

**Minutes of the
East Wisconsin Counties Railroad Consortium
Meeting of January 27, 2010**

East Wisconsin Counties Railroad Consortium Meeting was called to order by Chairman Jerry Holub on January 27, 2010, at 10:00 a.m., at Portage Country Club, W7245 Country Club Road, Portage, Wisconsin.

Certification Of Public Notice: John F. Corey certified that the notice of this meeting complies with all applicable requirements of Wisconsin's open meetings law.

Roll call was taken.

Present: Kenneth Hutler and Vern Gove, Columbia County; Russell Kottke and Edwin J. Qualmann, Dodge County; Joseph Koch and Robert Fox, Fond du Lac County; Eugene Henke and Alma Hedberg, Green Lake County; Rose Hass Leider, Ozaukee County; Jerald Holub and Duffy Reimer, Sheboygan County; Rick Gundrum, Washington County; and Stan Kline and Jef Hall, Winnebago County.

Excused: Robert Walerstein, Ozaukee County, and Daniel Goetz, Washington County.

Others Present: Andy Ross, Columbia County Board of Supervisors; Ollie Mielke, Columbia County Board of Supervisors; Don Pohlman, Mayor for the City of Plymouth; Jerry Thompson, Railroad Services Coordinator for the City of Plymouth; Charles Beck, Citizen; Moe Bohrer and Steve Houis, Michels Corporation; Ken Lucht, WSOR; Roger Larson, Frank Huntington and Sheri Walz, WisDOT Bureau of Railroads and Harbors; Dan Amato, Representative of Columbia County Economic Development; John F. Corey, Dodge County Corporation Counsel; and Kelly L. Lepple, Recording Secretary.

Welcome to Columbia County: Ken Hutler and Andy Ross welcomed everyone to Columbia County.

Approval of Minutes of November 11, 2009: Motion by Kline/Koch to approve the minutes of the November 11, 2009, meeting, as presented. Motion carried by unanimous vote.

Financial Report: Ed Qualmann reported the following: The balance in the checkbook as of October 31, 2009, was \$19,760.00. There were no deposits. There were no expenditures. Transfers to the AIM Investment Account were \$18,760.00. As of December 31, 2009, the balance in the checkbook was \$1,000.00. Total EWCRC Money on Deposit in the AIM investment account as of December 31, 2009, is \$301,053.51. Motion by Leider/Fox to approve the financial report. Motion carried by unanimous vote.

Consider, Discuss, and Take Action on a Letter dated November 2, 2009, from James Block of Johnson Block & Company, Inc., addressed to John Corey, regarding Proposal to Conduct Annual Audit of Financial Statements for Fiscal Year 2009: There was consideration of and discussion about a letter dated November 2, 2009, from James Block of Johnson Block & Company, Inc., addressed to John Corey, regarding Proposal to Conduct Annual Audit of Financial Statements for Fiscal Year 2009. John Corey reported that he received a letter, dated November 2, 2009, from James Block of Johnson Block & Company, Inc., regarding a proposal to conduct an annual audit of financial statements for fiscal year 2009. Johnson Block & Company, Inc., will charge the EWCRC \$1,800.00 to conduct the annual audit of financial statements for fiscal year 2009, and \$300.00 to present the annual audit of financial statements for fiscal year 2009 to the EWCRC, for a total amount of \$2,100.00. John Corey further reported that the presentation fee of \$300.00 could be eliminated if the board members of the EWCRC elected not to have Mr. Block present the annual audit of financial statements for fiscal year 2009. Motion by Hall/Gove to contract with Johnson Block & Company, Inc., at a rate of \$1,800.00, to conduct an annual audit of financial statements for fiscal year 2009, but to reserve the right to direct Mr. Block to present the annual audit if requested by the EWCRC after review by the EWCRC of the annual audit, and to pay the \$300.00 presentation fee to Johnson Block and Company, Inc., in the event that Mr. Block presents the annual audit to the EWCRC. Motion carried by unanimous vote.

Consideration, Discuss, and Take Action to Revise EWCRC Bylaws to Allow Only One Member of the Board of Directors from each Member County to Serve as an Officer: There was consideration of and discussion about revising the EWCRC Bylaws to allow only one member of the Board of Directors from each member county to serve as an officer. There was discussion as to whether or not the Board of Directors of the EWCRC could take action to amend the bylaws at this meeting. It was the consensus of the Board of Directors of the EWCRC that the bylaws can only be amended at the annual meeting held in July. Motion by Gundrum/Leider to direct John F. Corey to prepare a proposed amendment to the bylaws to be presented at the next meeting of the EWCRC and to adopt it at the annual meeting to be held in July, 2010, immediately before the election of officers. Motion carried by unanimous vote.

