

**JUNE 11, 2013 SESSION
OF THE
WALWORTH COUNTY BOARD OF SUPERVISORS
COMMITTEE OF THE WHOLE**

The Walworth County Board Committee of the Whole meeting was called to order by Chair Russell at 5:07 p.m. at the Government Center, 100 W. Walworth Street, Elkhorn, Wisconsin.

Roll Call

Roll Call was conducted and the following Supervisors were present: Richard Brandl, Tim Brellenthin, Vice-Chair Jerry A. Grant, Daniel G. Kilkenny, Kenneth H. Monroe, Carl Redenius, Joe Schaefer, Tim Schiefelbein, Rick Stacey, David A. Weber, and Chair Nancy Russell.

• **The purpose of the meeting is:**

- Presentation by the Wisconsin & Southern Railroad (WSOR) regarding opportunities provided by WSOR operations for economic development

Ken Lucht, Director of Government Relations of Wisconsin & Southern Railroad LLC, delivered a presentation. Mr. Lucht stated that Walworth County has been a founding member of the Wisconsin River Rail Transit Commission. WSOR contracts with the Wisconsin River Rail Transit Commission and the Wisconsin Department of Transportation (DOT). DOT is the manager of the rail road system that WSOR operates. As a freight rail operator, they work closely with local units of government. They operate in 21 counties in Southern Wisconsin with 44 locomotives that service over 180 customers throughout their entire system, which is approximately 600 miles. Mr. Lucht stated they have 250 dedicated team members that provide service to all of their customers on their system.

Mr. Lucht stated that the State of Wisconsin and Walworth County are involved in freight rail system preservation because of the economics. He said one rail car equates to four trucks. He stated last year, they surpassed 60,000 car loads. He also stated that trains and railroads are environmentally friendly forms of transportation. He said today's trains can haul one ton of freight over 480 miles on one gallon of diesel fuel and they are continuing to improve this so the costs savings to users is substantial.

He stated their primary commodity is grain and 50% of their traffic is related to agricultural and energy products. He stated it has been a successful partnership working the counties and the State of Wisconsin as it has resulted in 40 new businesses in the past five years and led to the creation of 1,300 new jobs. He added they have 12 new businesses in the planning stages.

He stated the company was established in 1988 and at that time, they had approximately 7,500 car loads. In 2012, they surpassed 60,000 car loads. He also stated they were affected by the recession but they are climbing out of it. In 2016, they estimate they will be close to 75,000 car loads. He said the consequences of having a successful partnership are the challenges that you face. One of the biggest challenges is investments in track and infrastructure. Over the last 30 years, they have had an aggressive capital upgrade plan to invest in these corridors to bring them up to modern standards. A program that they support and share with the Wisconsin River Rail Transit Commission and DOT is an aggressive tie replacement program. He said one tie, if properly maintained, can last over 40 years. They have an annual continuous welded rail program as the majority of the track operated on is a

jointed track which is nearly over 100 years old and was designed for much lighter loads. Another priority for their capital upgrade plan is to invest in bridges. They have over 360 bridges that are not up to modern standards, which have resulted in numerous slow orders where trains can only go 5 miles per hour due to the age and condition of the bridges. He stated the priority is to replace these structures that are deteriorating. Mr. Lucht gave an overview of a 2013 Capital Rehab Project in Walworth County, which is the Janesville to Zenda CWR (Continuous Welded Rail) Project. He stated this is an \$11 million project with 80% coming from DOT and 20% coming from WSOR. He stated all projects use domestic products with most materials coming from the Midwest.

Mr. Lucht gave an overview of the socio-economic benefits of freight rail, which include 200 businesses employing 34,500 people; businesses pay \$34 million in property taxes per year; railroads pay \$27 million in ad valorem taxes per year, which is a tax on equipment, locomotives, and terminals and buildings; rail saves agriculture producers approximately \$6 million per year; the system saves Wisconsin taxpayers over \$12 million in highway maintenance costs by having freight continued to be used; 1,100 new jobs created in the past five years; and 300 new jobs projected in the next two years. These numbers were generated by a recent economic impact study that was conducted by UW-Extension Services. Mr. Lucht also gave an overview about the businesses in Walworth County that use WSOR. He stated that grain is the largest commodity in Walworth County. There are approximately 500,000 tons of products that go in and out of Walworth County on an annual basis, with 83% of this being grain or approximately 16.3 million bushels of corn transported by rail. Another large commodity in Walworth County is refrigerated/cold storage foods.

Mr. Lucht opened up the presentation for any questions and thanked the Board for their support.

Adjournment

On motion by Supervisor Brandl, seconded by Supervisor Weber, the meeting was adjourned at 5:37 p.m.

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COUNTY OF WALWORTH)

I, Kimberly S. Bushey, County Clerk in and for the County aforesaid, do hereby certify that the foregoing is a true and correct copy of the proceedings of the County Board of Supervisors for the June 11, 2013 Committee of the Whole Meeting.