

WISCONSIN RIVER RAIL TRANSIT COMMISSION

EXECUTIVE COMMITTEE MEETING - FRIDAY, JULY 11TH, 2014 @ 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** – *Mary Penn*

Crawford	Tom Cornford, 2 nd Vice Chair (XComm)	x	Rock	Ben Coopman, Alternate	
	Rocky Rocksford	x		Wayne Gustina	x
				Alan Sweeney, Chair	x
				Terry Thomas	excused
Dane	Gene Gray, Treasurer (XCom)	x	Sauk	Marty Krueger, Alternate	
	Jim Haefs-Fleming	x		George Johnson	
	Chris James, Vice Secretary (XComm)	x		John Miller, Vice Treasurer (XComm)	10:03
				Dave Riek	
Grant	Gary Ranum	x	Walworth	Jerry Grant	
	Vern Lewison	excused		Richard Kuhnke, 2 nd Vice Chair (XComm)	x
	Robert Scallon, 1 st Vice Chair (XComm)	x		Allan Polyock	
Iowa	Charles Anderson, Secretary (XComm)	x	Waukesha	Karl Nilson, 4 th Vice Chair (XComm)	x
	William G Ladewig			Dick Mace	
	Jack Demby			Vacant	
Jefferson	Mo Hansen 3 rd Vice Chair (XComm)	x			
	Laura Payne				
	Augie Tietz				

Commission met quorum.

Others present for all or some of the meeting:

<ul style="list-style-type: none"> Mary Penn, WRRTC Administrator Forrest Van Schwartz, pro bono consultant Roger Schaamla, WSOR 	<ul style="list-style-type: none"> Ken Lucht, WSOR Frank Huntington, Kim Tollers, Roger Larson, WDOT Alan Anderson, Pink Lady RTC
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3. Action Item. **Certification of Meeting's Public Notice** – *Noticed by Penn*

- Motion to certify posting of meeting – Nilson/Gustina, Passed Unanimously*

4. Action Item. **Approval of Agenda** – *Prepared by Penn*

Alan Sweeney announced that agenda items 13 and 15 were moved to follow item number 10 on the agenda.

- Motion to approve agenda with amendments – Cornford/James, Passed Unanimously*

5. Action Item. **Approval of draft May Meeting Minutes**– *Prepared by Penn*

- Motion to approve June minutes – Kuhnke/Hansen, Passed Unanimously*

6. Updates. **Public Comment** – *Time for public comment may be limited by the Chair*

There were no public comments.

7. Updates. Correspondence & Communications – Discussion may be limited by the Chair

Sweeney reminded the Commission of the August 14th Governor Freight Industry Conference coming up. Forrest Van Schwartz said the WI Freight Rail Conference would be held Oct. 7, 2014 at the Radison in Appleton. He said that two of past three years Gov. Walker had attended.

Mary Penn listed the correspondence of the past month. Correspondence included:

1. Receipt of notice of and bid document for County-owned property sale due to unpaid taxes to adjoining landowners in Lake County.
2. Receipt of confirmation of the renewal binder for the WRRTC's liability insurance binder from Richgels Schaefer Agency, with policy sent upon receipt of payment.
3. Receipt of the renewal invoice for WRRTC Public Employee Blanket Bond (\$556.75) which was sent on to Jim Matzinger.
4. Receipt of June 11, 2014 letter from Walworth County Public Works Dept. Director Kevin Brunner re: Peters Road Bridge closure requesting action to close the bridge due to safety concerns.
5. Receipt of June 20, 2014 letter from Office of Commissioner of Railroads re: Peters Road Bridge closure requesting action but allowing parties to reach an agreement to ultimately repair or close the bridge.
6. Receipt of a number of calls from a landowner in Richmond, IL re: trees down and over the property line following storms.

Articles from Van Schwartz were distributed during Penn's correspondence.

8. Updates. Announcements by Commissioners – No discussion permitted

Karl Nilson announced that WRRTC Commissioner Fritz Ruf of Waukesha County had died suddenly in June. He spoke of Fritz, sharing some memories with the Commission, saying how good he had been to work with and noted he will be sadly missed. Penn confirmed that she would be sending a sympathy card from the Commission to the family.

REPORTS & COMMISSION BUSINESS

9. WRRTC Financial Report – Jim Matzinger, Dane County CPA / WRRTC Accountant

- Treasurer's Report for June and Payment of Bills

Gene Gray presented the Treasurer's Report and noted there were three bills to be paid, including the tax bill from Illinois. He said that he had talked to Jim Matzinger who said that county payments were coming in. Grey noted that some bills had not come due yet but assumed they would be by next month.

