

**Minutes of the
East Wisconsin Counties Railroad Consortium
Meeting of May 9, 2012**

East Wisconsin Counties Railroad Consortium Meeting was called to order by Chairman Jerry Holub on May 9, 2012, at 10:00 a.m., at the Dodge County Administration Building, Rooms H&I, 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: Vern Gove and Kenneth Hutler, Columbia County; Russell Kottke and Harold J. Johnson, Dodge County; Eugene Henke and Donald L. Peters, Green Lake County; Thomas E. Winker and Donald Dohrwardt, Ozaukee County; Jerald Holub and Richard Bemis, Sheboygan County; Dan Goetz and Rick Gundrum, Washington County; and Stan Kline, Winnebago County.

Excused: Joseph Koch and Karen Madigan, Fond du Lac County and Mark Borkowski and Theodore Lipscomb, Milwaukee County.

Others Present: Ken Brandt, Washington County; Dan Amato, Observer; Jeff Plalel, Wisconsin Railroad Commissioner; Don Pohlman, Mayor for the City of Plymouth; Bill Gardner, Tim Karp and 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: None.

Approval of Minutes of March 14, 2012: Motion by Kline/Kottke to approve the minutes of the March 14, 2012 meeting, as presented. Motion carried by unanimous vote.

Financial Report: Kelly Lepple reported the following: The balance in the checkbook as of February 29, 2012 was \$26,000.00. Deposits were \$25,000.00. Expenditures were \$42,951.02. There were no transfers. As of April 30, 2012 the balance in the checkbook was \$8,048.98. Total EWCRC Money on Deposit in the Investment Account as of April 30, 2012 is \$643,776.11. Motion by Bemis/Hutler to approve the financial report. Motion carried by unanimous vote.

There was discussion about 2012 member county contributions. It was reported that each member county of the EWCRC has contributed \$25,000 for its 2012 member county contribution with the exception of Milwaukee County. It was also reported that Milwaukee County has not made a 2010 member county contribution. There was discussion about sending another invoice to Milwaukee County requesting it to contribute \$25,000 for its 2010 member county contribution and to contribute \$25,000 for its 2012 member county contribution. Jeff Plalel, Wisconsin Railroad Commissioner, stated that he will contact Milwaukee County with regard to its failure to make a 2010 and a 2012 member county contribution. It was reported that Milwaukee County Executive, Chris Abele, changed the proposed 2012 Milwaukee County Budget by eliminating the 2012 member county contribution and that Milwaukee County Board Supervisors Mark Borkowski and Milwaukee County Board Supervisor Theodore Lipscomb were unaware of the elimination of the 2012 member county contribution from the

2012 Milwaukee County Budget at the time that the 2012 Milwaukee County Budget was adopted. There was discussion about sending the invoice to the Department of Administrative Services of Milwaukee County and to Supervisor Mark Borkowski and to Supervisor Theodore Lipscomb. It was suggested that each member of the Board of Directors of the EWCRC sign the invoice as a show of support for Milwaukee County contributing \$25,000 for its 2010 member county contribution and \$25,000 for its 2012 member county contribution. It was also suggested that the Office of Corporation Counsel send an invoice to Milwaukee County and to Supervisor Mark Borkowski and Supervisor Theodore Lipscomb in the near future, and, in the event that no response by Milwaukee County is received by the Office of Corporation Counsel by the July 11, 2012 meeting of the EWCRC, then, another invoice will be sent to Milwaukee County which will set forth the signature of each member of the Board of Directors of the EWCRC. Motion by Gundrum/Kline to authorize the Office of Corporation Counsel to send an invoice in the amount of \$50,000 to Milwaukee County and to Supervisor Mark Borkowski and to Supervisor Theodore Lipscomb for Milwaukee County's 2010 and 2012 member county contributions. Motion carried by unanimous vote.

