



SEDA-COG JOINT RAIL AUTHORITY MEETING  
WEDNESDAY, JULY 8, 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**

**SEDA-COG JOINT  
RAIL AUTHORITY**

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fax 524-9190**

**[jra@seda-cog.org](mailto:jra@seda-cog.org)  
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**AUTHORITY MEMBERS PRESENT**

Frank Dombroski, Montour County  
Mike Hawbaker, Centre County (via speaker phone)  
Scott Harvey, Lycoming County  
Bud Henry, Columbia County  
Tom Herman, Montour County  
Rick Jenkins, Columbia County  
Don Kramer, Clinton County  
Mike Redin, Centre County  
Dennis Reitz, Northumberland County  
Frank Sawicki, Northumberland County  
John Showers, Union County  
Dennis Shaffer, Union County  
Jim Spendiff, Mifflin County  
Jerry Walls, Lycoming County

**GUESTS PRESENT**

Tom Avery, Railroad Operating Companies  
Randy Herring, CPA, Herring & Roll  
Mark Murawski, Lycoming County  
Jeff Pontius Railroad Operating Companies  
Dick Robey, Railroad Operating Companies  
Mimi Robey, Railroad Operating Companies  
Gary Shields, Railroad Operating Companies  
Diana Williams, Railroad Operating Companies

**STAFF PRESENT**

Steve Hurvitz, Esq., McQuaide Blasko  
Kay Aikey  
George Fury  
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.



Affiliated with  
SEDA Council of Governments

**Approval of the June 10, 2009, Meeting Minutes of the SEDA-COG Joint Rail Authority**

*Mr. Henry made a motion to approve the June 10, 2009 meeting minutes of the SEDA-COG Joint Rail Authority; Mr. Harvey seconded the motion; motion carried.*

**Treasurer's Report**

Mr. Reitz presented the Treasurer's Report for the month of June 2009.

*Mr. Herman made a motion to approve the Treasurer's Report for the month of June 2009; Mr. Spendiff seconded the motion; motion carried.*

**Audit Presentation**

Mr. Randy Herring, CPA, presented the draft 2008 audit for the SEDA-COG Joint Rail Authority.

Mr. Walls asked if there is a management letter at this time; Mr. Herring responded there is no management letter issued at this time.

Mr. Walls had the following question and comments on the Notes:

- Page 10, Note 1: Does the Authority have any bad receivables? Mr. Herring responded, no, not that he could see.
- Page 16, Note 10: Regarding the sentence "An agreement between SEDA-COG and the Authority for these services is negotiated each year," Mr. Walls stated it is negotiated for a three year period and each year is estimated specifically. Mr. Herring stated this disclosure will be revised.

Mr. Walls stated that before he signed off on the representation to Herring and Roll as Chairman of the Authority, he checked with the solicitor and Attorney Schrack that the Authority was served on June 25 with an action to quiet title on a piece of property in Williamsport. Mr. Walls stated he had to sign off that there are no pending things that will affect the Authority's wellbeing.

Mr. Hawbaker questioned the interest rate on the first note on page 13 Note 4 – Notes Payable. He wanted to know if there is any action that can be taken on that rate.

Mr. Stover will look into this.

*Mr. Herman made a motion to approve the audit report ending December 31, 2008 with the changes recognized by the Authority to include the Management's Discussion and Analysis and authorize filing of those with the appropriate state and federal agencies and for the JRA's records; Mr. Hawbaker seconded the motion; motion carried.*

**Operating Agreement Committee**

Mr. Spendiff stated the Operating Agreement Committee met July 8, 2009 to review the operator's request to enter into an operating agreement with PPL for the portion of the North Shore Railroad east of Berwick owned by that utility. The Committee reviewed this and has asked the attorneys to look at

the agreement. The Committee sees no reason why this agreement should not be approved as long as it includes a provision for a successor operator. The Committee also feels it is a good idea for Attorneys Richard Wilson and Keith O'Brien to get together to discuss this. There is no action at this time for the Board and the Operating Agreement Committee does not see a detriment to the Authority as long as there is a conditional clause that the agreement would flow to the successor operator to the North Shore Railroad.