- **Motion to approve the Treasurer's Report – Gustina/Anderson, Passed Unanimously**

Bills to paid include

1. McHenry County Collector, IL taxes
2. Richgel Schaefer Agency, Blanket Employee Insurance
3. Dane County Highway, May Accounting

Charles Anderson asked about the tax bills from Illinois and Grey confirmed that this was the second payment on their Illinois property.

- **Motion approve the bills – Anderson/Kuhnke, Passsed Unanimously**

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

Ken Lucht updated the the Commission on the Fox Lake sub work for Continuous Welded Rail (CWR) which track goes thru the GM yard. He noted that they were waiting for some materials yet and full construction bids were advertised last week. Construction will begin in September. Lucht said he wanted to invite the Commission out to the site and show them where their investment was going. In Rock County Lucht talked about the side track in Milton and said WSOR would be going out to bid early next week, adding that this was a capacity expansion project and thanked the Commission for their support on these projects.

Lucht noted that grain was starting to move and noted that 35% of their business is grain related and when it did not move that was a set-back. He said WSOR had added a Director of Business Development, Tim Karp, who would work to bring more business to the railroad, saying that Sauk and Sheboygan counties were areas that should have more customers. He also said another person was being hired for Marketing who would oversee all marketing for WSOR in WI to try and create more opportunities and find some traffic that would benefit both WSOR and WATCO, matching up product-to-customer routes.

Lastly Lucht there was the 3rd quarter newsletter had been sent out to everyone and noted it had a new face.

Gary Ranum asked Lucht if WSOR had an instate source for its ties. Roger Schaalma said they used the most competitive bid but there was an instate supplier for a lot of their ties. Ranum said there could be a development of instate ties. Gray asked if WSOR's opening of the Oregon/Fitchburg line had fostered additional customer requests. Lucht said there were some "very, very informal" inquiries but assumed that once trains were running that would bring more customers. Nilson asked about Tim Karp and who was "counting the beans". Lucht said that was now done in Kansas.

11. Discussion / Possible Action – WSOR requesting written approval from Commission for Proposed Railroad Capacity Expansion and Community Improvement Project, City of Prairie du Chien, WI. – Ken Lucht, WSOR

Lucht gave the background on this issue, distributing a handout and noting that the City had formally opposed railroads cars being stored on St. Feriole Island. He said that this was an area WSOR was focused on. He said that pressure from the City and residents has increased recently and distributed a handout which highlighted a proposed site layout and some landscaping proposed on WSOR's solution to the problem. The reason he was doing this today was because the Commission was required to act on projects like this according to the operating agreement.

Lucht said they had met and talked with the City of Prairie du Chien, the WDNR, WDOT, and the OCR about the project to get feedback and input. He said the primary driver was the market which was increasing dramatically in Crawford County (15% in the last 5 years). He said that when he began with the Commission there was hardly any traffic west of Muscoda. He acknowledged that this success had created a challenge as tourism had increased on the Island as well. He said that WSOR had been asked to stay off the Island during certain occasions such as ballgames, annual events, and conference center events, all of which had prompted WSOR to take a look at this bottle neck. Lucht added that safety and efficiency were priorities and there was no capacity. He said there was only about 100' corridor that the railroad could operate on and said that the proposed project would address the concerns and issues on the Island.

Lucht led the Commission thru the handout. There were a number of talking points and he highlighted each point. He said that the residents and the City were not happy with current operations and cited dust and aesthetics. Lucht said that they were proposing enclosing the facilities as Lycon did on the Oregon/Fitchburg line. He highlighted the anticipated jobs and economic impact to the City and the region and said that the area customer had over 200 employees. Lucht noted that 15 permanent jobs would result from this project and that the building and enclosure would improve working conditions for employees. He said the biggest driver was marketability which would bring more customers to ship via rail.

Lucht went through community concerns, discussing railroad usage of the Island and said the project would be centralized off the Island. He said there was an extensive process of looking at alternatives sites, one of which was on the Island, another site south of the Island. He noted some other alternatives and the reasons those sites would not work. Alternative analysis identified Site 1 which is along STH 18. He said this site was all on the state owned railroad ROW. What made it marketable was the proximity to the product, which is sand from Clayton IA and trucked only 3 miles, and good proximity to highways and rails. He said the cost of the project was \$3M, all privately funded. WSOR was not asking for any public funds. Everything would be funded thru WATCO/WSOR as a private sector solution. The project would be owned and managed by WATCO/WSOR and the occupant of the building would be the Pattinson Sand Company.

