

**Minutes of the
East Wisconsin Counties Railroad Consortium
Meeting of January 10, 2007**

East Wisconsin Counties Railroad Consortium Meeting was called to order by Chairman Rose Hass Leider on January 10, 2007, at 10:00 a.m., at the Ozaukee County Administration Building Auditorium, 121 W. Main Street, Port Washington, Wisconsin.

Stan Kline announced that Forrest “Woody” Weber, a Winnebago County Supervisor and a member of the Board of Directors of the EWCRC, and his wife, Dale Weber, were killed on December 31, 2006, in a motor vehicle accident in Missouri. Mr. Kline informed the members of the date and time of the visitation. Mr. Kline stated that Forrest Weber was a very active member of the community of Menasha and was also a valued member of the Winnebago County Board of Supervisors. Chairman Hass Leider asked that all present stand in silence in honor and remembrance of Forrest Weber and Dale Weber.

Chairman Hass Leider introduced Robert Brooks, the Ozaukee County Board Chairman, Tom Meaux, the Ozaukee County Administrative Coordinator, and Paul Roback, the Ozaukee County Resource Agent.

Robert Brooks thanked everyone for the time and effort they have contributed to the EWCRC. Mr. Brooks stated that the work that the EWCRC does is crucial to the future success of economic development in the Milwaukee 7 region.

Tom Meaux welcomed everyone to Ozaukee County. Mr. Meaux invited everyone to tour the historic courthouse and the newly-renovated boardroom.

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

Roll call was taken.

Present: Russell Kottke and Edwin J. Qualmann, Dodge County; Joseph Koch, Fond du Lac County; Orville Biesenthal, Green Lake County; Lawrence Hoffman and Daniel Goetz, Washington County; Stan Kline, Winnebago County; Kenneth Hutler, Columbia County; Jerald Holub and H. Duffy Reimer, Sheboygan County; Rose Hass Leider and Robert Walerstein, Ozaukee County.

Excused: Dick Flood, Fond du Lac County; Dennis Galatowitsch, Green Lake County; Andy Ross, Columbia County.

Others Present: Shelly Bernhagen and Bob Bartol, Badger Mining Corporation; Daniel Amato, City of Columbus Representative to the Columbia County Economic Development Corporation; George A. Torres, Director, Milwaukee County Department of Transportation & Public Works, and Milwaukee County Highway Commissioner; Joni Graves, SSWRPC/WRRTC; Bill Gardner and Ken Lucht, WSOR; Peter Bradley, WisDOT, Railroads and Harbors Section; Roger Larson, WisDOT SW Region Railroad Coordinator; Jerry Thompson, Railroad Services Coordinator for the City of Plymouth; Don Pohlman, Mayor of the City of Plymouth; Glenn Guerra, Plymouth, Wisconsin; Brian Henne, Bemis Manufacturing Company; David Gartman, President, Board of Directors of Kettle Lakes Coop; Scott Morrelle and George Morrelle, Morrelle Transfer; David A. Schwengel; Ken Hyphr; Tony Smith, Mayville Limestone, Inc.; Ed Ritger, Ritger Law, Random Lake, Wisconsin; Jerry Leide, Adell Coop; Andy Walsh, Kettle Lakes Coop; Rita Engel and Tom Engel, Tallgrass Condominium Association of Plymouth; Brian Passehl, Sheboygan Falls Chamber President; Joe Leibham, Wisconsin State Senator of the 9th Senate

District; Tom Meaux, Ozaukee County Administrative Coordinator; Robert Brooks, Ozaukee County Board Chairman; Paul Roback, Ozaukee County UWEX Resource Agent; John F. Corey, Dodge County Corporation Counsel; Kelly L. Lepple, Recording Secretary.

Public Comment: Jerry Thompson, City of Plymouth Railroad Services Coordinator, distributed a handout entitled *Public Input*, dated January 10, 2007, and read it to all present. A copy of the document entitled *Public Input*, dated January 10, 2007, is attached hereto. This document outlines why it is important for Sheboygan County to support the redevelopment of the rail line from Plymouth to Sheboygan Falls. Mr. Thompson explained the reasons why the position of Railroad Services Coordinator was created and the duties and responsibilities of the position.

