

WISCONSIN RIVER RAIL TRANSIT COMMISSION
 COMMISSION MEETING - FRIDAY, FEBRUARY 5TH, 2016 @ 10AM
 DANE COUNTY HWY GARAGE, 2302 FISH HATCHERY RD, MADISON, WI

1. 10: 00 AM **Call to Order** – *Alan Sweeney, Chair*
2. Roll Call. **Establishment of Quorum** – *Mary Penn*

Crawford	Tom Cornford, <i>2nd Vice Chair</i>	x	Rock	Ben Coopman, Alternate	
	Rocky Rocksford	x		Wayne Gustina	x
				Alan Sweeney, <i>Chair</i>	x
		Terry Thomas		X (left 12:01 PM)	
Dane	Gene Gray, <i>Treasurer</i>	x	Sauk	Marty Krueger, Alternate	x
	Jim Haefs-Fleming			John Deitrich	
	Chris James, <i>Vice Secretary</i>	excused		Scott Alexander	x
Grant	Gary Ranum	x		Dave Riek, <i>3rd Vice Treasurer</i>	excused
	Vern Lewison	excused		Eric Nitschke	10:07 AM
	Robert Scallon, <i>1st Vice Chair</i>	x		Richard Kuhnke, <i>2nd Vice Treasurer</i>	
Iowa	Charles Anderson, <i>Secretary</i>	excused	Walworth	Allan Polyock	x
	William G Ladewig	x		Karl Nilson, <i>4th Vice Chair</i>	x
	Jack Demby	x		Dick Mace	x
Jefferson	John David	excused	Waukesha	Richard Morris	
	Laura Payne	excused			
	Augie Tietz, <i>3rd Vice Chair</i>	x			

Commission met quorum.

Others present for all or some of the meeting:

- Mary Penn, WRRTC Administrator, Katrina Hecimovic, SWWRPC
- Ken Lucht, WSOR
- Jim Matzinger, WRRTC Acct.
- Kim Tollers, Rich Kedzior, WisDOT
- Danielle Zimmerman, Rep. Loudenbeck Staffer (left 10:49 AM)

3. Action Item. **Certification of Meeting’s Public Notice** – *Noticed by Penn*
 - *Motion to approve posting of meeting – Cornford/Thomas, Passed Unanimously*
4. Action Item. **Approval of February Agenda** – *Prepared by Penn*
 - *Motion to approve February agenda with modifications – Ladewig/Nilson, Passed Unanimously*

Gary Ranum asked about the tax billing process regarding agenda item number 15. Alan Sweeney said his question would be answered at that time.

5. Action Item. **Approval of draft January 2016 Meeting Minutes**– *Prepared by Penn*
 - *Motion to approve draft January meeting minutes with editorial corrections – Mace/Tietz, Passed Unanimously*

Dick Mace requested clarification of Mary Brizca in the January minutes.

6. Updates. **Public Comment** – *Time for public comment may be limited by the Chair*

Mary Penn introduced Katrina Hecimovic to the Commission, saying that Hecimovic was hired by the Southwestern Wisconsin Regional Planning Commission (SWWRPC) to work on transportation related projects.

Danielle Zimmerman, staffer to Rep. Loudenbeck, introduced herself to the Commission, saying she was attending the meeting to request a letter of support for introduced legislation related to the Peters Road Bridge. Zimmerman said in order to get a vote on the legislative agenda, a support letter would be needed by February 11th. Sweeney said since it was not on the agenda the Commission could not act at this meeting. Zimmerman explained that due to time constraints she could not ask for a letter in time for the March WRRTC meeting. Jack Demby asked about the bill’s status. Zimmerman said there was a public hearing during the past week. Sweeney said Zimmerman should work with Allan Polyock to bring a support letter to the legislative committee. Bill Ladewig asked if the railroad would get involved on this issue. Sweeney was unsure. Zimmerman said the WisDOT had registered as against the bill. Polyock spoke of the sufficiency rating of the bridge being low but not low enough to fit state funding criteria. He said with the sufficiency ratings as they are, there was something wrong somewhere. Mace asked about other testimony at the public

hearing. Zimmerman said Town of Sharon representatives had spoken in favor of the bill. Demby said a letter could be on the March agenda but Zimmerman said that would not be in time. Sweeney repeated that Polyock should work with Zimmerman on the issue.

