

**Minutes of the
East Wisconsin Counties Railroad Consortium
Meeting of January 8, 2014**

East Wisconsin Counties Railroad Consortium Meeting was called to order by Chairman Rick Gundrum on January 8, 2014, at 10:12 a.m., at the Plymouth City Fire Station, located at 111 E. Main Street, 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 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, Fond du Lac County; Eugene Henke and Donald L. Peters, Green Lake County; Richard Bemis and Mark Winkel, Sheboygan County; Rick Gundrum, Washington County; and Joel Rasmussen, Winnebago County.

Excused: Karen Madigan, Fond du Lac County; Thomas E. Winker and Donald Dohrwardt, Ozaukee County; Steve F. Taylor, Milwaukee County; Daniel Goetz, Washington County; and Ron Hardy, Winnebago County.

Others Present: Ken Lucht, WSOR; Frank Huntington, Roger Larson, and Marty Morin, WisDOT Bureau of Railroads and Harbors; Don Pohlman, Mayor for the City of Plymouth; Ken Brandt, Washington County Board Supervisor; Kyle Nothem, Glacier Transit & Storage, Inc.; Jerry Thompson, Railroad Services Coordinator for the City of Plymouth; John F. Corey, Dodge County Corporation Counsel; and Kelly L. Lepple, Recording Secretary.

Approval of Minutes of November 13, 2013: Motion by Hutler/Koch to approve the minutes of the November 13, 2013 meeting, as presented. Motion carried by unanimous vote.

Financial Report: Russell Kottke reported the following: The balance in the checkbook as of October 31, 2013 was \$1,000.00. Deposits were \$234,380.00. Expenditures were \$225,000.00. Transfers were \$9,380.00. As of December 31, 2013 the balance in the checkbook was \$1,000.00. Total EWCRC money on deposit in the Investment Account as of December 31, 2013 is \$338,183.79. Motion by Foley/Rasmussen to approve the Financial Report. Motion carried by unanimous vote.

Report by John F. Corey regarding requirements to audit the EWCRC's finances:

John Corey reported that at the November 13, 2013 EWCRC meeting, there was discussion about whether or not an annual audit needed to be conducted. It was the consensus of the Board of Directors of the EWCRC to direct John Corey to look at the Agreements by and between the EWCRC and WSOR and WisDOT to determine whether or not it is necessary to conduct an annual audit of the EWCRC's financial statements. John Corey further reported that he has reviewed the Agreements, and it is his considered opinion that it is not necessary to conduct an annual audit of the EWCRC's financial statements. Motion by Peters/Winkel to authorize and direct John Corey to put the following item on the agenda for the meeting of the EWCRC to be held on March 12, 2014: Consider, discuss, and take action to require biennial audits of the EWCRC's financial statements. Motion carried by unanimous vote.

Consider, discuss, and take action on rehabilitation projects for 2013 to be funded in part by the EWCRC: There was consideration of and discussion about a rehabilitation project for 2013 to be funded in part by the EWCRC. There was consideration of and discussion about WSOR's 5 Year Capital Plan which was adopted by the Board of Directors of the EWCRC at its meeting that was held on November 13, 2013, including consideration of and discussion about the \$4.1 million Markesan Subdivision rehabilitation project. The Markesan Subdivision rehabilitation project was briefly described, as follows: remove 7 miles of 75 pound jointed rail and replace it with 7 miles of 115 pound continuous welded rail, replace 3,800 ties and surface the entire Subdivision by dumping 200 tons of ballast per mile, upgrade 6 switches to 115 pound continuous welded rail, and renew 4 at grade road crossings. There was consideration of and discussion about WSOR's request to the EWCRC that the EWCRC fund, in part, this Markesan Subdivision rail rehabilitation project using its 2013 member county contributions, not to exceed \$225,000. Motion by Kottke/Peters to contribute all of the EWCRC's 2013 member county contributions in an amount not to exceed \$225,000, to the 2013 Markesan Subdivision rail rehabilitation project, and to authorize the Office of Dodge County Corporation Counsel to pay invoices that will arise from the execution of the project as they are submitted to the Office of Corporation Counsel. Motion carried by unanimous vote.

Consider, discuss, and take action regarding revised language to insurance section of the EWCRC/WSOR/WisDOT Grant and Operating Agreements: There was consideration of and discussion regarding the proposed revision of the sections of the EWCRC/WSOR/WisDOT Grant and Operating Agreements that deal with liability and insurance. Frank Huntington explained the proposed revisions to the liability and insurance sections of the Agreements. Mr. Huntington stated that the revisions to the insurance requirements and to the self-insured retention requirements have been proposed because Watco is a much larger business entity than WSOR and Watco has the financial capability to purchase and maintain greater limits of liability insurance and property insurance and also has the financial capability to undertake a larger self-insured retention amount. There was consideration of and discussion regarding the proposed revision of the sections of the EWCRC/WSOR/WisDOT Grant and Operating Agreements that deal with reports and accounts. Motion by Peters/Johnson to not revise the sections of the Agreements that deal with reports and accounts. After further discussion about the proposed revision to those sections that deal with reports and accounts, Peters/Johnson withdrew their motion. Frank Huntington explained the rest of the proposed amendments. Motion by Winkel/Bemis to accept and approve the amendments as presented by Frank Huntington. Motion carried by unanimous vote. John Corey requested that the Board of Directors of the EWCRC take formal action to authorize and direct the Chairman and the Secretary of the EWCRC to sign, on behalf of the EWCRC, written documents that will amend the EWCRC/WSOR/WisDOT Grant and Operating Agreements as proposed, and explained by Frank Huntington. Motion by Kottke/Foley to authorize and direct the Chairman and the Secretary of the EWCRC to sign, on behalf of the EWCRC, the written documents that will amend the EWCRC/WSOR/WisDOT Grant and Operating Agreements as proposed, and explained by Frank Huntington. Motion carried by unanimous vote.