Jerry Leide of Adell Coop reported that WSOR asked Adell Coop to make an investment in Adell Coop's spur line in order to improve it. Those improvements, which consist of replacement of ballast and ties, were made last year at a cost of approximately \$30,000.00. Mr. Leide reported that the ethanol industry is changing the face of agriculture rapidly and dramatically. Mr. Leide further stated that Adell Coop intends to make a substantial investment in 2007 in additional grain handling facilities for Adell Coop. Mr. Leide encouraged the Sheboygan County Board of Supervisors to keep investing in EWCRC even though the members' contributions may not now be invested in Sheboygan County.

David Gartman, President of the Board of Directors of Kettle Lakes Coop, representing the Board of Directors of Kettle Lakes Coop, stated that Kettle Lakes Coop has approximately 600-plus producers in 4 counties, and that Kettle Lakes Coop has a business site on County Trunk Highway TT, immediately west of Bemis Industries and has plans for expansion at the site for fertilizer for agronomy needs to accommodate growth to the north and to the west. Mr. Gartman stated that Kettle Lakes Coop's home base is in Random Lake, Wisconsin. Mr. Gartman thanked EWCRC and WSOR for the service that WSOR provides to Kettle Lakes Coop. Mr. Gartman encouraged EWCRC and WSOR to cause the new rail line from Plymouth to Kohler to become operational as soon as possible. The sooner the new rail line becomes operational, the better for Kettle Lakes Coop because its expansion plans are now on hold and they will stay on hold until this line becomes operational.

Brian Henne of Bemis Manufacturing Company commented that Jerry stated things very well and that we need to continue to support bringing the rail back into Sheboygan Falls and the Sheboygan area and we need to continue to support the efforts of WSOR in bringing that rail back.

Approval Of Minutes Of November 8, 2006: Motion by Kline/Kottke to approve the minutes of November 8, 2006, as presented. Carried by unanimous vote.

Financial Report: Ed Qualmann: The balance in the checkbook on November 8, 2006, was \$1,000.00. Deposits were \$89,318.33. Expenditures were \$68,522.53. The balance in the checkbook on December 15, 2006, was \$21,795.80. Total EWCRC Money on Deposit in the short-term investment account as of December 15, 2006, is \$212,460.25. Motion by Koch/Hoffman to approve the financial report. Carried by unanimous vote.

Authorization to Pay Progress Bills 25, 26, & 27, and any and all Further Progress Bills Which EWCRC will receive from WSOR in Connection with the North Milwaukee Goodland Road Rehab Phase I Project. Total amount of remaining financial liability for consortiums is \$13,331.09: There was discussion about this topic. Motion by Goetz/Walerstein to pay progress Bills 25, 26, & 27 in connection with the North Milwaukee Goodland Road Rehab Phase I Project. Carried by unanimous vote. Motion by Goetz/Walerstein to pay any and all further progress bills which EWCRC will receive

from WSOR in connection with the North Milwaukee Goodland Road Rehab Phase I Project up to a maximum total remaining amount of \$13,331.09. Carried by unanimous vote.

Disposition of Monies in the amount of \$34,387.44 that will Remain After all Progress Bills for the North Milwaukee Goodland Road Rehab Phase I Project have been paid: There was discussion about this topic. Motion by Hutler/Kline to send monies in the amount of \$34,387.44 that will remain after all progress bills for the North Milwaukee Goodland Road Rehab Phase I Project have been paid to WRRTC. Carried by unanimous vote.

Request by WRRTC to Disburse to WRRTC, EWCRC's 2006 Remaining Contributions for the Wheeler Pit to Janesville Rehabilitation Project in the amount of \$56,477.47: There was discussion about this topic. Motion by Kline/Kottke to disburse to WRRTC, EWCRC's 2006 remaining contributions for the Wheeler Pit to Janesville Rehabilitation Project in the amount of \$56,477.47. Carried by unanimous vote.

Allocation of Funds regarding the Horicon to Hartford (Goodland Road) and Walworth to Avalon Rehabilitation Projects for 2007: There was discussion about this topic. Motion by Holub/Kline that EWCRC will be the fiscal agent and will use all of its 2007 member county contributions for the 2007 Horicon to Hartford (Goodland Road) Rehabilitation Project and that WRRTC will be the fiscal agent and will use all of its 2007 member county contributions for the 2007 Walworth to Avalon Rehabilitation Project, and that the matters of allocation of funds to rehabilitation projects in the northern and southern division and which entity will be fiscal agent for those projects will be reviewed in 2008. Carried by unanimous vote.

