



**SEDA-COG JOINT RAIL AUTHORITY MEETING  
WEDNESDAY, DECEMBER 11, 2013  
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**

Frank Dombroski, Montour County  
Russ Graham, Centre County  
John Gummo, Clinton County  
Scott Harvey, Lycoming County  
Tom Herman, Montour County  
Brent Jones, Clinton County  
Dave Park, Columbia County  
Dennis Reitz, Northumberland County  
Frank Sawicki, Northumberland County  
John Showers, Union County  
John Spsychalski, Centre County  
Jerry Walls, Lycoming County

**JRA OPERATOR**

Gary Shields  
Jeb Stotter  
Diana Williams

**GUESTS**

Reuben Brouse, NRHS  
Allen Bubb, NRHS  
Rick Dandes, Daily Item  
Mark Murawski, Lycoming County Planning Commission  
Don Purcell, Penn Valley Railroad, LLC  
Andrew Richards, Bellefonte Historical Railroad Society  
Dennis Shaffer, Reading & Northern Railroad

**LEGAL COUNSEL**

Tom Schrack, Esq., McQuaide Blasko Law Offices

**JRA CONSULTING PROFESSIONALS**

John Conrad, P.E., Bridge Engineer

**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

**SEDA-COG STAFF**  
Steve Kusheloff, Public Information

## **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.

## **ADMINISTRATIVE ITEMS**

### **Public Forum**

Mr. Bubb circulated two photos that were taken in Sunbury of trains coming off the Penn Central's Horn Track near the Silk Mill at Haas Avenue, onto the Reading Railroad's Shamokin Secondary track.

### **Approval of the November 13, 2013 Meeting Minutes**

*Dr. Spsychalski made a motion to approve the November 13, 2013 meeting minutes; Mr. Herman seconded the motion; motion carried.*

### **Appointment of Nomination Committee**

Chairman Walls appointed Mr. Winslow (Chair), Mr. Dombroski, Mr. Sawicki, Mr. Postal and Mr. Jenkins to the Nominating Committee for 2014 Board officers. They will present their slate of 2014 officer candidates at the January 8, 2014 SEDA-COG Joint Rail Authority Board Meeting.

### **Treasurer's Report**

Mr. Harvey presented the Treasurer's Report for the month of November 2013 as well as the JRA's loan summary.

*Mr. Dombroski made a motion to approve the Treasurer's Report for the month of November 2013 and file for audit; Mr. Sawicki seconded the motion; motion carried.*

### **Events Calendar/Staff Report**

Mr. Stover presented the events calendar for December/January and Staff Report.

Mr. Herman asked for a breakdown of the costs for the Danville Route 54 project. Mr. Fury replied that the total cost of the project was approximately \$750,000 between the signals, track and bridge work. Chairman Walls stated it would be a good idea to have a bullet list of the benefits that the Borough of Danville will gain from this project.

## Operator's Status Report and Business Forecast

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

## **OLD BUSINESS**

### TIGER II Status and Action Items

Mr. Stover reviewed the status of the various TIGER II projects that were listed on the agenda grid as well as the updated TIGER II budget that was distributed at the meeting.

### South Avis Access Road Update

Mr. Stover stated that the Access Road is essentially complete and in service. A final walk-through of the project will be done within the next week.

### Amended RTAP Application

Mr. Stover stated that staff has discussed the proposed RTAP application that the JRA Board previously approved for rail replacement on selected Bellefonte Branch curves. Discussion held with Mr. Conrad, Mr. Jannotti and the operator led to a different direction. The JRA is dealing with a number of bridge capital projects that might be a better fit for a RTAP application.

The rail in some of the curves between Milesburg and Pleasant Gap remain a problem. During Mr. Jannotti's inspection of the branch on December 2<sup>nd</sup>, he inspected each of the curves and made measurements of rail wear and length of curve. Mr. Jannotti will report to the Board in the near future.

