

**Minutes of the  
East Wisconsin Counties Railroad Consortium  
Meeting of March 14, 2007**

**East Wisconsin Counties Railroad Consortium Meeting** was called to order by Chairman Rose Hass Leider on March 14, 2007, at 10:00 a.m., at the Holiday Inn of Fond du Lac, 625 W. Rolling Meadows Drive, Fond du Lac, Wisconsin.

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

**Came to Meeting after Roll Call:** Dennis Galatowitsch, Green Lake County and Stan Kline, Winnebago County.

**Excused:** Andy Ross, Columbia County and Jerald Holub, Sheboygan County.

**Others Present:** Adam Payne, Sheboygan County Administrator; Shelly Bernhagen, Randy Hess and Bob Bartol, Badger Mining Corporation; George Morrelle, Morrelle Transfer; Mike Gannon, Fond du Lac; Paul Kiplin, Sheboygan; Daniel Amato, City of Columbus Representative to the Columbia County Economic Development Corporation; Mary Brandt, Ripon; Rick Porter, Ripon Agriland Coop; Jerry Thompson, Railroad Services Coordinator for the City of Plymouth; Bill Gardner and Ben Meighan, WSOR; Karen Madigan, Fond du Lac County; Tom Meaux, Ozaukee County Administrator; Bryan Passehl, City of Sheboygan Falls, Chamber/Main Street; Robert Lef, Fond du Lac County; Allen Buechel, Fond du Lac County Executive; Ernie Winters, Fond du Lac County Highway Department; Frank Huntington, WisDOT Rails; John F. Corey, Dodge County Corporation Counsel; Julie Kolp, Dodge County Assistant Auditor; and Kelly L. Lepple, Recording Secretary.

**Welcome to Fond du Lac County:** Dick Flood, Joseph Koch, and Allen Buechel, Fond du Lac County Executive, welcomed everyone to Fond du Lac County.

**Welcome Supervisor Jef Hall of Winnebago County to EWCRRC:** Chairman Rose Hass Leider welcomed Jef Hall, Supervisor, Winnebago County Board of Supervisors, to the Board of Directors of the EWCRRC.

**Public Comment:** Chairman Rose Hass Leider reported that Glenn Grothman, Wisconsin State Senator of the 20<sup>th</sup> Senate District, intended to come to this meeting to make public comment, but, due to other commitments, was unable to do so, and intends to come to a future meeting to make public comment. Chairman Rose Hass Leider described three letters which she received recently regarding Rail Restoration 15, including rehabilitation of the existing rail corridor between Plymouth and Sheboygan Falls. The first letter is dated March 5, 2007, and is addressed to Governor James Doyle and Members of Joint Finance Committee, by Norbert Schleicher, General Manager, Kettle Lakes Cooperative. The second letter is dated March 6, 2007, and is addressed to Governor James Doyle and Members of Joint Finance Committee, by Randy Meyer, Mayor, City of Sheboygan Falls, WI. The third letter is dated March 8,

2007, and is addressed to The Honorable Governor Jim Doyle, by Bill Johnson, Operations/Regional Trading Manager, Roberts & Dybdahl, Inc. A copy of each of the letters was distributed to the members by Kelly Lepple, Recording Secretary. Chairman Rose Hass Leider placed these three letters on file. Copies of these letters are available upon request from Attorney John F. Corey.

**Power Point Presentation by Bob Bartol of Badger Mining:** Bob Bartol of Badger Mining made an interesting, informative, and educational Power Point presentation entitled “A Shipper’s Perspective on the Ever Changing Railroad Industry.” Several members asked questions, which were answered by Mr. Bartol.

**Approval Of Minutes Of January 10, 2007:** Motion by Hall/Walerstein to approve the minutes of January 10, 2007, as presented. Carried by unanimous vote.

**Financial Report:** Ed Qualmann: The balance in the checkbook on January 10, 2007, was \$21,795.80. Deposits were \$90,864.91. Expenditures were \$111,660.71. The balance in the checkbook on March 14, 2007, was \$1,000.00. Total EWCRC Money on Deposit in the short-term investment account as of February 22, 2007, is \$75,663.42. Motion by Goetz/Hoffman to approve the financial report. Carried by unanimous vote.

**EWCRC Annual Financial Report for 2006:** John Corey introduced Julie Kolp, Dodge County Assistant Auditor, and requested that she present the EWCRC annual financial report for 2006 to the members. Copies of the report had previously been distributed to the members. Ms. Kolp reviewed and explained the report. A member asked a question of Ms. Kolp, which she answered. Motion by Kline/Hutler to approve the 2006 Financial Report as presented by Ms. Kolp. Carried by unanimous vote.

