



**SEDA-COG JOINT RAIL AUTHORITY MEETING
WEDNESDAY, JUNE 11, 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
Russ Graham, Centre County
John Gummo, Clinton County
Scott Harvey, Lycoming County
Tom Herman, Montour County
Brent Jones, Clinton County
Michael Krentzman, 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
Jeb Stotter
Diana Williams

GUESTS

Al Bubb, NRHS
Steve Campbell, Roaring Creek & Catawissa Valley Historical Study Group
Mark Murawski, Lycoming County Planning Commission
Andrew Richards, Bellefonte Historical Railroad Society
Dennis Shaffer, Reading & Northern Railroad

LEGAL COUNSEL

Tom Schrack, Esq., McQuaide Blasko Law Offices
Allen Neely, Esq., McQuaide Blasko Law Offices (via speaker phone)

JRA STAFF

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

SEDA-COG STAFF

Steve Kusheloff, Public Information

**SEDA-COG JOINT
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Affiliated with
SEDA Council of Governments

CALL TO ORDER

Call to Order

Chairman Walls called the meeting to order at 12:35 p.m.

Pledge of Allegiance

Chairman Walls led the Pledge of Allegiance.

ADMINISTRATIVE ITEMS

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

Public Forum

Mr. Campbell stated that there is an article and photo in the Press Enterprise showing the light bulbs being changed at the Catawissa rail crossing.

Mr. Herman stated that PPL is going to be selling off much of its electricity general business. Chairman Walls stated that PPL Corporation is going to be forming a new company - Taleon Energy Corporation.

Approval of the May 14, 2014 Meeting Minutes

Dr. Spsychalski made a motion to approve the May 14, 2014 meeting minutes; Mr. Herman seconded the motion; motion carried unanimously.

Treasurer's Report

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

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

Events Calendar/Staff Report

Mr. Stover stated he has been in contact with Jersey Shore State Bank regarding the possibility of the Authority getting a 90-day note to help with cash flow for the Loyalsock Creek Bridge. The bank is willing to do a 90-day note at prime which is 3.25% interest for a \$2 Million bridge loan and a one-time service fee in the amount of \$5,000.

Mr. Krentzman asked if there were any other bank proposals for this loan and asked if he could check with some other banks.

Mr. Murawski stated he will check with Lycoming County regarding the possibility of a PIB loan.

Mr. Bridy made a motion for the Board to authorize the Executive Director to shop for additional quotes and authorize the Chairman and Treasurer to execute all appropriate banking documents and payments in the amount of \$2 Million; Mr. Jones seconded the motion.

Mr. Harvey stated the collateral for this borrowing is the grant agreement with PennDOT.

Motion carried.

Mr. Stover presented the events calendar for June/July and Staff Report.

Discussion was held to cancel the July JRA Board meeting. The next meeting will be August 13 and will be held in Newberry Yard as part of the Loyalsock Creek Bridge ribbon cutting.

Dr. Spychalski stated that public access to the meeting facility for the August 13 meeting must be ensured despite the fact that it is located on a railroad operating site, in order to maintain compliance with the Pennsylvania Sunshine Act.

James Wood Building Landscaping

Mr. Stover stated at its regular meeting on May 14, 2014, the Board approved the expenditure of \$7,225 to renovate the landscaping at the James Wood Building.

As the spring progressed, it became apparent that many shrubs were killed by the winter weather and needed to be replaced. Also, after pruning, many of the shrubs were beyond salvage. Staff requested additional work from Knep's to "fill the gaps" with new plants. Cost of the additional plants, labor and mulch is \$3,000.

Mr. Bridy made a motion for the full Board to approve the expenditure of an additional \$3,000 for renovation of the landscaping at the James Wood Building; Mr. Graham seconded the motion; motion carried with Mr. Harvey abstaining.

Operator's Status Report and Business Forecast

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

Ms. Williams stated that the YTD operating fee revenue for April 2014 saw a 19.2% decrease over 2013 YTD, and the deficit is declining. January 2014 started off with an approximate 46% decline and the numbers are recovering month after month. Ms. Williams stated that 2013 was a record year so the comparison bar is set high.

Chairman Walls asked that Mr. Kusheloff draft a public information piece on the Schnabel car.

Mr. Stotter stated that North Shore Railroad received the "Small Business Impact Award" on June 2, 2014 from Governor Tom Corbett.

Mr. Shields stated that on Thursday, August 7 the North Shore Railroad will have a “Shipper’s Special” to celebrate their 30th anniversary. There will be 2 train trips on the North Shore – one at 10 a.m. and the other at 2 p.m. Invitations will be mailed out.