An updated list of Proposed SEDA-COG JRA RTAP Application Bridge Upgrades was provided as a handout to Board members.

Based on the \$2.560 million total, the RTAP request would be for 70% (\$1,792,000 with a match of \$768,000 from the JRA). This would be a great opportunity to get the JRA's critical bridge needs addressed in the near future.

***Dr. Sychalski made a motion for the Board to rescind its prior action to approve a RTAP application for the rail replacement, and approve the new bridge projects proposed to be submitted to PennDOT for RTAP consideration; Mr. Park seconded the motion; motion carried.***

### Bridge Engineer's Report

Board members were provided with the Bridge Engineer's Report. Mr. Conrad was in attendance at the meeting and updated Board members on projects he is working on.

Chairman Walls stated that a comparison of the differences between the old bridge design of the Loyalsock Creek Bridge and the new bridge design would be great information to be shared with the public.

A copy of the Bridge Engineer's Report – Action Items was provided as a handout to members. The following change orders were recommended by Mr. Conrad for Board approval:

Loyalsock Creek Bridge Action Items

Project Contingency Line Item:	\$ 750,000.00
Previously approved changed orders:	(228,133.48)
Change orders request – December 2013	(124,375.82)
Remaining contingency line items	\$ 397,490.70
Added PPL reimbursement back in	67,133.59
Total remaining contingency after reimbursement	\$ 464,624.29

1. Staff requested drainage improvements in the area of the Glenn O. Hawbaker switch.

The proposed drainage pipe locations and ditching were prepared by the Bridge Engineer. The cost estimates were reviewed and were considered by the Bridge Engineer and staff as reasonable for the proposed work.

Total change order: \$34,346.54

2. PPL requested utility relocation within railroad right-of-way.

An easement would be required for the above consideration. The cost for the above would be proposed for reimbursement by PPL. The cost estimate was reviewed and was considered reasonable for the proposed work.

Buried cables and precast manholes in both approaches - \$39,233.52  
Utility conduit hangers on the bridge structure - \$27,900.07

Total recommended change order: \$67,133.59

3. Pier #2 Obstruction

The contractor has requested compensation for lost production over a four to five day period due to having to remove the sheet piles, carefully excavate to avoid the sewer main, and replace the sheet piles.

Recommendation: Approve a change order in the amount of \$22,895.69 (the cost estimate was reviewed and was determined to be reasonable.)

Total of the above three requested change orders: \$124,375.82 (of this total amount, \$67,133.59 would be included in the PPL easement as a reimbursable item.)

**Mr. Herman made a motion for the Board to approve the three requested change orders as recommended by the Bridge Engineer and staff in the amount of \$124,375.82; Mr. Reitz seconded the motion; motion carried.**

Mr. Stover commended Mr. Conrad on his engineering expertise with the White Deer Bridge project. Chairman Walls added his commendation to Mr. Conrad on behalf of the JRA for serving the public interests with creativity and unbelievable dedication to get there quickly and address the decisions that needed to be made in a timely manner and a cost-effective way.

## **COMMITTEE REPORTS**

### **Passenger Excursions Committee**

Committee Chair Spsychalski referred to the Executive Director's calendar of upcoming passenger excursions for the month of December as well as the accounting report for excursions. He stated that he received an email from Mr. Jason Fink of the Williamsport/Lycoming Chamber of Commerce who indicated that they have achieved an advanced sellout for the holiday excursions being offered out of Williamsport on December 13 and 14. Committee Chair Spsychalski also reported that the Bellefonte Historical Railroad Society has a total sellout as well for their upcoming holiday excursions. The results of the 2013 passenger excursions will be included in a report for the January 2014 JRA meeting.

Mr. Stover added that monies from the Downtown Bloomsburg, Inc. excursions have been received and the checks for the sponsoring group and Penn Valley Railroad LLC have been cut.

