

WISCONSIN RIVER RAIL TRANSIT COMMISSION

EXECUTIVE COMMITTEE MEETING - FRIDAY, JANUARY 4, 2012 @ 10AM
 DANE COUNTY HWY GARAGE, 2302 FISH HATCHERY RD, MADISON, WI

1. 10:00 AM **Call to Order** – *Karl Nilson, Chair*
 2. Roll Call. **Establishment of Quorum** – *Mary Penn, Administrator*

Crawford	Tom Cornford, 3 rd Vice Chair (XCom)	x	Rock	Ben Coopman, Alternate	
	Rocky Rocksford	x		Wayne Gustina	x
	Vacant			Alan Sweeney, 1 st Vice Chair (XCom)	x
		Terry Thomas			
Dane	Gene Gray, Treasurer (XCom)	excused	Sauk	Marty Krueger, Alternate	
	Jim Haefs-Fleming	excused		Carol Held	
	Chris James (10:08AM)	x		John Miller	
		Dennis Polivka, Asst. Secretary (XCom)		x	
Grant	Gary Ranum	x	Walworth	Jerry Grant	
	Vern Lewison			Richard Kuhnke, 4 th Vice Chair (XCom)	x
	Robert Scallon, 2 nd Vice Chair (XCom)	x		Allan Polyock	
Iowa	Charles Anderson, Secretary (XCom)		Waukesha	Karl Nilson, Chair (XCom)	x
	William G Ladewig			Richard Manke	
	Jack Demby			Fritz Ruf	

Others present for all or some of the meeting:

<ul style="list-style-type: none"> Mary Penn, WRRTC Administrator Ken Lucht, WSOR 	<ul style="list-style-type: none"> Ron Adams, Kim Tollers, WisDOT Forrest Van Schwartz
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3. Action Item. **Certification of Meeting’s Public Notice** – *Noticed by Penn*

- Motion to Approve Public Notice** - *Gustina/Kuhnke, Passed Unanimously*

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

Karl Nilson recommended changing “their” to “the Commission’s” on item 8 (first word, third line). There were no other changes.

- Motion to Approve Agenda as Amended** – *Kuhnke/Cornford, Passed Unanimously*

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

- Motion to Approve November Meeting Minutes** – *Polivka/Scallon, Passed Unanimously*

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

There were no public comments. Nilson suggested that future agendas have an additional item to be listed as “Announcements by Commissioners”. Questions would be allowed but no discussion. Penn said she would include this on the WRRTC’s future agendas.

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

Penn told the Commission that she had spoken briefly with Tony Roach, City of Fitchburg Administrator who, along with Mike Grace of the Village of Oregon, is working with WSOR and WDOT on the possibility of reactivating the line in Oregon (which runs to Evansville). Everything is very preliminary but this issue may come back later in the year. She also distributed two handouts from Forrest Van Schwartz, adding that she had also forwarded an email from Van Schwartz showing a mudslide that derailed a train in the NW part of the country. Finally, she said she had sent out a press release Dec. 4th regarding the WRRTC’s resolution honoring Bill Gardner, after recommendation by the Commission at their November meeting.

Van Schwartz briefly discussed his two handouts which dealt with 2012 US freight rail tonnages and improved railroad industry safety records for the past year.

Nilson commented that Canadian National (CN) has reopened their line to haul frac sand between Berian and Ladysmith and are moving a lot of cars. Van Schwartz said that frac sand and the location of a sand cleaning facility along the line was why this line reopened.

REPORTS & COMMISSION BUSINESS

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

Jim Matzinger gave the Treasurer's report. He said that he had not gotten all the bills to end the year but once they came in (specifically Management and Accounting) he would be able to close everything out.

- ***Motion to Approve November Treasurer's Report – Sweeney/Kuhnke, Passed Unanimously***

Prior to Ken Lucht's report, Nilson introduced Gary Ranum to the Commission. Mr. Ranum is one of the commissioners representing Grant County on the WRRTC, replacing Ivan Farness who resigned in November 2012. Lucht introduced himself to Ranum as the representative of WSOR and gave him some brief introductory WSOR background.

