



**SEDA-COG JOINT RAIL AUTHORITY MEETING
WEDNESDAY, FEBRUARY 11, 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
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

Don Alexander, Union County Industrial Development Corporation
John Ashbridge, Carload Express
Lauren Bryson, Focus Central PA
Al Bubb, NRHS
Alex Lang, Carload Express
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

John Conrad, P.E., Bridge Engineer
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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Affiliated with
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. Stover stated that the JRA is a supporter of Focus Central Pennsylvania. Lauren Bryson, Executive Director of Focus Central Pennsylvania and Don Alexander, Chairman of the Board of Focus Central Pennsylvania were present to accept the check in the amount of \$3,000 from the JRA. Two members of the JRA Board – John Showers and Eric Winslow – are members of the Focus Central Pennsylvania Board. Ms. Bryson offered a few words of appreciation to the JRA for their support. The mission of Focus Central Pennsylvania is to attract new corporate investment to the region to create jobs.

ADMINISTRATIVE ITEMS

Public Forum

Mr. Bubb circulated some photos of steam locomotives on the Shamokin track.

Approval of the January 14, 2015 Meeting Minutes

*Dr. Spsychalski made a motion to approve the January 14, 2015 meeting minutes;
Mr. Dombroski seconded the motion; motion carried.*

Treasurer's Report

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

Mr. Showers made a motion to accept the Treasurer's Report for the month of January 2015 and file for audit; Mr. Graham seconded the motion; motion carried.

Events Calendar/Staff Report

Mr. Stover presented the events calendar for February and March and Staff Report.

Chairman Walls asked that the Executive Director provide a summary comparison of requirements for grade crossing projects by the various PennDOT Districts in which the JRA operates. Mr. Fury stated that PennDOT 3-0 put out a district memo affecting anyone who wants to do work that impacts public crossings on PennDOT roadways.

Mr. Stover reported on a letter he wrote on behalf of the Rail Authority in support of the Susquehanna Greenway Partnership's application for funding to develop the extension to the North Branch canal trail through the village of Rupert.

Chairman Walls disclosed that he is a volunteer on the Board of the Susquehanna Greenway Partnership and is also Chairman of the Board of Directors.

Operator's Status Report and Business Forecast

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

OLD BUSINESS

Bridge Engineer's Report

Board members were provided with the Bridge Engineer's report. Mr. Conrad was in attendance at the meeting and provided an update on the bridge bids.

Recapping the bids that were received on December 19, the results are:

JVRR Bridge Rehabilitation #0.46 over Juniata River (Lewistown)

Lycoming Supply, Inc.	\$190,092.50
G.O. Hawbaker, Inc.	\$448,000.00
Jay Fulkroad, Inc.	\$491,190.99

NBER Main Bridges Repairs #0.05; #0.24; #0.27 (Tyrone)

Lycoming Supply, Inc.	\$1,806,868.00
G.O. Hawbaker, Inc.	\$2,204,800.00
Frontier Railroad Services, LLC	\$2,355,521.00

NBER Main Bridges Repairs #24.68; #25.75; #32.11; #33.84 (Unionville to Curtin)

Lycoming Supply, Inc.	\$ 662,999.12
G.O. Hawbaker, Inc.	\$1,422,500.00
Frontier Railroad Services, LLC	\$1,575,370.00

The total values of the bridge bids exceeds the RTAP budget by about \$100K. Mr. Conrad explained the reason for the increase, but primarily it was the recommendation by PennDOT Bureau of Rail Freight to raise the 10th Street Bridge (#0.24) by over two feet. Currently that bridge has low truck clearance; the bridge has been hit and damaged a number of times. Raising bridge #0.24 by that amount is a major project that affects the approach track and other structures.

Mr. Conrad has reviewed the bids and sent them to PennDOT Rail Freight for their review. Approval has not yet been received from PennDOT so awarding of the bids will not occur until the March JRA meeting. The Operator is contributing \$150,000 this year toward the work as Mr. Conrad reported that some of the scope would fall under "maintenance".

