

**Wisconsin River Rail Transit Commission
Commission Meeting - Friday, July 7th, 2017 @ 10am
Dane County Hwy Garage, 2302 Fish Hatchery Rd, Madison, WI**

1. 10:01 AM **Call to Order – Alan Sweeney, Chair**
2. Roll Call. **Establishment of Quorum – Matthew Honer**

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	x
	Jim Flemming	<i>absent</i>		Marty Krueger, <i>Alternate</i>	x
	Chris James, <i>Vice Secretary</i>	<i>absent</i>		Chuck Spencer	x
Grant	Gary Ranum	x	Walworth	Craig Braunschweig	x
	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>	<i>absent</i>
	William G Ladewig	<i>excused</i>		Allan Polyock	<i>excused</i>
	Jack Demby	x		Karl Nilson, <i>4th Vice Chair</i>	x
Jefferson	Jeni Quimby	<i>excused</i>		Dick Mace	x
	Gary Kutz	x		Richard Morris	x
	Augie Tietz, <i>3rd Vice Chair</i>	<i>excused</i>			
	Mo Hansen, <i>Alternate</i>	x			

Commission met quorum.

Others present for all or some of the meeting:

<ul style="list-style-type: none"> • Matt Honer - WRRTC Administrator • Ken Lucht - WSOR • Troy Maggied - SWWRPC • Dana White-Quam, WDNR • Jean Berlin, Bill Wenzel – Sauk County • Tryg Knutson – State Sen. Jon Erpenbach’s office 	<ul style="list-style-type: none"> • Dave Simon, Teri Beckman, Kim Tollers, Rich Kedzior - WisDOT • Peter Chen – Alliant Energy • Eileen Brownlee, Julia Potter - Boardman & Clark • Alan Anderson – Pink Lady RTC
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3. Action Item. **Certification of Meeting’s Public Notice – Noticed by Honer,**
 - *Motion to approve meeting's public notice – Cornford/Morris Passed Unanimously*
4. Action Item. **Approval of Agenda – Prepared by Honer**
 - *Motion to approve of July agenda – Nilson/Gustina Passed Unanimously*
5. Action Item. **Approval of draft June 2017 Meeting Minutes– Prepared by Honer**
 - *Motion to approve June 2017 meeting minutes with corrections, clarifications, and explanations. Mace/Gray Passed Unanimously*
6. Updates. **Public Comment – Time for public comment may be limited by the Chair**
No public comment.
7. Updates. **Announcements by Commissioners – Sweeney**
No announcements.

REPORTS & COMMISSION BUSINESS

8. WRRTC Financial Report – Gene Gray, Treasurer

Gray reported that county contributions are continuously coming in. Gray reported that there were two quotes for the audit were included in the packet and that a decision will be made at the next meeting. Gray reported the bills from the insurance company and from Manke Enterprises. One bill from Manke was for the materials and the other was for the labor to install the buoys upstream from the Sauk City Bridge. Gray reported that the expense for the labor to install the buoys will come from the salvage revenue and that the money for the materials will be reimbursed by WSOR. Sweeney asked Lucht about how the commission will be reimbursed for the materials used to install the buoys. Ken confirmed that WSOR will reimburse for all of the materials to install the buoys and stated that the commission can invoice WSOR.

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

9. Wisconsin & Southern Railroad’s Report on Operations – Lucht, WSOR

Lucht reported that WSOR is underway with two rehab/tie replacement projects on the Watertown and Waukesha subdivisions. The contractor is on site and ties have been delivered. The Watertown subdivision rehabilitation project is the first phase of capital expenditure of WSOR and WisDOT funds on this line, which had not seen rehab for many years as it was expected to have high speed passenger rail at one time. Lucht reported that the subdivision will be brought to Class II standard. Lucht stated that ties had been installed on the Waukesha subdivision in the past and that additional ties will need to be installed in order to support continuous welded rail. The subdivision is approximately 40 miles. Over the next five years WSOR hopes to finish the Waukesha subdivision. Lucht reported that WSOR has been monitoring the state budget and they are unsure of the future of the Freight Rail Preservation Program. Lucht reported that the Legislative Fiscal Bureau has recommended various options that both increase and decrease the budget for the Freight Rail Preservation Program. Lucht thanked those that attended the annual financial meeting in June. Lucht thanked the commission for their support of the Madison trans-load facility and that the project was pushed back to July 15th, and is expected to be completed in two months. Lucht proposed Wednesday, July 26th for a rail excursion trip on the Fox-Lake Subdivision. The proposed agenda would be from 12:00 pm to 4:00 pm. The meeting place would be at the Pearl St. terminal in Janesville and start with a roundhouse tour, followed by a bus ride to the train in Fox Lake. It would highlight the recent work done on the three bridges that the Commission helped to rehabilitate.

