

**Minutes of the
East Wisconsin Counties Railroad Consortium
Meeting of July 10, 2013**

East Wisconsin Counties Railroad Consortium Meeting was called to order by Chairman Rick Gundrum on July 10, 2013, at 10:00 a.m., at the Dodge County Administration Building, Rooms F&G, 127 E. Oak Street, Juneau, Wisconsin.

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

Roll call was taken.

Present: Kenneth Hutler and James E. Foley, Columbia County; Russell Kottke and Harold J. Johnson, Dodge County; Joseph Koch and Karen Madigan, Fond du Lac County; Eugene Henke and Donald L. Peters, Green Lake County; Thomas E. Winker and Donald Dohrwardt, Ozaukee County; Richard Bemis and Mark Winkel, Sheboygan County; Rick Gundrum and Daniel Goetz, Washington County; and Joel Rasmussen, Winnebago County.

Excused: Steve F. Taylor, Milwaukee County; and Ron Hardy, Winnebago County.

Others Present: Ken Lucht and Roger Schaalma, WSOR; Frank Huntington, WisDOT Bureau of Railroads and Harbors; John F. Corey, Dodge County Corporation Counsel; and Kelly L. Lepple, Recording Secretary.

Approval of Minutes of May 8, 2013: Motion by Hutler/Koch to approve the minutes of the May 8, 2013 meeting, as presented. Motion carried by unanimous vote.

Financial Report: Russell Kottke reported the following: The balance in the checkbook as of April 30, 2013 was \$1,000.00. Deposits were \$75,000.00. Expenditures were \$1,800.00. Transfers were \$73,200.00. As of June 30, 2013 the balance in the checkbook was \$1,000.00. Total EWCR money on deposit in the Investment Account as of June 30, 2013 is \$549,087.77. Motion by Hutler/Koch to approve the Financial Report. Motion carried by unanimous vote.

Consider, discuss, and take action regarding investment of unexpended member county contributions: There was consideration of and discussion about the investment of unexpended member county contributions. John Corey made the following oral report: At the May 8, 2013 meeting of the EWCR, this matter was tabled to a time certain to the July 10, 2013 meeting of the EWCR to allow each member of the Board of Directors of the EWCR to take the information that was provided by John Corey to their respective County Treasurers for research and input. John Corey further reported that EWCR monies are currently invested in a money market fund titled *Invesco Government & Agency Portfolio, Short-Term Investments Trust*. Section 66.0603 of the *Wisconsin Statutes*, sets forth the types of investments that counties are allowed to make with county funds, and *Invesco Government & Agency Portfolio, Short-Term Investments Trust* is one of the types of investments that are allowed pursuant to the provisions of Section 66.0603 of the

Wisconsin Statutes. There was discussion about the investment of unexpended member county contributions in *TD Ameritrade*. John Corey stated that he did not know whether or not *TD Ameritrade* is one of the types of investments that are allowed pursuant to the provisions of Section 66.0603, of the *Wisconsin Statutes*. Motion by Winkel/Winker to table this matter to a time certain to the September 11, 2013 meeting of the EWCRC to allow time for John Corey to conduct research about *TD Ameritrade* and to form a conclusion as to whether or not *TD Ameritrade* is one of the types of investments that are allowed pursuant to the provisions of Section 66.0603, of the *Wisconsin Statutes*. Motion carried. It was the consensus of the Board of Directors of the EWCRC to place this matter of investment of unexpended member county contributions on the agenda for the next meeting of the EWCRC.

Consider, discuss, and take action on the level of funding by member counties for 2014: There was consideration of and discussion about the level of funding by member counties for 2014. Motion by Dohrwardt/Bemis that the Board of Directors of the EWCRC recommend to each member county that each member county budget \$25,000 for its 2014 member county contribution to the EWCRC. A roll call vote was taken. 14 ayes and 1 no. Motion carried.

Consider, discuss, and take action on Report of WisDOT, Bureau of Railroads and Harbors: Frank Huntington reported the following: WisDOT received applications for Freight Railroad Preservation Program (FRPP) funds, to be used for rehabilitation projects, in a total amount of over \$100 million. Funds for FRPP in the amount of \$52 million (\$26 million per year) have been included in the 2013-2015 State Biennial Budget, and the Governor had originally proposed that funds for FRPP in the amount of \$60 million (\$30 million per year) be included in the 2013-2015 State Biennial Budget. WisDOT is negotiating with the Union Pacific Railroad (UP) to acquire a segment of rail line from Madison to Reedsburg. WisDOT intends to complete purchase price negotiations by August 31, 2013, and intends to acquire the rail line by December 31, 2013. Ron Adams, Chief of the Railroads and Harbors Section, will retire on July 12, 2013. LeAnna Wall will take his place as the new Chief of the Railroads and Harbors Section. Canadian National Railway Company (CN) owns and operates rail lines throughout Wisconsin, and is discussing with various short line operators the possibility of selling about 300 miles of rail line in the northern part of the State, CN has described these discussions as exploratory, and has stated that CN may or may not sell any of the rail lines it owns, CN has stated that it wants to find out the type of purchase proposals it will receive from various short line operators, and the sale by CN and purchase by short line operators of 300 miles of rail line in the northern part of the State will significantly change the rail ownership structure in the State.