**Invoice of Dodge County for Services provided by the Dodge County Accounting Department in 2006:** The statement for services provided by the Dodge County Auditor and staff, in recordkeeping, accounting assistance and in preparing the EWCRC Annual Financial Report for 2006, in the amount of \$575.00, was presented for payment. Motion by Walerstein/Kline to approve payment of this statement. Carried by unanimous vote.

**Invoice of Dodge County for Services Provided by the Corporation Counsel Office in 2006:** The invoice of Dodge County for services provided by the Dodge County Corporation Counsel and staff in 2006, totaling \$6,365.90, was presented for payment. John Corey reviewed and explained the invoice. A member asked a question of Mr. Corey, which he answered. Motion by Leider/Kline to approve payment of this invoice. Carried by unanimous vote.

**Invoices to EWCRC Member Counties for Member County Contributions for 2007:** Mr. Corey reported that invoices for member county contributions for 2007 had not yet been sent to member counties. Mr. Corey requested authorization to send invoices for 2007 member county contributions to member counties. Mr. Corey reported that invoice amounts will be \$15,000 for each member county, except for Dodge County, in which case the invoice amount will be \$25,000. Motion by Kottke/Galatowitsch to authorize and direct Mr. Corey to send to member counties invoices for 2007 member county contributions. Carried by unanimous vote.

**Report of the February 9, 2007, WRRTC Meeting:** Mr. Corey reported that on February 9, 2007, he attended a meeting of the WRRTC and informed the WRRTC that at the January 10, 2007, meeting of the EWCRC, the Board of Directors of the EWCRC determined 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 the fiscal agent for these projects will be reviewed in 2008.

**Rugby Junction Update and 8+3 Plan Letter and Joint Finance Committee Resolution:** Bill Gardner made the following report on Rugby Junction and the 8+3 Plan. The Governor has included the 8+3 Plan in the biennial budget, and Mr. Gardner is hopeful that the Joint Finance Committee will approve the inclusion of the 8+3 Plan in the biennial budget. The inclusion of the 8+3 Plan in the biennial budget will increase funding for projects to rehabilitate existing rail infrastructure from approximately \$6 Million to \$11 Million. The problem at Rugby Junction is that trains operated by CN stop and remained parked there, for varying lengths of time, while waiting for trains traveling in the opposite direction to go past, and block a lot of crossings. Individuals who have been inconvenienced by the blocking of these crossings have asked the WSOR to help to eliminate the blocking of these crossings. A railroad track on which the WSOR operates in the Rugby Junction area is parallel to the railroad track on which the CN operates in that area, for approximately 5.5 miles. There are areas on the railroad track on which the WSOR operates where a long train could be parked and no crossings would be blocked. If the CN were to use one of these areas to park its trains, the current problem of blocked crossings in the Rugby Junction area would be eliminated. However, it will be necessary for WSOR to rehabilitate this approximately 5.5 mile section of railroad track before it can be used by CN as a parking area for CN trains. WSOR has met with CN. Project drawings have been made and reviewed. CN has approved plans to use one of these areas to park its trains. The estimated cost to rehabilitate this section of track is \$6 Million. CN has agreed to pay part of this cost. Mr. Gardner does not want to use money that would otherwise be used to carry out the 8+3 Plan, to rehabilitate this approximately 5.5 mile section of railroad track in the Rugby Junction area, or to put the railroad track back in from Plymouth to Sheboygan Falls, or to put the railroad track back in from Monroe to Mineral Point. So, he and Ken Lucht started the Rail Restoration 15 or RR15 program. Mr. Gardner and Ken Lucht have met with staff members of the Governor's office, staff members of the Office of the Secretary of WisDOT, and Wisconsin State Legislators, including the 16 members of the Joint Finance Committee, asking them to support the RR15 program. The Governor and each member of the Joint Finance Committee will receive from citizens who are in favor of the RR15 program, letters urging them to support RR15. A piece of rail will be included in each of these letters. Mr. Gardner estimated that the Governor and each member of the Joint Finance Committee will receive approximately 400 pieces of rail, and that a total of approximately 4,000 pounds of rail will be sent to the State Capitol.