Discussion of Rail Transportation in Milwaukee County: George A. Torres, Director, Milwaukee County Department of Transportation & Public Works, and Milwaukee County Highway Commissioner, reported that he has been working with both Dan and Larry over the past year, and that he put \$50,000.00 in the budget for 2007 for the purpose of Milwaukee County becoming an active member of the EWCRC. Unfortunately, the funding that was recommended for this Consortium was deleted from the budget. Mr. Torres stated that he will continue to work with Larry and Dan to possibly take something back to the Transportation & Public Works Committee and go through the processes of taking the matter to the Committee first and ultimately taking it back to the County Board of Supervisors as a whole. Mr. Torres reported that he is hopeful that sometime during the course of 2007 he will receive approval for funding for the purpose of Milwaukee County becoming an active member of EWCRC. Mr. Torres also stated that he is a member of the Regional Transportation Authority.

Bill Gardner stated that Milwaukee County is now "riding for free" in the sense that WSOR is servicing customers in Milwaukee County, Milwaukee County is receiving property taxes from businesses that are serviced by rail, and Milwaukee County is also receiving property taxes from individuals employed by these businesses and living in Milwaukee County, and when WSOR recently rehabilitated rail lines in Milwaukee County, Milwaukee County did not contribute any money to rehabilitate these rail lines. Mr. Gardner further stated that there are a lot of businesses in Milwaukee County which are serviced by rail and which employ a lot of people, and that rail service is a big economic benefit to Milwaukee County. Mr. Gardner further stated that rail service keeps many businesses in Milwaukee County viable and asked the question what would happen to these businesses if rail service was not available to them.

Ken Lucht stated that he received a call from Dashed Young from the Milwaukee County Executive's Office, who stated that he was unable to attend today's meeting and wanted Ken Lucht to inform him about what happened at this meeting. Ken Lucht reported that for the past several years, Milwaukee

County Executive, Scott Walker, has been supportive of the idea of Milwaukee County becoming an active member of EWCRC. Ken Lucht further stated that WSOR has made contacts with James White, Chairman of the Milwaukee County Transportation, Public Works and Transit Committee on in the past and will contact him again in the near future. Ken Lucht further stated that Milwaukee County is one of only two other counties in southern Wisconsin that is not a member of a rail transit commission. Ken Lucht further stated that attention has recently been directed to the fact that Milwaukee County is not a member of a rail transit commission because of the Milwaukee 7 Initiative that Milwaukee County and surrounding counties are involved in.

Level of Funding by Counties for 2008: There was discussion about level of funding by counties for 2008. Bill Gardner stated that he anticipates that the rehabilitation projects for 2008 in the northern division will be removal of 80-year-old 90-pound jointed rail and its replacement with 115-pound continuous welded rail from Slinger (Goodland Road) to Horicon, a distance of approximately 16 miles and rehabilitation of the rail bed from Plymouth to Sheboygan. Cost estimates for these projects have not been completed.

Railroad Facilities Inspection Tour: At the November 8, 2006, meeting of the EWCRC, Ken Lucht invited the members of the EWCRC to participate in a railroad facilities inspection tour from Slinger to Horicon. The Railroad Facilities Inspection Tour was scheduled for December 13, 2006. The Railroad Inspection Tour scheduled for December 13, 2006, was cancelled due to the amount of snow that was covering the railroad corridor from Slinger to Hartford. The Railroad Facilities Inspection Tour has been rescheduled for Wednesday, April 11, 2007. Tour activities will begin in Horicon at the WSOR terminal. Members will convene there. Space will be available there for parking cars. Members will board a bus at Horicon and travel to Slinger. At Slinger they will board a state-of-the-art theater railcar, and will travel in the theater railcar from Slinger to Horicon. It is anticipated that tour activities will start in Horicon at 8:00 a.m., and will end in Horicon at about 12:00 Noon, and the final tour activity will be a tour of WSOR's terminal facilities in Horicon. Over the past year or so, WSOR has installed about 6 miles of continuous welded 115-pound rail between Slinger and Hartford. About 6 miles of the tour will be on this newly-installed 115-pound continuous welded rail. The rest of the trip, from Hartford to Horicon, will be over deteriorated rail infrastructure, which WSOR has targeted for capital upgrade projects in 2006 and in 2007. This planned tour will constitute a meeting of the EWCRC.

