

**Minutes of the
East Wisconsin Counties Railroad Consortium
Meeting of March 23, 2011**

East Wisconsin Counties Railroad Consortium Meeting was called to order by Chairman Jerry Holub on March 23, 2011, at 10:00 a.m., at the Antoinette's Restaurant, 18 W. Mill Street, Plymouth, Wisconsin.

Certification Of Public Notice: Attorney 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: Vern Gove, Columbia County; Russell Kottke and Edwin J. Qualmann, Dodge County; Joseph Koch and Robert Fox, Fond du Lac County; Eugene Henke, Green Lake County; Robert Walerstein and Rose Hass Leider, Ozaukee County; Jerald Holub and Richard Bemis, Sheboygan County; Dan Goetz and Rick Gundrum, Washington County; and Stan Kline, Winnebago County.

Excused: Kenneth Hutler, Columbia County; Alma Hedberg, Green Lake County; Mark Borkowski and Theodore Lipscomb, Milwaukee County; Jef Hall, Winnebago County.

Others Present: Mark S. Winkel, Sheboygan County; Ronald Lade, Alderman for the City of Plymouth; Charles Beck, Citizen; Joseph Klein, Ozaukee County; Ken Hypki, Ozaukee County; Don Pohlman, Mayor for the City of Plymouth; Jim Faller, City of Plymouth; Bill Gardner and Ken Lucht, WSOR; Frank Huntington, WisDOT Bureau of Railroads and Harbors; John F. Corey, Dodge County Corporation Counsel; and Kelly L. Lepple, Recording Secretary.

Public Comment: Rose Leider shared a newspaper article from the *The Sounder* newspaper in Random Lake, Wisconsin, entitled *Getting Your Easter Bonnet*, which takes a look back at local history and how important train service was years ago.

Approval of Minutes of November 10, 2010: Motion by Kline/Gundrum to approve the minutes of the November 10, 2010, meeting, as presented. Motion carried by unanimous vote.

Financial Report: Ed Qualmann reported the following: The balance in the checkbook as of October 31, 2010 was \$1,000.00. There were no deposits. There were no expenditures. There were no transfers. As of February 28, 2011 the balance in the checkbook was \$1,000.00. Total EWCRC Money on Deposit in the Investment Account as of February 28, 2011 is \$497,499.56. Motion by Koch/Fox to approve the financial report. Motion carried by unanimous vote.

Consider, Discuss, and Take Action on a Letter dated November 19, 2010, from James Block of Johnson Block & Company, Inc., addressed to John Corey, regarding Proposal to Conduct Annual Audit of Financial Statements for Fiscal Year 2010: There was consideration of and discussion about a letter dated November 19, 2010, from James Block of Johnson Block & Company, Inc., addressed to John Corey, regarding Proposal to Conduct Annual Audit of Financial Statements for Fiscal Year 2010. John Corey reported that he received a letter, dated November 19, 2010, from James Block of Johnson Block & Company, Inc., regarding a proposal to conduct an

annual audit of financial statements for fiscal year 2010. Johnson Block & Company, Inc., will charge the EWCRC \$1,800.00 to conduct the annual audit of financial statements for fiscal year 2010, and \$300.00 to present the annual audit of financial statements for fiscal year 2010 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 2010. Motion by Kline/Leider 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 2010, 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.

Update on the Plymouth to Sheboygan Falls Rail Line Rebuild Project: There was discussion about the Plymouth to Sheboygan Falls Rail Line Rebuild Project. Jerry Holub reported that there are various communities and businesses that are willing to contribute to the required local match of \$3 million. The City of Plymouth has allocated \$1 million through TIF 4 funds. After the \$3 million required local match has been secured then Sheboygan County will submit an application for a Transportation Economic Assistance Grant (T Grant) for \$1 million. Sheboygan County is in the process of drafting and adopting a Resolution to make a financial contribution to the \$3 million local match and to show its support of the making of an application to WisDOT for the \$1 million T Grant. WSOR will also financially contribute to the required local match. Mayor Don Pohlman thanked the EWCRC for all of its support with this project. The EWCRC may be asked to adopt a resolution in support of the T Grant application at its next meeting. The Sheboygan County Economic Development Corporation Director is taking the lead in applying for the T Grant.

Consider, discuss, and take action to rescind action taken by Board of Directors of EWCRC at its August 18, 2010, meeting, approving Amendment One to Land Use Agreement No. 0490-40-50(A-1): There was consideration of and discussion about rescinding the action taken by the Board of Directors of EWCRC at its August 18, 2010, meeting, approving Amendment One to Land Use Agreement No. 0490-40-50(A-1). Motion by Bemis/Kline to rescind the action taken by Board of Directors of EWCRC at its August 18, 2010, meeting, approving Amendment One to Land Use Agreement No. 0490-40-50(A-1). Motion carried by unanimous vote.

Consider, discuss, and take action to rescind action taken by Board of Directors of EWCRC at its September 8, 2010, meeting, approving Amendment One to Operating (Grant) Agreement No. 0490-40-50(B-2) and approving Amendment One to Operating Agreement No. 0490-40-50(F-1): There was consideration of and discussion about rescinding the action taken by Board of Directors of EWCRC at its September 8, 2010, meeting, approving Amendment One to Operating (Grant) Agreement No. 0490-40-50(B-2) and approving Amendment One to Operating Agreement No. 0490-40-50(F-1). Motion by Bemis/Kline to rescind the action taken by Board of Directors of EWCRC at its September 8, 2010, meeting, approving Amendment One to Operating (Grant) Agreement No. 0490-40-50(B-2) and approving Amendment One to Operating Agreement No. 0490-40-50(F-1). Motion carried by unanimous vote.