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

Karl Nilson reminded the Commission of the upcoming Mad City Model Railroad convention in Madison next weekend. Bob Scallon announced that Vern Lewison would be retiring and spoke highly of his service to both Grant County and the WRRTC.

REPORTS & COMMISSION BUSINESS

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

- *Motion to approve the Treasurer’s Report and pay the bill – Thomas/Gustina, Passed Unanimously*

Jim Matzinger presented the Treasurer’s Report to the Commission, noting that he needed to get final billing for the audit and from SWWRPC which would allow him to close out 2015. He said there was only one bill to be paid, payment of accounting services. He also said he had sent a bill to the member counties for their contribution (\$28,500.00) and distributed copies of each county’s letter to the respective Commissioners as well. Matzinger commented that since the 2015 projects had not been closed, the Commission looked very “flush”.

Ladewig spoke about attorney’s fees, wondering if the Commission needed to request a letter from Brownlee asking for her assurance that her rates would not change. He asked if another lawyer from Brownlee’s new firm were to do work for the Commission, would that attorney bill the Commission at their own rate. Penn said she had gotten confirmation from Brownlee that her rates were set by her, via her contract. Ladewig suggested getting reassurance from Brownlee to clarify the fee in the circumstances he had mentioned.

Sweeney advised the Commission that they would move the audit (item 13) and the 2015 audit engagement letter (item 14) up on the agenda to accommodate Matzinger.

9. **Discussion and Possible Action on 2014 Johnson Block draft WRRTC Audit – Mary Penn, WRRTC Admin.**

- *Motion to approve 2014 draft WRRTC Audit – Polyock/Thomas, Passed Unanimously*

Matzinger presented the audit and explained that all assets were being listed. He said it was intended for bonding agencies and was a reflection of new accounting rules. He said it was a number calculated, based on historical averages times the mileage of track and land: it was a ballpark figure for bonding. He said the auditors had to depreciate assets and said this appeared in some other places of the audit.

Nilson asked if the \$78,000,000 included the Commission’s property in Illinois, plus the percentage of the infrastructure. Sweeney asked if Nilson was suggesting it was a conservative number. Matzinger asked for the cost of the last WSOR railroad project. Ken Lucht said it was about \$8,000,000. Matzinger said total spending was added by the auditors. Ranum said he assumed the additional \$10,000,000 added in 2014 were assets of the Commission. There was discussion about the percentage of projects owned by the Commission.

Ranum asked how much of those were recoverable if the Commission needed to liquidate. Kim Tollers said WisDOT owned the land, the Commission the roadbed and anything that sat on it and the WRRTC owned 100% of that (infrastructure). She said the East Wisconsin Counties Railroad Consortium just uses the State railroad. Ranum asked to whom did improvements belong. Tollers said they would have to reread the contract(s). She said WisDOT was currently going through an asset management project and therefore the State needed to declare what they owned. For some RTC’s the State had had to remove some assets off their books. How those assets got distributed in liquidation she was not sure but said she could look into it. She believed WSOR would capture the 20% in a liquidation situation. If the liquidation value was less than the original purchase price, she did not know how much they would get. Ranum asked as an example, when they spent money on the Spring Green Bridge, who would own the bridge. Tollers said that was the WRRTC’s bridge. Rich Kedzior added that it also depended how recent a state funded improvement was done, giving the Fox Lake Sub as an example: with new Continuous Welded Rail (CWR) done this year and hypothetically liquidated the next year, the state would have a claim. He said that different subs had different agreements but after 20 years, the State ownership disappeared and it would be owned by WRRTC and WSOR. Ladewig asked if the Commission had bonding authority and was told they did not.

