



**PRESERVING
RAIL FREIGHT
SERVICE**

SEDA-COG JOINT RAIL AUTHORITY MEETING

Wednesday, January 13, 2021

Virtual Meeting via Teleconference – 1:00 p.m.

AUTHORITY MEMBERS

Frank Dombroski, Montour County
Russ Graham, Centre County
John Gummo, Clinton County
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
David Schultz, Lycoming County
John Showers, Union County
John Spychalski, Centre County
Jennifer Wakeman, Montour County
Eric Winslow, Union County

JRA OPERATOR

Tom Avery, Director of Operations
Jeb Stotter, President & CEO
Diana Williams, Treasurer/Controller

GUESTS

Erik Bergenthal, Esq., Houston Harbaugh (for Carload Express)
Alex Lang, Carload Express
Robert Ralston, Esq. Houston Harbaugh (for Carload Express)
Mark Rosner, Carload Express
Ed Sigl, First National Bank of Pennsylvania

LEGAL COUNSEL

John Bee, Esq., McQuaide Blasko
Michael Crotty, Esq., Siana, Bellwoar & McAndrew (for executive session)
Tom Schrack, Esq., McQuaide Blasko

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SEDA-COG Joint Rail Authority serving the counties of

CENTRE • CLINTON • COLUMBIA • LYCOMING • MIFFLIN • MONTOUR • NORTHUMBERLAND • UNION

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JRA CONSULTING PROFESSIONALS

Dan Mazur, Operating Agreement Consultant

Jason Shura, P.E., Stiffler McGraw

JRA STAFF

Kay Aikey, Program Assistant

Kyle Postupack, Property & Maintenance of Way Manager

Jeff Stover, Executive Director

CALL TO ORDER

Call to Order

The Chairman called the meeting to order at 1:04 p.m.

Pledge of Allegiance

The Chairman led the Pledge of Allegiance.

Welcome – Chairman’s Statements

The Chairman 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.

Public Forum

The Chairman asked if there is any public comment to come before the Board. Mr. Rosner was recognized by the Chairman and stated that Carload Express remains excited about the opportunity to work with the JRA to provide first class rail service to the region. However, it has now been 15 weeks and this is the fourth board meeting since the Supreme Court ruled without any movement by the JRA regarding the transition planning process. Mr. Rosner stated he understands this process has been long and arduous, but the time has come to move forward. The JRA has seen Carload regularly at these meetings and knows that Carload cares about the JRA’s mission to preserve and foster rail service in Central Pennsylvania and everyone at Carload Express is excited about rail and the opportunity to work with the JRA. To that end, Carload Express is hopeful that today the JRA will take the important step of setting up a timeline and a process to coordinate the transition to Carload Express and to also take action to allow Carload Express to inspect the JRA tracks, communicate with the JRA’s

customers and commence transition discussions with JRA's existing operator. As you are aware, these transitions are complex and take time. Carload Express wants to do this right and looks forward to having partnership with the JRA and customers in Central Pennsylvania.

ADMINISTRATIVE ITEMS

Approval of the December 9, 2020 JRA Meeting Minutes

Dr. Spychalski made a motion for the Board to approve the December 9, 2020 JRA Meeting Minutes; Mr. Postal seconded the motion; motion carried.

Nominating Committee Report and Recommendations & Election of Officers

Committee Chair Eric Winslow gave a report from the Nominating Committee relative to election of 2021 JRA officers.

The proposed slate of officers for 2021 was as follows:

Chairman: John Showers	Treasurer: Scott Harvey
Vice-Chairman: Dave Park	Assistant Secretary: Russ Graham
Secretary: Michael Krentzman	Assistant Treasurer: Jennifer Wakeman

Attorney Schrack stated the requested action is a motion to accept and approve the slate of proposed officers to serve as officers for the 2021 Joint Rail Authority year.

Mr. Winslow made a motion for the Board to accept and approve the slate of officers for 2021 as presented; Mr. Hormell seconded the motion; motion carried.

Appointment of 2021 Committees

Chairman Showers stated that he is reappointing all standing committees as they have been comprised the past year. (A copy of the current 2021 JRA committees to the Board was provided via email to Board members.) The appointment of committee members is at the discretion of the Chairman under the JRA's Bylaws, so no Board action was required.

Chairman Showers stated there is one exception to the committee listing. He stated that in the past there was an Operating Agreement Committee, but it has not met for five years during which the JRA has been in litigation regarding the RFP. Chairman Showers stated that he is not reappointing the Operating Agreement Committee.

Chairman Showers noted that since the last board meeting following the discussion of the Board he took upon himself as Chair to appoint a working group to convene and begin to study the issues facing the Joint Rail Authority as it looks towards a new operating agreement.

Chairman Showers stated that he is formally appointing the group as an Operations Committee, with Scott Harvey as Chair, and Dr. John Spychalski, Dave Park, and Bob Hormell as members. Chairman Showers stated that JRA Staff, Dan Mazur and legal counsel will be working with the Committee and have met with the group. Chairman Showers stated that he has not appointed himself as a member.

Attorney Schrack stated that there were two executive session calls that were held with the Operating Working Committee on December 17th and January 12th. These were remote sessions.

Treasurer's Report

Mr. Harvey presented the Treasurer's Report for the month of December 2020, as well as the JRA's loan summary, the JRA Money Market Account Financial Statement and the JRA's detailed accounting associated with the operating fees paid by the Operator.

Dr. Spychalski noted two minor typographical corrections to the Financial Statement:

- Diamondback Signal (Grade Crossing "Improements" should be "Improvements")
- First "Nation" Bank should be First "National" Bank

Mr. Graham made a motion for the Board to accept the Treasurer's Report with noted corrections for the month of December 2020 and file for audit; Mr. Jones seconded the motion; motion carried.

Presentation of 2021 JRA Budget

A copy of the final draft of the 2021 JRA Budget was emailed to Board members prior to the meeting. Mr. Stover reviewed the 2021 JRA Budget and highlighted some of the items on the e budget.

Mr. Stover noted that an expense line item was included for the local share of the RTAP that was recently awarded. This is for reconstruction of portions of the JVRR West Park Track.

Mr. Park made a motion for the full Board to approve the 2021 JRA Budget as presented; Mr. Harvey seconded the motion; motion carried.

Staff Report and Events Calendar

Mr. Stover summarized the status of various construction projects and calendar highlights.

Operator's Status Report

The Operator's Status Report was provided to Board members prior to the meeting. Mr. Stotter stated that in February the operator will be putting together the plan with the JRA's consultant and staff for 2021. The operator has a robust plan in initial stages for the Nittany/Bald Eagle Main.

OLD BUSINESS

Bridge Engineer's Report

The Bridge Engineer's Report was included in the meeting packet. Mr. Shura provided the following updates:

- The Bridge Engineer is working on the 2015 RTAP projects and continuing to move those projects forward.
- SVRR Bridge 14.93 (Shamokin) preconstruction meeting held on 10/28/2020. Bids were opened in the summer. Waiting on two items from the contractor to issue the notice to proceed. Expect the field work to commence likely in April 2021. Project in good shape to be completed in the spring.
- NBER Bridge 33.84 (Curtin Bridge) Rehabilitation (RTAP Project) plans and bidding documents were sent to the Bureau of Rail freight on June 12, 2020. Review comments were received on January 6, 2021. Advertisement and bid opening dates can be finalized for resubmission to the Bureau. Hoping to advertise this at the end of January.
- LVRR Antlers IT Bridge 179.44 (Iron Bridge) Rehabilitation Project bidding documents submitted to the Bureau of Rail Freight on 9/4/2020. Review comments were received on January 6, 2021. Advertisement and bid opening dates can be finalized for resubmission to the Bureau. This bridge may be pushed to 2022.
- NSHR Bridge 195.10 2015 RTAP Project (Bear Camp Bridge) plans and specifications are complete and pending submission to the Bureau of Rail Freight. GP-11 permit application is underway. Intent to advertise and open bids in the spring with construction in the summer or fall of 2021. On track to get the project done by the end of the year.
- The 2020 bridge safety inspections are complete and the inspection reports for all five railroads have been submitted to the JRA and the railroad.
- PSU Altoona bridge Instrumentation Plan – PSU Altoona is proposing instrumentation of 2-3 bridges on JRA lines as part of student research. PSU staff asked for a list of bridges that could be instrumented for this purpose. A list of bridges was provided on 11/4/2020 and response from PSU was received. Site visits will be coordinated with JRA and NSHR. A conference call was recently held with Penn State Altoona and they are looking at five bridges from the original list provided in November. A field meeting is going to be held with JRA staff and the railroad to discuss these bridges. The

instrumentation will look at steel bridges only for now and could be expanded depending on funding and what the JRA and railroad would like to do. This will provide some real time monitoring of these five bridges and the data from the monitoring will be available to JRA and the railroad on a real time basis. It will be a web-based application. This is funded through the FRA and is a good opportunity.

- Newberry Yard, Office Parking Lot Survey and Building Electric Plan – the draft parking lot plan is complete. The revised plan is ready to go. Working with a local contractor to get an estimate prior to putting that project on the street.

Property Management Committee

The Good Samaritan Mission Easement (NSHR – Danville)

Mr. Postupack stated that the Good Samaritan Mission has approached staff seeking an easement for a portion of JRA property along DL&W Avenue in Danville. The Good Samaritan Mission is a faith-based organization that works with disadvantaged residents in Montour County to provide clothing, food, and financial assistance.

The non-profit organization recently purchased the building at the corner of Ferry Street and DL&W Avenue and would like to make improvements to the alley and side of the building to include parking and a better entrance for customers.

The Good Samaritan Mission is currently conducting a survey of the property. JRA staff is waiting for the survey maps to review the property lines before an agreement is brought before the Board for approval.

Mr. Postupack shared the following slides:

- Location of The Good Samaritan Mission easement location in Danville
- Good Samaritan existing conditions and design development Round 2
- Good Samaritan Exterior Views

Mr. Postupack stated that this property has an ongoing survey, so he feels it is best to wait until the survey is complete before an easement agreement is proposed. More information will be provided at the February JRA meeting. No action is needed at this time.

Danville Borough Easement (NSHR – Danville)

Mr. Postupack stated that the Danville Borough requested a drainage easement 25' long and 15' wide on JRA property approximately 550' NNW of the Wall Street railroad crossing in Danville. The proposal includes construction of new townhouses east of the track on Alton Street which will include stormwater management facilities.

After the plans were reviewed by staff and Jason Shura, P.E., it was determined that stormwater runoff will not be made worse by the proposed work. The drainage facilities on JRA property will include an outlet pipe with a R-4 rock apron.

The Borough will be responsible for all maintenance of the facility.

An \$800 application fee and a \$400 annual fee will be assessed and will be subject to CPI increases.

Mr. Postupack shared the following slides:

- Danville Borough Drainage Easement for the future site of Alton Street Townhouses at Milepost 201.12 in Danville.
- Site plan for Alton Street Townhouses.

Ms. Wakeman made a motion for the full Board to approve this easement agreement and authorize its execution by the Authority's officers; Mr. Dombroski seconded the motion; motion carried.

Greek Development LLC Land Lease (NSHR – Bloomsburg)

Mr. Postupack stated that Greek Development LLC approached staff about leasing a JRA property along the NSHR east of the East Street railroad crossing in Bloomsburg. Greek Development LLC purchased the property this summer and razed the old building on the site to construct a new commercial building. The boundary of the land lease is 12' from centerline of track on the south side.

The lessee will be required to construct a barrier on the boundary of the leased area to protect the track and JRA property.

The land lease is for a 3-year term. An \$800 application fee as well as an annual fee of \$3,500, subject to CPI increases, will be assessed.

Mr. Postupack shared the following slides:

- Proposed area of land lease
- East Street & US 11 Sketch Plan
- East Street railroad crossing in Bloomsburg

Mr. Stover stated that the JRA needs to make sure that no construction is in that 13' area. It is just a buffer space and nothing permanent should be placed in that area.

Ms. Wakeman commented that she is not comfortable with this without knowing what the JRA is agreeing to. She would like to know what the terms are and why Greek Development wants this property.

Mr. Postupack stated it is for commercial development and everything would have to be approved by the JRA. They are not constructing anything on JRA property. They are using it to expand whether it be for parking or just a buffer and nothing will be built there. The JRA needs to approve anything that is going to be done on JRA property.

Mr. Hormell commented that it may be that the zoning district in the Town of Bloomsburg has a zero setback requirement.

Mr. Hormell made a motion for the full Board to approve this land lease with Greek Development LLC based on the board discussion and authorize execution by the Chair and Secretary; Dr. Spychalski seconded the motion.

Mr. Stover asked that Mr. Postupack get something in writing from Greek Development that they cannot do anything without the JRA approval and to also know why they want this property.

Motion carried.

ZITO Media Communications, LLC (NSHR – Northumberland)

Mr. Postupack stated that ZITO Media Communications, LLC approached staff about the installation of an overhead fiber line on the NSHR on Orange Street in the Borough of Northumberland. The fiber line is wholly within the public right-of-way. All plans have been reviewed and approved. An application fee of \$800 will be assessed for the facility.

Mr. Postupack shared the following slides:

- ZITO Media Communications, LLC location of the fiber optic cable at MP 213.08
- ZITO Media proposed railroad crossing

Mr. Graham made a motion for the full Board to approve this license and authorize execution by the Chair and Secretary; Ms. Wakeman seconded the motion; motion carried.

East 6th Street Parking Issues (NSHR – Bloomsburg)

Mr. Postupack stated that the JRA's right-of-way on the north side of the track in Bloomsburg is 15' from centerline between Catherine Street and East Street.

There have been multiple issues with vehicles fouling the track along East 6th Street and forcing the train to stop and wait for vehicles to be towed. There have also been several instances where vehicles have been clipped by the passing train.

In December, the Operator notified JRA staff about a vehicle fouling. The JRA was then notified two additional times about vehicles fouling the track in the same location which is a total of three separate incidences in a month.

In response, a meeting was held Monday, January 11, 2021 on-site with the Bloomsburg Police Chief Roger Van Loan and Sergeant Michael Fosse; the Head of Public Works, John Fritz; and the Head of Codes, Ken Roberts, and NSHR employees and JRA staff.

NSHR and the JRA discussed the on-going parking issues and told all in attendance that all vehicles will be posted, notifying the vehicle owners that they will have until Friday, January 15th, to move their vehicles. After that time, the vehicles will be towed.

No Parking signs will be posted, and concrete blocks will be placed by NSHR M&W crews at all curb cuts to block vehicles from entering onto the JRA right-of-way and blocking any vehicles that were not moved.

Additionally, the Town of Bloomsburg gave JRA written permission to place the blocks on Town property beyond the 15' JRA right-of-way.

JRA staff will keep the Board notified of the situation as it moves along.

Mr. Postupack shared the following slides:

- Aerial showing the Bloomsburg parking issues at East 6th Street.
- Vehicles parking on the JRA right-of-way by the track
- East 6th Street Curb Cut Concept showing no parking sign and concrete blocks

LEGAL

Legal Issues

Attorney Schrack stated there is nothing for public session at this time. The Board will recess into executive session to discuss the RFP litigation. Attorney Schrack stated he anticipate there will be one action item in public session after the executive session.

Chairman Showers recessed the regular meeting at 2:39 p.m. to convene into executive session at 2:50 p.m.

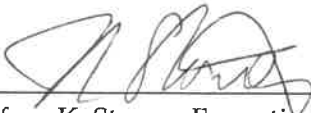
Chairman Showers reconvened the regular meeting at 3:40 p.m.

Attorney Bee stated that the Authority Board held discussion with its solicitor regarding the ongoing RFP litigation and there is one item which requires action. He sought a motion appointing Attorney Peter Pfohl as special transportation counsel for the JRA.

Mr. Krentzman made a motion to engage Attorney Peter Pfohl as special transportation counsel for the Authority; Mr. Harvey seconded the motion; motion carried.


With there being no further business to come before the JRA Board, Chairman Showers adjourned the meeting at 3:41 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 February 10, 2021.



Secretary/Assistant Secretary



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Wednesday, February 10, 2021

Virtual Meeting via Teleconference – 1:00 p.m.

