



SEDA-COG JOINT RAIL AUTHORITY MEETING
WEDNESDAY, MAY 9, 2007
SEDA-COG
LEWISBURG, PENNSYLVANIA
12:30 P.M.

AUTHORITY MEMBERS PRESENT

Barry Ashenfelder, Montour County
John Fernsler, Union County
Tom Herman, Montour County
Dave Hoopengardner, Northumberland County
Don Kramer, Clinton County
Michael Krentzman, Mifflin County
Mike Redin, Centre County
Dennis Reitz, Northumberland County
Jack Schultz, Lycoming County
Dennis Shaffer, Union County
Jim Spendiff, Mifflin County
Jerry Walls, Lycoming County

GUESTS PRESENT

Noah Brubaker, West Shore Railroad
Allen Bubb, NRHS
Paul Jannotti, Jannotti Rail Consulting
Richard Robey, Railroad Operating Companies
Gary Shields, Railroad Operating Companies
Dr. Robert Yannaccone, West Shore Railroad

STAFF PRESENT

Denise Pyers
Jamie Shrawder
Jeff Stover

ADMINISTRATIVE ITEMS

Call to Order

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

Pledge of Allegiance

Mr. Walls led the Pledge of Allegiance.

Mr. Herman made a motion to extend the board's best wishes to Mr. Henry by sending a card; Mr. Ashenfelder seconded the motion; motion carried.

Approval of the April 11, 2007 Meeting Minutes of the SEDA-COG Joint Rail Authority

Mr. Spendiff made a motion to approve the April 11, 2007 meeting minutes of the SEDA-COG Joint Rail Authority; Mr. Reitz seconded the motion; motion carried.

**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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SEDA Council of Governments

Treasurer's Report

Mr. Ashenfelder presented the Treasurer's Report for the month of April 2007.

Mr. Kramer made a motion to approve the Treasurer's Report for the month of April 2007; Mr. Spendiff seconded the motion; motion carried.

Operating Agreement Committee

Mr. Spendiff stated there is no requirement in the agreement for the operator to provide monthly reports. The operator is amenable to giving an abbreviated monthly report and, but a more extensive quarterly report. The board received two sets of proposed proforma reports, one to be used monthly and the other, quarterly. Board members were asked to review and comment to Mr. Spendiff prior to the June meeting. The operator's quarterly report would be given the second month following the end of the quarter. The new reports would include a certification of compliance from the five separate operating companies which is required by the Operating Agreement.

Capital Budget Committee Report

Mr. Shaffer reported the committee has a new draft of the "capital" versus maintenance spreadsheet and should have the final document for the June meeting. The board discussed the nature of this document.

Mr. Shaffer referred to the grade crossing bid tally. Ms. Pyers reviewed the location of the four crossings in this year's rehabilitation program. She reported Amtrac of Maryland was the low bidder for the 2007 JRA Grade Crossing Program. The committee will be seeking an operator's cost share starting with next year's program.

Mr. Redin made a motion to award the 2007 JRA Grade Crossing program to Amtrac of Maryland for \$264,600.00; Mr. Herman seconded the motion; motion carried.

Mr. Shaffer stated there are three projects that were put out for bid: installing CWR at Eagleville, reconstruct Shuey's Curve, and improve the switch and track at Standard Steel. The low bid was from Balfour Beatty for approximately \$387,800.00. Staff will meet with the operator to discuss cost sharing/maintenance vs. capital expenses, and bring back to the board in June. Mr. Stover reported Lonza is responsible for their own switch. Staff would prefer if they work directly with the contractor but this could be kept in the JRA project contract if necessary. In response to the status of the JRA Capital Budget, it was reported that it was approved at the March 14, 2007 meeting.

Legal Issues

Mr. Stover stated the BIDA track lease is ready for signature. There has been no response from Mr. Robey regarding the letter sent by Attorney Hurvitz indicating the deadline has not been met for the base line track condition report. Mr. Shields was concerned with four track segments: 1) NSHR from Northumberland to Bloomsburg which is not in compliance with FRA standards; 2) JVRR Burnham Branch which did not meet current JRA standards; 3) LVRR Lycoming Secondary tangent track which did not meet current JRA standards; and 4) the NBER behind the dam did not meet JRA standards. Paul Jannotti confirmed this information. Mr. Shields stated he could not find this summary information in the report from Mr. Jannotti, and he wants to be sure they are in compliance with the agreement. Mr. Stover suggested either the

operator have Mr. Jannotti inspect the rest of the lines in such detail or they accept the old inspection reports as the base line report.

