

**Minutes of the
East Wisconsin Counties Railroad Consortium
Meeting of March 11, 2015**

East Wisconsin Counties Railroad Consortium Meeting was called to order by Chairman Rick Gundrum on March 11, 2015, at 10:00 a.m., at the Columbia County Highway and Transportation Building, located at 303 Old Highway 16 West, Wyocena, 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 Johnson, Dodge County; Joseph Koch and Karen Madigan, Fond du Lac County; Rich Slate, Green Lake County; Thomas E. Winker, Ozaukee County; Richard Bemis and Mark Winkel, Sheboygan County; Rick Gundrum, Washington County; and Joel Rasmussen, Winnebago County.

Excused: Vicki Bernhagen, Green Lake County; Steve F. Taylor and Khalif Rainey, Milwaukee County; Donald Dohrwardt, Ozaukee County; Daniel Goetz, Washington County; and Ron Hardy, Winnebago County.

Others Present: Ken Lucht, WSOR; Marty Morin, WisDOT Bureau of Railroads and Harbors; Don Pohlman, Mayor for the City of Plymouth; Jerry Letcher, Spectator; Lisa Strahota, Badger Mining Corporation; Vern Gove, Columbia County Board Chairman; John F. Corey, Dodge County Corporation Counsel; and Kelly L. Lepple, Recording Secretary.

Public Comment: Columbia County Board Chairman, Vern Gove, welcomed everyone to Columbia County.

Approval of Minutes of November 5, 2014: Motion by Winkel/Hutler to approve the minutes of the November 5, 2014 meeting, as presented. Motion carried by unanimous vote.

Financial Report: Russell Kottke reported the following: The balance in the checkbook as of October 31, 2014, was \$1,000. Deposits were \$130,201.21. There were no expenditures. Transfers were \$5,201.21. As of February 28, 2015, the balance in the checkbook was \$126,000. Total EWCRC money on deposit in the Local Government Investment Pool as of February 28, 2015, is \$633,165.16. Motion by Bemis/Rasmussen to approve the Financial Report. Motion carried by unanimous vote.

Consider, discuss, approve, and authorize payment of invoice of Dodge County for services provided by the Dodge County Finance Department in 2014: There was consideration of and discussion about the statement for services that was presented for payment from Dodge County, in the amount of \$575, for services provided by the Dodge County Finance Director and staff, in recordkeeping, accounting assistance, and in preparing the EWCRC Annual Financial Report for 2014. Motion by Winkel/Winker to approve payment of this invoice and to authorize and direct the Office of Dodge County Corporation Counsel to send payment to Dodge County, in the amount of

\$575, for services provided by the Dodge County Finance Director and staff, in recordkeeping, accounting assistance, and in preparing the EWCRC Annual Financial Report for 2014. Motion carried by unanimous vote.

Consider, discuss, approve, and authorize payment of invoice of Dodge County for services provided by the Dodge County Corporation Counsel Office in 2014: There was consideration of and discussion about the statement for services that was presented for payment from Dodge County, in the amount of \$5,466.30, for services provided by the Dodge County Corporation Counsel and staff in 2014. John Corey reviewed and explained the invoice. Motion by Bemis/Slate to approve payment of this invoice and to authorize and direct the Office of Dodge County Corporation Counsel to send payment to Dodge County, in the amount of \$5,466.30, for services provided by the Dodge County Corporation Counsel and staff in 2014. Motion carried by unanimous vote.

Consider, discuss, and take action to send invoice to Winnebago County for its 2014 member county contribution: John Corey reported that Winnebago County paid its 2015 member county contribution but its 2014 member county contribution remains unpaid. Joel Rasmussen stated that the Winnebago County Executive has stated that he will not send Winnebago County's 2014 member county contribution to the EWCRC until such time as WSOR will work with Winnebago County to move a loading station used by WSOR and Oshkosh Truck to load motor vehicles onto railcars, from its current location in a residential district, to an industrial park in the City of Oshkosh. Joel Rasmussen further stated that Winnebago County's 2014 member county contribution of \$25,000 has been carried over by Winnebago County, and the County Executive has stated that he will contribute Winnebago County's 2014 member county contribution to the EWCRC when the loading station issues have been resolved. Ken Lucht stated that it will cost over \$2 million to relocate the loading station to the industrial park. Ken Lucht further stated that the City of Oshkosh is pursuing the option of applying for a T-Grant to help pay the costs to relocate the loading station to the industrial park, and that WSOR has made some operational changes with the result that WSOR is no longer loading trucks after 10:00 p.m. It was the consensus of the EWCRC to send an invoice to Winnebago County for its 2014 member county contribution.

