

Wisconsin River Rail Transit Commission
Commission Meeting - Friday, August 4th, 2017 @ 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** – *Matthew Honer*

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
Dane	Gene Gray, <i>Treasurer</i>	X	Sauk	Terry Thomas	<i>absent</i>
	Jim Flemming	<i>Absent</i>		Marty Krueger, <i>Alternate</i>	X
	Chris James, <i>Vice Secretary</i>	X		Chuck Spencer	X
Grant	Gary Ranum	X	Walworth	Craig Braunschweig	<i>absent</i>
	Mike Lieurance	X		Dave Riek, <i>3rd Vice Treasurer</i>	X
	Robert Scallon, <i>1st Vice Chair</i>	X		Eric Nitschke	X
Iowa	Charles Anderson, <i>Secretary</i>	X	Waukesha	Richard Kuhnke, <i>2nd Vice Treasurer</i>	X
	William G Ladewig	X		Allan Polyock	X
	Jack Demby	X		Karl Nilson, <i>4th Vice Chair</i>	X
Jefferson	Mary Roberts	X		Dick Mace	X
	Gary Kutz	X		Richard Morris	X
	Augie Tietz, <i>3rd Vice Chair</i>	X			
	Mo Hansen, <i>Alternate</i>				

Commission met quorum.

Others present for all or some of the meeting:

<ul style="list-style-type: none"> • Matt Honer - WRRTC Administrator • Ken Lucht - WSOR • Tom Schaefer – Richgels- Schaefer Insurance • Erin Vanderwele – Sauk Prairie Star 	<ul style="list-style-type: none"> • Teri Beckman, Kim Tollers - WisDOT • Grace Colas – Rep. Consedine • Blair Dillman, Prairie Sand and Gravel • Eileen Brownlee, Julia Potter – BoardmanClark
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3. Action Item. **Certification of Meeting’s Public Notice** – *Noticed by Honer,*
 - *Motion to approve meeting’s public notice – Ladewig/Gustina Passed Unanimously*
4. Action Item. **Approval of Agenda** – *Prepared by Honer*
 - *Motion to approve of July agenda – Cornford/Mace Passed Unanimously*
5. Action Item. **Approval of draft July 2017 Meeting Minutes**– *Prepared by Honer*
 - *Motion to approve July 2017 meeting minutes with corrections, clarifications, and explanations. Mace/Ladewig. Passed Unanimously*
6. Updates. **Public Comment** – *Time for public comment may be limited by the Chair*
Sweeney introduced Mary Roberts, new commission member from Jefferson County.
7. Updates. **Announcements by Commissioners** – *Sweeney*
Nilson and Mace thanked WSOR for the excursion. Both commented on the improvements of CWR

REPORTS & COMMISSION BUSINESS

8. WRRTC Financial Report – *Gene Gray, Treasurer*

Gray presented the financial report. He reported there was one check for approval to Dane County Highway for June Accounting Work in the amount of \$226.10.

Gray highlighted that the \$300 from the Alliant Energy permit was included. Gray reported that the county contributions have not yet been included in the income statement.

- *Motion to approve the balance sheet, treasurer report, and payment of bills – Ladewig/Anderson Passed Unanimously*

9. Wisconsin & Southern Railroad’s Report on Operations – Ken Lucht, WSOR

Lucht thanked the commissioners that joined the rail excursion on the Fox Lake Subdivision. Lucht stated that the Fox Lake subdivision provides good examples of work that has been done, work that needs to be done, WSOR customers, and the route that many WSOR trains take. Lucht reported that WSOR would like to schedule another trip this year on the Prairie Subdivision and will let the commission know when that happens. Lucht reported that WSOR began construction on the Trans-load facility within its Madison yard and thanked the commission for its support of the facility. Lucht stated that WSOR is working with the Madison business community and is hoping to have the facility fully operational in September or October of this year. Lucht stated WSOR intends to invite the Commission for a site visit when construction is completed. Lucht reported that the Waukesha and Watertown tie project is going as planned and WSOR is happy with undertaking two tie projects at the same time and with the same contractor, in order to get the best price. Lucht stated that they have begun the rail project in Prairie du Chien and WSOR will be meeting the contractor on site on August 14th.

