

WISCONSIN RIVER RAIL TRANSIT COMMISSION
COMMISSION MEETING - FRIDAY, MAY 5TH, 2017 @ 10AM
DANE COUNTY HWY GARAGE, 2302 FISH HATCHERY RD, MADISON, WI

1. 10: 00 AM **Call to Order** – *Alan Sweeney, Chair*
2. Roll Call. **Establishment of Quorum** – *Matthew Honer*

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| Crawford | Tom Cornford, <i>2nd Vice Chair</i> | X | Rock | | |
| | Rocky Rocksford | X | | Wayne Gustina | X |
| | Derek Flansburgh | X | | Alan Sweeney, <i>Chair</i> | X |
| Dane | Gene Gray, <i>Treasurer</i> | X | Sauk | Terry Thomas | Absent |
| | Jim Flemming | Absent | | Marty Krueger, <i>Alternate</i> | X |
| | Chris James, <i>Vice Secretary</i> | X | | Chuck Spencer | X |
| Grant | Gary Ranum | X | Walworth | Craig Braunschweig | Excused |
| | Mike Lieurance | X | | Dave Riek, <i>3rd Vice Treasurer</i> | X |
| | Robert Scallon, <i>1st Vice Chair</i> | X | | Eric Nitschke | X |
| Iowa | Charles Anderson, <i>Secretary</i> | X | Waukesha | Richard Kuhnke, <i>2nd Vice Treasurer</i> | Excused |
| | William G Ladewig | X | | Allan Polyock | X |
| | Jack Demby | X | | Karl Nilson, <i>4th Vice Chair</i> | X |
| Jefferson | Jeni Quimby | Excused | | Dick Mace | X |
| | Gary Kutz | X | | Richard Morris | X |
| | Augie Tietz, <i>3rd Vice Chair</i> | X | | | |

Commission met quorum. WE HAVE A QUORUM

Others present for all or some of the meeting:

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| <ul style="list-style-type: none"> • Matt Honer WRRTC Administrator • Ken Lucht, Roger Schaalma WSOR • Alan Anderson, Pink Lady Rail Transit Commission | <ul style="list-style-type: none"> • Dave Simon, Rich Kedzior, Ben Conard, Frank Huntington, WisDOT • Eileen Brownlee, Julia Potter, Boardman & Clark |
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3. Action Item. **Certification of Meeting's Public Notice** – *Noticed by Honer,*
 - *Motion to approve meeting's public notice – Ladewig/Nilson Passed Unanimously*
4. Action Item. **Approval of Amended Agenda** – *Prepared by Honer*
 - *Motion to approve amended April agenda – Cornford/Anderson Passed Unanimously, Sweeney proposes moving forward item 14. Proposed amendment to the agenda passed unanimously.*
5. Action Item. **Approval of draft April 2017 Meeting Minutes**– *Prepared by Honer*
 - *Motion to approve March 2017 meeting minutes with minor corrections, clarifications, and explanations. Mace/Nilson Passed Unanimously Mace proposed amendments to Item 14, to include buoy contractor quotes, clarify that Grade Boat Club is not a company, rather it is a 501(c) (3), and include that "Mace indicated he would get more information and proposed costs and report to Sweeney"*
6. Updates. **Public Comment** – *Time for public comment may be limited by the Chair*
There was no public comment.
7. Updates. **Announcements by Commissioners** – *Sweeney*

Demby suggested that WRRTC consider asking counties for increased contributions in coordination with budget creation as a June meeting agenda item.

Polyock announced that he is not in favor in requiring signals on every county road crossing. He stated that that the amount of time and labor necessary to accomplish the work is a waste of financial resources, in his opinion.

REPORTS & COMMISSION BUSINESS

8. WRRTC Financial Report – Jim Matzinger, Accountant

Matzinger reported \$280,332 cash on hand, of which \$231,000 is reserved for 2017 project. The commission has \$49,000 cash available. The income statement showed \$15,000 reclaimed from the Sauk County rails-to-trails, \$36,112 from the WSOR Lease, which is three-quarters of the lease. Expenses of \$1,580 for accounting and \$3,525 for the Sauk Bridge work. Net income for YTD is \$53,170 due to minimal expenses. Matzinger reported that in addition to the Dane County Highway Accounting he will be including a late billing from Lake Co. Illinois for property taxes, totaling \$831.65. Check number for Lake Co. disbursement is 1543. Mace asked if Lake Co. expense is a partial payment, Matzinger responded that it is the first of two installment payments. Matzinger noted that the change in taxes from Lake Co. is a reduction of more than half. Sweeney asked if this expense is reimbursed by WSOR. Matzinger confirmed and stated that WRRTC pays the expense and is reimbursed by WSOR.

