

WISCONSIN RIVER RAIL TRANSIT COMMISSION

EXECUTIVE COMMITTEE MEETING - FRIDAY, MARCH 7, 2014 @ 10AM
 DANE COUNTY HWY GARAGE, 2302 FISH HATCHERY RD, MADISON, WI

1. 10: 01 AM **Call to Order** – *Alan Sweeney, 1st Vice 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		Carol Held	
	Chris James	x		John Miller	
				Dennis Polivka, Asst. Secretary (XCom)	x
Grant	Gary Ranum	x	Walworth	Jerry Grant	
	Vern Lewison	x		Richard Kuhnke, 4 th Vice Chair (XCom)	
	Robert Scallon, 2 nd Vice Chair (XCom)	excused		Allan Polyock	
Iowa	Charles Anderson, Secretary (XCom)		Waukesha	Karl Nilson, Chair (XCom)	x
	William G Ladewig			Dick Mace	
	Jack Demby			Fritz Ruf	
Jefferson	John Molinaro*	x			
	Ben Wehmeir*				

*Molinaro and Wenmeir are currently serving as representatives for Jefferson County; awaiting confirmation of appointees

Executive Committee met quorum.

Others present for all or some of the meeting:

<ul style="list-style-type: none"> Mary Penn, WRRTC Administrator Jim Matzinger, Dane County Forrest Van Schwartz, pro bono consultant Phil Owens, Rock County Board, Dist. 16 Michael Gracz, Administrator, Village of Oregon 	<ul style="list-style-type: none"> Eileen Brownlee, WRRTC Corp Counsel Ken Lucht, WSOR Frank Huntington, Kim Tollers, WDOT Alan Anderson, Pink Lady RTC Tony Roach, Administrator, City of Fitchburg
---	---

3. Action Item. **Certification of Meeting’s Public Notice** – *Noticed by Penn*
 • *Motion to approve public notice of meeting – Gustina/Polivka, Passed Unanimously*

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

5. Action Item. **Approval of draft February Meeting Minutes**– *Prepared by Penn*
 • *Motion to approve draft February meeting minutes – Gustina/Thomas, Passed Unanimously*

6. Updates. **Public Comment** – *Time for public comment may be limited by the Chair*
 Mr. Phil Owens, County Board Supervisor from Rock County introduced himself and spoke of his appreciation of the Commission’s work.

7. Updates. **Correspondence & Communications** – *Discussion may be limited by the Chair*
Penn listed the correspondence she had received in the past month and distributed three articles supplied by Forrest Van Schwartz.

8. Updates. **Announcements by Commissioners** – *No Discussion Permitted*
There were no announcements.

REPORTS & COMMISSION BUSINESS

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

- Treasurer's Report for February and Payment of Bills

Jim Matzinger gave his report and said that \$1800.00 had been received for permits in 2014. He added that 2013 projects had not yet been closed. He explained the budget to the Commission, and identified what amounts went to rail projects. There were no checks to approve.

Gene Gray asked for the WSOR lease amount. Matzinger had been unaware of the increase in WSOR rent and noted that the difference of \$3,140.00 would go towards rail projects. He added that he would be unable to go to the financial meeting scheduled March 19th with WSOR and WDOT. Ken Lucht asked if Jefferson County's contribution was for 2015. Molinaro said that Jefferson had budgeted for 2014 and Matzinger said he would invoice the counties next week, adding that this would increase the budget and those increases would go back into rail projects. Penn was asked to supply Jim with county contacts for Jefferson.

- *Motion to approve the Treasurer's Report - Cornford/Thomas, Passed Unanimously*

10. **Wisconsin & Southern Railroad's Report on Operations**

Ken Lucht passed a photo around showing the level of snow on the Fox Lake sub, saying that the primary maintenance work was clearing snow at this point.

On Capital Projects, Lucht said WSOR had been working with WDOT and their grant program, establishing a priority of projects. He said the 800' passing track had been approved and the grant agreement was in place and would soon go out to bid. He said another grant agreement was in place for the Fox Lake sub for continuous welded rail (CWR). He believed that CWR would be in place by the summer. Lucht added that WSOR had been awarded a grant for the Oregon/Fitchburg line funding, and that WSOR would be doing the brush cutting on the line as the one bid submitted had been too high, but the track and bridge work would be done by contractors. He noted that this project had been applied for in February 2013 and granted the past September.

