

WISCONSIN RIVER RAIL TRANSIT COMMISSION
 COMMISSION MEETING - FRIDAY, MARCH 10TH, 2017 @ 10AM
 DANE COUNTY HWY GARAGE, 2302 FISH HATCHERY RD, MADISON, WI

1. 10: 05 AM **Call to Order** – *Alan Sweeney, Chair*

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

Crawford	Tom Cornford, <i>2nd Vice Chair</i>	x	Rock		
	Rocky Rocksford	x		Wayne Gustina	x
	Derek Flansburgh	x		Alan Sweeney, <i>Chair</i>	x
		Terry Thomas		x	
Dane	Gene Gray, <i>Treasurer</i>	x	Sauk	Marty Krueger, <i>Alternate</i>	x
	Jim Flemming	excused		Chuck Spencer	x
	Chris James, <i>Vice Secretary</i>	x		Craig Braunschweig	excused
		Dave Riek, <i>3rd Vice Treasurer</i>		x	
Grant	Gary Ranum	x	Walworth	Eric Nitschke	x
	Mike Lieurance	excused		Richard Kuhnke, <i>2nd Vice Treasurer</i>	excused
	Robert Scallon, <i>1st Vice Chair</i>	excused		Allan Polyock	x
Iowa	Charles Anderson, <i>Secretary</i>	absent	Waukesha	Karl Nilson, <i>4th Vice Chair</i>	x
	William G Ladewig	x		Dick Mace	x
	Jack Demby	x		Richard Morris	x
Jefferson	Jeni Quimby	x			
	Gary Kutz	x			
	Augie Tietz, <i>3rd Vice Chair</i>	excused			

Commission met quorum.

Others present for all or some of the meeting:

<ul style="list-style-type: none"> • Troy Maggied, WRRTC Administrator • Ken Lucht, WSOR • Alan Anderson, Pink Lady RTC • Wendy Peich, Dana White-Quam, WDNR • Grace Colas, Office of Rep. Dave Considine 	<ul style="list-style-type: none"> • Kim Tollers, Rich Kedzior, Dave Simon, Bennet Conard, WisDOT • Eileen Brownlee, Boardman & Clark • Jim Matzinger, Dane County
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3. Action Item. **Certification of Meeting’s Public Notice** – *Noticed by Maggied*
 • *Motion to approve meeting’s public notice – Nilson/Gustina Passed Unanimously*

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

5. Action Item. **Approval of draft February 2017 Meeting Minutes**– *Prepared by Maggied*
 • *Motion to approve February 2017 meeting minutes with minor corrections – Mace/Gray Passed Unanimously*
 Mace and Kedzior provided Maggied with minor editorial corrections for inclusion to the minutes.

6. Updates. **Public Comment** – *Time for public comment may be limited by the Chair*
 There was no public comment.

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

REPORTS & COMMISSION BUSINESS

8. **WRRTC Financial Report** – *Jim Matzinger, Accountant*

Matzinger provided the February Treasurer’s Report to the Commissioners. Reporting on the “WRRTC Balance Sheet” from the February financials, Matzinger noted that all county members have been billed, and \$147,000 has been received and deposited in the bank. The Commission has \$42,399 for general funds. Page 2 shows 2017 revenue including a Sauk bridge fund with \$15,162 from salvage. There is a balanced budget at this time, but there are some amendments to make for 2017. Page 4 reflects the year end budget

for 2016, and Matzinger pointed out the Total Net Income being negative \$33,452. This deficit will be discussed later when he shares the 2017 budget amendments. Page 5 of the report identifies one invoice for January accounting services for \$562.96. Sweeney asked why the invoice for the Great Sauk Trail wasn't included. Krueger stated this was not an invoice, just a statement showing the cost to show the clearing costs.