Ranum commented a requirement listed in the audit regarding the reporting and the Commission’s reliance on an outside auditor. He noted the WRRTC did not do this but the statement was null because the auditor did not do it either. Nilson said it would cost more money that way. Matzinger agreed and said it was not very meaningful to the auditors or the WRRTC. Ranum asked if there could be a statement to that effect since the Commission was required to do that but were not. Sweeney said it was up to the auditor to have that language. Nilson said the last sentence in the letter covered that.

Nilson asked if the approved audit was forwarded to the counties. Penn said she sent it to all the member county clerks electronically. Sweeney said every county financial official should get it. Mace asked for clarification. Nilson suggested sending two copies: one to the clerk and one to the treasurer. Ladewig suggested including a transmittal letter requesting the audit be forwarded to other financial officers in the respective counties.

- 10. Discussion and Possible Action on 2015 Audit Engagement Letter with Johnson Block – Mary Penn, WRRTC Admin.**
- *Motion to approve 2015 Audit Engagement Letter to Johnson Block – Gustina/Thomas, Passed Unanimously*

Matzinger said Johnson Block had kept their fees reasonable and it was easy to work with them.

11. Wisconsin & Southern Railroad's Report on Operations – Ken Lucht, WSOR

Lucht reported that monthly maintenance was going on, moving snow and ice. He said there was a huge problem with snowmobilers and groomers crossing the track, especially in Green and Grant Counties. He said WSOR would have to educate groomers to lift their equipment on the crossings. Lucht noted other maintenance operations continued.

On capital projects, due to the frozen ground, WSOR was not able to do much although they were able to replace broken ties when necessary. Lucht said WSOR was planning for construction for the upcoming year and on Feb 1st they submitted two grant projects, one a 7 mile CWR project on the OshKosh sub (7 miles) and the other of bridge replacements with \$10,000,000.00 for one structure on the east side of Wauzeka. He said that was possibly scheduled for 2018. Lucht noted that there were three major bridges over the Wisconsin River.

Lucht said WSOR also submitted a third application (a re-submit) for a potential TIGER grant submission. He said that WSOR thought there might be another funding cycle and if so, they would have the state portion of that project submitted. He cautioned the Commission that WSOR had not decided if they would pursue TIGER grant if funding came up: they would decide in the future.

On the railroad industry, Lucht spoke about Positive Train Control (PTC), explaining it was an unfunded federal mandate (\$15,000,000,000 nationwide) and it was technology that sensed when engines approached each other and would shut down both trains if they were headed for each other on the same line. He said PTC was for trains with commuter tracks and cars carrying certain hazardous materials. Lucht said WSOR believed they would have to have PTC on the Fox Lake Sub and had submitted 10 locomotives that would need to be equipped with PTC, costing roughly \$100,000 per engine and did not include the software necessary. He noted there was also some wayside technology needed. Lucht said this technology was supposed to be in place by December 31st, 2015 but the industry had only gotten about 1/3 implemented. Congress extended the deadline to 2020 for short lines railroads and Lucht said WSOR anticipated they would have theirs complete by 2018. He said he would keep the Commission updated on this.

Lucht next spoke about a pending bill (LRB 2302) by Rep. Nerison, Prairie du Chien, to allow trespass on railroad property for outdoor recreationists. He said this issue came up last summer and the bill was being circulated right now at the capital for co-sponsorship. He noted some cases of trespassers getting killed by trains and said this was a very bad bill. He asked the Commissioners to avoid supporting the bill or asking their representatives to support it. He said anyone permitted to go on railroad property currently required permission from the company and safety equipment and these would not be followed by trespassers. He said WSOR was working to defeat the bill. Tietz asked why this bill was being brought forward. Lucht said railroad police officers had stopped several people within the past few months and it was being pursued by the trespassers. He said Burlington Northern Santa Fe (BNSF) currently was refraining from ticketing: Lucht said this was more of an issue for BNSF but it was to let a few people go fish the Mississippi. Nilson said if you passed a law like that and someone was killed, you would be liable; Ladewig requested this be put this on the next agenda, to put the RTC on record in opposition to this legislation.

Lucht said he had brought WSOR calendars to share with the Commission and asked folks to take them. He said if anyone needed more to just let him know.

