

WRRTC JANUARY 2019 MEETING MINUTES – APPROVED

**Wisconsin River Rail Transit Commission
Commission Meeting - Friday, January 4, 2019 at 10:00 am
Dane County Highway Garage, Madison, WI**

1. 10:01 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, <i>2nd Vice Chair</i>	X		John Kannard	X
	Derek Flansburgh	<i>Excused</i>		Augie Tietz, <i>3rd Vice Chair</i>	X
	Tom Cornford, <i>Alternate</i>	X		Terry Thomas	X
Dane	Gene Gray, <i>Treasurer</i>	X	Rock	Wayne Gustina	<i>Excused</i>
	Jim Flemming	<i>Absent</i>		Alan Sweeney, <i>Chair</i>	X
	Chris James, <i>1st Vice Secretary</i>	X		Chuck Spencer	X
Grant	Gary Ranum	X	Sauk	Dave Riek, <i>2nd Vice Treasurer</i>	X
	Mike Lieurance	X		Marty Krueger	<i>Excused</i>
	Robert Scallon, <i>1st Vice Chair</i>	X		Tim McCumber, <i>Alternate</i>	X
Green	Harvey Kubly, <i>1st Vice Treasurer</i>	<i>Excused</i>		Walworth	David Bretl
	Oscar Olson	X	Richard Kuhnke, <i>2nd Vice Secretary</i>		<i>absent</i>
	Paul Beach	X	Allan Polyock		X
Iowa	Charles Anderson, <i>Secretary</i>	<i>Excused</i>	Waukesha	Dick Mace	X
	Kate Reimann	X		Richard Morris	X
	Mark Storti	X		Karl Nilson, <i>3rd Vice Treasurer</i>	X

Commission met quorum.

Others present for all or some of the meeting:

<ul style="list-style-type: none"> • Matt Honer - <i>WRRTC Administrator</i> • Ken Lucht, Brad Peot – <i>WSOR</i> • Alan Anderson - <i>Pink Lady RTC</i> 	<ul style="list-style-type: none"> • Kim Tollers, Rich Kedzior - <i>WisDOT</i> • Eileen Brownlee - <i>Boardman Clark</i> • Mel Masters, Kris Meuer – <i>Iowa County</i>
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3. Action Item. **Certification of Meeting’s Public Notice** – *Noticed by Honer.*
 - *Motion to approve meeting’s public notice – Nilson/Storti. Passed Unanimously.*
4. Action Item. **Approval of Agenda** – *Prepared by Honer.*
 - *Motion to approve the agenda – Cornford/Tietz. Passed Unanimously.*
5. Action Item. **Approval of draft December 2018 Meeting Minutes** – *Prepared by Honer.*
 - *Motion to approve December 2018 minutes with Minor Changes – Mace/Spencer. Passed Unanimously.*
6. Updates. **Public Comment** – *Time for public comment may be limited by the Chair.*
Mel Masters, and Iowa County Board Supervisor thanked Ken Lucht and Mark Storti for their work addressing the county board last fall. Masters also thanked Brad Peot, WSOR, for introducing himself to several Iowa County businesses.

7. Updates. **Announcements by Commissioners**

Cornford wished Rocky Rocksvold a Happy Birthday. Tomorrow is his 80th birthday.

REPORTS & COMMISSION BUSINESS

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

Matzinger reported on the treasurer’s report and the bills from the end of 2018. Matzinger stated that to cover the Sauk Bridge Project, money was taken from the 2018 Project Fund. Matzinger stated that at the next meeting the 2018, 2017, and Sauk Bridge project columns will be removed. Matzinger stated that invoices for county contributions were sent to the counties. Matzinger reported that taxes were a matching amount because WSOR reimburses the Commission, but there was a large increase in the amount. Matzinger reported that the Commission is still expecting final

bills from SWWRPC for management and Dane County for accounting. Matzinger reported that an additional check will be added to the report for a check to WisDOT for \$5,529.10, check number #1406.

Nilson asked Lucht about the increase in tax amount. Lucht stated it was research and determined that the valuation increased and WSOR does not dispute.

- o *Motion to approve the Treasurer's Report, income statement, and payment of bills. Gray/Thomas. Passed Unanimously.*

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

Lucht reported that the Watertown Sub. Bridges are complete. Bridge 262/Westport on the Reedsburg sub is now complete. The CWR project between Janesville and the state line is complete. Bridge 254, south of the Johnson Street Yard went out for bid, but has not been awarded yet. The Waukesha Sub. CWR Phase 2 project between Milton and Whitewater is moving forward as WSOR is working through the WisDOT grant awards. Lucht reported WSOR is also working through the grant agreements for the Fox Lake and Prairie Subs bridge grant awards.

Lucht stated that maintenance and capital improvement reports (Production Totals) for 2018 are almost complete and WSOR will be presenting it to the Commission next month. Mace asked if the Yahara Bridge (Bridge 254) bids were favorable, Lucht stated the bids were favorable. McCumber asked if the clearing along the rail between the village of Merrimac and the Merrimac Bridge means that the bridge work will be starting. Lucht stated that it is likely regular brush clearing.

Ken introduced Brad Peot from WSOR. Brad Peot, Commercial Manager for Watco and WSOR, gave a presentation. The presentation looked at past success and challenges, market changes, the value of rail, and strategic growth opportunities.