Mr. Conrad and staff met with the PennDOT Bureau of Rail Freight to discuss a February 2015 RTAP application for funding of the remaining three bridges to be completed. Those three are: NSHR #194 at Catawissa, SVRR #14.95 at Paxinos, and the "Iron Bridge" which carries the LVRR Avis Branch over the LVRR Palmer Industrial Track. The JRA has a \$10 million line item for system bridge upgrades from a recent PA Capital Budget.

The Authority has until February 27th to submit a RTAP application for the remaining three bridges. Mr. Conrad estimates the total cost for the package is \$4 million. Therefore, the JRA should seek a \$2.8 million RTAP grant to complete these three remaining bridges originally recommended by Mr. Conrad.

Dr. Sychalski made a motion for the Board to authorize submission of an application for a PennDOT RTAP grant in the amount of \$3.209 million for four bridges: NSHR #194, SVRR #14.95, LVRR "Iron Bridge" and NBER #33.84; Mr. Harvey seconded the motion; motion carried.

MultiModal Transportation Fund (MTF) – First Quality Tissue

Mr. Stover stated that Larson Design Group (LDG) has updated its scope of services for the road engineering work related to the First Quality Tissue (FQT) access road in Lock Haven. The costs are less than proposed in the original application:

Task 1 (Survey)	\$ 10,250.00
Task 2 (Traffic Study)	\$ 13,250.00
Task 3 (Roadway Design & Plans)	\$ 49,500.00
Task 4 (General Permit)	\$ 6,850.00
Task 5 (NPDES Permits)	\$ 12,500.00
Task 6 (Construction Documents)	\$ 4,750.00
Task 7 (Construction Inspection) (Budgetary)	\$ 67,000.00
Total Design Fees	\$164,100.00

First Quality Tissue is providing all local share (about \$1.7 million) for this \$4.7 million project. Attorney Schrack is working with First Quality Tissue's attorneys on a lease agreement which will serve two major purposes. The first is the administrative framework for the flow of grant dollars and the First Quality Tissue match. The second is the need for the JRA to control-via a five-year lease-the portion of the new road that is on First Quality Tissue's property (about 2,100 feet of 3,900 feet).

Mr. Postal made a motion for the Board to authorize the JRA officers to execute an engineering agreement with Larson Design Group for the First Quality Tissue Access Road; Mr. Graham seconded the motion; motion carried.

Mr. Park made a motion for the Board to authorize the JRA officers to execute a lease agreement with First Quality Tissue pending the JRA Solicitor's recommendation to sign lease; Mr. Jones seconded the motion; motion carried.

NEW BUSINESS

Newberry Grade Crossings – Memorandum of Understanding (MOU) with the City of Williamsport

Mr. Stover stated that on February 3rd, he and Chairman Walls met with the Public Works Committee of the Williamsport City Council. Steve Betts from PennDOT District 3-0 and Tom Avery from North Shore Railroad were also in attendance.

Mr. Stover stated the JRA may be able to do the grade crossing safety updates at Arch and Howard Streets using Section 130 grant monies. A necessary part of the corridor upgrades is for the City to agree to close Depot Street which has limited traffic. Mr. Stover stated that council members present felt that the City does not want to miss this opportunity. A representative of the Bureau of Fire was also at the meeting and expressed his misgivings about closing Depot Street. It became clear after some discussion that the problem is the water mains in portions of Newberry need to be upgraded by the Williamsport Water Authority. As a result, the City is meeting with the Water Authority the week of February 16th to lay out an upgrade plan to improve fire protection in the Newberry section.

Mr. Stover stated that this is an informational item only and no action is needed at this time. A final Memorandum of Understanding (MOU) between the City of Williamsport and the Lycoming Valley Railroad will be presented for action at the March meeting.