Questions of Daniel Amato regarding United Wisconsin Grain Producers, LLC, Ethanol Plant near Friesland, Wisconsin, and other Ethanol Plants in Wisconsin: Mr. Amato stated that he is a stockholder in United Wisconsin Grain Producers, LLC, which owns and operates an ethanol plant near Friesland, Wisconsin. At the last meeting of the EWCRC, a question was asked about this ethanol plant. The question was partially answered. It was not fully answered. Recently, Mr. Amato informed Chairman Hass Leider about the financial impact that the ethanol plant owned and operated by UWGP, LLC, has had on Columbia County. Mr. Amato reported that an investment of \$10,000 in stock of UWGP has paid two \$2,000 cash dividends, and that another cash dividend of at least \$1,000, will be paid shortly after December 31, 2006. An investment of \$10,000 in stock of UWGP has sold for as much as \$37,000 in the past, and is now selling for at least \$30,000. The value of the business has increased since it has started up and it is likely to further increase in value by at least \$30 million. The capacity of the plant is in the process of being expanded from 50 million gallons per year to 80 million gallons per year. Fagen Company of Granite Falls, MN, built the plant. Fagen Company is booked out for two years on construction of ethanol plants, so the expansion of the UWGP ethanol plant is being done piecemeal under the supervision of Fagen Company. The effect of the UWGP, LLC, ethanol plant on the local Columbia County economy has been substantial. It has been the payment of \$12 million cash dividends to 800 local Columbia County growers. Mr. Amato stated that he is a former member of the Board of

Directors of the EWCRC and that he likes to take credit for being partially responsible for Columbia County joining the EWCRC and that he attends EWCRC meetings in order to pass on information and in order to make certain that Columbia County stays in the EWCRC. Mr. Amato further stated that he is the City of Columbus representative to the Columbia County Economic Development Corporation.

Status of Redraft of Operating Agreements for Rail Service Continuation: John F. Corey reported that he is working on the redraft of operating agreements for rail service continuation and that he expects that by the time of the next EWCRC meeting he will have accomplished this task.

Report of WSOR: Bill Gardner reported that WSOR is working with a group of individuals that bought the former Tower Automotive facility to attempt to lease the facility to tenants who will ship by rail. Bill Gardner reported that he has toured the facility, and it is empty at this time. Bill Gardner stated that the CP has informed him that the CP will soon complete the lease agreement between the CP and Bill Gardner which will allow Bill Gardner to take over the operation of the rail line from Grand Avenue, which is just outside of the Miller Brewery, all the way up to Hampton Avenue, which is now CP controlled, and WSOR will be operating that rail line segment for CP, which also includes A Yard and B Yard at Glendale Yard. WisDOT is interested in purchasing this rail line from the CP, because this rail line will potentially become the new Amtrak route to Green Bay. WSOR wants to eventually own Glendale Yard because WSOR is working with a major concern from a major industry in that area which will ship large volumes by rail with the result that approximately 600 truckloads a day going to Chicago via the I-90, I-94 corridor, will be eliminated. There is a lot of potential for new business in the Milwaukee area. This new business venture, which will be located in Milwaukee, north of Capital Drive and South of Hampton Avenue, will generate a lot of new rail traffic between Milwaukee and Slinger. This new rail traffic will make it necessary to further rehabilitate the rail line from Milwaukee to Slinger. Bill Gardner has submitted a proposal to the CN about operating the rail line from Milwaukee to Saukville and from Donges Bay Junction to West Bend. Currently the CN operates this rail line segment. Bill Gardner expects to hear back from the CN soon regarding his proposal to take over the rail line from North Milwaukee to Saukville and then continuing on up to Plymouth to Kiel and then into the Washington County area from Donges Bay Road up through the West Bend industrial park and then the Jackson industrial park, providing daily service. WSOR is working to finalize a proposal to be submitted to the UP on taking over UP's operations in the City of Milwaukee for the Port of Milwaukee, which will then give WSOR access to the Port of Milwaukee. Bill Gardner feels that one reason why the UP is interested in this proposal is because the UP will then no longer be required to operate, maintain, and/or repair the KK River bridge. WSOR wants to gain access to the Port of Milwaukee because WSOR will be able to generate new businesses in the area of the Port of Milwaukee which will mean more railcars going into and coming out of the Port of Milwaukee. WSOR anticipates that there will be 7 to 9 ethanol plants on the WSOR rail line. WSOR ships either to existing ethanol plants on the WSOR rail line or to the Chicago market approximately 60 million bushels of grain. WSOR generates more grain traffic than all of the other railroads in Wisconsin combined. WSOR operates in the grain belt of Wisconsin. WSOR is working with a party which wants to build another ethanol plant on the WSOR rail line. The completion of this plant will result in more shipments of grain into ethanol plants and more shipments of ethanol out of ethanol plants. Recently, U.S. Metals in Horicon started bringing in steel by rail everyday. Leeco Industries in Winnebago County is a big shipper of plate steel inbound. Most of the steel is then transported by truck to Manitowoc Crane for use in Manitowoc Crane manufacturing operations. Work is progressing rapidly on a new ethanol plant near Cambria, Wisconsin. United Cooperative recently acquired Agro distribution in Ripon, Wisconsin, which operates a large grain facility in Ripon and which also operates a port facility in Prairie Du Chien, Wisconsin. WisDOT has included in its most recent budget, \$11 million for railroad infrastructure rehabilitation and purchase. In the near future, WSOR will ask the Wisconsin Legislature for \$15 million to put back into service, rail lines that have been abandoned