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 budget for the Loyalsock Creek Bridge is under budget in the amount of \$356,000.

NBER 2014 JRA RFAP Application – Graymont

Mr. Stover stated that after nearly two years of waiting, Graymont has been awarded the long-term contract for moving power plant scrubber lime to Homer City, PA. To accommodate 3,000 carloads of new annual business, new track needs to be built at the end of the Pleasant Gap Industrial Track. The additional track capacity needs to be in place by the end of 2015.

There are two parts to this project: track on the JRA right-of-way and track on Graymont land.

Staff had the opportunity at the recent Rail Freight Seminar to discuss this project with staff from PennDOT’s Bureau of Rail Freight. The JRA portion of the project seems to be a good fit for the Rail Freight Assistance Program (RFAP). An application was going to be submitted for the new PennDOT Multi-Modal Program. The trackwork on Graymont’s property will be that company’s responsibility.

The budget below was prepared by Mr. Paul Jannotti.

Description	Unit Price	Unit	Qty	Total
Construct Standard Ballasted Track	\$180.00	TF	1450	\$261,000
Grading For Track and Turnouts	\$8.50	CY	5872	\$49,912
Replace Track with No 8 Turnout	\$59,800.00	EA	1	\$59,800
Construct No 8 Turnout	\$58,500.00	EA	1	\$58,500
Furnish and Install Derail	\$6,500.00	EA	2	\$13,000
Raise, Line, Surface Main Track	\$4.50	TF	170	\$765
Furnish and Install Drainage Facilities	\$6,700.00	LS	1	\$6,700
Total Track Construction and Rehabilitation				\$449,677
			PennDOT RFAP Request (56%)*	\$250,000
			JRA Share (44%)	\$199,677

**State share for track construction is limited to \$250K*

Since the RFAP deadline was May 30, staff could not wait for approval to submit at the June JRA meeting. The Chairman as well as the two Board members from Centre County were contacted and agreed that the JRA should take advantage of this opportunity.

Dr. Spsychalski made a motion for the full Board to ratify the JRA's application for \$250,000 in RFAP funds for the Graymont-related track project in Pleasant Gap; Mr. Herman seconded the motion; motion carried.

Bridge Engineer's Report

Board members were provided with the Bridge Engineer's recommended action items.

Loyalsock Creek Bridge Change Orders:

Change Order 1: Replace 1/2" lags with separate washer with 5/8" lags with washer heads to secure the outer strap guard rail to the ties across the bridge. This will add shear strength in case any strapping comes loose and is drug across the tie deck or if any cars get off the track inside the truss or thru-girders. This added strength may hold the ties from skewing and the load impacting the steel members. Change order cost: \$3,667.60

Change Order 2: After removal of designated trees along the northwest approach track the remaining trees are still hanging over or toward the track. Remove all trees along the northwest approach from the two-span bridge to the GOH switch while the track is out of service and the equipment is on site. Change order cost: \$12,211.20

Change Order 3: Add two additional timbers at the approach ends of the thru-girder spans to reduce the length of unsupported rail transitioning from the ground track to the new bridge deck. Change order cost: \$ 693.24

Change Order 4: Two additional cracks found in the second over flow bridge span while being sand blasted for painting. The cracks were old welds similar to the previous span that was fixed before painting. Change order cost: \$1,900

Mr. Harvey made a motion to approve the change orders 1-4 as recommended by Mr. Conrad in the amount of \$18,472.04; Mr. Purcell seconded the motion; motion carried.

Regarding the RTAP bridge in Catawissa, Mr. Stover stated that as part of the permit process a Phase I archaeological study needs to be done because of the canal near the boat club. Mr. Lowthert from the Town of Bloomsburg is an archeologist and staff would like to engage his services as a consultant. Cost to engage Mr. Lowthert would not exceed \$2,500. An agreement for this engagement will be prepared by Mr. Schrack.

Mr. Krentzman made a motion for the full Board to authorize engagement of Mr. William Lowthert as archeologist in the amount not to exceed \$2,500; Mr. Bridy seconded the motion; motion carried.

RTAP Core Borings Bid – CGC GeoServices LLC

Mr. Stover stated that Mr. Conrad had issued proposals requesting bids from a number of core boring companies related to two of the RTAP-funded bridges. These are the SVRR bridges over Shamokin Creek between Paxinos and Weigh Scales and the NSHR bridge just west of Catawissa.

A sole response was received from CGC GeoServices LLC in the amount of \$13,700. Mr. Conrad concludes this cost is consistent with other recent core boring numbers he has solicited.

Mr. Showers made a motion for the full Board to approve the core boring proposal from CGC GeoServices LLC for the SVRR and NSHR bridge projects in the amount of \$13,700; Mr. Herman seconded the motion; motion carried.

