

PECATONICA RAIL TRANSIT COMMISSION

20 S Court Street • PO Box 262 • Platteville, Wisconsin 53818
 MEMBER COUNTIES: GREEN • IOWA • LAFAYETTE • ROCK

1:00 PM • Friday, July 26, 2013 • Green Co. Courthouse, 2nd Floor Courtroom, 1016 16th Ave • Monroe, WI

1. 1:00 PM **Call to Order** – *Harvey Kubly, Chair*
Chair Kubly called the meeting to order at 1:00 PM

2. Roll Call. **Establishment of Quorum** – *Mary Penn, PRTC Administrator*

Commissioners present for all or part of the meeting:

Commissioner		Position	Present	Commissioner		Position	Present
Green	Harvey W. Kubly	Chair	x	Iowa	Charles Anderson	Secretary	x
	Oscar Olson		x		William G. Ladewig		x
	Ron Wolter	Treasurer	x		Philip Mrozinski		x
Lafayette	Leon Wolfe		x	Rock	Ben Coopman	Alternate	
	Patrick Shea		excused		Wayne Gustina		x
	Gerald Heimann	Alternate			Alan Sweeney	1st Vice Chair	x
	Ted Wiegel		x		Terry Thomas	2nd Vice Chair	x

Commission achieved quorum.

Other present for all or some of the meeting:

<ul style="list-style-type: none"> Mary Penn, SWWRPC Ken Lucht, WSOR 	<ul style="list-style-type: none"> Bob Voegli, TCTC Kim Tollers, Roger Larson, WDOT
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3. Action Item. **Certification of Meeting's Public Notice** – *Noticed by Penn*
 • *Motion to approve notice of public meeting – Gustina/Anderson, Passed Unanimously*

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

5. Action Item. **Approval of May 2013 meeting minutes** – *Prepared by Penn*
 • *Motion to approve May 2013 meeting minutes – Wiegel/Mrozinski, Passed Unanimously*

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

7. Updates. **Correspondence & Communications** – *Discussion may be limited by the Chair*
 No correspondence or communications to report.

REPORTS & COMMISSION BUSINESS

8. **PRTC Financial Report** – *Ron Wolter, SCWRTC Treasurer*
 - July Treasurer's Report and Payment of Bills

Ron Wolter gave the financial report and reported income and disbursements. Wolter explained that he will be getting bank statements via email now as there is a \$10 charge for paper reports. Due to him not knowing about the change in bank policy (the bank used by the PRTC was recently purchased) he said the PRTC account had been charged the paper fee and was shown in the treasurer's report.

Bills included

- SWWRPC Q1, 2013
- SWWRPC Q2, 2013
- *Motion to approve Treasurer's Report – Olson/Gustina, Passed Unanimously*
- *Motion to pay bills – Anderson/Wolfe, Passed Unanimously*

9. WSOR Operation's Report – Ken Lucht, WSOR

- Update on Maintenance Activities
- Update on Capital Projects
- Report of Business Development
- Other Continuing Issues/Topics

Ken Lucht distributed a press release stating that WSOR has been hiring to meet new service demands. WSOR hired 33 people, both for the Madison office and the Janesville office. He said that plastics, sand, and aggregate shipping has picked up and as a result, they needed to hire more people, mainly engineers and conductors were hired. Crews were short on time in responding to customer's needs which resulted in the new hire decision. He said that the cities of Janesville and Madison were both working with WSOR, noting that WATCO brought 17 people in from other WATCO locations which meant smaller training costs and the remaining 16 hires were locally hired.

He said that in late August there will be brush spraying along the Monroe sub. He then reported that the Prairie sub had been embargoed due to flooding (a stretch of 40 miles with 56 washouts). Lucht said that over a dozen culverts had been put in, a process that took 2 weeks, adding that the line is now back in service with train speeds at 10 mph. The sub also got bridge, tie and track work done.

Lucht said the state budget had passed and thanked the Commission for their support in the budget process. He said the Governor supported the proposed \$60 M appropriate which was reduced to \$52 M. Lucht said this showed hope in tight economic times. He said this was a meeting in the middle, shaving down the request by \$8M.

Leon Wolfe asked if WSOR could get FEMA funds for flooding repairs and Lucht said he believed they could and were working with Grant and Crawford counties. He noted that money will only be available to fund public facilities and the railroad is a public facility. Bill Ladewig asked if WSOR went to technical colleges for worker recruitment and Lucht said that they did and that the positions were advertised in publications statewide.