- *Motion to approve the payment of bills – Mace/Gustina, Passed Unanimously*
- *Motion to approve the balance sheet – Gray/Thomas, Passed Unanimously*
- *Motion to approve the Treasurer Report as presented– Gray/Gustina, Passed Unanimously*

9. Discussion and Possible Action on Amending 2017 and 2018 WRRTC Budget – Jim Matzinger, WRRTC Accountant
Matzinger presented a proposed amendment to the 2017 budget reflecting Sauk Trail salvage revenues of \$15,200 of previously unbudgeted revenue. The 2017 audit fees have been adjusted down to \$4,400 to reflect the amount actually spent despite the audit letter being higher. Legal fees have also increased due to increased activity and there was an additional \$8,900 expense related to installing signage at the Sauk Bridge. These amendments result in a net income of \$6,800.

Matzinger then presented three budget options for discussion. All three options are designed to make up the 2016 shortfall of \$26,700.

Option A shows per-county assessments increased from \$28,000 per year to \$29,000 for the 2018-2020 fiscal years, increasing total revenue to \$261,000 from \$252,000. SWWRPC's administrative contract will also increase from \$22,600 to \$27,500 beginning in 2018. These changes would result in an \$8,900 revenue increase in each of these years to realize the recovery of the 2016 overage. The 2021 budget then reduces the assessment back to its current level of \$28,000. The per-county increase of \$1,000 these 3 years is accompanied by a reduction in the same amount to the Rail Project Capital Expenses line item.

Option B proposes the same per-county increase and rail reductions for 2018-2020 as found in Option A. However, this option brings the Rail Project Capital Expenses back up to 2016 levels in 2021, and keeps the per-county increase of \$1,000 after the 2016 overages are recovered.

Option C keeps Rail Project Capital Expenses constant and without the reduction proposed in Options A and B, but would increase the per-county annual assessment by \$2,000 to \$30,000 for 2018-2020, dropping it back to \$29,000 in 2021.

Sweeney said he will ask for a vote on the 2017 amended budget, knowing full well this will need to be amended again this year. Gray noted that this budget makes no account for changes in Illinois taxes. Nilson thanked Matzinger for his work, and said he thought it was important to stay below the \$30,000 for county assessments. Krueger noted that one option not considered is to reach out to Columbia County and see if they are interested in joining. Their contribution would make this discussion moot, and they were never officially asked to join despite past discussions. This option grows the revenue pool rather than focusing only on cutting. The Commission could make a case about benefits of the Merrimac bridge to Columbia County. He would be happy to contact Columbia to judge their interest in joining. Ladewig stated that these increases would also result in a decrease in rail expenses, and would like to hear from the railroad. Lucht stated that the Commission has set a precedent for this action in the past when expenses exceed revenue, and understands the Commission has priorities and so has no objection to this. Demby said he had presented the \$3,000 to his public works committee and got push back from 3 committee members. Sweeney said that if the Commission is going to increase fees it needs to know soon. Kedzior stated that Columbia County is a member of East Wisconsin Counties Rail Consortium and provides them a \$25,000 contribution. Gray said everyone has a stake in this issue, and can see the issue of going to \$30,000, and would support the increase to \$29,000. If new counties come in to the Commission they could be pro-rated back to the lowered 2021 rate.

Sweeney asked the Commission to return to the 2017 revised budget, noting that this may need revised again.

- *Motion to approve the 2017 revised budget as presented– Nilson/Cornford, Passed Unanimously*

Morris asked if there will be a vote on the 2018 options. Nilson wants to remain at \$28,000 and try to catch up in other ways. – vote on 2018? Nilson likes 28000 and let us catch up other ways.

- *Motion to stay at the current county funding levels in 2018 from henceforth until further action is decided– Nilson/Cornford. Discussion:*

Morris said that if the Commission is going to change county contributions they will need to know soon before the budget processes begin. Matzinger stated this would need to work by cutting back on the rail contributions. Lucht stated this would not delay funding, just reduce each year’s contribution. Lucht said he could develop a scope of work that would work out best for Commission and railroad in the grant application. Krueger said that Matzinger’s pro-forma becomes \$238,900 in Rail Project Capital Expenditures (down from \$257,600) each year for the next ten years. Nilson said that when extra funds come in it goes into this account, so the practice isn’t “all bad.” Demby stated that if something happens we could revisit this as needed without locking the Commission in to a decision for 3 years. Mace said he expects this discussion to reoccur in May or June. Ranum said he expects that, as the Commission looks at bringing this amount down, and also the rail contribution, Lucht will let us know if there are impacts to rail. He believes the railroad has more flexibility on this than the Commission.

