS Convention CZ Excursions

Chris Skow presented an update report on the CZ Excursion to be held in conjunction with the WPRRHS Convention in Reno-Sparks, NV in April 2004. He advised that as of 11/01/03, there were 165 bookings. Dinner train run is the biggest seller, while the

breakfast run for conventioners scheduled 04/16/03 is the lowest. He has provided Frank Beavers information suitable for gaining conventioner/member support.

He also provided an update on the availability of, and contract negotiations regarding, the planned Zephyr cars for the train. There have been some difficulties with availability on some of the originally planned equipment, but overall, Mr. Skow has been able to secure a good number of CZ cars that will make for a very representative train set.

There was some question about adding the Sierra Hotel (formerly the Silver Lounge) should there be the need for additional seating. Mr. Skow was advised that addition of this car, only should it be needed for additional seating, would not be an issue from the Board's perspective. Decision is to be made February 1, 2004 regarding addition of the Sierra Hotel and based on bookings.

With respect to the Breakfast train, members are to be encouraged to bring guests. Seats can be purchased through Trains Unlimited.

Director Monger expressed some concern that the Union Pacific had not been notified of the intent to run an Amtrak special but was assured by Mr. Skow that they had.

Contract Review WP 165/UP 737 Trade

President McClure provided copies of the finalized contract for the WP 165/UP 737 trade, reviewed and accepted by legal counsel. He also provided a copy of the contract for sale of the SF 444414 Caboose for the agreed upon amount of \$5,000 and two pieces of horse drawn fire apparatus. The anticipated time frame for movement of the WP 165 should be March or shortly thereafter.

Alan Turner had questions regarding the wording and terms of the first right of refusal clause on the UP 737. President McClure advised that at this time, the other party involved would not accept further changes or delays and this concern would be noted for future contract wording.

Motion # 03-12-03 – Acceptance of contract finalizing the trade of UP 737 for WP 165 and sale of the SF 444414 Caboose in the amount of \$5,000 and two pieces of horse drawn fire apparatus as presented, along with authority for the President to sign said contracts. Motion made by Director Brehm, seconded by Director Monger. All Directors present voted in favor. Motion carried.

SP 2873 Loan

President McClure reported that the SP 2873 has been at Quincy for the last month in the use and care of Sierra Pacific Industries as work progresses on their Quincy 5. He, Director Anderson, and Director Habeck met with SPI representatives regarding continued use of our locomotive. The three of them requested consideration by the Board of an amendment to the current usage contract extending the gratis period until February 2004. It becomes a balance between a small income now or possible returns in donations of lumber and other materials in the future. SPI has been a great benefactor to the Society and the Museum in the past and have expressed a willingness to continue their generosity in the future.

Motion # 03-12-04 – Amendment to current contract loaning SP 2873 to Sierra Pacific Industries extending the gratis period for the usage of the locomotive through the end of February 2004, along with authority for the President to sign said amendment. Motion made by Director Brehm, seconded by Director Cochran. All Directors present voted in favor.

Director Monger questioned the progress with removal of Quincy 4 from the SPI property. President McClure advised that our flatcar is in place but due to inclement weather conditions, the loading schedule remains on hold until the ground firms up. Director Anderson advised the mill has committed four people to assist with loading.

New Business

ACE Excursion

Director Monger presented a report regarding a proposed ACE Excursion train for March 2004. He advised that the estimated cost, dependent upon the Society paying for the first \$1 Million in liability insurance, would be approximately \$12,000 for a Lathrop/Manteca to Fremont run (one locomotive, six cars, crew, running expenses). The Society would need to make a formal presentation to the San Joaquin Rail Commission at their January 8th meeting to be able to meet a schedule for March 2004 Wildflower Train.

Discussion regarding the possibilities and hurdles ensued. It was decided that the timeline is too short and too close to the WPRRHS Convention CZ Excursion train to make the trip successful. Other alternatives including trains later in 2004 were explored. It was agreed that we should pursue this opportunity for March 2005. Director Monger advised that as an ACE employee, he cannot make the presentation to the Rail Commission. Another officer of the Society, preferably with Railroad experience, would need to address this and note that we have prior experience with excursions done safely.

President McClure also recommended inclusion of budget dollars for 2004 for preparation of a train for 2005.

Cheyenne Business Trip

President McClure reported he and Director Habeck would be requesting authorization for travel reimbursement with additional details available during closed session. Consensus direction from the Board was given that further consideration of this issue should continue after closed session.

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President's Report

President McClure advised that all required paperwork has been completed and our insurance has been renewed for 2004. He informed the Board that none of our rolling stock has been insured in the past and he is currently exploring insurance for select pieces of our collection. He also maintains a watch on the RAL issue as insurance liability continues to be a hot spot in the industry.

WP705 is currently in Cheyenne and should be on the move toward Portola shortly.

Budget for 2004 should be available at the next Board meeting.

President McClure reported that Tankcom continues to work on new owners for the tank remaining on Museum property.

Director's Reports

Director Anderson reported work continues with regard to movement of Quincy 4 to Portola.

Director Monger advised he brought election materials from last year with him and gave same to Ed Wagner, Election Committee Chair for 2004. He also reported that he met with Russ Holter, President of the Cascade Rail Foundation. CRF is the group rebuilding the Cle Elum, WA Depot. Director Monger forwarded information to Mr. Holter regarding our previous discussions of Milwaukee 5057. CRF is required to submit a 10 year plan to the state of Washington, addressing all aspects of their operation, including collection of equipment. They would like to consider the MILW 5057 as part of this plan which is due in the next few months.

Director Holmes reported that Ken Roller has left Portola for Carson City, NV.