10. Presentation / Consideration / Possible Action – WSOR's 5-year Capital Plan – Ken Lucht, WSOR

Lucht distributed copies of WSOR's 5-year Capital Plan. He said that WSOR has been working on its Annual Operating Plan (AOP) and as a part of that has led to a revised capital plan. The revision was a result of WSOR becoming part of WATCO. Lucht said on the Monroe Subdivision there is work to do. He thanked the Commission for its support in the past, making note of a bridge replacement project and he said that that project is well underway. Lucht said one of the structures in Juda is 99% complete and that there was a structure in Brodhead (\$1.4M) that is totally complete. Therefore two of the last year's seven projects are completed. Lucht listed the current projects, particularly those that have been bid out and are in progress. He noted that this work's bill of \$123K will be sent out very soon.

On a system-wide basis, he said the sum total was \$184.6M (for capital needs only) over 5 years. He explained how this money had been allocated, adding that the plan would evolve as needs would change as infrastructure changed. Lucht said no capital costs were figured in for any private tracks WSOR uses which is an assumption those lines will not need work. He said the goal is to bring tracks up to class 2 standards and once they get to that standard, it is WSOR's responsibility to keep it there.

Lucht reviewed a number of projects ("subs"), highlighting the area of work, the type of work, and the money spent per project. He said the Fox Lake sub is WSOR's main artery and there is still a lot of work to do including 18 miles of Continuous Welded Rail (CWR) still to do. He said there are also some bridges to upgrade, and pointed out some bridge projects from 2012 on the Madison sub. Replacement of old rail for CWR was identified for many of the subdivisions shown on the handout. Lucht pointed out that WSOR is reopening tracks on the Oregon sub to service an aggregate business. They are currently waiting for approval from the WDOT.

Lucht continued to identify projects with many of the projects needing CWR, ties, and bridges. He noted that some old tracks purchased by the state 5 years ago are now getting worked on to serve customers in the Sheboygan area. On the Prairie sub he said there will be substantial work since the customer base in that area is growing; he said this would be a 5 year project.

On the Reedsburg line, a high percent of the dollars are allocated for its purchase and WSOR is pretty certain that purchase will occur. He said there are no capital expenditures on the Sauk sub. For the Watertown sub there hasn't been any work on it since its purchase because the federal dollars for passenger rail was returned. Lucht said the Waukesha sub needs work and pointed out its importance to WSOR's needs as it connects north to south systems.

Lucht noted that out of the total \$185M in the WSOR plan, about \$60 M was dedicated to "growth" projects which would include acquiring property or building capacity in the current system. In 2013 there was some money dedicated to a new siding between Milton and Janesville to allow for passage and reduce congestion in Madison and Janesville. Lucht said that there also is money dedicated to the Oregon sub and said that the Prairie sub must have a passing siding due to increased customer demand (sand and grain mainly). He said that WSOR is looking for a site to allow a 8500' siding on that sub.

Lucht said on a system-wide basis this plan does not include routine maintenance but only capital needs. He said on the maintenance side WSOR is obligated to maintain the track in the PRTC and its other RTC tracks and that is a fairly substantial cost and is strictly a private funding issue.

Alan Sweeney asked how much the Monroe sub depended on the Fox Lake sub. Lucht said it definitely depended on the Fox Lake sub but didn't have a specific percentage of freight tonnage but that is substantial because WSOR's main market is Chicago. Sweeney said the Monroe sub depends on the other subs.

Kim Tollers asked where the tracks went in Oregon and Lucht explained that the tracks ended in Oregon as there were no prospective customers south of the city. He said there would be upgrades to allow trains to turn around at the end of the Oregon track. Harvey Kubly asked about the Cottage Grove/Madison line and if it were a shortline or did it go farther. Lucht said it terminated in Cottage Grove and was part of the UP system. Lucht said the acquisition would include that stretch plus the Reedsburg line and a smaller segment for a total of about 75 miles. Charles Anderson asked if UP used the little line north west out of Janesville to Evansville. Lucht said there are a couple of customers in Evansville and Ron Wolter commented that that line had been rehabbed last year. Anderson asked if it would be to the good for WSOR to rehab the line but Lucht said they did not have trackage rights there. He said WSOR cannot get in on the UP line because WSOR doesn't serve UP customers, noting that UP made sure to cut off WSOR access to protect their customer base.

In regard to the Monroe subdivision, the capital plan points out a number of priorities. Lucht said WSOR is not asking for more money than has been asked for in the past. He said there was a substantial maintenance project to resurface the ties in the Janesville yard the cost of which would come strictly from the operator, with no county or state funding.

Lucht continued to outline related projects on the Monroe sub. He said over the next 5 years WSOR would need to rebuild public crossings saying that 10 crossings had been replaced 10 years ago and WSOR was now proposing another 15 crossings (about 1500' total) at a cost of over \$1 M over the next 5 years, including Hwy 11 in Janesville and Hwy 69 in Monroe. Oscar Olson said that had been improved but Lucht said it still needed work. There was some discussion about other crossing work that would necessary on the sub over the next 5 years. State and County and operator funding would be necessary for this. In 2017 Lucht said there would be a surfacing (maintenance) project of over \$200K to keep the track to 25 mph.