He pointed out the track construction drawing and showed the proposed place along HWY 18, noting there was a transload site there that had been used for decades for forest products and was now used for sand. Lucht said they planned to build six tracks north of the building and six new switches and turnouts that would hold about 136 cars. Cars could be loaded, unloaded and pulled in from the south (towards the BNSF interchange). He said that this was an opportunity to centralize their operation and build additional capacity and get their work off the Island. He noted the project had a 10-15 yr horizon and said they believed that this solution would accommodate the market.

Richard Kuhnke asked if the current Island site would continue to be maintained. Lucht said that would still be maintained as it is WDOT and Commission property and there are customers on the Island but the shuttling back and forth of cars would be eliminated and noted the harbor was marketed to customers on the Island. He said the Island would continue to be used with increased capacity. Nilson liked that the City was involved in the plans and advised that remain the case. Lucht said they were keeping the City involved and were awaiting their feedback. Van Schwartz asked how many cars could be moved around the yard. Schaalma said about 107 cars. Mo Hansen asked about the zoning of land east of track 1 across the highway. Lucht said he did not know the zoning but said there were some residences and a civic building on the east side of Hwy 18. Roger Larson asked if WDOT expressed any concerns about traffic flow with trucks coming in. Lucht said they did not get those concerns and cited data on the truck traffic, noting there were 80 per day out of 3400 counts. Currently there was a bypass so the ADT was 15K. The building would bring truck traffic up 50

more trucks a day but the highway was designed for up to 15K ADT. Frank Huntington said that they had shared this with WDOT and noted that like the Commission, WDOT was waiting for approval. He said that no significant DOT concerns had been expressed at this point. Tom Cornford asked about the site of the former Wyalusing Academy and noted it is currently vacant and for sale. He also pointed out a museum that was near the site. Gray asked Lucht about existing rail and what municipalities on the west side of the river were involved. Lucht was not sure of the municipalities involved and noted the quarry was in a township. Anderson asked about the STH18 bypass and asked where the trucks were coming from. Lucht said trucks were coming from the north. Sweeney asked about the location of the BNSF interchange. Lucht said it was south of the site, not shown on the aerial. Sweeney asked what the Commission was being asked today and Lucht said they were seeking action from the Commission and said that any new or improved improvements installed required Commission approval. Lucht noted the section in the operating agreement that stated why WSOR was coming to the Commission.

- **Motion to recommend to the Full Commission approval to proceed with the WSOR Prairie du Chien, WI Unit Train Sand Trans-load Facility Revision 20 project – Nilson/Kuhnke, Passed Unanimously**

Nilson asked if this were just for sand. Lucht said currently it was only sand but it could be changed as other customers arise. Ranum asked if Universal Forest Products was still a customer and Lucht said yes. Huntington said that WDOT had not yet taken action and noted there were some historic and environmental issues and they were more or less waiting to see how the DNR and the historical society would act and also noted that the Corp of Engineering might require some permits. Wayne Gustina asked how many years were estimated for sand mining and Lucht said 50+ years. Anderson asked about the floodplain flooding and wetland delineation. Lucht said wetlands and floodplains would be mapped and their consulting company (SCH) would be working with the DNR in the permitting process. Lucht did not know if there would be much raising of the track, saying that the floodplain level was 19' and the site was above that. Schaalma said they were 3' above the flood crest of 19'.

12. Discussion / Possible Action – Approval of New Siding Construction Project at Darien, WI. – Ken Lucht, WSOR

Lucht distributed a handout showing the Elkhorn subdivision customer cluster. He said their operations group has targeted this site for increased investment and said that quite often there were engines that had to back up 2 miles before they could service one customer and then another when in close proximity. In line with the operating agreement again, Lucht said WSOR wanted concurrence from the Commission to approve a proposed 1700' sidetrack on the west side of the line which would be a runaround track allow car storage and train runaround capability, eliminating having to back up 2 miles. This would be entirely funded by WSOR and will be built on former roadbed. Lucht noted that it would require 100lb rail and current switches. He said some preliminary work had been done and the hope was to be finished by the end of August. Schaalma said it was relatively basic and they were just looking to build track and then hook it up to the main track and increase efficiencies. A major driver was a "morale boost" to the operators. Nilson asked about the identification of roads and highways on the diagram.

- **Motion to recommend approval to the Full Commission of this project as described – Anderson/Haefts-Flemming, Passed Unanimously**

13. WDOT Report– Frank Huntington, Kim Tollers, WDOT

Huntington reported that the acquisition of the Reedsburg line had been signed this morning and asked the Commission to wait to announce it so the Governor could announce it. The next step was to submit materials to the STB within the next 30 days so the state could acquire it with operating authority going to WSOR. The State would like to have the closing done by the end of the year. Sweeney asked if the line would be managed by the Commission. Huntington said yes and noted that the Commission had approved that in January. Huntington said there might be some minor changes to the agreements that might require some further action from the Commission. He said that the operating agreement would be the same for the Fitchburg –Evansville line as the Reedsburg line and noted that within the next 30 days those needed to be worked out. They are the same agreements used in the past and were approved the STB and he said there was hope that approval would be relatively quick.

