



**SEDA-COG JOINT RAIL AUTHORITY MEETING
WEDNESDAY, JUNE 13, 2012
SEDA-COG, LEWISBURG, PA
12:30 P.M.**

**PRESERVING
RAIL FREIGHT
SERVICE**

serving the counties of

Centre
Clinton
Columbia
Lycoming
Mifflin
Montour
Northumberland
Union

**SEDA-COG JOINT
RAIL AUTHORITY**

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AUTHORITY MEMBERS PRESENT

John Gummo, Clinton County
Scott Harvey, Lycoming County
Tom Herman, Montour County
Rick Jenkins, Columbia County
Don Kramer, Clinton County
Michael Krentzman, Mifflin County
Dave Park, Columbia County
Dennis Reitz, Northumberland County
John Spsychalski, Centre County
Jerry Walls, Lycoming County
Eric Winslow, Union County

RAILROAD OPERATOR FOR JRA

Tom Avery
Nate Blanchard
Todd Hunter
Dick Robey
Mimi Robey
Gary Shields
Pete Simcox
Jeb Stotter
Diana Williams

GUESTS PRESENT

Reuben Brouse, NRHS
Allen Bubb, NRHS
Tyler Glass, Reading & Northern Railroad
Don Purcell, Penn Valley Railroad
Andrew Richards, Bellefonte Historical Railroad Society

LEGAL COUNSEL PRESENT

Tom Schrack, Esq., McQuaide Blasko Law Offices

JRA STAFF PRESENT

Kay Aikey, Program Assistant
George Fury, Property Manager
Jeff Stover, Executive Director



Affiliated with
SEDA Council of Governments

JRA CONSULTING PROFESSIONALS PRESENT

John Conrad, P.E., Bridge Engineer (via speaker phone)
Dan Mazur, JRA Consultant

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 distributed a brochure on the Wanamaker, Kempton & Southern Scenic Train Rides. He also reported that Canadian Pacific is running oil trains.

Approval of the May 9, 2012 Meeting Minutes

Dr. Spsychalski made a motion to approve the May 9, 2012 meeting minutes with one minor correction to the wording under the Passenger Excursions Committee. The second paragraph should read: "The first excursion of the year 2012 will be held on May 26 at the Shamokin Anthracite Festival". Mr. Jenkins seconded the motion; motion carried.

Treasurer's Report

Mr. Harvey presented the Treasurer's Report for the month of May 2012 as well as the JRA's loan summary. Mr. Stover added that a state reimbursement came in recently in the amount of \$940,000.

Mr. Herman made a motion to approve the Treasurer's Report for the month of May 2012; Mr. Gummo seconded the motion; motion carried.

Legal Issues

Attorney Schrack provided an update to the Board regarding a previous question on a boundary line dispute for a property located in the Danville area in Mahoning Township. He stated that there had been some timber harvesting activities taking place on Rail Authority property. A letter was sent to the encroaching property owner asking him to cease the activity and to try to resolve the dispute. Attorney Tim Bowers was engaged by the property owner. This issue was reported to the property owner's title insurance company in an attempt to get them to pay the legal fees and try to work out a deal. Attorney Bower informed Attorney Schrack that the title insurance company will not pay the legal fees. Attorney Bower has suggested a walkthrough of the property be done to try to find out where the problem areas are, set the boundary lines and come to an amicable resolution on the issue. Attorney Schrack stated he will inform staff when this meeting is scheduled and will keep the Board updated on the progress. The JRA board members from Montour County will be invited to attend the site meeting.

Events Calendar/Staff Report

Mr. Simcox was presented with a framed print congratulating him and his North Shore Railroad Maintenance-of-Way (MOW) crew with restoration of the railroads after the Tropical Lee flood damage of September 2011.

Mr. Stover presented the events calendar for June/July 2012 and Projects Status and Staff Report.

Operator's Status Report and Business Forecast

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

Ms. Williams reported that the operating fee revenue for April 2012 versus April 2011 saw an increase of \$134,828. April 2012 YTD is ahead \$216,160 from 2011. Carloads for April YTD saw an increase of 228 versus April 2011.

OLD BUSINESS

TIGER II Status and Action Items

Mr. Stover reviewed the status of TIGER II tasks that were listed on the agenda grid.

FEMA Report

Mr. Fury updated JRA Board members on his ongoing meetings with the FEMA staff. He stated that all claims are in, and all indications are that full reimbursement will be received for everything that was submitted. Funds have been obligated for the demolition costs for the Loyalsock Creek Bridge and the amount to be received is \$120,000. A final meeting is scheduled for June 19th.

