

ISLAND MOUNTAIN AGGREGATE SPECULATIVE OR FORESEEABLE FUTURE ?

Consideration Of Cumulative Impacts In EPA Review of NEPA Documents

U.S. Environmental Protection Agency, Office of
Federal Activities (2252A)
EPA 315-R-99-002/May 1999
PAGE 13

"The critical question is "What future actions are reasonably foreseeable?". Court decisions on this topic have generally concluded that reasonably foreseeable future actions need to be considered even if they are not specific proposals. The criterion for excluding future actions is whether they are "speculative." The NEPA document should include discussion of future actions to be taken by the action agency. The analysis should also incorporate information based on the planning documents of other federal agencies, and state and local governments. For example, projects included in a 5-year budget cycle might be considered likely to occur while those only occurring in 10-25 year strategic planning would be less likely and perhaps even speculative. For private actions, the analysis should use regional and local planning documents."

PROPOSAL FOR OPERATOR OF RAIL SERVICE OF THE NORTHWESTERN PACIFIC RAIL LINE PREPARED BY: NWP, INC. MARCH 31, 2006

As a part of this transaction, John H. Williams and The Woodside Consulting Group, Inc. have agreed to grant an option exercisable for a three-year period to H. Skip Berg/Berg Holdings and Evergreen Natural Resources to purchase all of their interest in NWP, Inc. The parties to this transaction anticipate that option will be exercised near the end of Year 3, when the high volume movement of Island Mountain aggregate is expected to begin. **PAGE 6**

This proposal by NWP, Inc. has been planned to rehabilitate and reopen the Russian River Division in July 2007 from Lombard to Windsor and in November 2007 from Windsor to Willits, and also to plan, rehabilitate and reopen the Eel River Division in July 2008 from Willits to Island Mountain and in November 2008 from Island Mountain to Samoa. **PAGE 7**

BUSINESS PLAN FOR THE NORTHWESTERN PACIFIC RAILROAD COMPANY October 24, 2006

As a result of its analyses and the experience of its Management Team, NWP Co. believes that its financial estimates and projections are based on reasonable assumptions. Within the range of error normally anticipated in such projections of future financial performance, NWP Co. believes that these estimates and projections are, therefore, likely to be achieved. **PAGE 2**

R. Allen Ennis, Jr.: Chief Executive Officer of Evergreen Natural Resources, developer of the Island Mountain Rock Quarry, President and Chief Executive Officer of Sierra Pacific Packing, Inc., Mr. Ennis will be an owner, investor, and member of the NWP Co. Board of Directors. **PAGE 4**

It is expected by NWP Co. that a larger but fully qualified Management Team will be installed at NWP Co. prior to the commencement of the movement of high volumes of Island Mountain aggregate, in order to efficiently and effectively manage the continuing operations on the NWP Line. **PAGE 7**

The rehabilitation and operations of the Eel River Division are not included in this *Business Plan*. However, because of the importance and magnitude of the potential revenue stream projected from the movement of large volumes of aggregate from Island Mountain, NWP Co. would like to reopen the portion of the Eel River Division from Willits to Island Mountain as soon as possible. **PAGE 13**

It is NWP Co.'s opinion that the best near-term prospect for additional traffic is the Island Mountain aggregate. As demonstrated by its inclusion in NWP Co.'s corporate structure, Evergreen Natural Resources (ENR) will be a full participant in NWP Co.'s efforts to attract that traffic. At present, ENR is actively involved in the permitting process for developing a prime-grade aggregate quarry that is projected to have a minimum production rate of six million tons per year, although that rate would be substantially increased in order to provide aggregate for the large highway and levee construction projects contemplated by the proposed "Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006." Clearly, the movement of Island Mountain aggregate, which NWP Co. and ENR are both committed to achieve, would generate a substantial annual traffic volume, with revenues that NWP Co. has estimated would be at least \$30 million per year. **PAGE 15**

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NORTH COAST RAILROAD AUTHORITY (NCRA) 2006 STRATEGIC PLAN and PROGRESS REPORT February 23, 2006

Service into the Canyon region offers two significant opportunities: Island Mountain's 350-acre aggregate quarry and a major role in goods movement by connecting the Port in Eureka with the interchange at Lombard. Evergreen Natural Resources is in the permitting process of developing a prime-grade aggregate quarry at Island Mountain that has an estimated production rate of six million tons per year. In addition, NCRA owns 15 percent of the quarry. **PAGE 2**

On October 2, 2005, NCRA received a copy of a permit request by **Evergreen Natural Resources to mine Island Mountain**. The mine operators will be quarrying the site for aggregates of all sizes to be used to repair the NCRA railroad and also to be sold in the bay area and other places for construction purposes. The mine area includes 350 acres and will produce approximately four million cubic yards per year. The site contains about 250 million cubic yards with a specific gravity of 3.2 which is prime grade. Access to this site by truck is impractical because of the lack of public roadways and the grade and condition of the existing private roadways. The applicant assumes that rail service will be used to transport equipment and the aggregate materials. **PAGE 11-12**