

WRRTC AUGUST 2018 MEETING MINUTES – APPROVED

**Wisconsin River Rail Transit Commission
Commission Meeting - Friday, August 10th, 2018 at 10:00 am
Dane County Highway Garage, Madison, WI**

1. 10:02 AM **Call to Order – Alan Sweeney, Chair**
2. Roll Call. **Establishment of Quorum – Matthew Honer**

Crawford	Carl Orr	X	Jefferson	Mary Roberts	X
	Rocky Rocksvold, 2 nd Vice Chair	X		John Kannard	X
	Derek Flansburgh	X		Augie Tietz, 3 rd Vice Chair	X
	Tom Cornford, Alternate	X		Terry Thomas	X
Dane	Gene Gray, Treasurer	X	Rock	Wayne Gustina	X
	Jim Flemming	Absent		Alan Sweeney, Chair	X
	Chris James, 1 st Vice Secretary	Excused		Chuck Spencer	X
Grant	Gary Ranum	Excused	Sauk	Dave Riek, 2 nd Vice Treasurer	X
	Mike Lieurance	X		Marty Krueger	X
	Robert Scallon, 1 st Vice Chair	X		Tim McCumber, Alternate	X
Green	Harvey Kubly, 1 st Vice Treasurer	X		Walworth	David Bretl
	Oscar Olson	X	Richard Kuhnke, 2 nd Vice Secretary		Excused
	Paul Beach	X	Allan Polyock		X
Iowa	Charles Anderson, Secretary	X	Waukesha	Dick Mace	Excused
	Kate Reimann	X		Richard Morris	X
	Mark Storti	X		Karl Nilson, 3 rd Vice Treasurer	X

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 • Eileen Brownlee, Julia Potter - BoardmanClark 	<ul style="list-style-type: none"> • Kim Tollers, Rich Kedzior, Ed Singer - WisDOT • Alan Anderson, Pink Lady RTC
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3. Action Item. **Certification of Meeting’s Public Notice – Noticed by Honer.**
 - Motion to approve meeting’s public notice – Thomas/ Kubly. Passed Unanimously.
4. Action Item. **Approval of Agenda – Prepared by Honer.**
 - Motion to approve the agenda with amendments – Morris/ Gustina. Passed Unanimously.
5. Action Item. **Approval of draft July 2018 Meeting Minutes – Prepared by Honer.**
 - Motion to approve meeting minutes – Nilson/ Storti. Passed Unanimously.
6. Updates. **Public Comment – Time for public comment may be limited by the Chair.**
No public comment

7. Updates. **Announcements by Commissioners**

Polyock stated that he had the opportunity observe the installation of Continuous Welded Rail in Walworth County. He believes they will be done within the next week.

REPORTS & COMMISSION BUSINESS

8. **WRRTC Financial Report – Gene Gray – Treasurer, Jim Matzinger - Accountant.**

- Treasurer’s Report for August and Payment of Bills

Matzinger reported that the Sauk Bridge Project is financially complete. He stated the balance is being reported as negative because the money for the project is borrowed from the 2018 project fund. Matzinger reported that 2017 Project fund has \$100k cash, and no cash in the 2018 and Sauk Bridge funds. Matzinger reported on the Sauk bridge income statement and the beginning of the quarterly loan payments.

Matzinger reported that all contributions have been billed for the year. Dane and Waukesha counties are the only counties that have not paid the 2018 contribution.

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- *Motion to approve the Treasurer's Report – Thomas/Gray. Passed Unanimously*

Matzinger reported on the cash disbursements since July meeting. Payments included Accounting, Illinois taxes, and the first loan payment to WisDOT.

- *Motion to approve cash disbursements as presented – Anderson/Gustina. Passed Unanimously.*
- Discussion and Possible Action authorizing quarterly loan payments to WisDOT.

Sweeney stated that he has asked Honer to include the quarterly payments on the agenda as a discussion item under the Financial Report.

- *Motion to authorize quarterly loan payments with quarterly updates and discussion items – Gray/Lieurance. Passed Unanimously.*

9. Wisconsin & Southern Railroad's Report on Operations – Ken Lucht - WSOR

Lucht stated that WSOR is spraying the brush on the entire system. Lucht stated that W. Washington Ave (Madison) and Park Street (Middleton) crossings were rebuilt on the Prairie Subdivision last week. Three crossing are being rebuilt in the city of Boscobel. Four new turnouts are being installed in the Janesville Yard. The Wauzeka Bridge contractor, Kraemer, is on site replacing 2 – 4 spans per week. Lunda is the contractor on the Watertown subdivision for three bridge rehabilitation projects. WSOR crews are resurfacing the entire Watertown sub., which should be done by September. The Merrimac bridge Phase 1 emergency repairs are completed and engineering design is ongoing. WSOR will be ready to bid the project for first phase construction this fall. Lucht stated that CWR from Walworth to the state line on the Fox Lake Subdivision is going well, it should be installed by next week.