Lucht noted there were six bridges on the Monroe sub authorized last year and still need to be completed. He said that there was no CWR or growth projects in this area because traffic does not currently justify the cost although he noted that the base was growing. He said that over the next five years, the major work would be bridges and crossings.

Kubly asked about the 5 Corner Road bridge and if it were one of the listed projects. Lucht said it was not on that list and WSOR had not worked on that bridge but WDOT might have. He said it did not carry a WSOR train but rather a township road and therefore it would not be included in the plan.

Sweeney asked if the \$26,500 county contribution was included in the \$159,000 already dedicated and Lucht said it was.

Roger Larson asked about a crossing on HWY 14 and Lucht said he would have to follow up on it and suggested it might be the third project on his.

Wolfe asked about what type of railroad cars were stored along HWY 78. Lucht said they were center beam lumber flats and these cars had been removed which was a promising sign for the lumber industry. He added that there had been some maintenance work done (brushing /spraying) as long as the cars were being moved out.

- *Motion to endorse the WSOR 5-year capital plan - Sweeney/Gustina, Passed Unanimously*

11. Consideration / Possible Action on WSOR's 2013 Capital Program Monroe to Janesville – Ken Lucht, WSOR

Lucht asked for action to approve the 2013 allocation. He reiterated what was in the capital plan for the above sub over the next 5 years, adding that the cost would be \$26,000, dedicated for crossing renewal.

- *Motion to approve WSOR's 2013 allocation of \$26,000 for crossing renewals from Monroe to Janesville – Anderson/Wiegel, Passed Unanimously*

After the motion Olson asked about work that had been done by the Special Working Committee regarding the Green/Rock counties contributions. Kubly said they were a ways away from any type of understanding on a solution.

12. WisDOT Report – Staff may include Frank Huntingdon, Kim Tollers, Roger Larson

Tollers and Larson gave their report and noted that Ron Adams had retired and LeAnna Walls was his replacement. Tollers said the other big issue was WDOT's negotiations with UP regarding price. She said general counsel had done an appraisal and WDOT had countered-offered and the two amounts were not the same. She said WDOT was now waiting for a response from UP and they hoped to accomplish the purchase by the end of the year but it depended on whether they could meet in the middle on the price. She noted that WDOT certainly believed the acquisition would happen.

Larson said that in regard to the 5 Corners Bridge there was a meeting set up next week to start addressing the issue. Wolfe asked Tollers about the total length of the potential acquisition and she outlined the areas the purchase would include. She said it was an all or nothing purchase of about 75 miles. Kubly asked what price UP wanted and Tollers said \$51M; WDOT had made a lower counter-offer.

13. PRTC Administrator's Report –Mary Penn, PRTC Admin.

Penn said she had received the updated Brewery Creek lease from Eileen Brownlee which had been approved at the May 2013 meeting. She gave a brief lease history and explained that she had four copies for original signature saying that the Commission had decided to change the lease amount to be a one-time payment of \$500 for 10 years with the same insurance requirements. She said she did not know if the Commission had wanted a specific date for insurance activity as it needed to be filled in on the lease and asked the Commission if they considered that to be an actionable item or an administrative item since the lease had already been approved. Sweeney said that it would be an administrative action since the lease was approved. Anderson asked about the amount of insurance and said that it might be good to have Brownlee revisit the lease and identify a dollar amount in order to protect the Commission in case of a suit. Penn noted that the area of the lease was only 8' x 12'. There was discussion on the amount of insurance amounts and it was determined that the original lease language and its insurance requirements would be sufficient considering how small the area was.

Penn said the only other item was the signing of the resolution honoring Ron Adams passed at the May meeting, saying that once she had the signatures she would get it framed and sent to Ron's home.

14. Tri-County Trail Commission Report – Leon Wolfe

Leon Wolfe had 5 printed copies of the completed report and said it was available online. He said that there had been flooding issues on the trail and but the TCTC had met with FEMA officials and it seemed likely they would receive \$24,000 for flood damages. He said the trail isn't smooth where it washed out but it was open and connected. Wolfe said no culverts had needed replacement but a couple had to be stabilized. He said he hoped to have a couple 100 of the printed reports to share and noted that SWWRPC had previously made a commitment to contributing to the printing costs as did the Badger RC& D. He said they could be purchased on the UW Extension web-store for \$9 each.

Anderson asked about time slots (in the report) and Wolfe said that referred to how interviews and surveys were done (TCTC volunteers would schedule timeslots for interviews). He said that they had committed to 1000 surveys and got about 700 due to the fact that in some cases no riders went by. He said the study was put together by UW Extension and said a lot of work went into the study and it was easy to read. Hopefully they would get funding to print more.

15. Action Item - Adjournment

- *Motion to adjourn at 2:14 – Gustina/Olson, Passed Unanimously*