AUTHORITY MEMBERS

Russ Graham, Centre County
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
David Schultz, Lycoming County
John Showers, Union County
John Spsychalski, Centre County
Jennifer Wakeman, Montour County
Eric Winslow, Union County

JRA OPERATOR

Jeb Stotter, President & CEO
Diana Williams, Treasurer/Controller

GUESTS

Erik Bergenthal, Esq., Houston Harbaugh (for Carload Express)
Alex Lang, Carload Express
Kelly O'Brien, BIDA
Mark Rosner, Carload Express
Ed Sigl, First National Bank of Pennsylvania
Sam Simon, Esq., Houston Harbaugh (for Carload Express)
Courtney Solomon, CPA, Herring, Roll & Solomon

LEGAL COUNSEL

John Bee, Esq., McQuaide Blasko
Tom Schrack, Esq., McQuaide Blasko

JRA CONSULTING PROFESSIONALS

Dan Mazur, Operating Agreement Consultant
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JRA STAFF

Kay Aikey, Program Assistant

Kyle Postupack, Property & Maintenance of Way Manager

Jeff Stover, Executive Director

Olivia Zavrel, Intern

CALL TO ORDER

Call to Order

The Chairman called the meeting to order at 1:05 p.m.

Pledge of Allegiance

The Chairman led the Pledge of Allegiance.

Welcome – Chairman's Statements

The Chairman 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.

Public Forum

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

ADMINISTRATIVE ITEMS

Approval of the January 13, 2021 JRA Meeting Minutes

Dr. Spychalski made a motion for the Board to approve the January 13, 2021 JRA Meeting Minutes; Mr. Winslow seconded the motion; motion carried.

Treasurer's Report

Mr. Harvey presented the Treasurer's Report for the month of January 2021, as well as the JRA's loan summary, the JRA Money Market Account Financial Statement, the PIB Loan 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 January 2021 and file for audit; Mr. Graham seconded the motion; motion carried.

Presentation of Draft 2019 Audit

Courtney Solomon, CPA from Herring, Roll & Solomon presented the JRA's draft 2019 Audit. A copy of the draft audit was emailed to JRA Board members prior to the meeting.

Mr. Postal stated that it would be useful if there could be a column showing the previous year's figures in order to see what the variances are. Ms. Solomon stated that this is an option that can be done with future audits. Other board members expressed agreement with Mr. Postal's suggestion. The JRA's 2019 audit will be finalized for the March meeting for action by the Board.

Staff Report and Events Calendar

Mr. Stover summarized the status of various construction projects and calendar highlights.

Mr. Postupack provided an update on the work that has been done at the LVRR offices and warehouse and provided a slide showing the improvements that have been done.

Operator's Status Report

The Operator's Status Report was provided to Board members prior to the meeting. Mr. Stotter stated that a maintenance of way meeting regarding this year's plan will be held on Thursday, February 11, 2021 with JRA staff and consultant. Mr. Mazur will be in the operator's office in March to go over the close of the 2020 financials as well as the 2021 budget. A comprehensive update on those matters will be provided at the March 10th JRA Board meeting. Mr. Stotter thanked the JRA for the improvements done at the LVRR office and facilities.

OLD BUSINESS

Bridge Engineer's Report

The Bridge Engineer's Report was included in the meeting packet. Mr. Shura provided the following updates:

- SVRR bridge 14.93 (Shamokin): Awaiting contractor drug and alcohol program and final certificate of insurance to issue notice to proceed. Construction will start later this spring.
- NBER Bridge 33.84 (Curtin Bridge) Rehabilitation (RTAP Project): Received review comments from the Bureau of Rail Freight and resubmitted those documents. Received

approval of the bid packet. Project was advertised on February 5, 2021. A pre-bid meeting will be held on February 23, 2021 with bids due March 9, 2021. Bids will be reviewed and will be presented for recommendation for award at the March 10th JRA Board meeting.

- LVRRA Antlers IT Bridge 179.44 (Iron Bridge) Rehabilitation Project: Review comments were received from the Bureau of Rail Freight. Comments will be addressed and those documents resubmitted. Will work with JRA staff to do the advertisement, pre-bid meeting and bid opening date.
- NSHR Bridge 195.88 2015 RTAP Project (Bear Camp Bridge): Plans and specifications are complete and pending submission to the Bureau of Rail Freight.
- Continue to work with JRA staff and Ms. Wakeman on the SEEDCO site. A field meeting was done on January 29, 2021. Working on a cost estimate.
- Limited bridge safety inspections have been done due to the weather. 2021 bridge inspections will begin when weather improves.
- Plans for the Newberry Yard parking lot were submitted to JRA staff. Will continue to work with JRA staff and Hawbaker to get an estimate. Will continue to see that the project moves forward.
- PSU Altoona Bridge Instrumentation Plan: Will be meeting with the folks at PSU on February 18, 2021 to take a look at a few bridges on the NBER and LVRRA. Additional updates will be given at the March JRA Board meeting relative to this program.

Mr. Winslow asked Mr. Shura if it would be possible for him to do some type of board level presentation on how the PSU Altoona Bridge instrumentation works and what is actually being measured. Mr. Shura replied that some of the details are still being worked out and will be discussed at the field meeting on February 18th. PSU is looking at instrumenting steel bridges to monitor stresses under load and monitor movement and stresses as these bridges expand and contract due to temperatures. The data will be recorded on a real time basis and will be available at any time to JRA staff and PSU staff and will be updated to a web-based platform for that access. The data can be downloaded and reports can be generated from that data. The steel bridges that were recommended are all structures that have relatively low load ratings or have general deterioration. Will be looking at critical locations on those bridges as well. More information will be presented in the bridge engineer's report for March.

CFA Matches for Port Matilda and Milesburg Multimodal

Mr. Stover stated that staff previously communicated with the Board relative to the local share for the Port Matilda and Milesburg Multimodal applications to the Commonwealth Financing Authority (CFA).

Staff from DCED contacted staff seeking audits and financial documents for all those entities providing local shares. Audits were provided for the JRA, Centre County and the two boroughs.

The remaining issue is the proposed local shares from the NBER. DCED is asking the operator to provide proprietary financial information.

Without some resolution of the data request, neither application can be considered for approval. DCED agreed that if the JRA could “backstop” the operator’s share, the applications could proceed. If approved, both would be 2022 projects.

Both applications were submitted last fall to the CFA. The JRA was the applicant for the bridge in Milesburg which is a single structure that carries the Nittany Main Line and also a Borough street known as Railroad Street. The Port Matilda project was submitted by the Borough with JRA staff assistance.

The Milesburg Bridge project requires the JRA share to increase by \$100,000 from \$155,000 to \$255,000. The other two local shares remain the same: Milesburg Borough committed \$100,000 and Centre County’s local grant is \$45,000.

In the case of the Port Matilda Borough application, the JRA local share doubles from \$50,000 to \$100,000. The Centre County grant remains at \$55,000.

Dr. Spychalski made a motion for the full Board to ratify the increase in the JRA’s local share for the Milesburg Bridge CFA Multimodal project from \$155,000 to \$255,000; Ms. Wakeman seconded the motion.

Mr. Graham asked if the JRA will be “back stopped” by the operator in 2022 for reimbursement to the JRA for the funds. Mr. Stover stated that the JRA can budget for it. That request will need to be made.

Mr. Winslow stated he has a concern that a lot of things are going to happen and the JRA needs to be prepared to go into this with it being the JRA’s money.

Motion carried.

Dr. Spychalski made a motion for the full Board to ratify the increase in the JRA’s local share for the Port Matilda CFA Multimodal project from \$50,000 to \$100,000; Mr. Hormell seconded the motion; motion carried.

PROPERTY MANAGEMENT COMMITTEE

The Good Samaritan Mission Easement (NSHR – Danville)

Mr. Postupack stated that the Good Samaritan Mission has approached staff seeking an easement for a portion of JRA property along DL&W Avenue in Danville. The Good Samaritan Mission is a faith-

based organization that works with disadvantaged residents in Montour County to provide clothing, food, and financial assistance.

The non-profit organization recently purchased the building at the corner of Ferry Street and DL&W Avenue and would like to make improvements to the alley and side of the building to include parking and a better entrance for customers. There will be no parking within 20-feet of the track.

The Good Samaritan Mission has asked for the application fee to be waived.

Mr. Postupack stated that the JRA is waiting on the final survey before it can be brought before the Board to final approval. No action is needed at this time.

Levi Peachey Private Grade Crossing License (Mill Hall Industrial)

Mr. Postupack stated that Levi Peachey approached staff about a license for a private crossing +/- 1,500' east of Draketown Road. Mr. Peachey's parcel is split by the Mill Hall industrial Track which leaves him landlocked from the northern portion of his land.

The crossing would be used to access his land on the north side of the track so he can fish Bald Eagle Creek. No logging would be allowed and can only be used for fishing and other recreational activities.

JRA staff met with NBER staff and KW Reese on-site to review the location. KW Reese submitted a quote for the installation of the crossing which would be installed while they are constructing the Castanea Runaround. Mr. Peachey will be responsible for the cost of installation of the crossing as well as all maintenance of the crossing.

Crossing construction by K W Reese includes installation of 10-new ties, installation of a culvert in the open ditch on the south side of the track, installation of flangeway timbers with 2A stone added to the approaches of the flangeway timbers, and the gauge area will be filled with ballast.

The term of the license is for 10-years and will commence on March 1, 2021 and end on February 28, 2031.

A license fee of \$400 subject to CPI increases in addition to the \$800 application fee will be assessed.

Mr. Postupack shared a slide showing the location of the private crossing.

Mr. Jones made a motion for the full board to approve this license and authorize execution by the Chair and Secretary; Mr. Jenkins seconded the motion; motion carried.

Robert and Joyce Gordon Indenture (NSHR – Point Township)

Mr. Postupack stated that Robert and Joyce Gordon purchased a river lot in Chulasky, Point Township, Northumberland County from the JRA in 1998 for \$2,250. The parcel is 180' x 35'.

The JRA received payment from the Gordons and executed and notarized the quitclaim deed. However, the Gordons never recorded the document with the Northumberland Recorder.

The Gordons are now selling their property in Point Township but need a fully executed and notarized deed to record before they will be able to sell the property.

The JRA has agreed to prepare a quitclaim deed for the Gordons, which will be executed by the JRA's current officers.

The Gordons have agreed to pay the JRA \$500 to prepare a quitclaim deed and they will be responsible for recording the document.

Mr. Park made a motion for the full board to approve the execution of the quitclaim deed and authorize execution by the Chair and Secretary; Ms. Wakeman seconded the motion; motion carried.

LEGAL

Legal Issues

NARCOA Speeder Runs

Attorney Schrack stated that a request has been received for 2021 track car ("speeder") runs this year. All have been approved by the Operator.

The proposed 2021 railcar excursions are:

May 15 – LVRR

May 16 – NBER

June 12 – NSHR

June 13 – SVRR

Toys for Tots

November 20 – NSHR

November 21 - UCIR

Dr. Spychalski Made a motion for the full Board to approve the speeder runs as listed above; Mr. Graham seconded the motion; motion carried.

Attorney Schrack stated there is nothing else for public session at this time. Attorney Schrack stated the Operations Committee held two executive sessions: January 13, 2021 after the JRA Board Meeting and on February 9, 2021. No action was taken or recommended.

Chairman Showers recessed the regular meeting at 1:53 p.m. to convene into executive session at 2:02 p.m.

Chairman Showers reconvened the regular meeting at 3:05 p.m.

Attorney Schrack stated that the Authority Board held discussion with its solicitor regarding the ongoing RFP litigation. There is no action recommended at this time.

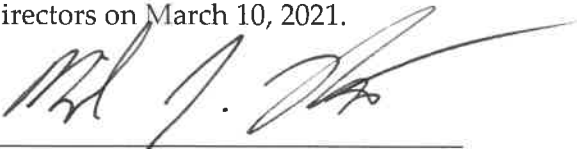
With there being no further business to come before the JRA Board, Chairman Showers adjourned the meeting at 3:06 p.m.

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 March 10, 2021.



Secretary/Assistant Secretary



**PRESERVING
RAIL FREIGHT
SERVICE**

SEDA-COG JOINT RAIL AUTHORITY MEETING

Wednesday, March 10, 2021

Virtual Meeting via Teleconference – 1:00 p.m.

AUTHORITY MEMBERS

Frank Dombroski, Montour County
Russ Graham, Centre County
John Gummo, Clinton County
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
David Schultz, Lycoming County
John Showers, Union County
John Spsychalski, Centre County
Jennifer Wakeman, Montour County
Eric Winslow, Union County

JRA OPERATOR

Zac Mahaffey, Director of Maintenance of Way
Jeb Stotter, President & CEO
Diana Williams, Treasurer/Controller

GUESTS

Erik Bergenthal, Esq., Houston Harbaugh (for Carload Express)
Mark Rosner, Carload Express
Ed Sigl, First National Bank of Pennsylvania
Sam Simon, Esq., Houston Harbaugh (for Carload Express)
Courtney Solomon, CPA, Herring, Roll & Solomon

LEGAL COUNSEL

John Bee, Esq., McQuaide Blasko
Tom Schrack, Esq., McQuaide Blasko

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📍 201 Furnace Road Lewisburg PA USA 17837 📞 570-524-4491 📠 570-524-9190 🌐 www.sedacograil.org ✉ jra@seda-cog.org

JRA CONSULTING PROFESSIONALS

Paul Jannotti, Jannotti Rail Consulting
Dan Mazur, Operating Agreement Consultant
Jason Shura, P.E., Stiffler McGraw

JRA STAFF

Kay Aikey, Program Assistant
Kyle Postupack, Property & Maintenance of Way Manager
Jeff Stover, Executive Director
Olivia Zavrel, Intern

CALL TO ORDER

Call to Order

The Chairman called the meeting to order at 1:04 p.m. Mr. Stover provided roll of those in attendance.

Pledge of Allegiance

The Chairman led the Pledge of Allegiance.

Welcome – Chairman’s Statements

The Chairman 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.

Public Forum

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

ADMINISTRATIVE ITEMS

Approval of the February 10, 2021 JRA Meeting Minutes

Dr. Spsychalski made a motion for the Board to approve the February 10, 2021 JRA Meeting Minutes; Mr. Winslow seconded the motion; motion carried.

Treasurer's Report

Mr. Harvey presented the Treasurer's Report for the month of February 2021, as well as the JRA's loan summary, the JRA Money Market Account Financial Statement, the PIB Loan Financial Statement, and the JRA's detailed accounting associated with the operating fees paid by the Operator.

Mr. Winslow made a motion for the Board to accept the Treasurer's Report for the month of February 2021 and file for audit; Ms. Hoover seconded the motion; motion carried.

Presentation of Final 2019 Audit

Mr. Stover stated that the JRA's final 2019 audit was emailed to Board members. He noted that the final audit includes the mandated Management Discussion & Analysis. Bound copies of the audit will be mailed to Board members.

Dr. Spychalski made a motion for the full Board to approve the 2019 JRA Audit; Mr. Harvey seconded the motion; motion carried.

Staff Report and Events Calendar

Mr. Stover summarized the status of various construction projects and calendar highlights.

Operator's Status Report

The Operator's Status Report was provided to Board members prior to the meeting.

OLD BUSINESS

Bridge Engineer's Report

The Bridge Engineer's Report was included in the meeting packet. Mr. Shura stated that Stiffler McGraw continues to advance the 2015 RTAP projects. Bids for the NBER Bridge 33.84 rehabilitation project were opened on March 9, 2021. Three bids were received.

RTAP15 Bridges – Review Bids and Award Contract for NBER 33.84

Mr. Stover stated that the following bids were received on March 9, 2021:

Lycoming Supply	\$1,728,000.00
Jay Fulkroad and Sons, Inc.	\$1,792,519.50
Gregori Construction	\$2,449,900.00

Mr. Stover stated that the bids were high; staff and bridge engineer estimated the project cost to be \$1.2 million. He stated this is a major project. Mr. Stover stated the reason for the higher-than-expected number is because of the work schedule and traffic to accommodate the Nittany Main traffic, it had to be done in six weekends.

Mr. Shura stated the project was initially budgeted for single closure, but that would have been for construction year 2017. Due to traffic on that bridge, the project is now being broken into several weekend outages – one weekend for each span. The original estimate would have been for construction in 2017 and it is now 2021 and the issues with the current COVID situation and the difficulty with finding materials.

Mr. Postupack shared the following slides:

- NBER Bridge 33.84: The existing ballast will be removed from Bridge 33.84 and concrete deck rehabilitated at each pier with precast concrete deck segments. The bridge will be raised to eliminate the steel brackets and walkway that currently support ballast by jacking and providing new steel grillage pedestals.

Mr. Shura suggested that this item be tabled until he can reach out to the contractors to bid and discuss the project with the Bureau of Rail Freight and then rebid the project.

Mr. Park made a motion for the full board to approve rejection of these bids and table this to another meeting so Mr. Shura can do some further diligence and reduce the cost of the project; Ms. Wakeman seconded the motion; motion carried.