Robinson Lane RFAP

Mr. Fury stated that staff has identified the curve at Robinson Lane as the last critical link between the NBER Main and Pleasant Gap (Graymont and White Rock Quarry) in need of reconstruction. This curve will see upwards of 6,000 carloads (12,000 car moves) per year starting in 2016. A portion of this section of track bed was "carved" out of rock and has developed significant drainage issues that can only be addressed through a thorough rebuild. The project would include widening the "rock cut", cleaning out the cut to bedrock, realignment of the horizontal and vertical curves (reduction from 3.426% and 2.405% to a constant 2.016%), construction of new track bed (800+ feet), upgrading the existing turnout from a #10 to a #15, and installation of multiple drainage facilities.

The project cost is estimated at \$428,571. A state grant would cover \$300,000 (70%) and the JRA local match (30%) would total \$128,571 with the NBER contributing \$20,000 to cover the maintenance aspect.

Mr. Postal made a motion for the Board to authorize this project and submission of a \$300,000 RFAP grant request to PennDOT; Dr. Spsychalski seconded the motion; motion carried.

COMMITTEE REPORTS

Passenger Excursions Committee

Committee Chair Dr. Spsychalski reviewed the time table for the 2015 public passenger excursions to be operated on JRA-owned lines.

Dr. Spsychalski made a motion for the Board to approve the 2015 public passenger excursions time table as presented; Mr. Bridy seconded the motion; motion carried.

Mr. Stover reviewed the proposed NARCOA 'Speeder' (aka, motor car or track car) trips for 2015 that was provided as a handout to members. Mr. Stover stated that there are no conflicting dates with the 2015 public passenger excursions. Mr. Stover stated that the Authority can institute its own set of rules and require that riders wear a highly visible vest. Mr. Shane Smith, NSHR Superintendent, has asked that NARCOA institute a new rule that flashing light warning signals at grade crossings can only be turned on by a qualified railroad employee. The second thing is that if the "speeders" get ahead and someone gets delayed or slowed down, they sometimes exceed track speed to catch up. This will no longer be allowed.

Dr. Spsychalski made a motion for the Board to approve the proposed NARCOA 'Speeder' trips for 2015 with the provision that all participants wear highly visible vests; Mr. Showers seconded the motion; motion carried.

Property Management/Capital Budget/Safety Committee Meeting

Acting Committee Chair Dave Park reported on the work of the committee that met at 11:00 a.m.

West Penn Power

Mr. Fury stated that West Penn Power needs to relocate an existing power service over the NBER Main at MP 24.68, near Dix Run, west of Unionville on Route 220, due to PennDOT plans to replace an existing highway bridge. The relocated occupation will be lashed to new Verizon equipment. This is an information item only and no action is needed. No fees are involved with the reassignment. This will be an amendment to the existing agreement.

Mr. Bridy made a motion for the Board to approve amending the existing agreement to move the existing service to the new service 250 feet west, and authorize the Chairman and Secretary to execute the document; Mr. Winslow seconded the motion; motion carried.

Comcast of Southeast Pennsylvania, LLC

Mr. Fury stated that Comcast of Southeast Pennsylvania, LLC has requested an easement across the LVRR in Linden at MP 175.70, Brown's Road (DOT #505 316H) for the purpose of installing a .715 coaxial cable to serve one residence. All plans have been received and approved.

Occupation is wholly within the public right-of-way and no easement fee will be assessed. An application fee of \$700 is assessed.

Mr. Winslow made a motion that the Board approve this easement request and authorize the Chairman and Secretary to execute the document; Mr. Bridy seconded the motion; motion carried with Mr. Harvey abstaining.

Windstream Pennsylvania, LLC

Mr. Fury stated that Windstream Pennsylvania, LLC has requested an easement over the LVRR at MP 196.60, Aquatic Road (DOT #589 157K) for the purpose of constructing a 144 count fiber optic transverse crossing. All plans have been received and approved. Occupation is located wholly within the public right-of-way and no easement fee will be assessed. An application fee of \$700 is assessed.

Mr. Postal made a motion that the Board approve this easement request and authorize the Chair and Secretary to execute the document; Mr. Harvey seconded the motion; motion carried.

UGI Penn Natural Gas, Inc.

Mr. Fury stated that UGI Penn Natural Gas, Inc. has filed a PUC application for alteration of the Locust Street crossing on the LVRR between Wirerope and Staiman's (downtown Williamsport).

