

**Minutes of the
East Wisconsin Counties Railroad Consortium
Meeting of May 9, 2007**

East Wisconsin Counties Railroad Consortium Meeting was called to order by Chairman Rose Hass Leider on May 9, 2007, at 10:00 a.m., at the Wilderness Roadside Inn, N5575 State Road 57, Plymouth, 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 and Donald DeYoung, Columbia County; Russell Kottke and Edwin J. Qualmann, Dodge County; Joseph Koch, Fond du Lac County; Rose Hass Leider and Robert Walerstein, Ozaukee County; Jerald Holub and Duffy Reimer, Sheboygan County; Lawrence Hoffman and Daniel Goetz, Washington County; and Stan Kline and Jef Hall, Winnebago County.

Excused: Dick Flood, Fond du Lac County; Orville Biesenthal and Dennis Galatowitsch, Green Lake County.

Others Present: Charles Beck; Jerry Thompson, Railroad Services Coordinator for the City of Plymouth; Philipp W. Kalchthaler, Tallgrass Condo Association; Glenn Guerra; Jean Herman, CARR; Fritz Henschel, Sheboygan County Board Supervisor; William Goehring, Chairman of the Sheboygan County Board of Supervisors; Rita Engel and Tom Engel, Tallgrass Condominium Association; Ken Lucht and Ben Meighan, WSOR; Roger Larson, WisDOT District Railroad Coordinator; Don Pohlman, Mayor for Plymouth, WI; Ken Hypki, Fredonia, WI; Barbara Ziegelbauer, Plymouth, WI; Calvin Krasonya, Plymouth, WI; Frank Huntington, WisDOT Bureau of Rails and Harbors; John F. Corey, Dodge County Corporation Counsel; and Kelly L. Lepple, Recording Secretary.

Welcome to Sheboygan County: Jerald Holub and William Goehring, Chairman of the Sheboygan County Board of Supervisors, welcomed everyone to Sheboygan County.

Welcome to Plymouth, Wisconsin: Mayor Donald Pohlman welcomed everyone to the City of Plymouth, Wisconsin.

Welcome Supervisor Donald DeYoung of Columbia County to EWCRC: Chairman Rose Hass Leider welcomed Donald DeYoung, Supervisor, Columbia County Board of Supervisors, to the Board of Directors of the EWCRC.

Public Comment: There was discussion about Milwaukee County joining the EWCRC. The Board of Directors of the EWCRC determined by consensus on May 9, 2007, that in the event that Milwaukee County joins the EWCRC in the calendar year of 2007, Milwaukee County will not make a contribution to the EWCRC in the calendar year of 2007, but Milwaukee County will make a contribution of \$25,000.00 to the EWCRC in the calendar year of 2008.

Charles Beck distributed an article from the Milwaukee Journal Sentinel entitled "Use Train Corridors For Trains."

Barb Ziegelbauer distributed copies of a letter, dated March 17, 2007, that she addressed to U.S. Congressman Tom Petri, State Senator Joe Leibham, and State Representative Steve Kestell regarding the reactivation of the Union Pacific rail line between Plymouth and Sheboygan Falls, wherein she stated that she is not opposed to the reactivation of the rail line between Plymouth and Sheboygan Falls.

Dan Goetz read a letter dated February 19, 2007, addressed to him, by Dale K. Schmidt, Washington County Sheriff. The letter stated concerns about congestion problems at Rugby Junction. Sheriff Schmidt stated in the letter that he would appreciate any efforts made in an attempt to rectify the extended blockage of grade crossings by Canadian National trains. Mr. Goetz asked that this letter be placed on file because it will help Wisconsin State Legislators to make up their minds on this issue of extended blockage of grade crossings by Canadian National trains that is ongoing in the State of Wisconsin.

Approval Of Minutes Of March 14, 2007: Chairman Rose Hass Leider noted that Tom Meaux's official title is "County Administrator" not "Administrative Coordinator," and asked that this correction be made in the minutes. Motion by Kline/Koch to approve the minutes of March 14, 2007, as corrected by Chairman Rose Hass Leider. Carried by unanimous vote.

Financial Report: Ed Qualmann: The balance in the checkbook on March 14, 2007, was \$1,000.00. Deposits were \$130,000.00. There were no expenditures. Transfers to the AIM investment account were \$115,000.00. As of May 9, 2007, the balance in the check book was \$16,000.00. Total EWCRC Money on Deposit in the AIM investment account as of March 31, 2007, is \$69,546.27.

