

WISCONSIN RIVER RAIL TRANSIT COMMISSION

FULL COMMISSION MEETING - FRIDAY, AUGUST 10, 2012 @ 10AM
DANE COUNTY HWY GARAGE, 2302 FISH HATCHERY RD, MADISON, WI

1. 10:05 AM ~~Call to Order – Karl Nilson, Chair~~
2. Roll Call. **Establishment of Quorum – Mary Penn**

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	x
Dane	Gene Gray, Treasurer (XCom)	x	Sauk	Marty Krueger, Alternate	
	Jim Haefs-Fleming	x (left 11:17)		Carol Held	x
	Chris James	x		John Miller	x
				Dennis Polivka, Asst. Secretary (XCom)	x
Grant	Ivan Farness		Walworth	Jerry Grant	x
	Vern Lewison	x		Richard Kuhnke, 4 th Vice Chair (XCom)	x
	Robert Scallon, 2 nd Vice Chair (XCom)	x		Allan Polyock	
Iowa	Charles Anderson, Secretary (XCom)	x	Waukesha	Karl Nilson, Chair (XCom)	x
	William G Ladewig	x		Richard Manke	x
	Jack Demby	x		Fritz Ruf	x

Other present for all or some of the meeting:

<ul style="list-style-type: none"> • Mary Penn, WRRTC Administrator • Ken Lucht, Bill Gardner, WSOR • Frank Huntington & Roger Larson, WDOT • Jimmiy C. Landru Jr, Northwoods RTC • Shirley Grant 	<ul style="list-style-type: none"> • Forrest Van Schwartz • Scott LaRose, Scot Forge • Alan Anderson, Pink Lady RTC (10:13) • Harvey Kubly (10:18)
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3. Action Item. **Certification of Meeting’s Public Notice** – *Noticed by Penn,*
 - *Motion to Approve Public Notice, Thomas/Gustina, Passed Unanimously*

4. Action Item. **Approval of Agenda** – *Prepared by Penn,*
 - *Motion to Approve Agenda, Ruf/Cornford, Passed Unanimously*

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

On items 12 and 15 of the July minutes, Chair Karl Nilson said that during discussion on those items, it should be noted that Bill Wenzel contributed to the conversation as a citizen of Sauk County, not as a representative of the County.

- *Motion to Approve May Meeting Minutes with correction, Kuhkne/Gray, Passed Unanimously*

6. Updates. **Public Comment** – No Public Comment

Nilson told the Commission that Forrest had not been reappointed to the Commission and asked Van Schwartz say a few words to the Commission. Van Schwartz thanked the Commission for its welcoming environment. He had been “privileged and pleased” by being allowed to serve on the Commission. He said he would remain available for questions and help in the future.

7. Updates. **Correspondence & Communications** – No Report

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

- Treasurer's Report for July and Payment of Bills

Gene Gray distributed the treasurer's report, reminding the Commission that Jim will be back at meetings as usual at the September meeting

- **Motion to approve Treasurers Report and bills – Manke/Ruf, Passed Unanimously**

9. Wisconsin & Southern Railroad's Report on Operations – Ken Lucht, Bill Gardner

- Monthly Maintenance Update – Ken Lucht said he had hoped to have results of rail detection tests but the presenter of that info was not available. He said results will be released to the Commissioners by September adding that there are many miles of jointed rail showing defects which highlights the need for welded rail. Heat has continued to be a challenge, triggering restrictions on operations. Lucht said there have been numerous times in the past few months where operations have completely stopped, adding that due to sun kink, there was even a derailment on 7/4/12. Heat monitoring on the rail continues. He said that all the businesses affected by the delays and stoppages have worked with WSOR to continue shipping.
- Madison to Milton is almost complete. Some bridges remain to be completed by a sub-contractor and should be complete in the next couple months.
- 14 public crossings between Janesville and Monroe have had work begun on them this month.
- WSOR has submitted a number of applications to WDOT for the 2012/2013 the state grant funding cycle but no word yet on if they'll be funded including welded rail in Rock County (which is part of fox lake subdivision). Other projects submitted include the building of a siding outside of Milton. The siding is in a rural area and there is enough clear track (no crossings) so is a good opportunity. For building capacity, WSOR has made a joint application for the Madison /Reedsburg and Madison/Cottage Grove acquisition.
- Bill Gardner said there is an application in Walworth County to address 100 lb rail nea STH 14 towards Janesville that is so depleted, trains can only travel at 10mph. This would "take care of the whole end down there."