On the northern division Lucht reported that 7 miles of CWR would be laid. In the WRRTC area WSOR would be doing tie replacement work in Watertown. This would include crossing rehabilitation and tie replacement. On the Waukesha CWR project, Lucht said the track is currently at 25 mph and crossings had not been rehabbed in some time so the condition of the crossings was poor. He noted that this work was a \$22 M project. On bridges, Lucht said there were 2014 and 2015 applications in for priority 2 bridges for a total of about 78 to 80 structures. He said that WSOR would be working to secure bridge funding. In the next few weeks Lucht said that WSOR would finalize their priorities with WDOT. He concluded that in the past two years there had been \$136 M in applications for rail projects which included the Reedsburg acquisition.

On marketing Lucht reported that WSOR had been working with customers to identify better marketing strategies. WSOR had 13 new customers they were working with, asking them how many jobs and how much investment these new customers would bring. He said he would make a report to the Commission on this project when WSOR had gotten more data.

He returned to Capitol Projects briefly, saying WSOR had made a new hire of a Mr. Steve Sams who would be the new project manager for Capital Projects.

Lucht reported that the TIGER VI project scope was being reassessed and that this year in an attempt to bolster the application, they wanted to extend the project into Madison to encompass jointed track transitioning to CWR and upgrading some crossings that had the barrier gates system that have contributed to recent traffic delays. He said the project cost was being refined and he would report at the next meeting on the overall application and request a support letter.

He reminded the Commission that WSOR would be having their financial meeting March 19th with representatives of the Commission, WDOT, and Watco which would give them an opportunity to comment on WSOR's finances.

Alan Anderson asked for an update on the Spring Green Bridge. Lucht said there have been preliminary talks and they needed to sit down with WDOT and figure out what WSOR's options were.

WRRTC EXECUTIVE COMMITTEE APPROVED MARCH 2014 MEETING MINUTES

Gray asked about the cost of the Madison/Watertown project and if WSOR was hiring. Lucht said the Watertown project was a \$5.6M project if awarded and said the cost of the project prohibited it being done "in house". He noted the project will be bid out and that there are a lot of contractors available, some outside of Wisconsin.

Karl Nilson asked about the Hubbleton line and the number of ties put in there. Lucht said WSOR does go out to the quarry in Hubbleton and said there had been some work on that line. He said CP has trackage rights to the quarry and WSOR had to bolster the line to accommodate CP needs for shipping.

11. WDOT Report– *Frank Huntington, Kim Tollers, WDOT*

Frank Huntington reported the TIGER VI grant and the possibility of WDOT being part of it. In the past WDOT had not supported it due to other obligations but this year they were considering joining in the application. If that were done there was the possibility of additional funding in this grant cycle that could be available which in turn could result in a possible match and perhaps allow WDOT to move ahead with other projects while waiting for a response on the Tiger VI. He said there were some dollars available but not as much due to the Reedsburg acquisition. Currently, he said there was \$70 M unfunded projects, with \$20M available which would lead to projects carrying over.

He said WDOT was looking at the next biennium budget and noted they had just begun working on it (it is due in July). He said there was a possibility of the budget increasing and probably would not be less than the current amount. Huntington said the need was there and it depended on how much money there was. Given the history he anticipated strong support.

Huntington reported on the Sheboygan project where salvaging was beginning, and of other projects in the state. He reported that the Northwoods RTC is now at 13 members with four Michigan counties and noted that this was a very large and becoming more active RTC. He said there was a lot of exploratory talks about funding for projects and acquisitions.

On the Reedsburg acquisition Huntington said they had a new purchase agreement draft and while he was not sure it would be signed by the next meeting WDOT was close enough to resolving any last minute issues. Once the purchase agreement was signed, the Surface Transportation Board would review and he anticipated having the acquisition completed by mid-year.

Lucht asked Huntington if there was anything WSOR could do to help WDOT to make its decision in whether or not to join the Tiger VI application. Huntington said they had needed confirmation from the County and the Commission and said if the Commission wanted, they could approve WDOT taking a lead on this project although the Commission could do that at today's meeting due to it not being an agenda item. There was general agreement to add this as an action item to the April agenda.

Nilson asked about northern RTCs and noted that all the rail lines up north were owned by private industries. Huntington said the relationship between northern RTCs and private companies was similar to the Pink Lady RTC. He said the Northwood RTC is working with WDOT planning department to do a survey for potential shippers in order to identify new traffic and if it could be, whether Canadian National might be interested in rehabbing lines. Huntington noted that CN was not interested in selling lines. He added that short lines could not be considered if CN did not wish to sell. He added that a shippers group with concerns about CN was working with WDOT on trying to identify current traffic. Nilson asked if the Northwoods RTC was staffed by elected commissioners. Huntington said the members were county board supervisors and the Commission was staffed by outside contracts as is the case in the WRRTC.