Gray asked Ken if there had been feedback from the City of Madison regarding the Trans-load facility. Ken reported that there has been no feedback from the City.

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

Rich Kedzior reported that WisDOT has executed three FRPP grant agreements with WSOR. The first is phase 1 of rehabilitation work on the Merrimac Bridge, for design work and emergency repair and is expected to take up to one year. The second grant agreement is for replacement of Bridge 254 and rehab of Bridge 262, both in Madison on the Reedsburg Subdivision. The third grant agreement is for the rehabilitation of seven bridges on the Prairie Subdivision. Kedzior reported that all three of those agreements are related to fiscal year 2017 grant awards. Kedzior reported that WisDOT has received additional requests for fiscal year 2018. Currently there is no budget for 2018 but WisDOT does have carryover funds available. WSOR submitted four proposals, 1) replacement of Bridge 316 in Wauzeka, 2) an amendment to the previous award for track rehabilitation on the Watertown Subdivision for an additional \$2.2 million, 3) installation of CWR on the Waukesha Subdivision 4) and a limited track rehab and tie replacement on the Reedsburg Subdivision.

Ranum asked about the location of the Wauzeka bridge replacement. Kedzior stated that it is in Crawford County, located in a slough on the Wisconsin River but does not cross the river. It is 1300 feet and is the location of last year’s derailment.

David Simon reported that he has taken a new position as the Director of the Bureau of Transit, Local Roads, Railroads, and Harbors. There will be a new Railroads and Harbors chief soon but for a while he will be in both positions. Simon thanked the commission and partners for their work.

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

Honer stated that he received property assessment notices from McHenry Co., Illinois and that there was an overall increase in property value of \$1619.00. 18 parcels increased in value. Honer received an email regarding the Great Lakes Basin Railroad and the position of the Wisconsin Department of Agriculture and Consumer Protection’s position. Kim Tollers sent Matt notes from a meeting

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that discussed the issue of trespassing at Devil's Lake. (Handout). Honer received a notice from the Village of Oregon that the track located south of Braun Rd. is located in a new Tax Increment District to encourage investment and revitalization. Honer spoke with Tom Schaefer and received invoices for the General Liability Policy and the Personnel Policy. He also received a utility permit completed by WisDOT for utility maintenance on the Elkhorn subdivision. Honer spoke with Blair Dellmond of Prairie Sand and Gravel regarding their proposed project and the process of approval. Honer spoke with a reporter regarding SWWRPC's involvement in the Great Sauk State Trail.

Honer stated that he corresponded with Jason Manke throughout the month regarding buoy installation and that the buoys were installed on June 28th. Manke reported that conditions were dangerous and that the signs that were installed on the downstream side of the bridge cannot be moved at this time.

Honer reported that SWWRPC researched funding for the Sauk Bridge removal. Maggied spoke with the WIDNR and Economic Development Administration regarding grant funding for the Sauk Bridge, neither organizations believed the project was eligible for funding. Honer spoke with US Coast Guard, who also believed the project was not eligible for funding. Honer spoke with the Wisconsin Department of Military Affairs and those discussions are ongoing at this time.

Troy Maggied presented the value of the Rail Transit Commission to Grant and Richland Counties on June 20th and presented the value of the Rail Transit Commissions to the Regional Economy at SWWRPC's annual event on June 27th.

Sweeney asked Lucht about the time frame of the Prairie Sand and Gravel proposal on St. Feriole Island in Prairie du Chien. Lucht responded that it is not a time sensitive project and that WSOR has not taken a position on the project.