Gardner said that WSOR had done the appraisal on the Reedsburg line and asked Frank Huntington why WDOT was doing another appraisal. Huntington said that this was due to the legal advice of their (WDOT) attorney. Gardner expressed frustration that WSOR had invested time and money in a project that was now being done all over again. Huntington said that in matters of acquisition, WDOT often required that both buyer and seller get appraisals, adding that WDOT may use the WSOR appraisal for a comparison. Terry Thomas asked how long it would take to put the siding in if approved. Gardner said a year; Gene Gray asked if there was cost available on the Woodman bridge. Lucht said he'd get that amount to him.

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

Penn reported she had sent Commissioner Ivan Farness a get-well card from the Commission, sent out county contribution letters to the Commissioners, filled out the Sauk County budget request form, noting that Commissioner Dennis Polivka had offered to represent the WRRTC at the presentation to the Sauk County economic oversight committee, adding that Ken Lucht had also offered to support Polivka in his presentation. She told the Commission she had begun the creation of a data set of parcel numbers of WRRTC property in IL in the hopes that someday the parcels could be mapped and that she had received the 2013 General Liability Insurance policy from the Richgels-Shaefer Agency which is effect from 7/10/12 to 7/10/13. Lastly, she updated the Commission on the status of the various permits approved for Scot Forge, telling them that Scott LaRose of Scot Forge was at the meeting and could answer any questions they might have.

11. WisDOT Report– Frank Huntington, WisDOT

Huntington said that a number of funding applications had been submitted though some still need some questions answered. Hopefully all will be reviewed within the next couple of months. He said that bridge projects are a very big part of the work between WSOR and WDOT. He mentioned the Woodman bridge as an example of a project coming in at a higher cost than originally estimated, adding that there is a lot of bridge work as so many need work. He said funding announcements will be made within the next few weeks. The FRPP loan projects will also be announced in the next few weeks. On the UP line, WDOT is doing a title search and possibly an appraisal; there are no funds currently available to do it so it has to be funded by bonding, if approved, which is slow in coming but he hoped to have the Reedsburg line issue settled in terms of the budget by the end of the year. The Cottage Grove line is also part of this issue. Nilson asked if WSOR leases the Cottage Grove line which was affirmed. Huntington said that UP wants to sell the entire line as a package so that is how the State is approaching it. Due to the size of the acquisition, he estimated the price will be \$40-\$50M.

Although outside WRRTC area, he reported that total reconstruction work on lines near Kohler have just begin. Also, in the northern part of the state, WDOT will not be pursuing the purchase of any lines from CN or UP. They have changed their plans for selling and

he said this is a period of rejuvenation for private lines in the State. Chris James asked Lucht how many trains are going through the Cottage Grove line at this time. Lucht said there are 3/week with no plans to increase that.

12. Update on amendments to WRRTC-WSOR-WisDOT contracts in regard to insurance and reporting. Changes possible in all three agreements: WisDOT-WRRTC Land Use Agreement, WisDOT-WRRTC Grant Agreement, and WRRTC-WSOR Operating Agreement – Frank Huntington, WisDOT

Huntington said there is no additional information from WATCO/WSOR on this issue. He said things are fine because they have a special rider so the State is satisfied with coverage for now.