Consider, discuss, and take action to approve Operating Agreement For Rail Service Continuation By and Between East Wisconsin Counties Railroad Consortium and Wisconsin & Southern Railroad Co., Agreement No. 0490-40-51 (F-1): There was consideration of and discussion about approving the Operating Agreement For Rail Service Continuation By and Between East Wisconsin Counties Railroad Consortium and Wisconsin & Southern Railroad Co., Agreement No. 0490-40-51 (F-1). Motion by Walerstein/Gundrum to not take action on this agenda item at this time and to table this matter until the next EWCRC meeting scheduled for May 11, 2011. Motion carried by unanimous vote.

Consider, discuss, and take action to approve Grant Agreement For Rail Service Continuation By and Between East Wisconsin Counties Railroad Consortium and Wisconsin Department of Transportation, Agreement No. 0490-40-51 (B-1): There was consideration of and discussion about approving the Grant Agreement For Rail Service Continuation By and Between East Wisconsin Counties Railroad Consortium and Wisconsin Department of Transportation, Agreement No. 0490-40-51 (B-1). Motion by Walerstein/Gundrum to not take action on this agenda item at this time and to table this matter until the next EWCRC meeting scheduled for May 11, 2011. Motion carried by unanimous vote.

Consider, discuss, and take Action to approve Land Use Agreement By and Between East Wisconsin Counties Railroad Consortium and Wisconsin Department of Transportation, Agreement No. 0490-40-51 (A-1): There was consideration of and discussion about approving the Land Use Agreement By and Between East Wisconsin Counties Railroad Consortium and Wisconsin Department of Transportation, Agreement No. 0490-40-51 (A-1). Motion by Walerstein/Gundrum to not take action on this agenda item at this time and to table this matter until the next EWCRC meeting scheduled for May 11, 2011. Motion carried by unanimous vote.

Consider, discuss, and take action on Rehabilitation Projects for 2010 to be funded in part by EWCRC: John Corey shared a newspaper article from *The Daily Reporter*, entitled *Walker announces \$25 million in freight rail upgrades*, which he received from Dodge County Administrator, Jim Mielke, regarding awards of freight rail grants. Ken Lucht reported the following: In the Summer of 2010, in Fond du Lac County, Ken Lucht made a presentation to the EWCRC regarding the 2009 rehabilitation project. WSOR has been backed up with respect to rehabilitation projects, because in 2009, due to general economic conditions, WSOR did not work on any capital rehabilitation projects in the Northern Division. WSOR is currently in the 2010-2011 State Budget year. WisDOT ordinarily announces its freight rail awards in July or August. However, it was not until last week that WisDOT announced its freight rail awards. WisDOT waited to make these announcements until after high speed rail initiatives had been finally resolved. The State of Wisconsin is no longer considering high speed rail initiatives, so it is now moving ahead on making awards of freight rail grants.

Ken Lucht gave a PowerPoint presentation on WSOR's 2010 Capital Project Planning. Ken Lucht provided a written copy of the PowerPoint presentation to all members of the EWCRC. Ken Lucht reported the following: WSOR has a public/private partnership which began with WisDOT about 30 years ago when WisDOT acquired rail corridors in the EWCRC area from Oshkosh all the way down to North Milwaukee, and then over the past 5 to 10 years, WisDOT has acquired other rail corridors, including the Saukville to Kiel rail corridor in Ozaukee County and Sheboygan County. WSOR contracts with the EWCRC and two other rail transit commissions in the Southern part of

Wisconsin, to operate freight rail in local communities and WSOR also works with local units of government and various economic development associations. WisDOT purchased rail corridors in order to preserve and enhance them. WSOR has been able to preserve these rail corridors, preventing them from going into other uses, thereby maintaining the railroad transportation alternative for communities and rail users. WSOR has invested in these rail corridors and member counties of the EWCRRC have also invested in them over the years. The preservation and enhancement of the freight rail lines has allowed WSOR to provide freight rail service to new businesses over the past five years, which has created approximately 500 new jobs. WSOR has a number of businesses that utilize WSOR's Glendale Yard for transloading purposes. WSOR is currently engaged in discussions with businesses about locating or expanding in rail-served communities. It appears that location of new businesses and expansion of existing businesses in rail-served communities is likely to result in the creation of approximately 150 new jobs. WSOR's most recent rehabilitation project was a Phase II rehabilitation project consisting of reconstruction of public at-grade railroad crossings and the installation of numerous switches on the North Milwaukee to Slinger rail line. WSOR's 2010 capital rehabilitation project is a Phase II rail replacement on the North Milwaukee to Slinger rail line.

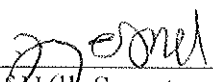
Consider, Discuss, and Take Action on Report of WSOR: WSOR is really busy moving a lot a freight for all of its customers. WSOR has moved several 100 car unit trains from United Cooperative. WSOR will be transporting wind turbine components for the wind farm near Cambria. WSOR is going to be adding 286K cars to its railroad.

Date, time, and place of next meeting (May 11, 2011): The next regular EWCRRC meeting will be held on May 11, 2011, at 10:00 o'clock a.m. Washington County will host the meeting.

Motion by Bemis/Kline to adjourn. Motion carried by unanimous vote.

Meeting adjourned at 11:46 a.m.

Respectfully submitted,



Jeff Hall, Secretary

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