



**SEDA-COG JOINT RAIL AUTHORITY MEETING**  
**WEDNESDAY, APRIL 8, 2015**  
**SEDA-COG, LEWISBURG, PA**  
**12:30 P.M.**

**PRESERVING  
RAIL FREIGHT  
SERVICE**

*-serving the counties of*

Centre  
Clinton  
Columbia  
Lycoming  
Mifflin  
Montour  
Northumberland  
Union

**AUTHORITY MEMBERS**

Stephen Bridy, Northumberland County  
Frank Dombroski, Montour County  
Russ Graham, Centre County  
John Gummo, Clinton County  
Scott Harvey, Lycoming County  
Tom Herman, Montour County  
Brent Jones, Clinton County  
Michael Krentzman, Mifflin County  
Dave Park, Columbia County  
Rob Postal, Mifflin County  
Don Purcell, Northumberland County  
John Showers, Union County  
John Spychalski, Centre County  
Jerry Walls, Lycoming County  
Eric Winslow, Union County

**JRA OPERATOR**

Gary Shields, President  
Jeb Stotter, Vice-President  
Diana Williams, Treasurer/Controller

**GUESTS**

John Ashbridge, Carload Express  
Scott Brouse, West Shore Railroad  
Al Bubb, West Shore Railroad  
Alex Lang, Carload Express  
Wayne Michel, Reading & Northern Railroad  
Mark Murawski, Lycoming County Planning  
Andrew Richards, Bellefonte Historical Railroad Society  
Mark Rosner, Stonepeak  
Dennis Shaffer, Reading & Northern Railroad

**LEGAL COUNSEL**

Tom Schrack, Esq., McQuaide Blasko Law Offices

**JRA CONSULTING PROFESSIONALS**

Dan Mazur, Operating Agreement Consultant

**JRA STAFF**

Kay Aikey, Program Assistant  
George Fury, Property & Maintenance of Way Manager  
Jeff Stover, Executive Director

**SEDA-COG JOINT  
RAIL AUTHORITY**

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SEDA Council of Governments

## **CALL TO ORDER**

### **Call to Order**

Chairman Walls called the meeting to order at 12:30 p.m.

### **Pledge of Allegiance**

Chairman Walls led the Pledge of Allegiance.

### **Welcome – Chairman’s Statements**

Chairman Walls stated that the use of audio or video recording devices at the public meeting is permitted. The Authority does not require pre-registration for recording purposes; however any individual intending to record all or any part of the meeting must notify the Chairman or the Executive Director in advance of such recording. If the Authority recesses to Executive Session, no recording of that session shall be permitted.

Mr. Michel stated that he will be recording the meeting.

## **ADMINISTRATIVE ITEMS**

### **Public Forum**

Chairman Walls asked if there is any comment to come before the Board.

Mr. Michel was recognized by the Chairman and rose to make several comments about the lawsuit that the Reading and Northern filed against the Authority and its directors. Mr. Michel stated that the Reading and Northern filed a legal action last week against the Authority, and the voting Board members under the Sunshine Act. He stated that the Reading and Northern believes that the actions of the Authority in the RFP process have been in violation of the Municipality Authorities Act. He stated that they believe that the failure to follow proper bid procedures is a violation; that the Authority’s operating agreement committee’s preparation process was fatally flawed because its chair was a customer, a customer who made very pro-current operator remarks at the pre-bid meeting, and because half of the committee was made up of customers, customers who ultimately recused themselves after he sent an email to Jeff Stover informing him of his belief that it was in violation of law for customers to be participating. He stated that the operating agreement committee’s process showed a predisposition towards the current operator, and most importantly towards those parties who would be firm supporters of a public/private partnership as defined by the Rail Authority itself. He stated that the Reading and Northern Railroad also believes that the Authority is in violation of the Municipality Authorities Act because the Authority has acted to compete directly with for profit enterprises such as Reading and Northern’s railroad that is an adjacent territory, actually in part of Northumberland County. He stated that they believe that the JRA is in violation of the requirements that there be no public money and public funds spent to compete with for-profit enterprises. Mr. Michel stated that Reading and Northern will be filing various actions against people individually as well as collectively as they pursue all legal rights and remedies and try to encourage this body to comply with the law which we believe it is quite capable of by changing its direction. He stated that they

remain open and willing to have discussions with the Authority. He stated that they reached out in September 2013 expressing their interest, and they remain committed to working with the Authority to find a way to make sure everything is done legally.

