

**Minutes of the
East Wisconsin Counties Railroad Consortium
Meeting of March 11, 2009**

East Wisconsin Counties Railroad Consortium Meeting was called to order by Chairman Jerald Holub on March 11, 2009, at 10:00 a.m., at the Ozaukee County Administration Building, County Board Room, 121 W. Main Street, Port Washington, 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.

Welcome to Ozaukee County: Tom Meaux, Ozaukee County Administrator, welcomed everyone to Ozaukee County.

Roll call was taken.

Present: Kenneth Hutler, Columbia County; Russell Kottke and Edwin J. Qualmann, Dodge County; Joseph Koch and Robert Fox, Fond du Lac County; Eugene Henke and Alma Hedberg, Green Lake County; Rose Hass Leider and Robert Walerstein, Ozaukee County; Jerald Holub and Duffy Reimer, Sheboygan County; Daniel Goetz and Brian Bausch, Washington County; and Jef Hall, Winnebago County.

Excused: Vern Gove, Columbia County; and Stan Kline, Winnebago County.

Others Present: John Rogers, Business Development Director of the Sheboygan County Chamber of Commerce; Dale W., Sheboygan County; Jerry Thompson, Railroad Services Coordinator for the City of Plymouth; Roger Breske, Railroad Commissioner; Charles Beck, Milwaukee County; Joseph Klein, Ozaukee County; Ken H., Ozaukee County; Mark Banton, Ozaukee County; David Schwengel, Citizen; James Block, Johnson Block and Company, Inc.; 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 Hass Leider stated that Ken Lucht has attended various meetings in the recent past and she thanked him for his attendance and informational presentations at those meetings. Rose Hass Leider requested that a letter she received from Jeffrey P. Francis of Terra Tec Engineering, LLC, be read to the entire Consortium. Her request was granted. Kelly Lepple, Recording Secretary, read the letter aloud to the Consortium. Rose Hass Leider reported that it was stated in a newspaper article entitled *Railroads important to county* that "A report from the Railroad Consortium, which highlighted the railroad usage in the county, was read at the Green Lake County Board of Supervisors meeting on December 16, 2008." Rose Hass Leider requested that a copy of this newspaper article be included in the packet of materials to be sent to members prior to the next meeting of the EWCRC.

Approval of Minutes of January 14, 2009: Motion by Koch/Kottke to approve the minutes of the January 14, 2009, meeting, as presented. Motion carried by unanimous vote.

Financial Report: Ed Qualmann: The balance in the checkbook as of December 31, 2008, was \$1,000.00. There were no deposits. There were no expenditures. There were no transfers to or from the AIM investment account. As of January 31, 2009, the balance in the checkbook was \$1,000.00. Total EWCRC Money on Deposit in the AIM investment account as of January 31, 2009, is \$66,111.85. Motion by Hass Leider/Hutler to approve the financial report as presented. Motion carried by unanimous vote.

Consider, Discuss and Approve EWCRC Annual Audited Financial Report for 2008 by Johnson Block, Inc.: Jim Block of Johnson Block and Company, Inc., presented the EWCRC annual audited financial report for 2008. Mr. Block explained the report. There was discussion regarding the EWCRC annual audited financial report for 2008. Motion by Hutler/Henke to approve the 2008 Financial Report as presented by Mr. Block. Motion carried by unanimous vote.

Consider, Discuss, Approve and Authorize Payment of Invoice of Johnson Block, Inc. for Services Provided in Preparing the 2008 Audited Financial Report: The invoice of Johnson Block and Company, Inc., in the amount of \$2,100.00 for services provided in preparing and presenting the 2008 EWCRC audited financial report was presented for payment. Motion by Walerstein/Hass Leider to approve payment of this invoice. Motion carried by unanimous vote.

Consider, Approve and Authorize Payment of Invoice of Dodge County for Services Provided by the Dodge County Accounting Department in 2008: 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 2008, in the amount of \$575.00, was presented for payment. Motion by Koch/Fox to approve payment of this statement. Motion carried by unanimous vote.

