



**MISSISSIPPI RIVER
REGIONAL PLANNING COMMISSION**

1707 Main Street, Suite 435
La Crosse, WI 54601
Phone: (608) 785-9396
Fax: (608) 785-9394
Email: plan@mrrpc.com
Website: mrrpc.com

*Eugene Savage, Black River Falls
Chairman*

*Margaret Baecker, Independence
Vice Chairman*

*Vicki Burke, Onalaska
Secretary & Treasurer*

*Greg Flogstad, Onalaska
Director*

MINUTES

**MISSISSIPPI RIVER REGIONAL PLANNING COMMISSION (MRRPC)
BIMONTHLY MEETING**

10:00 a.m., February 12, 2014

Seasons by the Lake, 910 2nd Avenue North, Onalaska, Wisconsin

Call to Order

Chairman Savage called the meeting to order at 10:00 a.m. and asked for the roll call. Greg Flogstad, Director took the roll and stated a quorum was present. The attendance roster is attached.

Minutes of December 11, 2013 Bimonthly Meeting

Chairman Savage asked for a motion to approve the December 11, 2013 bimonthly minutes. Commissioner Twidt made a motion to approve the minutes; the motion was seconded by Commissioner Barr to accept the December 11, 2013 bimonthly meeting minutes and the motion was carried unanimously.

Treasurer's Report

Greg Flogstad, MRRPC Director presented the treasurers reports. Mr. Flogstad said the November 30, 2013 balance in all MRRPC accounts was \$237,732.98 and the December 31, 2013 ending balance was \$200,357.83. Mr. Flogstad reported that the beginning balance in December 31, 2013 was \$200,357.83 and the balance as of January 31, 2014 was \$261,237.24.

Mr. Flogstad referred everyone to the Mississippi River Regional Planning Commission Business Revolving Loan Fund report for the period of December 2013 through January 2014. He said the report showed all activity in the business revolving loan funds since the last bimonthly meeting. Mr. Flogstad stated the Revolving Loan Funds are being presented in a new reporting format with all of them reported on one page. He stated at every bimonthly meeting the treasurer will review and sign off on this report after comparing the amounts to the monthly bank statements. Mr. Flogstad presented the financial report for the Business Capital Fund I indicating a November 30, 2013 balance of \$238,801.66. From December 2013 through January 2014 activity in this account included loan repayments of \$10,593.17 and account interest of \$83.21 leaving a January 31, 2014 ending balance of \$249,478.04. Mr. Flogstad reported a balance of \$301,571.12 in the BCF Sequester Account as of November 30, 2013. From December 2013 through January 2014 activity in this account included an interest payment of \$79.07 to the U.S. Treasury leaving a November 30, 2013 balance of \$301,492.05.

Mr. Flogstad said that as of November 30, 2013, the Business Capital Fund II RLF had a balance of \$59,650.74. Activity in this account for December 1, 2013 through January 31, 2014 included interest of \$20.38, and loan repayments of \$953.62 leaving a January 31, 2014 balance of \$60,624.74. The BCF 2 Sequester Account balance as of November 30, 2013 was \$152,632.04. During December 2013 and November 2014 an interest payment of \$49.32 was made to the U.S. Treasury leaving a January 31st balance of \$152,582.72.

The CMV Growth Development Fund began with a November 13, 2013 balance of \$37,615.85. From the period of November 13, 2013 through January 15, 2014 activity in this account included \$6.53 in interest and loan payments of \$518.50 leaving a January 15, 2014 balance of \$38,140.88. Mr. Flogstad said the balance in the CMV-EDA Sequester Fund as of November 13, 2013 was \$165,035.24. During the period of November 13, 2013 through January 15, 2014 activity in this account consisted of interest earned of \$28.30 and an interest payment of \$34.76 to the U.S. Treasury leaving a January 15, 2014 balance of \$164,028.78.

A Nine County Economic Development District Providing Assistance to Local Governments

- Land Use Planning ▪ Zoning and Subdivision Ordinances ▪ Transportation Planning ▪ Economic Development Planning
- GIS Mapping ▪ Recreation Planning ▪ Revolving Loan Fund Administration ▪ Grant Writing ▪ Socioeconomic Data Dissemination
- Assist Local Interests in Responding to State and Federal Programs ▪ Advisory Service on Local Planning Issues
- Coordinating Agency for Programs and Activities ▪ Public Advocacy on Issues Affecting Our Region

The La Crosse County Business Fund began with a November 14, 2013 balance of \$47,867.85. From November 15, 2013 through January 13, 2014 account activity included \$1,420 in loan payments and account interest of \$12.24 leaving a January 13, 2014 account balance of \$49,300.09. The LCEDF Sequester Account began with a November 30, 2013 account balance of \$69,016.92. From December 1, 2013 through January 31, 2014 activity in this account included account interest of \$23.45 leaving a balance of \$69,040.37. Commissioner Jaekel commented the new revolving loan fund report was easier to follow.