12. Discussion and approval of SWWRPC as WRRTC Project Manager for Sauk Trail Removal – *Honer, Admin.*

Honer stated that rail removal is progressing in Sauk County. The work began at the Sauk Bridge and is now at the intersection of Dam Road. The removal of track, ties, and infrastructure is 2/3 completed. The total expenses of the project, as of June 19th are \$82,067. Letters requesting salvage quotes were sent to several contractors and are currently being compiled. No salvage of the rail has happened to date. Ties are being stored at a Sauk Co. Boat Landing on Kilpatrick Road off of Highway 78. The ties are free and available on a first come and first serve basis to the public. Ties are a significant removal expense and giving them away was determined the most cost effective method for removing and disposing of the ties. Honer stated that at the first Ad Hoc meeting it was suggested that the RTC act to approve of SWWRPC as project manager for the rail removal project.

Kedzior stated that the RTC is required by the DOT grant agreement to have a project manager as the prime contractor. Kedzior stated that WisDOT has provided assistance. Kedzior stated that it is the project manager's responsibility to ensure the removal and salvage of the track.

Ranum asked if SWWRPC will be charging additionally for project management. Maggied stated that the SWWRPC will be absorbing this expense this year but in future years it will be an additional expense beyond the administrative contract.

- *Motion to approve SWWRPC as Project Manager for Sauk Trail Removal – Spencer/Thomas. Passed Unanimously*

13. Discussion and Action on 2018 contract with SWWRPC – *Troy Maggied, SWWRPC.*

Maggied sent around a draft contract between the SWWRPC and the WRRTC. Maggied stated that the contract does include the proposed increase that was discussed at prior meetings this year. The previous contract was for \$22,600 and the new contract will be for \$27,500 to account for an increase in hours in the past few years. An additional change in the contract is to separate project management, grant writing, and grant administration from the regular duties of the administrator, so that in future years it will be billed separately.

Sweeney confirmed with Maggied that SWWRPC will not be charging for the current project management but in future years it will need to be discussed. Nitschke stated he believed it was very respectable that the RPC has taken on the project management responsibilities and feels that it shows the good working relationship that the RTC has with the RPC. Nitschke also stated that reviewing the contract is overdue.

- *Motion to approve the 2018 SWWRPC contract - Morris/Nitschke. Passed Unanimously.*

14. Discussion and Action to approve Alliant Energy Permit – Matthew Honer, Admin/ Peter Chen, Alliant Energy

Honer stated that WRRTC owns a section of line that is currently rail-banked in Rock Co. on which there is proposed utility work being done that will rebuild a section of electrical line within the right of way. Honer stated it is important for the commission to follow standards for utility installation and maintenance as if the line was an active railroad corridor and state regulations and standards are in place to do this, referred to as Trans 29. Honer stated that he reviewed the permit application to assure it meets Trans 29 standards and then forwarded the application to WSOR and WisDOT. Honer introduced Peter Chen of Alliant Energy to provide more information on the project.

Chen distributed a handout that outlined the rehabilitation project. The proposed project will rebuild an overhead electric line that was initially installed in 1942. The project will install new underground line along Holt Rd, rebuild overhead electric line by setting 8 new poles, and replace the existing transverse crossing. Overall the project will retire approximately 2000 feet of longitudinal encroachment on the Right of Way

Anderson asked WSOR about the possibility of the railroad operations on this line. Lucht responded that in the long term it would be a benefit if the RR were to have operations on the line and that WSOR does not object to Alliant Energy's proposal.

Lucht asked about the existing utility rights on the line when the WRRTC purchased the line and suggested that it be looked into.

- *Motion to approve Alliant Energy Utility Permit Application - Cornford/ Braunschweig Passed Unanimously*

15. Discussion and Action regarding Parcel sale to Golden Produce Company – Dave Simon, WisDOT

Simon distributed two handouts that highlighted the property. Simon stated that WisDOT is looking for WRRTC's concurrence for the sale of a piece of property by Quit Claim Deed to the Robert E Golden Produce company. By the agreement with the WRRTC, WisDOT requires approval from the WRRTC before selling property in the right of way. Simon explained that the business at 1337 and 1335 Gilson St, Madison, WI, is currently parking cars and dumpsters on rail property. The activity of the business is not contained to their property and is currently encroaching on the railroad property up to and at times on the ballast. Referring to the handouts, Simon stated that there is a concrete dock and ramp behind the building, this is the property that WisDOT wishes to sell to the Golden Produce Co.

