



SEDA-COG JOINT RAIL AUTHORITY MEETING
WEDNESDAY, MARCH 12, 2014
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
John Gummo, Clinton County
Scott Harvey, Lycoming County
Tom Herman, Montour County
Rick Jenkins, Columbia County
Brent Jones, Clinton County
Michael Krentzman, Mifflin County
Dave Park, Columbia County
Don Purcell, Northumberland County
John Showers, Union County
John Spsychalski, Centre County
Jerry Walls, Lycoming County
Eric Winslow, Union County

JRA OPERATOR

Todd Hunter
Gary Shields
Jeb Stotter
Diana Williams

GUESTS

Steve Betts, PennDOT District 3-0
Mike Caseman, NuWeld
Tyler Glass, Reading & Northern Railroad
Mark Murawski, Lycoming County Planning Commission
Rich Novack, PennDOT District 3-0
Andrew Richards, Bellefonte Historical Railroad Society

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**

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 12:33 p.m.

Pledge of Allegiance

Chairman Walls led the Pledge of Allegiance.

ADMINISTRATIVE ITEMS

Public Forum

No comments from the public.

Approval of the February 12, 2014 Meeting Minutes

Mr. Bridy made a motion to approve the February 12, 2014 meeting minutes; Dr. Spsychalski seconded the motion; motion carried unanimously.

Treasurer's Report

Mr. Harvey presented the Treasurer's Report for the month of February 2014 as well as the JRA's loan summary.

Mr. Gummo made a motion to approve the Treasurer's Report for the month of February 2014 and file for audit; Mr. Herman seconded the motion.

Chairman Walls complimented and thanked Mr. Fury on the work he has done in getting in the payments for the license fee invoices.

Motion carried.

Events Calendar/Staff Report

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

Lycoming County/NuWeld Agreement for RTAP Grant Administration

Mr. Stover stated that a three-party agreement with Lycoming County, SEDA-COG Joint Rail Authority and NuWeld, Inc. has been drafted by Attorney Schrack along with the county solicitor.

Attorney Schrack stated that the agreement was drafted by the county but he had input into revising it. This agreement is for NuWeld's facility at 2600 Reach Road, Williamsport, adjacent to the JRA's Newberry rail yard. The project will consist of the rehabilitation of approximately 2,100 feet of track and addition of switches, grade crossings, drainage facilities and bumping

blocks. Estimated cost of the project is approximately \$529,000, which includes \$15,000 for engineering, design, and permitting costs. Lycoming County has successfully obtained a Rail Transportation Assistance Program (RTAP) grant for \$350,000 from the PennDOT Bureau of Rail Freight, Ports and Waterways. NuWeld will be responsible for any costs on top of that. The County's primary role is grant administration, and the JRA will be responsible for project management, bidding out the project, engineering, design, and permitting for the project. NuWeld has a grant requirement to make a good faith effort to reach the goal of creating 156 new positions and to provide the County with job creation figures. NuWeld is prepared to invest up to \$150,000 for the local match for the project which would enable the County to secure as much as \$350,000 in RTAP funds.

Attorney Schrack stated he recommends approval of the Agreement and execution by the Chair and Secretary.

Chairman Walls stated that NuWeld has agreed to welcome any rail shippers who need to make use of an overhead crane that will be on their property. This is a real value for a shipper who has no direct access to a rail siding.

Mr. Harvey made a motion for the Board to approve the Memorandum of Agreement between Lycoming County, NuWeld and the SEDA-COG Joint Rail Authority and authorize execution of the Agreement by the Chairman and Secretary; Mr. Purcell seconded the motion; motion carried unanimously.

Operator's Status Report and Business Forecast

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

Ms. Williams stated that the difference in the operating fee revenue for January 2014 versus January 2013 was due to the timing with CP settlements and 27% downturn in revenue settlements for January.

Chairman Walls congratulated Mr. Hunter on being appointed to the Transportation Research Board (TRB) Committee on Freight Rail Transportation.

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.

Bridge Engineer's Report

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

Loyalsock Creek Bridge Change Order:

Change Order 1: The two spans of the overflow bridge need to be sand blasted and painted. The sand blast is to white metal and paint system will match type and color of the Loyalsock Creek Bridge. The cost of the change order is \$58,054.00.

Dr. Spsychalski made a motion for the Board to approve a change order for the sand blasting and painting of the two span overflow bridge as noted in the Bridge Engineer's Report – Action Item in the amount of \$58,054.00; Mr. Herman seconded the motion.