Bob Scallon asked Lucht and Tollers about a biking trail up in Boscobel and that he had been told by the County Chair that a Grant County biking organization was planning to put in their own bike bridge. He asked if they could do this. Tollers said with all the correct permits they could do so. Tietz talked about a snowmobile bridge that had been put in in his county.

Lastly, Lucht distributed the Watco One Pager to the Commission, specific to Wisconsin. It highlighted WSOR's activities in the State, its capital, and top commodities. He said agriculture and aggregate represented over half of WSOR's freight. He said these were local products, used within the State. He said WSOR was proud that over half of that.

Lucht said the new State Railroad Commissioner, Yash Wadhwa, was in the process of being formally appointed, replacing Jeff Plale. He suggested the Commissioner’s meet him if they could and Sweeney asked for Mr. Wadhwa’s contact information.

Nilson asked about the volume of freight listed on the One Pager. Lucht said it was in gross tons. Mace said if someone wanted to write to WSOR, why did they not include their mailing address. Lucht said it was on their website, thanked Mace for pointing that out and said it was something to consider.

12. Discussion and Possible Action on WRRTC’s 2015 / 2016 Capital Program – Ken Lucht, WSOR

- *Motion to approve WSOR 2015/2016 Capital Program as Presented - Nilson/Scallon, Roll Call Vote*

Crawford	Tom Cornford, <i>2nd Vice Chair</i>	yes	Rock	Ben Coopman, Alternate	
	Rocky Rocksford	yes		Wayne Gustina	yes
				Alan Sweeney, <i>Chair</i>	yes
Dane	Gene Gray, <i>Treasurer</i>	yes	Sauk	Terry Thomas	yes
	Jim Haefs-Fleming			Marty Krueger, Alternate	yes
	Chris James, <i>Vice Secretary</i>			John Deitrich	
Grant	Gary Ranum	yes		Scott Alexander	no
	Vern Lewison		Dave Riek, <i>3rd Vice Treasurer</i>		
Iowa	Robert Scallon, <i>1st Vice Chair</i>	yes	Walworth	Eric Nitschke	no
	Charles Anderson, <i>Secretary</i>			Richard Kuhnke, <i>2nd Vice Treasurer</i>	
	William G Ladewig	no		Allan Polyock	yes
Jefferson	Jack Demby	yes	Waukesha	Karl Nilson, <i>4th Vice Chair</i>	yes
	John David			Dick Mace	yes
	Laura Payne			Richard Morris	
	Augie Tietz, <i>3rd Vice Chair</i>	no			

13 yes’s, 4 no’s – Motion Carried

Since the projector Lucht had brought to the meeting did not work, he spoke to the Commission about WSOR’s Capital program and about not getting the TIGER Grant and the repercussion that had had. He said he had a proposal for the next meeting to direct the next 2 years of funding to bridges in the system. Because he did not have the PowerPoint, he wanted to show them at the next meeting, rather than just discuss it today. He said he had a lot of information on bridges, particularly the Spring Green Bridge, with photos to show. He explained where the Bridge was located. He also talked about the system as “in island” in Illinois, which was entirely owned by the WRRTC. Because there was no contract for capital improvements on the WRRTC Illinois property and the fact that there were 11 bridges in Illinois that are not eligible for any Wisconsin State funding, and all the bridges were the responsibility of the WRRTC and WSOR. Lucht said there was about 100 and higher pound rail in Illinois. However, the bridges remained a big deal for WSOR and they were proposing to rebuild three in Illinois, with WSOR and Commission funding. Lucht said one of the bridges which crossed Fox Lake he had spoken about previously. He told the Commission that this corridor was very much used and well taken care of, but it had its problems. He said about 85,000 cars were hauled on this sub every year.

Matzinger said he had a projector they could use and Sweeney suggested taking a short break to allow Lucht to hook it up (at 10:54 AM).

