

Agenda Date: June 9, 2004
Item Numbers: B1 through B18

Docket Numbers: TR-040017, TR-040080, TR-040196, TR-040279, TR-040280, TR-040281, TR-040282, TR-040283, TR-040284, TR-040285, TR-040287, TR-040288, TR-040289, TR-040290, TR-040291, TR-040292, TR-040293, and TR-040294

Subject: Commission adoption of Staff recommendations on disbursements from the Grade Crossing Protective Fund.

Staff: Ed Harper, Railroad Signal Specialist
Ray Gardner, Transportation Specialist
Ahmer Nizam, Regulatory Analyst
Ann Rendahl, Administrative Law Judge
Mike Rowswell, Rail Safety Manager
Jon Thompson, Assistant Attorney General
Sally Turnbull, Regulatory Analyst

Recommendation:

Approve Commission Staff's recommendations for disbursements from the Grade Crossing Protective Fund for the 2003-2005 biennium.

Background:

In July of 2003, legislative changes to RCW 81.53.271 and RCW 81.53.281 amended the Commission's Grade Crossing Protective Fund (GCPF) in three major areas:

- The purpose of the fund was broadened to include safety projects not related to improving warning devices at public grade crossings.
- Monetary match requirements for projects under \$20,000 were eliminated.
- Monies from the Public Service Revolving Fund were made available, if needed, to cover legislative appropriations for GCPF grants.

The changes necessitated a reevaluation of the GCPF program, particularly with regard to the manner by which funds are to be allocated between different types projects.

On November 26, 2003, the Commission adopted a Policy and Interpretive Statement in Docket No. TR-031384 that set forth guidelines for GCPF disbursements according to the legislative changes. In December of 2003, Staff initiated the process for making GCPF disbursements according to the Policy and Interpretive Statement. The following is a general timeline of the process to-date:

December 12, 2003 - Staff sent a "Notice of Opportunity to Apply for Grant Monies from the Grade Crossing Protective Fund" to various interested parties from the public and private sectors that were either directly eligible to apply for GCPF grants, or represented local agencies that were eligible. The notice directed interested parties to submit applications for funding consideration by February 17, 2004.

February 17, 2004 - Thirty-five requests for GCPF disbursements were filed with the Commission, seeking disbursement of nearly \$1.3 million.

March - April 2004 - Staff reviewed the applications and conducted field reviews for each of the projects, including meetings with applicants and other parties related to each proposal.

May 3 - May 11, 2004 - Staff reviewed each application again in light of any new information from their investigations, and prepared recommendations for disbursements based on guidance from the GCPF Policy and Interpretive Statement.

Discussion:

Available Funds: In 2003, the Legislature appropriated \$293,000 for disbursements from the Grade Crossing Protective Fund for the 2003-2005 biennium. By the time the review of GCPF applications had begun (February 17, 2004), some of the funds had already been disbursed, encumbered for previously approved projects, or assigned to cover GCPF-related administrative costs. There is currently \$200,150 available for use towards funding GCPF projects.

Of this amount, Staff recommends setting aside \$96,000 for funding projects related to improving warning devices at public at-grade crossings. Separating the funds in this manner allows for the "as needed" disbursements for public

crossing improvements, as permitted by the Policy and Interpretive Statement, while still providing a sufficient amount for fair distribution of funds in each category. Staff further recommends that the balance, \$104,150, be allocated to the other three project categories.¹

Applications Received: Of the 35 requests for GCPF disbursements currently on file with the Commission, 17 are related to improving warning devices at public at-grade crossings and 18 are related to all other eligible categories.

| Type of Application | Number of Applications | Requested Disbursements |
|--|------------------------|-------------------------|
| Improvements to railroad warning devices at public crossings | 17 | \$917,300 |
| Trespass prevention projects | 11 | \$170,490 |
| Safety improvements at private crossings | 3 | \$36,700 |
| Miscellaneous rail safety projects | 4 | \$173,105 |
| Total | 35 | \$1,297,595 |

For the purposes of this proceeding, only the 18 projects not related to improving warning devices at public at-grade crossings are considered.² Staff will present recommendations for the remaining 17 GCPF petitions by October 2004.

Evaluation of Grant Proposals: The GCPF Policy and Interpretive Statement provides guidelines for evaluation of projects seeking GCPF disbursements. The guidelines require that projects be reviewed and selected for funding based on the relative severity of the hazard being addressed, the safety benefits resulting from a project, the costs of implementing a project, and geographic diversity.

The guidelines also required Staff to organize on-site review meetings with each applicant and other parties affected by a proposal. The reviews allowed Staff to

¹ Trespass prevention projects, private crossing safety improvements, and miscellaneous projects associated with public safety along railroad tracks.

² Because GCPF disbursements for projects related to improving warning devices at public grade crossings are permitted to occur on an as-needed basis, Staff recommendations for GCPF disbursements in this category are typically presented to the Commission as a consent agenda item at regularly scheduled open meetings. GCPF applications for all other types of projects are to be acted upon simultaneously within the context of a specified review period.

verify information from the application and to gain first-hand knowledge of the hazard and proposal.

Staff's recommendations for GCPF disbursements for projects not related to improving warning devices at public at-grade crossings are summarized in Attachment A. The recommendations include funding 13 of the 18 proposals. Of the projects recommended for funding, Staff recommends partial funding of seven projects relative to the amount specified in the application.

Recommended GCPF grants range from \$800 to \$15,000. Staff determined that limiting disbursements for a single project to \$15,000 allowed for funding the greatest number of projects (either partially or totally), while still contributing a significant amount to those projects where the costs exceeded \$15,000. In each case involving a recommendation for partial funding, Staff has verified that the balance would be either paid by the applicant or through another funding source.

Due to the limited amount of funding and the number of applications filed, it was necessary to limit the number of projects that could be funded. Following the guidelines of the GCPF Policy and Interpretive Statement, Staff recommended that five projects not be granted funds. Two of them lacked support from the respective local jurisdiction, and the remaining three were determined to have a lower priority relative to the projects that were recommended for funding.

Recommended disbursements in this proceeding total \$104,130, and are distributed among nine trespass prevention projects (\$ 67,930); one private crossing safety improvement project (\$1,200); and three miscellaneous rail safety projects (\$35,000). There are currently funds available to make the recommended disbursements.

Each draft order that approves a GCPF disbursement includes a condition that the project (or the portion of the project to be funded) be completed, and that the associated request for reimbursement from the Grade Crossing Protective Fund be on file with the Commission no later than May 31, 2005. The purpose of this

condition is to ensure that the entire 2003-2005 GCPF appropriation has been used by the end of the current biennium.

The recommended projects are distributed throughout Washington State, and represent varying geographic and demographic areas. Physical distribution of the projects is illustrated in Attachment B, which plots the projects recommended for approval on a map of Washington.

Conclusion

Staff recommends that the Commission enter the orders in Dockets TR-040017, TR-040080, TR-040196, TR-040279, TR-040280, TR-040284, TR-040285, TR-040287, TR-040288, TR-040289, TR-040292, TR-040293, and TR-040294, approving disbursements from the Grade Crossing Protective Fund; and enter orders in Dockets TR-040281, TR-040282, TR-040283, TR-040290, and TR-040291, declining disbursements from the Grade Crossing Protective Fund.