Gray asked if WSOR jobs are being filled. Lucht stated that five positions have been filled and WSOR is advertising for positions. Sweeney asked if the billboard on the Fox Lake Subdivision has been removed. Lucht stated that he will follow up on the billboard removal.

10. WisDOT Report – Rich Kedzior, Kim Tollers - WisDOT.

Tollers stated that the survey contractor has completed the title research on St. Feriole Island in Prairie du Chien and will begin field work shortly. She expects the survey to be completed within the next month. Kedzior stated that Rails and Harbors formally submitted grant award recommendations to Secretary Ross and will inform the Commission when WisDOT hears about FY 2019 FRPP grant awards.

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

Honer was informed by the Sauk County Highway Commissioner that the county is working on the last mile of track removal in the former Badger Army Ammunition Plan (BAAP). Honer stated that the Commission is partially responsible for the track within the former BAAP because of our Grant Agreement with WisDOT. The track removal agreement between Sauk County, WisDOT, and WRRTC states that Sauk County will remove the track and use the salvage revenue to recoup the costs of removal. The agreement also states that WRRTC will receive any additional revenue if it exceeds costs. Honer does not foresee additional revenue from the project. He stated that the current project cost is \$197,915.71 which is approximately 89% of last year's cost, as of the end of July. Honer stated that this is likely due to the numerous sidings and track conditions within BAAP and that the County is disposing of ties as they remove them.

Honer stated that he has been busy responding to private crossing requests on the Prairie and Fox Lake Subdivisions. Honer reported that he responded to a call from a landowner wishing to sell their property west of the City of Boscobel who was having problems because the title company could not find record of the crossing. Honer provided a private crossing application to the landowner, as there is no record of the crossing and advised that the title company contact him, so he can explain the crossing as a temporary license agreement. Also, on the Prairie Sub, a landowner wishes to install a crossing just west of the Village of Muscoda, Honer stated that he provided a private crossing application and passed along the completed application to WSOR for consideration. WSOR has been in contact with the landowner.

On the Fox Lake Subdivision, Honer stated that he received a letter from an attorney representing Donald Gritmacker, an applicant whose private crossing was approved at the April meeting. Mr. Gritmacker's attorney is advising that Mr. Gritmacker not sign the agreement, and that Mr. Gritmacker already has a prescriptive easement. Honer advised WSOR and Eileen Brownlee of the situation and forwarded all related documents to Brownlee. Also, on the Fox Lake Subdivision, Honer received a phone call regarding Hatchery Road in Spring Grove. A property owner that lives on the road is attempting to sell their house. The only access to the house is by way of Hatchery Road, which is on WRRTC property. The Village of Spring Grove does not have an agreement to use or maintain this road. Honer forwarded this information to Eileen Brownlee and WSOR.

Potter stated that there has been a discussion with Spring Grove in the past regarding the road and the village has not wanted to do a license agreement with the Commission. Potter stated that it appears that at one time access to the property was available by a Village road but a culvert failed and the Village determined they would not fix the culvert and instead built a road on RR property. Nilson stated that the Commission has had issues with the Village in the past. Brownlee stated that the Village has worked to ignore the issue.

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Potter stated that they have been looking into the private rail crossing issue. The property owner believes that they have a crossing agreement, but Potter and Brownlee believe that the landowner needs to provide proof. Brownlee stated that it is up to the landowner to provide the facts. Brownlee stated that the Commission should respond to the attorney by early next week, asking them to provide the facts within the next few weeks.

Honer stated the he was also in discussion with Midwest Hardwoods in Reedsburg regarding a proposed private crossing. Honer spoke with the owner and forwarded the application to WSOR for comment.

Bretl stated that he believes the Commission should send letters out to landowners with illegal crossings on a regular basis. Brownlee stated that inventories have been updated in the past. Tollers stated that the FRA has required that crossings be inventoried. Polyock asked if there is an FRA number, is it considered a legal crossing? Lucht stated that if it has an FRA number, it doesn't necessarily mean they have an agreement with the Railroad or Commission, which may mean that it is not a legal crossing. Tollers stated that the legislation does not have agreement language. Brownlee believes that an agreement is necessary, as the railroad determines the location of the crossing. She doesn't believe there is another way, besides with an agreement. Beach asked about the costs to the landowner. Honer stated that there is a \$300 application fee and the landowner is responsible for the costs of the private crossing installation.