Consider, discuss, and take action on Report of WisDOT, Bureau of Railroads and Harbors: Marty Morin reported that: The funding level for the Freight Railroad Preservation Program (FRPP) for the 2015-2017 biennial State Budget has been reduced to \$43 million, which is down from the \$52 million funding level for the 2013-2015 biennium. The Bureau of Railroads and Harbors usually receives approximately \$20 million in bonding authority per biennium but will likely receive no bonding authority in the 2015-2017 biennium. WisDOT is concerned about a lobby group that wants to change the FRPP from a fixed-asset type program to a rolling stock manufacturing and purchase program, wherein funds to pay for facilities to manufacture rail cars and to purchase rail cars will come from the FRPP budget, and WisDOT is opposed to this potential change to the FRPP. The name of this lobby group is Wisconsin Manufacturers & Commerce. WisDOT does not want to use FRPP money for the manufacturing and purchase of rail cars.

Consider, discuss, and take action to approve WSOR mainline relocation project in Cambria, Wisconsin: There was consideration of and discussion about the proposed WSOR mainline relocation project in Cambria, Wisconsin. This major project is in the planning stages. The purpose of this project is to better address the service needs and safety of WSOR's customers in Cambria. Section 8.4 – New Improved Property, of the Operating Agreement By and Between the EWCRC and WSOR, requires that WSOR seek approval from the EWCRC before WSOR can start building any

new improved property within the railroad right-of-way. Ken Lucht provided to all members of the EWCRC, a handout outlining Section 8.4 – New Improved Property, and a colored map which depicts various rail lines that are involved in the relocation project. Ken Lucht stated that Seneca Foods is located on the north side of the tracks and Didion Milling is located on the south side of the tracks. For the past two years, WSOR has had some capacity issues at this location. After WSOR delivers rail cars onto an industry track, WSOR leaves the location to which the rail cars were delivered. Then, the customers, themselves, maneuver and move the cars on their track and within the confines of their property. Both of these customers want to expand and want to grow, but they are landlocked. WSOR travels into this area from the east to drop off rail cars for both of these companies, and then WSOR leaves the area, and over the past couple of years, WSOR has leased track, in conformity with WSOR's operating agreement, to both of these companies, and one of the companies, just to the south, has leased a track from WSOR and the company has been doing very well, and the company has been accommodating their needs in a safe and efficient manner.

The Federal Bureau of Administration has contacted WSOR and stated that WSOR needs to do a long-term project in order for these customers to continue switching by themselves within the confines of their own facilities. WSOR has developed a long-term plan which also meets the needs of the Federal Railroad Administration. This long-term plan also meets the needs of both of WSOR's customers in this area. This plan calls for the installation of about 5,000 feet of new track, all of which will be located within the confines of the railroad right-of-way and will not require any type of acquisition. The project will not require any type of public grants. The customers will be paying for the costs of the implementation of this plan. WSOR will be sharing in those costs and Ken Lucht believes that the customers will pursue a loan through the State of Wisconsin Freight Railroad Infrastructure Improvement Program. There will be no public assistance related to this project.

WSOR's existing mainline will be converted into an old mainline that will be leased to Didion Milling for use within the confines of Didion Milling's facilities. This allows WSOR to travel to this area, drop off rail cars to Didion Milling, and also drop off rail cars for loading at Seneca Foods, and for WSOR not to interrupt any type of work that is being done at Didion Milling or Seneca Foods. This also allows Didion Milling to do the work that Didion Milling needs to do in a safe and efficient manner on a daily basis and to meet its customers' needs. The existing track will be shifted, to make sure that WSOR has a clear mainline, free of any type of obstructions, and Seneca Foods and Didion Milling will not have access to WSOR's mainline, and that is what the Federal Railroad Administration requires.

Points to take into consideration are that this planned relocation project will not increase business, it will not increase the frequency of trains, it will not increase the frequency of switching, it enables both of WSOR's customers and WSOR to do what they need to do, respectively, without running into conflict with each other, and it preserves WSOR's mainline. According to the Federal Railroad Administration guidelines, industries cannot come onto the mainlines and perform switching or other work, because in the event that they do so, they are considered railroad companies, and are subject to many regulations. Currently WSOR is switching in the Village of Cambria every day and WSOR is performing three switches per week for free, just to meet the needs of WSOR's customers. It is a hardship for WSOR's customers to pay more for the service, so WSOR committed that, until this relocation project is completed, WSOR will give them three switches for free per week, and WSOR has been doing that since November of 2014. According to Section 8.4 – New Improved Property, of the Operating Agreement by and Between the EWCRC and WSOR, WSOR is required to seek approval from WisDOT. All the specifications for this project will meet WisDOT's specifications as

far as ties and quality and size of rail and of switches. This project will cost approximately \$700,000. Motion by Winker/Johnson to approve the WSOR mainline relocation project in Cambria, Wisconsin, contingent on WisDOT approval. Motion carried by unanimous vote. It was the consensus of the EWCRC to direct WSOR to fully inform all affected local governments about this mainline relocation project, and to keep all units of local government fully informed as the project progresses, until completion.

