

THURSDAY, AUGUST 13, 2009

**APPROVED MINUTES OF THE
DODGE COUNTY REGIONAL RAIL AUTHORITY
MEETING HELD**

**STATE OF MINNESOTA)
COUNTY OF DODGE)**

**COUNTY ADMINISTRATION OFFICE
MANTORVILLE, MN**

2009-01 Meeting

The Dodge County Regional Rail Authority met in regular session August 13, 2009, in the Commissioner's Room at the Courthouse Annex, Mantorville, MN, at 7:00 p.m. CDT. County Administrator David McKnight opened the meeting at 7:00 p.m. CDT.

Meeting Convened

The County Administrator acknowledged those present and established that there was a quorum:

Those Present

Members present: Klaus Alberts District #1
Lyle Tjosaas District #2
David Erickson District #3
Don Gray District #4
David Hanson District #5

Members absent: None

Also present: David McKnight County Administrator
Paul Kiltinen County Attorney

The County Administrator took nominations for the position of Chair of the Dodge County Regional Railroad Authority. Commissioner Erickson nominated Commissioner Hanson. The County Administrator called three times for further nominations. Hearing none, the County Administrator closed nominations. Motion by Alberts seconded by Erickson to cast a unanimous ballot for Commissioner Hanson as Chair of the Dodge County Regional Rail Authority for 2009. *Motion adopted unanimously.*

Commissioner
Hanson Elected
Chair for 2009

The Clerk took nominations for the position of Vice Chair of the Dodge County Regional Railroad Authority. Commissioner Gray nominated Commissioner Tjosaas. The County Administrator called three times for further nominations. Hearing none, the County Administrator closed nominations. Motion by Alberts seconded by Gray to cast a unanimous ballot for Lyle Tjosaas as Vice Chair of the Dodge County Regional Railroad Authority for 2009. *Motion adopted unanimously.*

Commissioner
Tjosaas Elected
Vice Chair for 2009

The Clerk took nominations for the position of Secretary/Treasurer of the Dodge County Regional Railroad Authority. Commissioner Gray nominated Commissioner Erickson. The County Administrator called three times for further nominations. Hearing none, the County Administrator closed nominations. Motion by Tjosaas seconded by Alberts to cast a unanimous ballot for David Erickson as Secretary/Treasurer of the Dodge County Regional Railroad Authority for 2009. *Motion adopted unanimously.*

Commissioner
Erickson Elected
Secretary/
Treasurer for 2009

Motion by Erickson seconded by Tjosaas to appoint David McKnight as the Clerk of the Dodge County Regional Railroad Authority. *Motion adopted unanimously.*

Clerk Appointed

Motion by Gray seconded by Erickson to approve and adopt the agenda as presented. *Motion adopted unanimously.*

Agenda Approved

The County Administrator presented the draft by-laws for the Regional Railroad Authority. These by-laws were taken from those recently approved by the Olmsted County Regional Rail Authority and tweaked to fit Dodge county. The by-laws establish the method in which the Regional Railroad Authority does business, elects officers, and holds meetings. Motion by Alberts seconded by Erickson to approve the Dodge County Regional Railroad Authority by-laws as presented. *Motion adopted unanimously.*

Dodge County
Regional Rail
Authority By-Laws
Approved

Mr. McKnight presented information from the Minnesota Counties Insurance Trust (MCIT) on insurance coverage and workers compensation for the Regional Railroad Authority. Dodge County has a long history of working with MCIT and it was the County Administrator's recommendation that the county pursue coverage through MCIT. Motion by Gray seconded by Alberts to instruct staff to pursue insurance coverage for the Dodge County Regional Railroad Authority through the Minnesota Counties Insurance Trust. *Motion adopted unanimously.*

Insurance
Coverage for
Regional Rail
Authority Approved

The County Administrator presented the issue of the proposed southern bypass that includes portions of Dodge County. The 48.3 mile route starts west of Dodge Center and runs through Wasioja, Ashland, Hayfield and Vernon townships.

Proposed Southern
Bypass Discussion

The reason for the proposed bypass according to the Southern Rail Corridor information being distributed is to allow ..."high-density freight traffic and hazardous material shipments to travel along a safer and more efficient route than is available today, ensuring the future security of economic growth of the region." The total cost of the project is estimated at \$325 million dollars which includes design, land purchase and completion of the project. Regional leaders are working with the state and federal officials to explore all funding options for this project.

