IN THE PUBLIC UTILITIES COMMISSION

Mary J. Bailar, et al.,

Complainants,

Case No. 12-1314-RR-CSS

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RailAmerica, Inc., et al.,

Respondents.

NOTICE OF STATUS OF HYDROLOGY STUDY

By operation of the Commission's June 15, 2012 entry in this matter, the previously-scheduled June 26, 2012 settlement conference was postponed in accordance with the parties' joint motion for a continuance. The request was granted so that a hydrology study could be conducted on Complainants' property. As directed by the June 15 entry, Respondents hereby provide an update on the status of that study and their efforts thus far.

Following the Commissioner's June 15 Entry, Respondents immediately began negotiations with an engineering firm, Hull & Associates ("Hull"), to perform the hydrology study. These negotiations resulted in a Task Order, describing the scope of work, and a contract, all of which were executed by Respondents in mid-July. Respondents' counsel then immediately contacted Complainants' counsel, Ray Cox, to schedule an inspection of the property by Hull personnel. Both sides agreed to an inspection to occur on August 3, 2012 at 9 a.m. The inspection was conducted on time, and involved two hydrologists from Hull viewing the property firsthand, alongside Complainant Kurt Bailar, and asking Mr. Bailar questions regarding the history and certain features of the property.

The hydrology study is ongoing. Hull's engineers are still acquiring documents from the Champaign County Engineer's Office, reviewing documents provided by Respondents,

and analyzing topographic maps and other data they have acquired. They estimate that their Preliminary Assessment of Drainage Report will be available by August 24, 2012. Once that report is complete, Respondents will share the results with Complainants and the Commission.

Respectfully submitted,

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RailAmerica, Inc. and Indiana and Ohio

Railway Company

CERTIFICATE OF SERVICE

This is to certify that a copy of the foregoing Notice of Status of Hydrology Study was served by regular U.S. mail, this 10th day of August, 2012, upon the following:

Ray A. Cox, Esq. 265 Regency Ridge Drive Dayton, OH 45459 Attorney for Complainants

Brian S. Stewart