UGI Penn Natural Gas desires to construct a 4" plastic gas pipeline encased within an 8" steel casing pipe no less than 5.5' below bottom of tie.

All plans have been received and approved. Occupation will be wholly within the public right-of-way and no easement fee will be charged. The PUC Secretarial Letter will act as the agreement. No application fee to be assessed.

Mr. Park made a motion that the Board approve the PUC agreement; Mr. Showers seconded the motion; motion carried.

Verizon Pennsylvania, LLC

Mr. Fury stated that Verizon Pennsylvania, LLC is requesting an easement at MP 24 +3378 for construction of an aerial service wire to the Barr Farm and at MP 24 +3510 for construction of a new pole, guy wires and anchor to hold the corner on the new service.

This project is promoted by PennDOT's plans to replace the Dix Run Bridge. An existing easement #03-096.0 will be retired.

All plans have been received and approved. Easement cost for a 10 year term for the wire crossing is \$7,500; cost for pole is \$1,500, cost for guy wires is \$1,500, cost of the anchor is \$750. Total easement fee assessed is \$11,250. An application fee of \$700 is assessed.

Mr. Postal made a motion that the Board approve this easement request and authorize the Chair and Secretary to execute the document; Mr. Park seconded the motion; motion carried.

James Wood Building

Mr. Fury stated that there was discussion regarding the James Wood property during the PMC meeting; however this will need to be discussed in Executive Session.

LEGAL

RFP Update

Attorney Schrack stated that the Delta Development customer survey preliminary results have been completed will be distributed to the ten scoring board members.

Operating Agreement Consultant's Report

Mr. Dan Mazur presented the 2014 and 2015 Budget Expense Ratio Update via PowerPoint.

2014 Transportation Expense Ratio

- Target: About 43%
- Results for 2014:
 - Higher than Target
 - Lower than 2013
 - Lower than 2014 Budget
 - Both revenue and expenses under Budget
 - Above the average ratio for the last 8 years
- Transportation Ratio remains within a reasonable range for a shortline railroad

2014 Maintenance of Way Expense Ratio

- Target: About 21%
- Results for 2014:
 - Higher than Target
 - Slightly lower than 2013
 - Higher than 2014 Budget
 - Well above average ratio for the last 8 years
- Operator continued to do more Maintenance of Way work than had been budgeted

2015 Budget Transportation Expense Ratio

- Target: About 43%
- 2015 Budget:
 - Higher than Target
 - Lower than 2014

- Above the average ratio for the last 8 years
- Transportation expenses are expected to remain about even with 2014

2015 Budget Maintenance of Way Expense Ratio

- Target: About 21%
- 2015 Budget:
 - Higher than Target
 - Higher than 2014
 - Highest ratio in the last 8 years
- 2015 Budget continues the trend of the last 2 years of aggressive investment in plant maintenance

Mr. Mazur stated that he has additional and detailed information, but the recommendation is that it would be discussed in executive session.

Chairman Walls called for an Executive Session at 2:14 p.m.

Mr. Gummo joined the meeting at 2:16 p.m.

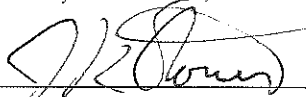
The Executive Session began at 2:16 p.m.

Chairman Walls reconvened the regular meeting at 3:41 p.m.

Attorney Schrack stated the purpose of the Executive Session was to discuss the items indicated on the agenda in addition to the potential sale of property by the JRA which qualifies as a basis for executive session.

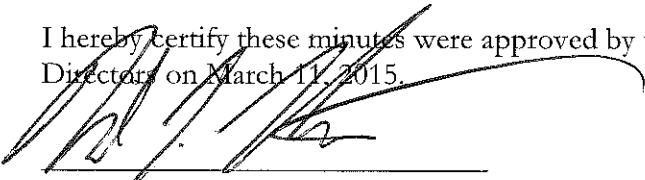
Chairman Walls adjourned the regular meeting at 3:43 p.m.

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 March 11, 2015.



Secretary/Assistant Secretary