Consider, discuss, and take action on report of WSOR: Ken Lucht made the following report: Wisconsin Transportation Secretary Mark Gotlieb submitted his budget request to the Governor which included \$60 million for the Freight Railroad Preservation Program (FRPP) for the 2015-2017 Biennial State Budget. WSOR is very surprised that the Governor cut the current budget of \$52 million to \$43 million. This reduction amounts to a 30% decrease in the bonding authority for the FRPP, compared to the previous two State Budgets. WSOR found out that this \$43 million is not new bonding authority. It is unused bonding authority. So, basically, the Wisconsin State Legislators are shifting bonding authority from one program to the FRPP. WSOR has also learned that the FRPP was projected to be zero funded, but the legislators found this other \$43 million of unused bonding authority. WSOR supports the \$43 million budget amount. WSOR asks for support from the EWCRC in writing a letter to the Governor and to all members of the Wisconsin Legislature whose constituents reside in the EWCRC region, and to the Joint Committee on Finance, endorsing the \$43 million for the FRPP. Motion by Hutler/Koch to direct WSOR to work with the Office of Dodge County Corporation Counsel to draft a letter for the approval and signature of Chairman Gundrum, and to send to Governor Scott Walker, all members of the Wisconsin Legislature whose constituents reside in the EWCRC region, and to the Joint Committee on Finance, supporting the \$43 million appropriation for the Freight Rail Preservation Program, and to authorize and direct the Office of Dodge County Corporation Counsel to send the letter immediately after it has been approved and signed by Chairman Gundrum. Motion carried by unanimous vote.

The second part of WSOR's legislative agenda is to request the legislature to change the current law that prohibits the operator of a railroad from performing any part of a public railroad project that will cost more than \$25,000, to allow the operator of a railroad to perform any and all parts of a public railroad project that will cost more than \$25,000.

The third part is railroad crossing improvement funding. The Governor proposes that the levels of funding remain the same as they are in the current budget, approximately \$3.5 million of federal funding, and approximately \$2 million of state funding. WSOR has 4,000 at grade public crossings throughout the State of Wisconsin and every year the Office of Commissioner of Railroads investigates certain crossings, looks at train speed, looks at vehicular speeds, looks at commodities, looks at different safety issues, then, if a recommendation is made that instead of a stop sign, lights and gates be installed at the crossing, then this railroad crossing improvement fund will help pay for the purchase and installation of lights and gates.

WSOR is opposed to the Governor's proposal to reduce the staffing of the Office of the Commissioner of Railroads. The Office of the Commissioner of Railroads currently has 2 vacant positions. These positions have not been filled because of restraints exerted by the Legislature. The Office of the Commissioner of Railroads is funded by railroads. There are no taxpayer dollars that are used to fund the wages, salaries, or travel expenses for this agency. WSOR wants these vacant positions filled so that the Office of the Commissioner of Railroads can continue to reduce the backlog of public projects that are necessary to maintain safety at all of WSOR's crossings.

WSOR was awarded the Jake award. A Jake award is issued by the American Short Line and Regional Railroad Association, which is based in Washington, D.C., and the Jake award is presented to railroads which perform safely and end the year with a reportable injury frequency ratio below the national average. The national average for the reportable injury frequency ratio is 2.55, and WSOR came in below that average.

Ken Lucht made an oral report regarding FRPP funds that have been awarded to WSOR. Approximately \$7.1 million of FRPP funds that WSOR has received will be spent in the EWCRC area. \$2.1 million of that amount is for bridges on the Oshkosh Subdivision, specifically, two bridges in Fisk, in Winnebago County, two bridges near Ripon, in Fond du Lac County, and two bridges in Burnett, in Dodge County. WSOR will solicit bids for all of these bridge projects within the next 30 days. WSOR received official word from the Wisconsin Department of Administration that the bonding authority for the Markesan Subdivision rehabilitation project in Green Lake County will be approved. WSOR has solicited bids for this project. The Markesan Subdivision rehabilitation project is an approximately \$5 million rehabilitation project which will entail the removal of 7 miles of 75-pound jointed rail and its replacement with 7 miles of 115-pound continuous welded rail, the removal and replacement of 3,800 ties, the surfacing of the entire Subdivision by dumping 200 tons of ballast per mile, the upgrade of 6 switches to 115-pound continuous welded rail, and the reconstruction of 4 at grade road crossings.

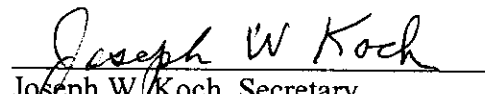
WSOR has hired a contractor for the Sheboygan Falls to Plymouth rebuild project. WSOR is planning for a groundbreaking ceremony to take place in the next couple of weeks.

Date, time, and place of next meeting (May 13, 2015): The next regular EWCRC meeting will be held on May 13, 2015, at 10:00 a.m. Dodge County will host the meeting.

Motion by Winkel/Rasmussen to adjourn. Motion carried by unanimous vote.

Meeting adjourned at 11:09 a.m.

Respectfully submitted,


Joseph W. Koch, Secretary

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