At 11:00 AM, Lucht began his presentation. He presented the 2015/2016 WSOR capital plan after giving some background on Watco as parent company, as well as WSOR freight percentages and type. He emphasized the need for bridges rehabilitation in the future both in Wisconsin (1 bridge) and Illinois (3 bridges). He listed each bridge’s needs and cost and made his proposal to the Commission, asking them to contribute their full county contribution from 2015 and 2016 towards the bridge projects as presented: this would be \$517,480 from the WRRTC and \$2,128,520 from WSOR. This was proposed in lieu of not getting the TIGER Grant.

Ladewig said he could never vote to take state dollars out of the state into Illinois. He could support taking WRRTC dollars to pay for the Prairie Sub. Lucht said these bridge projects were ready to go. Ladewig suggested that paying more towards the Spring Green Bridge would make more dollars available to WSOR for the Illinois bridge work. Mace asked about trackage rights WSOR had, to use CN track in Waukesha. Lucht said if the Fox Lake Sub were out of service WSOR could work with other carriers (Canadian Pacific (CP), Union Pacific (UP), or Canadian National (CN)) that they could use for detours. Nilson said the property in Fox Lake was owned by the WRRTC counties and therefore it would not be state dollars going to Illinois. Lucht said the WRRTC is assessed, and pays taxes on that line. Gene Gray asked about the customers on that line. Lucht said there were several, including Scot Forge. Demby asked if WRRTC could pay more towards the Spring Green Bridge (\$500,000) and put more WSOR dollars towards Illinois.

Matzinger interrupted Lucht briefly to tell him he had found that for 2015 there was \$252,000 available; for 2016 it would be \$258,480 as shown in Lucht's presentation. Lucht said it was all about timing as these bridges were a priority.

Sweeney commented that "this has been coming for a long time" and that it was a regional system with a main line that connected to the rest of the world via Chicago and "we can't have no bridges". Mace said the line benefited all 9 member counties.

Sweeney said the 2015/2016 budgets had been allocated to match the TIGER Grant. Since there had been no grant awarded, the proposal was to allocate those dollars to bridges. Sweeney asked Lucht whether WSOR would ask for other commitments from the WRRTC in the upcoming budgets and if something did come up would WSOR have the dollars to address those problems. Lucht said WSOR did have options as they had commitments to the system maintenance. He said WSOR did have a line of credit in the event of a catastrophic failure. He said WSOR had a good handle on other capital upgrades and did not foresee any other projects in 2015/2016.

Sweeney asked if Tollers and Kedzior had anything to say. Kedzior confirmed it was the WRRTC property and there was a lot of mileage in the overall system and this part of the system (Fox Lake Sub) was not a lot of mileage.

Mace asked what the impact would be if the WRRTC could not agree to spend the money as Lucht was proposing; what would be the alternative solution for traffic if the WRRTC did not agree to fund these Illinois bridge projects. Lucht said he did not have alternative projects as timing was not good for other projects in Wisconsin. He noted that WSOR had already contributed 2 years of funding on the Fox Lake Sub, as well as the Madison Sub. Mace said if they had to go to CN or CP, how realistic that was. Lucht said it was very realistic for a short period of time but noted it was a huge cost to WSOR and their customers and not preferred. There was no real quick, convenient way to detour around the Fox Lake Sub. The longer the travel the car went, the higher cost it was and the more likelihood of accidents.

Nilson said the commission needed to bear in mind that they owned the Fox Lake Sub and it was their lifeline to the national system and he thought they should really do this as it showed good fiduciary responsibility.

Tietz said since this was the first time they had heard about this idea, suggested putting it on the March agenda so he could discuss it with his county. There was confirmation that it was on today's agenda. Nilson said this had been talked about before. Sweeney said there was a motion and second on the floor. Eric Nitschke asked about the question regarding timing and funding. Lucht said the first project was starting in April. It would be a little hardship to delay until March due to scheduling contractors. If it were March, then WSOR would have to work with that. Nitschke said no one was denying the bridges needed work but for Walworth County, spending money out of state on such short notice without obtaining more information, he would have trouble supporting that, especially as there are bridges waiting in Wisconsin that they could fund more fully. Sweeney repeated that this was the life line to the larger rail system and if the bridges went down, "we're out of service".