Chairman Walls responded that this is a pending legal matter so it is inappropriate for the Board to make comment.

Attorney Schrack stated that no comments are appropriate as the JRA is in litigation.

#### Approval of the March 11, 2015 Meeting Minutes

*Dr. Spsychalski made a motion for the Board to approve the March 11, 2015 meeting minutes; Mr. Bridy seconded the motion; motion carried.*

#### Approval of the March 17, 2015 Special Meeting Minutes

*Mr. Bridy made a motion for the Board to approve the March 17, 2015 special meeting minutes; Mr. Purcell seconded the motion; motion carried.*

#### Treasurer's Report

Mr. Harvey presented the Treasurer's Report for the month of March 2015 as well as the JRA's loan summary.

*Mr. Gummo made a motion for the Board to accept the Treasurer's Report for the month of March 2015 and file for audit; Mr. Park seconded the motion; motion carried.*

During Mr. Harvey's portion of the Treasurer's Report, he called to the attention of the Board members the higher than usual amount in trackage rights on North Shore's operating fee (payment) letter. He stated that it came about in an audit.

Ms. Williams then stated that due to the efforts of Mr. Shields contacting by way of email, phone and in person visit to the Class I trackage rights department/personnel, they determined that our agreement calls for an audit of the trackage rights rate. During that audit, it was found that the railroad was underpaid and the rate was not escalated as called for. They informed us of the decision by letter and promptly forwarded payment. This will be monitored.

#### Events Calendar/Staff Report

Mr. Stover presented the events calendar for April and May and Staff Report.

Mr. Stover stated the staff is proposing a Property Management Committee field trip either the last week in April or the first week in May to travel to Lewistown, Bellefonte and Lock Haven. Mr. Stover stated that a Doodle poll will be emailed to Board members to check their availability in order to schedule a date.

### NACOA Schedule Changes

Mr. Stover stated that there is a request to add December 6, 2015 for a run on the White Deer & Reading Railroad to Allenwood. The JRA had previously approved NARCOA's request to run on the NSHR on June 25. That date was reported in error and should have read July 25. There are no passenger excursions on either date and the operator has no problems with either request.

***Dr. Spychalski made a motion for the Board to approve the amended request of NARCOA to run on the White Deer Railroad on December 6, 2015 and the NSHR on July 25, 2015; Mr. Herman seconded the motion; motion carried.***

### Replacement of 2005 Ford Explorer

Mr. Stover stated that the Ford Explorer is 10 years old and has 150,000 on the odometer; it should be sold to the highest bidder and replace with a 2015 Ford Explorer. Staff has investigated the state's COSTAR purchasing program. This is a state-bidding program wherein the Commonwealth get prices for various items. Municipal Authorities are qualified to take advantage of this service.

Staff has been advised that the JRA can advertise for bids for a new Explorer at the COSTAR price or less. Not all dealers are COSTAR partners, but they would be allowed to bid using the state price as the ceiling and not the floor.

***Mr. Herman made a motion for the Board to authorize staff to bid for the purchase of a 2015 Ford Explorer and to advertise the sale of the JRA's 2005 Ford Explorer; Mr. Postal seconded the motion; motion carried.***

### Operator's Status Report and Business Forecast

Mr. Shields referred to the Operator's Report included in the packet.

Ms. Williams mentioned that the trackage rights issues was addressed in Mr. Harvey's portion of the Treasurer's Report.

## **LEGAL**

### Legal Issues

Attorney Schrack stated there are a few items to be covered in public session – the Quiet Zone Memorandum of Understanding (MOU) and an agreement related to Reach Road as there is a change in the terms of the purchase. There are two information items as well. There is a need for an executive session to discuss the complaint that has been filed by the Reading and Northern against the JRA in Northumberland County seeking declaratory relief, injunctive relief and monetary fines for alleged violation of the Sunshine Act.

Chairman Walls called for an executive session and recessed the regular meeting at 12:56 p.m.

Chairman Walls reconvened the regular meeting at 1:35 p.m.

Attorney Schrack stated that during the executive session he and Mr. Stover held discussion on the lawsuit mentioned prior to entering into executive session. An action item will be necessary on the record. A motion will be sought to approve the engagement of legal counsel appointed by the Authority's insurance provider PIRMA. The name of the firm is Siana, Bellwoar & McAndrew, who will be engaged to represent the Authority and all other defendants named in this legal proceeding.