Sweeney asked who will be sending letters regarding the two Fox Lake Subdivision issues. Brownlee, Potter, and Honer agreed to discuss who will send what.

12. Discussion and Possible Approval of 2017 Audit Engagement Letter – Honer, Admin.

Honer corrected his statement from the prior meeting regarding the cost of the Audit. Honer reviewed the amount of the 2017 Audit Engagement Letter, which is \$4,625. He stated that the 2016 audit was \$4,400. After reviewing the cost, Honer contacted Matzinger who said that the Commission requested bids last year and Johnson Block was the best option. This was reviewed at the August 2017 meeting. A contract was made with Johnson Block for three years. The 2017 audit is the second year of the contract.

Sweeney asked Kubly if he believes the cost of the audit is appropriate. Kubly stated that he believes it is an appropriate cost.

- *Motion to approve 2017 Audit Engagement Letter – Nilson/Bretl. Passed Unanimously.*

13. Discussion and Possible Approval on 2019 Budget – Gray, Treasurer.

Matzinger reported on the possible 2019 budgets. Sweeney stated that in June a motion was made for the counties to take the \$30,000 county contribution back to the Commission. Krueger stated that he made the motion, and that the increase would be for two years. Cornford stated that if the county contribution were increased, Crawford would take the increase out of the bad debt repayment they are making. Cornford stated that he believes that the WSOR annual lease amount should be increased to better reflect the two-party relationship between the Commission and WSOR. Cornford stated that, as a single entity, the Commission is being raised \$18,000.00 and WSOR does not have an increase in their lease amount. Bretl asked if the Commission has had an outside entity or consultant look at operations to determine that the proper rental fees are being charged. Matzinger stated that the initial agreement has a per car fee, he does not believe it was used. Kedzior stated that a per car fee was paid by the WICT system initially but then they requested to pay a lease fee. Kedzior stated that Brownlee may know more. Brownlee stated that she does not have more information other than WICT did go bankrupt. Nilson stated that Waukesha is getting pushback on the \$2000 increase.

Sweeney asked Brownlee about the requirement of the Commission to pass a budget by August 15th. Brownlee stated that the purpose was to have our budget to the Counties prior to the counties finalizing their budgets. Sweeney asked Lucht to comment on the requirements of WSOR for capital improvements. Lucht stated that there is substantial work left to do on the Reedsburg, Prairie, and Waukesha Subdivisions. Lucht stated that the current capital budget has been aggressive for the past 15 years and there are still 100 bridges on the network that are priority 2 status, and 200 miles that will need to be upgraded to CWR. Lucht stated that the past 15-year commitment to capital improvement needs to be maintained in order to service customer at the same level. Lucht stated that at some point the system will be at a level that requires much less maintenance and capital improvements and he believes that is at least 6 – 10 years out. Gray stated that over the past 15 years, tremendous progress has been made, but also agrees that the lease for WSOR should increase. Polyock asked how Crawford got behind. Cornford stated that prior to him, the chair didn't believe they needed to pay it and Cornford began paying back pay once he was chair.

Sweeney asked if the Commission can pass a budget and amend. Brownlee confirmed. Nilson stated that he thinks the Commission should keep it at \$28,000. Lucht stated that that since 2005, WSOR's rent has doubled. McCumber stated that it will be more difficult to amend up with the counties that have already approved.

- *Motion to adopt budget option #1 with a \$28,000 County Contribution – Nilson/Scallon. 8 in favor, 14 opposed, 3 abstain. Motion Fails.*

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Sweeney asked if Waukesha county is willing to propose the \$30,000 option to the county and still pass the \$28,000 budget. Morris stated that Waukesha county knows about the increase. Bretl stated that the Commission needs to pass a budget and inform the counties, Bretl stated that if we pass a higher budget and are only accepted for a lower budget we then amend the budget.

Crawford	Carl Orr	Y	Jefferson	Mary Roberts	N
	Rocky Rocksvold, 2 nd Vice Chair	Y		John Kannard	N
	Derek Flansburgh	Y		Augie Tietz, 3 rd Vice Chair	N
	Tom Cornford, Alternate		Rock	Terry Thomas	N
Dane	Gene Gray, Treasurer	Y		Wayne Gustina	N
	Jim Flemming	Absent		Alan Sweeney, Chair	N
	Chris James, 1 st Vice Secretary	Excused	Sauk	Chuck Spencer	N
Grant	Gary Ranum	Excused		Dave Riek, 2 nd Vice Treasurer	N
	Mike Lieurance	Y		Marty Krueger	N
	Robert Scallon, 1 st Vice Chair	Y		Tim McCumber, Alternate	
Green	Harvey Kubly, 1 st Vice Treasurer	Abstain	Walworth	David Bretl	N
	Oscar Olson	Abstain		Richard Kuhnke, 2 nd Vice Secretary	Excused
	Paul Beach	Abstain		Allan Polyock	N
Iowa	Charles Anderson, Secretary	N	Waukesha	Dick Mace	Excused
	Kate Reimann	Y		Richard Morris	N
	Mark Storti	N		Karl Nilson, 3 rd Vice Treasurer	Y