13. Consideration and possible action on WSOR's Proposed Capital Plan and Budgetary Request for 2013/2015 State Biennial Budget – Ken Lucht, WSOR

Lucht distributed a packet of information, and said that WSOR is preparing itself for the new State budget cycle. They expect the next 2 year budget to be signed by July of 2013. He said there are about 285 miles of publicly owned trackage in WRRTC's jurisdiction alone so the Commission has a stake in this issue. He asked the Commissioners to advise their chairs and staff to write a letter of support for this plan/budget request. He then gave a general history on the relationship of private/public freight rail service, highlighting the public/private partnership between the state and private interests in order to preserve localized freight rail service. He said WSOR maintains all rail they lease and improves the line as they need them. He next showed a map showing the WSOR active area, including WI and IL trackage. Nilson noted for the benefit of new Commissioners that the line (land, infrastructure, etc.) in IL is owned solely by the WRRTC, not the State. Lucht highlighted the need for rail freight services in the State, noting savings for businesses giving examples of direct transportation cost savings to local economies adding that rail also saves on highway maintenance. In addition, 24,000 people have freight rail service related jobs in the 20-county area WSOR serves. He said in the last 5 years, forty new businesses have been added and a dozen more are planning to be built to access rail service, highlighting United Ethanol, Leeco Steel, and Mor Agra Grain as examples. Fritz Ruf asked what percent of WSOR is ethanol related. Gardner said less than 10% is related to ethanol business. Lucht gave trending information out to 2016 on the number of car loads which showed upward trends as the economy improves. By 2016 WSOR should be at an historic level of shipping. James asked Lucht if there was an update on a business in Mazomanie and Lucht said it is going thru the permitting process. The challenge to WSOR's plan is to get support from the state, the counties, and the RTCs for basic infrastructure needs (ties, structures, etc.) which is challenging with increased tonnages. He pointed out that continued installation of welded rail needs to be done to reflect the needs of increased tonnages, adding that 75% of the rail system is in jointed rail which is not sufficient or safe for operation. He showed diagrams of degraded rails (welded vs jointed) on the Prairie du Chien line, comparing current line to new line, where they found that the 85lb rail is now only 74.5lb rail due to rail degradation. Nilson reminded new members that rail poundage is based on a 3' section of rail. Lucht showed an example of broken rail found by an inspector (on 90lb) rail which was a total break. The proposed budget asks for funding for the Prairie du Chien subdivision (partly because of increased grain shipping due to new grain elevators along that track including Boscobel). Next, he described how the Waukesha to Milton line needs work as the rail only allows for 10 mph movement and the intent is to improve it so trains can travel at 25mph). This contributes gross inefficiencies in terms of economics. Ruf asked for tie and rail costs. Huntington said that it costs \$650,000/mile of track, \$1M per mile for all costs. As a point of justification for rail endurance, Lucht said a properly maintained tie will last 30 years so there is a cost savings for rail vs roads. He said WSOR wants to update the Prairie section because of the harbor in Prairie du Chien and future shipping options. WSOR wants to acquire new corridors but also maintain the trackage it currently leases. Gardner explained WSOR's reasoning in asking for \$90M in their budget; WSOR needs at least \$60M for additional funding to be used to buy the Reedsburg line. By getting more funding, WSOR can react quickly to buy more trackage. Alan Sweeney asked if the \$60-\$90M was for projects statewide and Gardner confirmed that. Bill Ladewig asked if what the costs were for upgrading. Gardner quoted Huntington's \$650,000/mile figure. Lucht then showed some before-and-after track photos to illustrate the imperative for infrastructure improvements. He also showed photos of typical bridges on the Monroe subdivision which all showed decay and are in critical condition in terms of freight rail. He explained the FRPP program, noting that the bulk of any local match would be met by the operator with much lesser amounts being asked of the RTCs. He explained the Ad Valorem tax which is made on all of WSOR's trains, and goes directly into the State general transportation fund, saying that this would be a fully funded program and not acquired via a public tax. He highlighted the economic benefits from WSOR such as jobs, property taxes, and their associated streams of revenue. He concluded that there are 600 miles of WSOR railroad in Wisconsin and he said that WATCO/WSOR is committed to staying, maintaining, and expanding rail in the State through the public/private partnership. He asked again for a letter of support from the WRRTC to go Transportation Sec. Gottlieb to support this budget request. He also encouraged the support letter be copied to the Governor. There were some questions regarding the content of the support letter and what it should say; Nilson assured the Commission that the language of the letter would be made available to the Commissioners and they could use it as a model in drafting support letters for their respective counties.