Chairman Savage asked for a motion of approval on the treasurers reports presented. Commissioner Twidt made a motion to approve the treasurer's reports as presented. The motion was seconded by Commissioner Barr and approved unanimously.

Mr. Law stated he had talked to a couple of businesses since the first of the year. He said there seems to be some interest in business activity. He said he will continue to market the RLF funds as they are economic tool businesses can take advantage of if they are in need of gap financing. Mr. Flogstad reported the La Crosse County Business Fund approved a \$20,000 loan since the last bimonthly meeting. The loan was made to a high end running shoe store that would open in downtown La Crosse.

Decision on 2014 MRRPC Budget

Director Flogstad presented the 2014 Mississippi River Regional Planning Commission Budget. He began by reviewing expected income sources of \$443,374 for 2014. He said county contributions are at the same level as 2013. He said this is the sixth year in a row with no increase in county contributions to member counties. He then reviewed all projected income sources from Economic Development Program Income, Planning Program Income, Hazard Mitigation and Hazard Recovery Assistance Income, State of Wisconsin funding and Federal Funding. Mr. Flogstad discussed the new contracts included in the budget.

He then presented budgeted expenses totaling \$443,374 for 2014. He said staff salary and benefit expense went down mostly due to the MRRPC Administrative Assistant's reduced work week from 40 to 32 hours. He said there is also an expense included in the budget for the purchase of EMSI software that will be reimbursed through a contract with the State of Wisconsin Economic Development Corporation. Mr. Flogstad asked if anyone had any questions. Commissioner Ehram commented that it was a good budget. Commissioner Barr asked if there was money included in the budget for any new equipment required such as a new copier etc. Mr. Flogstad said \$5,000 was included in the budget for office equipment, software and equipment repair that should cover our needs. Commissioner Borreson asked if all the new contracts mentioned were definite. Mr. Flogstad said he was pretty confident all contracts shown in the budget would be active in 2014. Commissioner Schlesselman asked why the internet expense remained at the 2013 level when the amount spent in 2013 was \$225 lower than projected. Mr. Flogstad said there may be a need for faster internet speeds. Chairman Savage asked for a motion to approve the 2014 budget. Commissioner Borreson made a motion to approve the budget as presented, Commissioner Murray seconded the motion, and it was approved unanimously.

Decision on MRRPC's U.S. Department of Commerce-Economic Development Administration Partnership Planning Assistance Program Funding Resolution

Mr. Flogstad presented Resolution 2.12.2014, a resolution wherein the Mississippi River Regional Planning Commission applies for U.S. Department of Commerce-Economic Development Administration (EDA) support for Partnership Planning Assistance Funds for a continued program in economic development. Mr. Flogstad said the MRRPC has been involved in this partnership with the U.S. Department of Commerce-Economic Development Administration since 1977. Mr. Flogstad said the MRRPC is applying for \$157,884 to support the Commission's program in economic development for three years beginning April 1, 2014 and ending March 31, 2017. He said the MRRPC would provide the same match over that three year period. Chairman Savage asked for a motion to approved Resolution 2.12.2014. Commission Murray made a motion to approve Resolution 2.12.2014; the motion was seconded by Commissioner Ross and approved unanimously.

Update of Scenic Mississippi Regional Transit (SMRT) Bus Service Running in Crawford, Vernon and La Crosse Counties

Mr. Fletcher provided an update on the Scenic Mississippi Regional Transit bus service. He said ridership has been steadily increasing. He said he did not have ridership numbers for January as of yet however; there were 2 or 3 days in January the buses did not run because of cold weather. He explained the buses are run on diesel and there was some concern. Commissioner Schroeder asked if the buses were kept inside at night. Mr. Fletcher said they were. Commissioner Schroeder said there shouldn't be a problem but Mr. Fletcher said there has been a maintenance issue with one of the buses and they wanted to be cautious in the cold weather during those cold days when schools were closed.