Events Calendar/Project Map/Staff Report

Mr. Stover presented the events calendar for May and June, the project map, and the staff report. The June 13th meeting will be held in Bellefonte in coordination with a train excursion followed by lunch and the meeting at the Gamble Mill Tavern.

Mr. Kramer made a motion to hold the June 13th meeting at 10:00 a.m. at Bellefonte for a train ride and meeting to be conducted in the afternoon; Mr. Shaffer seconded the motion; motion carried.

Mr. Jannotti gave a brief update on the progress of the Whiterock Quarry track construction.

Mr. Stover reported staff is working with Larson Design Group to get cost estimates for a 12" water line from Trenton Avenue to Reach Road. Williamsport Water Authority is advocating for this connection in order to loop their system and improve fire protection. The engineering work will allocate the costs for each party.

Operator's Status Report

Mr. Robey distributed the traffic data and financials for the five (5) Authority railroads.

Mr. Shields presented the operations, M/W, and marketing reports.

Mr. Schultz reported Jersey Shore Steel shipped its last outbound car in April because Norfolk Southern raised the rates so that it is more economical to ship intermodal. The board discussed this situation.

PROPERTY MANAGEMENT COMMITTEE

Robinson Farm Fence

Mr. Redin reviewed the situation in Linden. Mr. Robinson asked the Authority to honor the original agreement. Staff will secure bids from fencing contractors.

Rumberger Engine House Re-roofing

Mr. Redin reported the engine house roof work is complete. The engineer inspected the roof and stated that it appears to be consistent with the specifications, except for some certifications. SSM recommended the JRA withhold payment until all items have been completed.

Allegheny Power Easement for PennDOT

Mr. Redin recommended the full board approve the easement with Allegheny Power for PennDOT. The board discussed the Allegheny Power line that had fallen on the NBER Main in Milesburg.

Mr. Redin made a motion to approve the easement with Allegheny Power for \$3,600.00; Mr. Kramer seconded the motion; motion carried.

Les Confer

Mr. Redin stated the committee is not recommending the land sale to Les Confer for 7 acres of property for \$1,350.00, based on an appraisal secured by Mr. Confer. The committee is concerned that the appraisal is not

accurate. Also, the property is somewhat land locked, and the committee is concerned that access to the property could result in operating problems for the railroad.

Mr. Redin made a motion to deny the sale of land to Mr. Confer; Mr. Fernsler seconded the motion; motion carried.

OLD BUSINESS

Savoy Loading Dock Improvements Bid Award

Mr. Stover referred to the bid results distributed at the meeting. This is the third time this project was bid out. The low bid was Zartman Construction for \$29,950.00.

Staff is waiting for Savoy to confirm what portion of the local share they are willing to pay since the dock is no longer located directly behind the plant. The original arrangement was for Savoy to pay 100% of the local share. Mr. Stover recommended the board award to Zartman conditioned upon Savoy Furniture's willingness to pay 100% of the local share.

Mr. Redin made a motion to award the loading dock improvements to Zartman Construction conditioned upon Savoy Furniture's willingness to pay 100% of the local share; Mr. Hoopengardner seconded the motion.

Mr. Stover stated staff was going to propose that Savoy would have exclusive use if they pay 100% of the local share, and they could surcharge other users. If they do not pay the 100%, they would not get the exclusivity. Mr. Walls suggested the motion be amended to include this. The remainder of the local share not paid by Savoy would be paid by the Authority. Mr. Redin commented that it would not be correct to grant exclusive use to Savoy when 2/3 of the money is coming from a state grant. He asked if the board is willing to approve the worst case scenario of paying the entire \$9,000.00 local share. Mr. Stover will talk to Savoy and bring this back to the board in June.

Mr. Redin withdrew his motion.

NEW BUSINESS

Public Forum


Mr. Reitz asked about the base line report. Mr. Jannotti explained that the inspection for this report only included the four lines for which the operator wanted a base line. The question is if the operator wants to use past inspections as the base line for the other lines, taking into consideration the work done. Mr. Reitz is concerned that all five lines have the same base line reports.

Mr. Al Bubb asked Mr. Robey about the status of attempt to get a "green" locomotive. Mr. Shields replied they received a grant from DEP and are currently trying to find other sources of funding. He also asked about the possibility of entering into discussions with CP about a site for an intermodal facility in the Wilkes-Barre area. Mr. Robey responded there is one located in this area.

ADJOURNMENT

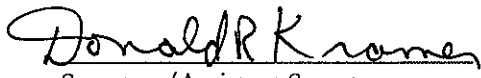
Mr. Walls adjourned the meeting at 2:52 p.m.

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 June 13, 2007.



Secretary/Assistant Secretary