



SEDA-COG JOINT RAIL AUTHORITY MEETING
WEDNESDAY, FEBRUARY 11, 2009
SEDA-COG, LEWISBURG, PENNSYLVANIA
12:30 P.M.

**PRESERVING
RAIL FREIGHT
SERVICE**

serving the counties of

Centre

Clinton

Columbia

Lycoming

Mifflin

Montour

Northumberland

Union

AUTHORITY MEMBERS PRESENT

Scott Harvey, Lycoming County
Bud Henry, Columbia County
Tom Herman, Montour County
Rick Jenkins, Columbia County
Don Kramer, Clinton County
Michael Krentzman, Mifflin County
Mike Redin, Centre County
Dennis Reitz, Northumberland County
Frank Sawicki, Northumberland County
Dennis Shaffer, Union County
John Showers, Union County
Jerry Walls, Lycoming County

GUESTS PRESENT

Tom Avery, Railroad Operating Companies
Al Bubb, NRHS
Russ Nicodemus, Railroad Operating Companies
Jeff Pontius, Railroad Operating Companies
Dick Robey, Railroad Operating Companies (via speaker phone)
Gary Shields, Railroad Operating Companies
Ed Sigl, Susquehanna Bank
Diana Williams, Railroad Operating Companies

STAFF PRESENT

Tom Schrack, Esq., McQuaide Blasko
Kay Aikey
George Fury
Steve Kusheloff
Jeff Stover

ADMINISTRATIVE ITEMS

Call to Order

Mr. Walls called the meeting to order at 12:30 p.m.

Pledge of Allegiance

Mr. Walls led the Pledge of Allegiance.

Mr. Stover introduced Attorney Tom Schrack, McQuaide Blasko Law Offices, and Mr. Ed Sigl, Susquehanna Bank, to board members.

**SEDA-COG JOINT
RAIL AUTHORITY**

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Affiliated with
SEDA Council of Governments

Approval of the January 14, 2009, Meeting Minutes of the SEDA-COG Joint Rail Authority

Mr. Walls asked for clarification/editorial corrections to be made to the minutes.

- On page 3, item 1, the word "principle" should be "principal."
- On page 4, the motion under Columbia Gas and Northumberland Sewer Authority should be stated as the motion carried with Mr. Hawbaker and Mr. Henry voting in favor of the motion by speaker phone.

Mr. Herman made a motion to approve the January 14, 2009, meeting minutes of the SEDA-COG Joint Rail Authority with noted corrections; Mr. Henry seconded the motion; motion carried.

Treasurer's Report

Mr. Reitz reviewed the Treasurer's Report for the month of January 2009.

Mr. Henry made a motion to approve the Treasurer's Report for the month of January 2009; Mr. Kramer seconded the motion; motion carried.

Committee Assignments for 2009

A list of the 2009 committee assignments was distributed to board members. All board members agreed to serve on the assigned committees.

Capital Budget Committee Report

Mr. Shaffer stated the Capital Budget Committee met Tuesday, February 10. A handout of the updated JRA Capital Budget was provided to board members. Mr. Shaffer's Committee reviewed the budget with an eye to the anticipated revenues in order to determine the anticipated work plan.

Another item discussed at the meeting related to borrowing money to pay for at least part of the Newberry South Intermodal project. Mr. Shaffer stated some funds will be from public sources and there will be an agreement with Bulkmatic to pay the Rail Authority a portion of JRA's investment via a lease. The committee also looked at whether or not to use some of the Rail Authority's current cash balance rather than borrowing all of the money. Staff and the Chairman have been working with banks to submit proposals for the Authority to act upon.

In terms of looking toward the future, the committee tried to make sure the anticipated flow of income would be sufficient to meet expected expenses. The committee feels the Authority is in a good position in that regard. The current cash balance is in line with the expected income to cover the foreseen expenditures at least in a three-year time horizon.

Mr. Stover reviewed the following handouts:

- General Financial Fiscal Years 2000-2010
- Capital Budget 2007-2012

Mr. Redin made a motion to adopt the February 2009 version of the Capital Budget for 2007-2012; Mr. Herman seconded the motion; motion carried.

Mr. Walls complimented the Capital Budget Committee and staff for putting together the Capital Budget spreadsheet for 2007-2012.

Legal Issues

Attorney Schrack reported he is still waiting on a response from Mr. Hartman regarding the boundary line dispute with the Beech Creek property. Mr. Hartman has received the certified letter which was sent to him.

Mr. Walls asked if there is a consequence to the JRA or the operator if this issue drags on. Mr. Stover replied that Mr. Hartman has a legitimate private crossing, but he has been difficult to work with for a number of years. Mr. Stover suggested providing Mr. Simcox and the foreman of the M/W with the letter that was sent to Mr. Hartman.

Regarding the Decker issue, Attorney Schrack reported there may be a need to further enforce a judgment. The Attorney handling this issue is prepared to take whatever action is necessary. Mr. Fury stated he will coordinate with the operator and will take photos of materials still on the property.

At this time, Mr. Walls recessed the regular meeting and members entered into executive session at 1:25 p.m. for the purpose of discussing some contractual issues.

The regular meeting reconvened at 2:20 p.m. Mr. Robey rejoined the meeting via speaker phone.