***Mr. Krentzman made a motion for the Board to approve the engagement of legal counsel appointed by the Authority's insurance provider PIRMA, to represent the JRA in this legal proceeding; Mr. Bridy seconded the motion; motion carried.***

Chairman Walls appointed Mr. John Showers and Mr. Michael Krentzman to the Litigation Committee. Chairman Walls will serve as ex-officio.

Attorney Schrack stated the purpose of the Litigation Committee is to communicate with the legal counsel in the management of this lawsuit on behalf of the Joint Rail Authority.

Resolution to Create Bank Account for Rail Freight Seminar

Mr. Stover stated that the JRA has been the administrator of the PA Rail Freight Seminar (RFS) for several years. The conference funds have always been tracked separately via its own accounting code. The RFS was started by the PA Rail Freight Advisory Committee which has accumulated about \$16,000 in an account held by the Northern Tier Regional Planning and Development Commission. There is a need to move that account under the JRA's umbrella into a separate and distinct bank account at Jersey Shore State Bank. Northern Tier is ready to do so, but the JRA must first establish the new account. Once that is complete the RFS balance will be determined which is now held within the JRA's account and then will be moved over to the new account.

***Mr. Harvey made a motion for the Board to pass a resolution authorizing the creation of a Rail Freight Seminar account at Jersey Shore State Bank and further authorize the JRA's officers to execute all required bank forms; Mr. Graham seconded the motion; motion carried.***

Attorney Schrack commented on the following legal issues:

- Memorandum of Understanding: Attorney Schrack stated that there is a Memorandum of Understanding (MOU) between the SEDA-COG Joint Rail Authority, the City of Williamsport, and the Lycoming Valley Railroad Company. This is for the establishment of the Quiet Zone in the Newberry Yard. The Authority will be responsible for the supervision of the work to be performed in connection with the Project; and conveyance to the City of a right-of-way along the north side of the railroad between Arch Street and Howard Street for thoroughfare for emergency vehicles. The City is going to be responsible for applying for the "Quiet Zone" designation in accordance with the

requirements of the Federal Railroad Administration (FRA), cooperating with the LVRR and PennDOT to undertake necessary upgrades to the crossings, and carrying out such other functions as may be requested by the LVRR and the Authority.

Some additional language was requested by Mr. John Grado and is acceptable to the JRA Solicitor. Mr. Grado wanted it to be stated that the City will not be responsible for any out-of-pocket costs to establish the "Quiet Zone" and costs for relocation of the fire hydrant on Depot Street and improvements to the land dedicated to the City by the Authority for the access road between Depot Street and Howard Street will come from the funds received from PennDOT, LVRR and the Authority as part of the anticipated elimination of the rail crossing on Depot Street. Total cost is estimated to be \$15,000.

The railroad operator will be assisting and cooperating with the Authority and the City and their representative contractors with regard to any work to be performed on the crossings located at Howard Street and Arch Street as necessary to establish the "Quiet Zone".

***Mr. Postal made a motion for the Board to approve the MOU with the City of Williamsport and the LVRR to establish the "Quiet Zone" Mr. Bridy seconded the motion; motion carried.***

- Sale of former James Wood building in Newberry: Attorney Schrack stated there was an adjustment proposed in a counter-offer from the buyer on the Reach Road property due to the roof issues. Mr. Fury stated that the buyer wants \$10,000 to come off the \$725,000 price in order to fix the roof. Staff negotiated to give \$5,000 for the roof repairs. Selectrim will do the cleanup inside the building.

***Mr. Park made a motion for the Board to accept the sale of the James Wood Building at a revised number of \$720,000; Mr. Gummo seconded the motion; motion carried.***

- Emergency Call Center Service Agreement: Attorney Schrack stated that at the last meeting there was discussion on the emergency call service contract. It was initially proposed as a 3-party agreement between the operator, the provider-the Northumberland County Department of Public Safety- and the JRA. After review of that initial agreement, it is the Solicitor's recommendation to the JRA is to have it as a simple 2-party MOU between the Operator and the Rail Authority whereby the Rail Authority agrees to reimburse 50% of the costs associated with the call service. In exchange, the Operator agrees to indemnify the Authority and the Authority basically assumes no other obligations under the Emergency Call Center Service Agreement.