Huntington reported on some projects they were still considering in the southern part of the state and said that was between \$10M and \$20M for the second year of the biennium and hopefully by the end of August would be a list of priorities made. He noted that if the TIGER grant was not approved there would be some state dollars freed up. He reported on other projects that were pending or currently active. Anderson asked about acquisitions made in the past. Roger Larson asked for clarification on the distance of the line. Huntington said it was McCoy Rd to Butts Corner Rd: everything south of that was owned by UP. He said an acquisition from UP joined up with this one.

Nilson asked about the Creek Road Bridge and if ownership had been decided. Huntington could not say exactly and noted that most of the bridges had been owned by the railroad in the past but ownership trails had been lost. On most, WDOT was trying to get them into programs making them eligible for federal funding and then transfer ownership. He noted the type of bridge of the Peters Road Bridge and said that it needed improvement and all these types of bridges were in that category. Van Schwartz asked who got the title to the new bridge. Huntington said that ownership could be assumed by the Town and/or County as they would be doing the

maintenance. WDOT would try to transfer ownership to road maintenance entities (towns and counties) although in the past they were owned by the railroad but that did not mean they had to be owned by the railroad forever. Huntington believed there were bridge funds that could be used for bridges like this to work things out and make them work with maintenance going with the local road authority.

14. WRRTC Administrator's Report – Mary Penn, WRRTC Admin.

Penn gave her report:

- Signed and returned Rejection of Terrorism Coverage to Richgel-Schaeffer.
- Correction as to illegal crossing – on PRTC not WRRTC line
- Received notice from WSOR re: excursion train (June 20, 21, & 22 2014); got confirmation that WRRTC was covered via operating agreements with WSOR (permitting, fee, and insurance); WDOT properly issued permit and collected fee.
- Spoke to a property owner re: downed tree on her land. Contacted Ken Lucht who addressed the situation.
- Received the renewal of the liability insurance policy – July 10, 2014 thru July 10, 2015.

15. Discussion / Possible Action - Peters Road Bridge Closure with WSOR, County and Township as authorities to develop a detour and closure plan – Ken Lucht, WSOR, Mary Penn, WRRTC Admin.

Penn read the letters from the OCR and Walworth County to the Commission. Huntington said this bridge did not quite meet criteria for federal bridge replacement dollars and that it was a catch-22 situation. He was not sure if re-inspection would show anything different and noted the OCR had presented options but did not list permanent closure. At this point he was not sure what the solution would be but local bridge replacement funds could not be used. Lucht said that WSOR had communicated with the County and the Town and everyone concluded that the bridge needed to be closed. The County said they would send a letter to that effect but local pushback caused the County to not send the letter. Another round of letters resulted in a full inspection and WSOR's engineer did hammer and drill tests on the supporting members - the bridge inspection in the past only did the deck, not under the deck - and the bridge was ordered closed. WSOR also submitted a letter to the County to close the bridge. This fall the County has committed to a thorough inspection and all are hoping the sufficiency rating would drop enough to make it eligible for funding. In Lucht's opinion this was not a Commission matter but rather a management/operation issue and thus in WSOR's purview. He described another closure that had happened and said it would be a process to be followed. Lucht did not think the Commission needed to take action. Huntington agreed but said the Commission could chime in on the issue but action could be taken by the road authority or the railroad. Nilson said the unofficial detour around Creek Rd was a 2 mi loop and he asked what sub the Peters Road Bridge crossed. Schaalma said it was the Fox Lake sub. Nilson asked about where the detour would be and Schaalma said there were crossings about every mile. Huntington said that might be a 3 mile detour at most. Nilson described the bridge guardrails and said it was more for horse and buggy, not cars. Language negating ownership of the bridge was added to the motion.

- **Motion to approve the closure of the Peters Road Bridge based on information from the Walworth County and OCR letters and description of issue during the meeting. Approving closure of bridge does not mean the Commission admits ownership of bridge – Nilson/Gray, Passed Unanimously**

Huntington added that this was humpbacked bridge and it would be fairly expensive to replace. John Miller said it should be clarified. Huntington noted that permanent closure would need approval of the OCR.

16. Action Item. Adjournment

- **Motion to adjourn at 11:25 AM: Gustina/Cornford, Passed Unanimously**