Mr. Harvey asked if there is a liability with the other bridge projects in the JRA's portfolio where the age of the estimate could lead to cost of the original estimate; Mr. Shura stated for the other two bridges (LVRR and NSHR) construction estimates were prepared and it should not be an issue.

NEW BUSINESS

Jannotti Report – 2020 Inspections and 2021 Maintenance of Way Plan

Mr. Jannotti, the JRA's track consultant, presented the 2020 Track Inspection Report and his approved 2021 Maintenance of Way Plan. A copy of Mr. Jannotti's report was emailed to Board members prior to the Board meeting; bound copies of the report will be mailed to Board members.

PROPERTY MANAGEMENT COMMITTEE

The Good Samaritan Mission Easement (NSHR – Danville)

Mr. Postupack stated that the Good Samaritan Mission has approached staff seeking an easement for a portion of JRA property along DL&W Avenue in Danville. The Good Samaritan Mission is a faith-based organization that works with disadvantaged residents in Montour County to provide clothing, food, and financial assistance.

The non-profit organization recently purchased the building at the corner of Ferry Street and DL&W Avenue and would like to make improvements to the side of the building which will include an ADA accessible ramp and entrance. There will be no parking within their easement boundary.

Mr. Postupack shared a slide showing the revised easement boundary which shows 3' 6" from edge of building on the west side and 13' 6" from edge of building on the eastern edge of the building.

Mr. Postupack stated that the next step will be to enter into an agreement with the Danville Borough for them to continue to maintain the road by the building as well to enforce parking. There will be no parking within their easement boundary. The Good Samaritan Mission has asked for the application fee to be waived.

Ms. Wakeman made a motion for the full Board to approve this easement and authorize execution by the Chair and Secretary; Mr. Gummo seconded the motion; motion carried.

LVRR Building – Window and Door Update

Mr. Postupack stated that M&R Contractors based out of Lock Haven removed and replaced three doors in the warehouse/dock area. The doors are steel doors with panic bar hardware. The door into the maintenance of way locker room is a steel half-lite door. Mr. Postupack stated that the building is now completely secure with the installation of the new doors. M&R will be installing 19 windows in the building once they come in.

Mr. Postupack shared slides showing the door replacement.

LEGAL

Legal Issues

Attorney Schrack stated that the Executive Committee held an executive session call on Friday, March 5, 2021 to discuss litigation and will be having more discussion on those items in executive session with the Board.

Operating Agreement Consultant's Report

Mr. Dan Mazur presented the Operator's year-end financial and the 2021 budget via PowerPoint.

2020 Transportation Expense Ratio

- Target: About 43%
- Results for 4Q 2020
 - Lower than Target
 - Lower than 2019
 - Higher than 2020 Budget
- Results for all of 2020
 - Equal to target
 - Higher than 2019
 - Significantly higher than 2020 Budget

2020 Maintenance of Way Ratio

- Target: About 21%
- Results for 4Q 2020
 - Significantly lower than Target
 - Higher than 2019
 - Lower than 2020 Budget
- Results for all of 2020
 - Higher than Target
 - Lower than 2019
 - Significantly lower than 2020 Budget

2021 Budget Transportation Expense Ratio

- Target: About 43%
- 2021 Budget
 - Slightly lower than Target
 - Slightly lower than 2020

2021 Budget Maintenance of Way Expense Ratio

- Target: About 21%
- 2021 Budget
 - Much higher than Target
 - Higher than 2020

Mr. Mazur stated that he has additional and detailed information, but recommended discussing that information in executive session.

Chairman Showers recessed the regular meeting at 2:00 p.m. to convene into executive session at 2:10 p.m.

Chairman Showers reconvened the regular meeting at 3:30 p.m.

Attorney Schrack stated that the JRA Board held an executive session with representatives of the Operator and the Authority's consultant to continue its discussion of the consultant's report involving confidential and proprietary information of the operator. After representatives of the Operator left the executive session, the Authority Board and its solicitor held discussion concerning a potential real property acquisition and discussion regarding the ongoing RFP litigation. There is no action recommended at this time.

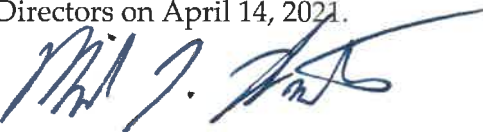
Chairman Showers stated that the next meeting will be held on April 14th and will be held at the Union County Government Center. At this time there is a limit of 25 in-person attendees so this may be a hybrid meeting. Mr. Stover stated that in order to allow for board members to attend if they choose to do so, other attendees, including representatives of the Operator and Carload Express may choose to somehow limit representations at the meeting.

With there being no further business to come before the JRA Board, Chairman Showers adjourned the meeting at 3:33 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 14, 2021.



Secretary/Assistant Secretary



**PRESERVING
RAIL FREIGHT
SERVICE**

SEDA-COG JOINT RAIL AUTHORITY MEETING

Wednesday, April 14, 2021

Virtual Meeting via Teleconference – 1:00 p.m.

AUTHORITY MEMBERS

Frank Dombroski, Montour County
Russ Graham, Centre County
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
David Schultz, Lycoming County
John Showers, Union County
John Spychalski, Centre County
Jennifer Wakeman, Montour County
Eric Winslow, Union County

JRA OPERATOR

Todd Hunter, Chief Marketing Officer
Jeb Stotter, President & CEO
Diana Williams, Treasurer/Controller

GUESTS

Erik Bergenthal, Esq., Houston Harbaugh (for Carload Express)
Alex Lang, Carload Express
Taylor Lightman, East Buffalo Township Resident
Kelly O'Brien, BIDA
Mark Rosner, Carload Express
Ed Sigl, First National Bank of Pennsylvania
Sam Simon, Esq., Houston Harbaugh (for Carload Express)

LEGAL COUNSEL

John Bee, Esq., McQuaide Blasko
Tom Schrack, Esq., McQuaide Blasko

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JRA CONSULTING PROFESSIONALS

Dan Mazur, Operating Agreement Consultant

Jason Shura, P.E., Stiffler McGraw

JRA STAFF

Kay Aikey, Program Assistant

Kyle Postupack, Property & Maintenance of Way Manager

Jeff Stover, Executive Director

Olivia Zavrel, Intern

OTHER SEDA-COG STAFF

Kim Wheeler, Executive Director

CALL TO ORDER

Call to Order

The Chairman called the meeting to order at 1:01 p.m. Mr. Stover provided roll of those in attendance.

Pledge of Allegiance

The Chairman led the Pledge of Allegiance.

Welcome – Chairman's Statements

The Chairman 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.

Public Forum

Chairman Showers introduced Kim Wheeler, Executive Director of SEDA-COG. Ms. Wheeler gave a brief update on her past employment and experience as well as her vision for SEDA-COG and desire to work with the JRA.

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

ADMINISTRATIVE ITEMS

Approval of the March 10, 2021 JRA Meeting Minutes

Dr. Spychalski made a motion for the Board to approve the March 10, 2021 JRA Meeting Minutes; Mr. Harvey seconded the motion; motion carried.

Treasurer's Report

Mr. Harvey presented the Treasurer's Report for the month of March 2021, as well as the JRA's loan summary, the JRA Money Market Account Financial Statement, the PIB Loan Financial Statement, and the JRA's detailed accounting associated with the operating fees paid by the Operator.

Mr. Graham made a motion for the Board to accept the Treasurer's Report for the month of March 2021 and file for audit; Mr. Jenkins seconded the motion; motion carried.

Staff Report and Events Calendar

Mr. Stover summarized the status of various construction projects and calendar highlights.

Mr. Stover stated that the JRA received an additional extension until March 2022 for the Irontown Square Project in Danville. This is the project that the JRA is working on with DRIVE.

Mr. Postupack shared a slide of the NBER Castanea Runaround constructed by K.W. Reese. Mr. Stotter commented that this runaround represents a huge improvement, not only in terms of operational efficiency but also in terms of safety. He stated that this 500' double-ended runaround is a wonderful addition to the JRA infrastructure, and the Operator is really pleased with how the project came out.

Operator's Status Report

The Operator's Status Report was included in the meeting packet.

Mr. Hunter reported that traffic has increased on all six railroads and the Operator is having a good first quarter. Mr. Hunter stated that there are some good projects in the pipeline.

Mr. Harvey asked for an explanation regarding the comment in the marketing report regarding the increase in the operator's efforts in working with NS to supply equipment for missed anthracite coal opportunities and are encouraged by NS interest. Mr. Hunter explained that anthracite coal ships primarily for the operator in covered hoppers and for years the operator has had a diminishing fleet of cars available for that business. One of the reasons was because

of the commodity usually the cars were older cars. One of the things that the operator is working on with NS is to replenish and replace that fleet of cars. Many of the cars that were being used for anthracite coal are about months or a short time out of scrap yard.

Dr. Spychalski asked how recent changes in interchange locations with the Norfolk Southern are working out. Mr. Stotter replied that the changes were made effective April 1, 2021. They are working out quite well. Norfolk Southern and the operator are working proactively to make sure that there are no interruption or delays.

OLD BUSINESS

Bridge Engineer's Report

The Bridge Engineer's Report was included in the meeting packet.

Mr. Shura provided the following updates:

- Continue to advance the RTAP 15 projects.
- SVRR Bridge 14.93 (Shamokin) – spoke with contractor recently and expect to see field work to begin shortly. The contractor will be reaching out to the railroad to get the work scheduled.
- NBER Bridge 33.84 (Curtin Bridge) Rehabilitation – Bids were received in March and will need to discuss award of the project to Lycoming Supply.
- NSHR Bridge 195.10 2015 RTAP Project (Bear Camp Bridge) - Final approval received from PennDOT Bureau of Rail Freight, the permit is in place, the project was advertised April 14. A pre-bid meeting is scheduled for April 28 and bids are due on May 11.
- LVRR Antlers IT Bridge 179.44 (Iron Bridge) Rehabilitation Project – Revisiting the design to determine if rehabilitation is possible to reduce costs. Still on schedule for a July/August bid opening for this project.

Mr. Shura stated that the four remaining RTAP projects are moving forward.

- Working with the JRA, Paul Jannotti and Livic Civil to prepare an updated bridge and track cost estimate for the SEEDCO site.
- Continuing to work with the JRA on the Tyrone drainage issue at Lincoln Avenue in the Tyrone Borough.
- PSU Altoona Bridge Instrumentation Plan – will be providing an additional list of 2-4 bridges for PSU for consideration for the instrumentation plan.
- The bridge safety inspections continue. NBER is nearly complete and LVRR is underway.

Underwater Bridge Inspections

Mr. Shura stated that he recommends that certain bridges be subject to underwater inspection of piers and abutments. He stated that he has prepared a draft RFP to secure those consulting services. He stated that 19 structures were identified on the JRA system for a total of approximately \$50,000.

Mr. Shura explained the need and extent of the proposal. He plans to issue the RFP and will then bring the proposal back to the JRA Board with his recommendation. Recommended duration of the agreement is 5 years with inspections completed in Year 1 and the firm available on an as-needed basis in Years 2-5. The JRA will have the option to solicit for bids again or extend the agreement at the end of Year 5.

Mr. Hormell made a motion for the Board to authorize issuance of a Request for Proposals for underwater engineering inspection of select bridges on the JRA system; Mr. Graham seconded the motion; motion carried.

RTAP15 Bridges Program – Bid Award for NBER 33.84

Mr. Stover stated that on March 9, 2021 bids were opened for a RTAP15 program bridge: NBER Bridges 33.84 and 33.97. Low bidder was Lycoming Supply Co. at \$1,728,000. This amount is some \$400,000 above the latest estimate. JRA staff and Mr. Shura, P.E., have been discussing how to comport this higher bid amount in relation to the rest of the RTAP15 program.

This RTAP program was developed in 2015 by Mr. John Conrad. Costs estimates developed at that time were used as the basis for the \$3.5 million RTAP grant. Adding in the \$1.5 million local share, the total project is \$5 million. PennDOT only allows \$60,000 to be directed at engineering, being only 1.2% of the total. This amount has already been billed and received from the prior Conrad engineering.

As with all PennDOT rail grants there is a 10% state retainage that is distributed only when the entire project is completed. For this RTAP project, the JRA will eventually receive the \$350,000 sometime in 2022.

A status report of the RTAP15 program is listed below:

RTAP Regional Bridge Program		
Bridge	Cost (Actual or Estimated)	Status
NSHR 194.07 - Catawissa	\$491,957	Complete (Lycoming Supply)
SVRR 14.93 – Paxinos	\$1,289,834	Starting Construction (Lycoming Supply)
NBER 33.84.33.97 – Curtin	\$1,720,000	Pending award April 14, 2021 to Lycoming Supply
NSHR 195.88 – Bear Camp	\$485,000 (estimated)	Bid package sent to PennDOT for review prior to bid.
LVR 179.44	*\$1,012,209 to total \$5 million. Bridge replacement would be \$1,900,000	Bid specs done for bridge replacement. Engineer Shura exploring a rehab option to save costs. Bid in Fall 2021 for Spring 2022 construction.

Mr. Postupack showed the following slides:

- NBER Bridge 33.84: The existing ballast will be removed from Bridge 33.84 and concrete deck rehabilitated at each pier with precast concrete deck segments. The bridge will be raised to eliminate the steel brackets and walkway that currently support ballast by jacking and providing new steel grillage pedestals.
- NBER 33.97: Bridge 33.97 will receive a new timber tie deck and new grillage pedestals to raise bridge to proposed profile.
- NBER 20.67: NBER Bridge 20.67 bearings will also be repaired with reinforced concrete as part of the project.

Dr. Spychalski made a motion for the full Board to award NBER 33.84 and 33.97 bridge rehabilitations to Lycoming Supply in the amount of \$1,720.00; Mr. Park seconded the motion; motion carried.

NEW BUSINESS

RACP Application for Button Propane Terminal

Mr. Stover stated that on March 19th, JRA staff became aware of an opportunity to assist a future NSHR customer, Button Oil and Propane to assist on a RACP (Redevelopment Assistance Capital Program) grant from the PA Office of the Budget.

Site work and rail infrastructure for the propane terminal in Point Township has already been bid by the site owner, North Shore Railroad Company and will soon go to construction. This work is partially funded by a PennDOT RTAP grant to the railroad. This is the former PennDOT rest area that the JRA once owned.

Completion of the rail-tank storage truck transload includes six tanks and the related equipment to complete the installation. Total cost is \$2.8 million with Button Propane providing the minimum 1:1 match. The application was due on March 31 and must have a public partner to be the applicant.

The project has the support of Representative Schlegal-Culver and Senator John Gordner.

Staff submitted the RACP application on March 30 in the name of the JRA with Button Propane as the sub-grantee. There was a \$500 filing fee that was billed to Button Propane. The JRA application needs to be ratified by the JRA Board.

Mr. Harvey asked what the obligation of the JRA is. He also asked if JRA is just the applicant, will the JRA have any administrative responsibility, but no funds in the project. Mr. Stover replied that the JRA does not have any funds in the project.

Mr. Graham asked what the timeline is for approval and for moving forward with construction. Mr. Stover replied that Mr. Button would like to have the tanks placed and in operation by September 1, 2021. Mr. Stover stated he is not sure of how long the RACP review period is.

Ms. Wakeman stated that the RACP awards are usually made in August. With a RACP project, the project can start before the award is given as long as the project is not completed at the time of the application.

Mr. Stover stated that this is a pre-application.

Ms. Wakeman made a motion for the full Board to ratify the JRA's application for a Pennsylvania RACP grant for the Button Propane Terminal in the amount of \$1,400,000; Mr. Harvey seconded the motion; motion carried.

PROPERTY MANAGEMENT COMMITTEE

Chairman Showers stated that the Property Management Committee met at 10:00 a.m.

PPL Electric Utilities Corporation – License Agreement (LVRR – Fairfield Twp.)

Mr. Postupack stated that PPL approached staff to replace a 69kV circuit line with overhead ground wire crossing transversely over the LVRR in Fairfield Twp., Lycoming County.

The contractor is requesting access to the PPL right-of-way via the JRA right-of-way at Hiller Road. Clearance of the overhead facility will be 53' above top of rail with sag. This is next to Tebbs Farm private crossing, which was removed in March 2021.

An application fee of \$800, a \$460 annual rent fee (subject to CPI increases), and a one-time fee of \$750 for use of a JRA access road will be assessed, all per the Fee Schedule. All plans have been reviewed and approved.

Mr. Postupack showed a slide of the location of the aerial crossing on the LVRR, Fairfield Township.

Mr. Jenkins made a motion for the full Board to approve this license agreement with PPL Electric Utilities Corporation and authorize its execution by the Chair and Secretary; Mr. Winslow seconded the motion; motion carried.

