



**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., December 12, 2012

Best Western Midway Hotel La Crosse, 1835 Rose Street, La Crosse, 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. Guests in attendance: Paul Wydeven, Wisconsin Department of Transportation

Minutes of October 10, 2012 Bimonthly Meeting

Chairman Savage asked for a motion to approve the October 10, 2012 bimonthly minutes. Commissioner Leys made a motion, seconded by Commissioner Kuhn to accept the minutes of the October 10, 2012, bimonthly meeting. The motion was carried unanimously.

Treasurer's Report

Vicki Burke, MRRPC Secretary/Treasurer presented the treasurers reports. Ms. Burke said the September 30, 2012 balance in all MRRPC accounts was \$176,808.08 and the October 31, 2012 ending balance was \$202,840.53. Ms. Burke reported that the beginning balance in November 2012 was \$202,840.53 and the balance in all accounts as of November 30, 2012 was \$204,926.31.

Ms. Burke then presented the financial report for the Business Capital Fund I. The balance in this account as of September 30, 2012 was \$247,711.84. From October 2012 through November 2012 activity in this account included loan repayments of \$14,777.93, account interest of \$106.16, State of Wisconsin for BCF Corporation filing fee of \$10, MRRPC administrative fees of \$2,000, and a transfer of \$23,978.24 to the BCF Sequester Account leaving a November 30, 2012 ending balance of \$236,607.69. The BCF Sequester Account began with a September 30, 2012 balance of \$188,821.41. From October 1, 2012 through November 30, 2012 activity in this account included an interest payment to the U.S. Treasury of \$68.60, account interest of \$94.83, and a \$23,978.24 deposit of sequestered funds from the Business Capital Fund account leaving a November 30, 2012 balance of \$212,825.88.

Ms. Burke said that as of November 30, 2012, the Business Capital Fund II RLF had a balance of \$64,718.74. She said that from October 1, 2012 through November 30, 2012 activity in this account included interest of \$27.51, loan repayments of \$3,628.72, MRRPC Administrative fees of \$650, and a transfer of \$6,256.51 to the BCF II RLF Sequester Fund leaving a November 30, 2012 balance of \$61,468.46. The BCF II Sequester Account began with a September 30, 2012 balance of \$59,462.44. From October 1, 2012 through November 30, 2012 activity in the BCF II Sequester Account included account interest of \$29.83, an interest payment to the U.S. Treasury of \$28.07, and a \$6,256.51 deposit of sequestered funds from the Business Capital Fund II RLF leaving a November 30, 2012 balance of \$65,720.71.

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 CMV Growth Development Fund began with a September 12, 2012 balance of \$55,305.82. Ms. Burke said from the period of September 13, 2012 through November 14, 2012 interest earned on this account totaled \$14.40, loan payments made totaled \$600.10, and a transfer of \$519.28 to the CMV Sequester account leaving a November 14, 2012 balance of \$55,401.04. Ms. Burke said the balance in the CMV-EDA Sequester Fund as of September 12, 2012 was \$162,858.67. During the period of September 13, 2012 through November 14, 2012 activity in this account consisted of interest earned of \$42.07 and a 519.28 deposit of sequestered funds from the CMV RLF leaving a November 14, 2012 balance of \$163,420.02.

Ms. Burke said the La Crosse County Economic Development Fund began with a September 13, 2012 balance of \$47,812.60. During the period of September 14, 2012 through November 13, 2012, loan repayments of \$1,420.00 were made; account interest earned totaled \$12.11, and a transfer of \$3,040.52 to the La Crosse County Business Fund Sequester Account leaving a November 13, 2012 account balance of \$46,204.19. The La Crosse County Business Sequester Account began with a September 30, 2012 balance of \$53,684.05. From October 1, 2012 through November 30, 2012 activity in this account included account interest of \$22.87, purchase of checks for account \$27.50, and a \$3,040.52 deposit of sequestered funds from the La Crosse County Business Fund leaving a November 30, 2012 balance of \$56,719.94.