- *Motion to approve the balance sheet, treasurer report, and payment of bills – Anderson/Ladewig Passed Unanimously*

9. Discussion and Possible Action on 2016 auditors – Sweeney

Matzinger reported that Baker Tilly is the Dane County auditor as well as other counties. Baker Tilly has shown interest. Matzinger is currently working with the Dane County purchasing personal to come up with a bid form, so he can bid it out with different auditing firms in the area. He does not currently have any bid numbers. Nilson asked about using an RFP process, Matzinger explained that that it makes more sense to use a quote process rather than an RFP, considering it is expected to be under the \$5000 threshold.

10. Wisconsin & Southern Railroad's Report on Operations – Lucht, WSOR

Lucht reported that not much has changed regarding maintenance and capital. Since last meeting, WSOR is one of two companies in the United States that received an award from the American Short Line and Regional Railroad Association for extreme achievements in marketing. Lucht thanked WRRTC for their support and partnership. Lucht noted a project WSOR highlighted was work done with Oshkosh Truck to develop a Trans-load facility for transporting military vehicles from Oshkosh truck and returning salvaged military vehicles back to Oshkosh Truck. Lucht reported that 1st quarter business is strong with grain and sand. Sand transport went north to North Dakota, east to Pennsylvania, and south to Texas. With the increased business, WSOR is looking to hire 10 – 15 employees. Lucht provided materials regarding opportunities. Lucht reported that WSOR was down over 25 positions over the past months. Lastly, Lucht asked commissioners to reserve dates on their calendars for trips on WSOR business cars. Ken invited commissioners to a passenger excursion between Oregon and Baraboo on the Reedsburg subdivision on Thursday, June 1st. The trip will showcase the Oregon ready-mix plant and take a trip through Madison on the Reedsburg subdivision. Ken stated this is a 3 – 3.5 hour trip. Later in the month, Wednesday June 28th, Lucht invited commissioners on a trip on the Fox Lake subdivision that will see the repairs done on the three bridges. Lucht suggested another trip or field trip to see the Spring Green Bridge. Scallon suggested having a monthly meeting in Spring Green in the future to highlight the bridge work being done there. Mace asked if the job opportunities are new or replacement positions. Lucht responded that it is a combination of new and replacement positions.

11. 2016 Year End Maintenance Summary and 2017 Maintenance Plan – Lucht, WSOR

Lucht introduced Roger Schaalma to discuss the 2016 year end and 2017 maintenance plan. Lucht handed out the report and table of historical tie installations over the last six years. Schaalma reported that WSOR is approaching one year of accident free work on WRRTC lines. Schaalma reported that over \$10 million was spent on maintenance by WSOR in 2016. The labor and material expenses included in maintenance include labor, safety expenses, contract labor, discretionary funds, maintenance materials, and weed control. The "Maintenance Capex" item covers expenses outside of what a typical section crew expense, primarily contracted work. Includes culvert rebuilds, crossing repairs, and bridges. The signal maintenance includes contract labor and material. Projects involved in the Grant program include tie replacement from Fairwater to Markesan (CWR project), Prairie bridges (13 repairs and 1 replacement), Watertown ties, Oshkosh bridges (8), Prairie ties (Boscobel to Prairie du Chien), B-310 is a bridge near Woodman, 383 was an emergency repair done on the Reedsburg sub, Madison bridge engineering (3 replacements), and F-52 and F-30 were timber repairs on the Monroe sub. Anderson asked how bridges are named, Roger stated that he is not sure how the naming system came to be. It was inherited from the previous operators. They are organized by subdivision. Ladewig asked how much recent derailments costs. Schaalma reported that the derailment last May near Wauzeka cost \$300k. Roger asked if the expenses from derailment is replaced in the budget. Schaalma answered that WSOR does not budget for derailments and that expenses due to derailment come from profits. Nilson asked about if the math is correct, Schaalma noted that the math is not correct for the total budget numbers.

Sweeney asked about the two F bridges in the Grant program being on the Pecatonica line. Schaalma answered that they were part of a long standing agreement, F-52 was part of 2009 agreement, F-30 was a 2014 agreement.