- **Motion to draft a support letter for WSOR.** Ruf – Sweeney, Passed Unanimously

Chair Nilson called a break at 11:23 AM. Commission reconvened at 11:31 AM.

After reconvening, the Commission returned to Item 9 upon Gardner's request, whereupon he talked about WSOR's workforce and that some of their newly hired staff were young and didn't have a good work ethic. He said they've reported that the work was too hard and they often would not come back to work after a few days on the job. Nilson said if anyone knew folks who were looking for work to contact Ken Lucht because WSOR is understaffed in certain aspects. Gardner said people could apply online or call (414-438-8820 x to Human Resources). The website has all the application materials (www.wsorrailroad.com).

At this point, Nilson introduced Chris James, newly appointed Commissioner from Dane County to the whole Commission.

14. Presentation on the Northwood's Rail Transit Commission's current and on-going efforts to preserve freight rail service in Northern Wisconsin – Jimmy Landru, Jr, NRTC Vice Chair

Jimmy Landru, Jr, Supervisor for Forest County, introduced himself to the Commission as Vice-Chair for the Northwoods RTC and discussed the reasons and motivations behind the founding of the Northwood's Rail Transit Commission which currently includes 9 counties with the potential for another Wisconsin to join (Ashland) and the possibility that some Upper MI counties would also join if interstate issues could be resolved. He said Wendy Gelof from Florence County is the Chair and that the respective NRTC counties will contribute \$500/per year, adding that the North East Regional Planning Commission will be staffing the Commission for the first year. His intention in attending the WRRTC was to see how the WRRTC runs. The NRTC meets at the Oneida County Airport as it seems to be the most central to their location. Timber is the driving need for freight rail service and since loggers are only cutting at 40% of quota, there is a serious strain on the local economy. He said cutting has been reduced because of problems and lack of rail shipping option as 2/3 of northern WI railroads are out of service. He said WDOT has begun to do an economic analysis on the line to see the impacts of freight rail and to hopefully show a need for an active freight railroad. He thinks that if everything come together, the NRTC will help the northern state economy as well as open more hunting/gathering land for native American nations in the upper part of the state. Gardner said that it is very important for all the separate RTCs to work together, listing the number that currently exist and the counties that belong to them. Landru said that the NRTC supports the WSOR's \$90M Statewide request, saying that we should be working together to benefit both north and south state RTCs.

15. Discussion of current WI rail commissions' functions and relationships with each other – Karl Nilson, WRRTC Chair

Harvey Kubly, chair of PRTC and SCWRTC presented to the Commission on the issue of relations between the PRTC and the WRRTC, noting that the PRTC is an odd ball commission because one of its counties does not have active rail but trail. The Tri-County Trail Commission corridor is owned by the PRTC, not the WDOT. He said that Green County is the only member of the commission that has rail that doesn't belong to the WRRTC and for "a long time" Green County has always forwarded its county contribution to the WRRTC. However, there has been much discussion on the PRTC on the lack of a formal agreement on the funding situation between the RTCs. Therefore, he reported that in January the PRTC made a motion to address this issue as it is a long overdue issue with an outcome that, at the very least, would result in a memo of understanding (MOU) between the RTCs. Nilson said that the argument to having a little bit of railroad in a county grants access to the whole freight rail system and that the rail operator decides on what part of the track to work on, rather than the RTCs deciding. Kubly noted another PRTC issue is that Lafayette County is not contributing a county contribution but the main thing is that everyone should know what the situation is and where taxpayer money is going and that something a little more formal should be written. Sweeney said that the issue is that although the railroad (WSOR) decides where work is done, in the past there had been an attempt to create a system or an understanding on the disbursement of funds which is long outstanding and that it made sense to make at least have an MOU. He added that if there is a chance to come to some sort of formal agreement, the RTCs should take it. Nilson then asked if Sweeney would be chair of a committee to address the issue and Sweeney said that he would do so. Lucht said that the reason why the PRTC had been contributing to WRRTC for so long was because there had been no capital projects in the PRTC area. In the past few years there have been capital projects in the PRTC area and in those years, the Green County contribution has gone to those projects. Gray said that WSOR knows where the funds need to be dedicated. Lucht said that when WSOR is doing projects, they bring those to the Commissions for their input. Huntington gave a short history on past attempts to create such a document or agreement in the past.

