



SEDA-COG JOINT RAIL AUTHORITY MEETING  
WEDNESDAY, SEPTEMBER 9, 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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**AUTHORITY MEMBERS PRESENT**

Scott Harvey, Lycoming County  
Mike Hawbaker, Centre 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  
Jerry Walls, Lycoming County

**GUESTS PRESENT**

Al Bubb, NRHS  
Scott Logan, 20<sup>th</sup> Century Fox  
Mark Murawski, Lycoming County  
Joe Nuss, 20<sup>th</sup> Century Fox  
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**

Tom Schrack, Esq., McQuaide Blasko Law Offices  
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 August 19, 2009, Meeting Minutes of the SEDA-COG Joint Rail Authority**

*Mr. Henry made a motion to approve the August 19, 2009 meeting minutes of the SEDA-COG Joint Rail Authority; Mr. Herman seconded the motion; motion carried.*

**Treasurer's Report**

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

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

Mr. Reitz reported there is an automatic transfer authorization which authorizes the automatic deduction of the loan payment from the Jersey Shore Bank checking account as opposed to making out an individual check on a monthly basis for the repayment of the loan.

*Mr. Reitz made a motion for the full board to authorize the Chairman and Treasurer to execute the automatic transfer authorization from Jersey Shore Bank; Mr. Herman seconded the motion; motion carried with Mr. Hawbaker abstaining.*

Mr. Stover stated that the Authority has a \$1.9 million loan with Jersey Shore State Bank and as of September 9, 2009, approximately \$1.2 million has been disbursed by Jersey Shore State Bank and approximately \$600,000 of the PIB loan has been disbursed. This is for the Newberry South Bulk Transfer Facility. Mr. Stover further stated the PennDOT Capital Grant agreement has been executed and received allowing disbursement of funds to cover 70% of submitted invoices.

**Legal Issues**

Attorney Schrack stated the only issue he is involved with is the action of quiet title against the Authority which involves a small parcel of land in Williamsport. Attorney Schrack stated he is exploring possible resolution to the matter. Another issue is the discussion with 20<sup>th</sup> Century Fox for the "Unstoppable" movie.

**Events Calendar/Projects Map/Staff Report**

Mr. Stover presented the events calendar for September and October, the projects map, and staff report.

Regarding the Lycoming County TIGER Grant Application for the Airport Access Road and related railroad facilities, Mr. Stover stated some action needs to be taken on this regarding the resolution authorizing a letter of support.

Mr. Murawski gave an update on the status of the TIGER Grant Application. If fully funded, the entire cost of the Loyalsock Creek bridge would come from the federal grant with no additional cost sharing from the JRA. The proposal also includes relocation of Field Siding, which would help two rail customers (Hanson Aggregates and Savoy) and assist the Airport Authority to resolve a FAA Safety issue.

*Mr. Harvey made a motion for the full board to pass a resolution authorizing support letter for TIGER grant to include language that the JRA agrees to the county's application for improvements to the JRA's facilities; Mr. Shaffer seconded the motion; motion carried with Mr. Hawbaker abstaining.*

Mr. Fury showed a short PowerPoint presentation depicting the status of construction at Newberry South.

### Operator's Status Report and Business Forecast

Mr. Robey referred to the Operator's Report included in the packet. Mr. Shields introduced Mr. Scott Logan, Production Supervisor from 20<sup>th</sup> Century Fox, and Mr. Joe Nuss, Railroad Consultant, 20<sup>th</sup> Century Fox.

Mr. Logan gave a short PowerPoint presentation on the filming of the "Unstoppable" movie on the NBER Main and gave an update on how things will move ahead with this production. Mr. Logan stated that there is some work that needs to be done on the railroad and assistance of personnel of the NBER is needed.

Regarding the track work that needs to be done, Mr. Shields stated there are limited forces to accommodate the work. The 2009 M/W program needs to be completed as well as the track work needed to accommodate the movie schedule. There is a possibility some of the minor components of the 2009 M/W program may be delayed. Board members entered into some discussion regarding the track work.

