



**SEDA-COG JOINT RAIL AUTHORITY MEETING
WEDNESDAY, MARCH 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
Russ Graham, Centre County
Scott Harvey, Lycoming County
Rick Jenkins, Columbia 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
Pete Simcox, Director of Engineering
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
Mark Murawski, Lycoming County Planning
Russell Peterson, Carload Express
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
Paul Jannotti, Jannotti Rail Consulting
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**

201 Furnace Rd
Lewisburg
PA 17837

(570) 524-4491
fax 524-9190

jra@seda-cog.org
<http://jra.seda-cog.org>



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.

ADMINISTRATIVE ITEMS

Public Forum

Mr. Bubb stated that he went to Burnham to look at the crane and determined that it is an Ohio Locomotive crane built in the 1930’s. He is going to contact a society for industrial archaeology to see if they have any interest and to help get more information.

Approval of the February 11, 2015 Meeting Minutes

Dr. Spychalski made a motion for the Board to approve the February 11, 2015 meeting minutes; Mr. Postal seconded the motion; motion carried.

Treasurer’s Report

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

Mr. Bridy made a motion for the Board to accept the Treasurer’s Report for the month of February 2015 and file for audit; Mr. Park seconded the motion; motion carried.

Events Calendar/Staff Report

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

Chairman Walls asked Mr. Stover to put together a list of needs and ideas and definitive comments for the meeting on March 24th with PennDOT on the state rail plan stakeholders meeting and email it to the Board members for additional input.

Operator's Status Report and Business Forecast

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

Ms. Williams stated that January 2015 operating fee revenue increased 14.7% compared to January 2014.

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.

Mr. Conrad recommends awarding two of the three contracts for RTAP 2013 bridge work as follows:

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

Lycoming Supply, Inc.	\$ 681,898.51
G. O. Hawbaker, Inc.	\$1,422,500.00
Frontier Railroad Services, LLC	\$1,575,370.00

Dr. Spsychalski made a motion for the Board to approve award of the contract for the NBER bridges repairs #24.68, #25.75, #32.11 and #33.84 to Lycoming Supply in the amount of \$681,898.51; Mr. Bridy seconded the motion; motion carried.

JVRR Bridge Rehabilitation #0.46 over Juniata River (Lewistown)

Lycoming Supply, Inc.	\$190,032.50
G. O. Hawbaker, Inc.	\$448,000.00
Jay Fulkroad, Inc.	\$491,190.99

Mr. Postal made a motion for the Board to approve award of the contract for the JVRR Bridge Rehabilitation #0.46 to Lycoming Supply in the amount of \$190,032.50; Mr. Purcell seconded the motion; motion carried.

Mr. Conrad found an error in the low bid for the NBER Main Bridges Repairs #0.05, #0.24 and #0.27 in Tyrone. Therefore, he recommends that the JRA Board of Directors reject all bids for this package of three bids and rebid the project under a new schedule.

Mr. Conrad proposes that the set of three Tyrone bridges be rebid to the following schedule:

March 17, 2015	Prebid in Tyrone
April 2, 2015	Bid opening
April 8, 2015	Tentative bid award pending review

Mr. Bridy made a motion for the Board to approve the Bridge Engineer's recommendation to reject the bids for the NBER Main Bridges Repairs #0.05, #0.24 and #0.27 and rebid the project under a new schedule; Mr. Krentzman seconded the motion; motion carried.

RFAP and RTAP Applications Summary

Mr. Stover stated that staff prepared the following submissions for PennDOT Rail Freight Funding:

RTAP Applications ("PA Capital Budget")

SEDA-COG JRA RTAP 2015 Bridges	Total Budget: \$5,000,000
NSHR 194: \$650,000	Grant Request: \$3,500,000
NSHR 195: ("Bear Camp"): \$415,000	
LVRP 179.44 ("Iron Bridge"): \$2,010,000 (replacement)	
SVRR 14.95: \$960,000	
NBER 33.84: \$965,000	

RFAP Applications

SEDA-COG JRA	Total Budget: \$428,000
NBER – Robinson Lane Curve Rebuild	Grant Request: \$299,600
Granville Township (Mifflin County)	Total Budget: \$189,440
JVRR – Rehabilitation track/switches and grade crossing for new railroad customer.	Grant Request: \$132,680
Local share \$56,832) proposed to split three ways (JRA, JVRR and MCIDC). Granville Township will pave crossing.	

NEW BUSINESS

Jannotti Report – 2014 Inspections and 2015 Maintenance of Way Plan

Mr. Jannotti presented the 2014 Track Inspection Report. Bound copies of the report were provided to Board members and staff.

Mr. Jannotti stated that the NBER, LVRP, NSHR and Burnham Branch on the JVRR are in overall "good" repair. The SVRR can be considered as fair to good with the Carbon Run Branch categorized as "poor". The JVRR's Maitland Branch is fair.