Update on the Plymouth to Sheboygan Falls Rail Line Rebuild Project: Jerry Holub reported that a stakeholders' meeting was held on May 3, 2012, that WSOR is waiting for two stakeholders to confirm their levels of contribution to the local match, after WSOR receives confirmation from those two stakeholders, then, WSOR will sign the grant agreement and accept grant funds in the amount of \$15.3 million from WisDOT.

Consider, discuss, and take action on proposal by WSOR to modify certain portions of the Operating Agreement for Rail Service Continuation By and Between East Wisconsin Counties Railroad Consortium and Wisconsin & Southern Railroad Co., Agreement No. 0490-40-50(F-1) and Operating Agreement for Rail Service Continuation By and Between East Wisconsin Counties Railroad Consortium and Wisconsin Department of Transportation, Agreement No. 0490-40-50(B-2), and the Land Use Agreement By and Between East Wisconsin Counties Railroad Consortium and Wisconsin Department of Transportation, Agreement No. 0490-40-50(A-1) (Agreements). John Corey reported that WSOR has proposed to amend the insurance coverage provisions of existing Agreements by increasing its Self-Insured Retention (SIR) for liability insurance and property insurance and to increase the amounts of coverage per occurrence and the aggregate limit. With respect to liability insurance, WSOR has proposed to increase its SIR from \$100,000 to \$250,000, to increase its per occurrence limit from \$25 million to \$250 million, and to increase its aggregate limit from \$50 million to \$430 million. With respect to property insurance, WSOR has proposed to increase its SIR from \$200,000 to \$1 million and to increase its per occurrence limit from \$10 million to \$25 million. Tim Karp explained why WSOR has proposed to amend the insurance coverage provisions of the Agreements. WSOR requested that the EWCRC take action to approve amendments to the insurance coverage provisions of the Agreements today, so that WSOR will not have to purchase additional insurance to cover the time gap between the expiration of existing policies and the effective date of new policies. There was discussion about delaying action on this matter to allow the Board of Directors of the EWCRC to review draft amendments of the insurance coverage provisions of the Agreements. Motion by Bemis/Peters to table this matter to the July 11, 2012 EWCRC meeting and that the next meeting of the EWCRC be subject to call. A roll call vote was taken. There were 3 ayes and 10 noes. Motion failed.

Motion by Dohrwardt/Johnson to approve the proposed amendments of the insurance coverage provisions of the Agreements contingent upon the EWCRC and WisDOT and WSOR and other rail transit commissions coming to an agreement about and approving the language and amendment of the insurance coverage provisions of the Agreements to increase WSOR's SIR for liability and property insurance and to increase the amounts of liability and property insurance coverage per occurrence and to increase the aggregate limit for liability insurance. Motion carried by unanimous vote.

Consider, discuss, and take action on EWCRC annual audited financial report for 2011 by Johnson Block, Inc.: Jim Block of Johnson Block and Company, Inc., presented a brief overview and explanation of the EWCRC annual audited financial report for 2011. Motion by Kline/Winker to approve the EWCRC annual audited financial report for 2011 as prepared by Johnson Block and Company, Inc. Motion carried by unanimous vote.

Consider, discuss, and take action on Report of WisDOT, Bureau of Railroads and Harbors: Frank Huntington reported the following: WisDOT has submitted to the Surface Transportation Board the required documentation for the purchase of the Gibson Line, the deadline for filing new applications for freight railroad preservation assistance for rehabilitation projects was February 1, 2012, there is approximately \$15 million available, on or about July 1, 2012 WisDOT will select specific rehabilitation projects for funding, WisDOT and WSOR are in the process of completing a bridge management study to inspect and review all of the bridges on the system, to make written reports of the condition of the bridges based upon review and inspection, and to develop and implement a management system in order to keep track of the condition of the bridges and the maintenance and repair work that needs to be done on each bridge, and a history of the bridges, this bridge management study is required by the Federal Railroad Administration and needs to be partially completed later this year, WisDOT and WSOR are in the process of finalizing a bridge study management agreement, a new freight rail transportation commission has been formed in the northern part of Wisconsin and has been named the Northwoods Rail Transit Commission, and WisDOT has been working with certain counties in the northern part of Wisconsin to acquire certain rail lines.