Chairman Walls asked if this project is still within budget. Mr. Stover replied that this change order is still within the budget contingency for the project.

Motion carried unanimously.

Change Order 2: The following change order is not a contingency line item issue. It is an overall project budget update.

Mr. Jenkins made a motion for the Board to approve Change Order 2 to adjust the in-shop inspection budget line item from \$170,000 to the recommended contract total of \$308,000; Mr. Showers seconded the motion.

Chairman Walls asked Mr. Conrad to explain this change order.

Mr. Conrad stated that due to multiple shifts, weekend work and extended time frame for fabrication and acceptance including rejection of initial steel for thru-girder lower flanges, the in-shop personnel inspection demands for Bureau Veritas has significantly increased.

Motion carried.

LVRB Washout Bid Award

Mr. Conrad stated that seven bids were received on March 7th to repair remnant washouts as a result of Tropical Storm Lee. He said that he spoke with the two lowest bidders to make sure that nothing in the specs was missed. A tabulation for math errors was done and Mr. Conrad stated that he recommends an award to Lycoming Supply in the amount of \$149,871.00.

Mr. Fury stated that the JRA can expect reimbursement from FEMA/PEMA for a portion of the cost.

Mr. Conrad stated that the project can be completed by the end of May.

Mr. Herman made a motion for the Board to award the LVRB Washout project to Lycoming Supply, Inc. in the amount of \$149,871.00 and authorize the Chair and Secretary to execute contract documents; Mr. Harvey seconded the motion; motion carried.

NBER Bellefonte Branch Rail Bid Award

Mr. Stover stated that eight bids were received and opened on February 13th for Phase 1 of the NBER Bellefonte Branch and Wilson Yard (Tyrone) project. Work on the Branch includes 7,835 lineal feet of new head-hardened #115 rail. At Wilson Yard in Tyrone there would be 867 lineal feet of welded #136 or #140 rail installed. The low bid is an excellent one from a known contractor. Chesapeake Thermite Welding (CTW) is the low bidder and had won the track work at the Danville flood closure structure.

The NBER has agreed to contribute \$50,000 toward this rail project, leaving a net of \$251,904.00 to the Authority. Staff recommends awarding this bid to CTW.

Mr. Showers made a motion for the Board to award the NBER Bellefonte Branch Rail Bid to CTW in the amount of \$301,904.00; Mr. Park seconded the motion.

Dr. Spychalski asked what the provision will be for flange-to-rail head lubrication once the new rail is installed. Mr. Fury replied that there are lubricators already on several spots on the railroad and that additional greasers can be installed if needed.

Motion carried.

LVRR Hepburn Street Bid Award

Mr. Fury stated the bid opening for the Hepburn Street Project was held on Wednesday, March 5, 2014. Four bids were received with Mid-State Paving, LLC being the low bidder. Mid-State Paving, LLC came in at \$174,125.00 which is approximately \$4,000.00 below the project budget.

Mr. Murawski stated that this is a cost sharing agreement between the JRA and Lycoming County. The county share is approximately \$88,000. A cost share agreement between Lycoming County and the Joint Rail Authority will be drafted and forwarded to the JRA.

Chairman Walls stated that a fence will be built along the railroad tracks separating the parking lot and railroad track as this is an important liability protection for the Joint Rail Authority.

Chairman Walls stated that Mr. Fury was instrumental in working with PennDOT District 3-0 in obtaining the Highway Occupancy Permit (HOP).

Mr. Harvey made a motion for the Board to award the LVRR Hepburn Street bid to Mid-State Paving, LLC in the amount of \$174,125.00; Mr. Gummo seconded the motion; motion carried.

Signal Contract RFP – Award

Mr. Fury stated that staff received four responses to the signal contractor services RFP that were due on March 7th. Balfour Beatty, Diamondback Signal, National Signal Corporation and Railroad Signal International responded to the RFP.

Of the four submittals, Balfour Beatty and Diamondback Signal stood out in terms of cost (labor, equipment and materials), employee qualification, education and experience.

Mr. Fury stated that this selection is not based on financial considerations as the only work typically done is construction of Section 130 Projects. The JRA has had an ongoing relationship with the core of Diamondback Signals for close to 30 years and has received exceptional service. The quality, speed and efficiency of installation of systems have exceeded other companies that have constructed systems on JRA rail lines. It is staff's recommendation to award this 5-year contract to Diamondback Signals for signal services.

