

**Minutes of the
East Wisconsin Counties Railroad Consortium
Meeting of July 9, 2014**

East Wisconsin Counties Railroad Consortium Meeting was called to order by Chairman Rick Gundrum on July 9, 2014, at 10:00 a.m., at the Plymouth City Fire Station, located at 111 E. Main Street, Plymouth, Wisconsin.

Rick Gundrum requested a moment of silence in remembrance of Eugene Henke.

Certification Of Public Notice: Peter M. Navis 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; Vicki Bernhagen, Green Lake County; Donald Dohrwardt, Ozaukee County; Richard Bemis and Mark Winkel, Sheboygan County; and Daniel Goetz and Rick Gundrum, Washington County.

Excused: Steve F. Taylor and Khalif Rainey, Milwaukee County; Thomas E. Winker, Ozaukee County; and Ron Hardy and Joel Rasmussen, Winnebago County.

Others Present: Ken Lucht, WSOR; Frank Huntington, Steven Sams, and Marty Morin, WisDOT Bureau of Railroads and Harbors; Don Pohlman, Mayor for the City of Plymouth; Jerry Thompson, City of Plymouth; Kyle Nothem, Glacier Transit & Storage; Rose Hass Leider, Ozaukee County; Charles Beck, Citizen; Peter M. Navis, Dodge County Assistant Corporation Counsel; and Kelly L. Lepple, Recording Secretary.

Public Comment: Don Pohlman, Mayor for the City of Plymouth, welcomed everyone to Sheboygan County.

Approval of Minutes of May 14, 2014: Motion by Hutler/Bemis to approve the minutes of the May 14, 2014 meeting, as presented. Motion carried by unanimous vote.

Financial Report: Russell Kottke reported the following: The balance in the checkbook as of April 30, 2014 was \$1,000.00. There were no deposits. There were no expenditures. There were no transfers. As of June 30, 2014 the balance in the checkbook was \$1,000.00. Total EWCRC money on deposit in the Investment Account as of June 30, 2014 is \$488,226.83. Motion by Foley/Madigan to approve the Financial Report. Motion carried by unanimous vote.

Election of Officers:

Peter Navis reminded the Board of Directors that the Bylaws do not allow the election of more than one officer from the same member county. Peter Navis called for nominations from the floor for the office of Chairman.

Chairman: Mark Winkel and James Foley nominated Rick Gundrum for Vice Chairman. There were no other nominations. Motion by Dohwardt/Winkel to cast a unanimous ballot for Rick Gundrum as Chairman. Motion carried by unanimous vote. Rick Gundrum was elected Chairman of the EWCRC.

Vice Chairman: Richard Bemis and Rick Gundrum nominated Mark Winkel for Vice Chairman. There were no other nominations. Motion by Hutler/Dohwardt to cast a unanimous ballot for Mark Winkel as Vice Chairman. Motion carried by unanimous vote. Mark Winkel was elected Vice Chairman of the EWCRC.

Secretary: Ken Hutler and Karen Madigan nominated Joe Koch for Secretary. There were no other nominations. Motion by Foley/Hutler to cast a unanimous ballot for Joe Koch as Secretary. Motion carried by unanimous vote. Joe Koch was elected Secretary of the EWCRC.

Treasurer: Mark Winkel and Rick Gundrum nominated Russell Kottke for Treasurer. There were no other nominations. Motion by Hutler/Winkel to cast a unanimous ballot for Russell Kottke as Treasurer. Motion carried by unanimous vote. Russell Kottke was elected Treasurer of the EWCRC.

Consider, discuss, and take action regarding interest rate on investment of unexpended member county contributions: There was consideration of and discussion about the interest rate on investment of unexpended member county contributions. Russell Kottke made the following oral report: That EWCRC monies are currently invested in a money market fund titled *Invesco Government & Agency Portfolio, Short-Term Investments Trust* (Invesco), that Patti K. Hilker informed him that that as of June, 2014, the rate of interest that is currently being paid on funds invested in Invesco is .00%, and that the rate of interest that is currently being paid on funds that Dodge County has invested with the Local Government Investment Pool (LGIP) is .09%. Russell Kottke inquired whether or not the Board of Directors of the EWCRC would like to move the unexpended member county contributions currently invested in Invesco to the LGIP. There was discussion about whether or not LGIP was insured. Russell Kottke stated that he would get that information from the Dodge County Treasurer and report back at the next meeting of the EWCRC. Motion by Winker/Johnson to authorize and direct the Dodge County Treasurer to transfer all of the funds owned by the EWCRC and invested in the money market fund titled *Invesco Government & Agency Portfolio, Short-Term Investments Trust*, from *Invesco Government & Agency Portfolio, Short-Term Investments Trust* to the *State of Wisconsin Local Government Investment Pool*. A roll call vote was taken. 11 ayes and 1 no. Motion carried.

Consider, discuss, approve, and authorize payment of invoice of Johnson Block, Inc. for services provided in preparing the 2013 audited financial report: There was consideration of and discussion about the invoice that was presented for payment from Johnson Block and Company, Inc., in the amount of \$1,800.00 for services provided in preparing the 2013 EWCRC audited financial report. Motion by Hutler/Foley to approve payment of this invoice and to authorize and direct the Office of Dodge County Corporation Counsel to send payment to Johnson Block and Company, Inc., in the amount of \$1,800.00 for services provided in preparing the 2013 EWCRC audited financial report. Motion carried by unanimous vote.