and turned into bike trails. A new, 100-million-gallon per year ethanol plant is being planned, to be located near Reedsburg, Wisconsin. WSOR currently has applications for project funding pending at WisDOT in excess of \$24 million. Currently \$6 million is available from WisDOT each year for project funding.

Ken Lucht reported that during the last two months, WSOR has installed over 6,000 ties on the Northern Division between Horicon and Hartford, and that this work has been an early start on the rehabilitation project for 2007 in which EWCRC is participating. In February, WSOR will be ordering another 9,000 ties to be installed between Horicon and Hartford, and will install them as soon as the ground thaws in the Spring. WSOR cut brush on the Oshkosh subdivision between Pickett and Oshkosh, in anticipation of the installation in the Spring of approximately 8,000 ties between Pickett and Oshkosh. These 8,000 ties are considered maintenance ties, that is, these ties are not part of a formal rehabilitation project that is funded in part by the State of Wisconsin and one or more railroad consortiums. Payment for the purchase and installation of maintenance ties comes from the operating revenues of WSOR. WSOR will also install approximately 4,000 maintenance ties on the Mayville subdivision in 2007. The Mayville Subdivision is the rail line segment from Mayville to Iron Ridge. Every year the WSOR uses a state-of-the-art rail detector test car that does ultrasonic testing of WSOR's rail infrastructure. Testing was done last year and this year on the Fox Lake Subdivision. Test results on a 48 mile segment of the Fox Lake Subdivision were 251 internal defects in the rail. Approximately 70% of these 251 defects were in the 90-pound rail which will be replaced this year, a rehabilitation project in which EWCRC will participate. About 14 miles of 90-pound rail, which is over 80 years old, will be removed and replaced by 115-pound continuous welded rail. The Fox Lake Subdivision provides WSOR with access to the Chicago market. Last week, WSOR used the rail detector test car on the Madison Subdivision. After testing is completed on the Madison Subdivision, the rail detector test car will be used on the Oshkosh Subdivision. The Maintenance of Way Department is in the process of purchasing three new machines for use in the upcoming construction season. The machines will greatly increase productivity. Last year, on an average, the Maintenance of Way Department installed approximately 750 to 800 ties per day. The tie installation goal for 2007 will be to install 1,500 ties per day. One new machine is a spiker, which puts spikes into ties. The other two machines are machines that remove ties and install ties. The total cost of these machines will be approximately \$1 million. WSOR expects that its tie crews will complete work in the Northern Division by May, and then will start work in the Southern Division, specifically, installing continuous welded rail on the Fox Lake Subdivision. Four bridges on the Fox Lake Subdivision, between Walworth and Avalon, are in need of either repair or total reconstruction. State funding has been awarded for the repair of three bridges on the Monroe Subdivision. Construction materials will be delivered on site in the next three to four weeks, and one of the rehabilitation projects for 2008 will be a Phase II project from Horicon to Hartford which will involve the removal of 90-pound rail that is over 80 years old, and its replacement with 115-pound continuous welded rail. The State of Wisconsin has completed its bridge study. Ken Lucht will distribute copies of the Executive Summary of the bridge study at the next meeting of the EWCRC. The bridge study was a study of publicly-owned railroad bridges in Southern Wisconsin. In this study a sample was taken of 26 bridges on the Monroe Subdivision and the Milwaukee Subdivision. The study analyzed in-depth the existing condition of these 26 bridges. Results showed that over the next five years, these 26 bridges will require over \$2.9 million in repair and rehabilitation needs in order to reach a design capacity of sustaining constant loads of 286,000 pound railcars. The study further determined that if these same design load criteria were applied to all of the approximately 300 bridges systemwide, more than \$24 million will be required over the next 10 years to repair and upgrade these bridges. Public funds will be needed to preserve the freight rail service that is currently being offered to WSOR's customers.