- o Motion to adopt budget option #2 with a \$30,000 county contribution – Bretl/Thomas.
- o Motion amended to include the budget being contingent on all counties contributing the same amount. – Bretl/Thomas.

Gustina reported that Commissioners should go back to their counties and discuss the benefits of Rail to their county boards and committees. Storti stated that he studied one grain elevator and found that the freight rail saves Grant, Richland, and Iowa county residents \$167,000/year. Reimann stated that she understands that sometimes the county needs to hear what is needed. Anderson stated that WSOR will need to make up for the lower capital project investments if the Commission does not increase county contributions.

- o Motion to adopt budget option #2 with an \$30,000 county contribution, contingent on all counties contributing the same amount – Bretl/Thomas. Passed Unanimously.

14. Consideration and Possible Action on Construction of Proposed Hebron Siding, Fox Lake Subdivision, State of Illinois – Lucht, WSOR.

Lucht stated that according to the operating agreement, any new improvements WSOR wishes to construct on WRRTC property requires WRRTC approval. Lucht stated that the issue is that the Fox Lake Subdivision is the primary gateway into the Chicago markets. From Fox Lake Illinois into the BRC, WSOR needs to run over other company's (Metra and Canadian National) track.

Currently, WSOR is allowed one round trip into Chicago per day. Lucht stated that over the past five years unit trains have increased and manifest trains are getting longer. Lucht stated that Metra hasn't been open to negotiate with WSOR to allow additional trips into Chicago until now. Metra recently stated that if WSOR wants to make additional trips into Chicago, they will need to have a passing track within 10 miles of the Metra trackage. Lucht explained that the additional trips into Chicago will account for a 30% increase in goods moving to and from Wisconsin.

The area between Lang Rd and State Hwy 173 in McHenry County, Illinois is proposed as a location for a siding of 8800 ft. The usable length would be 8276 ft. Lucht stated that this is the only location within the 10-mile requirement of Metra that is suitable for a siding. Lucht stated that power switches will be installed. Lucht stated that this area used to have a passing siding so the area is graded and appropriate for the reinstallation of a siding. Lucht stated that 95% of the area already has a railbed. Lucht stated that culverts will be extended. Lucht stated that crossings will not be improved but they will not be removed. Lucht stated that DOT will allow the sale of former rail that was pulled up. Lucht stated that McHenry County stated that permits are not required.

Sweeney asked Eileen what responsibilities the Commission has. Brownlee stated that we need to make sure that WSOR is getting the required permits from other entities.

- Motion to approve the proposed Belden, Illinois siding construction by WSOR – Nilson/Gustina.

Gustina stated that he used to be an engineer on a Class 1 railroad. Gustina stated that when there was a train delay, it cost the railroad \$10k/hr. in the 70s and 80s. Nilson asked who would own the siding once it is installed. Bretl asked if WSOR has an issue with the Commission owning the track. Brownlee stated that she needs to look at the operating agreement to determine how these issues are to be resolved. Tollers stated that

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more recent track agreements with WisDOT at all different levels vary in the arrangements of ownership. Sweeney asked Eileen's position on the Commission approving this. Bretl asks for an amendment stating that, at a minimum, the agreement involves restoration of the property.

- Motion amended to include the condition that Corp Counsel work on the agreement to determine final ownership and restoration the property if the siding were to be removed. Nilson/Gustina.
- Motion to conditionally approve the WSOR proposed construction of a siding in Belden, Illinois, on Commission property, with final approval of the Commission after Corp Counsel reviews the agreement, determines final ownership of installed siding, and accounts for property restoration if the siding were removed. Passed Unanimously.

15. Adjournment

Honer passed out an agreement among various agencies, WSOR, and Prairie Sand and Gravel; and explained that Prairie Sand and Gravel's owner Blair Dillman requested that this be passed out to the commissioners. Cornford stated that Prairie Sand and Gravel is on the City of Prairie du Chien's agenda to discuss Prairie Sand and Gravel's proposed improvements on the Island.

- *Motion to Adjourn at 11:50 am – Gustina/Kubly. Passed Unanimously.*