

WISCONSIN RIVER RAIL TRANSIT COMMISSION

FULL COMMITTEE MEETING - FRIDAY, FEBRUARY 10TH 2012 @ 10AM
DANE COUNTY HWY GARAGE, 2302 FISH HATCHERY RD, MADISON, WI

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

Crawford	Tom Cornford, X-Committee	X	Rock	Ben Coopman, Alternate	
	Rocky Rocksford	X		Wayne Gustina	X
	Vacant			Alan Sweeney, Vice Chair	X
Dane	Gene Gray, Treasurer	X	Sauk	Terry Thomas	X
	Jim Haefs-Fleming	excused		Scott Alexander	X
	Forest Van Schwartz, Advocate	X		Joel Gaalswyk	X
Grant			Walworth	Marty Krueger, Alternate	
	Ivan Farness	X		Rob Sinklair, Asst., Secretary	excused
	Margaret Ruf, Secretary	10:08 AM		Jerry Grant	X
Iowa	Robert Scallon, 2 nd Vice Chair	X	Waukesha	Richard Kuhnke, X-Committee	
	Charles Anderson, X-Committee	excused		Allan Polyock	X
	Gerald Dorscheid, Vice-Treasurer	X		Karl Nilson, Chair	X
	Robert Zinck			Richard Manke	X
				Fritz Ruf	X

Other present for all or some of the meeting:

- Amy Seeboth and Mary Penn, SWWRPC and WRRTC Administration;
- Bill Gardner, Ken Lucht, Ben Meighan WSOR;
- Rick Webb, Stefan Lobe WATCO;
- Frank Huntingdon, Kathy Chung, Roger Larson, WDOT;
- Scott LaRose, Scot Forge, Spring Grove, IL;
- Allen Anderson, Pink Lady RTC.

3. Action Item. **Certification of Meeting's Public Notice** – *Noticed by Penn – Grant/Thomas, passed unanimously*
4. Action Item. **Approval of Agenda** – *Prepared by Penn – Cornford/Van Schwartz, passed unanimously*
5. Action Item. **Approval of draft minutes from the December meeting (January meeting was cancelled)**– *Prepared by Penn – F. Ruf/Manke, passed unanimously*
6. Updates. **Public Comment** – *Jerry Dorscheid offered a number of free railroad books to whoever wants them.*
7. Updates. **Correspondence & Communications** – *Penn presented a number of updates:*
 - Ben Coopman emailed question of “one of the commissioners mentioned on the track inspection drive that there are about 5 old cabooses for sale at a local campground in his area. Do you know who that might be or where they might be?” was identified as the East Troy Electric Railroad.
 - Penn told the Commission that WRRTC had received a public hearing notice for a sign siting variance on the old Chicago Milwaukee St. Paul and Pacific Railroad right-of-way line scheduled for January 26, 2012.
 - Via Amy Seeboth, Penn received confirmation from the NRCS by email that crossing permits cannot be granted to lands intended to be enrolled in NRCS programs that have had access cut off by the railroad. To be eligible for any of the NRCS programs (such as the Wetland Reserve Program), the land would need to have permanent access and the WRRTC's crossing permits do not allow for permanent access. Seeboth noted that this issue has come up in the past and reiterated that WRRTC does not grant “permanent” access crossing permits.
 - Penn distributed and Karl Nilson, Chair, read a copy of the letter received by WRRTC from State Secretary of Transportation Mark Gottlieb who was responding to the WRRTC's letter sent to the Secretary in January in response to a State Journal newspaper article written by reporter Dee Hall.
 - Penn distributed copies of two articles: “For Midwesterners, more boxcars mean cleaner air”, Dec. 28, 2011, The Nelson Institute for Environmental Studies, and “Truck Size and Weight Increase Poses Competitive Issue to Freight Rail Industry”, January 17, 2012, UPVoices.com sent to her for the Commission by Van Schwartz. He gave a brief explanation as to their content.

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

Penn told the Commission that Jim Matzinger was on vacation but had left the 2012 budget and the December and January checks for the meeting. Gene Gray, Treasurer, went through the checks received by the Commission. In response to the acknowledgement of a check from WSOR, Ben Meighan gave a short update on their projects noting that WSOR is sending out RFPs for future bridgework and that the plan is that all work would be completed by fall of 2012. Meighan also noted there might be money left over and that those excess funds could be used for necessary bridge work.