Compared to the railcars and locomotives that were used by the Milwaukee Road, WSOR's railcars and locomotives are much heavier. It is more fuel efficient for WSOR to operate a smaller number of more powerful locomotives than it is to operate a larger number of less powerful locomotives. In 2005, WSOR installed approximately 48,000 ties on WSOR's entire system. Some of these ties were rehab ties and some were maintenance ties. In 2006, WSOR installed approximately 65,000 ties on WSOR's entire system. Some of these ties were rehab ties and some were maintenance ties. In 2007, WSOR intends to install 85,000 ties on WSOR's entire system. Some of these ties will be rehab times and some will be maintenance ties. WSOR used to buy ties for \$19.00 per tie. WSOR is now paying \$44.00 per tie. Smaller, less expensive ties were used with 90-pound rail. 115-pound rail requires the use of larger, more expensive ties. In essence, larger capacity rail requires the use of larger ties. A larger base is required to hold the larger rail. A larger tie costs more than a smaller tie. The UP has agreed to allow WSOR to operate the rail line into Sheboygan. The UP has also agreed to allow WSOR to maintain the rail line for the UP. These arrangements are some of the terms of the sale by the UP and the purchase by WisDOT of the rail line from Plymouth to the Kohler switch. The UP is also selling to WSOR the track in Sheboygan from the junction switch down the hill into the old Cargill malt facility. Cargill has asked WSOR for freight rates to haul grain into this malting facility.

Bill Gardner stated that he does not know how much time it will take to make the rail line from Plymouth to Sheboygan Falls operational. He also stated that he does not know how much time it will take to rehabilitate the deteriorated infrastructure from Sheboygan Falls to Sheboygan and to make that rail line segment operational. WSOR will request additional funding from WisDOT to accomplish these tasks. On Friday, January 5, 2007, at about 9:00 o'clock a.m., seven grain railcars, which were part of an approximately 80-railcar train, derailed near a county park near Waukesha. By Saturday afternoon, at 3:00 o'clock p.m., WSOR crews had reopened the main line, and trains were operating on it, and the WSOR crews had picked up all of the corn that had spilled from the derailed railcars. It was determined that the 90-pound rail on which this train was operating, broke apart and caused the derailment. The rail detector test car was last used on this rail line segment approximately one year ago. The derailment cost WSOR \$250,000. In the future, WSOR will run the rail detector test car over this line segment twice each year, rather than once each year, in an attempt to prevent another derailment. It will be less expensive for WSOR to use the rail detector test car more often, than to experience another derailment at a cost of \$250,000.

Report of Railroad Shippers:

George Morrell of Morrell Transfer asked if the proposed rehabilitation of the rail line between Plymouth and Kohler is still on schedule to be completed by 2008. Mr. Morrell stated that this line is affecting as many as 50,000 people. George Morrell also stated that he is hoping that the rehabilitation of the rail line between Plymouth and Kohler will be completed by 2008. However, there are no guarantees regarding funding for the project or completion dates for the project. It is costing companies, industries, and employers, that are located in the Sheboygan County area several million dollars more per year to get their products into their plants now, than it did in previous years when the rail line was operational. The Kohler Company has told George Morrell that if George Morrell will transload items from railcars to semi-trailers, Kohler Company will give George Morrell 100 semi-trailers per week to be shipped out and in for Kohler Company alone. It is very important to provide efficient, effective rail transportation service to existing industries in Sheboygan County, in order that these industries will remain competitive globally and operational.