Lucht stated that a few months ago Madison Gas and Electric (MGE) came before the commission to ask the commission to remove a block of railroad track, so that MGE could redevelop their property. It was property that MGE owned but the Commission and WSOR had operating rights on. The commission agreed to remove the rail and WSOR purchased the rail. Lucht reported that the contractor removed about 500-600 additional feet than was agreed upon. WSOR reported that the additional rail that was removed currently has no business and is used to store and stage cars. Lucht reported that WSOR feels that the track does not need to be reinstalled and WSOR will look at the value of the line and will write a check to the commission for its value. Lucht stated that unless there is an objection to this by the commission, he will report on this at the next meeting.

Ladewig asked if the news of Foxconn coming to Wisconsin will have implications for WSOR. Lucht stated that the most recent news was that Foxconn was considering a site in Madison, The City of Madison suggested to Foxconn the former Oscar Mayer facility. Lucht stated that this facility is not on a WSOR line, it is on Union Pacific line. If Foxconn were to locate there, WSOR would attempt to work with Union Pacific to see if they could add value through their operations.

10. WisDOT Report – Kim Tollers, WisDOT

Tollers stated that she has no news on the FRIIP Program and there is no news on the 2017 State Budget.

11. WRRTC Correspondence/Communications and Administrator’s Report – Honer, Admin.

Honer reported that he had received and filed the renewal binder for the Commission’s General Liability Policy. Honer reported that he received a letter from Jefferson County appointing Mary Roberts to take Jeni Quimby’s position on the commission. He received updated certificates of liability insurance for WSOR and Taranaki Redi-Mix and Trucking Corp., Public Notices from the Village of Brooklyn regarding the construction of a single family residence and a conditional use permit for a car-dealership on separate adjacent parcels to the right-of-way, he received notices from the City of Fitchburg regarding two projects as part of their Capital improvement plan regarding reconstruction of S. Syrene Rd and the extension of a water main, and he received and completed, with help from Ken Lucht and Jim Matzinger, an “outside organization fund request” form from Sauk County for their 2018 budget. Honer participated with WIDNR and Alan Sweeney in a conference call with Wisconsin Emergency Management and Department of Military Affairs regarding their assistance in the removal of the Sauk City Railroad Bridge and at this time they do not believe that they have the resources available to assist with the project but will continue to pay attention to the project in case the opportunity for them to be involved is presented.

Honer reported that he corresponded with the Sauk County Highway Commissioner and WisDOT Engineer on the Sauk County Track Removal Project with two site visits and two phone conference calls. As of this week, all track is removed or will be removed in the coming days. As of July 21st, total expenses for track removal was \$151,218.85. Bids for rail and Other Track Material (OTM) salvage were awarded for rails at \$187/ton and from OTM at \$216/ton. There is an estimated 700 tons of Rail and 140 tons of OTM.

Ranum asked about the potential military assistance and what specifically they were unable to assist with. Honer replied that Military Affairs stated that they do not have experience in constructing explosive demolitions nor do they feel comfortable with the risk level of aircraft lifting the spans.

Krueger stated that he is willing to present on behalf of the commission for Sauk County's outside budget request. Sweeney thanked Krueger for doing this.

12. Presentation of WRRTC Insurance – Tom Schaefer, Richgels-Schaefer Insurance.

Tom Schaefer of Richgels-Schaefer presented to the commission on their insurance policy. He stated that our agreement with WisDOT has assumed risk and exposures under the hold-harmless agreements. WRRTC then also has hold-harmless agreements with its agreement with WSOR. Schaefer stated that additionally, hold harmless agreements are vague and inclusive, creating greater exposures. Additionally, WRRTC owns property not in operation by WSOR.

Ladewig asked about the defense limits. Schaefer responded that there was \$2 million/ occurrence and \$4 million/ aggregate.

Schaefer stated that currently the commission has no pollution coverage and it is possible is that some could be purchased. Schaefer also stated that he will be discussing the Sauk Bridge Agreements with the Eileen and Julia to assure the proper insurance is in place for the contractor.