Bob Walerstein asked why there was \$16,000.00 in the EWCRC checking account after the Board of Directors had implemented a policy that the balance in the checkbook would not exceed \$1,000.00. John Corey explained the procedure on how money is transferred from the EWCRC checking account to the AIM investment account, and explained why the financial statement reflected that the balance in the EWCRC checking account was more than \$1,000.00. Motion by Holub/Goetz to approve the financial report as presented. Carried by unanimous vote.

Audit Proposals for Winnebago County Request for Audit of EWCRC Annual Financial Reports: John Corey distributed an audit proposal that was submitted by Johnson Block & Company, Inc. Mr. Corey suggested that the Board of Directors of the EWCRC lay this matter over to the July 11, 2007, EWCRC meeting, so that each member can review the audit proposal submitted by Johnson Block & Company, Inc. Mr. Corey also stated that the only source of income for the EWCRC is the rent which it receives from WSOR, in the amount of \$3,600.00 each year. The proposed fee, including audit, presentation, and assistance with GASB 34 is \$2,400.00. Frank Huntington suggested that John Corey check with WRRTC and PRTC to determine how much they pay to have their financial reports audited. Motion by Leider/Holub to lay this matter over to the July 11, 2007, EWCRC meeting. Carried by unanimous vote.

Explanation of Funds on Deposit: John Corey explained the breakdown of Funds on Deposit in the AIM investment account. There was discussion about this matter. It was requested that in the future the Treasurer's Report list separately, the balance of funds in the checking account and the balance of funds in the AIM investment account.

Correction to Invoice of Dodge County for Services Provided by the Corporation Counsel Office in 2006: John Corey explained how Dodge County erroneously overcharged the EWCRC \$185.64 on the invoice of Dodge County for services provided by the Corporation Counsel Office in 2006. Mr. Corey stated that the \$185.64 that Dodge County over charged the EWCRC for services rendered in 2006 will be transferred back into the AIM investment account by the Dodge County Auditor.

Resolution Authorizing and Approving that Milwaukee County Become a Member of the EWCRC and authorizing Chairman and Secretary to sign the Agreement Providing For The Joinder Of Milwaukee County, Wisconsin, To The East Wisconsin Counties Railroad Consortium after Milwaukee County has signed it: John Corey stated that he provided to Supervisor Joseph Rice of Milwaukee County a proposed Resolution and a proposed Agreement Providing for the Joinder of Milwaukee County, Wisconsin, to the East Wisconsin Counties Railroad Consortium, that needs to be signed by Milwaukee County and by the EWCRC. Mr. Corey also stated that the members of the EWCRC will need to take action authorizing and approving that Milwaukee County become a member of the EWCRC. Mr. Corey further stated that he will send out with the next agenda packet the proposed Resolution and the proposed Agreement Providing for the Joinder of Milwaukee County, Wisconsin, to the East Wisconsin Counties Railroad Consortium that he had drafted and sent to Milwaukee County.

Rail Restoration 15 Program of WSOR: Ken Lucht explained the details of the Rail Restoration 15 or RR15 program. Rail Restoration 15 or RR15 is a multi-year rail program 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 in Wisconsin. 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 increase the flow of commerce into the State of Wisconsin by utilizing railroads. \$15 million a year is targeted for rail restoration efforts in southern Wisconsin that will bring rail back to areas that are in absolute need of it. The key areas targeted for RR15 include Plymouth to Sheboygan Falls, Monroe to Mineral Point, with branch line reinstallation to Shullsburg, and congestion and safety mitigation at Rugby Junction, in Washington County. 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. It is 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, 2011.

Frank Huntington stated that the RR15 Program proposal came in too late for WisDOT to take any action on it and that it is not included in the Governor's budget.

WSOR requested that the EWCRC draft a letter to be addressed to the Governor's Office and copied to the Joint Finance Committee and local Wisconsin State Legislators setting forth the EWCRC's support of the Rail Restoration 15 Program. There was discussion about who would draft this letter. Dan Goetz requested that the letter dated February 19, 2007, that he received from Dale K. Schmidt, Washington County Sheriff, be attached to the letter to be sent to the Governor's Office and copied to the Joint Finance Committee and local Wisconsin Legislators. Motion by Goetz/Hoffman that John Corey draft a letter to be addressed to the Governor's office and copied to the Joint Finance Committee and local Wisconsin State Legislators setting forth the EWCRC's support of the Rail Restoration 15 Program and

that a copy of the letter dated February 19, 2007, that Dan Goetz received from Dale K. Schmidt, Washington County Sheriff, be attached to the letter. Carried by unanimous vote.

Chairman Rose Hass Leider distributed a sheet of paper containing digital camera images of railcars located on railroad tracks near Random Lake, Wisconsin.