- **Motion to acknowledge receipt of the December's and January's treasurer's report and approval of bills --Van Schwartz/Thomas, passed unanimously**

9. Consideration and Approval of amendment to private crossing permit for Scot Forge, Spring Grove, IL

Penn distributed copies of the private crossing permit of Scot Forge, Spring Grove, IL, as well as a copy of map showing the site to the Commission. Seeboth said that the permit was approved with some exceptions in September but that the permit was never distributed. She said that the Commission could choose to require the permit fee be paid again. Scott La Rose representing Scot Forge discussed the need for the permit amendment along with the need for a new siding, saying that the original permit was for a temporary crossing and he knew there was going to be a need in the future for a heavy duty crossing. However, progress on site had happened much more quickly than expected so La Rose decided to pursue the heavy crossing permit (by amending the original permit) instead. Seeboth read the permit application to the Commission. Meighan confirmed that the permit as delineated by Scot Forge would work with the needs and requirements of WSOR and that Scot Forge is working with WSOR to meet their standards. Nilson asked if the crossing was in the same location, and La Rose noted that the location is somewhat different. Nilson added that no new fee would be necessary.

- **Motion to accept the Scot Forge permit amendment with approval from WSOR -- M. Ruf/Scallon, passed unanimously**

10. Consideration and Approval of lease for siding at Scot Forge, Spring Grove, IL

Meighan noted that there is going to be some more land necessary for the siding but that WSOR is working with Scot Forge to accommodate the site. La Rose told the Commission that a rough site plan had been sent to Penn but had been received too late for the meeting. However, the distributed map associated with the permit in Item 9 was highlighted by Bill Gardner who identified the location of the new siding on the map. According to La Rose, the siding will be on Scot Forge property but for reasons of safety, they are asking for access to the WRRTC right-of-way.

- **Motion to move forward with approving the lease for a siding at Scot Forge with approval from legal counsel -- Dorschied/Gustina, passed unanimously**

11. Consideration and Action to use a Transfer Car at Scot Forge, Spring Grove, IL

La Rose described a "crawler on wheels" aka Transfer Car that is intended to move across the rail without contacting the train tracks. The Transfer Car is intended to move rail bound pieces of equipment and will be used to move such equipment back and forth and thus prevent numerous forklift trips across the tracks. The Car is suspended above the rails and La Rose showed the Commission both images and a short video of it in action. Meighan confirmed what La Rose presented, noting that the crossing need only used by the Car roughly twice a day and that a crossing schedule could be assigned in the interest of safety. Gardner said that if the number of trains per day go up, then a safety schedule would be highly necessary. Meighan said that an "interlocking system" (put in and paid for by Scot Forge) would also be needed. The Car would run on custom wide tracks perpendicular to the rail track, running above the rails: the Car would never touch the train tracks. La Rose explained the power and braking systems and gave Car dimensions (roughly 15' long).

- **Motion to approve a joint exploration between WRRTC / WSOR / Scot Forge with approval of legal counsel in developing a lease between parties -- F. Ruf/M. Ruf, passed unanimously**

12. Wisconsin & Southern Railroad's Report on Operations

- Update on Operations

Gardner introduced Rick Webb, WATCO President, Stefan Lobe WATCO, and Ken Lucht WSOR. He described work on the Milton-Madison project, noting that there were no defects found when the tracks were checked, adding that the train now can now go 49 mph (up from 40 mph). He said that defects had been found on other track and Meighan noted that those defects are being corrected. He said 160 or so defects had been found but now there are less than 80 to date. Overall there were fewer defects than anticipated and that new ties will drop the defect counts. However ultimately there will be a need for new, heavier rail to compete with other carriers. Gardner noted that usually the rail defect check cannot run in December (as they did this year due to a mild winter) and April through October will be a better time to do defect runs. Gardner also said that WSOR is experiencing increased traffic and that an inspection tour is in the works for 2012 to show the Commission this work. Gardner said that in 2011 WSOR increased the amount of completed work and that this would also true in 2012, as they are moving more freight. Future projects include increased tie work, laying rail from Slinger to Milwaukee, laying rail through the GM plant on the west side of Avalon through Pearl Street, laying rail out of Prairie du Chien (he noted that since this part of the line is a priority since it is located in a wetland and therefore is difficult to get to and if

there were a derailment due to old rail, it would be very difficult to clean-up). Van Schwartz and Meighan confirmed there had been some very complicated and expensive crossing work in the past year on WSOR tracks.