Bob Bartol of Badger Mining stated that he is in charge of the transportation department of Badger Mining. Badger Mining is located in Green Lake County. Mr. Bartol distributed written materials to

attendees. Badger Mining is shipping about 3,000 carloads of product per year. Each railcar load shipped by Badger Mining is only about 2/3 full, but contains 100 tons of sand. Badger Mining would like to be able to use cars that have capacities of 110 tons. Badger Mining's customer base has shifted. In 1989, when the rail line to Badger Mining was installed, Badger Mining was shipping about 50 carloads of sand per year, mostly to foundries, and now Badger Mining is shipping about 300 cars per year, about 1/2 to foundries and the other 1/2 to the natural gas and oil extraction industries. Badger Mining ships its product, which is a high grade industrial sand, to Texas, Wyoming, and Canada. Mr. Bartol stated that the United States has run out of sand, and that sand is now being imported into the United States from Canada and that unit trains of sand are now operating between Alberta, Canada and Texas, in order to meet the demands of the natural gas and oil extraction industries. Mr. Bartol stated that freight rail transportation is very important to Badger Mining. Without rail access, Badger Mining would lose at least 50% of its customer base.

Don Pohlman, Mayor of the City of Plymouth stated that the City of Plymouth is very interested in what is happening with the rail line from Plymouth to Kohler. He stated that his family has been involved with railroad businesses for over 65 years. He further stated that he knows how important rail transportation is to businesses and communities. Mayor Pohlman strongly encouraged everyone in the EWCRC to continue their efforts to improve and expand rail transportation services, in order to help counties and businesses.

Tom Engel from Tallgrass Condominium Association in Plymouth stated that he lives across the street from the abandoned rail line which is going to be opened up again, if EWCRC has its way. He stated that recently there have been articles in the press about Tallgrass Condominium Association and its position with respect to the proposed reactivation of the rail line from Plymouth to Kohler. He further stated that he wants to inform the EWCRC about the position that the Tallgrass Condominium Association is taking, and to inform the EWCRC about the petition which it has sent to United States Senator Tom Petri in Washington, D.C. He stated that the Tallgrass Condominium Association is not against railroads, not against what the EWCRC is doing, that he is very impressed with the EWCRC and with what the EWCRC is doing – a group of volunteers supporting the railroad infrastructure of Wisconsin. Mr. Engel stated that the letter which the Tallgrass Condominium Association has sent to the United States Senator Tom Petri in Washington, D.C., states as follows:

We, the undersigned members of Tallgrass Condo Association, Tallgrass Condominiums, located in the City of Plymouth, Sheboygan County, Wisconsin, petition you for the purpose of requesting that you, as a member of the Committee On Transportation and Infrastructure, and Subcommittee on Railroads, to intervene on our behalf with the U.S. Surface Transportation Board to prevent approval of the reactivation of a certain rail line currently owned by Union Pacific Railroad and to be sold to and activated by the Wisconsin Southern Railroad that is to run from Plymouth through Sheboygan Falls to Kohler. The reasons for our request are as follows:

1. The railroad right-of-way in the City of Plymouth traverses through numerous residential neighborhoods that have been developed over the years, some of which are not more than 50 feet from the railway right-of-way, including Tallgrass Condominiums, adjacent to Highland Avenue, all of which were developed in the belief that the rail right-of-way had been abandoned.
2. The rail line right-of-way in the City of Plymouth while not technically abandoned, has not been used for over 20 years, and has fallen into severe disrepair.

3. In addition to traversing residential neighborhoods, the right-of-way in the area of Tallgrass also runs parallel to a park, Lions Park, which is used by an elementary school, Horizon, and a high school, Plymouth High School, during spring, summer, and fall each year. Freight trains using the right-of-way during those times of the year, would, among other things, create and be a danger to the children and families using the park.
4. Most of the residents who have purchased or built residential homes along the right-of-way, including those in Tallgrass Condominiums, were lead to believe that the right-of-way had been abandoned. We are now told that it never was technically abandoned, but rather simply been allowed to fall into disuse over 20 years.
5. By allowing freight trains to use the right-of-way in close proximity to residential homes, it is certain to cause constant collateral physical damage to the residential home structures adjacent to the right-of-way as well as certain loss of value to the homes.
6. The planning for reactivation of this right-of-way has been done in secret, at least for the residents, and up until recently the City, without any notice to, nor input from, the public, much less those directly affected during all the deliberations of the East Wisconsin Counties Railroad Consortium.
7. The proposed money that is to be spent on the rebuilding of the right-of-way including the reconstruction of five grade crossings within the City of Plymouth, 8 to 9 million dollars, which could just as easily be diverted to seeking land and building a right-of-way through a truly rural area.

