

RAILROAD ADVISORY BOARD

August 14, 2008

A meeting of the Railroad Advisory Board was called to order at 7:30 a.m. on August 14, 2008, in the W&L Utility Services Conference room at 105 E. Ash, by Chairperson Peter Davis.

Present:

Peter Davis, Chairperson
Jack Blaylock, Vice-Chair
Greg Eiffert, Member
Bryan Ross, Member
Tom Ogden, Member
“Doc” Wulff, Member
Kee Groshong, Member
J. Kraig Kahler, Water and Light Director
Tad Johnsen, Power Production Superintendent
Jim Windsor, Rates/Fiscal Manager
Mike Schmitz, Engineering Manager
Christian Johanningmeier, Engineer II
Tina Worley, Utility Services Manager
Marilyn Thorpe, Administrative Support Supervisor

INTRODUCTION OF J. KRAIG KAHLER: Peter Davis introduced J. Kraig Kahler the new Director of Water and Light. Kraig told the Board that he had been on the job for three weeks. He said he was from northeast Kansas and that he had graduated from Kansas State University with an Engineering Degree. Kraig said he was able to retire with twenty years of utility work in Texas. He said he had been in Weatherford, Texas for the last nine years. He is married with two girls in high school and a nine year old son.

APPROVAL OF MINUTES: On a motion by Jack Blaylock and second by Greg Eiffert, the minutes of May 8, 2008 were approved as distributed with a unanimous vote.

FINANCE REPORT: Jim Windsor said revenues were down and that the budget met minimum requirements. He said there were no significant changes except that fuel cost was increased. For CIP, only the projects funded by the coal surcharge were budgeted. Those are rail replacement, tie replacement and surfacing. No other projects were funded in FY09. After discussion the board on a motion from Jack Blaylock and second from Bryan Ross recommended Council approve the budget as presented. Motion passed on a voice vote.

TRAFFIC REPORT: Christian Johanningmeier told the Board that traffic was down in everything across the board except for coal.

MARKETING: Tina Worley reported that steel traffic with Mitek would be picking up. She said they would be moving 5,000 to 7,000 tons of steel a month. She also reported that ADS transload was starting to see some interest in moving paper. There are two industries in Jefferson City as well as the Tribune that could become potential paper rail customers.

NEW BUSINESS: *Car Storage Agreement* – Tad Johnsen explained to the Board that the COLT railroad had been approached by Creative Railcar Marketing Services (CRMS) to execute a Non-hazardous Car Storage Agreement. The agreement would allow the Railroad to receive, store and

deliver rail cars assigned by CRMS. He said with a storage charge of \$1.25/day and \$60.00/switch the agreement could generate \$3,000 a month for the COLT. Staff is requesting approval from the Board to enter into the contract for a one year trial period. At the conclusion of the trial period a Request for Proposal to solicit proposals for future partners for this service would be done. Kee Groshong made a motion with a second from Tom Ogden to recommend Council approve the one year Car Storage Agreement with CRMS. Motion passed on a voice vote.

Reorganization of Railroad Division – Mike Schmitz told the Board that at present the day-to-day rail operations reported to the Water and Light Director. This change was made by Dan Dasho when he was the Director of W&L. Mike said during the period that John Glascock was filling in as the Interim Director of W&L that John felt it would be more appropriate for the day-to-day operations be under the management of Tad Johnsen, Power Production Superintendent. Mike said under this management the Engineering Department would no longer have a role in the day-to-day operations. He said John felt it would be more appropriate for the Railroad to be under an Operations supervisor. The Board asked if the railroad employees were aware of the reorganization. Mike said that all the railroad employees had been made aware of the change. Mike said he did not think there would be any problem with the reorganization. The Board expressed their thanks for being kept up to date on the changes. The reorganization will become effective when the FY09 budget is approved.

Christian Johanningmeier reported that there would be a rail car excursion on August 31st. He said there would be between 25-30 cars. Christian said the excursion was under the direction of 1st Iowa Division of North American Railcar Operators Association (NARCOA).

OLD BUSINESS: None

NEXT MEETING DATE: November 13, 2008

Meeting adjourned – 8:05 a.m.

Respectfully submitted,