At 11:06 Nilson called a break

Resumed session at 11:16 AM

- Discussion on Business Development

Gardner gave a power-point presentation on WSOR commodities carried and their associated percentages. He showed the revenue streams, and made special note of increasing "frack" sand shipping. Rick Webb noted that energy exports are going up. Robert Scallon asked about the number of oil refineries in reference to the frack sand discussion.

- Presentation on Madison to Milton Jct.

Gardner spoke about the Madison to Milton Junction project and its associated costs. He noted that it is almost 96% completed (with ties and bridges) and that it came in well under budget. Ken Lucht clarified the billings on the project. Frank Huntington said that WDOT is working on a review of program funding as requested by Sen. Cullen to audit WSOR funding with the State.

- Phase II Rail Project

Gardner said that \$17M was budgeted for the project. Lucht noted this was the approved budget/funding and it was completed at \$11M so it came greatly under budget, and that the remaining funds can be put into other projects.

- Continued (Dec. 2011) Discussion regarding WATCO/WSOR ownership transfer

Gardner explained why WSOR decided to go with WATCO and the reasons behind their new partnership. He introduced Rick Webb who emphasized that WATCO and WSOR will have a good relationship because they both have customer service as their central mission. He noted that trails are good but it is the active track that has led to the success of WSOR and that the Commission and Wisconsin have an excellent ("the best") railroad system making it a great place to work. Webb said there will be no changes in the future to WSOR but that the partnership will be able to offer more to customers. He also said that WSOR has a great future because there are so many upcoming opportunities. Webb noted that WATCO is open and eager for questions. Gardner clarified that WATCO is the majority owner and that WSOR is looking to expand its track in the future and is thinking about getting more tracks (up north was mentioned) in the future. Gardner also said that there are some larger projects on the WSOR system that must be done and that it will require capitol to do that and that they will have to be work to try to raise the money. He said that the 3 trains of 100 trains of today will be increasing as grain and sand shipping needs are increasing. He gave the example of an Iowa County sand owner trucking his sand to Prairie du Chien to exemplify the increased need for train shipping. Gardner reminded the Commission of the need of support letters to State in pursuing funding and noted that Meighan will be working double crews to meet the needs of all the projects (Meighan will be doing both ties and rails as opposed to working on them separately). Meighan added that there will be a need of at least 80 local hires this year.

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

Penn updated the Commission on a number of items, including the search for at least three missing leases is ongoing, both at the SWWRPC office as well as Eileen Brownlee's office. She also told the Commission that she will be generating reappointment letters in March/April as since elections will be coming up in April. She also told the Commission that she intends to update both the WRRTC website and its email list (including updating the website's photo with a freight car photo). She also said she will be determining how many crossing permits are granted each year (this was from a request in December, 2011).

14. **WisDOT** – *Frank Huntington, WisDOT*

Huntingdon of WDOT said that the FRIP grant deadline was February 1st and that there were a number of applicants (WSOR among them). He added that there is about \$15 M grand dollars available. Gardner asked what WDOT grant programs should there be? Huntington said that the amount of money available is reflective of the need of the tracks and that there is talk of increasing funding up to \$30M but that is up to the legislature. He added that TIGER funds are also available.

Joel Gaalswyk and Fritz Ruf Left the meeting at 11:42PM

15. **Consideration and Approval of H.R. 721 / S.672 – Federal Short-Line Tax Credit Letter**

Penn distributed copies of a draft letter of support of HR 721 Tax Credit written by Lucht and reviewed by Seeboth, noting that the Commission was being asked to review the content, rather than the format and editing. Penn will be sending the letter to all WI reps. Lucht clarified the issue, saying that the tax credit expired in December of 2011 and the letter asks for a renewal of the credit. He noted that the program was very good for WSOR and asked the Commission approve the letter to be sent to the Wisconsin representatives barring those who have already indicated their support (eg. Ron Kind) but representatives Ryan, Baldwin, Sensebrenner, Kohl, and Johnson are the main letter recipients.

- **Motion to approve the letter of support for renewal of HR 721** – *Van Schwartz/Dorschied, passed unanimously*

16. Consideration and Approval of disposal of railroad wig-wag signals to Mid-Continent Railroad Museum, North Freedom, WI

Huntingdon said that Jeff Bloom from the Mid-Continent Railroad Museum in North Freedom asked for a set of signs for the museum. The Museum does not have a set and would like one. There are 4 or 5 sets available and since WRRTC is part owner of the signs, they are being asked for their approval. Wig-wag signs are no longer legal so they cannot be used and Gardner said that they're available on EBay for \$2500 to \$5000 so there's a chance WRRTC could make some money selling theirs.