Rail Restoration 15 or RR15 is a multi-year rail program, not to get confused with 8+3 Plan, that will be before the legislature this coming 2007/2009 biennial budget. RR15 is set to accomplish the reinstallation of railroad corridors that have been abandoned for several years that will spur economic development initiatives in various areas here in WI. If signed into law, RR15 will also fund a project in Washington County that will increase rail/vehicular safety, reduce crossing delays, and enhance the flow of commerce into and out of the State of Wisconsin. The 15 stands for \$15 Million each year over the course of the next 2 biennial budgets for a total of \$60 Million. State funding will be leveraged with private and other public funding sources amounting to \$8 Million for this upcoming biennium or \$16 Million over the next 2 bienniums. RR15 will fund projects in key areas throughout Wisconsin that will undoubtedly increase the flow of commerce into the State of Wisconsin by utilizing one of the most efficient and environmentally friendly forms of transportation – railroads. \$15 Million a year is targeted for rail restoration efforts in southern WI that will bring rail back to areas that are in absolute need of it. The key areas targeted for RR15 include 1). Plymouth, WI to Sheboygan Falls, WI, 2). Monroe, WI to Mineral

Point, WI, with branch line reinstallation to Shullsburg, and 3). Congestion & Safety mitigation at Rugby Junction, Washington County, WI.

It is anticipated that the Rugby Junction Safety Mitigation project and the Plymouth to Sheboygan Falls Rebuild Project will be completed during the period of time commencing on July 1, 2007, and ending on June 30, 2008. This also anticipated that the Gratiot to Shullsburg Rebuild Project and the Gratiot to Mineral Point Rebuild Project will be completed during the period of time commencing on July 1, 2009, and ending on June 30, 2010.

**Status of Redraft of Operating Agreements for Rail Service Continuation:** John Corey and Frank Huntington reported that they are in the process of redrafting an operating agreement for rail service continuation between the EWCRC and WSOR and an operating agreement for rail service continuation between the EWCRC and WisDOT. Mr. Huntington reported that he is also in the process of drafting agreements with the Union Pacific and WisDOT. The Board of Directors of the EWCRC will review the redrafted operating agreement for rail service continuation between the EWCRC and WSOR and the redrafted operating agreement for rail service continuation between the EWCRC and WisDOT at the meeting of the EWCRC scheduled for April 11, 2007.

**Report of the February 23, 2007, 66 Committee Meeting, Local Match Agreements for Rehabilitation Projects, and Rehabilitation Projects for 2008 to be Funded in Part by EWCRC:** John Corey reported that at the 66 Committee Meeting of February 23, 2007, he stated that at the January 10, 2007, EWCRC meeting, the Board of Directors of the EWCRC determined 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.

Mr. Corey also reported that the 66 Committee took action to recommend that each consortium enter into a local match agreement with the WSOR each year for each rehabilitation project that the consortium will fund in part with member county contributions. Each separate annual agreement would then serve as a record or memorialization of how much money each consortium contributed to each particular rehabilitation project. This information would then be readily available for future reference. Mr. Corey stated that he provided members a copy of a proposed local match agreement by and between the WSOR and WRRTC as an example of a proposed local match agreement. Mr. Corey stated that it is likely that WSOR will propose that WSOR and the EWCRC enter into a local match agreement similar in form and content to the example that Mr. Corey provided to the members.

Mr. Corey reported that the 66 Committee selected the Madison to Milton phase one rehabilitation project and the Horicon to Hartford phase two rehabilitation project to be funded in 2008, in part, by the EWCRC, WRRTC, and PRTC. Mr. Corey described these two rehabilitation projects as follows. The Madison to Milton project is a phase one project wherein approximately 28,700 ties will be replaced, approximately 42,000 tons of ballast will be installed, about 32 miles of track will be surfaced, and 39 public crossings will be reconstructed. The estimated cost of this phase one project is \$5.9 million. The second rehabilitation project is on the northern division. The Horicon to Hartford project is a phase two project wherein about 14.6 miles of continuous welded 115-pound rail will be laid, approximately 15,470 tons of ballast will be installed, and approximately 14.6 miles of track will be surfaced. The estimated cost of this phase two project is \$6.1 million. WSOR's goals for the two 2008 rehabilitation projects is

that the State will approve each project and contribute 80% to each project, WSOR will contribute 10% to each project, and the rail transit commissions will contribute 10% to each project.

