

WISCONSIN RIVER RAIL TRANSIT COMMISSION

FULL COMMISSION MEETING - FRIDAY, NOVEMBER 8TH, 2013 @ 10AM
 DANE COUNTY HWY GARAGE, 2302 FISH HATCHERY RD, MADISON, WI

1. 10:00 AM **Call to Order** – *Alan Sweeny, Vice-Chair*

2. Roll Call. **Establishment of Quorum** – *Troy Maggied*

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|----------|---|---|----------|---|---------|
| Crawford | Tom Cornford, 3 rd Vice Chair (XCom) | X | Rock | Ben Coopman, Alternate | |
| | Rocky Rocksford | X | | Wayne Gustina (left 12:10 PM) | X |
| | Vacant | | | Alan Sweeney, 1 st Vice Chair (XCom) | X |
| | | | | Terry Thomas | |
| Dane | Gene Gray, Treasurer (XCom) | X | Sauk | Marty Krueger, Alternate | |
| | Jim Haefs-Fleming | X | | Carol Held | Excused |
| | Chris James | X | | John Miller | |
| | | | | Dennis Polivka, Asst. Secretary (XCom) | X |
| Grant | Gary Ranum | X | Walworth | Jerry Grant | X |
| | Vern Lewison | | | Richard Kuhnke, 4 th Vice Chair (XCom) | |
| | Robert Scallon, 2 nd Vice Chair (XCom) | X | | Allan Polyock | X |
| Iowa | Charles Anderson, Secretary (XCom) | X | Waukesha | Karl Nilson, Chair (XCom) | X |
| | William G Ladewig | X | | Dick Mace | X |
| | Jack Demby | X | | Fritz Ruf | X |

Commission met quorum. (WRRTC quorum for Full Commission is at least 13)

Others present for all or some of the meeting:

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| <ul style="list-style-type: none"> • Troy Maggied, SWWRPC • Eileen Brownlee, Kramer & Brownlee • Forrest Van Schwartz, Consultant • Virgil Kasper, PLRTC • Frank Huntington, WisDOT • Kim Tollers, WisDOT | <ul style="list-style-type: none"> • Jeff Maloney, Vandewalle & Associates • Tom Stetzer, Strand & Associates • Jeff Kraemer, Kraemer Development • Mark Opitz, City of Middleton • Ken Clemmons, WSOR • Ben Meighan, WSOR |
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3. Action Item. **Certification of Meeting's Public Notice** – *Noticed by Penn*
 • *Motion to approve public notice of meeting – Cornford/Ruf, Passed Unanimously*

4. Action Item. **Approval of Agenda** – *Prepared by Penn*
 • *Motion to approve agenda – Polivka/Ruf, Passed Unanimously*

5. Action Item. **Approval of draft October Meeting Minutes** – *Prepared by Penn*
 Corrections - Item 11 - November 13th, not 14th at MSN Crown Plaza 8 am
 Comment - Item 7 - November 5th was the date for Governor's Freight Conference, not the date for the Freight Rail Conference Milwaukee at the Crown Plaza
 • *Motion to approve draft October Meeting Minutes with corrections – Ruf/Mace, Passed Unanimously*

6. Updates. **Public Comment** – *Time for public comment may be limited by the Chair*
 No public comments.

WRRTC FULL COMMISSION APPROVED NOVEMBER 2013 MEETING MINUTES

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

Forest Van Schwartz reminded the Commission that the Annual Freight Rail Conference was next Wednesday in Madison. Maggied distributed four handouts, including copies of the economic analysis study done by UW Madison and UWEX. Van Schwartz recommended the study be put into PDF and circulated to the group. Maggied shared a 10/31/13 story from the Fennimore Times on Freight Rail comeback and said he would have Mary Penn scan and mail to the group electronically.

8. Updates. **Announcements by Commissioners** – *No Discussion Permitted*

Alan Sweeney welcomed Karl Nilson back to the meeting. Nilson said it was good to be back and that he had had a couple of heart attacks. He said he had had an operation one week ago but that he was “a tough old bird”. He told the Commission it was the first time he had been in the hospital being sick and thanked everyone for their support. The Commission was informed that Sweeney would be in charge until further notice. Mary Penn was requested to put a map of the rail system in the meeting packets as the one included was too small to be legible. Van Schwartz noted that the map would download full sized but there were many errors to it.