PPL Electric Utilities Corporation – License Agreement (SVRR – Coal Twp.)

Mr. Postupack stated that PPL has approached staff to install a transmission line tap consisting of a 69kV double circuit line with shield wire crossing transversely over the SVRR in Coal Twp., Northumberland County. Clearance of the overhead facility will be 100' above top of rail with sag.

An \$800 application fee and an annual fee of \$460 (subject to annual CPI increases) will be assessed. All plans have been reviewed and approved.

Mr. Postupack showed a slide of the location of the aerial crossing on the SVRR in Coal Township.

Mr. Jenkins made a motion for the full Board to approve this license agreement with PPL Electric Utilities Corporation and authorize its execution by the Chair and Secretary; Mr. Park seconded the motion; motion carried.

CRODA License Agreement (NBER – Mill Hall)

Mr. Postupack stated that CRODA has approached staff about facilities that were installed within the JRA's 33' right-of-way including a transformer, switchgear, a concrete pad, and underground and above ground conduit. The occupations are approximately 24' from centerline of track.

All facilities have been installed. CRODA contacted the JRA to enter into an agreement after realizing their oversight.

The term of the License Agreement is 20-years. An \$800 application fee plus an annual rent of \$400 which is subject to CPI increases will be assessed. All plans have been reviewed and approved and a walk-through to review the installations was conducted on April 9, 2021.

Mr. Postupack showed a slide of the multiple facilities on the NBER – Mill Hall Industrial.

Mr. Jenkins made a motion for the full Board to approve this license agreement with CRODA and authorize its execution by the Chair and Secretary; Mr. Jones seconded the motion; motion carried.

Verizon Pennsylvania LLC – License Agreement (SVRR – Coal Twp.)

Mr. Postupack stated this item is being tabled until a later meeting as Verizon did not provide enough information for this license agreement.

KINBER – Assignment of Easement Agreement

Mr. Postupack stated that KINBER informed JRA staff that they have entered into an Asset Purchase Agreement (APA) with FirstLight Fiber, Inc. Included in the proposed sale in the APA are 10 easement agreements between KINBER and the JRA. At the closing, KINBER will assign its rights to FirstLight Fiber, Inc.

KINBER acquired the agreements in 2016 from Sunesys, Inc. through a similar transaction. For that transaction, the JRA prepared an Assignment of Easement Agreements, similar to the one prepared for this proposed agreement. There are no annual fees associated with these agreements as they were paid up front.

KINBER was notified that the JRA will prepare an Assignment of Easement Agreements for a fee of \$500.

Mr. Jenkins made a motion for the full Board to approve the Assignment of Easement Agreements for the transfer of agreements from KINBER to FirstLight Fiber, Inc. and authorize its execution by the Chair and Secretary; Dr. Spychalski seconded the motion; motion carried.

North Yards Scrap Metal Sale (JVRR – Burnham)

Mr. Postupack stated that scrap prices have been favorable in recent months and staff determined that it is a good time to open bids for the scrap in the North Yards in Burnham.

A pre-bid meeting was held at the North Yards in Burnham on April 7th at 10:00 a.m. Four scrap companies attended the pre-bid meeting: Krentzman, Kovalchick, Staiman, and Keystone Recovery.

Attendees bid on an old rail crane as well as other miscellaneous scrap in the yard.

The JRA received two bids for the estimated 50 gross tons of scrap in the Yard.

Staiman Recycling Corporation	\$260.00
Joe Krentzman & Son, Inc.	\$207.00

Mr. Postupack shared a slide of scrap in the North Yards which also showed the old raid crane.

Mr. Postupack stated that the PMC held brief discussion if the Railroad Museum of PA would have a potential interest in the rail crane. Mr. Gummo was not on the call to discuss this with him. A suggestion was made to table this item until it could be discussed with Mr. Gummo or award it to Staiman, but if the Museum is interested then the attentive award is pending.

Ms. Wakeman asked if the bid dollar amount would change if the crane was not there.

Mr. Stover stated that the market for scrap could change in 30 days.

Mr. Park suggested that the crane has been in the North Yards for a long time and if the Museum had wanted it someone would likely have already inquired.

Mr. Park made a motion for the full Board to approve the bid from Staiman Recycling Corporation in which they will pay \$260 per gross ton for all scrap material on the North Yards site; Ms. Wakeman seconded the motion; motion carried with Messrs. Winslow and Jones opposed and Mr. Krentzman abstaining and further stating that he did not participate in the discussion.

LEGAL

Legal Issues

Attorney Schrack stated there are no legal issues for the public portion of the meeting and recommended that the Board move to executive session.

Chairman Showers recessed the regular meeting at 2:01 p.m. to convene into executive session at 2:11 p.m.

Chairman Showers reconvened the regular meeting at 2:59 p.m.

Attorney Schrack stated that the Authority Board had discussion with its solicitor concerning the ongoing litigation. No action was taken, and no action was recommended to be taken.

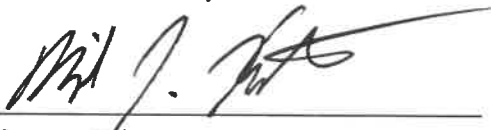
With there being no further business to come before the JRA Board, Chairman Showers adjourned the meeting at 3:00 p.m.

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 May 12, 2021.



Secretary/Assistant Secretary



**PRESERVING
RAIL FREIGHT
SERVICE**

SEDA-COG JOINT RAIL AUTHORITY MEETING
Wednesday, May 12, 2021
Union County Government Center, Lewisburg, PA
12:30 p.m.

AUTHORITY MEMBERS

Frank Dombroski, Montour County
Russ Graham, Centre County (via teleconference)
John Gummo, Clinton County
Scott Harvey, Lycoming County
Lisa Hoover, Northumberland County
Bob Hormell, Northumberland County (via teleconference)
Rick Jenkins, Columbia County (via teleconference)
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 Spychalski, Centre County
Jennifer Wakeman, Montour County (via teleconference)
Eric Winslow, Union County

JRA OPERATOR

Todd Hunter, Chief Marketing Officer (via teleconference)
Zac Mahaffey, Director of Maintenance of Way (via teleconference)
Jeb Stotter, President & CEO
Diana Williams, Treasurer/Controller (via teleconference)

GUESTS

Erik Bergenthal, Esq., Houston Harbaugh (for Carload Express) (via teleconference)
Alex Lang, Carload Express (via teleconference)
Mark Rosner, Carload Express

LEGAL COUNSEL

Tom Schrack, Esq., McQuaide Blasko (via teleconference)

JRA CONSULTING PROFESSIONALS

Dan Mazur, Operating Agreement Consultant
Jason Shura, P.E., Stiffler McGraw

Affiliated with
SEDA Council of Governments



JRA STAFF

Kay Aikey, Program Assistant

Kyle Postupack, Property & Maintenance of Way Manager

Jeff Stover, Executive Director

CALL TO ORDER

Call to Order

The Chairman called the meeting to order at 12:39 p.m. Mr. Stover provided roll of those in attendance.

Pledge of Allegiance

The Chairman led the Pledge of Allegiance.

Welcome – Chairman's Statements

The Chairman 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.

Public Forum

The Chairman asked if there is any public comment to come before the Board. Mr. Rosner was recognized by the Chairman.

Mr. Rosner stated that this July it will be six years since Carload Express was named the winner of the RFP to operate the SEDA-COG railroads. It will also be four years since Carload Express should have begun operating the JRA rail lines. Carload Express estimates that the JRA has already missed out on over \$3.25 million of additional operating fees that would have been paid to the JRA had Carload Express begun operation of the lines on the date envisioned in the RFP – enough money to pay off all of the JRA's debt and still increase its bank balances by over 25 percent. Today, it has been almost 7.5 months since the PA Supreme Court ruled that the 7-3 vote in July six years ago was effective, and that the motion to award the Operating Agreement to Carload Express passed at that time. Carload Express has been patient, but let's not squander an opportunity to ensure a seamless transition that will benefit the JRA, its customers, the community, railroad employees and their families, and the entire region. Mr. Rosner stated to have a seamless transition requires planning, communication, and expertise.

Mr. Rosner stated that Carload Express has done this before and seamlessly transitioned in 2016 when Carload Express took over 160 miles of track from Norfolk Southern in Delaware and Maryland and will be successful again when Carload Express begins operation on the JRA lines. Mr. Rosner stated that Carload Express needs continued cooperation from the JRA regarding many outstanding transition items. Mr. Rosner stated that most transitions occur on an extremely tight timeline, and 7.5 months of precious time has already slipped away. Mr. Rosner stated that Carload Express needs to get moving. Mr. Rosner stated that Carload Express will provide safe, professional, reliable, and efficient rail service to Central Pennsylvania. Mr. Rosner stated that Carload Express will work hand-in-hand as partners with the JRA, revitalizing rail infrastructure, growing rail volumes, and fostering economic development in the region. Mr. Rosner stated as evidenced by Carload's regular attention at these meetings, Carload Express is committed to the public-private partnership required to operate the JRA lines. Mr. Rosner stated that Carload Express has invested millions of dollars in locomotives, and a significant time investment from its leadership team. Mr. Rosner stated that Carload Express believes that this partnership is worth it. Mr. Rosner stated that Carload Express hopes that the JRA agrees and that the JRA begins serious collaboration with Carload Express on a transition.

ADMINISTRATIVE ITEMS

Approval of the April 14, 2021 JRA Meeting Minutes

Dr. Spychalski made a motion for the Board to approve the April 14, 2021 JRA Meeting Minutes; Mr. Winslow seconded the motion; motion carried.

Treasurer's Report

Mr. Harvey presented the Treasurer's Report for the month of April 2021, as well as the JRA's loan summary, the JRA Money Market Account Financial Statement, the PIB Loan 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 April 2021 and file for audit; Mr. Jones seconded the motion; motion carried.

RFP for Audit Services

Mr. Stover stated that after the JRA's audit was presented, staff received an engagement letter from Herring, Roll & Solomon to do the JRA's audit for 2020 in the amount of \$9,500. The engagement letter was presented to the Chair for his signature under the recommendation of staff. Mr. Stover stated that this engagement letter needs to be ratified by the Board.

Dr. Spychalski made a motion for the full Board to ratify the engagement letter with Herring, Roll & Solomon and to set up an audit schedule with Herring, Roll & Solomon for the JRA's audit; Mr. Dombroski seconded the motion; motion carried.

Staff Report and Events Calendar

Mr. Stover summarized the status of various construction projects and calendar highlights.

Mr. Postupack shared the following slides:

- Talleyrand Park Pedestrian Bridge (NBER – Bellefonte)

Mr. Shura stated that the cost of this project construction was approximately \$260,000 and completed by Lycoming Supply. The project was funded by a CDBG grant.

Mr. Postupack showed a photo of a new line of business having hay delivered in a box car on the LVRr at the Faxon Street Dock.

Operator's Status Report

The Operator's Status Report was included in the meeting packet. Mr. Stotter stated that the Operator installed approximately 3,700 ties on the NBER, as well as 8 ½ miles of surfacing.

Mr. Harvey asked how many coal trains have gone over the NBER in the last year; Mr. Stotter replied there were none.

OLD BUSINESS

Bridge Engineer's Report

The Bridge Engineer's Report was included in the meeting packet.

Mr. Shura provided the following updates:

- The 2021 bridge inspections on NBER and LVRr have been completed and he anticipates finishing the bridge inspections on the NSHR later this month.
- Bids were opened on May 11th for NSHR bridge 195.88 (Bear Camp) and the low bid came in at \$336,796 which is under the engineer's estimate of \$485,000. Four bids were received for this project. Lycoming Supply was the low bidder for this project. Mr. Shura stated he is recommending the JRA award the bid to Lycoming Supply in the amount of \$336,796.

- Contract documents for SVRR Bridge 14.93 (Shamokin) and NBER Bridge 33.84 (Curtin Bridge) have been received and are almost ready to issue a notice to proceed. Lycoming Supply is the contractor for these bridges. A meeting has been scheduled for May 17th with Lycoming Supply to discuss the three projects. There will also be monthly status meetings with Lycoming Supply as well.
- Poppy Road Bridge over SVRR is currently on a three-month inspection cycle. The engineer is proposing a repair to the open joints of the curb. The repair is meant to stabilize what is happening there so it doesn't get worse.

Poppy Road Repair (SVRR)

Mr. Stover stated that the Poppy Road bridge deck replacement project did not receive Multimodal Transportation funding from either PennDOT or CFA. A near-term repair to the bridge is needed.

Mr. Harvey made a motion for the full Board to authorize bid solicitation for repair for Poppy Road bridge deck per Jason Shura's recommendation; Mr. Gummo seconded the motion; motion carried.

Mr. Postupack shared a slide of the Poppy Road Bridge in Shamokin Township.

Bid Award for NSHR 195.88 Bridge (Bear Camp)

Mr. Stover stated that bids for the RTAP15 bridge – NSHR 195.88 at Bear Camp were due on May 11th. This stone arch structure is on the Montour/Columbia County line.

Nine general contractors attended the pre-bid meeting on April 28th. Board members Park and Dombroski were also in attendance.

The following bids have been received:

NSHR Bridge 195.88 Bids (Bear Camp)		
Bridge	Cost (Actual or Estimate)	Rank
Lycoming Supply, Inc.	\$336,796	1
LTT Trucking, LLC	\$417,724	2
Charles J. Merlo, Inc.	\$545,000	3
Clearwater Construction, Inc.	\$546,670.73	4

Mr. Postupack shared a slide of the NSHR Bridge 195.88 (Bear Camp)

Mr. Dombroski made a motion for the full Board to award NSHR Bridge 195.88 to Lycoming Supply for \$336,796; Mr. Gummo seconded the motion; motion carried.

Castanea Runaround Track Local Share (NBER)

Mr. Stover stated that the 500+ feet runaround track in Castanea is complete and in service at the terminus of the Mill Hall Industrial Track. The new runaround allows for safer and more efficient movement of hazmat cars for WSP Chemical and PVS Chloralkali.

The entire project was done by the NBER using a PennDOT RFAP grant. Total cost was \$318,185 which requires a 30% local share of \$95,455.

Mr. Stover reminded the Board that approval was given to pay Mr. Jannotti for all engineering costs for this project. Mr. Stover stated that given the value of this new capital improvement, staff recommends the Board consider a 50/50 cost share for this project, of \$47,727. This is consistent with years long pattern of cost sharing in many other capital projects improving the JRA's rail properties.

Mr. Stover stated that a little more than a year, ago, the LVRR completed another RFAP on its own for the LVRR. This was segments of rail replacement between Muncy and Koppers. Total project was \$858,965 which required a LVRR share of \$342,325. Staff recommends the Board's cost sharing for this project.

Mr. Park made a motion for the full Board to approve cost sharing the local share for the Castanea Runaround Track in the amount of \$47,727; Mr. Winslow seconded the motion; motion carried.

PROPERTY MANAGEMENT COMMITTEE

Verizon Pennsylvania LLC – License Agreement (SVRR – Shamokin Twp.)

Mr. Postupack stated that Verizon Pennsylvania LLC approached staff about abandoning an existing underground fiber line and constructing a new overhead transverse crossing on the SVRR in Shamokin Township, Northumberland County.

The 4-inch underground concrete encased conduit will be left in place. The existing pole will be replaced, and an anchor will be added to the pole. The clearance of the new overhead facility will be 27' from top of rail and will serve one customer.

An \$800 application fee, an annual license fee of \$860 which is subject to CPI increases, and a one-time fee of \$100 will be assessed. All plans have been reviewed and approved.

Mr. Postupack shared a slide of the aerial fiber cable 27' above top of rail on the SVRR – Shamokin Township. Mr. Postupack also shared a slide of the pole to be replaced with 40' wood pole and anchor and the pole to be removed.

Mr. Harvey made a motion for the full Board to approve this license and authorize its execution by the Authority's officers; Mr. Postal seconded the motion; motion carried.

Everstream License Agreement (NSHR – Catawissa)

Mr. Postupack stated that Everstream approached JRA staff about installing a new 48-count fiber optic cable over the NSHR at the SR-42 grade crossing Catawissa. The vertical clearance of the wire 27'-10" above top of rail with sag. The cable will serve multiple businesses.

An annual fee of \$2,300, subject to CPI increases, as well as an \$800 application fee will be assessed per the JRA's Fee Schedule. All plans have been reviewed and approved.

Mr. Postupack shared a slide of the aerial fiber 27'-10" above top of rail on the NSHR in Catawissa.

Mr. Hormell made a motion for the full Board to approve this license agreement with Everstream and authorize its execution by the Authority's officers; Mr. Schultz seconded the motion; motion carried.