Consider, discuss, and take action on Report of WSOR: Ken Lucht reported the following: WSOR has initiated an economic impact analysis study of the entire publicly-owned railroad system, the UW Extension will sponsor and perform the study, WSOR and WATCO will pay all costs of the study, the study will determine the number of people who are employed by businesses which use freight rail services, the amount of compensation these individuals receive, the number of employees who are employed by WSOR, the amount of compensation these individuals receive, the study will determine the nature and amount of indirect benefits arising from individuals who are employed by businesses which use freight rail services and individuals who are employed by WSOR, the study will review supply-chain companies that supply businesses that use freight rail services, the study will be structured in such a manner that it will allow UW Extension to extract from the study, information which is particular to a certain region or area, the study will be completed by the summer of 2012, and after the study has been completed, WSOR will provide a copy of the study to each member of the Board of Directors of the EWCRC. WSOR's largest rehabilitation project in the EWCRC area is located in Washington County and in a part of Dodge County, it is a project to replace the rail between North Milwaukee and Slinger, a distance of approximately 30 miles, the jointed rail will be replaced with continuous welded rail, the continuous welded rail has already been delivered to the site, WSOR will replace approximately 10,000 ties between Richfield and Milwaukee, WSOR will contract for the construction of 20 switches, WSOR will solicit bids in approximately the next 30 days for the construction of those 20 switches, WSOR will accept responsive bids from qualified contractors, and WSOR will rebuild three at-grade crossings in

Milwaukee. The project to replace the rail between North Milwaukee and Slinger will be completed by late fall or early winter of 2012. WSOR has been approved for the receipt of grant funds in the amount of \$6.5 million and will use the funds to install approximately 40,000 ties and repair at-grade crossings on the Plymouth Subdivision. The State Budget for the Freight Railroad Preservation Program (FRPP) was \$60 million for the 2009-2011 biennium (\$30 million per year). The State Budget for the FRPP for the 2011-2013 biennium was reduced to \$30 million (\$15 million per year). WSOR is working with State Representatives to attempt to restore funding for the FRPP to \$60 million (\$30 million per year) for the 2013-2015 biennium. WSOR may, in the near future, ask the EWCRC for support of WSOR's efforts to restore the State Budget for the FRPP to \$60 million for the 2013-2015 biennium. Governor Scott Walker has proclaimed May 16, 2012 as "Grade Crossing Awareness Day" in the entire State of Wisconsin. To commemorate "Grade Crossing Awareness Day", WSOR will sponsor an "Officer of the Train" event in Madison, Wisconsin, and in Middleton, Wisconsin. The event will occur in the afternoon. WSOR will welcome law enforcement officers to board a train to observe motor vehicular and bicycle and pedestrian behaviors at about 30-35 railroad crossings between Middleton and Madison. WSOR will mail its May, 2012 newsletter within the next several weeks. Bill Gardner reported that WSOR will finish the Slinger to Milwaukee rehabilitation project in the Northern Division in 2012, and that WSOR intends to rehabilitate the rail line from Clearwater to Markesan in 2013.

Date, time, and place of next meeting (July 11, 2012): The next regular EWCRC meeting will be held on July 11, 2012, at 10:00 a.m. Dodge County will host the meeting.

Jerry Holub thanked the EWCRC for allowing him to serve as Chairman of the EWCRC for the past four years. He stated that this is his last EWCRC meeting, because he was not successful in his bid for reelection to the Sheboygan County Board of Supervisors

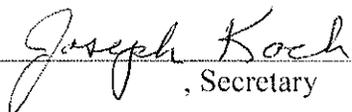
Stan Kline thanked Vern Gove for his service to the EWCRC.

Stan Kline suggested that the EWCRC send a letter of commendation to all of the members of the EWCRC who recently retired from the EWCRC.

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

Meeting adjourned at 11:56 a.m.

Respectfully submitted,


_____, Secretary

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