

WISCONSIN RIVER RAIL TRANSIT COMMISSION

EXECUTIVE COMMITTEE MEETING - FRIDAY, APRIL 4, 2014 @ 10AM
 DANE COUNTY HWY GARAGE, 2302 FISH HATCHERY RD, MADISON, WI

1. 10: 00 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	x
		Dennis Polivka, Asst. Secretary (XCom)		x	
Grant	Gary Ranum	Excused	Walworth	Jerry Grant	
	Vern Lewison	Excused		Richard Kuhnke, 4 th Vice Chair (XCom)	x
	Robert Scallon, 2 nd Vice Chair (XCom)	x		Allan Polyock	
Iowa	Charles Anderson, Secretary (XCom)		Waukesha	Karl Nilson, Chair (XCom)	x
	William G Ladewig			Dick Mace	
	Jack Demby			Fritz Ruf	
Jefferson	Genevieve Borich	x			
	Ben Wehmeir	x			

Executive Committee met quorum.

Others present for all or some of the meeting:

<ul style="list-style-type: none"> Mary Penn, WRRTC Administrator Forrest Van Schwartz, pro bono consultant 	<ul style="list-style-type: none"> Ken Lucht, WSOR Frank Huntington, Kim Tollers, WDOT Alan Anderson, Pink Lady RTC
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3. Action Item. **Certification of Meeting’s Public Notice** – *Noticed by Penn*
 • *Motion to approve public notice of meeting – Nilson/Polivka, Passed Unanimously*

4. Action Item. **Approval of Agenda** – *Prepared by Penn*
Penn told Sweeney that due to a software problem, Jim Matzinger would not be able to submit a Treasurer’s Report.
 • *Motion to approve amended agenda, removing the Treasurer’s Report – Cornford/Kuhnke – Passed Unanimously*

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

6. Updates. **Public Comment** – *Time for public comment may be limited by the Chair*
 Alan Sweeney welcomed Genevieve Borich to the Commission. Karl Nilson asked if she was here to representing the county or the economic development corporation. Ben Wehmeir said she would be appointed formally by the end of the month and Sweeney said that since she was to be formally appointed, she could vote on issues as she represented the County.

7. Updates. Correspondence & Communications – Discussion may be limited by the Chair
Penn distributed the three handouts from Forrest who gave background on them.

8. Updates. Announcements by Commissioners – No Discussion Permitted
No announcements were made. Alan Sweeney asked Gene Gray about the March 19th meeting. Gray reported that WSOR had been audited and they were growing by acquisition, earnings were up, and freight was down from 2011. For 2013 they would show more growth. He said the greatest growth in WI was on the Prairie line. Grain, aggregate, food and chemicals were the top loads with weather and access in Chicago as the 2 greatest challenges. WATCO representatives said WSOR was one of their better properties and very important part of the whole system. Frank Huntington noted that the information on car loads would be made available to the public. He said that WDOT had an auditor at this meeting and who had no concerns. Sweeney said this auditor would come to a future WRRTC meeting and update them. Ken Lucht commented on how important this meeting was to WSOR and he thanked everyone who attended. He added that a big highlight was the decrease in carloads from 2012 to 2013 (due to lower grain volume) and said another 10 people would be added to attend to grain shipment. Capital Expenditures were up 12% from 2012 for updates in infrastructure (tracks, crossings, signals etc.) and he said WSOR would drive more investment into the system into the future. Terry Thomas asked how much expenses were due to weather. Lucht said that all the maintenance was done “in-house” so the weather did not drive expenses up and was not an additional cost. Weather did add additional cost to WSOR as it caused service slows down which required more communication and time with customers. Gray said there was a comment that there weren’t as many seasonal people hired and asked if full time employees would be doing the maintenance. Lucht said seasonal workers could be problematic as they were not as invested. He said that over the summer you never knew if they would be back the next summer; with just 70 people on staff it was more cost effective to contract with local contractors. He said there were 3 or 4 track contractors locally who did the track work but noted that sometimes they did get a bid outside of WI.

Robert Scallon asked about a train he’d met coming to the meeting and asked if those cars were empty. Lucht said probably some were loaded and some empty, adding that outbound cars were mostly grain and sand. Dennis Polivka asked about the speed restrictions on the Prairie line and how long a train took on it. Lucht said was about 8 hours and said a unit train from Janesville could take 14 hrs.

9. Wisconsin & Southern Railroad’s Report on Operations – Ken Lucht, WSOR
Lucht said bids were due today on the CWR work on the Fox Lake sub as this work would soon be underway. He said some other Fox Lake sub work were priority 2 repairs and included 7 structures. WSOR was wrapping up a bridge project in Madison and Lucht said on the Prairie sub work had begun on the Wauzeka Bridge (a \$2.2M project) which would be replaced by the middle of summer. He added that the Vita spur work had 2 bridge jobs bid out currently.

On the Oregon/Fitchburg line there had been some progressive. Attorneys for the communities had wanted to look at a line sale agreement example. Lucht said Fitchburg would have a committee meeting this month and if passed, it would come to vote in late April. Fitchburg was also looking a document that would transfer common carrier rights to WSOR. He noted that at this point the communities are the carrier and WSOR was hoping they would transfer the rights so WSOR could start rehabbing the line. Lucht said it was up to WSOR to sell this idea to the Fitchburg common council.