LVRB Building – Window Installation

Mr. Postupack stated that M&R Contractors based out of Lock Haven completed the installation of doors and windows in the LVRB officers. Four doors and 19 windows were replaced. All rooms have one sliding window for safety purposes. With the installation of the new doors, the building is now completely secured. Railroad staff has commented about how quiet their offices are now that the windows have been installed.

Mr. Postupack shared a slide of the LVRB Office – window and door replacement.

Mr. Postupack stated that the next repair will be made to the parking lot and a pre-bid meeting will be held in the near future.

PASSENGER EXCURSIONS COMMITTEE REPORT

Committee Chairman Spychalski reported on the restarting of the 2021 excursions season given COVID considerations. He stated that on Tuesday, April 20th he met with Mr. Gummo and Mr. Pontius to discuss the following subjects:

1. Outlook regarding COVID-19-related developments for resumption of excursion operation onward from September 1, 2021.
2. Availability/adequacy of volunteer PVRR personnel for trips to be run between September 1 and December 19, 2021.

3. Time/work required for preparation of PVRP equipment for return to service.
4. Requirements for sanitizing of equipment, on-board spacing of passengers and limit on tick number of passengers per trip.

The steps for going forward are listed below:

1. Restrict such trips as might be operated to the month of September and beyond.
2. On or before May 31, submit requests for trips set for operation in September, October, November and December. A tentative schedule based on the requests will then be constructed and reviewed in consultation with Mr. Pontius and representatives of the Freight Service Operator.
3. No later than July 1, 2021, Mr. Pontius will make a judgment about whether COVID-19 conditions have subsided to the point where they no longer pose an unacceptable level of health risk for his personnel and for excursion passengers. His judgment will determine whether what has been scheduled tentatively will in fact be operated. If Mr. Pontius judges it "health safe" to operate, the tentative schedule will be reviewed and acted upon by the JRA Passenger Excursions Committee and full Board on July 14, 2021.

LEGAL

Legal Issues

Attorney Schrack stated there are no legal issues for the public portion of the meeting.

Operating Agreement Consultant's Report

Mr. Dan Mazur presented the Operator's first quarter results via PowerPoint.

1Q 2021 Transportation Expense Ratio

- Target: About 43%
- Results for 1Q 2021
 - Lower than Target
 - Lower than 1Q 2020
 - Lower than 1Q 2021 Budget
- Total transportation expenses higher than budget, but higher than expected revenues resulted in a lower ratio.

1Q 2021 Maintenance of Way Ratio

- Target: About 21%
- Results for 1Q 2021
 - Lower than Target
 - Lower than 1Q 2020
 - Significantly lower than 1Q 2021 Budget
- Total Maintenance of Way expenses lower than budget due to late start of maintenance of way work due to weather.
- Higher than expected revenue resulted in lower ratio.

Mr. Mazur stated that he has additional and detailed information, but the recommendation is that it would be discussed in executive session.


Chairman Showers recessed the regular meeting at 1:25 p.m. to convene into executive session at 1:35 p.m.

Chairman Showers reconvened the regular meeting at 2:23 p.m.

Attorney Schrack stated that the JRA Board held an executive session with representatives of the Operator and the Authority's consultant to continue its discussion of the consultant's report involving confidential and proprietary information of the operator. After representatives of the Operator left the executive session, the Authority Board and its solicitor held discussion regarding litigation matters. No action was taken, and no action is recommended at this time.

With there being no further business to come before the JRA Board, Chairman Showers adjourned the meeting at 2:24 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 9, 2021.



Secretary/Assistant Secretary



**PRESERVING
RAIL FREIGHT
SERVICE**

SEDA-COG JOINT RAIL AUTHORITY MEETING
Wednesday, June 9, 2021
Union County Government Center, Lewisburg, PA
12:30 p.m.

AUTHORITY MEMBERS

Frank Dombroski, Montour County (via teleconference)
Russ Graham, Centre County
John Gummo, Clinton County
Scott Harvey, Lycoming County
Lisa Hoover, Northumberland County
Bob Hormell, Northumberland County
Rick Jenkins, Columbia County (via teleconference)
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

JRA OPERATOR

Jeb Stotter, President & CEO
Diana Williams, Treasurer/Controller

GUESTS

Erik Bergenthal, Esq., Houston Harbaugh (for Carload Express) (via teleconference)
Cliff Grunstra, Carload Express (via teleconference)
Alex Lang, Carload Express (via teleconference)
Mark Rosner, Carload Express
Ed Sigl, First National Bank
Sam Simon, Esq., Houston Harbaugh (for Carload Express) (via teleconference)

LEGAL COUNSEL

John Bee, Esq., McQuaide Blasko (via teleconference)
Tom Schrack, Esq., McQuaide Blasko (via teleconference)

Affiliated with
SEDA Council of Governments



JRA CONSULTING PROFESSIONALS

Dan Mazur, Operating Agreement Consultant

Jason Shura, P.E., Stiffler McGraw

JRA STAFF

Kay Aikey, Program Assistant

Kyle Postupack, Property & Maintenance of Way Manager

Jeff Stover, Executive Director

CALL TO ORDER

Call to Order

The Chairman called the meeting to order at 12:33 p.m.

Pledge of Allegiance

The Chairman led the Pledge of Allegiance.

Welcome – Chairman's Statements

The Chairman 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.

Public Forum

The Chairman asked if there is any public comment to come before the Board. Mr. Rosner was recognized by the Chairman.

Mr. Rosner stated that on October 1, 2020, the Pennsylvania Supreme Court held that this Board's July 8, 2015, 7-3 vote was in fact, effective to pass the motion to award the Operating Agreement to Carload Express. On May 18, 2021, the trial court issued an Order granting Carload Express' Motion for Summary Judgment but erred as a matter of law by attempting to limit the Supreme Court's Order, preserving SURCs defective Counterclaim, and by entering an improper preliminary injunction. The trial court's error is highlighted by its statement that it was enjoining the JRA from doing something that according to the Pennsylvania Supreme Court the JRA Board already did back in 2015 – namely, award the new Operating Agreement to Carload Express.

Back in 2015, the JRA asked a simple question of the Court, whether or not the 7-3 vote on the motion to award the Operating Agreement to Carload Express had passed. That question has been answered definitively. But now the JRA is needlessly protracting this litigation by failing to defend itself against SURC and hiding behind a cloak of “neutrality.” This is the same JRA that sued Carload Express and took its case all the way to the Pennsylvania Supreme Court and lost and now it wants to claim “neutrality.”

Mr. Rosner stated that there is no question that the JRA moved for summary judgment against SURC. The closing paragraph of the JRA’s motion read: “WHEREFORE, the SEDA-COG Joint Rail Authority respectfully requests that this Honorable Court dismiss with prejudice the Counterclaim of Susquehanna Union Railroad Company.” Its proposed order sought that “the Counterclaims of all Defendants be dismissed with prejudice.”

Despite this statement to the Court back in 2016, the JRA in 2021 refused to acknowledge before that same court that it had moved for summary judgment against SURC. This is not neutrality, but it does look like something else, something very disturbing.

How can a Board have an RFP, vote to award the Operating Agreement to Carload Express, litigate whether the vote passed all the way to the Pennsylvania Supreme Court, and now refuse to support the declared winner of the RFP? How is that neutral? Why were you not neutral when you were prosecuting your claims against Carload Express for five years? You stood opposite of us every step of the way. It is really convenient that we win at the Supreme Court and now you’re neutral.

Carload Express urges the JRA to change its position regarding SURC’s Counterclaim and at least join the appeal challenging the illegal injunction entered by the court.

Despite the Supreme Court ruling, the JRA appears to be doing everything in its power to not execute the Operating Agreement with Carload Express. An extremely safe operator with a proven track record of superior customer service and growth. A proposer who would provide the JRA with much higher operating fees than the JRA receives today. Mr. Rosner stated that he estimates that all of this litigation has cost the JRA more than four million dollars between lost operating fees and legal fees incurred. Mr. Rosner stated he is baffled by how this would be acceptable to anyone and is baffled by this board’s behavior. Mr. Rosner stated he sincerely hopes that the JRA will reevaluate its positions.

Carload Express won the Operating Agreement fair and square. The vote has been confirmed by the Pennsylvania Supreme Court. Carload Express looks forward to partnering with the JRA as the operator on the JRA lines and helping businesses grow in

Central Pennsylvania. Mr. Rosner stated please do the right thing and appeal the trial court's decision.

ADMINISTRATIVE ITEMS

Approval of the May 12, 2021, JRA Meeting Minutes

Dr. Spsychalski made a motion for the Board to approve the May 12, 2021, JRA Meeting Minutes; Ms. Wakeman seconded the motion; motion carried.

Treasurer's Report

Mr. Harvey presented the Treasurer's Report for the month of May 2021, as well as the JRA's loan summary, the JRA Money Market Account Financial Statement, the PIB Loan Financial Statement, and the JRA's detailed accounting associated with the operating fees paid by the Operator.

Ms. Wakeman made a motion for the Board to accept the Treasurer's Report for the month of May 2021 and file for audit; Mr. Jones seconded the motion; motion carried.

Staff Report and Events Calendar

Mr. Stover summarized the status of various construction projects and calendar highlights.

Mr. Postupack shared a slide of the North Yards Scrap (JVRR – Burnham). The slide showed the rail crane that is being scrapped.

Operator's Status Report

The Operator's Status Report was provided as a handout at the meeting.

Ms. Williams stated that 2021 is looking strong with an increase of 16% to revenue year to date and 15% increase to carloads for the same time period. The year is progressing as planned. Maintenance is in full swing and monthly reports are provided to Mr. Mazur. The Operator has closed out three of their state funded projects and are working on their fourth one.

OLD BUSINESS

Bridge Engineer's Report

The Bridge Engineer's Report was included in the meeting packet.

Mr. Shura provided the following updates:

- The bridge safety inspections are complete, all reports have been drafted and will be submitted to the JRA pending final review.
- NSHR Bridge 195.88 2015 RTAP Project (Bear Camp Bridge) was awarded to Lycoming Supply on June 1, 2021.
- Reduced scope project for Poppy Road Bridge over SVRR was advertised on May 28, 2021 with bids due July 1, 2021.

NSHR Bridge Repair at Rupert MP 191.52

Mr. Shura stated that bridge inspectors from SMA (working under his direction) found a 65 inch long hole in a bridge beam which carries the NSHR over Fishing Creek at MP 191.52 in Rupert. Mr. Shura stated he immediately followed up and advised a slow order while plans were prepared for an emergency repair.

The following two bids were received:

Gregori Construction – \$26,750

Lycoming Supply - \$42,515

Mr. Postupack shared a slide showing the location of the emergency repair that is needed for NSHR Bridge at Rupert MP 191.52.

Dr. Spychalski made a motion for the Board to ratify the emergency repair contract for NSHR Bridge at Rupert 191.52 to Gregori Construction in the amount of \$26,750; Mr. Graham seconded the motion; motion carried.

Poppy Road Bridge Repair (SVRR)

Mr. Stover stated that he had previously reported to the Board that none of the Multimodal applications have been funded for replacement of the concrete deck of the Shamokin Township bridge over the SVRR. Since the deck replacement is now a longer term situation, Engineer Shura advises that concrete curb repairs be completed this summer to avoid posting of weigh limits. Bids are due July 1, 2021, and the bid award will be on the JRA's July 14th agenda.

Mr. Stover stated that no action is needed at this meeting.

BUILD (RAISE Grant) (LVRR – Platt Township)

Mr. Stover stated that once again, Lycoming, Clinton, and Tioga counties are teaming up to resubmit a BUILD grant application for a regional trail project which includes the raising of bridge LVRR 171.30 over SR220 just east of Jersey Shore. Total cost of the rail bridge project in the last application was \$592,625. The new name of the BUILD program is now RAISE under the Biden administration.

Last April the JRA agreed to support the application and commit \$70,250 toward preliminary engineering. Mr. Shura is updating the costs for 2021. JRA staff has a call set with Scott Williams from Lycoming County Planning to further discuss.

Mr. Postupack shared a slide of the Lycoming Valley Railroad – Avis Branch which also showed the LVRR Bridge 171.30

Mr. Harvey made a motion for the Board to renew the commitment at a higher number not to exceed \$80,000; Mr. Winslow seconded the motion.

Mr. Graham asked Mr. Shura how high the raise will be. Mr. Shura replied that the raise will be 15" to 15'6".

Motion carried.

NEW BUSINESS

Milesburg Bridge Multimodal Application

Mr. Stover stated that the next round of applications for the CFA Multimodal Transportation Fund (MTF) concludes on July 31. In the 2020 CFA round, the total cost was \$1,332,000; the grant request was \$932,000. Mr. Shura is revisiting last year's budget for a possible update.

The Borough of Milesburg asked that the application be resubmitted for the road/rail bridge in the borough. The Centre County Planning Department asked that a request for county transportation funds be made ASAP. In 2020, the county approved \$45,000 for this project which went toward the local share.

In the last application the shares were: Milesburg Borough - \$100K; NBER - \$100K, and SEDA-COG JRA \$155K.

Mr. Stover stated that staff is seeking authorization to start the application with final approval set for the July meeting agenda.

Mr. Stover stated that discussions with Port Matilda are ongoing and approval to resubmit its application may need to be added to this agenda item.

Mr. Postupack shared a slide of the Milesburg MTF Project NBER Bridge 30.93.

Mr. Shura explained flooding issues in the borough and the condition of concrete under the railroad bridge.

Mr. Stover stated that action will be taken at the July 14th Board meeting.

PROPERTY MANAGEMENT COMMITTEE

LVRR Building – Parking Lot Upgrades and Site Security

Mr. Postupack stated that the LVRR office parking lot is in poor condition and there are stormwater issues related to the existing grades which allows water to enter the building during very heavy storms.

Mr. Shura has come up with an estimate and a design that would rectify the stormwater issues by adding an additional inlet in the parking lot, correcting the grades to keep water out of the building, and reconnecting the downspouts on the east side of the warehouse/dock to the storm sewer.

An advertisement for a future pre-bid meeting for paving contractors will be submitted to the newspaper in the next couple of weeks.

Ms. Wakeman made a motion for the Board to authorize staff to advertise for a mandatory pre-bid meeting for paving contractors to correct the stormwater issues and repave the LVRR office parking lot; Mr. Postal seconded the motion; motion carried.

Paving at NBER Engine House for Sanding

Mr. Postupack stated that the Operator has approached JRA staff about a safety project that would allow engine crews to add sand to locomotives in a safe manner. Mr. Ray O'Brien, Chief Mechanical Officer for NSHR, developed and fabricated a safety platform that would allow engine crews to add sand to locomotives. For the safety project to be completed, new asphalt will have to be installed and a concrete pad will have to be poured to create a solid base for the platform to be used.

In addition to making the locomotive sand filling process safer, the asphalt and concrete will improve the parking area which is currently dirt and gravel.

The Operator and JRA staff met with Mike Cleck Paving on-site on May 20, 2021, to discuss the project. Mike Cleck Paving submitted an estimate of \$12,900 to spread stone and pave a total of 1,100 square feet at depths of 4" to 12". An estimate of \$3,600 to pour a 10' x 36' concrete pad at 6" thick was submitted by Elite Concrete & Service. The cost from Mike Cleck Paving and Elite Concrete & Service will be split between the NBER and the JRA.

Mr. Postupack shared a slide showing the NBER Engine House and the 1,100 square feet of pavement to be added and a 360 square foot concrete pad to be poured.

Mr. Jenkins made a motion for the Board to authorize staff to contribute \$6,450 towards the cost of the addition of new asphalt and \$1,800 to pour a concrete pad at the NBER engine house to improve the existing area; Ms. Wakeman seconded the motion; motion carried.

Tyrone Transload Track Rehabilitation (NBER)

Mr. Postupack stated that staff and NBER representatives have been working with an off-line manufacturer that seeks to transload product in Tyrone. The JRA has a track adjacent to American Eagle Paper that would work well for a transload site, but the track needs to be upgraded significantly. Further, an existing gravel grade crossing needs to be rebuilt and extended to allow for truck circulation. To complete the access road, a timber and gravel crossing will need to be built.

Attorney Schrack has prepared a draft lease for the use of the track and drive areas. The company will pay for a solid access road parallel to the siding. They are seeking bids for that work from local contractors.

Staff and NBER propose that we cooperate on a labor-materials arrangement as previously done for new customers. Mr. Zac Mahaffey prepared a rehabilitation estimate of \$49,954.20 to upgrade over 300 feet of track. The materials cost (crossties, lags, and stone) to the JRA would be \$13,370.

Mr. Postupack shared a slide of the Tyrone Team Track Transload Project.