9. Wisconsin & Southern Railroad's Report on Operations

- **Update on Monthly Maintenance Activities**
Lucht said moving snow is about the only work going on, along w/some brush cutting, but basically there is just routine maintenance. He said a safety maintenance team went out on a "safety blitz" which resulted in some good communication and education for operation employees and the safety team.
- **Update on Capital Projects**
Lucht said WSOR is developing a 5 year capital improvement plan which will have some repercussions to the WRRTC. WSOR is looking for growth opportunities which might result in projects including upgrading lines. Lucht said they're hoping to present their plan to the respective RTCs by March of this year. This plan will give RTCs and associated counties a look at what WSOR sees for future funding.
- **Update on Business Development**
Lucht said sand is starting to move again after a December lull. Two trains are currently moving: frac sand to Texas and another is on its way to Janesville. The Texas business has two trains in constant movement. He said that of the two test trains (mentioned in November), the first train was found to be overloaded (which was not WSOR's fault). The load was corrected in Janesville and sent on to Texas. A big challenge is the number of hours it takes trains between Prairie du Chien and Janesville (10-11 hours) due to slow (10mph) train speeds in some areas. He said that upgrading the Prairie du Chien line would let them to run at 25mph in some areas, which will help shorten travel time. Lucht also spoke about the Lycon business in Oregon that Penn mentioned in Item 7. Lycon wants a facility to open in June but the associated communities want it to wait until the line is able to move materials by trains, rather than have increased truck traffic. He said there was also an issue with an apartment complex built next to the track: the developer wants welded rail in this area to lessen train noise. WSOR will be applying for funds by the end of the month to help fund this project. Lucht added that WRRTC would be the manager of the line as contracts already exist with WSOR as the operator. The communities are showing interest in collecting a rental fee for stored cars between them so they can have a decision on where cars are stored. Authority by the communities is an issue to be addressed between them and WDOT. Lucht said that sand originating in Janesville would be inbound only and that this facility would not replace the Lycon facility in Madison. Lucht expressed optimism that WSOR and the communities involved can resolve their issues.
- **Other continuing issues/topics**
WSOR met with Union Pacific (UP) on Wednesday to discuss acquisition of the track between Reedsburg and Madison (3 different line segments). An appraisal was done three years ago and UP wanted to know if there is support locally, regionally, and at state level for this transaction. Lucht said that all indications show that the Governor supports this transaction. UP is a very interested seller. Lucht said there is the possibility that WRRTC would "inherit" this track which would require a conversation with the Pink Lady RTC. He said the next step is to come up with a value to give to UP so the discussion can continue.

Lucht said Jim Fuchs was named General Manager of WSOR. Mr. Fuchs has been with WSOR for a year and is very safety oriented. He was unable to attend the meeting but intends to come to either the February or March meeting.

Lucht said that a Santa Train, running between Milton and Madison, was run in November for Toys for Tots. He said that 10 or 12 barrels of toys were collected for over 200 kids in the Dane County area. Lucht also told the Commission WSOR entertained over 50 of their customers on the cars so the customers could meet the WATCO parent company management personnel. As a result, there have been follow up meetings arranged to discuss future business.

WRRTC XCom Meeting: January MINUTES –DRAFT

He said there has been some snowmobile traffic both on and beside tracks. He said the recreationists are trying to reach established trails. No crossings have iced up yet but WSOR is anticipating a lot of trespassing issues. WSOR will be working with the state snowmobile organization to try to address this which is a serious safety issue.

Lucht also brought 2013 WSOR calendars for the Commissioners. Lastly, he said if there were any questions or concerns about WSOR or WATCO, to call or email him. He said there has been some negative information out there and they want to address anything that might come up.