Mr. Fletcher said a ridership survey was conducted on the bus service in December. He reviewed the results of the survey (43 respondents). He said of those completing the survey 69.8% of riders were female and 30.2% were male. The largest percentage

of riders, 48.8% were ages 45-64 followed by 25.6% ages 25-44, 16.3% under age 25, and 9.3% 65 and older. Most riders, 59.1% used the service to go to and from work, 22.7% used the service to go to and from school, 2.3% used it for medical appointments and the remaining 15.9% used it for other purposes. He said the survey also asked how satisfied riders were with the service and over 97% of riders were either very satisfied or satisfied with the service. The question was also asked why do you ride the SMRT bus. Over 80% of respondents replied saves money-gas, 39.5% replied convenience/relaxing, and 11.6% replied I don't like or have to drive. He said there were many positive comments about the bus drivers. Mr. Fletcher said more outreach is needed to get more people, especially seniors 65 and older, to use the service for medical appointments. Commissioner Barr said it would be difficult to solve the issue of using the service for medical appointments because of scheduling conflicts between medical appointments and the bus service schedule. Mr. Fletcher said they were looking at modifying some few schedules to help meet of needs of riders with medical appointments.

Mr. Fletcher said on another issue the MRRPC is required to comply with the Wisconsin Department of Transportation (DOT) Title VI regulations because of funding the MRRPC receives annually from DOT. He reviewed Federal compliance for Title VI and the requirements. He said the MRRPC has to complete a Title VI plan as part of the requirements. He asked that Commissioners complete two "minority representation data collection forms" included in their meeting packets. Mr. Fletcher explained the white collection form was for the MRRPC and the green collection form was for Buffalo County. He said completion of the forms was voluntary and asked that Commissioners complete both forms if they desired. He said the planning document the MRRPC will be preparing as part of Title VI will show the makeup of the Commission based on feedback on these forms. He said in an upcoming meeting the MRRPC may need to have a public hearing at one of our bimonthly meetings in regard to that planning document. Commissioner Borreson asked about recognition of handicapped or disabled population. Mr. Fletcher said within the planning document that issue should also be addressed.

Presentation on Findings of the Kickapoo Valley Solid Biofuel and Wood Product Feasibility Study

Mr. Law passed around a copy of the final draft of the Kickapoo Valley Solid Biofuel and Wood Product Feasibility Study. He said everyone should also have a copy of the executive summary in their meeting packets. He said the purpose of the study was to analyze the feasibility of sustainable harvesting, production, distribution and use of solid biomass and other wood products to create a more resilient economy in the Kickapoo Valley area. Mr. Law said sustainable harvest was an issue addressed in the study. He explained pellets are made from a renewable resource at hand, unlike fossil fuels. This is one of the big advantages of using wood for heat in this region. He said the study found there is enough supply in a 25-mile radius from La Farge to produce 18,000 tons of wood pellets per year without disruption. He said 18,000 tons of wood pellets per year is easily achievable. He said 18,000 tons is almost twice the capacity of the recommended 10,000-ton-per-year (TPY) plant. Mr. Law said a 100,000 TPY plant would only require 21% of net annual forest growth in the 4-county study area. He explained most of the forested land in the Kickapoo Valley is not managed and proper management would easily supply the wood products forest industry in the valley and also promote better forest health.

Mr. Law said the 4-county study area includes Crawford, Monroe, Richland and Vernon Counties. In those counties between 43-49% of households are Low to Moderate Income (LMI) and between 11-15% of residents live in poverty. He said those counties also have lower labor force participation rates than the State. He reviewed the jobs and income impact of a 10,000 TPY plant, a 60,000 TPY plant and a 100,000 TPY plant. He explained the jobs and income analysis was done using EMSI Analyst software. He said the jobs and income estimates could have a substantial impact throughout the 4-county area.