In Oregon, if the Village approved the transfer, it would be approved: no further action would be necessary. Lucht asked if the WRRTC would want to send any representatives to the Oregon/Fitchburg meetings. One question Lucht thought would be asked is why should the City have to sell at such a low price, along with the obligation of replacing some crossings they took out. Lucht said hopefully the agreements entered between the City and WRRTC in the past would be honored. WSOR would follow this through the public process. Huntington said he would try to come to the meetings and he anticipated WDOT would be approving the operating authority to the WSOR and approving the assets going to the WRRTC. The alternative would be for the City to assume the responsibility of providing service. If they retained ownership the City would have some expenses and Huntington anticipated the City would want to get “out from under that”. Sweeney asked if Huntington had the original documents at the community meeting. Huntington said the problem might be there wasn’t any one on the City Council who was present when the original documents were signed. Lucht said their customer was expecting rail service as of November and Lycon was getting very anxious to help move this along adding that time was of the essence and WSOR was working to provide information to the customer and the communities. The issue was in the hands of the communities.

Gray asked about many cars per week Lycon anticipated and Lucht said over 500 cars.

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

Frank Huntington said that the 2014 rail maps were now available and he would bring them to the May meeting. He said there wasn't a lot of new information to present but said there are a lot of projects getting underway right now as the construction season opened up. He said between 8 to 10 applications were in that were unfunded for the 2014 – 2015 budget. He said \$15 M is available and \$10M was being held in hopes of the TIGER grant. WDOT would evaluate in June and July for project funding.

Huntington said 65 bridge applications were received in 2013 and another 14 in February 2014, all of which were still unfunded. He said there were about \$60 M in unfunded projects and only about \$10 M available. Starting in July 2015, unfunded projects would be carried over. At this point WDOT's intention was to come in with a budget of about \$52 M although he said they might request \$60 M. That request would be made in November/December although nothing was guaranteed. He noted there had been some staff issues so they were filling the gaps with some retirees including Ben Meighan (to do inspections) for the next few months.

Karl Nilson asked about the Sheboygan project, Kohler to Plymouth. Huntington said it was an unusual project and the track had been out of service for 25 years and was a complete reconstruction project. He said the brushing was done about 1 ½ years ago and the old track was being removed and sometime within the next month the bids would be going out for the track work with the hope that the work would begin in July. He said the project would probably not be complete until June 2015. He said there were several bridges and some would be replaced or rehabbed; the bridges will be quite a bit of work.

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

Mary Penn distributed a rail map asking Commissioners to note any errors to her. She said it would be made available on the website and that it was a long-time project in the making due to personnel changes over the years.

12. Discussion and Possible Action to approve a letter of support from WRRTC for the 2014 TIGER VI application –*Ken Lucht, WSOR*

Ken Lucht said at the last meeting, the WRRTC took action to be a co-applicant on the 2014 TIGER VI grant and that WSOR had been working very hard putting the application together. In trying to beef up their application packet, WSOR requesting letters of support from local, state, regional, and federal agencies. He said that the TIGER project work area would be from downtown Madison to Spring Green and was a very exciting project. However, due to the wording of the motion before, he and Penn had thought it worthwhile to make it clear that the Commission also specifically approve a letter of support.

- *Motion to approve a letter of support from WRRTC for the 2014 TIGER VI application – Thomas/Scallon, Passed Unanimously*

Polivka asked how much money would be requested and Lucht said \$25 M was being asked with about 54% as local match.

13. Discussion and Possible Action to agree to terminate the 1996 Trackage Rights Agreement (#188722) between WSOR, WRRTC and the Union Pacific Railroad Company, due to the Reedsburg acquisition – *Frank Huntington, WDOT*

Frank Huntington gave some history on the agreement and the reasoning behind the document. He said this document was part of the WSOR's lease agreement with Union Pacific and when the state acquired the Reedsburg line this document will not be necessary. However, he said he wanted it on the agenda just in case the trackage rights did not automatically stop.

Polivka said he did not see why they needed to take action if the document ceased upon the Reedsburg purchase – there was no need for the Commission to take action. He then asked if the acquisition was complete. Huntington said the sale of the line was very close and there were some final negotiations in play. He said the agreement language needed to be finalized and a bridge inspection on the bridge on the Merrimac River was still needed but to date ice had prevented it. He said that WDOT knew the bridge needed work but they were hoping there was still some working use to the bridge. John Miller asked if Eileen Brownlee had reviewed the trackage rights document. Alan Anderson asked if the Merrimac Bridge was in bad shape would that affect the sale of the track. Huntington said the agreement said that WDOT had until April 30th to terminate the sale but it would depend on a number of factors. He said there would be between \$5 -6 M dollars in maintenance on the bridge but if that number jumped, WDOT would have to decide how to proceed. If the cost of the bridge went up to between \$60 – 70 M WDOT might renegotiate the purchase price.

14. Action Item. Adjournment

- *Motion to adjourn at 11:38 AM – Gustina/Cornford, Passed Unanimously*