The operator prepared a 2015 MoW Program for all the railroads which was provided as a handout for Board members. The cost of the 2015 MoW Program is slightly more than the MoW Program in 2014.

Mr. Stover stated that no action is needed by the Board.

Track Projects Bid Awards

Bid results were received on March 10, 2015 for the following projects:

1. Pleasant Gap Yard (Graymont-related RFAP)
2. JVRR Expansion Drive grade crossing
3. SVRR Market Street/Water Street Parking Lot grade crossing

PGIT 2015-01 – Pleasant Gap Yard

Eleven bids were received with Rhinehart Railroad Construction being the lowest bidder in the amount of \$425,881.00. If needed, award of this bid will take place via a special meeting of the Board by teleconference once review has been done by Mr. Jannotti and PennDOT Bureau of Rail Freight.

JVRR WPB 2014-07 Expansion Drive Grade Crossing

Five bids were received with K.W. Reese being the low bidder in the amount of \$56,923.00. Mr. Stover stated this project is proposed to be split three ways – the JRA, Granville Township, and the JVRR. The share for the JRA is \$18,785.00.

Mr. Showers made a motion for the Board to award the Expansion Drive bid to K. W. Reese in the amount of \$56,923.00; Mr. Bridy seconded the motion; motion carried with Mr. Postal abstaining.

SVRR 2014-06 Water Street Parking Lot Crossing

Mr. Stover stated that this project is the grade crossing that would allow for the exit of the Water Street parking lot just east of the Market Street Crossing in Shamokin. Five bids were received with Acme Construction being the low bidder in the amount of \$39,920.00.

Mr. Bridy made a motion for the Board to award the SVRR Water Street Parking Lot Crossing project to Acme Construction in the amount of \$39,920.00; Mr. Park seconded the motion; motion carried.

COMMITTEE REPORTS

Property Management/Capital Budget/Safety Committee Meeting

Committee Chair Rick Jenkins reported on the work of the committee that met at 10:00 a.m.

James Wood Building

Mr. Fury stated that staff has received an offer from Creek Bend Realty, LLC, in the amount of \$725,000 for 1.67 acres with the JRA having a right of first refusal should the buyer or its successors choose to sell the property. The net for the Authority would be \$672,000. The roof repair would be taken care of by the buyer.

Dr. Spychalski made a motion for the Board to accept the offer of \$725,000 from Creek Bend Realty, LLC, for the sale of the James Wood Building with the Authority having the right of first refusal and the roof repair to be done by the buyer; Mr. Jones seconded the motion; motion carried.

Attorney Schrack stated that the JRA's estimated closing costs amount to \$52,945.00 which include the brokers' commission of 6%, realty transfer tax, and other closing costs with net proceeds estimated to the Authority in the amount of \$672,055.00.

Mr. Postal made a motion for the Board to authorize the Chairman to execute the agreement of sale to convey the property to Creek Bend Realty, LLC, and the seller's estimated closing costs which sets forth those costs; Mr. Park seconded the motion; motion carried.

Review of the 2015 Capital Budget

Mr. Stover stated that the committee reviewed the 2015 Capital Budget in detail. Board members discussed the projects and some modifications were made to the Capital Budget. A list of the completed projects over the last five years was also discussed. Mr. Stover stated that a pdf of the revised document will be emailed to Board members. A hard copy will also be mailed. Mr. Stover briefly reviewed the 2015 Capital Budget and highlighted some of the changes that were made during the committee meetings. The county locations will be added to each of the projects. This is being done as part of relaying information at the briefings to the county commissioners.

Mr. Fury stated that a project needs to be added to the track and road beds for a project on Shamrock Road on the SVRR. PennDOT is doing some road improvements, and the railroad is going to be replacing the crossing. The engineer's cost that came in is \$275,000 so will be putting a placeholder in for \$280,000.

Mr. Stover stated that another project is the JVRR Roundhouse Road in Granville Township and \$81,000 is being put in as a placeholder for this project on the Capital Budget.

Mr. Harvey made a motion for the Board to approve the 2015 Capital Budget as recommended by the Property Management and Capital Budget Committee with the additions to be supplied by staff to Board members; Mr. Purcell seconded the motion; motion carried.

LEGAL

RFP Update

Attorney Schrack stated that one proposer has submitted comments on the proposed Operating Agreement. He suggested that the Authority collect all comments and comments on the agreement and then respond prior to the award date. Attorney Schrack proposed setting a deadline of April 15 for receiving feedback on the Operating Agreement from the proposers. Agreement.

The proposals are due on April 3.

Mr. Shields of North Shore Railroad responded that the current operator does not have any questions on the proposed Operating Agreement. Mr. Rosner of Stonepeak responded that they do not have any issues with the timeline for submission of questions assuming that the bound proposal is not subject to an Operating Agreement being finalized. Mr. Peterson of Carload Express responded that they take no exceptions to the recommendation of the April 15 deadline for questions to be submitted regarding the proposed Operating Agreement.