Mr. Richards offered his thanks on behalf of the Bellefonte Historical Railroad Society to North Shore Railroad and the NBER for their assistance in moving the RDCs off the SMS siding.

### **Operating Agreement Committee**

Mr. Stover stated that an Operating Agreement Committee meeting is scheduled for Tuesday, December 17<sup>th</sup> at 9 a.m. at SEDA-COG. The committee will be working through the RFP outline and process.

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

#### **James Wood Building**

Mr. Fury stated that the James Wood Building has been on the lease market for most of the year with no interest shown. All inquiries up to this point have been for purchase of the building and ground not associated with the Reach Road Terminal. The building and usable land is not suited for rail use. The current tenant is moving out and maintenance and utility payments will revert to the JRA. Staff would like the Board to consider subdividing and selling the building/lot not associated with the Reach Road Terminal. Mr. Fury recommended the JRA sell the building and some of the parking around it and pay down some of the JRA's debt.

Chairman Walls stated the original rationale for the JRA purchasing this property was the fact that there was land with it that the JRA needed in order to expand the Newberry Rail Yard. It enabled the JRA to create a sand terminal with Unimin Corporation who added a huge volume of sand hauling through the Newberry Yard. The building remained occupied by Selectrim which had relocated most of its operations to another building in the industrial park. This

tenant was using the building now owned by the JRA until their building was up and running full speed. They do continue to pay rent to the JRA for the portion they occupy.

Mr. Fury stated the lease amount from Unimin Corporation plus the rental amount from the building has more than covered the annual payment to the bank. The value of the property according to Girio Agency is estimated between \$1.2 and \$1.325 million.

Mr. Herman asked what the requirement is on the lot size. Mr. Fury replied he doesn't know what the requirement is but they would get about 2+ acres of ground with the building and the JRA would retain about 4.6 acres with the Reach Road Terminal and the entrance driveway. The other party would have just the minimum parking required by code for a building that size - about 24 spots. Mr. Gummo asked what the JRA paid for the building and what the current appraised value would be. Mr. Stover replied that the JRA paid \$2.05 million for the building with 6.5 acres of land. The building alone has been appraised for \$1.25 - \$1.325 million.

Mr. Fury stated that Girio Agency has someone interested in the building and there have been three potential buyers in the last four months.

***Mr. Herman made a motion for the Board to authorize that Girio Agency pursue a buyer for the Reach Road property; Mr. Sawicki seconded the motion.***

Mr. Sawicki asked if there is a current assessed valuation; Mr. Fury stated that there is a fair market appraisal.

Mr. Jones asked if there are any issues with doing the subdivision. Mr. Stover stated the JRA needs to go back to the City and find out what needs to be done before the process of the sale starts.

Mr. Fury stated that the parking spaces were integral to the subdivision. The City treated it as two separate properties and the JRA had to maintain a certain amount of acreage and parking spaces for it. Chairman Walls restated that the City regarded a distinction between what was being developed and the existing building and parking area.

The motion was amended as follows:

***Mr. Herman made a motion for the Board to authorize that Girio Agency advertise the property for bid and commence the formal subdivision process and survey work; Mr. Sawicki seconded the motion; motion carried.***

### **PPL – Weigh Scales**

Mr. Fury stated that PPL has approached staff requesting an easement for installation and maintenance of a new pole and anchor. The occupation is behind the existing maintenance of way compound at the Mountain Road crossing and is 70+ feet from the track, 22' from the compound fence. All required documents have been reviewed and approved. The cost of the easement is \$300/year subject to CPI. An application fee of \$700 applies.

***Mr. Reitz made a motion for the Board to approve the easement request for PPL and authorize the Chairman and Assistant Secretary to execute the easement documents; Mr. Sawicki seconded the motion; motion carried.***

### **Gregg Township Municipal Authority**

Mr. Fury stated that Gregg Township Municipal Authority has requested an easement for existing gravity sewer lines running on the west side of the railroad between its private crossing and Route 44 in Allenwood, for a distance of 745 feet. These lines were constructed in the 90's and the original documents were never filed. All required documents and engineering drawings have been reviewed and approved. There is no easement cost or application fee assessed.