Update from WisDOT on the State Budget and on Projects Planned in Wisconsin: Frank Huntington distributed to members of the Board of Directors of the EWCRC a map which displayed rail lines and corridors in Wisconsin owned by operating freight railroads and governmental agencies. Frank Huntington reported the following: WisDOT is involved in a number of rail infrastructure projects in several areas of the State of Wisconsin. WisDOT has recently acquired rail infrastructure in several areas of the State of Wisconsin. WisDOT acquired the Plymouth to Kolher rail line in June of 2009. WisDOT also recently acquired about a 7 mile segment of rail line in Sauk County which is located at the former Badger Army Ammunition plant. WisDOT acquired an easement over that rail line from the United States Army. WisDOT also acquired about a 7 mile segment of rail line in Janesville from WSOR. WisDOT is currently working on the acquisition of segments of rail lines in the Northwest part of the State of Wisconsin, from Chippewa Falls to Cameron and Rice Lake and to Barron and Almena. The rail line segment from Cameron to Rice Lake and from Cameron to Almena is owned by the Canadian National Railway Company. WisDOT will soon complete acquisition of these segments of rail line from the Canadian National Railway Company. The rail line segment

from Cameron south to Chippewa Falls is currently owned by the Union Pacific Railroad Company. WisDOT and the Union Pacific Railroad Company have successfully negotiated a sale and purchase price on that segment of rail line.

WisDOT has numerous railroad rehabilitation projects in progress at this time. WisDOT is hopeful that the Plymouth to Kohler reconstruction project will start this Summer. Another rehabilitation project is taking place from North Milwaukee to Slinger. The total cost of the North Milwaukee to Slinger project will be approximately \$3 million. Tie removal and replacement was completed several years ago. The next phases of the project will be removal and replacement of switches and reconstruction of crossings. WisDOT did not have enough money to fund the entire project at one time, but approximately \$1 million of State money plus \$250,000 of match money will be appropriated to the project in 2010. The \$250,000 match money is part of the money that the EWCRC contributes to WSOR. Another rehabilitation project is taking place between Madison and Milton. The total cost of this multi-year project will be approximately \$21 million. Approximately \$6 or \$7 million of project work has either been completed, or is under contract for completion. The project consists of a complete rehabilitation of approximately 30 miles of track, with new ties, switches, crossings, and continuous welded rail. Another rehabilitation project will take place between Janesville and Monroe, later this year. This will be a tie removal and replacement project. It is likely that after the ties have been removed and replaced the jointed rail will be removed and replaced by continuous welded rail.

Immediately after WisDOT finalizes acquisition of the rail lines in Barron and Chippewa Counties, between Cameron and Rice Lake and Cameron and Almena, WisDOT will start to rehabilitate portions of those rail line segments. WisDOT anticipates that rehabilitation will start sometime this coming Summer.

WisDOT's fiscal year 2011, begins July 1, 2010. The deadline for applications for rehabilitation projects for WisDOT's fiscal year 2010 is February 1, 2010. WisDOT will have available approximately \$30 million in grant funds and approximately \$7 to \$10 million in loan funds. WisDOT expects that applications for funds will greatly exceed funds available.

Consider, Discuss, and Take Action on Rehabilitation Projects for 2010 to be Funded in Part by EWCRC: Ken Lucht reported that February 1, 2010 is the deadline for applications for 2010 rehabilitation projects, and that he will present a more definitive cost estimate of WSOR's proposed 2010 rehabilitation projects at the next EWCRC meeting.