REPORTS & COMMISSION BUSINESS

9. **WRRTC Financial Report** – *Jim Matzinger, Dane County CPA / WRRTC Accountant* Treasurer’s Report for November and Payment of Bills

Checks included:

- Johnson Block \$1000.00, Audit Fee – Progress Bill
- Dane County Highway - \$193.73, Sept. Accounting

Jim Matzinger gave the Treasurer’s Report and noted the bills to be paid. He commented that the Commission is in good shape, noting the Commission had \$321,000.00 in assets, \$211,000.00 of which is for the 2013 rail project. He said these funds had not yet been billed, therefore the money was still available. The money available in the rail operating fund was \$38,000.00. Matzinger said that the budget balances to zero, with \$224,000.00 from the counties, but the Commission had only paid out \$208,000.00 to WSOR. He said the difference between the county contributions and expenditures went to operating expenses. He noted the deficit for operating expenses was paid from taking money from county contributions, which kept that money from going to the railroad. In expenses Matzinger said that payment for the year’s management was yet to come, but that accounting bills were paid up through August, adding that the audit bill was coming soon and the bill for legal advice comes in December. He said several bills had yet to come in and when they did he would know what the final balance was.

- *Motion to approve Treasurer’s Report and Payment of Bills – Anderson/Ruf, Passed Unanimously*

10. **Wisconsin & Southern Railroad’s Report on Operations** – *Ken Clemmons, WSOR*

Ken Clemmons gave the report. He noted that the Madison project needed one more bridge for completion of the project. He said the Waukesha sub is complete but for the paperwork and final inspection. In 2014 there will be five bridges on the Fox sub to complete and that continuous welded rail (CWR) will be installed from Janesville to Avalon, as well as an 800’ siding. Currently they are putting ties in as maintenance on the Prairie sub, trying to be done before freezing winter weather. In 2013 maintenance projects, the Fox Lake sub work is complete. This work was not funded by the Commission. Clemmons also noted that ties have been put in at Elkhorn which is the first maintenance work since the original rehab work. He said that the Janesville yard has had 3500 ties put in and resurfacing work done.

In business development, Clemmons reported that Menards opened a distribution center in Iron Ridge in June. It is a 40 acre lumber and distribution site. Frontier FS in Marshal is adding onto track to bring in liquid fertilizer solution, expanding from dry pot ash. He said the track would be completed in the next week or two. Finally, Clemmons said that they have a new customer in Beaver Dam which will be making plastic parts by the first of 2014. Sweeney asked if ties from Cassville were being recycled. Clemmons said they were being either ground on site or hauled to the Cassville power plant. He said the power plant was very interested in any ties WSOR would have: they have visited to get the first bid. Gene Gray asked if car loads were up or down. Clemmons said WSOR is down for grain but that might pick up with harvesting, adding that the Boscobel ADM facility is one of the busiest. He noted that Janesville built a large load out facility for shuttle trains and that there had been three yet this month since it had opened. Charles Anderson asked about the load of a 120 car train in Muscoda. Clemmons said it was probably both corn and sand. He said that sand loading in Prairie du Chien was expanding with almost every line segment handling some sand. He said there were 5,000 – 6,000 sand cars per year from a single site and that the Marcus Ann line was looking to expand silica sand.

Clemmons said with trucks crossing the Mississippi there was a lot of double handling of material. He noted that infrastructure was very short and they were looking to expand. Meighan said they were trying to figure out how to use the limited space to put in more track but not long track. He said each switch costs \$70,000 so with only 10 cars, the economics did not work out. He said only manpower was getting them through as they were hemmed by geography.

WRRTC FULL COMMISSION APPROVED NOVEMBER 2013 MEETING MINUTES

Gary Ranum asked how many cars of sand were likely to move in the next year out of the Prairie sub. Clemmons said 3,000 to 4,000 with 15 bridges needing work to prepare for this. He said there is currently a bridge management study that needed to be completed by next year. The study would evaluate and report on every bridge needing work and then scheduled for said work. At this time WSOR runs trains at 10 mph due to capacity issues. Clemmons said the line could handle the traffic but they had to go slowly which resulted in a lot of travel time.

Chris James asked about the status of improvement on the line going to the Lycon facility in Oregon. Ben Meighan said that WDOT had notified them that the work will be funded and they were waiting for approval on bonding.

