



SEDA-COG JOINT RAIL AUTHORITY MEETING  
WEDNESDAY, NOVEMBER 11, 2009  
NEWBERRY YARD, WILLIAMSPORT, PA  
11:45 P.M.

**PRESERVING  
RAIL FREIGHT  
SERVICE**

*serving the counties of*

**Centre**

**Clinton**

**Columbia**

**Lycoming**

**Mifflin**

**Montour**

**Northumberland**

**Union**

**AUTHORITY MEMBERS PRESENT**

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

**GUESTS PRESENT**

Tom Avery, Railroad Operating Companies  
Al Bubb, NRHS  
Todd Hunter, Railroad Operating Companies  
Mark Murawski, Lycoming County  
Russ Nicodemus, Railroad Operating Companies  
Nikki Reedy, Railroad Operating Companies  
Dick Robey, Railroad Operating Companies  
Mimi Robey, Railroad Operating Companies  
Gary Shields, Railroad Operating Companies  
Pete Simcox, Railroad Operating Companies  
Jeb Stotter, Railroad Operating Companies  
Diana Williams, Railroad Operating Companies

**STAFF PRESENT**

Steve Hurvitz, Esq., McQuaide Blasko Law Offices  
Kay Aikey  
George Fury  
Steve Kusheloff  
Jeff Stover

**ADMINISTRATIVE ITEMS**

**Call to Order**

Mr. Walls called the meeting to order at 11:45 p.m.

**SEDA-COG JOINT  
RAIL AUTHORITY**

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Affiliated with  
SEDA Council of Governments

### Pledge of Allegiance

Mr. Walls led the Pledge of Allegiance.

Mr. Walls stated that Mr. Redin resigned from the SEDA-COG Joint Rail Authority.

*Mr. Jenkins made a motion that the Executive Director prepare appropriate resolution and plaque to acknowledge Mr. Redin's service; Mr. Kramer seconded the motion; motion carried.*

Mr. Walls welcomed new board member, Dr. John Spychalski who was appointed November 10, 2009 by the Centre County commissioners. Introduction of board members, staff, and guests followed.

Mr. Stover stated that Rob Postal will be appointed November 12, 2009 to represent Mifflin County due to the vacancy caused by Jim Spendiff's resignation.

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

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

### Treasurer's Report

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

*Mr. Harvey made a motion to approve the Treasurer's Report for the month of October 2009; Mr. Spychalski seconded the motion; motion carried.*

### Legal Issues

Attorney Hurvitz stated that Attorney Schrack is continuing to work with Mr. Fury on property issues.

Mr. Walls asked the status of the action to quiet title in Williamsport. Attorney Hurvitz stated it stands in limbo; waiting on a proposal from the plaintiff/property owner terminating the litigation.

### Events Calendar/Projects Map/Staff Report

Mr. Stover presented the events calendar for November and December, the projects map, and staff report.

Mr. Stover reported that with the discharge of Jeff Pontius from North Shore Railroad, the Authority may want to consider a resolution of contribution of Jeff's services to rail service in the region and to the Authority.

*Mr. Spychalski made a motion to authorize the Executive Director to prepare and develop appropriate appreciation of resolution to Mr. Pontius; Mr. Henry seconded the motion; motion carried.*

Mr. Walls asked Mr. Hunter to update board members on his working with the Williamsport-Lycoming Industrial Properties Corporation on future rail served industrial parks. Mr. Hunter will share his presentation on Marcellus shale business development as it affects the railroads at the December meeting.

The meeting was recessed at 12:07 p.m. for lunch; the meeting reconvened at 12:45 p.m.

### **Operator's Status Report and Business Forecast**

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

Mr. Walls asked Mr. Simcox if the 2009 maintenance of way program has been achieved. Mr. Simcox replied it is about 95% achieved. Mr. Simcox reported on the types of improvements that were made for the "Unstoppable" movie that would represent permanent maintenance of way improvements.

### **PROPERTY MANAGEMENT COMMITTEE**

#### **Allegheny Power Easement (NBER)**

Mr. Fury reported that Allegheny Power is seeking approval of an overhead wire occupation of the NBER Main near Port Matilda. All JRA design requirements have been met for this routine utility occupation. The utility is prepared to pay the easement cost of \$8,593.75.

