



## SEDA-COG JOINT RAIL AUTHORITY MEETING

Wednesday, March 13, 2019

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

Frank Dombroski, Montour County (via teleconference)

Scott Harvey, Lycoming County

Lisa Hoover, Northumberland County

Bob Hormell, Northumberland County

Rick Jenkins, Columbia County

Brent Jones, Clinton County

Michael Krentzman, Mifflin County

Dave Park, Columbia County

Rob Postal, Mifflin County (via teleconference)

David Schultz, Lycoming County

John Showers, Union County

John Spsychalski, Centre County

Jennifer Wakeman, Montour County

Eric Winslow, Union County (via teleconference)

### JRA OPERATOR

Tom Avery, Director of Operations

Jeb Stotter, President & CEO

Diana Williams, Treasurer/Controller

### GUESTS

Allen Bubb, West Shore Railroad

Ron Johnson, National Railway Historical Society

Mark Rosner, Carload Express

### LEGAL COUNSEL

John Bee, Esq., McQuaide Blasko

Michael Crotty, Esq., Siana, Bellwoar & McAndrew (via teleconference during executive session)

Tom Schrack, Esq., McQuaide Blasko

### JRA CONSULTING PROFESSIONALS

Dan Mazur, Operating Agreement Consultant

### SEDA-COG JOINT RAIL AUTHORITY

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SEDA Council of Governments

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**JRA STAFF**

Kay Aikey, Program Assistant

George Fury, Property & Maintenance of Way Manager

Kyle Postupack, GIS/Transportation

Jeff Stover, Executive Director

**CALL TO ORDER**

**Call to Order**

The Chairman called the meeting to order at 12:30 p.m.

**Pledge of Allegiance**

The Chairman led the Pledge of Allegiance.

**Welcome – Chairman’s Statements**

Chairman Showers stated that the use of audio or video recording devices at the public meeting is permitted. The Authority does not require pre-registration for recording purposes; however, any individual intending to record all or any part of the meeting must notify the Chairman or the Executive Director in advance of such recording. If the Authority recesses to Executive Session, no recording of that session shall be permitted.

Chairman Showers asked if anyone would be recording the meeting. No one expressed an intention to record the meeting.

**Public Forum**

Chairman Showers asked if there is any public comment to come before the Board. No one expressed any comments.

**ADMINISTRATIVE ITEMS**

**Approval of the February 13, 2019 Meeting Minutes**

*Dr. Spychalski made a motion for the Board to approve the February 13, 2019 JRA Meeting Minutes as distributed; Mr. Jenkins seconded the motion; motion carried.*

### Treasurer's Reports

Mr. Harvey presented the Treasurer's Report for the month of February 2019, as well as the JRA's PIB Loan Account, JRA's loan summary, DCED Grant – "Milesburg 3 Pipes" financial statement, and the JRA's detailed accounting associated with the operating fees paid by the Operator.

*Mr. Park made a motion for the Board to accept the Treasurer's Report for the month of February 2019 and file for audit; Mr. Jones seconded the motion; motion carried.*

### Events Calendar

Mr. Stover presented the events calendars for March and April well as the staff report.

Mr. Fury showed the following slides:

- First Quality Tissue Project in Lock Haven (Walnut Street to FQT)
- Danville Corridor Section 130 Upgrades (Mill Street, Jacob's Alley, Ferry Street, Pine Street and Church Street)

### Operator's Status Report

Ms. Williams stated that car counts are up on the LVRR and up across the board for customers. This does include a unit train of export coal.

Mr. Fury shared a video of the Lycoming County Railroad being honored by the Williamsport Lycoming Chamber of Commerce as "Small business of the Year" at their 133<sup>rd</sup> annual meeting and awards event February 19<sup>th</sup>.

### **OLD BUSINESS**

#### Bridge Engineers Report

Mr. Fury referred to the Monthly Bridge Engineers Report from Jason Shura, P.E., that was provided as a handout to Board members.

Mr. Fury highlighted the following:

- NSHR Bridge 194.07 Replacement (Catawissa) – project is in construction. Contractor should mobilize to the site in late March or early April. Rich Dalton will continue to inspect bridges.
- Looking at doing some work at NSHR Bridge 201.35 Raise (Sechler Run).

- Talleyrand park Pedestrian Walkway (Bellefonte Borough project). The JRA and Bellefonte Borough have approved revised removeable fence details. Received fence shop drawings from contractor.