Dennis Polivka asked why the trains ran so slowly. Meighan said that they could run at 25 mph but that reduced the life of the track. Running at 10 mph extended the life of the track since slow speeds reduced impacts to bridges, adding that 99% of them were timber and not designed for the loading weights of the day. He said heavy loads could start a wave action if the trains ran too fast. He said the Prairie sub going over the Wisconsin River sat on 20' of silt and sand, then bedrock a combination of which could cause "jellying" and settling out.

Clemmons said they had done a boring for the new bridge in Wauzeka. They are close to boring down to bedrock for seat pilings that will carry today's loadings.

Dick Mace asked about improvements. Clemmons said that not every repair is meant to be for a lifetime but only for 10-12 years to extend infrastructure life for budgeting purposes and scheduling improvements to result in somewhat higher train speeds.

11. Discussion, commendations, presentations, and possible action concerning Resolution to honor retiring Ben Meighan, WSOR – Alan Sweeny, Vice-Chair

Alan Sweeney presented Ben Meighan with an honorary plaque and resolutions from both the WRRTC and the PRTC.

- *Motion to pass resolution honoring Ben Meighan, WSOR, for his years of service – Mace/Ruf, Passed Unanimously*

Nilson said he had seen the work Meighan had done and said he had done it well and could not have happened without Meighan's leadership. Nilson said Meighan had had a challenging job of keeping the railroad going and said the rail transit commissions were an example of intergovernmental cooperation and public/private collaboration.

It was announced that Roger Schaalma with 17 years with WSOR had taken up Meighan's position and for the last 1 ½ years has been overlapping jobs. Meighan was still communicating with him until his official retirement in February.

12. WDOT Report – Frank Huntington, WDOT

Frank Huntington said he had enjoyed working with Meighan who had done a fantastic job.

He reported that the Oregon line had received final approval and the contracts were in WSOR's hands. He said WDOT will sign them. Huntington also reported on the Madison track work. On the Reedsburg line, WDOT is still negotiating with UP and they have entered into contract with a consultant to do some underwater inspections. He said it was a good investment as there has been heavy rain and high water in recent years. He was not anticipating any issues from the inspection.

Huntington reminded everyone about the WDOT Freight Rail Conference and encouraged everyone to try to attend. He said the Governor's Freight Summit had gone well and they were looking at an alternative date next year to create less confusion between the various conferences. He said they may combine Freight Rail Days and the Governor's conference, or move one to the spring.

Nilson asked about the attendees at the Governor's Freight Summit. Huntington said there were a number of industry representatives presenting. He said about 170 people signed up, including those from a broader range of industries, businesses, providers, etc. He said the main focus was truck, air, water, and rail freight. The majority of time was dedicated to highway freight. Canadian National was the only railroad that presented.

13. WRRTC Administrator's Report – Troy Maggied, WRRTC Admin.

Maggied distributed the list of the 2014 meeting dates to the Commissioners.

14. Consideration and Possible Action on City of Middleton Hwy 12 Road Connection Project Involving ROW Encroachment – Tom Stetzer, Strand Associates, Inc.

Huntington gave some background on the project, noting that the road was along rail, under State Highway 12. He said they were close to a final design and that there had been a lot of comments and review by both WDOT and WSOR. He said the Commission

WRRTC FULL COMMISSION APPROVED NOVEMBER 2013 MEETING MINUTES

could take action today if they wanted. He noted that WSOR had not made its final determination but the City had taken action to address most of the concerns brought up by the railroad.

Tom Stetzer said he had taken all the comments from the previous meeting and incorporated as many as possible. He said he had set up a design meeting with WDOT and WSOR where they had discussed the final details to get to the final design. He said that the sidewalk had been moved to the north side of the road, as far from the track as possible with 20' of pavement with curb and gutter. The 8' sidewalk would give pedestrians more space and comfort, as well as snow removal storage. An additional sidelight facing west was designed to give eastbound travelers a sightline to see if a train was coming when making a right turn out of the development. Also, a small raised median south of the tracks was put in to prevent U-turns on top of the track. Capital Brewery had been consulted to ensure that truck delivery for grain could continue. A 6' fence was added south of the bridge columns between the road and the tracks. They consulted with WDOT on pier maintenance. Stetzer said more WDOT coordination is need for the final approval and there need to confirmation that abutments were not impacted. All improvements were outside of the 33' corridor.

On the tie-in to High Point Road, Stetzer said the proximity of abutments prohibited street curving up enough to make a 90 degree connection. He said that no abutment would be encroached upon without too critical a radius.