Consider, discuss, and take action on Report of WisDOT, Bureau of Railroads and Harbors: Frank Huntington reported the following: The deadline for filing new applications for Freight Railroad Preservation Program (FRPP) assistance for railroad rehabilitation projects is February 1, 2014, WisDOT is currently attempting to acquire the rail line from Madison to Reedsburg, which is located in the Wisconsin counties of Dane, Columbia, and Sauk, WisDOT is in the process of preparing a formal, written offer to purchase the rail line, WisDOT will not conclude the acquisition of this rail line until either June or July of 2014, the Northwoods Rail Transit Commission is concerned about future rail service in its area, and the Canadian National Railway owns and operates the rail line that is located within the jurisdiction of the Northwoods Rail Transit Commission.

Consider, discuss, and take action on report of WSOR: Ken Lucht reported that the Saukville to Plymouth rail line tie replacement project is nearly complete, WSOR has installed approximately 50,000 new ties, and WSOR is in the process of surfacing the track.

Ken Lucht further reported that WSOR will be reinstalling railroad service between Plymouth and Kohler, WSOR has completed the brush cutting and the clearing of the track, WSOR has solicited bids for a demolition contract, WSOR awarded the demolition contract to Vinton Construction, WSOR is in the process of receiving from Vinton Construction, and compiling, all of the supporting materials that WSOR requested in its demolition contract bidding requirements. After WSOR receives all of that information from Vinton Construction, and compiles it, it will give notice to Vinton Construction to proceed with demolition, Vinton Construction will start in Plymouth and head easterly and remove all of the ties and the rail from the rail line corridor, the demolition project should be underway in the next two weeks or so, and all rail and ties will be removed and disposed of properly in accordance with all applicable local, state, and federal regulations, the construction documents are currently under development and are near completion and will likely be completed during the first or second week in February of 2014, and then ready for use in preparing Request for Bids for construction of new ties, new track, and new crossings. Ken Lucht has recently been in contact with the Administrator for the County of Sheboygan to assist in providing notification to all adjoining landowners between Kohler and Plymouth, who will be informed that demolition and construction work will soon be taking place on the railroad property, and will inform these adjoining landowners of the name and address and telephone number of a contact person in the event any of the adjoining landowners have any questions, and will also provide these adjoining landowners with general information about the project, and it is reasonably anticipated that this information will be sent to all adjoining landowners within the next week or so, to date, WSOR has spent about 10% of the funds that have been allocated to this project, and the anticipated completion date of this project is June of 2015.

Ken Lucht further reported that the deadline to submit applications for Freight Railroad Preservation Program (FRPP) assistance for rehabilitation projects is February 1, 2014, because WSOR has already submitted applications for a number of projects, WSOR will not apply for many new projects in February of 2014, WSOR has 2 or 3 pending projects, one of which is to rebuild its bridges, WSOR will apply for funds to rehabilitate a number of its bridges in the northern division. In February of 2013, WSOR applied for a grant to rebuild an approximately 11-mile long rail line between Madison and Oregon to Class II standards to enable WSOR to serve a new shipper, a grant in the amount of \$2.3 million was awarded to WSOR to be used to bring this rail line up to Class II standards, which involves mostly tie projects and some crossing work, WSOR has been working with WRRTC, the Village of Oregon, and the City of Fitchburg, in order to prepare and execute agreements to allow WSOR to become the operator on this rail line, the Village of Oregon and the City of Fitchburg own the rail line, WSOR is preparing to provide service on that rail line this coming summer, it will also be necessary for WSOR to file with the Surface Transportation Board so that WSOR will have the legal authority to operate trains on the rail line, currently, the Village of Oregon and the City of Fitchburg have that authority, it is anticipated that WSOR will make its official filing with the Surface Transportation Board yet this month, so that by this coming summer WSOR will have necessary legal authority to operate trains on this rail line.

Ken Lucht further reported that Positive Train Control (PTC) is a national mandate that railroads will have to comply with by 2015, PTC systems are integrated command, control, communications, and information systems for controlling train movements with safety, security, precision, and efficiency, PTC systems will improve railroad safety by significantly reducing the probability of collisions between trains, casualties to roadway workers, damage to railroad equipment, and over-speed accidents, implementation of PTC systems will require WSOR's locomotives and maintenance-of-way equipment to be equipped with on-board computers with digitized maps, in-cab displays, and will require WSOR's locomotives to be equipped with throttle-brake interfaces, PTC systems will also require the placement of wayside interface units at switches, the placement of wayside detectors, and control center computers and displays, the Class I railroad industry is currently testing this PTC technology, it will cost approximately \$250,000 to equip each locomotive with this new technology, not including the cost of wayside technology and control center computers and displays.

Ken Lucht further reported that WSOR is contracting with a company to install Y-tronics technology on its locomotives, Y-tronics technology is an economy of scale technology that will help WSOR to become more effective and efficient, Y-tronics technology tracks locomotive use, it allows WSOR to determine, at any given time, whether or not its locomotives are being used, and it tracks the location of WSOR's team members.

Don Pohlman, Mayor of the City of Plymouth, welcomed everyone to the City of Plymouth.

Date, time, and place of next meeting (March 12, 2014): The next regular EWCRC meeting will be held on March 12, 2014, at 10:00 a.m. Fond du Lac County will host the meeting.

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

Meeting adjourned at 11:42 a.m.

Respectfully submitted,



Joseph W. Koch, Secretary

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