Chairman Walls asked Attorney Schrack if Mr. Fury adequately documented reasons why Diamondback Signal should get this award. Attorney Schrack replied that the RFP did not state that this would be awarded to the lowest responsible bidder; it is a professional services contract. He also stated that Mr. Fury did a good job of summarizing the analysis.

Mr. Herman made a motion for the Board to award the Grade Crossing Signals – Continuing Contract to Diamondback Signal, LLC and authorize the Chairman and Secretary to execute a 5-year contract crafted by Attorney Schrack; Mr. Park seconded the motion; motion carried.

NEW BUSINESS

Resolution for RTAP System-Wide Bridges Upgrade

Mr. Stover stated that the JRA is the recipient of a \$1.8 million PennDOT rail grant for nine bridge upgrades benefitting all lines except the White Deer and Reading Railroad. PennDOT requires a resolution for this Rail Transportation Assistance Program (RTAP) grant.

Mr. Bridy made a motion for the Board to approve the resolution authorizing the JRA officers to sign all Commonwealth grant documents for the RTAP grant; Mr. Purcell seconded the motion; motion carried.

COMMITTEE REPORTS

Passenger Excursions Committee

Dr. Spychalski referred to the 2014 Time Table for Public Passenger Excursions provided to Board members and stated that the Board needs to approve this time table.

Mr. Bridy made a motion for the Board to approve the 2014 Time Table for Public Passenger Excursions; Mr. Winslow seconded the motion; motion carried.

Property Management/Capital Budget Committee

Chairman Rick Jenkins discussed scheduling a future PMC/CB Committee. The next meeting will be held on Friday, March 28 at 2 p.m. at SEDA-COG.

Bellefonte Office Upgrades

Mr. Fury stated that the rug at the Bellefonte office is over 30 years old and needs to be replaced. The NBER has obtained 3 quotes for replacement with industrial quality carpet, laminate flooring or tile. The office also needs to be painted and the NBER has offered to supply the labor to do so if the JRA purchases the paint. Estimated cost of the paint is \$300.

Mr. Krentzman made a motion for the board to allocate \$2,500 for the Bellefonte office upgrades and approve Triangle Home Showcase be contracted to install Tarkett VCT tile and authorize the NBER to purchase paint and supplies; Mr. Bridy seconded the motion; motion carried.

Operating Agreement Committee

Mr. Krentzman stated that the Committee met at 10:00 a.m. and members reviewed the February meeting minutes, discussed Great Street Commons and separation from the RFP for various JRA properties. Mr. Stover will work on a draft RFP to be completed by March 30. The next meeting will be held on Wednesday, April 9 at 10 a.m. to go through the draft RFP and to discuss the county/shipper briefings.

LEGAL

Legal Issues

Attorney Schrack stated there is one item that requires discussion on the record, and the remainder of the items needs to be addressed in Executive Session as they pertain to litigation.

- Leadership Lycoming Request for a VIP Excursion on March 13: Attorney Schrack stated the VIP excursions were discussed at the February JRA Meeting. Mr. Fink of the Lycoming County Chamber had sent a request for a VIP run on March 13. It was determined at the last JRA meeting that the VIP excursions should be Board approved.

Mr. Bridy made a motion for the Board to approve the Leadership Lycoming Request for a VIP Excursion on March 13; Mr. Harvey seconded the motion; motion carried.

Dr. Spychalski stated that the VIP excursion is by invitation only and is not open to the general public.

- JVRR Burnham Property: Mr. Stover reported that the check has been sent to Attorney Coploff for the 19.6 acres of North Yards in Burnham, and an executed deed should be forthcoming.

Chairman Walls called for an executive session at 2:04 p.m.

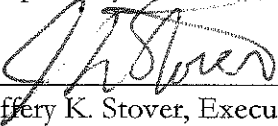
Chairman Walls reconvened the regular meeting at 3:03 p.m.

A lease dispute between the Authority and Marcellus Energy Services was discussed in executive session. The Board discussed terminating the lease due to the ongoing failure of MES to comply with its maintenance obligations, of which MES received prior notice from the Authority. In addition, MES had attempted to assign the lease in December 2012 without Authority approval as requested by the lease, which also constitutes a default under the lease.

Mr. Krentzman made a motion for the Board to approve termination of the Authority's lease with Marcellus Energy Services; Dr. Spychalski seconded the motion; motion carried.

Chairman Walls adjourned the meeting at 3:05 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 9, 2014.



Secretary/Assistant Secretary