***Dr. Spychalski made a motion for the Board to approve this easement request and authorize the Chairman and Assistant Secretary to execute the easement documents; Mr. Sawicki seconded the motion; motion carried.***

## **LEGAL**

### **Legal Issues**

Attorney Schrack updated the Board on the following pending legal issues.

- Munro Eminent Domain: No update at this time.
- North Branch Canal Trail: At the last meeting, the Board had authorized execution of an agreement for the transfer of property between the JRA, Columbia and Montour counties, and the Montour Area Recreation Commission (MARC). The final agreement has been completed and will be provided to the Chairman for execution, along with the lease agreement for the lease of the trail property to MARC until the subdivision is approved. Once the subdivision is approved, a quitclaim deed will be done to formally quitclaim the property to the counties, and MARC will maintain the trail. No action is required at this time.
- Hepburn Street MOU: At the last meeting brief discussion was held regarding the Hepburn Street MOU. Authorization is sought for the Chairman to execute a Memorandum of Understanding between the Authority, the City of Williamsport, and the County of Lycoming. This has been reviewed by the County and City solicitors. The JRA will lease the parking lot area to the County and convey the driveway area to the City, and the City will be responsible for accepting dedication. Mr. Fury clarified that this is required by PUC to establish a new crossing. A Secretarial Letter is issued which then becomes an agreement with PennDOT and allows work to commence. The existing Hepburn Street crossing is a City street. Lycoming County will maintain the parking lot. Chairman Walls stated that the JRA will put a barrier between the parking lot and the tracks.

***Mr. Harvey made a motion for the Board to approve and authorize the Chairman to sign the MOU; Mr. Sawicki seconded the motion; motion carried.***

- Unionville Railroad Property Damage: There had been some discussion at a past meeting regarding some damage to the Authority's railroad property in Unionville. The property owners were running their ATVs on the roadbed of the NBER Main. A Cease and Desist letter was sent by Mr. Schrack to the property owners to notify them to terminate these activities. A copy of the letter Mr. Schrack sent to the property owners was provided to Board members. No response from the letter sent to the property owners has been received.
- Power & Construction Group, Inc.: Mr. Schrack indicated that Board approval was sought for execution of a lease agreement between the JRA and the Power & Construction Group, Inc. for 21,000 square feet of property in the Newberry Yard. The annual rent is \$5,000 subject to CPI.

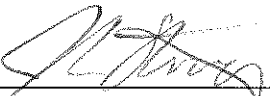
***Mr. Gummo made a motion for the Board to authorize the Chairman to execute the lease agreement with Power & Construction Group, Inc.; Mr. Showers seconded the motion; motion carried.***

- JVRR Burnham: Mr. Stover stated that the Mifflin County Commissioners accepted the Authority's offer for the Burnham property. This is for 19.5 acres of potential new rail yard for the JVRR.

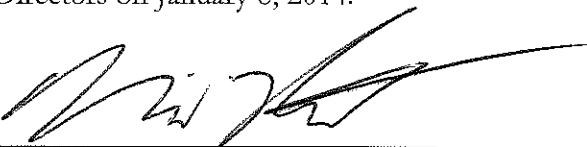
Mr. Showers expressed his thanks on behalf of the Union County Commissioners to the Authority for their investment in the Union County railroads. Union County has seen a dramatic change in prospects for the Great Stream Commons due in part to the railroad in place that has piqued their interest.

Chairman Walls adjourned the meeting at 2:22 p.m.

Respectfully submitted,

  
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Jeffery K. Stover, Executive Director

I hereby certify these minutes were approved by the SEDA-COG Joint Rail Authority Board of Directors on January 8, 2014.

  
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Secretary/Assistant Secretary