WisDOT presented an offer to use agreement for areas behind the buildings where the businesses were encroaching on WisDOT property. The owner wanted to claim adverse possession and threatened legal actions. After many meetings, WisDOT negotiated an agreement with the company. The Golden Produce Co. will sign an offer-to-use (lease) agreement for the area behind the buildings and construct a barrier to contain their encroachment on the property they own and the property they are leasing. In return WisDOT will sell to the company the small area that the loading dock and ramp was installed on, immediately behind their building. WisDOT has the right to terminate the offer to use agreement at any time.

Gray asked the typical distance the fence is built from the center of the track. Simon stated the fence will be installed 15 feet from center, which is consistent with the ROW in that area. Simon stated that they are doing this throughout the City of Madison and on the Reedsburg Subdivision to discourage encroachments. Mace asked why WisDOT would not want to sell the property they are leasing. Tollers stated that it is in the interest of WisDOT to maintain control of their property, maintain the right of way, and own the right of way.

- *Motion to approve - Nilson/Gray, Passed Unanimously*

16. Discussion and Action on the Stabilization of the Sauk City Railroad Bridge – Alan Sweeney, Chair

Sweeney stated that he convened the ad hoc committee twice with the purpose to develop actions regarding the bridge, to bring back to the commission. Sweeney stated an agreement was reached with WisDOT and WSOR to undertake and share the cost of stabilization through "Option 6," which is the removal of spans 1, 2, and 3 and piers 1, 2, and 3. The estimated cost of Option 6 is \$990,000 and the cost share would be \$330,000 from each partner. The ad hoc committee strongly recommends to the Commission to agree to undertake Option 6 in partnership with WSOR and WisDOT.

Nilson asked about the details of the project and Demby asked about additional charges to the member counties to pay for the cost share. Sweeney stated that there would be no additional funding from the counties beyond the regular \$28k and that the Commission's

share of the cost would be covered by a WisDOT loan for \$200,000 and the additional \$130,000 would be covered by WRRTC through the 2017 or 2018 budget.

- *Motion to accept the recommendation of the Ad Hoc committee, to stabilize the Sauk City Bridge with “Option 6” by a cost-share agreement with WSOR and WisDOT- Motion made to accept the recommendation of the Ad Hoc, contingent upon an agreement of financing and funding under Item 17 – Nilson/Cornford. Passed Unanimously*

17. Consideration of and possible action on funding/financing Sauk Bridge Stabilization – Alan Sweeney, Chair

- a. Discussion of process to apply for a FRIIP loan and authorization to apply for a FRIIP loan and seek county approvals, if required.

Sweeney stated that the Ad Hoc committee proposes that the Commission apply for a FRIIP loan to assist in funding the bridge stabilization. Kedzior stated that WisDOT has proposed to lend up to \$200,000 through the FRIIP loan program to the Commission. As part of the program there is a lien on the Commission’s assets. Sweeney stated the FRIIP loan is a 10 year loan at 2% interest with no early payment penalties. The remaining balance of WRRTC’s share of stabilization expenses, after the \$200,000 loan would need to come from the 2017 or 2018 (or a combination of both) capital improvement budget. The salvage value of the bridge and Sauk Trail rail removal will also pay for the balance after the loan.

Demby asked the regular payback amounts. Brownlee stated that payment would be a quarterly payment of \$5,529.10, starting in January 2019. Demby asked what assets would have a lien attached. Kedzior stated that the system is the asset and that failure to repay would mean that WisDOT would acquire a greater interest in the Commission’s infrastructure. Demby asked if borrowing requires county approval. Brownlee stated county approval is not necessary. Nilson asked about the additional yearly county contribution, Brownlee responded that there is no additional county contribution and that the commission is allocating the funds it receives, from the existing budget, to the stabilization project. Nilson asked if WSOR is ok with the money coming out of the rehabilitation money. Lucht stated that WSOR is in agreement with the proposal. Anderson asked the value of the Sauk Trail rail salvage. Sweeney responded that return on the salvage of rail removed from the Sauk Trail will likely go to pay the \$130,000 balance that exists after the \$200,000 loan. Simon clarified that the estimate of the project is \$990,000 and each party agrees to pay 1/3 of the cost and there is a possibility that the actual bids could come back higher or lower. Gustina asked about the value of the salvaged steel from the Sauk Trail rail removal. Kedzior stated that WisDOT anticipates if there are surplus funds off-setting Sauk County’s costs for removing the trail, they are likely to be less than \$100,000.