- **Motion to request WRRTC chair establish a committee to work with PRTC on a formal funding agreement.**
Manke – Sweeney, Passed Unanimously

16. Discussion and possible action on recruitment and appointment of WRRTC Commission member as liaison between WRRTC and UW-Extension Freight Rail Study – Karl Nilson, WRRTC Chair

Nilson asked for a volunteer to replace Van Schwartz as the liaison to the Freight Rail Study. Gray volunteered to be that liaison. Jerry Grant suggested that since Van Schwartz had so much experience he could act as a consultant on this project.

- **Motion to retain Forrest Van Schwartz as advisor on the UW-Extension Freight Rail Study.** *Grant – Gustina, Passed Unanimously*

17. Discussion on WRRTC voting protocol – Karl Nilson, WRRTC Chair

Nilson reiterated voting protocols to the Commission, explaining what the procedures are, both on Full meetings and X-Comm meetings. He noted that any commissioner who comes to an Executive Commission meeting can speak but only one per county can vote.

18. Consideration and Approval of 2013 WRRTC Budget

Penn explained that in working with Jim Matzinger in doing the Sauk County budget request form, it seemed a good idea to do the budget in August rather than in January since that is when counties do their budgeting process and Matzinger already had the draft budget prepared.

- **Motion to accept 2013 draft budget as presented.** *Grant – Gray, Passed Unanimously*

19. Action Item. Adjournment

- **Motion to adjourn made at 12:19.** *Manke – Cornford, Passed Unanimously*

WISCONSIN RIVER RAIL TRANSIT COMMISSION

FULL COMMISSION MEETING - FRIDAY, JULY 6, 2012 @ 10AM
 DANE COUNTY HWY GARAGE, 2302 FISH HATCHERY RD, MADISON, WI

1. 10:04 AM **Call to Order** – *Karl Nilson, Chair*
 2. Roll Call. **Establishment of Quorum** – *Mary Penn*

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
Dane	Gene Gray, Treasurer (XCom)	x	Sauk	Terry Thomas	x
	Jim Haefs-Fleming	excused		Marty Krueger, Alternate	
	Forrest Van Schwartz, Advocate	x		Carol Held	
				John Miller	
Grant	Ivan Farness		Walworth	Dennis Polivka, Asst. Secretary (XCom)	x
	Vern Lewison			Jerry Grant	
	Robert Scallon, 2 nd Vice Chair (XCom)	x		Richard Kuhnke, 4 th Vice Chair (XCom)	
				Allan Polyock	
Iowa	Charles Anderson, Secretary (XCom)	x	Waukesha	Karl Nilson, Chair (XCom)	x
	William G Ladewig			Richard Manke	
	Jack Demby			Fritz Ruf	

Other present for all or some of the meeting:

<ul style="list-style-type: none"> Mary Penn, WRRTC Administrator Ken Lucht, WSOR Frank Huntington & Ron Adams, WDOT 	<ul style="list-style-type: none"> Alan Anderson Pink Lady RTC Bill Wenzel, Citizen, Sauk County Donna Stehling, Sauk County Supervisor
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Prior to Item 3, Karl Nilson said that at August’s meeting, the Commission will discuss voting procedures and customs for both the Executive Committee and the Full Commission.

3. Action Item. **Certification of Meeting’s Public Notice** – *Noticed by Penn,*
- Motion to Approve Public Notice, , Cornford/Gustina, Passed Unanimously*
4. Action Item. **Approval of Agenda** – *Prepared by Penn,*
- Motion to Approve Agenda, Polivka/Thomas, Passed Unanimously*
5. Action Item. **Approval of draft May Meeting Minutes**– *Prepared by Penn,*

Charles Anderson asked if a cost given in a sentence in item 15 were correct (“*The occurrence level would go from \$10 million to \$5 million because it is only for property damage.*”). Upon confirming with Ken Lucht, the minutes were corrected to read (“*The occurrence level would go from \$5 million to \$10 million because it is only for property damage.*”).