Ladewig asked if the commission is considered a governmental entity, Schaefer stated that he considers the commission a government/ quasi-governmental entity. Ladewig asked if there is an insurance to correspond to the government status. Schaefer responded that is not likely to be an issue as the Commission is very unique and there are few companies will that write policies for an organization like the commission.

Schaefer suggested that the commission consider an additional policy to protect against commissioner's individual errors and omissions.

13. Discussion and possible action to approve Audit Engagement Letter – Gene Gray, Treasurer

Gray reported that Matzinger received audit bids from Johnson Block and Wipfli. Johnson Block's bid begins at \$4,400 for the 2016, and goes to \$4,700 after three years. Wipfli's bid goes from \$5200 to \$5600 after three years.

Ladewig asked if we should be amending the budget as part of the motion. Sweeney responded that it will be address in later items on the agenda. Demby asked if we are receiving the same level of service in both bids. Brownlee stated that most places will undertake the same level of Audit. Ladewig asked and Brownlee confirmed that the Commission is required to have an annual audit.

- *Motion to approve 2016 Audit Engagement Letter from Johnson Block and Company– Scallon/Cornford, Passed Unanimously.*

14. Discussion and Action to amend 2017 budget – Alan Sweeney, Chair

Sweeney reported that discussions with staff and partners determined that capital expenditures should come from the 2017 Budget in order to reserve 2018 funds in the case of a FastTrack grant opportunity in 2018.

Sweeney proposed that the audit numbers be changed to \$4,400 to reflect the new Audit Engagement Letter.

Ranum stated that the management contract is not increasing in 2017. He proposed that the budget reflect the actual 2017 expense of \$22,600.

- *Motion to Approve 2017 Amended Budget with changes as discussed with the management contract and the audit services-Tietz/Ladewig.*

Ranum asked if the money needs to be reassigned for a balanced budget. Sweeney stated that it makes sense to reassign the dollars to capital expense. Krueger asked Brownlee if the commission should consider reassigning those dollars to the legal services fund considering the additional work. Brownlee stated that she had not looked at the 2017 bill but would be surprised if it was less than

2016's bill. Brownlee stated that she can change the billing structure as the commission prefers. Brownlee stated that if she was forced to guess, she would guess that the commission is currently over the \$10,000 budgeted for 2017.

Krueger proposed that the commission reassign the \$4,900 from the management contract and the \$1,100 from the audit difference to legal services.

- *An amendment to the motion that the differences from the amendments, \$4,900 from Management Services and \$1,100 from the 2016 Audit for a total of \$6,000, be moved to legal services – Krueger/Nitschke Passed Unanimously.*
- *Accept the original motion as amended – Passed Unanimously.*

15. Discussion and Action on 2018 budget – Alan Sweeney, Chair

Sweeney proposed changing to the Audit Services amount to \$4550, not \$5500.

Sweeney highlighted that the Sauk Bridge project number is missing. Eileen confirmed that there would be two quarterly payments to the Sauk Bridge starting in July 2018. Sweeney stated it would make sense to add an additional payment to the 2018 Budget to account for not having the county contributions in place by January 2019. Mace asked when the county contributions begin to arrive. Gray responded that Jim Matzinger would know that. Anderson asked that in the event that the Fast Lane grant is approved where WRRTC's match would come from, Sweeney said whatever money is available would be put towards it. Lucht stated that WRRTC will be hearing soon regarding the grant. Sweeney stated that the Sauk Bridge Expense line should be budgeted for two quarterly payments. Sweeney proposed changing the Sauk Bridge Project to \$11,060.00.

- *Motion to approve 2018 Budget with proposed amendments - Mace/Cornford, Passed Unanimously.*

16. Discussion and possible action on Engineering and Design Proposal for Sauk City Railroad Bridge – Sweeney, Chair

Sweeney asked Lucht to comment on the possible action. Lucht stated that since the last meeting a lot of work has been done on the Sauk Bridge Project. Lucht stated that the engineering and design proposals are critical components to any project. It identifies scope of work, identifies bid specifications, and bid documents. It allows the project to go to bid. Lucht reported that WSOR has a professional engineer that they utilize for this work. The engineer will also coordinate all permitting and paper work. Lucht stated that WSOR provided Sweeney and Brownlee an agreement for engineering and design services for their consideration. Lucht stated that he had received a bid this morning.