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

Mr. Law reported there have been no new loans since last bimonthly meeting. He reported however that he recently received a BCF loan application for a \$40,000 loan and is currently reviewing that application. Mr. Law reported the Business Capital Fund will be holding their annual meeting on December 13, 2012 and the CMV Growth Development Fund will be holding their annual meeting on December 14, 2012. Mr. Law reported he has also been working with two potential borrowers on CMV Growth Development Fund loan applications. He said the last couple of weeks have been promising with inquiries for potential loan funds. Chairman Savage asked if there was a possibility that the sequestered funds could be withdrawn by the federal government. Mr. Law said that threat or consequence is always out there but there are no indications that will happen. He said the last few years have been a tough lending environment. Loan activity has been low not just for the revolving loan funds but also for private lenders. Mr. Flogstad said over a year ago there was proposed legislation to defederalize these RLF funds which would have removed the federal strings.

Discussion on Forest Inventory for Sustainable Solid Biofuel Use and Kickapoo Valley Biofuel and Wood Product Feasibility Study

Director Flogstad said that he would be making a presentation on the proposed regional biofuel and wood product feasibility study for the Kickapoo Region. Mr. Flogstad said that this regional study in the Kickapoo region could benefit the entire region. He outlined some of the benefits of using biofuels. Mr. Flogstad explained one of the goals of the study was to find out if a bio-fuel pellet plant would be successful in the Kickapoo Valley. Mr. Flogstad provided a PowerPoint presentation entitled "Why Wood Pellets for Heat Makes Sense in the Mississippi River Region". He said that biofuels are a proven technology both for producing heat and electricity. He said that bio-fuels are reliable because they don't need the sun to shine and the wind to blow, or the rivers to flow in order to produce energy. Mr. Flogstad said many parts the region have overstocked forests of low value trees and plants, a woody biomass. He said there is a need to create a market for the woody biomass. He explained that creating a market for timber stand improvement products will enhance the growth of quality timber and forest esthetic values. Mr. Flogstad said pellets have efficient combustion producing low particulate emissions 1-3 grams per hour, comparable to oil or gas. Mr. Flogstad said the Wisconsin Focus on Energy Program now focuses on biomass and biogas technologies over wind and solar. Mr. Flogstad discussed the benefits of increased incomes and quality jobs that could be created if the region had the capacity to convert more to biomass for heat and electricity. He said the utilization of biomass could make us less dependent on imported oil, natural gas and propane. He said using regional energy sources keep energy savings in the region.

Mr. Flogstad discussed the issue of sustainability. He said how much woody biomass harvesting can occur without degrading the productivity of the stock is important. He mentioned a detailed UW-Madison Master's Thesis prepared by Chris Stillion that states "the Kickapoo Watershed is highly suited to rotational grazing (that protects soil, water, and agriculture), and capable of supporting local generation of power from woody biomass while fulfilling long term goals for forest resources management and improvement." Mr. Flogstad asked what renewable power source in Wisconsin produces the most energy. He said that biomass is the highest producing renewable energy source at 55.9%, followed by ethanol 22.2%, biogas 11.7%, hydro 6.1%, and wind 4.1%.

The costs of heating a home by heat type were discussed. Some nationwide statistics from the Popular Mechanic Magazine in January 2011 were analyzed. He said he would like to see this same table but using our region as the geographic area and not the Nation. The national statistics were based on utilizing 1 million BTU a year to heat a 2,400 square foot house. The article reported the costs to heat a home using fossil fuels: natural gas was at an estimated annual cost of \$1,352, followed by fuel oil \$2,646, propane \$2,958 and electric \$3,321. Of the renewable biomass energy sources masonry heaters were the most cost effective at an estimated annual cost of \$1,136, followed by wood stoves \$1,299, and pellet stoves \$1,894. Mr. Flogstad showed a table of international demand for 1 million BTU of natural gas using February 2012 exchange rate. He said the demand for the U.S. to export its natural gas is destined to grow because foreign countries are willing to pay 2-4 times what we do now. He said one of things driving the demand is foreign countries high conversion of their motor vehicles from petroleum to natural gas. Mr. Flogstad explained the growing export demand for our Nation's natural gas may make our prices higher and make biomass more competitive. He displayed a map of proposed/potential LNG import/export terminals in North America that were reported by the Federal Regulatory Commission.