Van Schwartz said that the safety improvements were fantastic but noted that Middleton may give up its potential for a quiet zone status due to island. Huntington said the road as planned would preclude quiet zone status anyway.

Ranum asked if the Commission was ok with the crossing not being barricaded. He was told that there will be flashing double red lights in the sidelight which is the standard mitigation and gates already exist at the crossing.

Huntington said this was close to a final design but that final approval had not been given yet. He said if the Commission was comfortable taking action they could but he was not sure if Ken Lucht was ready to sign off. He said WDOT was looking forward to WSOR giving approval before WDOT have its final approval. Nilson suggested the Commission not act today but make it an action item for the December agenda in which time WDOT and WSOR would have time to decide what they wanted before WRRTC approval.

Van Schwartz asked about the lighting under the road. Stetzer said there was currently lots of pedestrian lighting but more could be added. He added that he had been corresponding a lot with Lucht and that he had the final designs and was circulating them at his office for final approval.

Bill Ladewig asked if Middleton would hold the WRRTC harmless and Huntington said that the final approval requires this. Allan Polyock suggested approval of the project as it was presented, adding that the only thing holding up the project was final WSOR and WDOT agreement.

- *Motion to conditional approval Option 2, City of Middleton Hwy 12 Road Connection Project Involving ROW – Ruff/Polivka, Passed Unanimously*

15. Consideration of and action on Issuance of a Request for Shipping Services (Fitchburg to Oregon/Evansville rail line) – Frank Huntington, WDOT

Huntington said that the line had been acquired in 1999 through a series of agreements. Fitchburg acquired the track and operating authority at that time. They had entered into agreement for land use so that when the railroad was ready to operate, the WRRTC would take possession. There are a series of notices necessary to activate this sequence of events and they are ready to begin. As a first step, the railroad needs to give 30 days' notice they are ready to operate. The Commission acts to notify the railroad that the line is ready to be open for service. This happens by giving WSOR something in writing saying the two communities are asking for service.

Sweeney asked if there would be an inspection. Meighan said it would be up to WSOR to determine the line's operability and WDOT would inspect the rail since they would be providing the funds for the rehab. This was a 2014 project that WSOR intends to contract out. Money would be available by the end of next week if the contract were complete. The Commission was told the bid package was nearly ready and it was likely they would go out and brush this year so construction could begin spring 2014, with some bridge work to be done this winter.

- *Motion to authorize Mary Penn, Administrator, and Eileen Brownlee, Corporation Counsel, to issue request for shipping services to WSOR on the Oregon to Fitchburg line on behalf of the WRRTC. – Nilson/Ruf, Passed Unanimously*

16. Consideration and Action regarding revised language to the WRRTC/WSOR/WisDOT Grant and Operating Agreements – Frank Huntington, WDOT

Huntington said that 1 ½ years ago Watco was new and wanted to change its liability, in particular portions of the hold harmless agreement as well as reporting portions. He said that language was now mostly finalized, saying that Brownlee and WDOT had looked at and approved of it, as well as Watco. He said if the Commission were ready to take action they could but if they preferred they could wait. Brownlee said that waiting would give Commissioner's time to review the language themselves. She said it was a change in insurance requirements and self-insured retention due to Watco being a larger entity with different financial considerations to fund self-funded retention. In terms of reporting, dealing with the Commission as a public body makes it important to make sure the operating entity is in good operational financial standing. Under the language, WDOT would be able to review the books, not just reports to the Commission on financial viability. She said it would be worthwhile for the Commissioners to look at the draft prior to approval and recommended tabling the item but she did recommend approval. Huntington said he would get the agreement to Penn who would electronically distribute it to the Commissioners. He said there were a lot of amendments so it was possible there would be future action to rewrite the agreement incorporating the amendments into the body of the document. He recommended just sending out the agreement with the language changes. Brownlee also noted there were a lot of amendments with added line segments and definitions.

- *Motion to table Item 16 – Gray/Anderson, Passed Unanimously*

17. Discussion and Possible Action regarding Grant and Operating Agreements with WisDOT and WSOR for the Madison to Reedsburg/Cottage Grove lines and the Madison to Evansville line – Frank Huntington, WDOT

Huntington introduced the item noting that no action was needed today and he would have more information at the next meeting. With the acquisition of the Reedsburg line, documents need to be sent to the Surface Transportation Board (STB). Recent acquisitions have stricter agreements. Huntington said that WDOT purchases track and land and the operating authority is acquired by the railroad. However, WDOT does not want this as it would make WDOT a "railroad" with all the liability and requirements.