- **Motion to approve the donation of one railroad wig-wag signal to Mid-Continent Railroad Museum, North Freedom, WI and put the rest up for sale for WRRTC revenue – Scallon/Grey, passed unanimously**

After the Motion passed M. Ruf asked how the revenue would be handled in regard to taxes for the Commission. Nilson said the signs are owned by the railroad and if not required under a contract, the property can be sold.

17. Consideration and Approval of Request for Economic Impact Study by Dane County Extension Agent (Bill Rizzo)

Van Schwartz said that an economic impact study would be to the advantage of all, adding that the work done in Sauk County was well done. He said there would be no charge to the Commission or the railroad and that all the Dane county commissioners on the WRRTC approved of this. Allen Anderson of Pink Lady added that Prof. Steve Deller helped do the Sauk County project and that since Dane County is bigger, it would be a bigger project. He also said that a state economic impact study might be something to pursue although it would have a cost associated with it as a student would need to be hired to do the work. Huntingdon noted that something like this might be done in the future by the State.

- **Motion to authorize Gene Grey and Forrest Van Schwartz to request Dane County Extension for an economic impact study – M.Ruf/Cornford, passed unanimously**

18. Consideration and Approval of WRRTC sponsorship/applicant to Federal TIGER Grant (to upgrade public railroad infrastructure between Middleton and Lone Rock, WI)

Lucht explained what the grant is meant for and who is eligible, adding that WSOR had applied 2 years ago, partnering with Rock County. Since the intended project is on the west side of the state, WSOR is looking for a partner that is more westerly (ie. Dane and Iowa counties). Lucht said that these grants are for any type of public transportation project and that WSOR put together a project of about 30 miles of track for \$25M and requesting \$10 M from the WDOT grant program. He noted that last time there was only \$4M secured, and that in the past highway projects have been the biggest awardee's. Due to the short deadline, WSOR's biggest need is for a public partner that has a Grants.gov account. Lucht said that he had spoken to Curt Kephart (Iowa County administrator) as a potential partner (Feb. 20th is the filing deadline) and that WSOR will do all the work if Iowa County partners with them and submits the application.

Seeboth reminded the Commission that WSOR had asked to partner with SWWRPC in the past which required at least 8 hours of work on her part. In the end, WSOR decided to partner with a County. Maintaining a Grants.gov account takes quite a bit of time to maintain and WRRTC's had lapsed. She said that SWWRPC would act as partner if necessary but wanted the Commission to understand why SWWRPC would not be WSOR's partner on this round of application.

Lucht said there is no financial obligation to Iowa County and he asked for an endorsement from the WRRTC. M. Ruf said this project would impact Grant County as well so Grant County might be considered as a partner if necessary. Scallon asked if the Governor could turn down TIGER funding but Seeboth said that as this is a local project the Governor had no authority to do so.

- **Motion to request an endorsement by WRRTC in approving Iowa County as partner with WSOR in applying for Federal TIGER Grant funds – Gray / Manke, passed unanimously**

19. Continued (Dec. 2011) Discussion of WSOR Rail Inspection Tour, Nov. 14th, 2011

Nilson thanked WSOR for putting on the tour and that it was very enjoyable and encouraged all to do the next one which is being organized by Lucht.

20. Consideration and Approval of 2012 Staff Services Agreement

Penn distributed copies of the 2012 staff services agreement to the Commission and Seeboth told the Commission that the amount shown had not increased in at least 3 years.

- **Motion to approve 2012 Staff Services Agreement – Polyock/ Dorschied, passed unanimously**

21. Consideration and Approval of 2012 WRRTC Budget

Penn distributed copies of the 2012 WRRTC budget generated by Matzinger, Treasurer to the Commission.

- **Motion to approve 2012 WRRTC Budget – Forrest/Jerry Grant, passed unanimously**

22. Discuss upcoming members' local spring elections and WRRTC membership terms

Jerry Dorscheid announced he will be leaving the Commission after the April elections due to other commitments. Nilson asked the Commission to show their appreciation for all Mr. Dorscheid's work. M. Ruf also said that she may not be able to continue to serve, since the County Board may not reappoint her. Nilson reminded the Commission that WRRTC officers will be elected in the May meeting. Van Schwartz also announced that the Madison Model Rail Convention will be next weekend.

23. Adjournment

- **Motion to adjourn at 12:19PM -- Scallion / Gray, passed unanimously**