Mr. Flogstad asked on a percentage basis what MRRPC county is most dependent on LP gas, fuel oil, or electricity and would benefit the most in savings from using solid bio-mass as a heating source. He displayed a table that showed Buffalo County is the most depending on LP gas (41% of residents use LP gas to heat their homes) followed by Pepin County 37%, and Jackson County 33%. The county with the most residents using fuel oil to heat their home was Buffalo County 13%, followed by Trempealeau County 11%, and Jackson and Pepin Counties 9%. La Crosse County households were the highest users of electric heat 21%, followed by Pierce County 17% and Jackson and Monroe counties 13%. He then asked what MRRPC County has the least incentive to use biomass as household heat because of low natural gas prices. La Crosse County ranked 1st at 65%, followed by Crawford County 47%, Trempealeau County 46%, and Monroe and Pierce Counties 45%. Mr. Flogstad asked what MRRPC County has the highest percent of households that heat with wood now. Vernon County ranked 1st with 18% of residents heating their homes with wood, followed by Crawford County 17%, and Pepin County 16%. He reviewed some more statistics heating homes in the region.

Mr. Flogstad showed a chart that tallied pellet stove installations from 1998 through 2010 which showed a steady increase from 1998 to 2010. He then asked what comes first, a pellet plant that can't come without a market, or a market that can't come without a pellet plant. He answered: a stronger market in the Region for wood pellets. He said the Kickapoo Valley Biofuel and Wood Product Feasibility Study will provide answers on how to develop a stronger market for pellets and other forms of solid biomass that will benefit the entire MRRPC region – Driftless Area and beyond.

Report on the Three Route Scenic Mississippi Regional Transit Bus Service Running on Crawford, Vernon and La Crosse Counties

Peter Fletcher gave an update on the three route bus service to serve Crawford, Vernon and La Crosse Counties. He said the three county service connecting Prairie du Chien, Viroqua, La Crosse and 12 cities and villages in between began December 3rd. He said there are 3 routes, with 3 buses running 4 round trips a day. He explained the December 3rd start date was a soft start. He said the buses are running and taking passengers. He added that adjustments will be made to schedules if timing issues arise. He said some buses have been running a few minutes late and the service is in the process of making schedule adjustments before next Monday. He said ideally the buses should arrive within a minute or two of their scheduled depart time. He reiterated the buses will not leave any earlier than the depart time listed on the schedule.

Mr. Fletcher said a website www.rideSMRT.com has been launched providing details on the service. Mr. Fletcher said each bus can hold 28 passengers without wheelchair passengers and 22 with wheel chair. He said the first person to take the bus was a flag stop in Prairie du Chien taking the bus to Eastman. Commissioner Ehram asked if the ridership would self-sustain the service. Mr. Fletcher said the original feasibility study determined that for the first year 27,000 one way trips would be needed.

Mr. Fletcher said there has been a lot of interest in the service and as we see riding trends we can make adjustments to make the service a more cohesive transportation system. He said the MTU Transit Manager is allowing the commuter buses to utilize MTU stops in the City of La Crosse and they are working on an agreement to use the MTU Transit Center. Commissioner Schroeder commented there was a lot of blank space on the buses and suggested that space be filled with an emblem. Mr. Fletcher explained that sponsor names for those who donated at least \$5,000 will be placed in that space. Commissioner Leys asked about advertising and also questioned how long it would take to go the entire route. Mr. Fletcher said they are trying to make the routes as seamless as possible but with stops and transfers it takes 2½ hours from Prairie du Chien to La Crosse for \$3. Mr. Fletcher said we know we have an issue between the southern bus and northern bus but once we know those loops and the

exact times, we will be able to make that connection a little quicker. Mr. Flogstad said the service goes well into La Crosse and even provides service to UW-L and Western Technical College.

Mr. Fletcher said it has been difficult at times dealing with businesses and the utilization of their properties for stops. Commissioner Nickelatti commented that there has been a lot of interest for the service in Vernon County. Mr. Fletcher said there will be more marketing of the service. There will be an article in the Gundersen Lutheran newsletter next week and Western Technical College and UW-L will also be providing information on the service to their students. Commissioner Vinehout asked for more details on the funding. Mr. Fletcher explained that funding is made up of contributions from area businesses, health care institutions, local units of government, Wisconsin DOT funds from federal funding and fare box revenue. He said funding to run the service is available through 2013-2014. Commissioner Johnson congratulated Mr. Fletcher on the accomplishment of getting this service up and running in the region. Commissioner Vinehout asked if there were other comparable commuter services in the State. There was some discussion on other commuter services. Mr. Fletcher said this service is kind of unique since it covers three counties. Mr. Fletcher said WIS-DOT has been very supportive of this project. Commissioner Ehram said the best thing for the service to be effective is to be on time. Mr. Fletcher said they are trying to develop a reliable service to serve the needs of commuters.

Decision on 2013 MRRPC and Wisconsin Department of Transportation (DOT) Annual Work Program

Mr. Fletcher explained the MRRPC annually receives funds from the Wisconsin Department of Transportation for regional planning. Each year as part of the funding process, the MRRPC has to complete a transportation work program. Mr. Fletcher said everyone was mailed a copy of the work program but since then there have been a few minor changes. He explained everyone should have a new copy of the work program in their meeting packets with the changes highlighted in yellow. Mr. Fletcher reviewed each item of the work program. Commissioner Savage asked if there were any questions on the work program and asked for a motion to approve the program as presented. Commissioner Nickelatti made a motion to approve the 2013 MRRPC and Wisconsin DOT Annual Work Program. The motion was seconded by Commissioner Kuhn and unanimously approved.

Commissioner Vinehout asked about the MRRPC's involvement with local governments and the proliferation of sand mines. Mr. Fletcher said the MRRPC has been getting more requests regarding this issue. He said there are several towns in Trempealeau County seeking assistance. He said some are pro mining and others are not. Mr. Fletcher said some of the big issues are roads and coordination of trucks traveling through municipalities.

Decision on MRRPC's Policy and/or Disclaimer Statement for Disseminating Economic Modeling Services Inc. (EMSI) Reports

Mr. Flogstad stated everyone should have received a copy of the Disclaimer to be included in all MRRPC-EMSI reports disseminated. Mr. Flogstad explained that most of the language came from the EMSI contract and the last paragraph he wrote. He said this disclaimer should alleviate some of the concerns Commissioners have. Mr. Law referred everyone to a handout that listed users of EMSI data. EMSI users are made up of private sector corporations, educational institutions, and economic and workforce development organizations. He said EMSI data has also been referenced by news organizations such as CNN, Wall Street Journal, New York Times etc. Mr. Law gave some examples of how EMSI data can be used for economic development. Commissioner Savage asked where EMSI was headquartered. Mr. Law said EMSI was located in Moscow, Idaho. Commissioner Savage asked for a motion approving the MRRPC Policy for disseminating EMSI reports. Commissioner Burke made a motion to approve and authorize the use of EMSI data as long as the disclaimer statement is included with all EMSI reports distributed. Commissioner Schroeder seconded the motion and it was approved unanimously.

Decision on Contract with UW Madison Center for Integrated Agricultural Systems (CIAS) to put on Networking – Supply Chain Conference

Mr. Law presented a contract between the University of Wisconsin-Center for Integrated Agricultural Systems and the MRRPC. The contract secures the MRRPC services to help plan and facilitate a conference. The purpose of the conference is to enable better networking opportunities among food growers, producers, distributors, transporters, wholesalers, retailers and other sectors in the food supply chain. Mr. Law said this fits in well with the Food Resource and Agribusiness Network (FRAN). He explained the CIAS attended a FRAN meeting and decided the MRRPC would be a good candidate to help with the conference. He said the main objective of the conference is to make businesses along the supply chain more aware of each other's problems, issues, and needs and to encourage the development of joint ventures and other cooperative solutions that benefit various sectors of the supply chain. Mr. Law said UW-Madison CIAS received a grant from the US Department of Agriculture. The

conference is scheduled for February 20-21, 2013, and the MRRPC would assist in planning the event, including engaging the FRAN network. The MRRPC would also reach out for panel speakers and would facilitate the conference. A post conference feedback session would also be facilitated by the MRRPC. Commissioner Kuhn made a motion to approve the contract and Commissioner Vinehout seconded the motion, and unanimously approved. Commissioner Vinehout commented that the conference was very timely and fits in well with business development. She said it's a great idea to have the conference here in the La Crosse in the winter. There was some discussion on the MOSES organic farming conference being held in La Crosse from February 21-23. Commissioner Purdy commented there wasn't much time to plan the conference with it being only two months away. Mr. Law said planning is already underway by CIAS. He mentioned the MRRPC also recently helped plan the EMMA Expo. He said some of the leg work has been done already. Commissioner Ross said this was a very good idea. Commissioner Johnson said it's a good idea but she would be more comfortable if policy was sent on how we enter into contracts. She said the Commission should be talking about policy that guides staff how to enter into contracts so we don't lose money. Mr. Flogstad said a conference such as this helps implement the MRRPC's economic development goals. He said we would do this anyway, with or without a contract. Commissioner Johnson commented that she didn't know if it was the best use of the Commission's time to approve contracts as small as this. Commissioner Vinehout said part of what the Commission board does is approve contracts, it's one of our activities, it's a policy of the board. Chairman Savage commented this is a point well taken but this hasn't been a problem for us in the past.

Questions and Comments on Projects Listed in Written Staff Reports

Commissioner Christenson asked about the Jackson County CDBG Public Facilities Grant to serve Badger Mining Corporation operations expansion in Merrilan and Taylor. Mr. Fletcher said the project involved a \$400,000 CDBG Public Facilities Grant and a \$600,000 TEA Grant for county road improvements to service Badger Mining Corporation. He said the project was started last fall but was delayed because of an issue where fill was placed. Commissioner Christenson questioned public money used for road improvements to help the mining company and commented about the mining company paying for this as part of the permitting process. Mr. Fletcher said Jackson County pursued the application. Commissioner Vold commented the road improvements benefit the public by making the roads safer.

Old Business and New Business

Commissioner Christenson said in northern Wisconsin sand mines are laying people off. He said in Augusta people gave up jobs to work at the mines and now some have been laid off. Commissioner Murray commented that Pepin County negotiated a contract with a mining company whereby the mining company will pay \$640,000 to bring eight miles of highway up to par and the sand mining company will also have \$1 million on deposit that can be used every time the highway needs repair.

Commissioner Johnson said the Wisconsin Counties Association has established a Frac Sand Task Force that is charged with coming up with best practices for counties regarding this issue. She said in the next couple of months work products will be coming out and if anyone is interested they should check the County Association's website. Commissioner Vinehout said sand mines are proposing to prohibit the transfer of money from mines to local governments for roads and they are trying to get this through the legislature. Commissioner Purdy commented on the legality of nullifying an existing contract through legislation. Commissioner Schroeder said the market plays a role in this issue. He said if crude gets below \$85, drilling will back off, and things can change in a heartbeat. He said he was listening to a radio program that said in 10 years the U.S. will be an energy exporter. There was some discussion on the increased activity of the railways. Commissioner Ross said in 2013 it is expected the Burlington Northern Santa Fe contracts with sand mines will surpass their contracts with UPS.

Commissioner Smith said on a positive note the Great River Road will be celebrating its 70th anniversary. Chairman Savage asked for a motion to adjourn the meeting.

This is to certify that the foregoing is a true and correct copy of the December 12, 2012, bimonthly meeting minutes approved on the 13th day of February 2013.

Vicki Burke, Secretary-Treasurer