Schaalma reported that the 2017 maintenance plan has less than 2016 due to the IL bridges being complete. Schaalma reported that projects for 2017 include completing the Oshkosh tie project, Janesville turnouts, culverts throughout the system, and eight grade crossings. The Grant program for 2017 includes a large grade crossing and tie project for the Waukesha sub that will continue into 2018, once completed the entire sub will be ready for CWR. The Watertown subdivision will extend into 2018. The Watertown subdivision and Waukesha subdivision are grouped together and a single contractor will be installing ties on both projects. WSOR is planning to award a single contract for crossings on both projects. Additional projects reported for 2018 include the Prairie CWR, a crossing in the city of Plymouth, a CWR project on the Oshkosh subdivision, the Spring Green Bridge, the three Bridges on the Madison sub, timber repairs at Gibson, Cambria, and Plymouth, Watertown and Reedsburg, conversion of a bridge to a culvert on the Watertown sub, and the engineering and repair on the Merrimac Bridge. Schaalma reported that expenses listed under 2018 is what WSOR is fully committed to, more will be committed in the future. Rich Kedzior asked about the Prairie Island CWR. Schaalma reported that steel prices have decreased and contractor availability has improved and the price has come down to \$2.2 million rather than the \$3.1 million listed. Ranum asked about the rail on the Prairie Island being CWR from the island to Wauzeka. Schaalma stated that the Prairie du Chien side of the island will be jointed rail still, coming east from the Burlington Northern from Madison will all be CWR. Ladewig asked during rail replacement is jointed rail being replaced with CWR. Schaalma and Kedzior answered that due to expense this is not regularly being done. Riek asked if contractors use their own equipment. Schaalma reported that contractors use their own equipment. Riek asked about the Merrimac Bridge being a \$17 million project. Schaalma reported that the 500k budgeted is the engineering costs and the work will likely start in 2019. Nilson asked if culverts referred to are box culverts. Schaalma reported that if concrete box is larger than 10 feet it is considered a bridge. Polyock asked if any more CWR is going on the Fox Lake subdivision. Schaalma reported that WSOR was awarded the final phase from Walworth to the State Line and are looking to complete work in 2018. Sweeney asked if follow up questions can be an agenda item for June meeting.

Lucht handed out a map with updated 2016 rail car density. Lucht explained that the differences between 2012 and 2016 maps are different flow of commodities. Lucht noted that between Boscobel and Prairie du Chien there was an increase in traffic heading west between Boscobel and Crawford. South of Madison to Oregon there was over a 1000 new carloads coming into the Johnson Street Yard. The Monroe subdivision had more business heading east to Janesville. In Sheboygan County, between Plymouth and Kohler, there is a new line, with more traffic between Saukville and Plymouth. Lucht highlighted that trackage rights from Milwaukee to Chicago began to be used more in 2016 due to the limitations of using the Fox Lake sub between Fox Lake and Chicago. Lucht stated that WSOR hopes to expand trackage rights between Milwaukee and Chicago. Lucht stated that the map justifies the investments especially on the Waukesha and Prairie subdivisions. Schaalma and Lucht stated that this data is how WSOR prioritizes its work based on traffic patterns. Mace asked if traffic numbers will rise in relation to CWR project in Waukesha. Schaalma answered that due to the Fox Lake subdivision restraints getting into Chicago, more traffic might be routed up to Milwaukee. Schaalma reported that CN line out of Fox Lake has 30 – 35 lanes a day and it is difficult to get trackage rights. Nitschke asked about map being public record. Eileen stated that it is a public record. Lucht stated that commissioners are free to share.

**moved to item 14.*

12. WisDOT Report – Kim Tollers, Rich Kedzior, WisDOT

Rich Kedzior stated that WisDOT is working with WSOR to address the stockpiling aspect of the new proposed Trans Load facility at the Johnson St. Yard. Kedzior reported that the Great Lakes Basin Transportation Inc. submitted their application for operation certificate. It is posted on the STB project website. Nothing new is in the application, the information on financial backers has been redacted. The public has until June 5th to comment on the application. Kedzior stated that according to application the comments need to start with a statement of support or opposition. Ben Conard stated that the Environmental Impact Review remains suspended for the project. Simon commented that WisDOT has not heard anything about the “fast lane” application for the line between Spring Green and Madison, but they expect to hear back this year, and that WisDOT has heard there will be another round of TIGER. Simon stated that WisDOT supports WRRTC applying for TIGER again and is willing to assist in the resources to do so.

Lucht asked WisDOT if there is anything more that WSOR needs to do regarding the rail to trail conversion between Sauk City and Prairie du Sac. WisDOT stated that WSOR has nothing more to do.