Mr. Park made a motion for the Board to authorize a payment of \$13,370 to the Nittany & Bald Eagle Railroad for the track materials needed to put the Tyrone Transload into operation for a new customer; Mr. Hormell seconded the motion; motion carried.

Everstream License Agreement (SVRR – Paxinos)

Mr. Postupack stated that Everstream approached JRA staff about installing a new 48-count fiber optic cable over the SVRR just south of the SR-487 grade crossing in Paxinos. The vertical clearance of the wire 26'-2" above top of rail with sag. The cable will serve multiple businesses.

SEDA-COG Joint Rail Authority Meeting

June 9, 2021

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An annual fee of \$2,300, subject to CPI increases, and an \$800 application fee will be assessed per the JRA's Fee Schedule. All plans have been reviewed and approved.

Mr. Postupack shared a slide of the area showing the location of the fiber optic cable.

Mr. Postal made a motion for the Board to approve this license and authorize its execution by the Authority's officers; Mr. Schultz seconded the motion; motion carried.

LEGAL

Legal Issues

Attorney Schrack stated that on Friday, May 28th, the JRA Board held an executive session call relating to the ongoing RFP litigation.

Chairman Showers recessed the regular meeting at 1:29 p.m. to convene into executive session at 1:39 p.m.

Chairman Showers reconvened the regular meeting at 2:13 p.m.

Attorney Schrack stated that the JRA Board had an executive session regarding the ongoing RFP litigation and a potential real estate matter. No action was taken, and no action is recommended at this time.

With there being no further business to come before the JRA Board, Chairman Showers adjourned the meeting at 2:14 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 July 14, 2021.


Secretary/Assistant Secretary



**PRESERVING
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SEDA-COG JOINT RAIL AUTHORITY SPECIAL MEETING

Tuesday, June 29, 2021

Virtual Meeting Via Teleconference – 1:30 p.m.

AUTHORITY MEMBERS

Frank Dombroski, Montour County
Russ Graham, Centre County
John Gummo, Clinton County
Scott Harvey, Lycoming County
Lisa Hoover, Northumberland County
Rick Jenkins, Columbia County
Brent Jones, Clinton County
Michael Krentzman, Mifflin County
Dave Park, Columbia County
Rob Postal, Mifflin County
David Schultz, Lycoming County
John Showers, Union County
John Spsychalski, Centre County
Jennifer Wakeman, Montour County
Eric Winslow, Union County

JRA OPERATOR

Jeb Stotter, President & CEO
Diana Williams, Treasurer/Controller

GUESTS

Tyler Glass, Reading, Blue Mountain & Northern Railroad
Mark Rosner, Carload Express
Ed Sigl, First National Bank

LEGAL COUNSEL

Tom Schrack, Esq., McQuaide Blasko

JRA CONSULTING PROFESSIONALS

Dan Mazur, Operating Agreement Consultant

Affiliated with
SEDA Council of Governments



SEDA-COG Joint Rail Authority serving the counties of

CENTRE • CLINTON • COLUMBIA • LYCOMING • MIFFLIN • MONTOUR • NORTHUMBERLAND • UNION

📍 201 Furnace Road Lewisburg PA USA 17837 📞 570-524-4491 📠 570-524-9190 🌐 www.sedacograil.org ✉ jra@seda-cog.org

JRA STAFF

Kay Aikey, Program Assistant

Kyle Postupack, Property & Maintenance of Way Manager

Jeff Stover, Executive Director

CALL TO ORDER

Call to Order

The Chairman called the meeting to order at 1:34 p.m.

Chairman Showers stated that the purpose of the JRA Special Meeting is to award a bid for Juniata Street Grade Crossing in Lewistown. There have also been some litigation developments, so there will also be an executive session.

Pledge of Allegiance

The Chairman led the Pledge of Allegiance.

Welcome – Chairman's Statements

The Chairman 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.

Public Forum

The Chairman asked if there is any public comment to come before the Board. Mr. Rosner was recognized by the Chairman.

Mr. Rosner stated that Carload Express has been patient and respectful throughout the entire RFP, which is now in its 7th year. Carload's position now is the same as Carload's position in 2014. Carload Express remains ready, willing, and able to work with the JRA to provide industry leading freight services to support new and existing rail served customers, and to support economic development within the JRA's service area. Carload Express responded to the JRA's Request for Proposals in good faith, and in five years of grueling and expensive litigation there has not been a single allegation that Carload Express did anything improper.

When Carload Express asserted its belief that the 7-3 vote had passed, it was the JRA that sued Carload Express – not the other way around. Last October, the Supreme Court vindicated Carload's position and held that the July 8, 2015 vote had passed. SEDA-COG itself has recognized that the effort of that vote was to award the Operating Agreement to Carload Express. Specifically, the SEDA-COG press release issued after the Supreme Court's decision stated that "the Authority's July 2015 7-3 vote was a passing vote, which effectively awarded the new operating agreement to Carload Express, Inc." and "the Joint Rail Authority recognizes that the July 8, 2015 vote awarded the operating agreement to Carload Express."

Despite those statements recognizing the effect of the Supreme Court's ruling, the JRA has never moved to execute the Operating Agreement, and the JRA has now asserted a position of "neutrality" in regard to SURC's supposed counterclaim. That "neutrality" appears to take the form of the JRA choosing not to defend itself legally, declining to support its own Motion for Summary Judgment, and also declining to defend itself against SURC's counterclaim. That "neutrality" is a recent development. It was the JRA that sued Carload Express. It was the JRA that argued not only that its own vote failed, but that Carload Express was estopped from even responding in court. It was the JRA that moved for summary judgment against Carload Express and SURC. It was the JRA that appealed from the Commonwealth Court to the Supreme Court. It was the JRA that opposed Carload Express before three different courts. Those were clearly not neutral acts.

On the afternoon of June 25th, Carload Express sent the JRA a letter with a simple request. The letter did not ask the JRA to take a side in the litigation. Instead, it asked the JRA to agree to seek an immediate resolution of the issues raised by Carload Express regarding SURC's counterclaim. Mr. Rosner stated he is not sure how many of the JRA's members have seen the letter, but stated he was extremely disappointed to see that the JRA chose to ignore Carload Express's letter and immediately filed another statement of so called neutrality first thing the next morning (June 26th).

Mr. Rosner stated make no mistake, by claiming neutrality, the JRA has decided against a swift resolution to SURC's Counterclaim, in the most expeditious and cost-effective manner. There is no doubt that proceeding with a trial on SURC's Counterclaim will result in the JRA incurring substantial additional legal fees as well as significant lost revenues as the transition to a new operator is delayed once again. Legal fees and lost revenues that could be avoided by having the Commonwealth Court immediately address the issues raised by Carload Express, rather than wait until the conclusion of another potentially lengthy legal proceeding.

Again, this is not neutral. The JRA unambiguously moved for summary judgment against SURC. It has now conveniently changed its legal position to avoid the consequences of that summary judgment – namely the immediate execution of the operating agreement with Carload Express. Now the JRA refuses to even seek immediate resolution of the jurisdictional issue it created with its so-called neutrality. The only possible explanation is that the JRA is actively attempting to delay the execution of the Operating Agreement.

The JRA should be concerned that this could be interpreted as a breach of its ethical and fiduciary obligations. How can the JRA rationalize the continued loss of revenue and spending additional legal fees in an attempt to avoid executing an Operating Agreement to the proposer that was declared the winner by the Pennsylvania Supreme Court? A proposer that would generate millions in additional revenue for the JRA beyond the current operator. The JRA must end this sham of neutrality. The JRA must stop sticking its thumb on the scale under the farce of “neutrality.”

NEW BUSINESS

Bid Award for JVRR Juniata Street Grade Crossing

Mr. Stover stated that bids were opened on June 24th for the reconstruction of the Juniata Street grade crossing on the JVRR in the Borough of Lewistown. This is a 100 foot long grade crossing also noted as Route 22/522 in downtown Lewistown. This project is funded partially by the Section 130 program and \$200,000 is coming from Section 130.

The following bids were received:

CTW	\$309,928
CPS Railway	\$361,615
Kennedy Railroad	\$365,271
RCC of So. Jersey	\$388,000

Mr. Stover stated that Mr. Paul Jannotti has sent a letter indicating his recommendation for approving this award to the lowest bidder. Mr. Mark Schultz, Grade Crossing Liaison of PennDOT District 2-0 in Clearfield has also concurred on this award.

Mr. Stover stated that the JVRR has committed \$25,000 toward the local share of this project and the balance of the local share will be coming from the JRA.

Mr. Stover stated that PennDOT is doing a major repaving of this section of roadway.

Mr. Jenkins made a motion for the Board to award the JVRR Juniata Street Grade Crossing reconstruction project to CTW in the amount of \$309,928; Mr. Krentzman seconded the motion; motion carried.

Legal Issues

Attorney Schrack suggested the Board enter in executive session to discuss the ongoing RFP litigation. He stated he does not anticipate there will any action by the Board for public session.

Chairman Showers recessed the regular meeting at 1:47 p.m. to convene into executive session at 1:57 p.m.

Chairman Showers reconvened the regular meeting at 2:38 p.m.

Attorney Schrack stated that the JRA Board had an executive session for the purpose of discussing the ongoing RFP litigation with its solicitor. No action was taken, and no action is recommended to be taken at this time.

With there being no further business to come before the JRA Board, Chairman Showers adjourned the meeting at 2:39 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 July 14, 2021.



Secretary/Assistant Secretary



**PRESERVING
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SEDA-COG JOINT RAIL AUTHORITY MEETING
Wednesday, August 11, 2021
Virtual Meeting via Tele-conference
12:30 p.m.

AUTHORITY MEMBERS

Frank Dombroski, Montour County
Russ Graham, Centre County
John Gummo, Clinton County
Scott Harvey, Lycoming County
Lisa Hoover, Northumberland County
Bob Hormell, Northumberland County
Rick Jenkins, Columbia County
Brent Jones, Clinton County
Michael Krentzman, Mifflin County
David Schultz, Lycoming County
John Showers, Union County
John Spsychalski, Centre County
Jennifer Wakeman, Montour County
Matt Weigle, Columbia County
Eric Winslow, Union County

JRA OPERATOR

Tom Avery, Director of Operations
Jeb Stotter, President & CEO
Diana Williams, Treasurer/Controller

GUESTS

Mark Rosner, Carload Express
Sam Simon, Esq., Houston Harbaugh (for Carload Express)

LEGAL COUNSEL

John Bee, Esq., McQuaide Blasko
Tom Schrack, Esq., McQuaide Blasko

JRA CONSULTING PROFESSIONALS

Dan Mazur, Operating Agreement Consultant

Affiliated with
SEDA Council of Governments



JRA STAFF

Kay Aikey, Program Assistant

Kyle Postupack, Property & Maintenance of Way Manager

Jeff Stover, Executive Director

CALL TO ORDER

Call to Order

The Chairman called the meeting to order at 12:34 p.m.

Pledge of Allegiance

The Chairman led the Pledge of Allegiance.

Welcome – Chairman’s Statements

The Chairman 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.

Public Forum

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

ADMINISTRATIVE ITEMS

Approval of the July 14, 2021, JRA Meeting Minutes

Dr. Spychalski made a motion for the Board to approve the July 14, 2021, JRA Meeting Minutes; Mr. Winslow seconded the motion; motion carried.

Treasurer’s Report

Mr. Harvey presented the Treasurer’s Report for the month of July 2021, as well as the JRA’s loan summary, the JRA Money Market Account Financial Statement, the PIB Loan Financial Statement, and the JRA’s detailed accounting associated with the operating fees paid by the Operator.

Ms. Wakeman made a motion for the Board to accept the Treasurer's Report for the month of July 2021 and file for audit; Mr. Dombroski seconded the motion; motion carried.

Staff Report and Events Calendar

Mr. Stover summarized the status of various construction projects and calendar highlights.

Mr. Stover stated there will be two Rail Freight Assistance Program (RFAP) applications going in on behalf of customers – Bulkmatic, who needs track space in the Newberry Yard.

Application is due August 20th. Mr. Shura is providing some engineering for this project.

The other customer is Appellation located at the west end of the Newberry Yard. This company is looking to do some kind of pipe operation and they are looking to put in a simple siding under what is called the Iron Bridge, which is one of the RTAP bridges.

Mr. Stover stated that Bulkmatic is already registering as a PennDOT business partner.

Mr. Stover stated there was a call with Messrs. Shura, Jannotti and Mahaffey. There are two projects that will be coming together. The RFAP would be in Bellefonte on the NBER, and it is basically reconfiguring several switches in the Sunnyside Yard in both the north and south ends of the yard. Also included is a new switch on the NBER that serves Hilex Poly in Milesburg. This is approximately a \$400-500,000 project and Paul Jannotti is working on and scoping this RFAP project.

Mr. Stover stated that Mr. Shura is recommending that a number of bridges be done and will be called RTAP 2021, and the project total is approximately \$2 million.

Operator's Status Report

A copy of the Operator's Report was emailed to Board members prior to the meeting.

Mr. Stotter gave the following update:

- Freight volumes are up approximately 9% versus this same time in 2020.
- Celebrated three years injury free on the NBER and four years on the JVRR.
- Maintenance of way is on schedule.

Aside from a few repairs, the Route 11 transload facility is on par and the operator is hopeful that by fourth quarter there will be some action at that facility.

Bridge Engineer's Report

The Bridge Engineer's Report was included in the meeting packet.

PROPERTY MANAGEMENT COMMITTEE

Committee Chairman Rick Jenkins stated that the Property Management Committee held a virtual meeting on Tuesday, August 10, 2021.

LVRP Parking Lot Repair Bids

Mr. Postupack stated that on July 27th, a pre-bid meeting was held to review the LVRP office parking lot project. Two contractors attended: Glenn O. Hawbaker and Gutelius Excavating.

Two bids were received on Tuesday, August 10th by 3:00 p.m.

Gutelius Excavating: \$183,655.35

Glenn O. Hawbaker \$208,421.00

Mr. Postupack stated that this item is being tabled per further discussion and pending engineer's review.

Tyrone Team Track Lease

Mr. Postupack stated that staff and the NBER have been working with an off-line company seeking to lease the Tyrone Team Track adjacent to American Eagle Papers. The track was just upgraded as a result of the joint project with the NBER whereby the JRA purchased the materials, and the operator provided the labor and equipment.

Mr. Postupack stated that approximately 200 ties were put in the track and a timber and gravel crossing was installed for the trucks to be able to cross at that location.

The company has committed \$60,000 toward construction of an access road parallel to the track to allow for all-weather bulk transfer from rail cars to trucks.

Due to the company's substantial investment and new traffic revenue, JRA staff has proposed two eight-years lease terms with the first term being at no cost due to the tenant's substantial investment. The second eight-year term will be assessed per the rate for a land lease at the 2021 JRA Fee Schedule in 2029.

Mr. Postupack shared a slide of the location of the Tyrone team Track which also showed the facility of American Eagle Paper.

Mr. Graham asked if the fee for the second eight-year lease will be negotiated or the 2021 JRA Fee Schedule. Mr. Postupack stated that the land lease is on a case-by-case basis.

Mr. Jenkins made a motion for the Board to approve the Tyrone Team Track lease; Mr. Winslow seconded the motion; motion carried.

Power & Construction Group (PCG) Sublease to Bridgewell Resources (LVRR – Newberry Yard)

Mr. Postupack stated that since 2013 PCG has leased a 5.5-acre pole yard in the southwest corner of the Newberry Yard. JRA staff received a letter dated July 12, 2021, from PCG notifying staff that PCG will be terminating its lease as of December 31, 2021. PCG informed JRA staff that there is no more work for them, and they are leaving Pennsylvania.

PCG has paid their rent through 2021 and wishes to sublease the entirety of their leased area to Bridgewell Resources so Bridgewell can continue to store and deliver poles. Bridgewell Resources has been a customer at the pole yard for several years.

PCG's agreement states that it needs to give the JRA 90 days' notice that it is exiting the premises. Additionally, PCG's agreement says it needs written consent from the JRA to sublease the leased area to Bridgewell.

Mr. Postupack shared a slide of the location of the land lease in the Newberry Yard.

Mr. Jenkins made a motion for the Board to approve Power & Construction Group's request to terminate their lease and provide a written letter approving the sublease to Bridgewell Resources; Ms. Wakeman seconded the motion; motion carried.

JRA Consent to Sublease Agreement with PCG (Newberry Yard)

Mr. Postupack stated that the JRA has a Consent to Sublease document that is used in the case of a sublet. The agreement will be between Power & Construction Group and the JRA. The agreement approves the sublease from PCG to Bridgewell Resources and will be executed by PCG and the JRA's officers.