Mr. Graham asked if the questions are relevant to the proposal. Mr. Graham stated that the agreement is what the proposal is for and wondered how a proposer could get answers to their questions after the proposal is due. Attorney Schrack stated the changes would mostly be the legal terms, and are not sure much related to the information required in the proposals, but then deferred to the proposers on whether they would be comfortable submitting proposals while the agreement terms were still being negotiated.

Mr. Shields stated this is acceptable. Mr. Rosner stated this is acceptable and stated that most of what Stonepeak submitted for review was legal, and internally Stonepeak has to go through its general counsel. Mr. Peterson stated he takes no exception to this approach.

Attorney Schrack stated the understanding is that the proposals will be submitted prior to the JRA's response on questions on the Operating Agreement.

Mr. Shields of North Shore indicated that North Shore does not have any questions pertaining to the proposed Operating Agreement.

Mr. Peterson of Carload Express stated Carload Express only has one question which they will submit to the Executive Director within a week.

Attorney Schrack stated that another idea was proposed to have the proposers meet individually with the scoring board members to formally give their proposals orally and allow for questions on the proposals from the scoring board members.

Mr. Stover stated that the three proposers would individually meet with the ten scoring board members to formally give their oral proposals and also to allow for questions from the scoring board members on the proposals. He then asked the proposers if they are agreeable to this.

Mr. Peterson of Carload Express stated they would prefer the opportunity to make a presentation and/or answer questions. Mr. Rosner of Stonepeak stated they would be happy to do that. Mr. Shields of North Shore responded they would as well.

The date selected for this meeting is Monday, May 4th starting at noon. The three proposers were ok with this date. The meeting will be held at SEDA-COG.

Legal Issues

- Rose Road: Attorney Schrack stated that several months ago the Board had approved, contingent on finalizing the agreement and subject to solicitor review, a three-party settlement agreement relating to Rose Road in Shamokin Township. Shamokin Township is vacating a portion of Rose Road on the southern boundary of Stoneroad's property. The JRA filed an application with the PUC to abolish the crossing. The Stoneroads objected to the abolishment. A tentative agreement was reached with the Stoneroads whereby the JRA would reimburse up to \$5,000 for cost of materials and related items on the work. There is a final agreement that needs to be signed as Shamokin Township has it on its agenda for a meeting. No action is needed; this is an informational item only.
- Right-to-Know: Attorney Schrack reported that the JRA received a Right-to-Know request from a gentleman who works with G. O. Hawbaker by the name of Harry Ward who was looking for information relating to the Loyalsock Creek Bridge project; specifically, wage rates. Mr. Stover responded to Mr. Ward and provided the information requested. Another inquiry was received from the Department of Labor looking for the same information, which was also provided to the Department. The bid specification package was provided which included the wage rates. This is an informational item only.
- NARCOA Run: Mr. Stover stated he received a request from NARCOA for an additional run for Toys for Tots on December 6th on the West Shore and White Deer and Reading Railroad. Mr. Stover stated that there are no passenger excursions run on that date. Dr. Spychalski suggested that this item be placed on the agenda for the April Board meeting.
- 911 Agreement with Operator and Clinton County: Mr. Fury stated that Clinton County 911 wants to be out of business of being the Authority's provider as the call in center for ENS. The railroad is going to be contracting with Northumberland County 911. There is a three-party agreement which needs to be signed. The JRA's obligation will be sharing the cost of the phone line as well as the monthly service and it should not exceed \$3,500/year. Mr. Fury stated this is a FRA mandated program. Attorney Schrack is reviewing the agreement between Northumberland County 911, North Shore and the JRA. The transition date is April 1.

Mr. Krentzman made a motion for the Board to approve the 911 agreement subject to solicitor review; Mr. Graham seconded the motion.

Mr. Park asked what would happen if there are issues with the new agreement and Clinton County doesn't do it after April 1. Mr. Fury responded that Clinton County will have to continue to provide the service if need be until the issues are worked out.

Motion carried with Mr. Bridy abstaining.

- Munro Matter: Attorney Schrack stated that to conclude this matter, the Authority has issued two checks: one in the amount of \$30,015.00 which the court awarded for just compensation and another check in the amount of \$2,639.38 for delay damages.

Mr. Postal made a motion for the Board to approve the payment to Mr. and Mrs. Munro in the amount \$32,654.38; Mr. Park seconded the motion; motion carried.

Through the drawing of lots the order of presentations to the scoring Board members on May 4, 2015 will be:

Carload Express
North Shore
Stonepeak

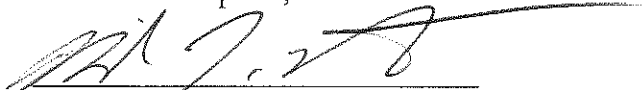
Chairman Walls adjourned the meeting at 2:47 p.m.

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 April 8, 2015.



Secretary/Assistant Secretary