- *Sweeney requested a roll call on the motion:*
 - *Votes in favor of approving: Cornford, Rocksford, Flansbaugh, James, Ranum, Ladewig, Demby, Quimby, Kutz, Gustina, Sweeney, Thomas, Krueger, Spencer, Riek, Polylock, Nilson, Mace, Morris*
 - *Votes in opposition of accepting: Nitschke, Gray*
- *Motion passes*

10. Discussion and Possible Action on 2016 audit engagement letter – Sweeney, WRRTC Chair

Matzinger reported actual audit expenses of \$4,400 and said the auditor was willing to reduce charge to this level down from \$5,500. After 2016, he doesn’t know what would happen. Brownlee said finding a new auditor doesn’t need to be bid. She said the difference in cost between the WRRTC and the SCWRTC or PRTC is the level of activity. The SCWRTC is 100% trail, and the PRTC is 50% trail, whereas the WRRTC is entirely engaged in active rail projects. Nilson asked Matzinger if the auditor has ever come in and looked at the books, and Matzinger replied no. Brownlee said the standards guide the actions auditors and the WRRTC wouldn’t get any different action from other firms. She confirmed that it’s a statutory requirement to have an independent audit. Nilson said he likes the idea of getting quotes for new auditors. Brownlee suggested getting an RFP template from the member counties and have Matzinger assist in putting this together. Matzinger said there is no specific deadline to get this done, and that the 2015 audit was performed quite late in the year. The audit won’t start until the engagement letter is signed and so there is time to get quotes for the 2016 audit. Matzinger would be willing to explore this. Nilson suggested getting a list of the firms auditing member counties. Maggied will put this list together and get it to Matzinger.

- *Motion to postpone 2016 audit engagement letter and ask Matzinger to coordinate effort to put out RFP, and ask 9 member counties to communicate who they use – Mace/Nilson, Passed Unanimously*

11. Wisconsin & Southern Railroad’s Report on Operations – WSOR

Lucht reported that WSOR has a tremendous amount of activity going on. In March, they will be gearing up for their capital maintenance plan and shared activity on each subdivision. The Spring Green contractor is mobilized but had been delayed due to rising water. They’re working on the west approach on the Spring Green side where pilings are driven to 144’. They’ll move to the Iowa County side next and work back to the center of the bridge. The East approach is not as big as the west and so shouldn’t take as long. The ties on the Watertown sub have been bid out and a cost for Phase 2 came in at \$10,500. This work will start at Sun Prairie Town Hall Road to Waterloo. Nearly every third tie will be replaced and some crossings upgraded. Work will start this summer and complete in the late fall or winter. Phase 3 will go through Huddleston to Dayton Street in Watertown once funding is received. The Waukesha sub grant agreement is in place for CWR and tie installation. This work is being bid with the Watertown tie work, and bids are due next week. The contractor for Phase 1 of the Prairie sub has been selected and work will begin this summer to replace old jointed rail with new jointed rail and to replace turnouts. Work will go from the tip of the island to Wells Street. There’s lots of activity with sand and lumber on this island, and the biggest benefit of this project is safety. They are surfacing 40 miles between Crawford and Avoca on this sub as well to maintain Class 2 speeds. WSOR has also been working on 15 other bridges over the past months and all this work will be completed in March or April. Three bridges on the Madison sub between Madison and Milton will be worked on this summer. CWR is being installed on the last part of the Fox Lake sub. There is no grant agreement in place yet, but it has been awarded. Work will start next year. CWR will be installed on the Osh Kosh sub between Brandon and Ripon. The grant has been awarded and they are working on an agreement.