Loyalsock Creek Bridge

Mr. John Conrad, P.E., joined the meeting via speaker phone. He provided an update on the Loyalsock Creek Bridge and other bridge projects he is currently working on. A handout of various project updates from Mr. Conrad was provided at the meeting. He stated that URS Engineers were performing hydraulics on the four models and preliminary results have been received. All four models show an increase in the water elevation which he did not expect. A teleconference with URS will be scheduled to discuss the results and the impacts to each bridge span option. Mr. Conrad said once the teleconference with URS is held, he will prepare a summary of what he thinks can resolve the issue, what the recommended option is, and what the resulting elevations would be. He would like to advertise this project in September and will have the hydraulics resolved before the next JRA meeting.

Consideration of Bids for Drainage Upgrades at Clark's Feed and Unionville

Mr. Fury reported that a bid opening was held on June 12th for the Unionville pipe work and the drainage work at Clark's Feed. A copy of the bid summary was provided as a handout to Board members. The bid for the Unionville pipe work is too high and the project will be rebid. Mr. Fury stated that there will be some design changes to bring the Clark's Feed bid amount down so the recommendation would be to award to Redrock Construction the work at Clark's Feed not to exceed \$39,591. Mr. Fury stated he and Mr. Conrad feel that with the design changes the cost could decrease by about \$12,000.

Mr. Herman made a motion for the full Board to award the bid for the drainage work at Clark's Feed to Redrock Construction, Inc. for an amount not to exceed \$39,591 and contingent upon checking by staff and the solicitor to assure that there are no issues with the low bidder; Mr. Jenkins seconded the motion; motion carried with Mr. Reitz abstaining.

Mr. Park made a motion for the full Board to award the Clark's Feed project work to Mid-State Paving, LLC in the event that issues of a legal nature preclude award to Redrock Construction in the amount not to exceed \$42,183.75; Mr. Harvey seconded the motion; motion carried with Mr. Reitz abstaining.

South Avis Access Road Engineering

Mr. Stover stated that David Schultz of South Avis Realty (SAR) continues to meet with Mr. Alfred Munro to secure the right-of-way needed for the South Avis Access Road. South Avis Realty has been using Advance Geoservices Corp. for this project and sometimes uses Rettew as an environmental sub-contractor. The wetlands were derived from preliminary work done by Rettew. These delineations were important for Mr. Schultz in his discussions with the landowner (Monro) and to narrow the engineering choices of routes. In order for Mr. Schultz to get the right-of-way he needs to enter into an agreement with Mr. Munro.

South Avis Realty sought an updated scope and budget for the engineering and inspections needed for the South Avis Access Road. The revised estimate from Advance Geoservices Corp. is \$89,914.

Staff also sought proposals from John Conrad, P.E., and Barry Isett and Associates. These two would work in tandem for the engineering, environmental and inspection work. Total cost for their collective efforts is \$80,000.

Staff has consulted with Mr. Schultz on this and concurs staying with the engineer of record, Advance GeoServices, reasoning that the other engineering team was already committed to tight deadlines for other JRA TIGER II projects.

Dr. Spsychalski made a motion for the full Board to ratify the staff engagement of Rettew Associates in undertaking the wetlands delineation at a cost not to exceed \$1,000; Mr. Reitz seconded the motion; motion carried.

Mr. Krentzman made a motion for the full Board to engage Advanced Geoservices Corp. for an amount not to exceed \$89,914 to continue to be the engineers and inspectors for the South Avis Access Road in view of the deadline requirement for the TIGER II project which is an obligation of the other engineering team which quoted on this project; Mr. Harvey seconded the motion.

Mr. Stover stated that all costs are covered by the DCED grant and South Avis Realty match. There is no JRA match and is just a pass through.

Mr. Stover also stated that there may be some things that were included in the Advanced GeoServices' proposal that were not included in the other proposal from Barry Isett and Associates and John Conrad.

Motion carried.

Strategic Planning Update

Mr. Stover stated that Mr. Truax from the Delta Development Group is refining a final draft of the Strategic Plan. A copy will be sent to Board members well in advance of the July JRA meeting. A Strategic Planning work session will be held at 9:30 a.m. on Wednesday, July 11th. All Board members are encouraged to attend.