Director Habeck stated all batteries have been removed from and all stacks capped on locomotives with the exception of WP 707, WP 608 and WP 512.

Department Reports

Museum Manager – John Walker advised in the interest of time, he would defer his report and provide an e-mail summary for the Board at a later date.

Facilities Manager – Director Vicknair also advised in the interest of time he would defer his report and provide an e-mail summary for the Board at a later date.

Roadmaster – President McClure reported that the 2-3 switch was run through again. It is the third time this year the switch has been run through and repaired. He will be putting flop-over switch at this location and two others to mitigate having to continually repair them. He also reviewed slow orders at various locations and asked that everyone be diligent in their observance of them. Eighteen ties were replaced under the 2-3 switch with another 14 to go.

Committee Reports

Zephyr Project – Director Vicknair reported 5 sets of left-handed tear drop dome glass windows were donated by the owners of the passenger car "Virginia City". They have also offered to assist with restoration of the "Silver Hostel" in any way they can.

Magnolia Tower – Director Vicknair reported that Kewit Construction has allowed us more time on the Tower. Volunteers from Santa Clara along with Vic Neves have inspected and have a plan to remove the machine from the building. Coots

Construction appears to have agreed to the plan to dismantle the building in exchange for forgiving their debt to us. Work is tentatively scheduled for January 10, 2004. Director Monger reported per Mr. Neves as of meeting day, the machine is in the process of disassembly to allow for removal.

Election Committee – Ed Wagner reported that he, Jay Sarno and Vic Neves comprise the committee this year and things are moving forward with the elections process.

Safety Report

Nothing to report at this time beyond the run-through switch.

Legal Counsel Report

Alan Turner recommended that due to the progress made by the Board, a change to his bi-monthly attendance should be considered and he recommended a quarterly schedule. He also asked that the Board provide direction to him regarding drafting a new set of clean bylaws. He anticipates, with his paralegal to do the bulk of the work, would cost approximately \$1,000-\$2,000. President McClure advised he had already included \$2,000 in the 2004 budget for this purpose.

Director Cochran will contact the last known members of the Bylaws Committee to see if they are still interested in participating. The draft bylaws would be presented to the Committee for review and recommendation to the Board.

Status of Surplus Property Report

Nothing to report at this time.

BREAK: 2:42 p.m. – 2:52 p.m.

Meeting reconvened at 2:52 p.m. and immediately went to closed session.

Closed Session

Meeting reconvened to open session at 3:30 pm. Alan Turner reported information regarding noted issues was provided to the Board. Consensus direction was given. No reportable action was taken in closed session.

New Business

Cheyenne Business Trip

Motion # 03-12-05 – Authorization for travel expenses for representative Committee comprised of President McClure and Director Habeck to travel to Cheyenne, WY and said expenses to be posted against budget line item 67310 – Travel & Meals. Motion made by Director Anderson, seconded by Director Brehm. All Directors present voted in favor with the exception of Director Habeck who abstained.

Other

Nothing at this time.

Adjourn

Meeting adjourned at 3:33 p.m.

Next meeting: Saturday, January 3, 2003

Location: Volunteer Lounge, PRM

Portola, CA

Respectively Submitted

Gail A. McClure

Motions and Actions Summary

Motions Passed

- Consent Motions – Motion 03-12-01

Minutes – Approval of the minutes of the regular meeting held December 6, 2003.

Financial Reports – Removed via motion 03-12-01.

- Motions

Motion 03-12-03.. WP 165 Trade

Acceptance of contract finalizing the trade of UP 737 for WP 0-6-0 165 and sale of the SF 444414 Caboose in the amount of \$5,000 and two pieces of horse drawn fire apparatus as presented, along with authority for the President to sign said contracts. Motion made by Director Brehm, seconded by Director Monger. All Directors present voted in favor – Motion carried.

Motion 03-12-04.. SP 2873 Loan

Amendment to current contract loaning SP 2873 to Sierra Pacific Industries extending the gratis period for the usage of the locomotive through the end of February 2004, along with authority for the President to sign said amendment. Motion made by Director Brehm, seconded by Director Cochran. All Directors present voted in favor – Motion carried.

Motion 03-12-05.. Cheyenne Business Trip

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Actions and Notices

- Planning continues for the California Zephyr excursions coordinated with the WP Convention in Reno. Chris Skow reported on car availability.
- President McClure advised that all required paperwork has been completed and our insurance has been renewed for 2004. He informed the Board that none of our rolling stock has been insured in the past and he is currently exploring insurance for select pieces of our collection.
- Director Anderson reported work continues with regard to movement of Quincy 4 to Portola.
- Director Habeck stated all batteries have been removed from and all stacks capped on locomotives with the exception of WP 707, WP 608 and WP 512.
- Eighteen ties were replaced under the 2-3 switch with another 14 to go.
- Director Vicknair reported 5 sets of left-handed tear drop dome glass windows were donated by the owners of the passenger car "Virginia City". They have also offered to assist with restoration of the "Silver Hostel" in any way they can.
- Director Vicknair reported that Kewit Construction has allowed us more time on the Magnolia Tower. Volunteers from Santa Clara along with Vic Neves have inspected and have a plan to remove the machine from the building. Coats Construction appears to have agreed to the plan to dismantle the building in exchange for forgiving their debt to us.
- Election Committee – Ed Wagner reported that he, Jay Sarno and Vic Neves comprise the committee this year and things are moving forward with the elections process.

Closed Session

Meeting reconvened to open session at 3:30 pm. Alan Turner reported information regarding noted issues was provided to the Board. Consensus direction was given. No reportable action was taken in closed session.

Next Board Meeting
January 7, 2004 – 1:00 PM
Sacramento, CA

respectfully submitted by Eugene Vicknair, secretary

January 2, 2004