Mr. Law presented data on cost savings by switching from another fuel source to pellets. Pellets ranked near the bottom as far as Cost per Million BTU at \$15.54. Only natural gas (furnace or boiler), Wood (non-catalytic, room heater) and Wood Stove, (Catalytic) ranked lower at the time of the study. Commissioner Jaekel asked if the costs shown were based on normal propane costs. Mr. Law said the study was done last fall before the propane price hikes in January. Ms. Jaekel said if the price doesn't come down, right now propane is more expensive than electricity. Mr. Law concurred there has been an increase in fossil fuels in the last few months. Ms. Jaekel said those price hikes could lead to an increase of people switching to pellets. Ms. Jaekel said if you are tied to propane you are stuck. Mr. Law said another thing the study points out is that most people use pellets as a secondary heat source. Mr. Law stated the costs of fuel shown represent pre winter prices. Mr. Flogstad said the prices were from October 2013 and right now propane prices have at least tripled and would be above the cost of Kerosene at \$40.81 cost per million BTU. Mr. Law displayed a chart showing the differences per year to operate using fuel oil, electricity, propane, natural gas and wood (logs) as compared to pellets. He said the best results will come from switching from expensive fuel types such as propane, fuel oil and electricity.

He said there are other benefits of using pellets. He said there is a wood product industry in the Valley that creates a lot of wood residue. Mr. Law said that wood residue could be used to make pellets. He said prices for pellets can change from one winter to next, but prices are generally stable within the season. He said fossil fuel prices can vary amazingly but pellet prices are more stable. Other benefits of using pellets included reduced carbon emissions and pellets burn more efficiently than cord wood and most fossil fuels. He said carbon emissions are similar to natural gas. Pellets release biogenic carbon (a carbon in the environment), and fossil fuels release geologic carbon. He explained the differences between the two carbons. He provided a scenario where 20% of households in the 4-county study area currently using fossil fuels for heat energy and switch to wood pellets. He said CO₂ emissions would be reduced by 27,000 tons per year or 13%. He said that is the equivalent of removing 5,000 cars from the road or conserving 2.7 million gallons of gasoline per year.

Mr. Law said the study identifies many areas within the Wood and Forest Products Industry that could be further developed in the Kickapoo Valley. He said one product is Nanocrystalline Cellulose, an experimental process of a new value added product being worked on at U.S. Forest Lab in Madison that can be used to make other products. He said there are all kinds of potential there. He said another opportunity is “Kickapoo Woods” branded wood products. Examples of these products could be cabinets, hockey sticks, canoe paddles, furniture etc. He continued by discussing other wood products that could be developed: green building materials, wood flour, and pallets. He explained that pallets could be a great partner with pellets because the wood used to make pallets is not going to be a high grade lumber but it creates a lot of residue which than can be used to make pellets.

Mr. Law concluded by reviewing some recommendations from the study. He said a 6,000-10,000 ton per year plant could be feasible supplying a regional market. He said as far as dry residue there is a ready supply of raw material and little need for processing. Green residue is also possible but with extra processing and a higher cost. He said a recommendation is to build a small pellet plant in adjunct to another wood-products business such as a pallet plant. Other recommendations are to grow in increments as the regional market grows and exploring other products besides pellets for heating, such as animal bedding and barbecue pellets. Commissioner Smith said he purchases Amish made wood bricks or squares for heating from a company in Indiana that he is very satisfied with. He said there is also a place in Midway (Town of Onalaska) to purchase wood pellets. There was some discussion on the costs of using a pellet stove. Commissioner Jaekel asked if I wanted to go buy a pellet stove is there a cost breakdown on how many years I can recoup my money. Mr. Law said that information is in the study. Commissioner Schroeder asked how much it would cost to build a pellet plant. Mr. Flogstad said that information is also in the study. Commissioner Schroeder asked about jobs and asked how hard would it be for an individual to make a wood pellet making machine. Commissioner Schlesselman those machines are available but making pellets is more of an art than a science. He explained the process. Commissioner Schlesselman said the Environmental Protection Agency (EPA) is cracking down on wood burning stoves because of the emissions and that might be a benefit to the pellet industry. He said wood pellets burn cleaner than wood. Mr. Law said that is pointed out in the study. He said there is a misconception that pellets are a dirty fuel but that is not the case. They burn efficiently and leave very little ash. Commissioner Jaekel asked if you had to have a chimney in order to have a pellet stove. Mr. Flogstad said you do not have to have a chimney. Commissioner Jaekel said a big hurdle is educating the public. Mr. Law said another hurdle is the capital costs of switching from one fuel to another. There was some discussion on the lack of active forest management and many landowners thinking leaving their forests alone is the best thing.

Presentation on Commissioner Input on Regional Plan Maps

Dave Bonifas said he was going to present 16 maps some of which will be included in the MRRPC's comprehensive plan. He explained he was looking for input on changes for the maps. Map 3.02 showed average daily traffic counts on major highways. Map 3.03 outlines all transportation services in the region: shared ride tax system, municipal bus service, passenger rail service, small/medium general aviation airport, commercial airport, water ports, intercity bus service route and shuttle/commuter service routes. Commissioner Ross commented the airport in Pierce County should be moved further south. Mr. Bonifas said Map 3.04 shows DOT 6-year state highway improvement projects.