**Level of Funding by Counties for 2008:** Chairman Rose Hass Leider stated that there is a definite need for county member contributions to be used to fund rehabilitation projects, that member counties will soon start the 2008 budget process, and that the goal for 2008 is for each member county to contribute \$25,000. Tom Meaux, Ozaukee County Administrative Coordinator, stated that he will recommend to the Ozaukee County Board of Supervisors that Ozaukee County contribute \$25,000 in 2008. Adam Payne, Sheboygan County Administrator, stated that it is likely that Sheboygan County will contribute \$25,000 in 2008. Allan Buechel, Fond du Lac County Executive, made the following report. Initially, it was difficult for Fond du Lac County to contribute any money to the EWCRC. The question now is ought Fond du Lac County to increase the amount of its contribution from \$15,000 to \$25,000? Some individual members of the Fond du Lac County Board of Supervisors and other citizens of Fond du Lac County object to the use of county dollars to subsidize what they believe to be a private corporation, namely, WSOR. There are currently many businesses in Fond du Lac County that require freight rail service. It is likely that there will be more such businesses in the future. Freight rail service is important to Fond du Lac County and to the entire State of Wisconsin. Fond du Lac County will seriously consider the request to increase the amount of its contribution in 2008 from \$15,000 to \$25,000. Russell Kottke, Chairman, Dodge County Board of Supervisors, stated that Dodge County budgeted \$25,000 for 2007, and that he will include \$25,000 in the 2008 budget which he will present to the Dodge County Board of Supervisors.

**Railroad Facilities Inspection Tour Scheduled for April 11, 2007:** 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 targeted for capital upgrade projects in 2006 and in 2007. This planned tour will constitute a meeting of the EWCRC.

**Recess for Lunch at 12:00 p.m.**

**Reconvene at 12:40 p.m.**

**Report of WSOR:** Ben Meighan of WSOR made the following report. WSOR will start its maintenance tie program on April 16, 2007, and will work at various locations on the WSOR system, including the Mayville Line, between Horicon and Goodland Road, the Oshkosh area, the Madison area, between Milton and Madison, and in the area near Edgerton where the recent derailment occurred.

Bill Gardner of WSOR made the following report. The problem is that the railroad that WSOR is running on is worn out beyond usefulness. WSOR had a major derailment near Waukesha in January of 2007, in

which seven or eight grain cars derailed. Several of the cars sustained damage to the extent that they were beyond repair and had to be scrapped. WSOR experienced the largest derailment in its history on February 16, 2007, near Edgerton, in which 14 cars derailed, including three box cars loaded with butter, an empty covered hopper car, several center beam flat cars loaded with lumber, a boxcar loaded with shingles, and several open hopper cars loaded with coal. The cost of this derailment will exceed \$1 Million. The reason why these derailments occurred is because the rail on which WSOR operates is worn out. When rail is described as 90-pound rail, it means that a three-foot section of the rail weighs 90 pounds. Most of the rail on which WSOR operates is 90-pound rail that was manufactured in 1926. This rail was never designed or engineered to handle the weight of modern rail cars and locomotives which are currently used by WSOR. The 90-pound rail that was laid in 1926 has been used for over 80 years, is worn, and a three-foot section of it no longer weighs 90 pounds, but rather, weighs 85 pounds or less. Modern railroad operations require the use of rail which weighs 115 pounds or more. It is vital that the 90-pound rail currently in use on the WSOR system be removed and replaced with rail that weighs 115 pounds or more. There are approximately 700 miles of railroad right-of-way on the WSOR system. Three-foot sections of the rail on approximately 500 miles of this railroad right-of-way weigh less than 115 pounds. Mr. Gardner will provide to members of the Board, at the next meeting of the EWCRC, a color-coded map which will show the type of rail, classified according to the weight of a three-foot section of the rail that is currently present on the railroad right-of-way which constitutes the WSOR system. The CN owns two rail line segments that are not connected to a railroad system. They are called stub lines because they are not connected to a railroad system. One of these stub lines runs from County Line Road in Washington County, north to Rosco Road. The other stub line runs from Mill Road, North Milwaukee, to Saukville. Both the CN and the WSOR have customers on these two stub lines. WSOR and CN have agreed that WSOR will operate these two stub lines for CN, and will serve CN's customers and WSOR's customers, including Charter Wire, Pioneer Corporation, Kreilkamp Warehouse, Gehl, Gundrum, and Gateway Plastics.

**Time, date, and place of next meeting (May 9, 2007), Wilderness Roadside Inn, N5575 State Road 57, Plymouth, Wisconsin:** Motion by Reimer/Flood that the next regular meeting of the EWCRC will be on May 9, 2007, at 10:00 a.m. at the Wilderness Roadside Inn, N5575 State Road 57, Plymouth, Wisconsin. Carried by unanimous vote.

Motion by Hall/Walerstein to adjourn. Carried by unanimous vote.

Meeting adjourned at 1:26 p.m.

Respectfully submitted,

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Daniel Goetz, Secretary