He said that WDOT will submit all documents to the STB who will make the decision that by acquisition of the track, improvements, etc. but WDOT will not be a railroad will not fall into their jurisdiction.

He said that WDOT had a pretty good agreement from previous situations which was nearly ready for review from the Commission's and WSOR's corporation council. He said it was hoped that the documents would be ready by December, noting that while the acquisition would not be complete, hopefully the end of the year would see the final submission. He said that the railroad will get a permanent use of easement along with operating authority. The agreement limits WDOT authority to regulate operation so there is "little teeth" in the agreement.

Brownlee said it is important that the STB was satisfied, even though lots of local control is relinquished. She added that this new agreement would be different from past agreements and for that reason, she recommended a full Commission meeting next month to consider the item. She recommended the Commission not delegate authority to the Executive Committee due to the significance of the agreement and also recommended the Commission table this item until the next (December) meeting.

Huntington pointed out that this is the same agreement as is being recommended for the Oregon/Fitchburg line.

Sweeney called for a Full Commission meeting on December 6th, 2013, rather than an Executive Committee as was currently scheduled.

- *Motion to Table Item 17 – Mace/Ruf, Passed Unanimously*

18. Consideration and Possible Action on Sauk City Bridge Re-measurement

Van Schwartz told the Commission he had an article on transit in the December issue of Trains. Next, he told the Commission that he fully agreed with Huntington on looking at the full agreement(s) discussed in items 16 and 17.

He said since last month Westbrook Engineering had set up a bridge inspection for 11/15. Originally, the plan called for getting a high rail car on the south side of the river but that would be impossible due to the vegetation. He said Westbrook Engineering would kayak across the river since there was no other way to access that side. He noted that this inspection had been budgeted in 2013 and 2014 at \$1,000 (to Westbrook). Doing the inspection in normal conditions were estimated at \$600 – 700, well below the budget allotment. Polivka asked why the bridge was being inspected if the bridge was partially removed. Van Schwartz said the south pier could collapse although there were no problems anticipated.

- *Motion to pay Westbrook Engineering for Sauk City Bridge Inspection – Polivka/Ruf, Passed Unanimously*

WRRTC FULL COMMISSION APPROVED NOVEMBER 2013 MEETING MINUTES

19. Consideration and Possible Action on 2012 draft WRRTC Audit with Johnson Block – Troy Maggied, PRTC Admin.
The audit was not available. Penn will include it in the December agenda.

20. Discussion regarding renewal of WSOR rental obligation defined in WSOR and WRRTC Operating Agreement 2007 Addendum (annual rental obligation is presently \$45,000) – Alan Sweeny, Vice-Chair

Sweeney said that the Commission had agreed to review the agreement every two years and the time was up. Polivka asked what the agreement was. The Commission was told that in the past the rent had been increased from \$30,000.00 and that had been the first time in many years it had been renegotiated. The rent gives money to the run the Commission in exchange for rail use by WSOR: WSOR rents track from the WRRTC. The Commission learned that the WRRTC is currently in the red for \$3,100 in 2014. Rent moneys are either in rail rehabilitation or in operations and what isn't used goes back to the railroad every year. It was recommended that Penn distribute the current agreement to the Commission prior to the December meeting.

Ranum asked if market value impacted the rent. The answer was no. Nilson recommended that the Commission raise the rent by \$5,000.00 so operations would be back in the black. Huntington gave some history on the issue, noting that \$10 per car was charged when 8-10K cars was the norm but nowadays it was 60-70K cars. He said the agreement did not allow money to return to the counties so operations were looked at and determined how much should be kept so as not to ask the counties for more money. He said the rent had been at \$30,000 for 8 to 10 years.

Alan Anderson said that additional WSOR lines could generate more revenue. In reference to the Reedsburg acquisition, the Commission was told that an agreement was close but there was no final on either the purchase price or the agreement. Huntington said that perhaps there might be something to report at the next meeting. Van Schwartz said the Reedsburg line needed work and the WRRTC needed funds to match if the WDOT funded work. He said the WSOR lease was very low, compared to the national average. Gray said that the 2014 budget has a deficit with 2016 with a \$1700 deficit. Nilson suggested the Commission consider adding \$5,000 to the rental obligation to get the budget whole.

21. Action Item. Adjournment

- *Motion to adjourn at 12:09 PM – Gustina/Cornford, Passed Unanimously*