*Mr. Spsychalski made a motion to authorize the JRA officers to execute the Deed of Easement for this transverse overhead occupation upon receipt of payment from the utility; Mr. Hawbaker seconded the motion; motion carried.*

### **OLD BUSINESS**

#### **JRA RFAP (LVRR/NSHR Bridges Project) Change Order**

Mr. Fury reviewed the 2009 Rail Freight Assistance Program Budget provided as a handout. Mr. Walls explained the work on the 2009 Rail Freight Assistance Program has been properly authorized.

Mr. Shaffer will work with Mr. Stover to set up a Capital Budget Committee meeting to further discuss and resolve the issue of the PPL contribution being applied toward maintenance on the North Shore Railroad.

*Mr. Herman made a motion to approve the JRA match for the 2009 Rail Freight Assistance Program projects in the amount of \$89,100.00 with a Joint Rail Authority overmatch of \$331.50; Mr. Reitz seconded the motion; motion carried.*

#### **Newberry South Change Orders**

Mr. Stover stated there are some change orders which have been approved by Larson Design Group that need Board approval. The contract amount was increased by \$4,631.50 based on these changes.

***Mr. Shaffer made a motion to approve the set of change orders for Newberry South in the amount of \$4,631.50; Mr. Kramer seconded the motion; motion carried.***

Mr. Stover stated there is a change order in the amount of \$9,919.00 which will be borne by Bulkmatic for the installation of a flow meter, plumbing and electric to the manhole locations.

***Mr. Reitz made a motion to approve the change order for Newberry South in the amount of \$9,919.00 to be recovered by Bulkmatic; Mr. Shaffer seconded the motion; motion carried with Mr. Hawbaker abstaining.***

### Other

Mr. Walls stated that he will be updating committee assignments in December and asked that if any board member is interested in volunteering to serve on the Property Management Committee, Capital Budget Committee, or Operating Agreement Committee to let him know.

Mr. Walls appointed Mr. Henry as chair of the Nominating Committee and asked the following board members to serve on the committee: Mr. Showers and Mr. Kramer. The Nominating Committee will present a slate of officers at the December 9, 2009 meeting.

### Operator's Change of Control

Mr. Robey stated that the request he made to the Rail Authority was to restructure the seven separate corporations by folding them into Susquehanna Union Railroad, a holding company which has been in existence for a couple of years.

Mr. Walls called for an executive session at 1:27 p.m. to discuss the Operator's Change of Control.

Mr. Walls reconvened the regular meeting at 2:45 p.m.

Mr. Walls stated that the purpose of the Executive Session was to discuss the Operator's requested change in control and matters related to that.

***Mr. Krentzman made a motion that the Joint Rail Authority reject the proposed Operator's Change of Control; Mr. Hawbaker seconded the motion; motion carried.***

Mr. Robey requested if it would be possible for the board to give a reason for the disapproval of the Operator's Change of Control. Mr. Walls replied that the contract does not require the Authority to disclose a reason, but in the interest of going forward and getting this resolved, the Operating Agreement Committee will meet to be definitive as to what will be required of the Operator and then a meeting will be set up with the Operator to outline what will be required.

Mr. Robey stated that what he is proposing is not actually a change of control and that there is some question as to the appropriateness of the clause in the Operating Agreement about necessity of board approval for a change in control.

Attorney Hurvitz responded that he is of the opinion that it is a change of control as defined under the agreement. Whether or not it is appropriate is a question that it goes along with other provisions in the agreement that may or may not be appropriate that were agreed upon and it is clear in the Agreement that the Authority has the right to reject any requested change of control.

**Public Forum**

No comments from the public.

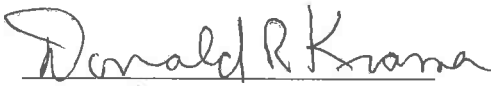
**ADJOURNMENT**

Mr. Walls adjourned the meeting at 2:55 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 December 9, 2009.

  
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Secretary/Assistant Secretary