Alan Anderson said that for 25 years the Pink Lady RTC had been "cheerleaders" for rail shipping even though Pink Lady did not own track. He said a rail commission could not own track and still have impact.

Forrest Van Schwartz said one of the articles distributed at the meeting spoke to the issue of northern shipping needs and the hope that the Northwoods RTC was timely. He also said that one of the biggest revenues for CN was taconite from Ishpeming but there was a lot of rail going to Escanaba, then to the Sault Ste. Marie with a lot of revenue generated. He said that one of the big ore trains that had been running had ceased and this might be a game changer for the up north issue.

12. WRRTC Administrator's Report – *Mary Penn, WRRTC Admin.*

Penn reported that based on last month's discussion of utility permits she had begun editing the Commission's fee schedule and planned to bring a new fee schedule to a future meeting.

13. Discussion and Possible Action on a recommendation to the WRRTC to confirm its interest in and authorize the exercising of its right of first refusal to purchase Oregon to Fitchburg rail line. – Frank Huntington, WDOT, Eileen Brownlee, Corp. Counsel, Ken Lucht, WSOR

Huntington gave the Commission some history on the agreements that had been executed between the RTC and the communities involved. He said the communities had ownership of the lines but if they wanted to sell, the Commission had the first right of refusal. At this point he believed that the communities were considering selling. Mike Gracz of Oregon introduced himself and said that Oregon had acted to sell. Tony Roach of Fitchburg introduced himself and said Fitchburg was not yet ready to act.

Eileen Brownlee said that the communities had not yet made an offer to sell their interest to the Commission, adding that if they knew the Commission was interested in buying, they might be ready to sell. She said that in her discussions on this issue, the communities had not made their decision yet. Huntington said that in the past the Commission had not been interested in buying. He said the communities would want an operator on the line and have the liability. If WSOR became the operator and assumed liability, this would open the door. John Molinaro asked what the costs would be and if there would be funds to pay for it. Huntington said the Commission had been “sitting on” the salvage money in the anticipation that they might purchase the line.

Alan Sweeney asked Roach if Fitchburg had any other concerns about a potential purchase. Roach said there were only some concerns about the process.

Dennis Polivka asked if there were a downside to buying. Brownlee said “not legally”. Nilson said it sounded like a win-win situation, as the cities would get their money back and the WRRTC would take over the line. Huntington said this would be a little different because the communities owned everything but it would be the same situation as in Illinois where the WRRTC owns the track. Brownlee said this was where the paper work came up and noted it would be written so WSOR became the common carrier and the land and track came to the Commission. Right now it was all on the same document and the question of how to divide those out was the piece that need resolution. Nilson asked Lucht if WSOR was ok and Lucht said WSOR was waiting to start rehab work.

Van Schwartz asked if the money covered the whole line. Huntington it would be from Fitchburg on McCoy Road to Evansville. Gray asked about the liability during transition, as did Molinaro. Brownlee said that this would be nothing that the Commission did not currently do, adding that there was already an agreement in place with WSOR that would address this.

Nilson asked if there were property taxes. Huntington said no, it was just like the rest of the system.

- *Motion to inform the communities that WRRTC is interested exercising the option to acquire the Fitchburg-Evansville line - Molinaro/Gustina, Passed Unanimously*

Michael Graz asked if this would go to the May Full Commission meeting for approval and Sweeney said it would be a good thing to vote on at that meeting. Gracz said that he wanted to tell the Village board. Lucht asked if this would help both communities make their decisions. He told Gracz and Roach that WSOR would be entering into negotiations on the possibility of extending passenger rail.

14. Action Item. Adjournment

Prior to the vote to adjourn Tom Cornford asked Huntington about the Resolution from Prairie du Chien. Cornford gave some history on the city’s actions in relation to rail and said that the mayor was supportive of the railroad. Huntington said the letter was worded as a request and it was beyond WDOT’s and the cities jurisdiction. He said the city should work with WSOR to resolve any issues. Cornford said that anytime WSOR had been asked to clear cars in the past they had responded. Rocky Rocksvold said that a few city council members were involved. Huntington said the physical assets of the RR “are where they are” and were necessary to do their business and operate. He said some changes had been made in the past with some improvements made. Rocksvold said the main reason for all the cars was the sand. Lucht said WSOR had heard from the city but noted on the island there were three customers that WSOR served. He said WSOR would contact the mayor and noted that every time WSOR is contacted prior to summer events WSOR has responded by trying to stay away. Cornford repeated that the mayor and the city administrator were in support. Lucht asked how many “nays” there were but Cornford said he did not know and noted there was no signature on the resolution. Penn confirmed that the copy she had received was not signed.

- *Motion to adjourn at 11:02 – Gustina/Cornford, PA*