



TACOMA PUBLIC UTILITIES  
3628 South 35th Street  
Tacoma, Washington 98409-3192

October 22, 2015

To the Chair and Members of the Public Utility Board, and  
Mayor and Members of the City Council:

**SUBJECT:** Short-term extension of freight rail service responsibilities with BNSF Railway Company on the Olympia and Quadlok lines.

**Request:**

Tacoma Rail requests approval for a four (4) month extension of the rail service agreements with BNSF covering the Olympia and Quadlok lines set to expire on November 16, 2015.

**Background:**

Subsequent to a Request for Proposals by the BNSF Railway Company in 2004, Tacoma Rail was selected as the preferred operator to assume short line freight service operations between Nisqually, St. Clair and Quadlok, and Olympia and Belmore, Washington, under the terms of a ten-year lease set to expire on November 16, 2014.

Tacoma Rail received authorization to execute the lease agreements through Board Resolution U-9915 and City Council Resolution 36301 in the fall of 2004. A one-year term extension was approved by Board Resolution U-10732 and City Council Resolution 39045 in the fall of 2014.

This final short term extension of four-months is intended to ensure a smooth transition in freight rail service to customers as BNSF Railway Company completes their internal selection process for another third party operator of the Quadlok and Belmore lines.

**APPROVED:**

William A. Gaines  
Director of Utilities/CEO