Mr. Stover stated a conference call regarding the 2009 M/W program was held with Mr. Jannotti, Mr. Shields and Mr. Simcox. JRA staff stressed the switch timber work needs to be finished this year for the Shamokin Valley Railroad and North Shore Railroad.

*Mr. Herman made a motion that the full board authorize Authority staff to enter into a three party agreement with 20<sup>th</sup> Century Fox contingent upon consent by the Authority's solicitor and concurrence by the Operator; Mr. Sawicki seconded the motion; motion carried.*

Attorney Schrack and Mr. Robey concurred with the motion.

Mr. Walls stated that the Rail Authority will be indemnified and protected as a named insurer.

Mr. Redin stated the Board is acknowledging that the 2009 M/W program may be delayed as a result of the track work that needs to be done with the filming of the movie.

Mr. Walls suggested that the Board receive an update from Mr. Simcox regarding the 2009 M/W program. Mr. Simcox reported that even though Maintenance of Way forces would be tied up doing necessary track work for the movie "Unstoppable", his crews would be able to install all the remaining switch timber programmed in this year's M/W program. It was agreed that due to the lack of ballast availability, that some of the surfacing work will be completed next year in addition to the 2010 M/W programmed maintenance.

*Mr. Herman amended the motion that the agreement be attached to the motion; Mr. Sawicki seconded the motion; motion carried.*

Mr. Robey reported that he is currently working on four different operating agreements that involve substantial customers and complex operations. The agreements are:

1. Agreement with PPL regarding operation of the North Shore Railroad between Berwick and the nuclear power plant.
2. "Unstoppable" movie agreement.
3. Agreement with South Avis Realty which owns most of the acreage of the old Avis yard. South Avis Realty is a subsidiary of Jersey Shore Steel.
4. Agreement with Hawbaker regarding operating at Whiterock Quarry.

Mr. Stover stated an exhibit to the operating agreement needs to be modified to add the West Park Track, the BIDA Track, and the remaining portion of the Mill Hall Industrial Track.

Mr. Walls reminded Mr. Robey that the Authority is waiting on the operator's change of control proposed instrument for review by legal counsel in order to get it ready for action by the Authority. The board is also awaiting some tax credit documentation.

## **PROPERTY MANAGEMENT COMMITTEE**

### **Approval of the July 8, 2009 Meeting Minutes**

***Mr. Redin made a motion to approve the July 8, 2009 meeting minutes of the Property Management Committee meeting; Mr. Henry seconded the motion; motion carried.***

### **Verizon Easement (SVRR)**

Mr. Fury reported that Verizon Pennsylvania has requested a permanent easement for construction of an aerial fiber optic transverse occupation across the Shamokin Valley Railroad at Mountain Road.

The application fee of \$200 and the easement fee of \$7,000 have been grandfathered as work on this permit began in April of 2009 and have been received. All plans meet JRA specifications.

***Mr. Redin made a motion that the full board accept the request for an easement for Verizon and execution by the Chairman and Secretary; Mr. Kramer seconded the motion; motion carried.***

### **Pennsylvania College of Technology (LVRR)**

Mr. Fury reported that the Pennsylvania College of Technology has requested a land lease on the north side of the Lycoming Valley Railroad. The site is 20' x 40' and will be used for storage of mulch. The preparation fee is \$400 and the proposed lease fee is \$720/year.

Language has been added to the lease agreement advising of future plans to construct a pedestrian/bike path through that area and that the Lessee will be required to vacate upon 30 days written notice if required.