Mr. Bonifas said Map 4.05 shows the largest electrical generating facilities in or near the Mississippi River Region. Commissioner Savage asked if Black River Falls removed their diesel generators. Mr. Flogstad said he thought they still had hydropower but they are buying their electricity off the grid. The next map Mr. Bonifas presented was map 4.07 showing transmission lines and substations in the region. Commissioner Barr asked where CAPX2020 will end up. Mr. Bonifas said CAPX2020 will extend from Alma to north of Holmen and there are plans for the Badger Coulee extension on to the Madison area. This extension has not been approved by the Public Service Commission. Mr. Bonifas said Map 4.06 shows solar, wind, biogas and hydroelectric installations. Commissioner Barr asked about the potential hydro dams, the lock and dams on the Mississippi. He asked if there was potential. Mr. Bonifas said it is complicated because Army Corps of Engineers has their navigation mission and the Upper Mississippi Wildlife

and Fish Refuge has their habitat mission. There was some more discussion about the potential. Commissioner Schroeder mentioned Lock and Dam No. 2. He said a company developed a design to set up a turbine to generate electricity. Commissioner Smith said he thought the outcome of the designed facility for Dam No. 2 wasn't feasible. It was noted that all dams were studied for kilowatt capacity. Mr. Bonifas continued discussing Map 4.06 and indicated locations of solar or wind installations in the region.

Mr. Bonifas said Map 4.09 shows all health care facilities in the MRRPC region. Commissioner Schlesselman said the nursing home in Fountain City was converted to an assisted living facility. Commissioner Borreson said the nursing home in Arcadia doesn't exist anymore. Commissioner Savage questioned if there would be more nursing homes closing in the future. Commissioner Barr commented it is not demand, its economics. Commissioner Savage said another issue is that not all communities are treated alike with funding levels from the federal government. Mr. Bonifas showed Map 4.10 showing all public school districts and libraries in the region. Map 5.06 was displayed showing all operational frac sand operations. Commissioner Schroeder said there was a rail loadout facility in both Maiden Rock and Hager City. Commissioner Krachey said there was a rail loadout facility on highway 60 between Wauzeka and Prairie du Chien. Commissioner Savage said there is a rail loadout facility at Taylor in Jackson County.

The next map displayed, Map 4.01 showed all Wastewater treatment facilities in the region. Mr. Bonifas said Map 4.02 shows all municipal waters systems in the region. Commissioner Savage said that the Ho Chunk Nation has their own water system. The Town of Brockway also has a water system. Map 4.03, Solid Waste Landfill Sites was presented. Mr. Bonifas said Map 4.04 shows all public recreation sites. Mr. Flogstad commented the Kickapoo Reserve needs to be added. Map 4.08 was displayed showing all law enforcement and fire facilities. Commissioner Ross commented Bay City has a fire station and Maiden Rock and Stockholm are served by the Lund fire station. Commissioner Savage said there are fire also fire stations in Merrillan and Hatfield in Jackson County. Commissioner Schlesselman said the Buffalo City-Cochrane Fire departments combined and there is also a fire department in Waumandee. Commissioner Jaekel commented there isn't a police department in the Village of Chaseburg. Commissioner Savage commented there is no police department in the Town of Brockway. Mr. Bonifas thanked the Commissioners for their input and concluded his presentation by showing a map of all bike trails in the region, a map of U.S. and State Highways, and a map of all local governmental units.

Commissioners Questions and Comments on Projects Listed in Written Staff Report

Chairman Savage asked if anyone had any comments or questions on the projects listed in the staff report.

Old Business and New Business

Chairman Savage asked if there was any old business, and then asked if there was any new business. Chairman Savage said there is a proposal for the construction of a propane distribution center in the Village of Hixton. He said the project will include major highway work. There was some discussion of the impacts that could occur with that project. Commissioner Folcey said she wanted to notify every one of the upcoming economic development conference on February 27th at Fort McCoy. Further information on the conference can be found at <http://www.gomonroecountywi.com>. Chairman Savage asked if there was any further discussion, hearing none, a motion was made to adjourn.

Vicki Burke, Secretary-Treasurer