



**SEDA-COG JOINT RAIL AUTHORITY MEETING**  
**WEDNESDAY, OCTOBER 8, 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  
Frank Dombroski, Montour County (via speaker phone)  
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  
Rob Postal, Mifflin County  
Don Purcell, Northumberland County  
John Showers, Union County  
John Spsychalski, Centre County  
Jerry Walls, Lycoming County  
Eric Winslow, Union County

**JRA OPERATOR**

Gary Shields, President  
Jeb Stotter, Vice-President  
Diana Williams, Treasurer/Controller

**GUESTS**

Reuben Brouse, NRHS  
Al Bubbs, NRHS  
Steve Campbell, Roaring Creek & Catawissa Valley Historical Study Group  
Mark Murawski, Lycoming County Planning Commission  
Andrew Richards, Bellefonte Historical Railroad Society  
Mark Rosner, Stonepeak Infrastructure Partners  
Dennis Shaffer, Reading & Northern Railroad  
Jerry Vest, Genesee & Wyoming Railroad Services, Inc.

**LEGAL COUNSEL**

Allen Neely, Esq., McQuaide Blasko Law Offices  
Tom Schrack, Esq., McQuaide Blasko Law Offices

**JRA CONSULTING PROFESSIONALS PRESENT**

Dan Mazur, Operating Agreement Consultant

**SEDA-COG JOINT  
RAIL AUTHORITY**

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



Affiliated with  
SEDA Council of Governments

## **JRA STAFF**

Kay Aikey, Program Assistant  
George Fury, Property & Maintenance of Way Manager  
Jeff Stover, Executive Director

## **SEDA-COG STAFF**

Steve Kusheloff, Public Information

## **CALL TO ORDER**

### **Call to Order**

Chairman Walls called the meeting to order at 12:32 p.m.

### **Pledge of Allegiance**

Chairman Walls led the Pledge of Allegiance.

### **Welcome – Chairman’s Statements**

Chairman Walls asked that if any Board member, staff or visitor intended to record any part of the meeting, they should notify the Chairman or the Executive Director.

## **ADMINISTRATIVE ITEMS**

### **Public Forum**

Mr. Richards stated that the Bellefonte Historical Railroad Society signed a contract with Rail Mechanical Services in Columbia, PA for renovation of RDC 9167.

### **Approval of the September 10, 2014 Meeting Minutes**

*Dr. Spsychalski made a motion to approve the September 10, 2014 meeting minutes; Mr. Herman seconded the motion.*

### **Treasurer’s Report**

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

*Mr. Gummo made a motion to accept the Treasurer’s Report for the month of September 2014 and file for audit; Mr. Purcell seconded the motion; motion carried.*

### **Loans Modifications**

Mr. Harvey stated that in response to the Board’s request, Jersey Shore State Bank (JSSB) has agreed to modify the JRA’s two loans.

The current loan rate is 5.95%; the new proposed rate is a fixed 3.5% (prime plus .25%) for a five-year period. At year five from the modification date, the rate would be then current prime plus 1% with a 3.5% floor and 15% ceiling. At year ten the rate would adjust again. There is a 2% prepayment penalty. There is a fee associated with modifying the loans.

*Dr. Spychalski made a motion for the Board to approve the loans modifications with Jersey Shore State Bank; Mr. Herman seconded the motion; motion carried.*

### Legal Issues

Attorney Schrack will comment on pending legal issues:

- Munro Eminent Domain
- Vossloh
- Eschbach
- Weaver ATV Accident

Attorney Schrack introduced Allen Neely from McQuaide Blasko and requested an executive session to discuss the ongoing litigation matters listed on the agenda.

Chairman Walls recessed the Board meeting at 12:43 p.m. Mr. Dombroski joined the Board Meeting via speaker phone.

The Executive Session ended at 1:45 p.m. Chairman Walls reconvened the Board meeting at 1:46 p.m.

### **OLD BUSINESS**

#### RFP for Rail Operations Phase I

Attorney Schrack requested that the six board members who recused themselves from the RFP process leave the room. Those board members are Scott Harvey, Rick Jenkins, Brent Jones, Michael Krentzman, Dave Park, and Eric Winslow. George Fury also left the room due to his recusal from the RFP process. Attorney Schrack noted that this recusal was done by these members pursuant to the Authority's Code of Conduct.

Attorney Schrack stated that at the September JRA Board Meeting, a motion was made to select the proposers who will move forward in the RFP process. The motion was to move forward the four highest scoring respondents into Phase 2. A vote was taken on that motion and, out of ten voting members, seven voted in favor, with three voting against. It was afterwards determined during the course of the meeting that, under the bylaws, an issue was presented as to whether that was a passing vote. This was noted to the Board, and after discussion a motion was presented by Dr. Spychalski to schedule a special meeting to permit review of whether the vote was a passing vote. A legal review was done and it was determined that it would be appropriate in this instance to require a vote of the majority of those board members present at the meeting, taking into account the recused board members. There are 15 board members present and one present via speaker phone, so 9 is the

appropriate number required to move forward with action. Mr. Schrack noted that a special meeting to address the RFP vote was not scheduled due to scheduling conflicts.