Consider, Approve and Authorize Payment of Invoice of Dodge County for Services Provided by the Corporation Counsel Office in 2008: The invoice of Dodge County for services provided by the Dodge County Corporation Counsel and staff in 2008, totaling \$6,427.95, was presented for payment. John Corey reviewed and explained the invoice. Rose Hass Leider requested that all future invoices show the previous year's invoice amount to compare to the current year's invoice amount. The invoice amount for 2007 was \$17,726.00. Motion by Hall/Walerstein to approve payment of this invoice. Motion carried by unanimous vote.

Consider, Discuss and Take Action on the Level of Funding by Columbia County, Green Lake County, and Washington County for 2009: Ken Hutler reported that Columbia County will fund at the \$25,000.00 level contingent on Milwaukee County joining the EWCRC and Milwaukee County contributing at the \$25,000.00 level. Eugene Henke reported that Green Lake County will fund at the \$25,000.00 level contingent on all other counties contributing at the \$25,000.00 level. Dan Goetz reported that Washington County has \$25,000.00 budgeted for 2009 and that the Highway Committee is authorized to determine the level at which Washington

County will fund for 2009. Dan Goetz further reported that he will recommend to the Committee that Washington County fund at the \$25,000.00 level. Jerald Holub stated that in February he spoke to a member of the Milwaukee County Board of Supervisors who told Chairman Holub that Milwaukee County is in the process of drafting a resolution to join the EWCRC.

Consider, Discuss and Take Action to send Invoices to EWCRC Member Counties for Member County Contributions for 2009: John Corey requested authorization from the Consortium to send invoices to EWCRC member counties for member county contributions for 2009. Motion by Hall/Kottke to authorize and direct Mr. Corey to send invoices to EWCRC member counties for member county contributions for 2009. Motion carried by unanimous vote.

Consider, Discuss, and Take Action on Milwaukee County Joining the EWCRC: There was consideration of and discussion about Milwaukee County joining the EWCRC. Jerald Holub reported that officials of Milwaukee County are currently in the process of drafting a resolution for joinder of Milwaukee County to the EWCRC, that this resolution will soon be presented to the Milwaukee County Board of Supervisors for its consideration, and that the next meeting of the Milwaukee County Board of Supervisors is scheduled for March 19, 2009. Jerald Holub will make a further report about these matters at the next meeting of the EWCRC.

Consider, Discuss, and Take Action on Formation of Stakeholder Group for Rail Line from Plymouth to Sheboygan Falls: There was consideration of and discussion about the formation of a stakeholder group for the rail line from Plymouth to Sheboygan Falls. Ken Lucht stated that WSOR recommends that a representative from WisDOT, Bureau of Railroads and Harbors, and a representative from WSOR, and a representative from the EWCRC serve as members of the stakeholder group as well as representatives from the City of Plymouth, City of Sheboygan Falls, Sheboygan County, other municipalities and communities located between Plymouth and Sheboygan Falls, and private sector businesses located in Sheboygan County, including those located in Sheboygan Falls and Plymouth. Ken Lucht stated that this is a critical time because there is money in the Governor's budget that will likely become available to fund upgrades to this rail corridor. WSOR has support from the Office of the Secretary of WisDOT and from the Governor's Office. It is likely that WSOR will be the applicant for these grant funds, which will provide funding at the 80% level. The 20% match amount will come primarily from WSOR. It is likely that WSOR will request EWCRC to use some of the member county's contributions for 2009 to fund part of the 20% match amount. It is likely that funding for acquisition and capital upgrades will be available in 2009, and that WSOR could start construction in late Fall of 2009. Jerald Holub directed that this matter be put on the agenda for the next meeting of the EWCRC.

Consider, Discuss, and Take Action on Re-regulation of Railroads: There was consideration of and discussion about the proposed re-regulation of railroads. Ken Lucht distributed a written document entitled *The Railroad Antitrust Enforcement Act of 2009* and another written document entitled *Railroad Regulation*. Ken Lucht requested that the EWCRC send a letter to the Wisconsin Congressional Delegation, including Senator Russ Feingold and Senator Herb Kohl, and to Governor Jim Doyle, opposing S. 146, the "Railroad Antitrust Enforcement Act of 2009" and H.R. 233, the "Railroad Antitrust Enforcement Act of 2009." Motion by Hall/Bausch to direct WSOR to draft a proposed letter to be sent to the Wisconsin Congressional Delegation and