Nitschke asked about the process of WRRTC going out to bid for the project. Sweeney responded that it is the next agenda item.

Nitschke looks for confirmation that the plan is an agreement of 1/3 – 1/3 – 1/3 cost-share agreement among WisDOT, WSOR, and WRRTC; WisDOT will provide a \$200,000 FRIIP loan to the Commission to cover part of the commission’s 1/3 cost-share, with the balance of the cost share coming from the commission’s operating budget; and the FRIIP loan agreement is a 10-year loan from WisDOT at 2% interest, no early payment penalty, with quarterly payments (40) of \$5,529.10. Sweeney and Brownlee confirmed.

- *Motion to approve the original motion as amended that WRRTC pay for their 1/3 cost-share by a FRIIP loan for \$200,000 provided by WisDOT, and the estimated additional cost share expenses of \$130,000 to come from WRRTC’s operating budget – Nitschke/Spencer*

Brownlee stated that the prior motion did not agree to what budget the \$130,000 is coming from. Nitschke asked WSOR’s preference on the year the budget comes from. Lucht stated that with the possibility of the Commission being awarded a TIGER grant in 2018, he recommended the commission look to amend the 2017 budget.

Mace asked the disadvantage of splitting the expense between 2017 and 2018. Nitschke responded that having more available funds in the 2018 budget to match a larger possible TIGER grant is the reason why it was determined that the money should come from the 2017 budget.

- *Amendment to the prior motion, that expenses exceeding the \$200,000 FRIIP loan to come from 2017 operating budget – Nitschke/Spencer Passed Unanimously*

Nitschke thanked the Ad Hoc members for working on an agreement and thanked WSOR and WisDOT for providing the funds that to assist with the project.

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- *Motion to approve the plan for WRRTC to pay for their 1/3 cost-share by a FRIIP loan for \$200,000 provided by WisDOT, and the estimated additional cost share expenses of \$130,000 to come from WRRTC's 2017 operating budget – Nitschke/Spencer Passed Unanimously*
- *Motion to approve WRRTC application for FRIIP loan for \$200,000 provided by WisDOT – Nilson/Mace Passed Unanimously*

b. Discussion and action on 2017 budget amendments

Sweeney asked Gray to request from Matzinger a proposed amended 2017 budget. Gray agreed. Brownlee stated that the commission will need to adopt a resolution to approve an amended budget at the August meeting.

18. **Discussion and Possible action for authorizing Request for Proposal (RFP) for the stabilization of the Sauk City Bridge** – Alan Sweeney, Chair

Sweeney stated that he believed it would be a good idea to place this item on the agenda in anticipation of the commission's action on the previous items. Sweeney stated that he is looking for approval from the Commission for him and staff of the Commission to move forward with drafting an RFP for the stabilization of the Sauk City Bridge.

Ranum asked about WSOR's agreement to provide project management. Lucht stated that at the previous Ad Hoc meeting he had mentioned that WSOR will provide project management, as part of the overall cost of stabilization. Demby asked if the project management included engineering. Lucht responded that project management included working on the RFP (specification, documents, and advertisements for qualified contracts) in coordination with WRRTC and overseeing the contractors. Nitschke asked about the general timeline for the RFP going out. Sweeney responded that he has a goal of August and will try to have the RFP document ready by the August meeting. Brownlee stated that it cannot go out until the FRIIP agreement and the corollary agreement among WRRTC and WSOR are completed.

- *Motion to authorize the chair and staff to complete an RFP for the Sauk Bridge Stabilization – Nilson/Cornford Passed Unanimously*

19. **Discussion and Possible Action on 2018 Budget** – Alan Sweeney, Chair

Sweeney stated that this item should be moved to next month's meeting, but noted that it is required that the 2018 budget be approved at the August meeting.

20. **Adjournment**

Motion to Adjourn – Gustina/Cornford/, Passed Unanimously