***Mr. Showers made a motion for the Board to approve the MOU for reimbursement of emergency call service between the Rail Authority and the Operator for the Authority's reimbursement of 50% of the costs associated with the call service; Mr. Jones seconded the motion; motion carried with Mr. Bridy abstaining.***

- Survey for track and siding in Muncy Industrial Track: Attorney Schrack stated the Board has obtained a survey for track and siding in the Muncy Industrial Park that the Industrial Properties Corporation (IPC) had requested that the Authority take over. The Authority and the IPC now have an agreement for that acquisition. The Authority is going to acquire that trackage. This is just an informational item only and no action is needed from the Board.

### **RFP Update**

Attorney Schrack stated that RFP Phase 2 proposals were submitted the JRA office on April 6. Stonepeak is now going to be Northern Plains Railroad, so that will be the entity submitting the Phase 2 proposal instead of Stonepeak. Mr. Stover stated that copies of the proposals are available for the 10 scoring Board members, Attorney Schrack and Mr. Mazur and will be distributed at the end of the Board meeting.

### **OLD BUSINESS**

#### **Bridge Engineer's Report**

Board members were provided with the Bridge Engineer's report. Mr. Stover briefly highlighted some of the items on the report as Mr. Conrad was not in attendance at the meeting.

#### **RTAP Bridge Award – Tyrone Bridges**

Mr. Stover stated that on April 2, 2015, bids were received for the three bridges in Tyrone under the RTAP 2013 program. The Board may recall that the previous low bid by Lycoming Supply contained an error. As a result, Mr. Conrad asked to rebid this on behalf of the JRA. After review and approval by PennDOT, the bid results will be presented to the Board at the May meeting for approval and award.

#### **Pleasant Gap Yard (Graymont) Bid Award)**

Mr. Stover stated that PennDOT has approved the low bid received on March 10, 2015 for the RFAP-Pleasant Gap Yard (Graymont). This project will receive \$250,000 in state funding.

The bid tally is as follows:

Rhinehart Railroad Construction	\$425,881.00
K. W. Reese	\$448,230.00
Armond Cassil Railroad Construction	\$461,751.92
Amtrac of Ohio	\$469,777.00
Amtrac of Maryland	\$495,490.00
Railroad Construction	\$505,126.00
Acme Construction	\$526,180.00
Railworks	\$535,453.00
Delta Railroad Construction	\$541,616.00

***Dr. Sychalski made a motion for the Board to award the RFAP (Pleasant Gap/Graymont) project to Rhinehart Railroad Constructon in the amount of \$425,881.00; Mr. Harvey seconded the motion; motion carried.***

## COMMITTEE REPORTS

### Property Management/Capital Budget/Safety Committee Meeting

As Committee Chair Rick Jenkins was not present at the meeting, Acting Committee Chair Dave Park reported on the work of the committee.

#### PennDOT Temporary Construction Easement – SR 220 (LVRR Williamsport)

Mr. Fury reported that PennDOT has requested a Temporary Construction Easement over JRA properties between Hepburn and Maynard Streets in Williamsport. This item had been discussed and approved at the Special Meeting on March 17 for which the action needs to be ratified.

The easement is required for staging of equipment/materials, and to make repairs to the concrete structures within the tunnel.

Attorney Schrack has conferred with PennDOT's attorneys regarding the contents of the documents.

The repairs should be completed by the end of this construction season. The JRA will be compensated \$500.00.

***Dr. Sychalski made a motion for the Board to approve and ratify any prior action concerning the grant of a temporary construction easement over property owned by the Authority in the City of Williamsport to the Pennsylvania Department of Transportation, as described in a "Temporary Easement for Construction Purposes" document between the Authority and the Commonwealth (PennDOT Claim No. 4100470000) and authorize the Chairman or the Vice Chairman, in the Chairman's absence, and Secretary of the Authority to execute any agreements, deeds, certificates, settlement statements, affidavits, or other documents required in connection with settlement on the grant of the easement to the Commonwealth; Mr. Postal seconded the motion; motion carried.***

#### PennDOT Temporary Construction Easement – Julian (NBER Julian)

Mr. Fury stated that PennDOT has requested a Temporary Construction Easement over JRA properties along Furnace Road in Julian. The easement is required for staging of equipment/materials, and to make repairs to the concrete structures associated with a bridge replacement project.

Attorney Schrack has conferred with PennDOT's attorneys regarding the contents of the documents.



