



**SEDA-COG JOINT RAIL AUTHORITY MEETING
WEDNESDAY, DECEMBER 10, 2014
UNION COUNTY GOVERNMENT CENTER
155 NORTH 15TH STREET, LEWISBURG, PA
12:30 P.M.**

**PRESERVING
RAIL FREIGHT
SERVICE**

-serving the counties of

Centre
Clinton
Columbia
Lycoming
Mifflin
Montour
Northumberland
Union

AUTHORITY MEMBERS

Frank Dombroski, Montour County
Stephen Bridy, Northumberland County
Russ Graham, Centre County
Scott Harvey, Lycoming County
Tom Herman, Montour County
Rick Jenkins, Columbia County
Brent Jones, Clinton County
Michael Krentzman, Mifflin County
Rob Postal, Mifflin County (via speaker phone)
Don Purcell, Northumberland County
John Showers, Union County
John Spsychalski, Centre County
Jerry Walls, Lycoming County
Eric Winslow, Union County

JRA OPERATOR

Todd Hunter, Director of Marketing
Joe Kantz, Marketing Representative
Gary Shields, President
Jeb Stotter, Vice-President
Diana Williams, Treasurer/Controller

GUESTS

Reuben Brouse, NRHS
Al Bubb, NRHS
Mark Murawski, Lycoming County Planning
Andrew Richards, Bellefonte Historical Railroad Society
Mark Rosner, Stonepeak Infrastructure Partners
Dennis Shaffer, Reading & Northern Railroad
Pete Smeltz, Clinton County Commissioner
Rob Wimbish, Fletcher and Sippel (via speaker phone)

LEGAL COUNSEL

Tom Schrack, Esq., McQuaide Blasko Law Offices

JRA CONSULTING PROFESSIONALS

Dan Mazur, Operating Agreement Consultant

**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

JRA STAFF

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

CALL TO ORDER

Call to Order

Chairman Walls called the meeting to order at 12:40 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

Clinton County Commissioner Pete Smeltz offered comments on the First Quality Tissue Project. The City of Lock Haven has been chosen as the site for a third tissue machine/building. Commissioner Smeltz thanked the SEDA-COG Joint Rail Authority for all the hard work in supporting this project and thanked First Quality for its continued investment in the City of Lock Haven.

Mr. Bubb congratulated the SVRR on their 25th anniversary and commented on some of the history of the SVRR.

Mr. Richards stated that tickets for the Santa Express excursions in Bellefonte have been sold out. He also reported that the restoration project of RDC 9167 has begun.

Approval of the November 12, 2014 Meeting Minutes

*Dr. Spychalski made a motion to approve the November 12, 2014 meeting minutes;
Mr. Herman seconded the motion; motion carried.*

Appointment of Nominating Committee

Chairman Walls appointed Mr. Winslow (Chair), Mr. Dombroski, Mr. Jenkins, and Mr. Postal to the Nominating Committee for 2015 Board officers. They will present their slate of 2015 officer candidates at the January 14, 2015 SEDA-COG Joint Rail Authority Board Meeting.

Treasurer's Report

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

Mr. Harvey stated that the JRA has the documents to complete the loans modifications with Jersey Shore State Bank. Mr. Stover stated these documents have been reviewed by the solicitor and are ready to be executed today.

Mr. Harvey stated that Herring & Roll submitted a proposal for the annual single audit for 2014 in the amount of \$8,200.00.

Mr. Harvey made a motion for the Board to accept the proposal from Herring & Roll to complete the JRA annual single audit for 2014 in the amount of \$8,200; Mr. Showers seconded the motion; motion carried.

Mr. Graham made a motion to accept the Treasurer's Report for the month of November 2014 and file for audit; Mr. Herman seconded the motion; motion carried.

Events Calendar/Staff Report

Mr. Stover presented the events calendar for December 2014 and January 2015, and Staff Report.

Operator's Status Report and Business Forecast

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

NEW BUSINESS

Attorney Rob Wimbish, with the law firm of Fletcher and Sippel in Chicago, joined the meeting via speaker phone at 1:08 p.m. Attorney Wimbish, as part of the agenda, is being considered as special counsel to the Authority for transportation law.