Lucht stated that WSOR’s commitment is not just to maintenance, but also to capital improvements. They’ve updated their maintenance plan for rails, ties, brush clearing and spraying, bridges, and other assets and are working on this report now and could present it to the Commission in April or May. They spent over \$12.5 million on maintenance only, with \$0.20 of every \$1 of revenue going back to the rail Their 2017 commitment is expected to be over \$13 million. Capital expenditures are also increasing. The American Short Line and Regional Railroad Association gave WSOR its 2017 marketing award for marketing their services, infrastructure, service plan, and safety. Lucht will accept the award this month at a conference in Grape Vine, Texas and said he

couldn't do this without the Commission and WisDOT support. He thanked them both for their investments in infrastructure. Lucht also reported that the Notice to Terminate Rail Service in Sauk County was filed on March 2.

Ranum asked why the Prairie sub work is replacing old jointed rail with new jointed rail. Lucht noted this is due to so many close public crossings, which allows them to look at options other than the expensive CWR due to the very slow speeds of the trains on this part of the track.

Mace asked for an update on the comments from the last meeting regarding excessive erosion next to the Wisconsin river. Kedzior said they have put together a request to hire a consultant to review this issue and are looking for authorization from the Secretary's office and hope to have an answer by the next meeting. Kedzior gave a brief recap of this issue from the January meeting, and stated that the last rip rap project at this site was in 1994, which put 20-03 feet between the river's edge and the track. Most of that is gone now and there is less than 15 feet between the edge of the river and the ties.

Riek asked if there was any liability for the Commission on this issue, and Lucht reported that WSOR's insurance indemnifies the Commission from risk. Lucht reported that a similar condition exists at Devil's Lake, and dumping rip rap hasn't been working. He said WisDOT's idea of having an independent consultant look at the issue was a good idea. Simon said this would be a subject matter expert with experience who can give advice on this.

12. WisDOT Report – Kim Tollers, Rich Kedzior, WisDOT

Simon reported that the March 2nd filing of the Notice to Terminate Rail Service in Sauk County to the Surface Transportation Board was accompanied by WisDOT's filing of an Interim Trail Use with the DNR and a Statement of Assumed Financial Responsibility. This is the key to the Great Sauk Trail development and conversion of the Sauk Line over to trail. It was a key milestone and Simon said he appreciates the assistance from everyone involved. Brownlee asked if the Statement of Assumed Financial Responsibility has any impact on this issue, and Simon said it has no impact on the stabilization issue. Krueger thanked WSOR, WisDOT, and WDNR for submitting this filing, calling it a huge step.

Nitschke complimented WisDOT on taking the lead on the erosion and scour issue on the Prairie sub.

13. WRRTC Correspondence/Communications and Administrator's Report – Maggied, Admin.

Maggied reported he had correspondence with Dane County about the reappointment terms for Gene Gray. He also received notice of the cancellation of the March meeting of the East Wisconsin Counties Railroad Consortium for lack of agenda items and a Notice of Public hearing from the Village of Oregon for an application on a property adjacent to the railroad. Maggied received Certificate of Liability Insurance naming WRRTC and WisDOT, and their officers, employees, and agents, as additional insured for WATCO's Railroad Liability Insurance. He has also been contacted by Vierbecher & Associates regarding construction near the railroad in Fitchburg, but hasn't been able to speak with them yet. Lastly, Maggied received an email from the Courier Press of Prairie du Chien who wanted to write an article on the Bridge 348 project near Wauzeka. This correspondence was directed to Lucht for response. Maggied also provided the letter notifying WRRTC of an increase in the administrative fee for SWWRPC effective in 2018.

14. Discussion and Possible Action to approve the contract to D.L. Anderson for installation of warning buoy system at the Sauk Bridge, A-428 – Sweeney, WRRTC Chair

Sweeney stated that approval of this contract needs quick action in order to have the buoys in place in a timely fashion, and the sooner its approved the sooner the buoys can be placed once the river thaws. Nilson asked if the decision had already been made to install buoys, and Sweeney said yes, that they are ordered and sitting in the WSOR maintenance shed. Nilson said buoys tend to get swept away as opposed to having something draped on the piers. Sweeney said this is due diligence. DL Anderson has lots of experience with this and will ensure they're weighted appropriately. James asked whether there's any guarantee they'll stay in place. The answer was no.