- Motion to Approve May Meeting Minutes with correction, Scallon/Cornford, Passed Unanimously*

6. Updates. **Public Comment** – *No Public Comment*

7. Updates. **Correspondence & Communications** –

Forrest Van Schwartz distributed four handouts. He particularly highlighted one on a rails-to-trails program in Pennsylvania. Penn distributed a copy of the support letter from Secretary Gottlieb on the economic freight rail study. It was sent as part of the freight rail study survey.

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

- Treasurer’s Report for May and June and Payment of Bills

Gene Gray distributed the treasurer’s report, reminding the Commission that if they had questions for Jim they could ask him when he returns to regular non summer hours.

- **Motion to approve Treasurers Report and bills** – *Anderson/Gray, Passed Unanimously*

9. **Wisconsin & Southern Railroad’s Report on Operations**

Ken Lucht said that there is a lot of WSOR activity this summer. He said the rail detector car is running tests and gathering data and he will present the data on any defects at the August meeting. Due to the extreme heat, he reported that the welded rail has been measured as high as 145F and high heat requires either holding trains or reducing speed. On July 5, 2012 no WSOR trains ran due to high heat. A quarter of their customer base has been affected. He described it as a “thermal misalignment”. He next reported on the status of 10 bridge work projects, noting that the Waukesha project is nearly complete. He showed a graphic identifying the areas of track and type of rail (welded or jointed) in the system. He told the Commission that the Monroe sub has about 14 crossings projects that will begin this month. For 2012 funded projects, the John Nolan drive bridge project is getting started. Also three structure projects will begin. He then reported that WSOR had just signed a tie replacement agreement with WDOT.

Next, Lucht said that February had been the deadline for the Freight Rail Program (FRP) and noted that WSOR had an application to it to realign track near Avalon, an application for a new siding between Milton and Anderson, near Milton Propane, to improve capacity in Rock County, and three and four additional applications.

Alan Sweeney asked about the Translo project near Janesville; Lucht said that that project is funded only by WSOR.

Gene Gray asked about the Woodman bridge project and its cost, which Lucht said he will get. Nilson commented that UP is updating track in Waukesha for the “first time in 50 years”.

Bob Scallon asked if cold or heat is worse for the rails. Lucht said the maintenance folks could answer that. Frank Huntington said that any extreme is hard on the rails. Terry Thomas asked about the future inspection tour and with budget questions coming up, could they include some state representatives? Lucht said that it’s very likely they’ll go on the Prairie du Chien line since those are slated for complete replacement in the next two years.

Lucht said there had been a derailment on 7/4/12: a train of 20 cars pulling out of Cottage Grove and 6 cars derailed. Three tipped but there were no injuries and no hazardous spills. The tipped cars were 3 tons overweight. This and “sunkink” contributed to the accident. Clean-up is underway and the tipped cars will be scrapped and the freight (corn) is being collected.

Lastly, he said that WSOR is preparing for the next 2 year state budget (2013-15) and since the FRP budget was cut a bit in the current budget and he had hopes that the new budget would replenish the budget back to old levels, including additional funding for acquisitions since that money is used to buy but not for infrastructure.

He said there is a complete rehab proposed for Waukesha and Prairie du Chien. He added that in August or September he will make a more formal presentation on this. He showed a graph displaying different cross sections of rail showing the degradation of the rails, adding that some of the rails are showing 100 years of wear.

Alan Anderson said he’d seen lots of ties in Spring Green and asked if those were for those projects but Lucht said those are for tie replacement on current track, not for capital projects. Van Schwartz reiterated the speed rules for track type to explain why the ties needed replacement, even on old welded rail track.

Lucht told the Commission they did not get any TIGER funding in this round of funding and thanked the Commission for their support.

Gray asked Lucht if he had employee counts to see if there is improvement between this year and last year? Lucht said there have been increases in the past year. Schwartz said the study will answer questions like this when it is completed.