13. WRRTC Correspondence/Communications and Administrator’s Report – Honer, Admin.

Honer reported that he had been in correspondence with Jim Matzinger regarding the treasurer's report and met with representatives of WisDOT regarding the procedures of utility permit reviews and approvals. Honer reported that, following up from April's meeting, the Rail Transit Commission sent a letter of concurrence to Wisconsin and Southern Railroad in support of the proposal to build a new Rail-Truck Trans load at the Johnson Street Yard in Madison. Additionally, the Commission received a copy of the modified rail certificate from the Surface Transportation Board regarding the Sauk County Trail. Stating that, WSOR has provided notice of its intent to terminate service on the line and the Wisconsin Department of Transportation and the Wisconsin Department of Natural Resources filed a petition for notice of interim trail use for the line. Honer stated that he received emails from the Wisconsin Department of Agriculture and Consumer Protection and WisDot regarding the Great Lakes Basin Transportation Project. The Great Lakes Basin Transportation, Inc filed their application to construct and operate a line of railroad in Wisconsin, Illinois, and Indiana on May 1st. Honer reported he has received several items regarding the Sauk City Bridge. On April 22nd, the commission received a copy of a resolution from the Walworth County Board of Supervisors, "Urging the Wisconsin River Rail Transit Commission to Expedite the Immediate Removal of the Sauk City Bridge Due to Serious Public Safety Concerns." Later that week, Honer received a phone call from Autumn Luedke, a reporter from the Sauk Prairie Eagle, asking for comments regarding the Sauk City Bridge and a recent video posted to Facebook and Twitter by the group, "Friends of the Lower Wisconsin Riverway." The call was forwarded to Chair Sweeney, who provided comment. On April 24th, the commission received an email from the Department of Natural Resources requesting that the commission place warning signs at boat landings upriver from the Sauk City Bridge.

14. Discussion of funding for the removal of the Sauk City Bridge (B-428W) - Rich Kedzior, Dave Simon, WisDOT

Dave Simon, WisDOT, reported that he received a lot of calls from citizens and a call from a newspaper reporter during the prior week. Calls reported that the bridge had moved, reporting that it looked different. Simon reported that a video was released showing the water moving around the piers. WisDOT believes that if the bridge collapses, it will cost significantly more. Simon reported that WisDOT is concerned about the language of the Walworth County resolution creating a misunderstanding that WisDOT will cover 80% of the cost. Simon stated that he wanted to be clear that WisDOT cannot use general obligation bond funds to pay for the removal of the bridge, as there are no assets to bond. Simon reported that WisDOT could use segregated funds for the project but those funds are very limited. WisDOT had not received the official FRPP application from the WRRPC. WisDOT received the preliminary request application which asks for 80% funding for the \$990,000 estimated cost, for a total WisDOT contribution of \$792,000. Simon reported that WisDOT does not have that amount of money to contribute to the removal project. WisDOT is committed to the RTC, growing rail service, and willing to participate financially in the removal of this bridge. Simon reported that WisDOT is proposing to do a 1/3 cost share between WisDOT, WSOR, and WRRTC. Each party contributing \$330,000.

Sweeney stated that it had been suggested in the past that some sort of ad hoc committee be created to address the issue of the bridge. Ladewig commented that he does not see where WRRTC, or the other parties, would get \$330,000 for the project. Ladewig suggested that WRRTC talk to the Surface Transportation Board. Demby asked if WRRTC has the authority to bond. Eileen Brownlee stated that the charter allows the commission to issue obligations, but they would have to go back to each county for approval. Brownlee reported that it is legal, although impractical due to not having any committed revenue or taxing authority. Nilson commented that the issue is the falling steel spans, not the piers. He also stated it is unfair to ask the counties for more contribution, saying that it is not fair to have county tax payers pay for the State's Bridge. Simon and Brownlee stated that the Bridge is owned by the commission. Mace asked where the \$990,000 originated. WisDOT answered that Ed Kraemer estimated the removal costs. Brownlee added that if this work is done by a contractor it will have to be bid out and the more we ask for quotes the more we compromise the bidding process. Brownlee also stated that previously the commission reviewed several options and those options can once again be reviewed. Allan Anderson, of the Pink Lady RTC, asked about the risk and cost of the spans falling into the water. He stated that he had not heard any discussion of the cost. Sweeney answered that the commission knows that the risk of the spans falling into the river is there and that they know it will cost more if that were to happen. Nilson asked WisDOT if it is their position was to remove the entire bridge. Simon reported that was the case. Nilson suggested that taking the spans out first makes the most sense because the spans are the dangerous part. Sweeney asked Eileen about the Chair's authority to create an ad hoc. Brownlee noted that it can be done whenever the Chair determines it necessary.

