



RAILROAD ADVISORY BOARD MEETING MINUTES
Thursday, May 30, 2019

The Rochelle Railroad Advisory Board met on May 30, 2019 in the Lower Level Conference Center at City Hall, 420 North 6th Street, Rochelle, Illinois 61068.

- I. **Call to order** by Jason Anderson at 12:00 pm.
- II. **Roll Call. *Members Present:*** Dale Meyers, Steve Truckenbrod, Bob Wingate, Ken Wise, and Jason Anderson.

Others Present: Adriana Milan, Mayor Chet Olson, and Jeff Gedraitis.

Absent: Randy Wakenight.

- III. **Minutes.** ***"A motion by Mr. Meyers was made and seconded by Mr. Wise to approve the minutes from the February 21, 2019."*** Motion passed by unanimous voice vote.

- IV. **Public Commentary.** None

- V. **Rail Revenue Report.** Jason Anderson reported Q1 2019 revenues running behind 2018 due to inclement weather and an untimely labor strike at US Silica Mine in Utica, Illinois. Manley Brothers, a sand and gravel supplier from Troy Grove, Illinois, is averaging one-unit train per month.

- VI. **Old Business - Updates**

- A. City of Rochelle Railroad (CIR) Expansion

- 1. Rail Construction - One track extension complete. The new transload yard is expected to be operational by mid to late June 2019 at which time transloading for Manley Brothers may be relocated to either the north track or to both sides. Fill is to be delivered within two weeks and tar/chip surface will be laid. Construction of the rail bridge has been affected by poor weather conditions. Pilings and caps delivered. Receipt of the decking for rail has been delayed while excess water is pumped out of the site to allow for the steel pilings to dry and be painted. Expecting 80-foot bridge decks to arrive mid-June. Exploring the idea

of storing decks on leased or borrowed flat rail cars (6-7) that can be moved along the track to the end of the bridge because of saturated ground and roadway. Harbor, the subcontractor of William Charles, says City has exceeded the delivery-acceptance dates resulting in an increase of \$50,000 plus another \$50,000 if possession is not taken by June 30. Another option might be to store the decking at lay-down yard or Wausau Lumber and transload as needed. Jason Anderson and Bob Wingate will research further options to avoid excessive fines or project delays. Next phase will require over-excavation of the detention pond to remove clay and good soils for the railbed. Open tiles have led to area flooding. Costly soil stabilization might be required. Concern for wet soils and added costs of up to \$700,000 prohibiting completion of the railbed lifts until the site is dry.

2. Purchase of Additional Rail Right-of-Way/Land Options – GREDCO recently purchased 22 acres of rail right-of-way. Fehr-Graham working on large floodplain delineation and the Illinois Department of Natural Resources (IDNR) Permit for bridge construction. Design work is expected to begin within one month. To be determined whether a bridge or multiple culverts will be required. GREDCO needs to option 200-foot strip beyond the Ogle-Lee County line and purchase by December 31, 2019. Project will amass 50 acres. Working to secure options with farm managers Soy Capital Land and Martin, Goodrich, and Waddell. Access to Steward and/or Hayes Roads a necessity.
3. Union Pacific (UP) and Burlington Junction Santa Fe (BNSF) Interchange Updates – Jason Anderson stressed the need to separate the two mainlines interchanges because of proximity, blockages, and volume. UP manifest and BNSF unit trains operate only 150 feet apart between interchanges.
4. Illinois Commerce Commission (ICC) Order – Illinois Commerce Commission (ICC) expressed safety concerns at Steam Plant Road Crossing. Meeting with the ICC, BNSF, and City of Rochelle postponed. Historically, the extension of the CIR brought rail across this crossing. ICC permitted ‘no crossing protection equipment’ and did not allow mainlines to operate on the CIR. A yield sign was required at the crossing but had to be removed because vehicles were stopping on the tracks creating backups and unsafe conditions. Currently the City is operating the CIR outside of the 2005 ICC order. The BNSF and BJRY prefer the crossing closed. For fire and police access, the City wants to keep the Steam Plant Crossing open. Administrative judge suggests all parties meet in Rochelle to resolve. Relocating the BNSF switch and interchange away from the at-grade crossing could bring resolution. CIR could meet the switch at its new location by acquiring ROW and laying rail to the site. Debate between City and BNSF rail attorneys to require two flaggers at every unprotected rail crossing. City does not support that requirement and is concerned about liabilities. City is requesting an interim order to allow for one BJRY flagger, UP and BNSF able to operate on CIR, and no yield sign on Steam Plant Road. BNSF does not support a single flagger. Future meeting with all parties necessary.

5. Transloading Operations to open Spring 2019 – Goal is to be operational by June 30, 2019. Burlington Junction Railway (BJRY) to oversee operations. Contract with BJRY expires in 2020. Interest in constructing office and equipment space so BJRY can oversee transloading. A local presence is needed.
- B. Class I Interactions – Union Pacific Economic Development and Business Representatives to meet with City staff to discuss the closure of Global 3. Meeting between Burlington Northern Santa Fe and ICC postponed.
- C. Burlington Junction Railway (BJRY) Update – No interchange from the Union Pacific in seven days. Precision railroading is slow, and cars are sitting at Global 3. Local was based out of Sterling has moved operations to Global 3. Up to 35 reefer cars have been stored on CIR for months. BJRY considering the need to develop a sit yard as an additional revenue stream. Talking with plastic suppliers from Chicagoland area with need for advance-sit service. Financing the next track extension is under consideration by the City.

VI. New Business

- A. Global III Closure – CIR Intermodal Services – Research is being done by the Economic Development Office to determine who the vendors and users might be if the City were to provide intermodal services to accommodate former UP Global 3 customers. Most transloading services occur within Class 1 railroad yards. The CIR is committed to providing “dual access” for all of the industries it serves. Rochelle is an economic alternative to higher transportation costs incurred at Elwood or Joliet. Significant revenue is attainable by providing local intermodal lift services. Track extensions necessary to accommodate full unit trains. Potential to have six tracks (11,000 ft) to rail bridge on the site.
- B. Nominations for New Railroad Advisory Board Members – Steve Truckenbrod – Applications available from city clerk. Truckenbrod will follow application process and await council appointment.

VIII. Adjournment – “A motion by Mr. Wingate was made and seconded by Mr. Wise to adjourn at 1:35.” Motion passed by unanimous voice vote.

Next Meeting – August 22, 2019

Respectfully submitted by,
Peggy Friday