Consider, discuss, and take action on report of WSOR: Ken Lucht reported the following: WSOR's introduced Roger Schaalma to the Board of Directors of the EWCRC. Mr. Schaalma is the new Superintendent of Maintenance of Way. Ben Meighan, the current Superintendent of Maintenance of Way, will retire from WSOR at the end of 2013.

Plymouth to Kohler project: Late last year, contractors engaged by WSOR concluded brush cutting and weed control on the Plymouth to Kohler rail line. WSOR is in the process of developing bid specifications for solicitation of bids for demolition of the track and the ties. WSOR intends to award the contract for demolition of the rail corridor to a qualified contractor within the next 60 days. WSOR is also in the process of developing a bid package for construction. WSOR hired a general

contractor. The general contractor is developing and organizing all of the various contracts for construction. WSOR will solicit bids for construction within the next 60 to 90 days. WSOR is hopeful that construction will begin later this year, but it appears that it is more likely that construction will not begin until spring of 2014. The Sheboygan County Economic Development Corporation will organize a meeting of project stakeholders. The meeting will take place in the early part of August of 2013. The last meeting of stakeholders took place about a year ago. Nine different entities have contributed funds to the project. WSOR will attend the meeting of stakeholders and will provide an update to the stakeholders regarding the progress of the project and will discuss events and processes that will occur in the future regarding the project.

WSOR is in the process of hiring approximately 33 new employees in train service that will help WSOR maintain service to its growing customer base. Most of the new employees will report directly to WSOR's Madison Terminal. Some of the new employees will report to WSOR's Janesville Terminal to help WSOR maintain its service plan requirements in Rock County.

WSOR is negotiating with a business entity in Elkhart Lake regarding the shipping of gravel and quarried stone from a stone quarry located near Elkhart Lake. The rail line rehabilitation project between Saukville and Elkhart Lake is timely, and will allow shipments of gravel and quarried stone to be made more effectively and efficiently.

Midwest Manufacturing, located near Iron Ridge, is now receiving inbound rail shipments of lumber, trusses, and landscaping materials, to its manufacturing plant. The rail line spur located there was completed about a month or two ago.

WSOR is in the process of planning its long term capital improvement projects. Planning requires the participation and cooperation of WSOR, WisDOT, EWCRC, and other rail transit commissions. WSOR presented its new, five-year capital improvement plan to WisDOT last month. WSOR is ready to present its new, five-year capital improvement plan to each of the rail transit commissions. WSOR's new, five-year capital improvement plan will involve the expenditure of \$185 million, approximately \$55 million of which will come from WSOR. WSOR intends to present its new, five-year capital improvement plan to the EWCRC at the next meeting of the EWCRC. WSOR will also present to the Board of Directors of the EWCRC, at the next meeting of the EWCRC, WSOR's 2013 rehabilitation project. WSOR will seek approval of the EWCRC for the proposed rehabilitation project, and the contribution by the EWCRC of its 2013 member county contributions to this project. One of the major projects that WSOR is focusing on in the Northern Division is the Markesan rail line in Green Lake County. There is a lot of business on this rail line, and business on this rail line is increasing. WSOR proposes to invest \$5 million, which will include tie replacement, rebuilding of public at-grade crossings, and the installation of continuous welded rail.

WSOR is pleased with the increase in funds for the Freight Railroad Preservation Program (FRPP) in the amount of \$52 million that was included in the 2013-2015 State Biennial Budget. WSOR thanked Dan Goetz and Rick Gundrum, who traveled to Madison and met with Wisconsin State Legislators from this area, regarding funding for the FRPP.

Roger Schaalma reported the following: WSOR is nearing completion of the installation of 115-pound continuous welded rail from Slinger to Milwaukee, there are a few bridges that are in the process of being rebuilt, and the bridge work will be completed either by the end of 2013 or the beginning of 2014.

WSOR will perform the following work on the Saukville to Elkhart Lake rail line: Install approximately 51,000 new ties, construct 15 new, public at-grade crossings, and surface the rail line to Class 2 standards. WSOR anticipates that it will complete the installation of the ties and the construction of the new, at-grade public crossings by the end of September of 2013, and that it will complete the surfacing of the rail line to Class 2 standards by the end of 2013.

WSOR is installing maintenance ties on the Mayville Spur in the Ripon/Brandon area.

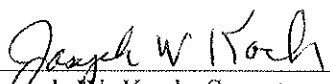
WSOR will check its rail lines for defects by means of a rail defect detector test car, the rail defect detector test car transmits an ultrasonic sound wave through the rail and it thereby detects cavities and other internal defects in the rail, WSOR will also use a geometry car to check the tracks on the entire WSOR system, the geometry car travels on the rails and detects elevation discrepancies and gauge discrepancies in the rail, and is used by WSOR to determine whether or not the rail meets the applicable standards set forth in the various FRA classes.

Date, time, and place of next meeting (September 11, 2013): The next regular EWCR meeting will be held on September 11, 2013, at 10:00 a.m. Green Lake County will host the meeting.

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

Meeting adjourned at 10:55 a.m.

Respectfully submitted,



Joseph W. Koch, Secretary

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