Alan Sweeney said that the Evansville line budget has about \$170K and wanted to know what that money was intended for. Lucht said that those dollars were paid by the communities to the RTC and was intended to be used to buy the corridor back if that was desired. At this point, WSOR was not intending to use that money. Sweeney wanted to know where the track was owned. Lucht said that UP is the owner and WDOT does not have any property on it. He explained the way of the line, saying that the UP property ends at the north end of Fitchburg. In regard to Lycon's second plant, WSOR would take over the operation of the line as the communities aren't interested in doing that. If the line opens up, there will be cars in "temporary storage" that would need to be moved and the likely location for them would be south of Oregon. However, Oregon may object to that so this issue will have to be discussed. Sweeney said that he had spoken with people from Landmark in Evansville that they would like to have access to the northern corridor, in order to get to Prairie du Chien, and access soybean/corn movement. Van Schwartz noted that this material would require big cars which in turn would require a major upgrade to the line. Robert Scallon commented that he had heard that railroads in the Milwaukee area were hiring for safety inspections but Lucht said that was not WSOR.

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

Penn reported that she had received the 2011 audits from Johnson Block and had copies for Commissioners if they wanted one. Electronic versions are also available. Nilson advised that she mail a copy to each of the member counties as well as email an electronic version to them. She next thanked Scallon for notifying her of the difficulties of the Village of Blue River in getting paid for mowing along the ROW. Penn was able to resolve the issue. Scallon asked Lucht if other communities billed WSOR for mowing. Lucht said very few do but WSOR had agreed to pay Blue River "back in the day".

Penn then distributed schedule of her days and work times, telling the Commission that since she worked 34 hours a week, there were some times during the week when she was not available and hoped that this would encourage better communication between Commissioners and herself.

Penn then informed the Commission that she had received a lease renewal from Lamar (in Illinois) and had sent it on to Eileen Brownlee for her review. Penn anticipated that this would be an agenda item in February. She then said that Brownlee's fees had increased by \$10/hr for 2013, noting that the Commission gets "good value for the money". Nilson concurred. Finally, she notified the Commission that the working committee formed between members of WRRTC and the Pecatonica Rail Transit Commission were scheduled to meet following the regularly scheduled PRTC meeting on January 25th to discuss funding issues between the two commissions.

11. WisDOT Report–Ron Adams, Kim Tollers, WisDOT

Ron Adams said that WDOT is redoing all the deeds on the Reedsburg line. This should be done by the end of January so a purchase price can be determined and how an offer to UP can be structured.

He discussed a passenger train that originated in Milwaukee traveling to Pueblo, CO. The train was in Prairie de Chien the Saturday after Thanksgiving. He said a lot of people were involved to make something like this possible.

Adams said that WDOT had submitted their \$60M budget to the Administration Department. He said that the Governor has expressed support for the Reedsburg line purchase. He also reported that WDOT is waiting for applications in February for grant dollars and due to some operators backing out of sales up north, there are more dollars available than anticipated, in addition to dollars from the budget which should be passed by July 1st.

Nilson asked Adams to comment on the November 14, 2012 WDOT Freight Rail Conference in Madison, encouraging Commissioners to attend the conference next year as it is a great place to get good information. Adams said 130 people registered and the frac sand presentation was very well attended. Adams asked the Commissioners that if they had ideas for the next conference to let him know; it is usually held the second week of November.

10:59AM Nilson called a ten minute break. Meeting resumed at 11:11AM

WRRTC XCom Meeting: January MINUTES –DRAFT

12. UW- Madison Freight Rail Study Update– *Forrest Van Schwartz, Consultant*

Van Schwartz updated the Commission on the study's progress, saying that the survey resulted in 87 shipper responses (an almost 50% return). He said that one of the most significant results was the number of businesses (32.5%) who would have to leave or most likely leave if rail service went away. A draft of the study will hopefully be available by the February meeting. Lucht said that the numbers coming back are "eye opening" particularly in regard to annual wages and spending associated with these businesses and hopefully the study will be completed by March 2013

13. Consideration and Approval of 2013 Staff Services Agreement

Nilson read the service agreement to the Commission and asked if there were any questions or comments; there were none.

- *Motion to Approve the 2013 Staff Services Agreement with SWWRPC – Sweeney/Gustina, Passed Unanimously*

14. Discuss upcoming members' local spring elections and WRRTC membership terms

Penn distributed a list showing Commissioners names, offices and terms, noting that there were a few members whose terms will be up in 2013. Upon Nilson's advice, she will bring and email this list to the full commission meeting in February.

15. Action Item. Adjournment

- *Motion to adjourn at 11:21AM – Cornford/Polivka, Passed Unanimously*