*Dr. Spychalski made a motion that the four top scorers' response to the initial proposal be moved forward to Phase 2; Mr. Dombroski seconded the motion.*

For clarification purposes, Attorney Schrack stated that would be Carload Express, North Shore Railroad, Genesee & Wyoming and Stonepeak.

*Motion carried by unanimous vote.*

Chairman Walls had to leave the meeting at 1:51 p.m. Vice-chairman John Showers assumed the role of Chair for the remainder of the meeting.

### Events Calendar/Staff Report

Mr. Stover presented the events calendar for October and November and Staff Report.

### 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 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 the project summary budget. Mr. Fury provided an update on the Loyalsock Creek Bridge, Talleyrand Bridge Rehabilitation, the LVRR Washout Repairs and the RTAP Bridges since Mr. Conrad was not in attendance.

## **NEW BUSINESS**

### Section 130 Agreements

Mr. Fury stated that several months ago PennDOT created an agreement for disbursement of Section 130 monies in lieu of utilizing the PUC Secretarial Letter. Agreements are in hand for the following crossings:

1. School House Road on the LVRR
2. Ridge Road and Bisset's Lane on the NSHR
3. Shamokin Corridor on the SVRR

These three projects are fully funded by Section 130.

***Mr. Bridy made a motion for the Board to authorize the Vice-chair and Secretary to execute the three agreements with the Commonwealth of Pennsylvania for use of Section 130 monies; Mr. Herman seconded the motion; motion carried.***

#### **NSHR Columbia County – Bloomsburg Flood Related Track Work**

Mr. Stover stated the Board may recall that the only RFAP application from the region not approved in the most recent round was submitted by the Columbia County Commissioners. The project was for NSHR track modifications needed to accommodate the flood protection project. The total cost for this work is  $\pm$  \$115,000 and includes the relocation and construction of a new #10 turnout and reconfiguration and construction of  $\pm$  200' of new track.

Staff proposes that the JRA cost share this work 50/50 with the Columbia County Board of Commissioners. This project will protect a major NSHR customer, Autoneum, and another industrial site that could be rail served. Further, Columbia County did not receive any TIGER II or related JRA investments as seen in other member counties.

***Mr. Postal made a motion for the Board to approve the 50/50 cost sharing with Columbia County Commissioners for North Shore Railroad track work related to the Bloomsburg Flood Protection Project; Mr. Gummo seconded the motion; motion carried.***

#### **Columbia County Easement**

Mr. Fury stated that Columbia County has requested an easement over Authority property in the Bloomsburg Yard for construction of its flood levee system, designed to protect Autoneum, the former Windsor Foods site to the south, and a portion of the NSHR railroad. The permanent easement area requested totals 0.60 acres (26,352 square feet). Cost of the easement is \$10.00. The application fee has been waived.

***Dr. Spychalski made a motion for the Board to grant an easement to Columbia County and authorize the Vice-chair and Secretary to execute all documents; Mr. Herman seconded the motion; motion carried.***

### **COMMITTEE REPORTS**

#### **Passenger Excursions Committee**

Dr. Spychalski referred to the upcoming passenger excursions scheduled for October. There are two excursions scheduled in Catawissa on October 11. Mr. Campbell reported that enhanced advertising has been done in the Allentown and Philadelphia areas, and that tickets have been purchased by persons from outside the area who will be patronizing local area motels and restaurants.

Dr. Spychalski stated there are excursions scheduled on October 17, 18, and 19 in Bellefonte. Mr. Richards stated that ticket sales are underway and additional advertising is being done for the excursions. Mr. Richards also stated that the brick loading platform has been extended 25

feet. The Borough of Bellefonte assisted with the work done on this along with a crew of volunteers.

Dr. Spychalski reported excursions are scheduled on October 25 and October 26 in Williamsport and will cross the Loyalsock Creek Bridge enroute to Muncy.

A meeting of the passenger excursions committee will be held before the end of 2014.

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

Committee Chair Rick Jenkins reported on the work of the committee.

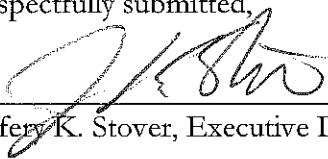
### **Sunesys Easement**

Mr. Fury stated that Sunesys has approached staff requesting a license agreement for construction of a fiber optic line over the Bellefonte Branch of the NBER at Rishel Hill Road. New construction will service one customer – Verizon-which will link two cell towers. Cost of the easement is \$2,000/year and the \$700 application fee applies. All plans have been reviewed and approved.

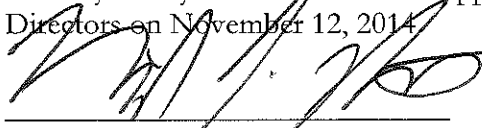
***Mr. Bridy made a motion for the Board to approve this license agreement to Sunesys and authorize execution by the Vice-chair and Secretary; Mr. Harvey seconded the motion; motion carried.***

Vice-chair Showers adjourned the meeting at 2:26 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 November 12, 2014.

  
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Secretary/Assistant Secretary