Consider, Discuss, and Take Action on Rehabilitation of the Plymouth to Sheboygan Falls Rail Line: Don Pohlman, Mayor of the City of Plymouth, made the following report: The City of Plymouth is in the process of preparing bids for the \$3 million local match. Bids will be requested in the next several weeks. The TIF District has approved the TIF amendment for the rail reconstruction. Mayor Pohlman reasonably anticipates that the City of Plymouth will receive \$3 million in proceeds from the sale of bonds by the end of March, 2010, to provide the \$3 million local match. Frank Huntington reported that WisDOT has been working with WSOR and has selected an engineering consultant to plan the overall project including the required environmental, historical, and archeological investigations and reporting. Environmental,

historical, and archeological investigation and reporting are necessary first steps, and must be completed before any construction activities can start. It may be necessary to divide the project and separate the Sheboygan Falls portion of the project from other portions, because it will require more time and effort to complete the environmental, historical, and archeological investigations and reports for the downtown Sheboygan Falls area, than for other areas of the project. It is possible that WisDOT may begin the Plymouth to the west side of Sheboygan Fall portion of the project before the Sheboygan Falls to Kohler portion of the project. WisDOT is hopeful that the project will start this Spring or Summer. Brushing of the corridor will be the first activity.

Consider, Discuss, and Take Action to draft and send to Governor and Wisconsin

Congressional Delegation a Letter of Support for WSOR's Economic Stimulus Proposal: There was consideration of and discussion about WSOR's economic stimulus freight rail "shovel ready" projects. Ken Lucht stated that the State of Wisconsin received federal stimulus funding and about half of it was appropriated to transportation projects, but, unfortunately, none of the \$500 million that was appropriated to transportation projects was appropriated to freight rail projects. Ken Lucht further reported that there may be another round of economic stimulus funding, possibly as part of a Congressional job bill that Congress is currently considering. WSOR wants to remind its Federal and State officials that WSOR has projects that are "shovel ready." Ken Lucht distributed to members of the Board of Directors of the EWCRC a sample letter addressed to the Honorable Governor James Doyle regarding an economic stimulus plan for "shovel-ready" projects proposed by WSOR. Ken Lucht requested that the EWCRC send the letter in support of the economic stimulus plan for "shovel ready" projects proposed by WSOR, to Governor James Doyle and the Wisconsin Congressional Delegation. Motion by Hall/Kline to direct WSOR to work with the Office of Dodge County Corporation Counsel to draft a letter for the approval and signature of Chairman Holub to send to Governor James Doyle and the Wisconsin Congressional Delegation, supporting the economic stimulus plan for "shovel ready" projects proposed by WSOR, and to authorize and direct the Office of Dodge County Corporation Counsel to send the letter immediately after it has been approved and signed by Chairman Holub. Motion carried by unanimous vote.

Consider, Discuss, and Take Action on Report of WSOR: Ken Lucht reported the following: WSOR has not been doing much maintenance recently, because it is winter time, and WSOR employees are busy doing the normal snow removal and chipping of ice at crossings. WSOR has done some brush cutting. That has been the extent of WSOR's maintenance program over the last couple of months. WSOR has brush cut the entire subdivision between Saukville and Plymouth and has also brush cut the entire Oshkosh Subdivision between Horicon and Oshkosh. The brush cutter is currently inoperable and WSOR is repairing it for use next year. WSOR has been working on a number of bridges in the City of Madison. The Watertown Subdivision has been designated for high speed rail. It will be necessary for WSOR to make immediate repairs to a bridge on the Watertown Subdivision. WSOR completed work on the Spring Green bridge. The Spring Green bridge is a major structure over the Wisconsin River which connects Crawford County and Grant County to the WSOR rail system. WSOR removed an old structure in Whitewater and replaced it with a new, modern bridge. WSOR was awarded funds from the State of Wisconsin's grant program for capital projects for 2009, including funds for a rehabilitation project between Madison and Milton, approximately \$1 million to replace switches and crossings between North Milwaukee and Slinger, \$12 million for the reconstruction project