Governor Pawlenty, Senator Klobuchar and Representative Walz have all come out in support of this project. Representative Walz has also requested that this project be included in the reauthorization of the federal Surface Transportation Bill.

This project also has organized opposition from the Citizens Against the Rochester Bypass. This is a group of Olmsted and Dodge county property owners and citizens opposed to the rail bypass in these two counties that has fought this type of expansion since 1998. Representatives from this group made a presentation to the County Board on June 23, 2009 to lay out some of their reasons for opposing the bypass.

During the June 6, 2009 County Board meeting the Board set a public hearing for July 28, 2009 to consider establishing the Dodge County Regional Railroad Authority. Before that meeting occurred the County Attorney and County Administrator found paperwork that showed that the Authority was correctly established in 1982 and therefore still exists today. At the Board meeting on July 28, 2009 commissioners took action to appoint the five members of the Dodge County Board as the five members of the Dodge County Regional Railroad Authority. At that meeting the Board also set a meeting of the Authority for August 13, 2009.

Mr. McKnight reported that all Board members have been to meetings on the topic of the southern bypass and been contacted by many residents and officials. During these discussions the Board has stated that the Dodge County Regional Railroad Authority is the appropriate entity to take a position on this proposed project. The Board meeting tonight and placing this item on the Board agenda make it the proper time to start these discussions.

Proposed Southern
Bypass Discussion
- Continued

One other item that the County Administrator recommended was an invitation be sent to Governor Pawlenty, Senator Klobuchar and Representative Walz to come and speak directly to Dodge County elected officials to get input from the Board on the impact of this proposal on Dodge County even though they have already publicly support this plan.

Commissioner Hanson reported that he discussed this issue with Mark Seland from Canadian Pacific (CP). Mr. Hanson shared the following comments from Mr. Seland:

1. The Canadian Pacific Railroad does not need nor will they contribute to the construction of a southern bypass around Rochester.
2. They remain neutral on the interest of the Mayo Clinic to fund the Southern Railroad Bypass.
3. The Canadian Pacific will not operate on the bypass if it would not be at a reduced cost from their existing costs at the time.

Commissioner Hanson discussed the presentation that DM&E gave to the Board on rail road safety issues on August 11, 2009. The new type of continuous welded rail was summarized and its impact on safety improvements was discussed. The report was summarized by Commissioner Hanson.

Commissioner Alberts asked if a draft resolution should be read at this point. It was decided to hold off on reading any draft resolution until after public comment was taken on this issue.

Commissioner Gray talked about the importance of ongoing maintenance of the railroad.

Commissioner Erickson stated that the Rochester Coalition has emphasized safety. The DM&E presentation gives the Board a solid basis for what he assumed will be the position of the Board tonight.

Commissioner Tjosaas commented that he felt the DM&E presentation statement that there was one anhydrous car through the county in the past two years was amazing.

Mark Moenning handed out a written statement in opposition to the line for a number of reasons including loss of land, tile issues and many other reasons. Mr. Moenning talked about the lack of accurate information made available on this project. Mark Moenning asked commissioners to say no to this project. Mr. Moenning provided the Board with a large amount of information supporting his opposition to the project.

Larry Klocke commented that the bullet train is a smoke and mirrors approach. Mr. Klocke questioned where the safety concern is on the new road crossings that would be created? Mr. Klocke felt the impact on emergency vehicles and busses will be huge in Dodge County. It was Larry Klocke's opinion that this will be a tax burden on Dodge County. Mr. Klocke recommended that the Board not support the bypass. Larry Klocke also asked that the County Board keep the citizens of Dodge County informed on this issue.

Proposed Southern
Bypass Discussion
- Continued

Glenn Hahn on behalf of the Dodge County Township Association and SWCD was available to comment. Mr. Hahn showed a map of the proposed route and noted that the Vernon Township area is directly impacted by the route. The route cuts the farms in half and traps farms between the railroad and the river. The impact of drainage on the proposed route was discussed. The Dodge County Township Association voted in opposition to the bypass in Dodge County. Mr. Hahn read the resolution passed by the Dodge County Township Association. The resolution which was approved July 23, 2009 reads as follows:

The Dodge County Association of Township is officially on record opposing the southern rail bypass around Rochester through Dodge County.

Dorene Ness read the following statement from Mr. Scot Bjornson on his opposition to the rail bypass.

Mr. Bjornson respectfully submitted this written testimony and comments regarding the proposed Southern Rail Corridor so that they may be heard/and considered by all Dodge County Commissioners.