- *Motion to approve the contract for DL Anderson to install buoys as quoted – Nitschke/Ladewig. Discussion:*

Ladewig asked if the buoys could be sold back once they're not needed and get a credit. Lucht stated that WSOR purchased the buoys and can store them. After this season WSOR will put them in the Johnson Street yard and install them again next year or elsewhere if needed. Mace asked if the contract includes removal of the buoys in fall, and Sweeney responded that this is installation only. The Commission can ask for removal estimates once they're installed. The total cost of the invoice is \$3,496, for labor and materials. WSOR is committed to paying for materials, and the Commission's portion is only the labor with a cost of \$2,000. DL Anderson will handle permitting with DNR. Peich said permitting goes through local county wardens and will provide these contacts to Maggied. No

- *19 in favor, 2 opposed. Motion passes.*

15. Discussion and Possible Action for scope of work and application for FRPP funding for stabilization of bridge A-428, and rails to trails conversion north of MP 7.97 –Sweeney, WRRTC Chair

- *Motion to approve the scope of work and application for FRPP funding for stabilization of bridge A-428 and rails to trails conversion north of MP 7.97 – Nilson/Krueger. Discussion:*

Lucht went over the application which had been distributed in the meeting packet. Form G2 is the opinion of the applicant’s attorney and Form G1 is the actual request. WSOR has experience in applying for this grant and is prepared in the event they are developing a rehabilitation project. There is not much value in the scrap steel, and some additional portions of the application still needs to be filled in. This application is being drafted to reflect Option 6 per the February meeting, which includes removal of piers 1-3 and spans 1-3. Piers 5 and 6 are in relatively good shape. Pier 5 is in a high velocity part of the river. In the future, spans 5 or 6 may need to be removed, but this could be done from land if needed, where access is easier. The total cost is \$990,000, and WRRTC’s contribution would be 20% match. Lucht said the \$990,000 includes engineering and permitting fees, but not project management. This should be pretty minimal.

Kedzior stated this application has not been formally received since it’s in draft form and not signed. Lucht wanted to get it finalized and get feedback prior to formal submission. Ladewig asked if there is an advantage to cc’ing the Army Corps of Engineers, and Brownlee responded that submitting the application effectively does this. Nilson asked about the chances of getting the grant, but no one had an answer. Simon explained that the FRPP program is funded with bonded and segregated funds, and this project is not eligible for bonded funds. The amount of segregated funds is very limited, and any expenditure of these funds needs approval from the Secretary of WisDOT. Nilson asked if there’s a downside to submitting, and Brownlee responded that there wasn’t. WSOR is submitting this application, and there is no submission fee. She noted that the Commission is not approving the language in the grant, which could change between now and April 1, just the fact of the application.

Sweeney asked Commissioners to review the document titled “Options for Bridge Stabilization and Track Area Rehabilitation” provided by Brownlee. This is broken out into two projects: bridge stabilization and track removal. Regarding the Track Removal portion, Nilson asked why there is no financial interest shown on page 2. Brownlee stated that the Commission didn’t spend any money on the Badger Army Ammunition Plant (BAAP) section of rail. This came into WRRTC with an agreement, but it is not part of the division of assets if disposed of. Brownlee said the state gets the salvage funds on this portion. Sweeney stated that Sauk County has agreed to take on the project or rail removal. If there are insufficient funds, Sauk County is prepared to eat these costs. Krueger clarified that it was the Trail Commission that would pay, and who has as its members Sauk County, two villages, a township. The contract would be between the Commission and the County. Nilson asked why the Commission is removing if the state gets the funding. Brownlee stated this is only one option as to how to proceed, and that this arrangement would not be the case outside of the BAAP. Krueger said the County sees track removal as two projects, one inside BAAP and one outside. He would like a guarantee that if there is any surplus from the state’s removal that it goes to the bridge project. Sweeney said he thinks the project needs to proceed based on an assumption that there are no proceeds from the salvage of the steel. The logical assumption is to contract with Sauk County and partner to remove this track. Construction of the trail by the highway department will take two months, and the County wants the trail open before Labor Day.