***Mr. Redin made a motion that the full board accept this lease for Pennsylvania College of Technology contingent upon receipt of all fees and execution by the Chairman and Secretary; Mr. Reitz seconded the motion; motion carried.***

### Bailee Agreement

Attorney Schrack reported that NorPac (Northern Pacific), a tenant of the Authority, contacted the Authority to request the Authority's execution of a Bailee Agreement required by Wells Fargo, NorPac's lender, in connection with a financing transaction. The Bailee Agreement proposed by NorPac was a form agreement used by the lender, although Attorney Schrack noted that the agreement would be more appropriately considered a landlord's waiver of distraint in the Authority's case where the Authority, as landlord, is asked to waive its right to assert lien or other rights against collateral of the tenant on the leased premises. The lease that the Authority has with NorPac provides the Authority with the right to exercise certain remedies against the collateral NorPac has on the premises if there is a default by NorPac. The representatives of NorPac and the lender were notified that the Authority could not agree to waive its rights in the collateral under the lease with NorPac. As a result, the Bailee Agreement was substantially revised after negotiations to provide only that the Authority would consent to Wells Fargo's security interest in the collateral, which would be subordinate to the interest of the Authority, and that the Authority would retain all rights available to it under the lease against the collateral.

Mr. Walls asked that Attorney Schrack provide board members with whatever agreement is executed.

***Mr. Redin made a motion that the full board approve the NorPac Bailee Agreement and its execution by the Chairman and the Secretary; Mr. Hawbaker seconded the motion; motion carried.***

### OLD BUSINESS

#### Bid Awards – DCED Kennedy King (LVRR)

Mr. Stover reported that bids for two separate elements of the Kennedy King project were received on September 8, 2009 – one bid is for the track work on the Williamsport Industrial Track and related trackage under the DCED grant and the other bid for the repaving of the yard access road off Trenton Avenue.

***Mr. Shaffer made a motion to award the Newberry North Track Work to Ohio Track for the bid amount of \$324,000; Mr. Jenkins seconded the motion; motion carried.***

***Mr. Shaffer made a motion to award the access road paving project to HRI for the bid amount of \$111,929.50; Mr. Reitz seconded the motion; motion carried.***

#### UGI Gas Line Easement for Newberry South (LVRR)

Mr. Stover reported that UGI has submitted a right-of-way agreement to extend a gas line from Mosser Avenue across the former Sechler property to serve the Newberry South complex. In order to expedite the project and not delay road paving, Mr. Stover signed the easement document.

***Mr. Redin made a motion to ratify the action of the Executive Director and authorize the Executive Director to sign the UGI right-of-way easement on behalf of the JRA; Mr. Sawicki seconded the motion; motion carried with Mr. Hawbaker abstaining.***

## NEW BUSINESS

### Engage Jannotti and Conrad for Preliminary Engineering for LVRR Industrial Sites

Mr. Stover stated that staff recently met with a committee of the Williamsport Chamber of Commerce to discuss available rail-served sites. One of the primary sites is a 55-acre site adjacent to Koppers, which is owned by the Chamber's Industrial Properties Corporation. Messrs. Jannotti and Conrad need to be engaged to prepare preliminary alignments and costs. Costs should not exceed \$5,000.

*Mr. Shaffer made a motion for the full board to retain Paul Jannotti and John Conrad to perform preliminary engineering to assess potential rail alignments and structures needed to serve the 55-acre IPC site adjacent to Koppers; Mr. Harvey seconded the motion; motion carried.*

### Engage Herring & Roll for Moran Project Audit for DCED IDP Grant

Mr. Stover stated that the Authority received a \$126,000 DCED Infrastructure Development Grant related to the Moran Industries siding. The grant was used to upgrade the Williamsport Industrial Track and build a turnout and the portion of the siding on JRA property. The rest of the siding was constructed by Moran Industries. The terms of the state grant agreement require a project audit. A proposal has been received from Herring and Roll for these services with a cost estimate of \$800 to \$1,300.

*Mr. Henry made a motion that the full board approve the proposal from Herring and Roll for a DCED project audit; Mr. Hawbaker seconded the motion; motion carried.*

### 2009-2012 SEDA-COG Staff Services Agreement

Mr. Stover briefly reviewed the 2009-2012 SEDA-COG Staff Services Agreement provided to members.

*Mr. Henry made a motion for the full board to approve the proposal from SEDA-COG for the staff services from 2009-2012; Mr. Herman seconded the motion; motion carried.*

### Public Forum

No comments from the public.

## ADJOURNMENT

Mr. Walls adjourned the meeting at 2:40 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 October 14, 2009.



Secretary/Assistant Secretary