### Legal Issues

Attorney Hurvitz stated there are several issues that have come to the Authority's attention:

- (1) Quiet title action in the Williamsport area. An action has been filed against the SEDA-COG Joint Rail Authority and Brodart seeking quiet title to a small piece of property. The Authority's answer is due by July 15 and the Authority intends to defend it.
- (2) Memorandum of Understanding with the City of Williamsport regarding the Kennedy-King project which will be discussed later in the agenda.
- (3) Nittany Oil lease which Attorney Tom Schrack is working on with staff.
- (4) Policy statement on the process for sales of property by the Authority.

### Special Counsel

Mr. Walls stated that Jack Stover, Esquire, of the firm of Buchanan, Ingersoll and Rooney was judged to be the best choice as special counsel to the Joint Rail Authority. Mr. Walls concurred, based on the Executive Director's recommendation, and asked that the Authority ratify the engagement of Jack Stover as special counsel.

*Mr. Shaffer made a motion to ratify the engagement of Jack Stover, Esq. of Buchanan, Ingersoll and Rooney as special counsel to the Joint Rail Authority; Mr. Henry seconded the motion; motion carried.*

### Events Calendar/Projects Map/Staff Report

Mr. Stover presented the events calendar for July and August, the projects map, and staff report.

### Operator's Status Report and Business Forecast

Mr. Robey referred to the Operator's Report included in the packet. Mr. Shields presented a business forecast, with business levels thus far in 2009 showing an approximate 12% decline.

### **PROPERTY MANAGEMENT COMMITTEE**

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

### Danville Land Sale

Mr. Redin stated the Property Management Committee would like to recommend the approval of a land sale and transfer for 855 square feet of land at the Old Arthur Treacher's site in Danville. This would be in the amount of \$15,000.

*Mr. Redin made a motion for the full board to approve the land sale of the Old Arthur Treacher's site in the amount of \$15,000; Mr. Herman seconded the motion; motion carried.*

### Shamokin-Coal Township Joint Sewer Authority Easement

Mr. Redin reported that the Shamokin-Coal Township Joint Sewer Authority has requested a permanent easement for a transverse crossing of the SVRR in Shamokin at the intersection of Shamokin and Independence Streets. There is no easement fee for this crossing as it is entirely within the public right-of-way.

*Mr. Redin made a motion for the full board to approve the easement for the Shamokin-Coal Township Joint Sewer Authority; Mr. Jenkins seconded the motion; motion carried.*

### Aqua Pennsylvania, Inc. Easement

Mr. Redin reported that Aqua Pennsylvania has requested a permanent easement for a transverse crossing at Yellow Hill Road (old Route 54, now the Strong Connector.) The easement fee is grandfathered under the previous rental schedule and is \$5,850.00.

*Mr. Redin made a motion for the full board to approve the easement for Aqua Pennsylvania, Inc. in the amount of \$5,850.00; Mr. Kramer seconded the motion; motion carried.*

### American Eagle Papers

Mr. Redin reported that American Eagle Papers in Tyrone has requested confirmation by the board regarding its request to acquire some land that includes a dike between the properties along Park Avenue and the Little Juniata River. Staff recommends disposing of this land which has no rail potential, is floodplain, and to divest ourselves of the responsibility of maintaining the dike system.

*Mr. Redin made a motion for the full board to reconfirm its desire to transfer this land to American Eagle Papers for \$1.00; Mr. Reitz seconded the motion; motion carried.*

### North Branch Canal Project

Mr. Redin reported that the Montour Area Recreation Commission is requesting a 25 year lease term for the tow path lands that will be transferred to it by the Joint Rail Authority for construction of the North Branch Canal Trail. In order for the Recreation Commission to secure the necessary DCNR funding, they need a commitment from the Rail Authority to enter into a 25 year lease.