Beach asked Peot about military vehicles. Peot clarified that is on the Oshkosh subdivision. Orr asked about the increase unit train size. Peot stated that western carriers want larger trains, eastern carriers are more interested in the 90-car range. Peot stated that short-lines need to work with the Class 1 carriers on how they move trains. Nilson stated that positive train control wouldn't be necessary if there were two people in the train. He stated that WSOR has two people in the train. Polyock stated the problem with loading intermodal was that they don't have a lot of time to load and asked Peot if they could work with Class 1 to increase loading time. Peot stated that Class 1 railroads are very protective of where they move containers, and want to know where blocks are moved. Mace asked if Schoeneck is leaving their old facility, Peot said that is the case. Mace clarified that it is a completely new business for WSOR. Scallon asked about issues getting in or out of Chicago, Peot stated that it was an issue of capacity and WSOR had it maxed out to capacity, so the Belden siding allows increased capacity. Bretl asked if the presentation can be provided to the commission.

Sweeney asked if an internal review of the cost to WSOR and its customers of the bottleneck at the Janesville bridges. Peot said that there has not been a study of this issue yet, but it has been talked about and they know it is an issue. Sweeney asked if there is an opportunity at the old GM Plant, Peot stated that WSOR is working on getting access into the facility currently. Peot stated that WSOR is currently working to transload the scrap from the former facility. Sweeney is wondering if there are opportunities for grain filling facilities at the former plant, Peot does not feel that is the case. Peot stated that, according to WSOR's research and conversations they have had, a container yard is going to be successful in an area that has a large amount of import traffic, such as at concentration of distribution centers. Nilson asked about the intermodal facility in Milwaukee.

Peot thanked the Commission.

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

Tollers stated that the 2019 state rail map has been published.

Kedzior stated that the 2019 FRPP awards are awaiting bonding approval from DOA to proceed with agreements. Kedzior stated that WisDOT anticipates needing to wait until the new administration comes in. Kedzior stated that the total rehab of the Merrimac bridge was approved in 2016. Phase 1 emergency repair and engineering work was done last year. WisDOT is awaiting signature from WSOR this year for Phase 2 of the project, which includes replacement of large steel structural members of the bridge. Kedzior stated that Phase 3 (span replacements) will take place in 2020 and 2021. Kedzior stated that work on the Watertown Sub. is nearing completion, a 5-year project will be complete.

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

Honer reported that he has been in continual discussions with Donald Gritmacker from Belden, Illinois regarding a crossing that the Commission approved during the summer of 2018. Mr. Gritmacker has an issue with the crossing agreement and had refused to sign the agreement. Honer reported that he is working with WSOR and Attorney Brownlee to work through the agreement with Mr. Gritmacker so that the crossing becomes a legal crossing.

Honer stated that he was in discussions with WisDOT and the Village of Arena regarding a utility pipe that the Village is considering removing. Honer determined that the Village owns the utility crossing and he provided contact information for WSOR and WisDOT to the village.

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Honer located a crossing agreement for an existing crossing outside of Walworth. The adjacent landowner and crossing user requested some changes to the crossing. Honer provided the information to WSOR and WisDOT.

Honer stated that next months meeting will be moved to Jefferson County due to repairs being made to the regular meeting location.

Polyock asked about the crossings on Lange road. Honer stated that he spoke with Lucht about it. Lucht stated that WSOR asked Illinois to prioritize an active warning device at the crossing, which is only a passive crossing.

12. Discussion and Possible Action regarding 2018 Legal Invoice – Brownlee, Attorney.

Brownlee stated that she spoke with Honer regarding the invoicing discussion from December. Brownlee stated that outside of 2015, the billing has been generally in the range of the 2018 billing. Brownlee stated that there has been generally more activity from WRRTC in recent years, the past year not being exception. Brownlee stated that recent issues have been the transload issues, the Gritmacker issue, and the bridge issues. Other issues that will likely need to happen in the coming years will be an update to the operating agreement, the transload issue has not been resolved, as well as other issues. Brownlee stated that although there have been 2 attorneys at our meetings, Brownlee stated that the invoices only reflect billing for a single attorney. Brownlee stated that she has billed the Commission on an annual basis but has continuously offered to bill the Commission on a different basis.

Sweeney stated that Marty Krueger apologized that he could not make it to the meeting today, but expressed gratitude for the work done by Eileen but wanted to discuss the legal billing. Nilson agreed. Thomas stated that quarterly billing makes more sense.

Mace asked about the transloading issue, Eileen stated it involves the activities that are taking place within the right-of-way by WSOR and Watco. Kedzior stated that the issue is that operating agreement allows WSOR to engage in railroading activity, but not necessarily WATCO, WSOR's parent company.

- *Motion to request Brownlee/BoardmanClark to bill quarterly – Bret/Thomas. Passed Unanimously.*

13. Discussion and Action on 2018 Audit Engagement Letter Honer, Admin.

Honer stated that he received an audit engagement letter from Johnson & Block CPAs for the 2018 Audit. This is the third year of our contract for Audits with Johnson Block. The total proposed fee for the audit is \$4,800.

- *Motion to approve signing the 2018 Audit Engagement Letter – Nilson/Tietz. Passed Unanimously.*

14. Adjournment

- *Motion to Adjourn at 11:23 am – Cornford//Kubly. Passed Unanimously.*