Consider, discuss and take action on the level of funding by member counties for 2015. There was consideration of and discussion about the level of funding by member counties for 2015. Motion by Bemis/Koch that the Board of Directors of the EWCRC recommend to each member county that

each member county budget \$25,000 for its 2015 member county contribution to the EWCRC. Motion carried by unanimous vote.

Consider, discuss, and take action on Report of WisDOT, Bureau of Railroads and Harbors:

Frank Huntington reported that WisDOT has been in the process of acquiring the rail line from Madison to Reedsburg from Union Pacific, and that the acquisition of the Madison to Reedsburg rail line has been signed. WisDOT is in the process of filing materials with the Surface Transportation Board so that the state can acquire the rail line, with the operating authority going to WSOR. WisDOT anticipates that the final closing of the acquisition will be final by the end of 2014.

Frank Huntington further reported that WisDOT is in the process of reviewing and awarding rehabilitation projects for 2014. WisDOT did not want to award any rehabilitation projects until the acquisition of the Madison to Reedsburg line had been signed. WisDOT has approximately \$10 million to award to rehabilitation projects that were submitted in 2014.

Steven Sams reported on the Plymouth to Sheboygan Falls rebuild project. The engineering plans for the project are approximately 90% complete. WSOR, WisDOT and the engineers are making final revisions to the plan and once the plan has been finalized and approved it will go out for bid. WisDOT is currently addressing a detour plan on Highway 57. The demolition contract has been completed. Mr. Sams further reported that the Saukville to Elkhart Lake rail line tie replacement project is nearly complete and should be finished in the next couple of weeks.

Consider, discuss, and take action on report of WSOR: Ken Lucht reported on the capital items going on in the Northern Division: WSOR is in the process of reconstructing a railroad crossing located on Highway 49, just outside of Brandon, Wisconsin. WSOR has three bridges that are currently under construction on the Markesan Subdivision in Green Lake County. WSOR has another rehabilitation project that will hopefully occur soon on the Markesan Subdivision, from Fairwater to Markesan. This rehabilitation project is a big priority for WSOR. WSOR submitted an application with WisDOT through the Freight Railroad Preservation Program. WSOR is waiting to hear from WisDOT as to whether or not this application will be granted. WSOR is rehabilitating a railroad crossing located on Highway 144, in Slinger, Wisconsin. WSOR should have this crossing completed by November of 2014. Ken Lucht reported that grain is starting to move again. The grain from last season is starting to move to make room for this year's harvest. WSOR is anticipating that its third quarter will be better than the last two quarters. WSOR is hiring new employees. WSOR just hired a person in its business development group who is strictly focused on WSOR business development opportunities. This person has been on staff with WSOR for a long time but he transferred to the business department. He has been looking at some opportunities in Sheboygan County, some possible transloading, as well as some other possible business opportunities. WSOR is in the process of hiring a vice president of marketing who will be based out of Madison. This person will oversee the entire marketing group on the WSOR and will be focused on seeking out opportunities as well as working with the corporate team at finding origination and destination pairs for traffic coming into and out of Wisconsin. WATCO and WSOR have a number of growth projects in the southern part of the state, primarily between Janesville and Milton. WSOR is currently constructing a new 8,500 foot siding which will be able to stage a 100 plus car unit train so we can train some additional capacity in Rock County. Rock County is our central area on our system. WSOR is going to be constructing a new siding just outside of Darin which is located along the Elkhorn Subdivision. WSOR has a tremendous amount of inefficiencies and unsafe practices there so building a short siding where there used to be a siding in the past will be key for its operations plus it

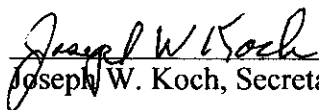
will dramatically improve customer service for its customers along the Elkhorn Subdivision. WSOR is opening up a new rail line between Oregon and Madison. This rail line is currently owned by Oregon and Fitchburg who now want to sell the rail line to the Wisconsin River Rail Transit Commission and have WSOR operate the rail line. There is a customer located on this rail line who has built an aggregate facility in the north part of Oregon which is located in the industrial park. This is approximately a \$15 to \$20 million investment. WSOR is currently going through the legal process of transferring ownership and transferring the common carrier rights from the two communities to WSOR and the Wisconsin River Rail Transit Commission. WSOR has a harbor in Prairie du Chen and there is a tremendous amount of growth and traffic in Prairie du Chen, heading into the central part of the State of Wisconsin as well as originating Wisconsin, and heading towards the port in Prairie du Chen. Prairie du Chen has produced a number of bottle necks, inefficiencies, and unsafe practices for WSOR. WSOR is working with WisDOT and the WDNR so WSOR can build six new tracks in Prairie due Chen to increase its capacity. WSOR is currently working with the City of Prairie du Chen because WSOR's practices there are not very compatible with the adjoining land uses. WSOR has received a lot of pressure from the City of Prairie du Chen to build elsewhere and have our services more centralized versus having a lot of duplicative switching and multiple moves on St. Feriole Island which is a big tourist attraction. WSOR is trying to centralize its services off St. Feriole Island so it can make for a better life for the tourists and citizens of Prairie du Chen. The Prairie du Chen project is going to cost approximately \$6 million and will be funded entirely by WATCO and WSOR.

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

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

Meeting adjourned at 10:32 a.m.

Respectfully submitted,


Joseph W. Koch, Secretary

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