NEW BUSINESS

Bid Solicitation for Bridge Replacement for NSHR M.P. 194 at Catawissa

Mr. Fury stated that the small (5 ft. span) bridge at NSHR M.P. 194 near Catawissa has been a vexing problem for years and is on the JRA Capital Budget. Mr. Conrad has already designed a box culvert for

this location. The new structure is designed to handle more storm water than the inadequate structure that now exists. The railroad would also be raised about one foot.

It appears the owner of the land between the NSHR and the river will allow a new channel to be created to allow the drainage to flow directly to the river rather than making two 90 degree turns.

The Authority will have to enter into an easement agreement with the property owner.

Dr. Sychalski made a motion for the full Board to authorize a bid solicitation to replace the existing bridge at M.P. 194 with a box culvert and subsequent channel construction; Mr. Herman seconded the motion; motion carried.

COMMITTEE REPORTS

Property Management/Capital Budget Committee

Committee Chair Jenkins reported on his Committee's activities.

Approval of the May 9, 2012 PMC/Capital Budget Committee Meeting

Mr. Winslow made a motion to approve the May 9, 2012 PMC/Capital Budget Committee Meeting Minutes; Mr. Harvey seconded the motion; motion carried.

Williamsport Municipal Water Authority

The Williamsport Municipal Water Authority has requested an easement to bore under the LVRR at Arch Street in Williamsport for the construction of a 30" water main. The new main will be encased within a 42" steel casing.

Construction plans have been submitted and final approval will be given upon receipt of the contractor's plans for stabilizing the walls of the bore pits.

There will not be an easement fee as the occupation is within the public right-of-way. There is an application/recording fee of \$675.

Dr. Sychalski made a motion that the full Board approve the easement with the Williamsport Municipal Water Authority contingent upon approval of the pit wall shoring plans, and execution of the agreement by the Chairman and Secretary; Mr. Herman seconded the motion; motion carried.

Anadarko

Mr. Fury stated that Anadarko has approached staff requesting a license to cross under the Avis Branch of the LVRR approximately 677' west of the Route 220 Bridge near Larry's Creek with an 8" steel waterline and a 4" conduit to carry 3-phase electrical service.

All plans have been received and approved.

Annual cost for the waterline occupation is \$275. Annual cost for the electrical service occupation is \$300. Total annual fee is \$375, subject to CPI escalation. Application/recording fee of \$675 will be assessed.

Mr. Fury stated this is an informational item only, no action is required.

Consideration and Adoption of JRA Capital Budget

An updated copy of the JRA Capital Budget was provided to Board members. Mr. Stover highlighted some of the more significant changes to the budget.

Mr. Jenkins made a motion for the full Board to approve the updated JRA Capital Budget dated June 2012; Mr. Reitz seconded the motion; motion carried.

Passenger Excursions Committee

Committee Chair Spsychalski stated that the second excursion for 2012 will be held June 23 in Berwick. He stated that staff and Board members are invited to attend any of the excursions as guests of the sponsor group and Penn Valley Railroad.

A copy of the Penn Valley Railroad LLC interim income statement January – June was provided to Board members.

Operating Agreement Committee

Committee Chair Krentzman reported that the Committee met at 11 a.m. to discuss the Operator's Change of Control. The Committee reviewed the Amendment to the Operating Agreement as well as the Operator's irrevocable letter of credit from Sovereign/Santander Bank. After careful review and consideration of the documents and discussion the Operating Agreement Committee voted unanimously to recommend to the full Board approval of the Operator's Change of Control.

Mr. Krentzman made a motion that the full Board approve the requested Change of Control transaction, authorize the Chairman to execute the Amendment to the Operating Agreement, and approve the letter of credit that was submitted by the Operator for \$1 million from Sovereign/Santander Bank; Mr. Gummo seconded the motion; motion carried with Mr. Reitz opposed.

Chairman Walls adjourned the meeting at 2:27 p.m.

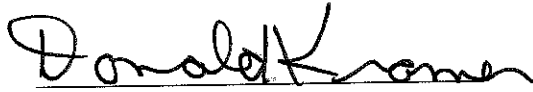
Respectfully submitted,



Jeffrey K. Stover, Executive Director

SEDA-COG Joint Rail Authority
June 13, 2012
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I hereby certify these minutes were approved by the SEDA-COG Joint Rail Authority Board of Directors on July 11, 2012.

A handwritten signature in black ink that reads "Donald Kramer". The signature is written in a cursive style with a large initial "D" and "K".

Secretary/Assistant Secretary