Marty Krueger said he understood it was the lifeline and owned by the WRRTC, but 2 months ago he had heard about the desperate state of the Merrimac bridge in Sauk County and he had real problem spending half a million in Illinois. He added that if a solution was not reached on the Merrimac Bridge, they would have "hell to pay" with Sauk County. He said he certainly supported waiting a month and having time to think about it.

Allan Polyock said he was for fixing it because it was going to cost all the shippers more money if they have to detour. Krueger said at the Sauk County Board they have "major Items" introduced one month, and voted the next month. Gray said he had served a long time on the Commission and with equal contribution in each county but one system. He said he would like to see all the bridges that the Commission had in the next couple years that needed work, saying that would be very helpful to the Commission.

Sweeney said in his opinion there was a difference between the Merrimac Bridge and the Illinois bridges since there were WisDOT dollars for the Merrimac Bridge, not the Illinois bridges. Tietz said he would just like to have a month to talk to his constituents to discuss the issue. Terry Thomas said if "we bought a farm, we wouldn't let the barn fall down just because it's in another state". Ladewig said as to regards to maintenance, all the cost of maintenance went to WSOR. Lucht said these were at priority 2 repair status and if repairs were not made, the line goes out of service. In Wisconsin, WSOR collectively funded capital upgrades so this would be an Illinois upgrade and therefore a WRRTC and WSOR upgrade. Mace asked for the amount of money paid on projects on the Fox Lake Sub from Zenda to Janesville. Lucht said from Zenda to Janesville they paid into the CWR project, \$250,000 to \$500,000. Mace said so they had displayed a commitment to that line. He asked if there was a major discussion on these Fox Lake Sub CWR projects at the time, and if there were any issues raised on those projects as there were now. Lucht said those projects were in Wisconsin. Mace said the lifeline was in both Wisconsin and Illinois and why not fix the whole line, not parts. Gray said a precedent had been established as the Commission had paid for other projects in Illinois. Krueger said Tietz's point was well taken,

pointing out that if Matzinger had not found a projector for Lucht's presentation, the Commission would not be talking about this until March. Krueger said the reason they did this was so they did have an opportunity to clarify any points. He was clear that he would very reluctant to vote on this.

Motion to call the question – Polyock/Wayne

Sweeney said he had asked Lucht to give this presentation to PRTC and to ask them to also contribute to this work.

13. WDOT Report–*Kim Tollers, WDOT*

Tollers spoke about bridge work in the City of Baraboo and getting a Temporary Access Permit (TAP) in place to do the work. She said this was a WisDOT responsibility and an FYI to the Commission.

Kedzior started by saying he had made the FRRP announcements, saying that WisDOT participated in a \$3.9 million grant for Avoca to Crawford grant. He said WSOR was currently operating under funding that ended in March but once they got bond approval that contract would be approved. He added that they had received grant applications affecting the WRRTC: two for bridge replacements on various subs and also were expecting an update on the Fox Lake Sub in Walworth County.

Kedzior then spoke about the Town of Sharon Peters Road Bridge. He said the bill proposed to use \$800,000 FRIIP dollars to pay for the bridge and set a bad precedent. He anticipated that if the law passed, any community unwilling to fund railroad projects would come to the state for funding and the revolving loan fund would go to zero. He reminded the Commission of the communities this fund had provided funding for in the past few years and those currently borrowing money for projects. He gave more examples of other borrowers and said WisDOT would like to protect the funding as once those funds went away they would be very, very hard to get back from the State Legislature.

Kedzior said had received a request from Evansville for railroad service who had talked to UP and had in turn referred them to the WRRTC to help. Ranum asked about what the City was looking for. Kedzior said he thought they were open to either UP or the WRRTC providing service. He suggested that perhaps in the long run the WRRTC might be a better partner.

Ranum said it was clear bridge infrastructure was bad throughout the State and asked if WisDOT was doing anything about it. Kedzior said Walworth County evaluated their bridges for Local Road Funding. He said the Town of Sharon (Peters Road Bridge) was at the bottom due to so little traffic and the County was not willing to put it forward. He said the State was always looking at projects and counties could nominate bridges for State funding. Ranum said his point was that the bridge situation in the State was very bad and there was no money for it and what could be done because local towns could not pay for projects. Polyock said he was not willing to support the Loudenbeck bill if it would take money from FRIIP.