Tall Grass Condominium Association Meeting of March 24, 2007: Chairman Rose Hass Leider stated that she attended this meeting. She distributed the Agenda for the March 24, 2007, meeting, and copies of a newspaper article from The Review, entitled "Rail Route Revival Subject To County Control." Mayor Donald Pohlman presented a brief report of the meeting and stated that the meeting was very informational. Ken Lucht stated that he and Steve Beske of WSOR also attended the meeting and stated that this meeting was necessary and that WSOR provided answers to questions that were asked.

Discuss Upcoming Election of Officers: The election of officers will take place at the July 11, 2007, EWCRC meeting. Individuals will be elected for the offices of Chairman, Vice Chairman, Treasurer, and Secretary. Current office holders are Rose Hass Leider, Chairman; Jerald Holub, Vice Chairman; Edwin Qualmann, Treasurer, and Daniel Goetz, Secretary.

Status of Redraft of Operating Agreements for Rail Service Continuation: John Corey stated that he has been working with Frank Huntington and Tim Karp with regard to redrafting the operating agreements for rail service continuation. Mr. Corey also stated that there are two operating agreements. The first agreement is between the EWCRC and WSOR and the second agreement is between the EWCRC and WisDOT. Mr. Corey further stated that the redraft of the operating agreement between the EWCRC and WSOR is almost complete.

John Corey mentioned two issues that the EWCRC members should address. The first issue is the amount of rent that WSOR pays annually to the EWCRC, and the second issue is the amount of the self-insured retention in WSOR's Comprehensive Railroad Liability Insurance policy.

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 June 27, 2007.

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 April 11, 2007. It 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, June 27, 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 members will board a state-of-the-art theatre railcar, and will travel in the theatre railcar from Slinger to Horicon. The final tour activity will be a tour of WSOR's terminal facilities in Horicon. After completion of the final tour activity, members will recess for lunch at Ginger's Hide Away Restaurant in Horicon, and then will reconvene at Ginger's Hide Away Restaurant to discuss and take action on the redrafted operating agreements for rail service continuation and any other matters on the meeting agenda. During 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.

Report of WSOR: Ben Meighan presented the following report. During the past few weeks tie gangs have installed about 4,000 ties on the Mayville Line. The tie gangs then went back to Goodland Road and began installing ties between Goodland Road and Horicon. The tie gang is working in the Woodland area right now. They were there last night and they are heading toward Horicon. After they complete that project, they will start at Pickett and go from Pickett to Oshkosh and install about 8,000 ties there and then that crew will move over to the Reedsburg Sub and start down the Reedsburg Sub and end at the Southern Division. The WSOR surfacing crew is following up behind the tie gang on the Mayville Line. The surfacing crew has been working on the Milwaukee Sub since Spring thaw, until about a week and a half ago. They tamped areas between Slinger and Milwaukee. We had a FRA geometry car go over the rail line in this area. The FRA geometry car found very few defects regarding the track being out of gauge. The surfacing crew had tamped those areas a couple of years ago and we went back there in the Spring and tamped again, and made everything level. We will be dumping ballast starting in about six or seven days. Ballast trains will be dumping ballast in areas where the tie gangs had been working. We will begin spraying on May 21, 2007. We have engaged a contractor from Sheboygan who will be spraying the entire system this year. Spraying will start in the Northern Division.

A member of the Board asked Mr. Meighan what WSOR does with the old ties. Mr. Meighan replied that after we extract the ties, a company we have engaged comes in to do our cleanup work. They sell as many of the old ties as they can for landscaping projects. They gather the remaining ties and when they have gathered 25,000 to 30,000 ties, they grind them. Then they take the ground ties to an electrical generating plant where the ground ties are burned as fuel. The owners of the power plant charge the cleanup company to burn the ground ties as fuel.

A member of the Board asked Mr. Meighan how many ties WSOR has replaced on the Mayville Sub. Mr. Meighan replied that there is 75-pound rail on that line, and there is one customer at the end of the line, and that WSOR put in about 500 to 600 ties per mile. WSOR will never conduct operations on that line at a speed greater than 10 miles per hour. The tie replacement was for purposes of safety. There are 3,200 ties per standard track mile. On the main line, WSOR ordinarily replaces anywhere from 1,000 to 1,200 ties per mile, depending on the condition of the track and ties. Over the years WSOR has been involved in a number of tie replacement programs, with the result that there are certain areas of the rail line where a high percentage of the ties are less than 20 years old. The useful life of a tie is 40 to 50 years with good drainage, good ballast, good weather conditions, and effective measures to prevent the growth of vegetation. WSOR is building a stronger railroad each year. The average remaining useful life of its ties in place is increasing each year. On the Northern Division, by the end of 2007, there will be many areas in which most of the ties will be relatively new. In the future, most of the tie replacement work will take place on the Southern Division. WSOR is currently going back to the Cambria line where rail was installed a few years ago. WSOR intends to install 200 to 300 ties per mile, just to keep everything tight and stiff. After that, WSOR will do maintenance work on scheduled cycles. In order to increase productivity on the tie gangs, WSOR recently bought new equipment. WSOR bought a new spiker and two new trip machines. A trip machine extracts and inserts ties. WSOR will be able to install 1,000 to 1,500 ties per day after the new spiker and the two new trip machines are put into service. Then WSOR will be removing and inserting ties very efficiently and economically.