Lucht stated that once a contractor is in place, WSOR offers to provide project management oversight. Sweeney asked Brownlee about the project management oversight contract from WSOR. Brownlee stated that there needs to be changes to the current project management oversight and financial contribution agreement.

Sweeney asked Brownlee what powers the commission gave the chair to sign these agreements at the last meeting. Brownlee stated that the Commission authorized the chair to sign the grant and loan agreement between WisDOT and the Commission. Sweeney asked Brownlee is it appropriate and possible within the agenda for the commission to grant authority to Brownlee and Sweeney to review and approve the project management oversight agreement between WSOR and WRRTC. Brownlee believes that this is fine but has concerns about the cost of the project management, engineering, and design services as they were not part of the initial \$990,000 estimate.

Lucht stated that the Engineering, Design, Bid Specifications, Permits and project management agreement is not to exceed \$33,927.40

- *Motion to provide the chair the authority, after legal review and approval, to sign an agreement with WSOR for project management - Nilson/Mace.*

Tietz asked where this is budgeted. Eileen stated that it would come from the agreed upon share of the Sauk Bridge Project Budget.

James asked if there was contingency as part of the \$990,000 estimate. Lucht stated that the \$990,000 was developed with a local contractor, it includes contingency, and it is likely a worst case scenario number. Lucht stated that WSOR believes it is a reliable estimate.

Ladewig asked if the motion includes allowing Eileen to make changes, if necessary. Sweeney confirmed.

Nitschke asked about the Design and Engineering timeframe and if the number that came in included WSOR's project management. Sweeney confirmed that it does include WSOR's project management.

Krueger stated that he fully supports taking this action because he wants to see it move forward quickly.

Brownlee added that one of the things that was not in the agreement was WSOR's contribution. Lucht responded that WSOR is looking forward to Brownlee's contracts. Mace asked Lucht the name of the bridge engineers. Lucht stated that it is Southwest Bridge Engineers from Deforest, WI. Mace asked when the RFP would be ready. Lucht responded that once the contract is signed it will be a few weeks.

- *Motion to accept. Passed Unanimously*

17. Presentation and Questions of St. Feriole Island track improvement project, Prairie du Chien – Blair Dillman, Prairie Sand and Gravel.

Blair Dillman presented the Prairie Sand and Gravel's proposed track improvements. The 5 proposed changes were to create a new railyard of the existing loop track on the north end of the island, alleviating congestion in the middle of the island which is currently a recreational area, install a rail switch at Blackhawk Avenue, relocate spur on the west side of Water Street, to the east side of Water street, and install new track from Blackhawk Ave to the existing bridge on the east side, and reinstall rail switch north of FS building.

WSOR's position is that they are excited about item #1 and see the need. They have concerns about the other items. Item #3 in particular has some public safety concerns. WSOR has concerns about the additional line and the cost/value of a limited distance line due to Blackhawk Ave. Ken stated that WSOR is happy to continue the discussion but would like to have further discussions regarding public safety, cost/benefit, and funding. Tollers stated that WisDOT has the same concerns as WSOR and WisDOT will be undertaking a certified survey of the St. Feriole Island and continuing discussions with Prairie Sand and Gravel. Dillman stated that if possible, when track rehab happens on the island, Prairie Sand and Gravel be allowed to purchase the rail and switches in order to build the yard. Cornford stated that Crawford County is in support of the project.

Krueger stated that the next likely step for Prairie Sand and Gravel, the City of Prairie du Chien, WSOR, and WRRTC to come to an agreement and come back to the Commission for review and approval.

Ladewig asked about the ownership of the new line. Dillman stated that they would own the line but they own the line as it is now. Lucht stated that there would be a new agreement when a new line is built.

18. Adjournment

Motion to Adjourn – Gustina/Scallon, Passed Unanimously.