Events Calendar/Project Map/Staff Report

Mr. Stover presented the events calendar for February and March, the projects map, and the staff report.

Mr. Stover stated DCED is working on a \$1 million grant agreement for the Kennedy-King site redevelopment.

Operator's Status Report and Business Forecast

Mr. Shields referred to the Operator's Report included in the packet and presented a business forecast.

PROPERTY MANAGEMENT COMMITTEE

Mr. Redin stated the Property Management Committee met, and there are a number of items requiring action from the full board.

Aqua Pennsylvania Easement (SVRR)

Mr. Fury reported Aqua Pennsylvania is seeking a permanent easement for the installation of a 12" ductile iron pipe in Coal Township for the upgrade of its sewer facilities. The recommendation is to accept the PMC recommendation.

***Mr. Henry made a motion for the full board to accept the easement for Aqua Pennsylvania;
Mr. Herman seconded the motion; motion carried.***

Spring-Benner-Walker Joint Authority (NBER)

Mr. Fury stated Spring-Benner-Walker Joint Authority has requested a permanent easement for a transverse occupation at Shuey's curve on the Bellefonte Branch. The recommendation is to accept the PMC recommendation.

Mr. Redin made a motion for the full board to approve the easement to the Spring-Benner-Walker Joint Authority; Mr. Kramer seconded the motion; motion carried.

Lewistown Turntable (JVRR)

Mr. Redin asked members to recall last month's discussion on the turntable.

Mr. Fury reported that Wasatch Railroad Contractor's was referred by the operator to take a look at the turntable. Wasatch proposed for a cost not to exceed \$3,000 to evaluate the turntable and give a written appraisal of its value and what it would cost to rehabilitate it and return it to use. The recommendation is to accept the PMC recommendation.

Mr. Redin made a motion for the full board to approve and accept Wasatch Railroad Contractor's \$3,000 proposal for written evaluation of the Lewistown Turntable; Mr. Henry seconded the motion; motion carried.

Mr. Walls added that Mr. Avery was present at the PMC meeting and passed along an analysis from Obsolete Technologies Company regarding the turntable.

LVRR Engine House

Mr. Redin stated a proposal has been received from Larson Design Group to provide a design suitable for bidding to upgrade the electrical distribution system in the engine house and to upgrade the lighting, the cost of which would be \$5,400. The PMC recommends accepting this proposal and moving forward with the project.

Mr. Redin made a motion for the full board to accept Larson Design Group's proposal for \$5,400 for electrical upgrade design package for the existing Lycoming Valley Engine House; Mr. Harvey seconded the motion; motion carried.

Mr. Walls asked the operator to let Ray and others at Lycoming Valley know that decision making is being made on this project. A Newberry Yard Master Plan work session is scheduled for March 9 from 10:30 a.m. to 2:30 p.m. at the Lycoming Valley Railroad offices. It is primarily for the PMC, but other board members are welcome to attend as well. Appropriate people within the operator's organization are to be involved. Staff has been asked to put together a list of objectives for the work session as well as an agenda.

PennDOT Bridge Agreements

Mr. Redin stated there is an existing agreement between the JRA and PennDOT that when PennDOT projects require railroad flagging, the reimbursement funds are handled through the Authority's accounts. That is, PennDOT pays the Authority and the Authority pays the operator. The PMC recommends that the full board authorize the Chairman to execute this agreement.

Mr. Redin made a motion for the full board to authorize the Chairman to execute the PennDOT Bridge Agreement; Mr. Henry seconded the motion; motion carried.

Mr. Walls stated there would be no problem with the operator pursuing his own PennDOT reimbursement agreement.

OLD BUSINESS

Newberry South Bulk Transfer Facility Issues (LVRR)

Mr. Stover reviewed the following handouts with members:

- Listing of the results of the bids received for the railroad work for the Newberry South Bulk Transfer Facility
- LVRR Newberry Bulk Transfer Facility Financing

2009 Maintenance of Way Program

Mr. Stover stated that another meeting to discuss the 2009 M/W program is scheduled for February 19 at 2:00 p.m. at SEDA-COG.

Loyalsock Creek Bridge (LVRR)

Mr. Stover reported Mr. Fury has been working with the bridge engineer, John Conrad, to relook at this project in order to prepare updated costs to rehabilitate vs. replace the structure.

Public Forum

Mr. Bubb stated he will be working on doing a history of the Shamokin Valley and its predecessors.

Mr. Shaffer asked about the issue of extension of tax credit dollars. Mr. Walls stated Mr. Stover has already communicated with Senator Specter on this. Mr. Shaffer stated this is up for new legislation, and it is very important that the Authority makes sure whatever money comes out of this legislation that it is structured in a way that it comes back into the railroad as it was intended.

Mr. Walls asked that Mr. Stover draft a letter for board members to send to the Congressional delegation to offer support on this issue.

Mr. Stover stated there is a SEDA-COG delegation going to Washington in April and perhaps this could be taken as an issue to the Congressional delegation. Mr. Stover will provide Mr. Kusheloff with the information on this issue.

ADJOURNMENT

Mr. Walls adjourned the meeting at 3:00 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 March 11, 2009.



Secretary/Assistant Secretary