1. This Southern Rail Corridor bypass has always been sold to the public as a freight/passenger rail bypass even though Mayo's hired GannettFleming whose May 19, 2009 report makes it very clear that this Southern Rail Corridor proposal is a single track "freight only" bypass with a cost estimate of \$325 million. The opening statement of Mayo's May 19, 2009 GannettFleming document says... *"GannettFleming did not assume the implementation of a passenger rail service to the Rochester area and points beyond."* And the summary statement of that same document says... *"In summary, the operation of passenger trains via the proposed Southern Corridor was not considered by the engineering done to date."* Clearly this \$325 million Southern Corridor bypass proposal is not, and never was, about passenger services at all... yet Mayo representatives continue to cleverly include passenger service as a topic and a major selling point at all the public meetings and press releases. Mr. Bjornson's point is this: If Mayo representatives are going to continue to mislead and confuse the public by associating and including high speed passenger service with the \$325 million Southern Rail Bypass Proposal then they darned well better start including the added cost of including that passenger rail service to the Southern Rail Corridor. If the true costs of adding passenger rail service were duly added to Mayo's \$325 million (single track) Southern Rail Corridor Bypass this would drive taxpayer costs into the billions! Because hundreds of millions of public money is at already at stake here, the public needs to know this truth.

Proposed Southern
Bypass Discussion
- Continued

2. In addition to all of that, it is also worth noting (and considering) that even if this freight only bypass were to be constructed for \$325 million today, there is absolutely no guarantee that high speed passenger service will ever come through southern Minnesota. And “if” it ever did actually come through southern Minnesota, it's far from a sure thing that it would run through along this “short loop” of a bypass. For example, some could argue it currently appears far more likely, when considering cost, time and ridership perspectives, that if high speed rail ever did come through this area it would much more likely come via the HWY 52 corridor into to Rochester and then go east towards the river. In other words, it would be foolish to spend \$325 million now for this unnecessary freight bypass based on the distant, albeit unlikely “hope” that someday high speed rail “might” be added to this bypass even though other routes may be much more favorable.

3. Then there's the matter of whether Mayo's proposed freight bypass is even necessary in the first place. One of Mayo's main justifications for the seemingly “urgent” need for this bypass can be viewed in the Rochester Post Bulletin, Thursday, May 21, 2009 edition where they claim a forecasted rise *“from 3 to 41 trains a day”*... and also on the first page of Mayo's GannettFleming Expanded Executive Summary where it says *“train traffic could increase to as many as 41 daily trains”* and be coming through Rochester soon. Here again, “could” and “as many as” are speculative, and nothing more than that. Can speculation justify spending hundreds of millions of tax dollars we don't have? Not where Mr. Bjornson comes from. It should also be understood by all here that 281 miles of new track would have to be built at a cost of over two billion to Canadian Pacific before ANY of those 41 trains a day could even get to Rochester. There is nothing urgent here.

To summarize, at the end of the day Mayo's Southern Rail Corridor Bypass proposal is not about passenger rail... it is a proposal about investing \$325 million dollar taxpayer dollars (that taxpayers don't have) to build a freight loop bypass around one town for 41 trains a day... that can't even get here and may never get here. Mr. Bjornson wouldn't think anyone would support such a thing and hopes the commissioners don't either...now or in the future if and when Mayo comes back at it again.

Todd Daniels added that collateral damages included impact on the natural springs in the Vernon Township area. This is a source of water for people and animals in the area and it could be negatively impacted. Collateral damage is an additional reason to oppose this project. Mayo has made inappropriate threats to the region in regards to this project. Mr. Daniels stated that they are lucky to have us.

Richard Mashing is a potential landowner on this line. Mr. Masching noted that the road crossings and agriculture impacts are just as important to him. Richard Masching reported that he would like to see the money spent on Highway 56 where everyone will benefit from it.

Lisa Hagedahl informed the Board that she is involved in the High Country Wind Energy Project in the same area. Ms. Hagedahl commented that the wind energy project is a community based project that benefits the region. The bypass proposal cuts through the southern footprint of the wind energy project. There are also financial implications to the residents that have not been considered with the rail project.

Proposed Southern Bypass Discussion - Continued

Larry Klocke added that the impact on property values would impact the entire county.

Steve Henslin asked the Board to deny the bypass.

County Administrator David McKnight read the proposed resolution. Commissioners added by consensus one additional point which reads as follows:

7. The proposed rail line may have a negative impact on the already established and the soon to be established wind farms in Dodge County.