Loyalsock Creek Bridge August 13 Ribbon Cutting Ceremony

Mr. Stover stated that August 13 is the date of the JRA's August meeting. Staff would like to use this date for the Loyalsock Creek Bridge ribbon cutting and to highlight other nearby TIGER II projects.

The details are still being worked out. A VIP passenger train would depart at 10:30 a.m. for the bridge site. There will be a ribbon cutting ceremony at the Mill Street (east) end of the bridge. The train would return to the Newberry Yard at noon for lunch followed by the regular JRA Board meeting.

FRA Deputy Administrator Karen Hedlund has confirmed her attendance at the ribbon cutting. More VIPs and dignitaries are expected to attend and/or be on the program.

NEW BUSINESS

First Quality Lock Haven Access Road

Mr. Stover stated that First Quality in Lock Haven plans to expand to the south of the NBER Main in Castanea Township. Increased truck traffic to the new plant drives consideration of access off the SR 120 ramp at Walnut Street. Projected cost is \$3.5 MM.

GAT is involved and has recommended this project for the new Multimodal Funding through DCED, with a state funding cap of \$3 MM. DCED further suggested JRA sponsorship.

The project's rail component consists of construction of $\pm 3,000$ of runaround track along the main for NBER use as well as a new two track siding for the proposed new First Quality plant. Projected cost for the rail items is \$1 MM.

The cleanest way to apply for this funding would be for the JRA to be the applicant in partnership with First Quality. Total project cost-for road and rail-is \$4.5 MM with the local match of \$1.35 MM (principally from First Quality; need to negotiate match for new NBER Main siding).

Mr. Bridy made a motion for the full Board to authorize staff to submit an application through Multimodal Funding to DCED and other appropriate funding sources in partnership with First Quality Tissue and other partners as may be identified, in the amount of \$4.5 MM; Mr. Harvey seconded the motion; motion carried.

Mr. Bridy made a motion for the full Board to authorize the engagement of Larson Design Group to for preliminary engineering and design assistance; First Quality will cover the cost of said engineering; Mr. Jones seconded the motion; motion carried.

COMMITTEE REPORTS

Passenger Excursions Committee

Dr. Spychalski stated that there will be a passenger excursion on July 19 for the Danville Iron Heritage celebration. There will be 3 trips – 10 a.m., 12:30 p.m. and 2:30 p.m. Dr. Spychalski also stated that he received a \$50 cash donation on May 24 from a rider on the Shamokin excursion. The \$50 will be added to the ticket sales receipts for that excursion.

Dr. Spychalski clarified that the excursion to be run on June 28 by the North Shore Railroad will not be operated on any track owned by the Authority and therefore is not subject to any provision within the Agreement for Passenger Excursions Service.

Property Management/Capital Budget Committee

Mr. Fury reported that nine (9) board members along with staff toured several sites on the JVRR and NBER on June 9. No official business of the JRA was conducted during this tour.

Sites visits on the JVRR included the old Holland Farm Equipment site on Reach Road and the North Yards in Burnham. On the NBER, board members viewed the site of the Graymont expansion, the Pleasant Gap Industrial Track curve at Robinson Lane, and the Talleyrand Bridge.

PPL Easement

Mr. Fury stated that PPL approached staff for an easement to hang electrical cables and to install two vaults on south side of the railroad at the Loyalsock Creek Bridge. Three lines will be installed through 6" conduit (2). Construction costs already incurred in building the bridge will be included.

Mr. Bridy made a motion for the full Board to authorize the execution of an easement or similar agreement with PPL to use their causeway to install conduits housing three electric cables, on the Loyalsock Creek Railroad Bridge at an approximate cost of \$2,200 year and to authorize the Chairman and Secretary to execute all documents; Mr. Graham seconded the motion; motion carried.

Operating Agreement Committee

Committee Chairman Krentzman gave a report of the pre-proposal meeting held on June 5 at the Union County Government Center. According to Mr. Krentzman, the meeting went well. Five railroads were present.

LEGAL

Legal Issues

Attorney Schrack stated that several items need to be discussed and will require an executive session. They all relate to litigation.

- Vossloh Suit
- Eschbach Status
- Munro Eminent Domain

Chairman Walls called for an Executive Session at 2:50 p.m.

Chairman Walls reconvened the regular meeting at 4:04 p.m.

Attorney Schrack stated that that no action was needed on any items discussed in executive session.

Chairman Walls adjourned the meeting at 4:05 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 August 13, 2014.



~~Secretary/Assistant Secretary~~
VICE CHAIRMAN