## REPORTS FROM COMMITTEES

### Passenger Excursions Committee

Committee Chairman Spychalski reported that a final draft of the Volunteer Service Agreement for persons assisting Penn Valley Railroad, LLC (PVRR) as volunteers for performance of tasks related to passenger excursion train service has been completed. Establishment of the agreement was requested by Mr. W. Burton "Tripp" Salisbury, representative of the insurer for PVRR, the JRA and the North Shore Railroad Company (NSHR). The agreement provides a formal mechanism for volunteers to acknowledge the conditions applicable to their voluntary activities by PVRR.

Committee Chairman Spychalski thanked Attorney Schrack for his leadership with drafting of the agreement. Thanks, are also due for recommendations on content of the draft from Attorney Bee, attorneys representing NSHR and PVRR, Mr. John Gummo and Mr. Jeff Pontius. Important background information was provided by Ms. Diana Williams and Mr. Jeff Stover.

Attorney Schrack stated that the comments at the last Passenger Excursions Committee meeting got the agreement to a point of striking the balance between the recognition of wanting volunteers to volunteer and appropriate coverage and protection. Attorney Schrack thanked everyone involved in the drafting process.

## LEGAL

### Legal Issues

Attorney Schrack recommended that the Board recess into executive session as he has materials that need to be discussed with the Board regarding the Rhinehart matter.

Chairman Showers recessed the regular meeting at 1:10 p.m. to convene into executive session.

Chairman Showers reconvened the regular meeting at 1:51 p.m.

Attorney Schrack stated that the JRA held an executive session which included discussion on the ongoing RFP litigation with its solicitor. There is one item for consideration for the Board in public session related to the invoice that was submitted to the JRA by the attorney for

Stephen Bridy and Don Purcell for reimbursement of legal fees that were incurred in his representation of those Board members in the RFP litigation.

*Mr. Krentzman made a motion for the Board to approve the reimbursement of legal fees to Stephen Bridy in the amount of \$2,500, consistent with a past action of the Board taken on April 22, 2016 concerning such reimbursement; Mr. Jones seconded the motion; motion carried.*

### Rhinehart Railroad/FOT Project

Attorney Schrack stated there were incorrect concrete tubs installed at the Walnut Street grade crossing as part of the First Quality project. It was disputed that the incorrect tubs were ever approved by the JRA or its engineer. Rhinehart offered a very nominal sum of \$5,000 initially to resolve the issue. After some period of negotiation involving the JRA staff, engineer and solicitor, and Rhinehart's attorney, there was a resolution that stated in an agreement that was distributed to the Board during executive session and that entails the following terms:

- Under this agreement which is for a 10-year term, Rhinehart will have the option to perform necessary repair work on the tubs, and if Rhinehart declines to do so, then the JRA may file a claim on a letter of credit that Rhinehart has obtained in the amount of \$50,000 which names the JRA as beneficiary which is essentially a standby letter of credit and that is a way of providing supplemental warranty coverage for the JRA. It will be up to the JRA and its consultant to determine when necessary repairs come about. The JRA thinks this is the best possible result the JRA can get given the situation, short of taking this into court.

Mr. Krentzman asked how the repairs needing to be made will be determined and can Rhinehart disagree with the repairs. Mr. Fury stated that he, Pete Symons and Mr. Jannotti will determine what repairs need to be made.

*Mr. Hormell made a motion for the Board to accept the Agreement and Irrevocable Letter of Credit; Dr. Spsychalski seconded the motion.*

Mr. Jones asked what is the length of the agreement; Attorney Schrack replied it is a 10-year term. Mr. Jones noted that the expiration date on the Application and Agreement for Irrevocable Letter of Credit is February 14, 2019. Attorney Schrack stated this has to be renewed on an annual basis. The date of the letter is February 15, 2019. Attorney Schrack stated that the date of February 14, 2019 is a typo, and it should be 2020. Attorney Schrack will contact the lender regarding this incorrect date.

*Motion carried with the change suggested.*

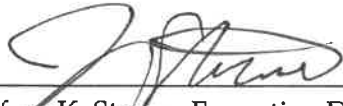
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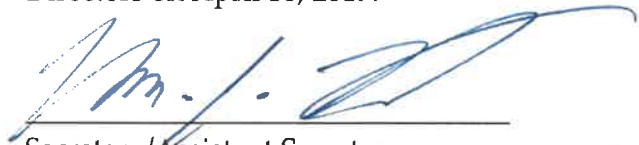
With there being no further business to come before the JRA Board, Chairman Showers adjourned the meeting at 1:58 p.m.

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 April 10, 2019.



Secretary/Assistant Secretary