Nitchenske stated requests for funding of this nature would continue if WisDOT did not put forward a greater plan to deal with the statewide bridge issue, and he asked Kedzior if WisDOT was working toward such a plan per Ranum's earlier question. Kedzior said he was not encouraging them to talk to legislators and trying to get money for projects, as "mega" projects were using the greatest amount of funding: there were flat revenues. Mace said therefore was there no plan by WisDOT to address bridges statewide. Kedzior said he could only comment on State owned bridges and they responded to bridge applications from WSOR. If a legislator proposed to remove money from their program, WisDOT got asked to respond to that. Tollers said there were approximately six of these timber bridges on State owned property. It is not a statewide issue: for six bridges it was very individualized.

14. WRRTC Correspondence/Communications and Administrator's Report – *Mary Penn, WRRTC Admin.*

Penn listed the correspondence she had received or sent in the past month. Next, she listed the administrative tasks she had addressed since the January meeting including final questions regarding the 2014 audit and forwarding a utility permit application and fee schedule to Trotter and Associates, Inc. who is working on a utility project involving the WRRTC in Lake County, IL.

15. Update on Illinois Counties Tax Billing Process – *Mary Penn, WRRTC Admin.*

Penn gave the Commission the background on this issue, saying that a conversation with Matzinger had prompted her to start determining the process of the WRRTC paying their taxes in Illinois. She said Lucht had sent her information on WRRTC owned parcels in Lake County, Illinois, noting that Lake County had never billed WRRTC directly for taxes to her knowledge: apparently they sent all bills to WSOR directly. She said she would be contacting the County to make sure their tax bill mailing address was to the WRRTC Administrator and cross checking the parcel numbers from Lake County to corridor parcels (as part of ongoing efforts to map the corridor).

In regards to McHenry, Penn reported that some bills were sent to her. Matzinger interjected that it was these bills that were sent to the old WRRTC administrator address last year which resulted in the Commission having to pay a late fee. He wondered if the Commission could preauthorize the payment of taxes if that bill was mailed just after the WRRTC met. If he had authorization to pay the tax bill up to a certain amount, it would prevent late fees. Nilson said that could be added to the March agenda.

Penn continued, explaining how the tax bills were received by her, scanned for her records, and then forwarded Matzinger for payment. She said she had contacted McHenry County to determine if there were any parcels not being paid by the WRRTC but in fact paid by WSOR. She was forwarded a copy of a 2014 tax bill addressed to WSOR as payee for \$54,670.76. She requested McHenry County change the mailing address to the WRRTC Administrator, rather than WSOR. She discussed this with Matzinger, giving the amount and he said he had never seen this bill nor paid that amount and asked if it was possible that WSOR owned property in IL along corridor. She emailed Lucht a copy of this invoice, who responded that he believed where the bill was mailed was at the discretion of the local community or township and suggested her notifying the County to have them start mailing to her. She asked Lucht as to whether a greatly increased tax bill might impact the amount of dollars available to the WRRTC for projects if this happened. Lucht responded that it would not impact the Commission's funding of capital projects, saying "This would be considered an operating expense and is 100% reimbursable by WSOR. Once you pay the taxes, you send us a bill and we reimburse you. No effect whatsoever on your capital budget."

Penn said she would contact Lake County to direct their tax bills and other mailings to the WRRTC Administrator. Mace asked how wide the ROW was in McHenry County and how the tax bill was so much. Lucht said WSOR got a lot of tax bills. Ranum asked what the outcome of this process was. Penn explained she would document the process of how taxes were handled in order to have transparency and also assist the next Administrator. Mace expressed disbelief as to the amount of tax charged and wanted to know the total amount. Sweeney said the Commission would get this information at the next meeting so they could review it.

16. Action Item. Adjournment

- *Motion to adjourn at 12:21 PM – Krueger/Cornford, Passed Unanimously*