*Mr. Redin made a motion for the full board to approve a 25 year length of term for this proposed lease to the Montour Area Recreation Commission or other appropriate entity; Mr. Henry seconded the motion; motion carried.*

## OLD BUSINESS

### Newberry South Change Orders (LVRR)

Mr. Stover reviewed the additional change orders to Newberry South. He stated that this involves removal of the railroad ties in sub-grade in the amount of \$3,842.50 as well as a water proof meter pit in the amount of \$386.00 and a credit of \$6,600 for the paving next to the building to be demolished. The total amount of the change order is the net additional change in the amount of \$4,203.50.

*Mr. Shaffer made a motion for the full board to approve the change order for Newberry South and authorize the Chairman to execute the appropriate documents; Mr. Dombroski seconded the motion; motion carried with Mr. Hawbaker abstaining.*

### Bid Award – 2009 RFAP Bridges Rehabilitation

Mr. Fury reported that two bids were received for the rehabilitation of three bridges under the JRA's 2009 RFAP grant. The results are Osmose Railroad Services, Inc., in the amount of \$197,015.00 and Zartman Construction, Inc. in the amount of \$237,400.00.

*Mr. Showers made a motion for the full board to accept the recommendation of John Conrad, P.E. to award the bridge project to Osmose Railroad Services, Inc. in the amount of \$197,015.00 subject to final approval by PennDOT; Mr. Sawicki seconded the motion; motion carried.*

### Bid Award – Rumberger Engine House Foundation Repairs (NBER)

Mr. Stover reported that four bids were received for the repairs to the foundation of the Rumberger Engine House in Bellefonte. John Claar Construction was the low bidder in the amount of \$43,950.00.

*Mr. Reitz made a motion for the full board to award the bid for repairs to the foundation of the Rumberger Engine House in Bellefonte in the amount of \$43,950.00; Mr. Spendiff seconded the motion; motion carried.*

### Kennedy-King Site Project (LVRR Newberry)

Mr. Stover reported that Attorney Schrack has drafted a Memorandum of Understanding with the City of Williamsport. The MOU was approved by City Council on June 25, 2009. Larson Design Group is preparing bid specifications for a portion of DCED grant for replacing of the yard access road off Trenton Avenue. This would greatly improve the road that extends to Bulkmatic's frac sand site.

*Mr. Herman made a motion for the full board to approve the Memorandum of Understanding with the City of Williamsport and to authorize the Chairman and Secretary to execute the MOU; Mr. Kramer seconded the motion; motion carried.*

## NEW BUSINESS

### Authorize JRA Application for RFAP NSHR Bridge at MP194 (NSHR)

Mr. Stover stated the next round of funding for the RFAP expires July 31, 2009 for 2010 money. He further stated that PennDOT seems to be open to the Rail Authority's applications for bridge work. The Authority has been monitoring a NSHR bridge at M.P. 194 near Catawissa. Mr. Conrad has scoped a replacement of this bridge and the cost is estimated at \$200,000. If funded, the local share would be 30% (\$60,000).

*Mr. Herman made a motion to authorize the Joint Rail Authority to submit an application for the 2010-2011 PennDOT RFAP for replacement of the NSHR bridge at M.P. 194; Mr. Reitz seconded the motion; motion carried.*

### TAP (Capital Budget) Application – Possible Projects

Mr. Stover stated that PennDOT will be accepting applications for release of Capital Budget projects during the last week of August. The Authority has begun to explore whether it should consider seeking release of one of its projects.

A Capital Budget Committee meeting will be held Thursday, July 23 at 11:00 a.m. to review specific projects to be submitted to PennDOT.

### Public Forum

No comments from the public.

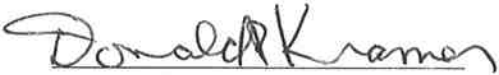
## ADJOURNMENT

Mr. Walls adjourned the meeting at 2:40 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 August 19, 2009.

  
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Secretary/Assistant Secretary