Scallon ask Huntington if the federal government funding for rail in Wisconsin were reimbursed. Huntington said that money was reimbursed.

5 minutes estimated | Update

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

Penn reported that she had attended a staff meeting between WSOR and WDOT on June 14th. At that meeting she had spoken to Ben Meighan, confirming that neither she nor WSOR had received crossing standards for the Scot Forge Transfer car. She also said she had been working with Tom Shaefer to get the 2013 WRRTC liability insurance.

Scallon told the Commission that Ivan Farness was very ill and in a nursing home and suggested the Commission send a card which Penn said she would do.

11. WisDOT Report– Frank Huntington, WisDOT

Huntington reiterated the work in Waukesha that Lucht mentioned in his report. In regard to a bridge management study, he said that when the overweight study was completed, the derailment problem could be better managed for light and/or old rail. This work is a result of a federal mandate for WSOR, helped with WDOT funding. He said there a lot of projects getting started and funding of new projects will happen once they are reviewed but it takes time.

In regard to the Eagle property on the agenda, he said that the fire department Eagle had requested using the property but upon talking with WSOR, WDOT is not inclined to sell it. It is not an issue for the RTC as it is outside WRRTC purview. He said that it may come back to the Commission at the next meeting. The fire department wants to expand its station on the property and at this time they do not have permission to do so. Huntington said he wanted the Commission to know about the issue as it may come back to them.

He then reported that about 2 weeks ago a Stoughton business approached WDOT with an issue but he had gotten no information from them to present to the Commission. The company wants to use a ramp for loading/unloading which would be via a lease on the ROW, and WSOR would potentially support this request. This issue may come back at a future meeting.

12. Discuss possibility of local match for the Madison to Reedsburg Union Pacific rail line acquisition pending State funding – Frank Huntington, WisDOT

Huntington said that Reedsburg acquisition had come up in the past and that the application is being reviewed and if approved, could potentially be in the budget in the next biennium (possibly next July), adding that the current estimate of track price is \$7M – \$10M which would need a 20% local match. The property is still being evaluated (he noted that the current estimate is somewhere around \$40M and would be paid by WDOT). He said that if this happens, a local match would be needed. In order to be prepared for the possibility of the acquisition, Huntington recommended the counties, the Commission, the shippers, and the railroad might want to start talking about funding the local match in order to get funding in line. Nilson asked if this section would be included in the rail study. Lucht said it would. Huntington said if the local match were not there it could delay the project. Anderson asked if Huntington did the appraisal himself. He replied that UP gives them a net liquidation value and WDOT does the same thing with vendors and contractors to try to determine a correct appraisal. He said that the land values are a different situation and said there needs to be a title search and their own appraisal. Anderson asked if Pink Lady were in Sauk County and if so would it be involved in paying part of the local match? Huntington said as a member of Pink Lady and WRRTC, Pink Lady would probably agree to be integrated add into the WRRTC. Anderson said that if the State buys the line, the Pink Lady may dissolve if the State becomes the track owner. Pink Lady might work w/local shippers and promote freight rail and he did not know if Sauk County would want to contribute (to a local match). Anderson then asked if the Commission knew how much rail is in Sauk County and if so, would the respective counties pay a percentage of track in their counties?

Bill Wenzel, citizen of Sauk County, said that from his experience with Sauk County there isn't much money around and asked Huntington if there'd been any discussion with communities along the track but he replied WDOT had only been talking to Pink Lady and said it was the responsibility of the Commissioners to start talking about the funding issues with their counties.

11:05 Nilson called a 10 minute break.

Reconvened at 11:16 AM

13. Update on amendments to WRRTC-WSOR-WisDOT contracts in regard to insurance and reporting. Changes possible in all three agreements: WisDOT-WRRTC Land Use Agreement, WisDOT-WRRTC Grant Agreement, and WRRTC-WSOR Operating Agreement – Frank Huntington, WisDOT

Huntington told the Commission that WDOT is still waiting for information from WATCO/WSOR, adding that WSOR was also waiting for WATCO to give WSOR information too. Anderson asked if WRRTC were underinsured at the moment but Huntington

ADOPTED WRRTC MINUTES

said that the Commission was still being held harmless and that the current levels of insurance were the same as they'd been for the past 20 years. He said the issue was changing the SIR level.