Don Loew wanted it made clear that Dodge County opposes this bypass. Mr. Loew stated that the financial impact of this project on the residents is tremendous. Don Loew thanked the Board for listening to the residents.

Motion by Alberts seconded by Erickson to approve and authorize the Chair and Clerk to sign resolution #2009-01RRA opposing the southern rail corridor bypass:

Southern Rail Corridor Bypass Opposition Approved by Resolution #2009-01RRA

WHEREAS, the Southern Rail Corridor has been proposed by the Rochester Coalition which would create a 48.3 mile railroad bypass around the City of Rochester; and

WHEREAS, the bypass would run through Dodge County starting west of the City of Dodge Center and travel through Wasioja, Ashland, Hayfield and Vernon townships; and

WHEREAS, the plan and route were proposed by the Rochester Coalition and supported by Governor Pawlenty, Senator Klobuchar, Representative Walz and Representative Oberstar without consulting any Dodge County officials; and

WHEREAS, the Mayo Clinic is the leading entity on this project and Dodge County understands and appreciates the importance of the clinic to the region and Dodge County; and

WHEREAS, the railroad has always been a necessary entity in the growth and development of Dodge County's agriculture based economy; and

WHEREAS, the projected cost of the bypass is estimated at a minimum of \$325 million dollars.

NOW THEREFORE BE IT RESOLVED, that the Dodge County Regional Railroad Authority opposes the southern rail corridor bypass for the following reasons:

1. The current track has run successfully for many years without major safety incidents. The DM&E is currently upgrading the tracks through Dodge and Olmsted counties with continuous welded rail that helps improve the safety of the current track. This is a part of a \$300 million dollar project in 2009 that includes over \$12 million dollars spent on the track in Dodge County.
2. The proposed route and any similar routes that evolve from it, cause undue harm to the county, townships and our residents. Hundreds of acres of farmland, conservation land and wooded land would be taken, fields and farms would be severed, and water tables and drainage would be altered.
3. The proposed bypass would create safety and access issues at the new crossings points on our county and township roads. Township roads could be cut off and county roads would require substantial investment into safety devices that the county cannot afford today and into the future. The negative impact on our agriculture based economy would be substantial.
4. The proposed bypass is estimated to cost \$325 million dollars at a time when all of the governments that would be involved in this project (federal, state, county and township) do not have the funding to pay for it.
5. A smaller fraction of the one-third of a billion dollars could be used to mitigate any concerns expressed by the Rochester Coalition or other parties along the current line in terms of railroad safety.
6. The original proposal for this project was masked behind an effort to gain high speed rail between the Twin Cities and Rochester. An approach like this makes the appearance of the project questionable to many.
7. The proposed rail line may have a negative impact on the already established and the soon to be established wind farms in Dodge County.

*Southern Rail
Corridor Bypass
Opposition
Approved by
Resolution
#2009-01RRA*

BE IT FURTHER RESOLVED, that the Regional Railroad Authority instructs the County Administrator to invite Governor Pawlenty, Senator Klobuchar, Representative Walz and Representative Oberstar to a meeting where they can explain their support of this project.

BE IT FURTHER RESOLVED, that the Dodge County Regional Railroad Authority is not asking to place the railroad in another location, we are asking that the existing line that has been in place for decades be used and mitigation investments made as needed to address the issues at hand.

BE IT FURTHER RESOLVED, that the Dodge County Regional Railroad Authority has no desire to own or partner in the ownership and maintenance of a 48.3 mile short-line railroad that is not wanted by the main line railroad.

BE IT FURTHER RESOLVED, that the Dodge County Regional Railroad Authority wants it known that they are willing to continue to work with Olmsted County, the City of Rochester and Mayo Clinic on other issues as the history of our working relationships will only improve with continued effort and open communication.

Southern Rail
Corridor Bypass
Opposition
Approved by
Resolution
#2009-01RRA

Resolution adopted unanimously.

Lisa Hagedahl asked that the county not join into a joint powers agreement and send the resolution to as many individuals as possible.

Additional Southern
Bypass Discussion

The County Administrator indicated that he will send the resolution to many individuals as requested.

Motion by Tjosaas seconded by Gray to adjourn the meeting at 8:34 p.m. CST.
Motion adopted unanimously.

Meeting Adjourned

ATTEST:

DAVID HANSON
CHAIR, REGIONAL RAIL AUTHORITY

DAVID MCKNIGHT
CLERK

DATED: