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**FOX RIVER NAVIGATIONAL
SYSTEM AUTHORITY**

Summary of Proceedings

Fox River Navigational System Authority
3:00 P.M. Tuesday, January 28, 2014
Authority Office
1008 Augustine Street, Kaukauna, Wisconsin

Authority Members in Attendance:

Ron Van De Hey, Outagamie County
Will Dorsey, Wisconsin Department of Transportation
Jean Romback-Bartels, Wisconsin Department of Natural Resources
Tim Rose, Outagamie County
John Vette, Winnebago County via teleconference
Daina Penkiunas, Wisconsin State Historical Society
Bill Raaths, Winnebago County

Authority Members Absent:

Open, Brown County
John Shier, Brown County

Guests and Staff in Attendance:

Jesse Nickel, visitor
Phil Ramlet, Omni
Randy Stadtmueller, Eagle Flats, LLC
Harlan Kiesow, FRNSA CEO
Robert Stark, FRNSA COO

Board Chairman Ron Van De Hey called the meeting to order at 3:02 P.M.

1. Introductions: Chair Van De Hey asked for introductions.

Chair Van De Hey read the letter from the State Preservation Officer officially appointing Daina Penkiunas as the Wisconsin Historic Society representative to serve on the FRNSA Board of Directors. (Applause) Letter attached.

2. Approval of Minutes of December, 17, 2013 Authority Meeting:

Chair Van De Hey called for additions or corrections to the minutes.

A motion to approve the December 17, 2013 minutes was made by Tim Rose. Second by Jean Romback-Bartels. Motion passed unanimously.

3. Financial Status Reports, T. Rose

- a. Operational Budget**
- b. Capital Budget**
- c. Unlock the Fox Fund**

Tim Rose reviewed the financial reports and noted generally we are on schedule but the water and sewer category is running higher than last year.

Tim Rose reviewed the growth and balance of the Unlock The Fox Fund over the past several years.

d. Quarterly Financial Meeting

The quarterly financial meeting with Community Foundations, Associated Investment Management Team and FRNSA Executive Committee was held at the Community Foundations Office in Appleton.

Tim Rose stated Associated investment results in the current quarter report met benchmark goals for the first time.

The next quarterly financial meeting is scheduled for April 17, 2014 at the Green Bay Community Foundation Office.

e. Foundations MOU Update Status

Tim Rose reported that discussions are continuing and that progress is being made. Current discussion items include defining fiduciary roles, fees, fund balance needed in 2034, and ongoing fund requirements. Future discussion item is fundraising. The MOA Committee of Harlan Kiesow and Tim Rose will work with the FRNSA Executive Committee to draft a final agreement.

f. Legislative Funding MOA Liaison Status

Tim rose stated a packet of supporting materials to request congressional assistance in obtaining the final Corps MOA payment was sent to Senators Johnson and Baldwin, and Governor Walker. Tim Rose, John Vette, and Bob Stark met with Congressman Ribble and staff. Tim Rose, John Vette, and Bill Raaths met with Congressman Petri and Staff. A joint letter from Congressman Ribble and Petri was sent to the Corps Secretary in Washington, DC requesting payment of the balance of Corps funding still due.

A motion to receive financial reports and place on file was made by Jean Rombach-Bartels. Motion second by Daina Penkiunas. Motion passed unanimously.

4. Engineering Committee Report, *W. Dorsey*

a. Status of Kaukauna Lock #5 Design Contract

Harlan Kiesow reported the bid schedule has been set back from what was reported last month because the review process has taken longer than expected.

Pre bid walkthrough mid April and bid is now expected end of April and awarding in May. It may be necessary to call a special board meeting or at least an Engineering Committee meeting and follow up with a Board e-mail vote to be able to award the contract before the end of May.

b. Approval of Boldt D/B Kaukauna Contract Invoice

Phil Ramlet stated he reviewed the Boldt Invoice and finds the amount \$156,076.62 consistent with work completed to date and recommends payment.

Will Dorsey made a motion to approve the Boldt Invoice for \$156,076.62. Motion second by John Vette. Motion passed unanimously.

c. Resolution No. 01-14: Rapide Croche D/B Contract Change Order

Will Dorsey made a motion to approve **Resolution No. 01-14: Rapide Croche D/B Contract Change Order** approved last month authorizing the payment to C. R. Meyer for additional work that was not included in the contract in the amount of \$15,000.00. Motion second by Daina Penkiunas. Motion passed unanimously.

d. Report on Appleton Lock 1 Hillside

Phil Ramlet reported that dirt fill from the River Heath construction project is being offered to the FRNSA. The fill material could be used to stabilize a portion of the hillside at Appleton Lock #1 slope.

Phil Ramlet stated the River Heath contractor Vinton would also place the fill material on the slope. The slope grubbing and clearing and placement of the fill cost would be shared by the FRNSA.

Harlan Kiesow will work with OMNNI to develop a proposal to accept the material and to stabilize the slope. The proposal will be brought for approval at the February meeting.

Will Dorsey gave an update on the Little Chute Bridge. The DOT still anticipates a June 2014 let for the contract with a May of 2015 completion. There is a critical Section 106

ruling pending by SHPO on the small mechanical outbuilding which has been determined to be a contributing resource.

5. Property Committee Report

a. Preliminary Approval of the Riverside (Appleton Lock 3) Parking Lot Development Proposal Certified Survey Map and Lease Language

Randy Stadtmueller reviewed the lease. Required property drawings and surveys are being prepared. SHPO will be consulted because this is a historic district. An appraiser approved for state appraisals will be retained to prepare the necessary appraisals.

Harlan Kiesow stated FRNSA is working through a checklist with DOA with the goal to have the property transfer and lease approved at the May State Building Commission meeting. One of the remaining items is an appraisal.

Tim Rose made a motion to approve the lease proposal as presented and to include an appraisal and approval by SHPO. Motion second by Will Dorsey. Motion passed unanimously.

b. Little Chute Lock House Status Report

Harlan Kiesow stated:

- the environmental is completed and no lead paint was noted but there is some asbestos;
- It is believed that the building has sewer and water;
- FRNSA will supply power to the meter on the building and the lessee is responsible for interior wiring and power inside the house;
- A report to the Board is expected from FWHP next month.

c. Resolution No. 02-14: Acceptance of Corps Property Transfer

Harlan Kiesow stated three remaining parcels in Appleton with environmental problems have been cleared to transfer to the state. Any needed mitigation will be done by the developer. The parcel at Kaukauna Lock #5 being transferred was mistakenly omitted from previous transfers.

Tim Rose made a motion to approve **Resolution No. 02-14: Acceptance of Corps Property Transfer**. Motion second by Bill Raaths. Motion passed unanimously.

Harlan Kiesow stated there is one remaining parcel adjacent to the dry-dock in Kaukauna to be transferred pending remediation by the Corps. There is no schedule for when the remediation and transfer will occur.

6. Discussion of 2034 Abandonment Residual Fund

Harlan Kiesow reviewed the abandonment requirements in the FRNSA lease with the DOA that include:

- Establish an abandonment plan if operation is no longer feasible
- Establish an \$8.4 million escrow (in 2001 dollars) to fund the abandonment plan

Scenarios for abandonment were developed based on the 1994 Mead & Hunt Study.

- Assumes continued operation of De Pere, Little Rapids, and Menasha Locks.
 1. Cost to fill in the interior locks and canals is \$11 million dollars.
 2. Cost to fill in interior locks and provide water flow through culverts to allow canals to remain watered up is \$8.6 million dollars.
 3. Cost to provide concrete fixed crest gravity dams in each interior lock is \$7.3 million dollars. However this option doubles annual maintenance costs than 1 and 2 above.
- Spreadsheet displayed demonstrated why \$17.5 million in 2034 ensures how phased closing utilizing the fixed crest gravity dam method could preserve \$24 million for sustained operation and maintenance of De Pere, Little Rapids, and Menasha Locks and provide funds for maintenance until 2064 (30 years out from 2034).

Discussion followed. Tim and Bill stated we need to update the 1998 study to get an accurate abandonment cost. The spreadsheet used for the analysis demonstration did not take into account the current \$20 million fund balance.

Harlan: We need to update Management Plan and also develop 2014 budget. We also need to establish progressing on the Rapide Croche Transfer Plan and where we get the money to do that and if we decide to do that it has to be included in the Management Plan. The drivers are funding the Abandonment Plan and funding Rapide Croche.

Harlan: We need to re-look at costs and options to abandon to ensure we have funds to abandon in 2034 if necessary.

Bill Raaths summarized: The agreement requires us to have sufficient funds to abandon in 2034 and no requirement to have funds to operate past 2034.

7. AIS Committee Report, *J. Shier*

Robert Stark stated the EIR has been submitted to the DNR with additional copies requested. No response at this time.

8. Operations Report, *D. Arnoldussen*

No operations report.

9. Communications, *H. Kiesow*

Tim Rose reported that a grant request for funding towards the Visitor Center has been made to the Convention and Visitors Bureau.

10. Other

There being no other business John Will Dorsey made a motion to adjourn. Motion second by Bill Raaths Chair Van De Hey adjourned the meeting at 5:10 P.M.