to Governor Jim Doyle, and to present the proposed letter to the members of the EWCRC at the next meeting of EWCRC for final action at that time. There was discussion regarding whether or not the proposed letter should be sent to members of the EWCRC prior to the next meeting of the EWCRC. A vote was taken by a show of hands. Five members voted in favor of the Motion and 9 voted in opposition to it. The Motion was defeated. Motion by Walerstein/Hass Leider to direct WSOR to work with the Office of Dodge County Corporation Counsel to draft a letter for the approval and signature of Chairman Holub to send to the Wisconsin Congressional Delegation and Governor Jim Doyle immediately after approval by Chairman Holub. A voice vote was taken. Thirteen members voted in favor of the Motion and one member voted in opposition to the Motion. Motion carried.

Consider, Discuss, and Take Action on Report of WSOR: Ken Lucht made the following report: WSOR has been involved in building bridges during this past winter. WSOR has repaired its equipment over this past winter, and the equipment is now ready to be put into service again. WSOR will soon use an ultrasonic rail testing machine to test all rail on the system. The testing machine detects internal flaws in rail. The machine will generate computerized printouts of each flaw that it detects. WSOR will share with the EWCRC the results of its rail tests. WSOR is very concerned about the condition of its rail because some existing rail was installed between 1910 and 1920 and because in the past 5 years several derailments have occurred due to old, defective rail. The maintenance department is planning projects to complete in 2009. WSOR executed a purchase order for 40,000 new railroad ties that will be installed in 2009. WSOR intends to install maintenance ties in the EWCRC area on the Milwaukee Sub between North Milwaukee and Slinger and on the Plymouth Sub between Saukville and Plymouth. These areas are greatly in need of maintenance ties. Major capital improvements will be made to these areas in the future. WSOR is hopeful that the Wisconsin Legislature will adopt the State Budget and provide funding in 2009 for one capital improvement project in the Northern Division and one capital improvement project in the Southern Division. WSOR is currently applying for State funding for 80% of the cost of the proposed project in the Southern Division. The project is located on the Madison Sub, between Madison and Milton, is about 35 miles in length, and consists of the removal of 90-pound rail and the replacement of 90-pound rail with 115-pound continuous welded rail. The estimated cost of the project is \$15-\$17 million. Two major derailments occurred on this section during the past few years. It has been estimated that in 2009, approximately 7 million gross tons of cargo will be hauled over this segment. The capital improvement project in the Northern Division is located in the EWCRC area. It is on the Milwaukee Sub between Milwaukee and Slinger. This is a Phase II project. WSOR will be reconstructing railroad crossings, repairing switches, and rebuilding bridges. Several years ago WSOR installed approximately 25,000 ties in this area. This area is WSOR's main artery to and from the Milwaukee market and it connects Ozaukee County and Sheboygan County to the rest of the WSOR rail system. Tonnage and carloads are greatly increasing in this area from year to year and, at the same time, the rail infrastructure is deteriorating. The estimated cost of this project is \$2-\$3 million. In the event this project is approved by the State of Wisconsin, WSOR will start this project this coming summer. WSOR requested the Federal government and the State of Wisconsin to pay for with federal stimulus funds all of the projects that are set forth in WSOR's Capital Improvement Plan. However, WSOR is not aware of any Federal stimulus funding that will be made available to the freight rail system at this time. It appears likely that Wisconsin will receive Federal stimulus funding for passenger rail projects

and that at least one of these passenger rail projects will also benefit freight rail operations. *Railway Age* Magazine named WSOR as Regional Railroad of the Year. WSOR was selected for this honor from about 500 regional and short line railroads which operate in the United States, Canada, and Mexico.

Consider, Discuss, and Take Action on Changing the start time of EWCRC Meetings:

There was consideration of and discussion about changing the start time of the EWCRC Meetings. By consensus of the Consortium, the start time will stay at 10:00 a.m.

Time, date, and place of next meeting (May 13, 2009): The next regular EWCRC meeting will be held on Wednesday, May 13, 2009, at 10:00 o'clock a.m. Ozaukee County will host the meeting at the Ozaukee County Administration Building, 121 W. Main Street, Port Washington, Wisconsin.

Motion by Koch/Hall to adjourn. Motion carried by unanimous vote.

Meeting adjourned at 11:56 a.m.

Respectfully submitted,

Jef Hall, Secretary

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