Mr. Engel thanked everyone for listening.

Joe Leibham, Wisconsin State Senator of the 9th Senate District, was present at this meeting. He stated that he was asked by some of his constituents to be at this meeting today, that he appreciates the work of the Consortium and asked the Consortium to consider the viewpoints that had been shared here today regarding the Plymouth to Kohler line.

Tony Smith, President of Mayville Limestone, Inc., stated that the business operations of Mayville Limestone, Inc., are located on the Mayville Subdivision on WSOR's Northern Division. Mayville Limestone ships approximately 500 railcars of limestone each year. The rail line is critical to Mayville Limestone's business operations, to the business operations of United Cooperative in Mayville and to the business operations of Seneca Foods, Inc., which operates a vegetable canning business in Mayville. Mayville Limestone ships its product to North Central Wisconsin. The soils there require the application of large amounts of limestone to maintain their agricultural productivity. Freight rail transportation allows Mayville Limestone to ship large amounts of limestone in short periods of time. Mayville Limestone has two shipping seasons each year, Spring and Fall, during which times it is required to ship large amounts of limestone in short periods of time.

David Gartman, President of the Board of Directors of Kettle Lakes Coop, questioned whether or not federal funds are available for purposes of railroad infrastructure rehabilitation and railroad infrastructure purchase. Bill Gardner replied that the only federal funds that are available for these purposes are in the form of loans, which are required to be secured by collateral. Because the State of Wisconsin, and not WSOR, owns most of the real estate on which WSOR operates, WSOR is unable to use that real estate as collateral for federal loans. Because WSOR is unable to use that real estate as collateral for federal loans, federal loans are unavailable to WSOR.

George Morrelle asked whether or not the rail line from Plymouth to Kohler will be operational by the end of 2008. Bill Gardner replied that if funding is available and weather conditions are favorable, it is likely that the rail line will be operational by either late 2008, or early 2009.

Rita Engel, a resident of Tallgrass Condominiums in Plymouth, Wisconsin, questioned whether it will be economically feasible to reactivate the rail line in light of the estimated cost to do so, including the cost to purchase ties and rail and to reconstruct five grade crossings in the City of Plymouth, and to reconstruct the grade crossing at Highway 67. Bill Gardner replied that when WisDOT removed the grade crossing at Highway 67, knowing that in the event the rail line was reactivated, WisDOT will be required to pay 85 percent of the cost of reinstalling the grade crossing at Highway 67, complete with new signalization to meet today's standards. WSOR will be required to pay 15 percent of the cost of reinstalling the grade crossing at Highway 67. The grade crossing at Highway 67 will include two lanes of traffic each direction and an emergency lane.

Ken Lucht responded to Rita Engel's concerns by stating that earlier today Ken Lucht met with the Mayor of the City of Plymouth and provided the Mayor with an Economic Impact Analysis on the Plymouth to Kohler Rail Corridor that WisDOT had conducted, the results of which justify WisDOT's decision to purchase the corridor. Ken Lucht provided a copy of the Economic Impact Analysis to Rita Engel.

Ken Lucht stated that he will soon meet with the Mayor of the City of Plymouth and the Common Council of the City of Plymouth to start talking about some issues that can be resolved before reactivation of the rail line begins. Ken Lucht stated that he anticipated that train speeds on the reactivated rail corridor will be between 10 and 45 miles per hour, and that the density of service will be much less than the density of service that is provided on WSOR's main lines.

Time, Date, And Place Of Next Regular Meeting: The next regular EWCRC meeting will be held on Wednesday, March 14, 2007, at 10:00 o'clock a.m., in Fond du Lac County, at the Holiday Inn, located at 625 W. Rolling Meadows Drive, Fond du Lac, WI 54937.

Motion by Holub/Hoffman to adjourn. Carried by unanimous vote.

Meeting adjourned at 12:03 o'clock P.M.

Respectfully submitted,

Rose Hass Leider, Chairman