Mr. Hormell made a motion for the Board to approve the Consent to Sublease Agreement; Mr. Gummo seconded the motion; motion carried.

PCG Asset Purchase Agreement

Mr. Postupack stated that the area that is now a pole yard in the Newberry Yard was once an area that was very muddy and not in good condition. PCG improved the muddy conditions and also built a pole yard using materials such as concrete blocks, portable metal bunks, utility poles, etc.

For Bridgewell Resources to continue the lease, they will need the pole bins to remain on site so they can continue to unload and store utility poles.

JRA staff approached PCG about purchasing all assets on site to be able to keep a tenant at the pole yard and to market the additional area to future potential lessees.

PCG and JRA staff came to an agreement to purchase the following items for \$4,000:

- Approximately 200 concrete blocks
- All portable metal bunks
- All utility poles used as pole bunks
- A 2001 Ford F-350 plow truck
- A 20' x 8' storage container

Mr. Postupack shared a slide which showed the concrete blocks, metal bunks, the 2001 Ford F-350 plow truck and the storage container.

An asset purchase agreement was drafted and sent to PCG who is awaiting JRA's approval of this item as well as previous items before they will proceed with signing the agreement.

Mr. Gummo made a motion for the Board to approve the Asset Purchase Agreement with the JRA and PCG to purchase the above listed items for \$4,000; Mr. Jones seconded the motion; motion carried.

Bridgewell Resources Land Lease (Newberry Yard)

Mr. Postupack stated that pending JRA approval, Bridgewell Resources will sublet the pole yard from PCG through the end of 2021; however, Bridgewell needs a new lease to remain on site.

Bridgewell and JRA staff negotiated a term and rent for Bridgewell to lease 2.2 acres of the pole yard so they can unload and store utility poles. The term is for 5-years beginning January 1, 2022, and they will be assessed \$6,400 annually which will be subject to CPI increases.

Mr. Postupack shared a slide of the location of the leased site for Bridgewell Resources in the Newberry Yard.

Ms. Wakeman made a motion for the Board to approve the land lease with Bridgewell Resources; Mr. Jenkins seconded the motion; motion carried.

Shale Rail Lease (Newberry Yard)

Mr. Postupack stated that last month Shale Rail apprised LVRR staff and JRA staff about the need to quickly locate a site to unload their rail cars. The operator, JRA staff and the JRA's solicitor were able to spot the cars and get Shale Rail under agreement for a 30-day lease of the North Yard in the Newberry Yard.

Shale Rail has since acquired additional business and has requested to extend their lease. The lease would be renewed for an additional 30-days and would then renew automatically for 30-days unless a termination letter is sent to the JRA 14-days prior to the end of the 30-day term. Shale Rail will be assessed \$750 per each 30-day renewal.

Mr. Postupack shared a slide of the location of the leased site for Shale Rail in the Newberry Yard.

Dr. Spychalski made a motion for the Board to approve the land lease with Shale Rail; Mr. Krentzman seconded the motion; motion carried.

PPL License Agreement (LVRR – Fairfield Township)

Mr. Postupack stated that PPL contacted JRA staff to perform maintenance on a 69kV line and to access the line via the JRA's right-of-way from Hiller Road in Fairfield Township. PPL will be assessed an \$800 application fee as well as a one-time fee of \$750 for use of the JRA's right-of-way per the JRA's Fee Schedule. All plans have been reviewed and approved.
53' above top of rail.

Mr. Postupack shared a slide of the location of the PPL license agreement on the LVRR in Fairfield Township.

Mr. Jenkins made a motion for the Board to approve the license agreement with PPL; Mr. Harvey seconded the motion; motion carried.

Everstream License Agreement (NBER – Bellefonte)

Mr. Postupack stated that Everstream approached JRA staff about installing an overhead fiber cable at Railroad Street in Bellefonte. The fiber line is wholly within the public right-of-way.

The overhead facility will be 32'-1" from top of rail. Everstream will be assessed a \$500 engineering review fee per the recently revised JRA's Fee Schedule. All plans have been reviewed and approved.

Mr. Postupack shared a slide of the location of the license agreement with Everstream.

Mr. Jenkins made a motion for the Board to approve the PMC's recommendation of this license agreement and authorize its execution by the Chairman and Secretary; Mr. Jones seconded the motion; motion carried.

PASSENGER EXCURSIONS COMMITTEE

Committee Chairman Spychalski reported that the Passenger Excursions Committee held a meeting via teleconference at 11:00 a.m.

Committee Chairman Spychalski stated approval of the proposed draft time table is being withdrawn from further consideration at this time.

Committee Chairman Spychalski stated that back in May and June there was significant optimism that the conditions related to COVID infection would recede to the point where excursion service could be resumed in the latter four months of this calendar year. Unfortunately, all of the news streaming about the upsurge and recurrence with the Delta variation in the COVID infection caused reconsideration of what was in the proposed time table. Consultations by telephone between Mr. Stover, Mr. Stotter and Mr. Jeff Pontius of Penn Valley Railroad, LLC reached the conclusion that the outlook and conditions for COVID were such that it would be unwise to go forward with operating the service. One of the components of their concern was that children at lower ages are not vaccinated. There is also concern about the health of onboard service volunteers of the Penn Valley Railroad, LLC.

In addition, there were some other unsettled conditions relating to the operation of the service. These conditions will require further attention later. Committee Chairman Spychalski stated that all of this resulted in a decision at the committee meeting this morning to set aside any further consideration of the time table. Therefore, no action is being proposed at this time.

Committee Chairman Spychalski stated there are a few ancillary points.

Mr. Harvey stated it is his understanding that the window is closed for any excursions in the year 2021. Committee Chairman Spychalski replied yes and that he is as disappointed, and he knows the sponsor groups will be as well.

Mr. Stover stated this recommendation came about with extensive phone calls with Mr. Pontius and Mr. Stotter as well as Committee Chairman Spychalski. One option was the first trip on September 4 in Danville – Danville Business Alliance. Penn Valley Railroad, LLC's equipment is on the NSHR and it is a local run. The problem with that option is the liability insurance. Mr. Salisbury from McRail said he is unable to unbundle the insurance policy for one trip. The cost would be \$18,000 per year for liability insurance for all the trips. Just one trip cannot be insured. Danville Business Alliance has probably spent a small amount out of pocket for ticket

printing and other administrative items. Perhaps the out-of-pocket money spent to date could be reimbursed by a consortium of Penn Valley, NSHR and the JRA. Ms. Wakeman stated that the Danville Business Alliance knew it would be pending board approval so what they spent out of pocket is probably minimal. There is no information on their website about the passenger excursion.

Mr. Stover stated that the Bellefonte Historical Railroad Society has ownership of two rail diesel cars. One is being refurbished using a state grant. However, following completion of the rehab, the car was damaged in an accident while still on the property of the rehab company. The BHRS would run their own trips on the NBER if and when the RDC returns to the NBER. This could be done given JRA Board and NBER approvals. Chairman Spychalski will contact the president of the BHRS.

Mr. Jenkins asked if they would need liability insurance. Mr. Stover stated he believes that the BHRS previously had their own liability insurance. Mr. Stover stated he will check out the insurance issue.

Mr. Graham asked if the JRA would need a hold harmless provision at some point if there would an issue. Mr. Stover stated this would all have to be revisited.

Committee Chairman Spychalski stated that the passenger excursion ticket revenue is BHRS' only significant source of income. If they could operate their RDC that would give them a source for at least some income.

Chairman Showers commended the work of the Passenger Excursions Committee.

LEGAL

Attorney Schreck stated that he has nothing for public session at this time.

Operating Agreement Consultant Report

Mr. Dan Mazur presented the Operator's Second Quarter 2021 financials via PowerPoint.

2 Q 2021 Transportation Expense Ratio

- Target: About 43%
- Results for 2 Q 2021
 - Lower than Target
 - Lower than 2 Q 2020
 - Higher than 2 Q 2021 Budget

2 Q 2021 Maintenance of Way Ratio

- Target: About 21%
- Results for 2 Q 2021
 - Significantly higher than Target
 - Significantly higher than 2 Q 2020
 - Lower than 2 Q 2021 Budget

Mr. Mazur stated that he has additional and detailed information, but recommended discussion be held in executive session.

Chairman Showers recessed the regular meeting at 1:28 p.m. to convene into executive session at 1:38 p.m.

Chairman Showers reconvened the regular meeting at 2:38 p.m.

Attorney Schrack stated that the Authority Board entered into executive session and continued the discussion with the Operator and Operating Agreement Consultant regarding the confidential aspect of his report. The Operator then left, and the Authority Board and its solicitor held brief discussion concerning the ongoing RFP litigation and also held brief discussion concerning a potential real estate matter. No action was needed or taken.


With there being no further business to come before the JRA Board, Chairman Showers 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 September 8, 2021.



Secretary/Assistant Secretary



**PRESERVING
RAIL FREIGHT
SERVICE**

SEDA-COG JOINT RAIL AUTHORITY MEETING
Wednesday, September 8, 2021
Union County Government Center, Lewisburg, PA
12:30 p.m.

AUTHORITY MEMBERS

Russ Graham, Centre County
John Gummo, Clinton County
Scott Harvey, Lycoming County (via teleconference)
Lisa Hoover, Northumberland County
Bob Hormell, Northumberland County
Rick Jenkins, Columbia County (via teleconference)
Brent Jones, Clinton County
Rob Postal, Mifflin County (via teleconference)
David Schultz, Lycoming County
John Spsychalski, Centre County (via teleconference)
Jennifer Wakeman, Montour County
Matt Weigle, Columbia County (via teleconference)
Eric Winslow, Union County

JRA OPERATOR

Jeb Stotter, President & CEO
Diana Williams, Treasurer/Controller

GUESTS

Mark Rosner, Carload Express

LEGAL COUNSEL

John Bee, Esq., McQuaide Blasko
Tom Schrack, Esq., McQuaide Blasko

JRA CONSULTING PROFESSIONALS

Dan Mazur, Operating Agreement Consultant

JRA STAFF

Kay Aikey, Program Assistant
Kyle Postupack, Property & Maintenance of Way Manager
Jeff Stover, Executive Director

Affiliated with
SEDA Council of Governments



CALL TO ORDER

Call to Order

The Vice-Chairman (in absence of the Chairman) called the meeting to order at 12:34 p.m.

Pledge of Allegiance

The Vice-Chairman led the Pledge of Allegiance.

Welcome – Vice-Chairman’s Statements

The Vice-Chairman 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 Vice-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.

Public Forum

The Vice-Chairman asked if there is any public comment to come before the Board. Mr. Rosner was recognized by the Vice Chairman and stated that in four weeks it will be a year since the Supreme Court ruled that the 7-3 vote did, in fact, award the agreement to Carload Express. Mr. Rosner stated that shortly after the Supreme Court’s decision last October Carload Express sent a list of request to the JRA along with a request to meet with customers and Carload Express is still interested in getting responses to the request for information on the list. Carload Express would still like to get permission to meet with customers and would like the JRA to provide answers to the questions that were on the list as well as to give permission to speak with customers.

ADMINISTRATIVE ITEMS

Approval of the August 11, 2021, JRA Meeting Minutes

Dr. Spychalski made a motion for the Board to approve the August 11, 2021, JRA Meeting Minutes; Mr. Winslow seconded the motion; motion carried.

Treasurer’s Report

Mr. Harvey presented the Treasurer’s Report for the month of August 2021, as well as the JRA’s loan summary, the JRA Money Market Account Financial Statement, the PIB Loan Financial

Statement, and the JRA's detailed accounting associated with the operating fees paid by the Operator.

Mr. Hormell made a motion for the Board to accept the Treasurer's Report for the month of September 2021 and file for audit; Mr. Schultz seconded the motion; motion carried.

Staff Report and Events Calendar

Mr. Stover summarized the status of various construction projects and calendar highlights.

Mr. Stover stated that last year the JRA was involved with Focus Central PA and the Central PA Livability 2.0 which is an initiative that the state has partnered with Livability.Com to promote livability in the state and how it relates to economic development. Ms. Wakeman was asked by Mr. Stover to provide further details regarding this economic development initiative. The JRA is a board level member of Focus Central PA and this year the JRA's contribution for the Livability 2.0 will be \$530.

Mr. Stover stated that on July 14, 2021, the Board approved a commitment of \$30,000 toward the local share for the Port Matilda Multimodal application. The final budget itself was going to require \$20,750. One of the partners that committed to the money was the Nittany & Bald Eagle Railroad for that same amount. Together, the two railroad contributions totaled \$41,500. DCED is asking for the financials from all the entities contributing; the other contributor is Centre County at \$55,000. There is not an issue with getting the financials from the JRA or Centre County, but the Nittany & Bald Eagle Railroad is a private company and is more reluctant to give out their financials to the State.

Mr. Stover asked the Board to increase the JRA's contribution from \$30,000 to \$41,500 if the project is funded. The Nittany & Bald Eagle Railroad has already done some in-kind contributions through ditching upgrades in that area.

Ms. Wakeman made a motion for the full Board to increase the JRA's local share commitment to \$41,500 for the Port Matilda multimodal project and to provide the financials to DCED; Mr. Gummo seconded the motion; motion carried.

Operator's Status Report

A copy of the Operator's Report was provided to Board members. Mr. Stotter reported that as of the end of July, freight volume is up 7% from the same time period as last year. The Maintenance of Way program is still on schedule.

OLD BUSINESS

Bridge Engineer's Report

OLD BUSINESS

Bridge Engineer's Report

The Bridge Engineer's Report dated September 2, 2021, was included in the meeting packet.

Mr. Shura provided the following updates:

- SVRR Bridge 14.93 (RTAP15 Project) – the contractor is working on upstream channel upgrades and has installed temporary stream crossing and crane pads. First track outage is planned for September 20, 2021.
- NBER Bridge 33.94 at Curtin (RTAP15 Project) – continuing to review contractor's submissions.
- NSHR Bridge 195.10 at Bear Camp (RTAP15 Project)– project has been awarded to Lycoming Supply. The notice to proceed was issued July 13, 2021. Work is planned for November 2021.
- Poppy Road Bridge over SVRR – field work by Kevin E. Raker Construction began on September 2, 2021. Anticipated completion on September 10, 2021.
- Bridge Safety Inspections – Field work has been completed. All reports have been drafted. NBER, LVRR and JVRR reports have been reviewed and signed by Bridge Engineer. SVRR and NSHR reviews are pending.
- NBER – Tyrone Drainage at Lincoln Avenue and 23rd Street – site meeting was held with NBER and JRA on March 31, 2021, and with Borough personnel on April 2, 2021. A cost estimate for the total project is being prepared.
- RTAP/RFAP 2021 – Assisting JRA staff with these projects. Will be participating with JRA staff with presentations to the Bureau of Rail Freight on September 16, 2021.

Underwater Bridge Inspections RFP – Review of Proposals

Mr. Shura stated that on September 1, 2021, the JRA received six proposals for underwater bridge inspections.

The following proposals were received:

- | | |
|---|--------------|
| - Marine Solutions | \$ 65,200.00 |
| - WJ Castle | \$ 86,450.00 |
| - Pennoni | \$ 97,915.27 |
| - Greenman-Pederson, Inc. (GPI) | \$108,100.00 |
| - MidAtlantic Engineering Partners, LLC | \$119,080.00 |
| - Pickering, Corts & Summerson (PCS) | \$123,250.00 |

Mr. Shura stated that based on his review of the proposals he is recommending that the underwater bridge inspection contract be awarded to Marine Solutions in the amount of \$65,200.00.

Mr. Gummo asked for the number of bridges included in the project and what the timeframe is for completion of the project. Mr. Shura replied there are 19 bridges included in the scope of work and the field inspection are to be completed in the fall of 2021. In their proposal, Marine Solutions is planning on performing that work in October and November with the goal being to get it done before winter.

Mr. Postal made a motion for the full Board to award the Underwater Bridge Inspections project of 19 bridges to Marine Solutions in the amount of \$65,200; Mr. Gummo seconded the motion; motion carried.

Mr. Postupack shared the slide which showed the locations of the 2021 Underwater Bridge Inspections.

Ratification of PennDOT Rail Grant Applications

Mr. Stover stated that on August 20th, JRA staff submitted two applications for PennDOT rail grants, one a RFAP and the other a RTAP. The RFAP relates to the NBER Bellefonte Yard and NBER Main switch to Hilex Poly. Total cost of \$694,000. If approved, both the north and south entrances to the Bellefonte Yard will be rebuilt to correct legacy alignment and configuration issues. Annual maintenance keeps the tracks usable but cannot correct the current geometry. Included in the proposal is the replacement of the #8 Hilex Poly switch with a #10 plus other related track improvements.