D&H Transaction (NSHR)

Mr. Stover stated that information was sent to Board members regarding the pending sale of the D&H from near Albany, NY to Sunbury, PA. This proposed sale will affect how the customers of the JRA line access the Canadian Pacific (CP). Current access is via two methods:

- Direct CP/NSHR interchange near Sunbury (two to three times a week). This connection is subject to constraints-origins or destinations must be east of Ste. Sault Marie, Ontario.
- Indirect connection via Enola and NS haulage to Northumberland. This is a more frequent connection (five times or more per week) and works reasonably well. There are no geographic commercial restrictions as is imposed on the direct CP connection in Sunbury mentioned above.

After the proposed sale, NS has proposed the connection be one direct to Northumberland, via a haulage arrangement from Saratoga Springs, NY. This arrangement will be a more efficient connection for JRA customers that have origins and destination on the CP.

The JRA needs expert transportation legal assistance as usually provided by Attorney Keith O'Brien at the firm of Baker and Miller in Washington, D.C. Reluctantly, Attorney O'Brien has had to recuse himself on the JRA's behalf because his firm (not him personally) made the STB filing for the Norfolk Southern. As a result, the JRA needs another legal advisor for this matter. Attorney O'Brien has recommended a former Baker and Miller colleague, Rob Wimbish, as a worthy replacement. Attorney Wimbish has worked with the JRA over the years and attended a Board meeting some years back. He is now with the firm of Fletcher and Sippel in Chicago doing rail transportation law. On December 2, 2014, Rob's firm received the "ok" from CP for him to represent the JRA in this matter. The proposed hourly rate for Attorney Wimbish is \$260 which is close to the rate paid to Attorney O'Brien and in the range for specialized legal work of this nature.

A teleconference will be held with all the parties involved. The missing link is how much the haulage will be in relationship to what was being charged in the past.

6

Mr. Stover stated that Norfolk Southern is looking for a letter of support that would be sent to them and the STB from the short line railroads.

Mr. Herman made a motion for the Board to authorize a letter be sent under the signature of the Chairman to support the acquisition of D&H contingent upon discussions with all affected customers who are satisfied with the transaction, and that the JRA is able to get a sense of cost deviation from current rates for CP traffic, and that it does not diminish the right of access that the current customers currently enjoy; Mr. Jones seconded the motion; motion carried.

Mr. Harvey made a motion for the Board to authorize engagement of Attorney Rob Wimbish as special counsel to advise in the matter of the Norfolk Southern's acquisition of portions of the Delaware & Hudson; Mr. Graham seconded the motion; motion carried.

Attorney Wimbish left the meeting via speaker phone at 1:43 p.m.

OLD BUSINESS

TIGER II Status and Action Items

Mr. Stover reviewed the updated TIGER II budget that was distributed at the meeting. He stated that the FRA has successfully closed out the Lycoming County Rail Line Relocation Grant for the bridge.

Mr. Stover stated that the JRA was approached by adjacent landowner Herman Logue regarding remnant tree stumps left along the LVRR right-of-way just west of the new Loyalsock Creek Bridge. He proposed a cost-sharing to have the stumps ground down and the slope regraded. During construction, Mr. Logue had allowed his property to be used for the contractors' mobilization at no cost. The cost for the stump grinding is close to that for the grading. Two quotes were received to grind the stumps. The lowest was from Dincher and Dincher for \$2,480.00. Mr. Logue will pay to have the area re-graded.

Dr. Spsychalski made a motion for the Board to approve the contract with Dincher and Dincher to do the stump grinding in the amount of \$2,480.00; Mr. Winslow seconded the motion; motion carried.

Bridge Engineer's Report

Board members were provided with the Bridge Engineer's report. Mr. Conrad provided an update on the status of the RTAP Bridges bidding which will come to the Board at the January meeting.

The three bid packages that have been prepared are:

- Tyrone Bridges on NBER Main at M.P. 0.05; 0.24 and 0.27.
- NBER Main Bridges in Centre County at M.P. 24.68; 25.75; 32.11 and 33.84.
- JVRR Bridge in Lewistown over Juniata River at M.P. 0.46

Section 130 – PennDOT Agreements

Mr. Stover stated that PennDOT is seeking approval of a signature authorization resolution for all Section 130 agreements for grade crossing improvements. The signature of the Executive Director would accelerate project implementation of these improvements.

Mr. Jenkins made a motion for the Board to approve execution of the Section 130 agreements by the Executive Director; Mr. Dombroski seconded the motion; motion carried.