A member of the Board asked Mr. Meighan whether the ties that are being installed are new ties. Mr. Meighan replied that new ties are being installed. He also stated that WSOR has installed used ties, known as relaid ties, in a branch line. Mr. Meighan stated that he bought ties that were four to five years

old, at about half the price of new ties. These ties were available for purchase because they were part of an Amtrak program in which wood ties were replaced with concrete ties.

A member of the Board asked Mr. Meighan where new ties come from. Mr. Meighan stated that new ties are manufactured in Wisconsin at Bangor, in Michigan and in Indiana and in other states.

A member of the Board asked Mr. Meighan whether or not it is necessary to order ties in advance of delivery. Mr. Meighan replied that it is necessary to order ties well in advance of delivery. He stated that the tie market is really tight right now. Every railroad is doing the same thing that WSOR is doing. WSOR has the same problems in getting ties as other railroads do. Mr. Meighan ordered ties last November and he is just starting to receive them now.

A member of the Board asked Mr. Meighan about the use of concrete ties. Mr. Meighan stated that WSOR has studied and analyzed the use of concrete ties. It is necessary to use special equipment to install concrete ties. It is also necessary to install at least 115 to 130-pound rail on top of concrete ties. The cost of a concrete tie is about one-third more, compared to a wood tie. Concrete ties are used for high speed corridors. Railroad operations by WSOR are relatively low-speed, for which concrete ties are not required, and would not be cost-effective.

Ken Lucht reported that service on the Saukville Subdivision is increasing, and that business has more than doubled since WSOR took it over. There has been more traffic coming into Plymouth. WSOR is doing some transloading near downtown Plymouth from railcars which transport plastics for two different plastics companies. In downtown Plymouth, near the depot, railcars transporting plastics are transloaded. Truckers use vacuum machines to transload the plastics from the railcars to the trucks.

Ken Lucht further reported that in Cambria, WSOR is working with Didion Milling in the construction of Didion Milling's ethanol plant. Didion Milling broke ground last Fall, and they are going strong. WSOR will soon start to work with Didion Milling on their track layout so we can effectively deliver cars to them at that facility. Quad/Graphics in Hartford recently announced plans for a large expansion to their facility in Hartford, so we anticipate more cars delivering more materials to that facility. Leeco Steel in Oshkosh is going strong. We are delivering a lot of steel to that company. We have provided training to employees of that company on how to handle railcars coming into their facility. They did some damage to their track with the first couple deliveries of railcars, so we worked with them about how to handle railcars. The grain elevators in the Northern Division are busy. We are looking at alternate routes into Chicago which will include a line south of Milwaukee into Chicago instead of bringing grain cars into Janesville and then down to Chicago. Janesville has become a bottleneck for WSOR, so we are looking at alternate, more efficient routes for shipment of grain to Chicago. The rail inspection trip from Slinger to Horicon is scheduled for June 27, 2007. We also want to do a rail inspection trip on the Saukville Sub at a later date. The rail inspection trip on the Saukville Sub will start at North Milwaukee and end at Plymouth. During that trip, WSOR will inform members about events that are taking place on the Saukville Sub and in Ozaukee and Sheboygan Counties.

Time, date, and place of next meeting (July 11, 2007): Motion by Reimer/Flood that the next regular meeting of the EWCRS will be held on July 11, 2007, at 10:00 a.m., and hosted by Washington County, at Heidel's Restaurant, 3280 County Highway P, Jackson, Wisconsin. Carried by unanimous vote.

Winnebago County will host the September 12, 2007, EWCRC Meeting.

The November 14, 2007, EWCRC Meeting will be moved to December 12, 2007, at 10:00 a.m.
Columbia County will host the December 12, 2007, EWCRC Meeting.

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

Meeting adjourned at 12:00 p.m.

Respectfully submitted,

Daniel Goetz, Secretary