

NORTHWOODS RAIL TRANSIT COMMISSION

MEETING SUMMARY

GLTPA - Rhinelander

June 9, 2023

1./2. Call to Order / Roll Call-Introductions and Public Comment

The meeting was called to order at approximately 10 am by Chair Kelly Klein. Those in attendance included the following: Kelly Klein Iron County WI Economic Development, Dale Kupczyk Ashland County, Joe Bonovetz Gogebic County Board, Jeff Ratcliffe Houghton County/KEDA, Russ Fisher Oneida County Board, Bill Korrer Oneida County, Joe Pinardi Iron County Board Chair, Tom Buelteman Marinette County Board, Dave Baker Marathon County Board, Ron Stone Ontonagon County Board, Charlie Glazman Douglas County Board, Alan Barkstrom Price County Board Chair, Don Vruwink Office of the Commissioner of Railroads, Rick Bliese Lincoln Wood Products, Matt Pleshek City of Shawano, Brad Peot Watco, Jim Hoppe PCA, Jerry Wuorenmaa WUPPDR, John Varda LSSA-WCG, Ty Penca, Libby Ogard Prime Focus LLC, Rich Kedzior WisDOT, Eric Printz Florence County EDC and Darryl Landeau NCWRPC.

Others may have been in attendance but did not report their presence on the audio line.

Public Comment: John Varda indicated that were continuing to develop actionable shipper data and work with their Rail Line Committees. Matt Pleshek stated that he came to learn more about the Commission and brought up the potential to work together in the future. Commissioner Vruwink introduced himself stating that in addition to its safety responsibilities, the OCR is an advocate for rail.

3. Approval of NRTC Meeting Notes from September 23, 2022

On a motion by Pinardi, seconded by Bonovetz, the meeting notes from September 23, 2022 were approved with all in favor.

4. Chairperson's Report

Klein welcomed everyone to the meeting and indicated that Executive Committee had some good conversation with Watco representatives that he wanted to bring to the Commission today.

5. Election of Officers

Landeau reported that election of officers was due, and that the Treasurer position was open due to the retirement of Wendy Gehlhoff. It was determined that a note of

recognition and thanks be sent to Ms. Gehlhoff for her dedicated service to the NRTC for over 10 years.

Vice Chair Kupczyk assumed the gavel to open nominations for NRTC Chairperson. Kupczyk nominated Kelly Klein, Iron County. Korrer moved to close nominations and cast a unanimous ballot for Klein. Pinardi seconded. Motion passed with all in favor.

Chairperson Klein opened nominations for NRTC Vice Chair. Korrer nominated Dale Kupczyk, Ashland County. Pinardi moved to close nominations and cast a unanimous ballot for Kupczyk. Korrer seconded. Motion passed with all in favor.

Chair Klein opened nominations for NRTC Secretary. Kupczyk nominated Joe Bonovetz, Gogebic County. Korrer moved to close nominations and cast a unanimous ballot for Bonovetz. Pinardi seconded. Motion passed with all in favor.

Chair Klein opened nominations for NRTC Treasurer. Korrer nominated Russ Fisher, Oneida County. Pinardi moved to close nominations and cast a unanimous ballot for Fisher. Bonovetz seconded. Motion passed with all in favor.

6. Intermodal Freight Study Report

Libby Ogard of Prime Focus LLC presented on their Southwest Wisconsin Intermodal Study. Their findings included: height restrictions in Milwaukee are a barrier, contractual barriers (track rights, etc.), long haul routes can generate sufficient density for new intermodal service. Methodologies and data sources were reviewed. The terminal requirements criteria they developed were explained. They analyzed 18 possible locations including Stevens Point, Wausau, and Adams among others. The four highest ranked sites were in the Milwaukee area (top 2 pending removal of barriers) followed by LaCrosse.

Commissioner Vruwink asked if there were plans to address issues in Milwaukee. Ogard indicated that the height restrictions were looked at for passenger train clearances, and an engineering firm was tasked to determine how much more it would take to accommodate the double-stacked freight which was an additional \$30 million. In addition, extensive coordination would be required, and the railroads may not be onboard due to proximity to Chicago and other considerations. Glazman asked about the analysis of facilities and shipping data within the Duluth-Superior area, and Ogard confirmed that Superior was incorporated with Duluth.

7. Discussion on WATCO Operations

Brad Peot from Watco provided a report on the general outlook since start-up and moving forward. Basically, carloads in 2022 were near expectations. Their rationale for the acquisition revolved around the ability to grow carload volumes across the system over time. Their ability to drive carload growth requires additional labor and crews. However, there are issues, including: the non-contiguous nature of the lines making it

more difficult to efficiently utilize crews across the rail system; labor costs have increased significantly and are expected to remain high going forward in order to meet growth expectations; and fuel costs have escalated.

Their focus is on growth. Priorities include building traffic density on active routes and developing the business case to expand service to out-of-service lines. Their challenge is that northwoods traffic growth relies on expansion of the mineral and forest product categories. Both of these sectors present a variety of issues, and it will take time to work through them.

They have been busy with a number of projects over the last year and a half, including start-up, cleaning up issues left behind by the previous owner (bridge maintenance, deed, lease and agreement problems), Medford spur issues, Mellen trans-load development, new customer agreements in Wausau and Merrill, and a number of other activities.

The initial assessment of the out-of-service line segments has been completed, although not all of the track has been inspected due to inaccessibility/vegetative overgrowth and actual engineering and design is required to fully assess conditions. The four main out-of-service segments include the White Pine Subdivision, Ashland Subdivision, Bradley West Subdivision, and Bradley East Subdivision. Each has significant issues, and preliminary estimates indicate over \$110 million in work is needed between them.

Moving forward, they will be focusing on developing and maintaining business on open track, further evaluation of line segments with minimal damage/issues, intensity efforts to identify traffic potentials with customers.

The Watco team took a number of questions, and there was wide ranging discussion.

8. Discuss Next Meeting Date

The Executive Committee will evaluate the need for a meeting in the fall, unless something needing more immediate attention arises.

8. Adjourn

On a motion by Pinardi, seconded by Bonovetz, the meeting was adjourned at approximately 12:00 pm.