The repairs should be completed by the end of this construction season. The JRA will be compensated \$400.00.

***Mr. Gummo made a motion for the Board to approve the temporary construction easement over property owned by the Authority located in the Township of Huston, Pennsylvania to the Pennsylvania Department of Transportation, as described in a "Temporary Easement for Construction Purposes" document between the Authority and the Commonwealth (PennDOT Claim No. 144400708000) and authorize the Chairman or the Vice Chairman, in the Chairman's absence, and Secretary of the Authority to execute any agreements, deeds, certificates, settlement statements, affidavits, or other documents required in connection with settlement on the grant of the easement to the Commonwealth; Mr. Park seconded the motion; motion carried.***

PennDOT Land Conveyance – Julian (NBER Julian)

Mr. Fury stated that PennDOT requires 716 square feet of JRA lands in Julian to accommodate the wingwalls of a new bridge structure being constructed in 2016. This is a very narrow strip of ground located between PennDOT's bridge and a JRA bridge. New wingwalls will abut with JRA's bridge wingwalls, and will benefit our structure by eliminating scour and undermining points. PennDOT has offered \$300 as just compensation for the land.

***Mr. Park made a motion for the Board to approve the sale of property owned by the Authority located in the Township of Huston, Pennsylvania to the Pennsylvania Department of Transportation, as described in a certain Agreement of Sale between the Authority and the Commonwealth (PennDOT Claim No. 1400708000) and authorize the Chairman or the Vice Chairman, in the Chairman's absence, and Secretary of the Authority to execute any agreements, deeds, certificates, settlement statements, affidavits, or other documents required in connection with settlement on the sale of such property to the Commonwealth; Mr. Dombroski seconded the motion; motion carried.***

Verizon Pennsylvania, LLC, Easement (SVRR)

Mr. Fury stated that the SVRR, JRA and PennDOT will undertake separate projects integral to each other at the Shamrock Road grade crossing in Shamokin. The JRA project is replacement of a culvert just west of the crossing that will necessitate raising the crossing by 18".

To accommodate this raise, Verizon Pennsylvania, LLC will need to relocate an existing pole, raise existing wires 24" and install a new push brace pole on JRA owned land.

Occupation is wholly within the public right of way. No easement fees will be assessed. The JRA is requesting relocation of Verizon facilities as application fee is not assessed. All plans have been received and approved.

***Mr. Bridy made a motion for the Board to approve this easement and authorize the Chairman and Secretary to execute the document; Mr. Showers seconded the motion; motion carried.***

Verizon Pennsylvania, LLC, Easement (NBER)

Mr. Fury stated that Verizon Pennsylvania, LLC, has approached staff requesting an easement for construction of new facilities across the NBER Main in Julian, PA. The facilities are being relocated due to a bridge replacement project being conducted by PennDOT on Furnace Road. The new occupation is a 200 pair 24 gauge copper wire over the main on the east end of the Furnace Road grade crossing.

The occupation is wholly within the public right of way and no easement fees are assessed. Application fee of \$700 is assessed. All plans have been received and approved.

***Dr. Spychalski made a motion for the Board to approve this easement and authorize the Chairman and Secretary to execute the document; Mr. Purcell seconded the motion; motion carried.***

Valley Township Municipal Authority - Danville (NSHR)

Mr. Fury stated that Valley Township Municipal Authority (VTMA) has requested an easement to cross under the NSHR at the west end of Danville,  $\pm$  300' west of the middle school entrance. VTMA is constructing a 6" wastewater forcemain encased in a 10" carrier pipe, to convey wastewater from VTMA Wastewater Treatment Plant to the Danville Wastewater Treatment Plant.

All plans have been received and approved. Easement fee assessed is \$900 annually subject to CPI or \$9,000 for the initial 10 year term. Application fee of \$700 is assessed.

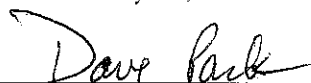
***Mr. Bridy made a motion for the Board to approve this easement and authorize the Chairman and Secretary to execute the document; Mr. Park seconded the motion; motion carried.***

Chairman Walls adjourned the meeting at 2:02 p.m.

Respectfully submitted,

  
\_\_\_\_\_  
Jeffery K. Stover, Executive Director

I hereby certify these minutes were approved by the SEDA-COG Joint Rail Authority Board of Directors on May 13, 2015.

  
\_\_\_\_\_  
Secretary/Assistant Secretary