Mace asked if the track removal by Sauk County includes work inside the BAAP. Brownlee said there are two separate sections of track, one inside and one outside BAAP. Sauk County’s proposed work does not include work inside BAAP, since WisDOT must competitively bid that section. Work outside BAAP doesn’t need bid. The bid timeline for inside BAAP would be several years from now.

Brownlee said she is trying to distill down the work to options for the Commission to take action. One option is for the Commission to contract for the entire piece, and this is a way forward if needed. She would like to see the Commission approve a contract between Sauk County and the Commission for removal of the track and track material outside BAAP. She would not write a contract that would make the Commission liable for any funding. If expenses exceed costs, the Commission doesn’t pay. If revenue exceeds costs, they will go to the bridge project. Krueger stated that record keeping at the County for this project would be the same for any state-funded project. In response to questions, he confirmed that the County is able and willing to take up track outside the BAAP, including steel and ties. Ballast would remain as the foundation of the trail.

- *Motion to make a contract with Sauk County to removal all track from MP 7.97 to and including the Badger Army Ammunition Plant, and to give Sweeney authority to sign this contract. – Mace/Ranum, Passed Unanimously*

Regarding the bridge stabilization portion of the document, Sweeney is under the assumption of zero dollars from salvage and very little capital outside of the Commission or removal of the bridge. The Commission may need flexibility on Option 6 and may need to downsize the project, potentially just removing two spans and a pier. He asked the DNR to attend the meeting to give opinions on what is allowable within the flow of the river, and if its required to remove Pier 3. Peich said the DNR would like to see anything in disrepair removed, however understands the funding situation. As far as letting it be until decision is made or it comes down on its own, it's very important to have the buoys in place for liability. The DNR would be agreeable to this option. Either it would come down on its own or require removal, but it will not be permitted to remain as fill on the river bed. Removal from the bed requires a Chapter 30 waterway permit. If the Commission chooses to demo, it would be allowed to fall into the water during the demolition process but again would need a Chapter 30 permit for removal of material from the river bed. Demby asked if the DNR needs to be consulted on how the debris is removed from the bed, and Peich said yes and would want to permit the new bridge, if there is one, with demolition of the old bridge. Removal of the debris from the river bed is considered a dredging activity, and needs this permit. Sweeney asked about Pier 3, and Peich said the same process applies.

Sweeney said it would take more than three years of complete Commission budget to pay for the work included in Option 6, and asked Simon to come up with the funding that would be available through segregated funding. Simon said WisDOT wants to be a partner and assist financially, but that they also have limited funds in this account and cannot provide this number now. Any expenditure needs approved by the Secretary of Transportation. He cannot predict how the new Secretary will react to this. Ladewig asked if there are still thoughts on putting a new bridge across the river, and if so when this would occur. Krueger said that they can now start concrete discussions with Dane County about this connection and explore with the DNR what the options might be. They need to get the Dane County people to the table to coalesce around the issue and talk about scope and funding options. Sauk County is ready to actively engage immediately. Simon reiterated that a recreational trail is allowable adjacent to the existing bridge but that WisDOT has no confidence in the piers of the old bridge.

Brownlee said there is no answer now on the stabilization issue. She also thinks it's unreasonable and unrealistic to expect the Commission to have specific answers to problems when no other agency can provide answers. The Commission will move ahead with track removal and the grant application, and see where to go from there. This is all that can be done at this point and the discussion should end here. There is no point putting this item on the agenda again until more information or commitments are known.

16. Adjournment

- *Motion to Adjourn – Gustina/James, Passed Unanimously*