14. **Consideration and possible action on WRRTC 2013 liability insurance with Richgels-Shaefer Insurance.** – *Mary Penn, WRRTC Admin*

Penn told the Commission she had worked with Tom Shaefer to gather the necessary information for the Commission's liability insurance. Nilson read a letter from Richgels/Shaefer to the Commission, noting the amount was the same as last year and that the deductible amount had dropped from \$20,000 to \$15,000, total to equal \$15,533.

- **Motion to authorize Mary Penn to notify Tom Shaefer the Commission accepts the insurance.**
Gustina/Polivka, Passed Unanimously

15. **Consideration of WRRTC 2013 local county contribution value**

Nilson asked Huntington if the counties should be asked to up the contribution based on the possible acquisition of the Reedsburg line and if asking for more money now is probably not a strong argument? He asked if the shippers contributed more, would the shippers then get more "sweat equity" and get more if the line were salvaged? Van Schwartz said that in some cases shippers have financed and then been refunded on a business return. Wenzel said that there might be the possibility of shippers being a source of the local match. Sweeney asked for clarification between capital improvements and acquisition and if there was a history of acquisition costs being shared or if it was borne by the affected counties? Huntington said that in the past when a line was acquired, the cost was paid based on the percent track in the specific county. More recently, there were lines purchased from WSOR and in those cases, the state paid 20% less. He then reiterated that in the past, the mileage per county determined the costs per county. Polivka asked if the price for the line was formalized yet but Ron Adams said it was still being determined. Polivka said that before the Commissioners start talking about a local match amount they should know the buying price. However, Huntington said his point in bringing the issue up now was to try to get funding lined up now, rather than waiting until next summer. Huntington said the price would depend upon the salvage price of the track and the local match would be 20% of that. Land acquisition is more complicated due to the appraisals and title searches and that work could take until the end of the year. Polivka asked if there would be a local match for land acquisition but Ron Adams said no. Nilson said that a letter should be sent to shippers to see if they would contribute. Donna Stahling said certain state mandates the counties operate under cause the counties to not have much money to spend.

Nilson said he thinks the Commission should bill the counties for what they're currently billed for. He asked if anyone had a problem with rounding up the sum to \$27,000? Nilson said for the acquisition, the Commissioners would need to get all the players at the table to discuss the 20% funding issue. Anderson asked if the railroad had any sort of a monetary commitment to the project? Lucht said that WSOR has been open to funding for 30 years but that the counties need to show their commitment to this. He added that there's had been some talk that the cost of the Reedsburg track may not come out of grant funds but might be a line item in the state budget. Huntington said the funding from the grant program would be most likely and perhaps the easiest option.

Wenzel said that when Sauk County did a bridge study, WSOR helped pay for it. He noted it is important that a distinction be made between capital improvements and acquisition and that it could be perceived that the taxpayers were being asked for an additional tax in hard times.

Anderson said if the state can't buy the Reedsburg line, could WSOR keep using it? Huntington said the lease has just been renewed and is an active track. He suggested that the survey would perhaps shed some light on where the money would be best used (Lucht interjected that it is a 5 year lease). Nilson said the Commission will look to WSOR for guidance on the issue.

- **Motion to raise the county contribution to \$28,000 for 2013 (which includes \$1,000 for insurance).**
Sweeney/Gray, Passed Unanimously

After the vote, Sweeney said that an increase shows a commitment to capital improvements to the rail system the WRRTC is responsible for. Adams said that the WRRTC funding from counties goes towards rail improvements, not maintenance.

Scallon then asked what was the status of the relationship with Jefferson County? Sweeney said that the WRRTC has reached out to that County but he thought that Commissioners should approach individual supervisors of Jefferson County to see if there are county businesses who would benefit.

16. **Motion to adjourn meeting at 11:45 PM.** *Thomas/Gustina, Passed Unanimously*