between Plymouth and Kohler, and \$4 million to replace 40,000 ties between Janesville to Monroe. Janesville to Monroe is a very heavily used corridor. The corridor is 35 miles long. WSOR is hauling a lot of ethanol out of Monroe. WSOR has ordered ties for the Janesville to Monroe segment and as soon as they arrive WSOR will start to install them. WSOR hopes to begin acquiring materials in the next month or so for the North Milwaukee to Slinger project. In 2010, WSOR is going to continue some of the projects for which it was awarded funding in 2009. WSOR was awarded \$5 million in 2009 for the Madison to Milton project, so WSOR will apply for funds to lay continuous welded rail between Edgerton and Stoughton. WSOR is hopeful that it can move west into Madison. Madison to Milton is a 33 to 34 mile subdivision, and due to lack of State of Wisconsin funding, WSOR cannot complete the entire rehabilitation project in one year. WSOR is going to continue the initial project into a Phase II project. WSOR will piggyback on its \$1 million award from 2009 to continue to replace switches and crossings on the Milwaukee Subdivision. WSOR has a rail capacity issue in Monroe. Rail traffic in Green County has increased 400% during the past six years, and WSOR has been utilizing the same railroad infrastructure during the past six years, so WSOR has proposed a project to extend the WSOR mainline which currently ends in Monroe. WSOR would like to extend the main line 2.5 miles west of the City of Monroe. This is an area that is already considered rail corridor, but for the past 20 years, it has been rail banked and has been in interim trail use. WSOR knows of 2 businesses that are possibly interested in building on this 2.5 mile railroad corridor. WSOR is going to propose another rehabilitation project in the City of Waukesha to realign 2 miles of rail corridor which has a lot of curves in it. WSOR intends to apply for a Phase I tie project between Saukville and Plymouth, which will involve the removal and replacement of 25,000 ties. Since the State of Wisconsin has acquired the rail line to Plymouth, business has increased by 450%. WSOR is a local regional operator. Several businesses are expanding on this segment of rail line. Random Lake Coop completed a very substantial expansion and it is shipping many more carloads inbound. WSOR feels that upon completion of the reconstruction project between Plymouth and Sheboygan Falls, WSOR will capture more carloads from that line, so WSOR is trying to get ahead of the curve by removing and replacing ties in that subdivision. WSOR intends to apply for funds in 2010 to remove jointed rail and replace it with continuous welded rail because WSOR currently has a 10 MPH slow order on that line. It is likely that WSOR will be soliciting county funding for this project for 2010. Ken Lucht will provide more details about this project at the next meeting of the EWCR. WSOR provides services to 2 communities in Columbia County, Randolph and Cambria. Rail traffic has increased 32% in Columbia County from 2008 to 2009. WSOR hauled 20 million gallons of ethanol by rail out of Cambria, which was a 10% increase from the year before. WSOR also hauls a lot of inbound corn by rail to the ethanol plant in Cambria for the production of ethanol. WSOR also services a milling facility in Cambria that provides corn meal, PL480, Food For Peace, that is shipped overseas to feed hungry persons. WSOR shipped by rail 256 million pounds of corn meal that originated in Cambria. WSOR ships it to Chicago and interchanges with a Class I railroad. Its final destination in the United States is either Houston, Texas, or New Orleans, Louisiana, where it is loaded onto barges, and then onto ships for transportation overseas to feed hungry persons. Seneca Foods in Cambria ships outbound canned vegetables from their facility to local and regional markets across the USA. WSOR shipped 1 million cases of canned vegetables from Seneca Foods in Cambria in 2009. WSOR has an interchange with the Union Pacific Railroad in Granville. WSOR has a new customer called GNC which is shipping waste material outbound. WSOR has a customer in Oshkosh

named Fox Valley Iron and Metal which has started to ship metal outbound. A customer in Menomonee Falls called Lamplight is transloading tiki lamp oil in WSOR's North Milwaukee yard. A new customer in Green Lake County is shipping outbound specialized sand. The customer is trucking the sand to Ripon where WSOR has a transload site and then it is shipped from there outbound by rail. On February 24, 2010, Bill Gardner will make a presentation on the State of our Railroad. The event will be held in Madison, Wisconsin. It will take place between 12:00 p.m. and 3:00 p.m. All members of the EWCRC are invited to attend. A formal invitation will be sent out in the mail within the next 7 days. Bill Gardner will outline what has been happening in the WSOR over the last 12 to 18 months. He will show a recently-completed documentary media presentation on the WSOR.

Time, date, and place of next meeting (March 10, 2010): There was consideration of and discussion about the time, date and place of the next regular EWCRC meeting scheduled for March 10, 2010. Jerry Holub and Stan Kline stated that they will not be able to attend the EWCRC meeting scheduled for March 10, 2010, and asked that the date be changed to Wednesday, March 24, 2010, at 10:00 o'clock a.m. It was the consensus of the members of the Board of Directors of the EWCRC to change the next regular meeting of the EWCRC from Wednesday, March 10, 2010, to Wednesday, March 24, 2010, at 10:00 a.m. Fond du Lac County will host the meeting.

Motion by Qualmann/Hutler to adjourn. Motion carried by unanimous vote.

Meeting adjourned at 11:31 a.m.

Respectfully submitted,

Jef Hall, Secretary

Disclaimer: The above minutes may be approved, amended or corrected at the next committee meeting.