COMMITTEE REPORTS

Passenger Excursions Committee

Committee Chair Dr. Spsychalski stated that the Passenger Excursions Committee met at 10:30 a.m. He reported that in 2013, the Authority engaged an independent equipment inspector to inspect all passenger equipment used on JRA owned and JRA controlled tracks to ensure the physical condition of the equipment was appropriate and in compliance with FRA mandated requirements and CFR 49. The following motion was then made by the committee and is being recommended to the Board for approval:

Dr. Spsychalski made a motion that all equipment presently used for carrying passengers on track owned or controlled by the SEDA-COG Joint Rail Authority shall be subjected to an Authority-designated and funded independent inspection at five-year intervals, going forward from the year 2013. Any additional passenger carrying equipment not presently in use on JRA-owned or controlled tracks shall be subjected to such independent inspection prior to carrying passengers on JRA-owned or controlled tracks; Mr. Winslow seconded the motion; motion carried.

Board Member Rob Postal joined the meeting via speaker phone at 2:14 p.m.

Roaring Creek and Catawissa Valley HSG Agreement

Committee Chair Spychalski stated that Steve Campbell of the Roaring Creek and Catawissa Valley Historical Study Group is seeking approval for an updated Memorandum of Understanding (MOU) for his group's passenger excursions. The MOU is a three party agreement between the JRA, the excursion sponsor and Penn Valley Railroad, LLC. It is a requirement for every passenger excursion sponsor to have a Memorandum of Understanding in place. This MOU does not vary at all with the previous MOU from this sponsor group.

Dr. Spychalski made a motion for the Board to approve the MOU from the Roaring Creek and Catawissa Valley Historical Study Group; Mr. Herman seconded the motion; motion carried.

Committee Chair Spychalski stated that a report of the results of the excursions for the 2014 year will be available at the January or February 2015 JRA meeting.

Property Management/Capital Budget Committee Meeting

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

AOAA (Northumberland County Trail – Paxinos to Reed)

Mr. Stover stated that in 1991, Northumberland County Commissioners purchased the remnants of the PRR (Penn Central Railroad between 1968 and 1976) from near Sunbury to near Reed. This is a distance of about 10 miles. Recently, the Commissioners have decided that right-of-way to the county's Anthracite Outdoor Adventure Area Authority (AOAA). That group is primarily charged with developing the ATV park, but now will also be working with trails.

On December 1, Stover attended a meeting with Pat Mack, Northumberland County Planner and Development Director, County Solicitor Frank Garrigan and AOAA representatives. The County is in the early stages of trying to establish a trail from Sunbury to Paxinos. A good part of that would be on the county's PRR right-of-way. The section from Reed to Paxinos conceivably would be on the JRA's Reading right-of-way which is NOT part of the SVRR operating line. The County will be engaging an engineer to survey from Reed to Paxinos if a possible route for the trail is defined.

No action is needed by the Board at this time; this is for information purposes only.

Shamokin Yard Property

Mr. Stover stated that staff was contacted by the widow of Elwood Swank, the now deceased owner of Split Vein Coal. Before his death, Mr. Swank had asked his then wife to contact the JRA to see if it wanted to buy the former Shamokin Yard. For many years, staff had reminded Mr. Swank that if he ever wanted to sell it, the JRA would have an interest in the 6.5 acres he bought from the Reading Company in the early 1990s. At that time he paid \$18,000 for the former yard. Staff is seeking JRA's consent to negotiate with Mrs. Swank over possible acquisition of the former Shamokin Yard.

Mr. Herman made a motion to authorize staff to negotiate possible acquisition of the former Shamokin Yard with Mrs. Elwood Swank; Dr. Spychalski seconded the motion; motion carried with Mr. Bridy abstaining.

Legal Issues

Attorney Schrack stated that a hearing on the Munro Eminent Domain is scheduled for the week of December 15. An update on this matter will be given at the January meeting.

RFP Update

Attorney Schrack stated that the customer surveys have been mailed out by Delta Development Group to the three proposers.

Mr. Stover stated that Mr. Fury, Mr. Jannotti, and Mr. Conrad will be going to Pittsburgh to inspect the lines of Carload on December 11 and 12.

Attorney Schrack stated that a Right-to-Know request has been filed by Reading & Northern Railroad and a response has been made. A copy of the letter response was provided to Board members via email.

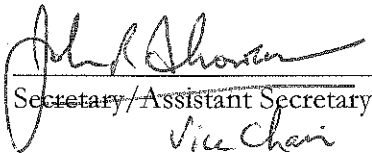
Chairman Walls adjourned the JRA meeting at 2:26 p.m.

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 January 14, 2015.



Secretary/Assistant Secretary
Vice Chair