Ladewig asked about previous discussions regarding the Sauk Trail desired recreational bridge. Sweeney asked Simon the responsibilities and requirements of the Rails to Trails program, specifically the necessity of a structure built on railroad alignment being built to railroad specifications to be compliant with the program. Simon stated that is the policy of WisDOT. Simon stated that as an engineer, he does not suggest that any recreational structure rest on the current piers. Simon stated that before a recreational structure is built, the current piers need to be removed. Simon reported that building a recreational structure on rail alignment carries the risk that if rail came back, the recreational structure would be in the way and need to be removed. Brownlee stated that the bridge is not currently in rails-to-trails. If it were it would need to be able to accommodate a possible return of rail service. Kruger reported that Sauk County is at 60% stage for the completion of the Great Sauk Trail. Kruger notes that rail is being retained on the diagonal crossing on Hwy 78 due to the requirement to preserve the rail corridor. Kruger believes that it makes sense to appoint an ad hoc

committee in order to bring a proposal to the commission and feels that an ad hoc committee is the best way to do so. Kruger agrees with Simon that the piers are not acceptable to hold a recreational structure.

Nitschke asked Sweeney if the Walworth county resolution could be brought up during this discussion. Sweeney agreed it is appropriate. Nitschke stated that Walworth County requires a fiscal note to be attached, which is page three of the resolution. Notes that the intent and goal of the resolution is to move the discussion forward and give indication of Walworth Co. position. Resolution states that Walworth Co. supports the removal or restoration of the bridge and supports adding additional funding to solve this problem. The Public Works Department of Walworth Co. supports the preservation of the rail corridor and added language to review the possibility of the bridge being repaired or restored if possible, if not possible, they support removal. Nitschke noted that the resolution was drafted with the intent not to talk about outside funding, other than from the possibility of the FRPP Grant. Nitschke stated that the resolution makes no additional request from WisDOT funding from segregated funds. Nitschke stated that Walworth County supports moving ahead with additional funding to support the project, up to an including what is included in the resolution. Nitschke also supports forming an ad hoc committee, especially to review the 1/3 shared cost proposed by WisDOT.

Brownlee stated that Sweeney has the authority to appoint the ad hoc committee. Dave Riek volunteers to be part of an ad hoc committee

Nilson, asked about the additional funding that Walworth Co. is proposing through the resolution. Nitschke confirmed that Walworth County is willing to add \$22,000 to the \$28,000 they are already spending if the FRPP funding through DOT was awarded.

Dave Simon asked about ways the commission could find the 1/3 division of financial responsibility for the project, if that agreement were to go forward. Sweeney stated that is an ad hoc committee item. Mace asked WSOR's position on the 1/3 cost share. Lucht responded that WSOR is committed to service and rail preservation. Lucht responded that demolition of a bridge that has been decommission since 1997 is out of the scope of WSOR's goals. Lucht encouraged the commission to look at the Westbrook report and all of the options. Lucht commented that it is undisputed that pier 2 needs to be removed, and the option to remove the two spans from pier two is an lower cost option. He also commented that Pier 3 is stable, Pier 5 is stable, Pier 1 is stable but is in serious condition and will likely need rip/rap installed. Lucht stated that "Option 6" is not being considered by WSOR.

Julia Potter noted that, legally, it is not that clear.

Nitschke asked WisDOT if they reached out the DNR or Army Corps about the bridge. Simon stated that the DNR has made statements that they are not interested in taking over the financial responsibility for the bridge, that they do not have the resources to do so, and they are not in favor of free standing piers in the river.

Lucht suggested having someone from the DNR at the table for this discussion.

Sweeney stated that he will work with the council to develop the ad hoc committee. Sweeney added that he intends to invite WSOR, WisDOT, WNDR, and possible federal representatives as advisors.

Nilson asked that an address be available for commissioners to send their comments, suggestions, and positions. Sweeney stated that can be done and that all decisions will come back to the commission. Brownlee stated that discussions through email need to remain between two people rather than as a group and suggested letters go to her rather than to the committee. Commission agreed that was acceptable.

15. Adjournment

- *Motion to Adjourn – Cornford/Scallon, Passed Unanimously*