Local share is \$208,000 with the NBER contributing some cash and related crosstie renewals.

The second application is for the RTAP (aka "PA Capital Budget") competition. This year's application is for nine bridges which Jason Shura has recommended for upgrades. Total cost of the "RTAP 21 Bridges" is \$2,142,858. Local share is \$640,000 which can be spread over three years.

Mr. Postupack shared the following slides:

- Capital Track and Turnout Improvements on the NBER (RFAP 2021)
- Regional Bridge Upgrades - RTAP 2021

Mr. Shura stated he reviewed the list of high priority bridges and there are 41 bridges that are on the list and being monitored. There are three bridges that the railroad is monitoring. Mr. Shura stated he is identifying some of the bridges that are requiring the most attention whether it is inspected by the JRA or by the railroad or other frequent maintenance and to address those to eliminate some of the costs that are associated with the more frequent inspections and attention that some of the bridges require. Many of the bridges are relatively low cost projects. There are three bridges on the NBER, three on the JVRR, two on the LVRR and one on the NSHR.

Mr. Jenkins made a motion for the Board to ratify the application for the Rail Freight Assistance Program (RFAP) for the NBER yard capital improvements for a total cost of \$694,000; Mr. Harvey seconded the motion; motion carried.

Dr. Spychalski made a motion for the Board to ratify the application for the Rail Transportation Assistance Program (RTAP) 2021 bridge program for a total cost of \$2,142,858 which would upgrade nine bridges on four of the JRA's lines; Mr. Schultz seconded the motion; motion carried.

NEW BUSINESS

Consideration of 2021-2024 Staff Services Agreement

Mr. Stover stated this item will be discussed in Executive Session.

PROPERTY MANAGEMENT COMMITTEE

Section 130 Agreement Amendment – Juniata Street (JVRR – Lewistown)

Mr. Postupack stated that the Juniata Street grade crossing in Lewistown will be upgraded with a new surface and signals this year. Diamondback Signals submitted a change order requesting an extra \$40,000 citing the increase costs of materials.

PennDOT District 2-0 requested the JRA submit a letter signed by the JRA which asks for additional money and for the original project costs to be increased. The original agreement will be amended to reflect the increased project total.

The JRA will not incur any additional costs due to the increased project costs.

Mr. Postal asked if anyone checked on the price changes. Mr. Postupack stated that the reason for the increase in cost was due to not being able to get electric cable.

Mr. Stover stated that Diamondback Signals has been the JRA's long time signal contractor and he is not sure that they have ever requested a change order for additional costs on any project. Mr. Stover stated that the only thing that was bid was the crossing surface work which was done by CTW. The signal work was not a bid project as Diamondback has been the sole provider under contract to the JRA which is supported by PennDOT. This was not a bid project for the signals, it was only for the crossing signal work.

Mr. Winslow made a motion for the full Board to ratify the letter signed by Chairman Showers and submitted by JRA staff to PennDOT requesting the additional funds from PennDOT; Mr. Hormell seconded the motion; motion carried.

Dr. Spychalski made a motion for the full Board to ratify the amendment to the original agreement to increase the overall project budget of \$40,000 that Diamondback Signals will be charging; Mr. Postal seconded the motion; motion carried.

Section 130 Agreement Amendment – Signal Upgrades (NBER, LVRR)

Mr. Postupack stated that five grade crossings on the NBER and the LVRR received signal upgrades this summer.

- Transfer Road (NBER – College Township)
- Front Street #1 (NBER – Milesburg)
- Front Street #2 (NBER – Milesburg)
- Trenton Avenue #1 (LVRR – Newberry)
- Trenton Avenue #2 (LVRR – Newberry)

An amendment to the original agreement is needed to increase the cost of the overall project by approximately \$22,000. The JRA will not have to contribute any additional money for this signal upgrade project.

Ms. Wakeman made a motion for the full board to ratify the amendment to Section 130 Agreement #034729 to increase the project budget by \$22,000 for the signal upgrades from Diamondback Signals; Mr. Harvey seconded the motion; motion carried.

LVRR Parking Lot & Office Building Update

Mr. Postupack stated that JRA staff has been working with Stiffler McGraw to upgrade the stormwater issues as well as repave the parking lot.

Two bids were received from contractors on August 10th:

- Gutelius Excavating: \$183,655.35
- Glenn O. Hawbaker: \$208,421.00

There was a discrepancy between quantities of asphalt and how the contractors calculated asphalt costs. It was decided to reject the bids due to it being later in the paving season and readvertise in late winter or early spring of 2022.

This fall, however, staff will seek price quotes to replace the several HVAC units that were identified for replacement.

Mr. Postal made a motion for the full Board to reject the bids for paving of the parking lot at the Newberry Yard; Mr. Jones seconded the motion; motion carried.

LEGAL

Vice-Chairman Graham recessed the regular meeting at 1:31 p.m. to convene into executive session at 1:40 p.m.

Vice-Chairman Graham reconvened the regular meeting at 3:08 p.m.

Attorney Schrack stated that the Authority Board held an executive session to discuss a personnel matter regarding the Staff Services Agreement. There will be an action item on that discussion. Attorney Schrack stated that a confidential property transaction was also discussed in executive session along with the pending RFP litigation. No action was taken in executive session.

Ms. Wakeman made a motion for the full Board to accept the Staff Services budget as proposed for the period of October 1, 2021, to September 30, 2022, of \$434,031, and to also sign a three-year agreement with SEDA-COG to provide staff services to the Joint Rail Authority; Mr. Winslow seconded the motion; motion carried.

With there being no further business to come before the JRA Board, Vice-Chairman Graham adjourned the meeting at 3:10 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 13, 2021.



Secretary/Assistant Secretary



**PRESERVING
RAIL FREIGHT
SERVICE**

SEDA-COG JOINT RAIL AUTHORITY MEETING
Wednesday, October 13, 2021
Union County Government Center, Lewisburg, PA
12:30 p.m.

AUTHORITY MEMBERS

Frank Dombroski, Montour County
Russ Graham, Centre County
John Gummo, Clinton County
Scott Harvey, Lycoming County
Bob Hormell, Northumberland County
Rick Jenkins, Columbia County (via teleconference)
Brent Jones, Clinton County
Michael Krentzman, Mifflin County
Rob Postal, Mifflin County (via teleconference)
David Schultz, Lycoming County
John Showers, Union County
John Spychalski, Centre County
Jennifer Wakeman, Montour County
Matt Weigle, Columbia County (via teleconference)
Eric Winslow, Union County

JRA OPERATOR

Loni Briner, Public Relations & Media Manager
Jeb Stotter, President & CEO
Diana Williams, Treasurer/Controller

GUESTS

Toni Feret, Penn State Altoona
Hai Huang, Penn State Altoona
Mark Rosner, Carload Express
Ed Sigl, First National Bank

LEGAL COUNSEL

John Bee, Esq., McQuaide Blasko (via teleconference)
Tom Schrack, Esq., McQuaide Blasko (via teleconference)

JRA CONSULTING PROFESSIONALS

Dan Mazur, Operating Agreement Consultant

Affiliated with
SEDA Council of Governments



JRA STAFF

Kay Aikey, Program Assistant
Kyle Postupack, Property & Maintenance of Way Manager
Jeff Stover, Executive Director

CALL TO ORDER

Call to Order

The Chairman) called the meeting to order at 12:34 p.m.

Pledge of Allegiance

The Chairman led the Pledge of Allegiance.

Welcome – Chairman’s Statements

The Chairman 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 Vice-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.

Public Forum

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

ADMINISTRATIVE ITEMS

Approval of the September 8, 2021, JRA Meeting Minutes

Dr. Spychalski made a motion for the Board to approve the September 8, 2021, JRA Meeting Minutes; Mr. Schultz seconded the motion; motion carried.

Treasurer’s Report

Mr. Harvey presented the Treasurer’s Report for the month of September 2021, as well as the JRA’s loan summary, the JRA Money Market Account Financial Statement, the PIB Loan Financial Statement, and the JRA’s detailed accounting associated with the operating fees paid by the Operator.

Mr. Stover stated that the auditor is in the final stages of preparing the JRA's 2020 audit. Mr. Stover stated he is hoping that there will be a presentation at the November JRA Board meeting.

Mr. Krentzman made a motion for the Board to accept the Treasurer's Report for the month of September 2021 and file for audit; Mr. Winslow seconded the motion; motion carried.

Staff Report and Events Calendar

Mr. Stover summarized the status of various construction projects and calendar highlights.

Operator's Status Report

A copy of the Operator's Report was provided to Board members. Mr. Stotter reported that as of the end of September, freight volume is up 10% from the same time period as last year. The Maintenance of Way program is still on schedule. Mr. Stotter stated that there was \$61,000 in damage on the Maitland Branch recently due to the recent storm.

OLD BUSINESS

Bridge Engineer's Report

The Bridge Engineer's Report dated October 5, 2021, was included in the meeting packet.

NEW BUSINESS

2022 Focus Central PA Industrial Development Forum Sponsorship

Mr. Stover stated that the 2022 Focus Central Pennsylvania Industrial Development Forum will be held Wednesday, March 23, 2022. The JRA supported the Forum in 2021. In 2022, the highest-level sponsorship is as a Meal Sponsor at \$3,000.

A concept that Focus is amenable to is for the JRA, NSHR and DRIVE to cost share the meal cost. As a result, each partner's commitment would be \$1,000 each.

Mr. Winslow made a motion for the full Board to approve the "Meal Sponsor" level for the 2022 Focus Central Pennsylvania Industrial Development Forum in partnership with North Shore Railroad and DRIVE, Inc. in the amount of \$1,000 each; Mr. Schultz seconded the motion; motion carried.

John P. Conrad Rail Transportation Engineering (RTE) Research Award Status

Toni Feret, Penn State, Altoona, provided a PowerPoint presentation regarding the John P. Conrad RTE Research Fund & Award Update.

RTE Program Update

- Five full time RTE dedication faculty members – engaged with teaching, research, planning student competition, field trips (curriculum and social) and other enhanced learning opportunities.
- 46 total students within RTE – 19 students from 10 different states, 8 students who successfully completed entrance to major to become juniors, 7 rising seniors
- 50 students placed into the Rail industry in the last 7 years. – 43 RTE graduates, 7 graduates from other program affiliated with AREMA or other student groups.
- Employment percentages – 49% Class I, 15% Civil Construction, 13% Rail Contractors, 13% other (we have our first graduate pursuing a PhD), 10% Suppliers

SEDA-COG/North Shore Railroad Gift

- \$50,000 (2) Endowments
- \$25,000 – John P. Conrad Research Award – gift to student undergraduate researcher (North Shore Railroad)
- \$25,000 – John P. Conrad Research Program Endowment – program and research support (SED-COG JRA)

John P. Conrad Endowment Update

Research Program Fund - \$23,100

- \$15,000 from pledge payments
- \$6,100 from external gifts

Research Award Fund - \$35,090

- \$25,000 from pledge payments
- \$10,090 from external gifts

John P. Conrad Award Recipients

- Jonathan Ambrosino – 2020
- Colin Seitz - 2019

The URL listed below for the research program fund and research award fund.

<https://raise.psu.edu/ConradRailTransportation>

Dr. Hai Huang, professor with the RTE program, provided a PowerPoint presentation on Real Time Railroad Bridge Load Rating.

PROPERTY MANAGEMENT COMMITTEE

PPL Amendment Agreement (LVRR – Fairfield Township)

Mr. Postupack stated that the JRA Board approved a license agreement with PPL at the August 11, 2021, meeting for use of an access road in Fairfield Township. PPL will be performing maintenance work on an existing overhead electrical line and needs to access the location via an access road at the Hiller Road grade crossing.

After the agreement was approved in August, PPL requested an amendment to the Conrail Master Agreement in place of a new license agreement. PPL contended that the Master Easement Agreement with Conrail permitted them to do this work.

JRA staff had some discussion with Solicitor Schrack and it was decided that the amendment was the best middle ground to get protection for the JRA without insurance and indemnification requirements.

PPL will be assessed a one-time fee of \$1,600 for the preparation of two agreements. All plans have been reviewed and approved. Mr. Postupack shared a slide showing the location of the 69 kV aerial crossing on the LVRR – Fairfield Township.

Mr. Hormell made a motion for the full Board to approve the amendment with PPL and authorize its execution by the JRA's officers; Ms. Wakeman seconded the motion; motion carried.

Pennsylvania Department of Environmental Protection (PADEP) Amendment to Consent Order and Agreement (NSHR – Berwick Yard)

Mr. Postupack stated that last year JRA staff was contacted by the PADEP to install monitoring wells in the Berwick Yard due to an old fuel tank leak at BIDA. The oil leaks from a tank at the BIDA site and then flows through the Borough, the Berwick Yard, and ultimately discharges into the Susquehanna River.

After more than a year of monitoring the wells, PADEP found that the monitoring wells are collecting oil and they would like to install a collection system to capture the oil before it gets to the river.

PADEP will be installing a Pump on demand (POD) Skimmer System which will collect oil from the wells in barrels on-site. The drums where the oil is collected will be drained as needed by PADEP and disposed of off-site. The POD will be secured by fencing with barbed wire and a locked gate.

Mr. Postupack shared the following slides:

- Existing Monitoring and Recovery Well Locations
- Pump On Demand Skimmer System
- Protection plan for monitoring wells.

Dr. Spychalski made a motion for the full Board to approve the amendment to consent order and agreement with PADEP and authorize its execution by the JRA's officers; Mr. Postal seconded the motion; motion carried.

Verizon Pennsylvania LLC (Verizon) License Agreement (NBER – Snyder Township – Back Vail Road)

Mr. Postupack stated that JRA staff was contacted by Verizon about installing an overhead fiber optic cable across the NBER Mainline at the Back Vail Road grade crossing in Snyder Township – Blair County. The facility will be wholly within the public right-of-way. The overhead facility will be 28'-6" above top of rail with sag.

Verizon will be assessed a \$500 engineering review fee per the JRA's Fee Schedule. All plans have been reviewed and approved. Mr. Postupack shared a slide showing the location of the overhead fiber optic cable for Verizon on the NBER, Snyder Township – Blair County, Back Vail Road.

Mr. Gummo made a motion for the full Board to approve the license agreement with Verizon Pennsylvania LLC and authorize its execution by the JRA's officers; Ms. Wakeman seconded the motion; motion carried.

Verizon Pennsylvania LLC (Verizon) License Agreement (NBER – Snyder Township – South Eagle Valley Road)

Mr. Postupack stated that JRA staff was contacted by Verizon about installing an overhead fiber optic cable across the NBER Mainline at the South Eagle Valley Road grade crossing in Snyder Township, Blair County. The overhead facility will be 27'-6" above top of rail with sag.

Verizon will be assessed an \$800 application fee and an annual fee of \$860 and subject to CPI increases per the JRA's Fee Schedule. All plans have been reviewed and approved. Mr. Postupack shared a slide showing the location of the overhead fiber optic cable on the NBER in Snyder Township, Blair County near South Eagle Valley Road.

Mr. Jenkins made a motion for the full Board to approve the license agreement with Verizon Pennsylvania LLC and authorize its execution by the JRA's officers; Mr. Harvey seconded the motion; motion carried.

Newpark Drilling Fluids (Newpark) Addition of Storage tanks (Newberry Yard)

Mr. Postupack stated that Newpark contacted JRA staff to request adding 14 mobile storage tanks on their leased site in the Newberry Yard. Each mobile storage tank will hold 21,000 gallons of oil-based drilling fluid which is not HAZMAT and is not flammable.

The tanks will be placed on the eastern end of the leased site. The area will be leveled, and the tanks will sit on the ground. The tanks will sit no closer than 20' from centerline of track and will not affect operations. The addition of the tanks is considered an alteration and requires written approval from the JRA per Newpark's lease.

Newpark will be required to remove the trailer tanks upon the termination of their lease. There will be no cost to the JRA for this project. Mr. Postupack shared a slide of the proposed location of the storage tanks in the Newberry Yard.

Mr. Harvey asked if there will be pervious membranes installed under the tanks. Mr. Postupack replied that this has not been discussed but it can be discussed with Newpark.

Mr. Jones stated that he is concerned that there will be 300,000 gallons of lost material and is a substantial amount. Mr. Jones asked if Newpark would have to comply with DOT regulations rather than site storage regulations since the tanks are mobile units. Mr. Harvey stated it would be best practice for Newpark to protect itself if there is a problem.

Mr. Postupack stated he will take the concerns mentioned back to Newpark and will come back with a drawing of the protective measures.

Mr. Hormell asked who would be responsible for the storage tanks if Newpark would go out of business. Mr. Postupack stated there is language in the agreement that the property needs to be returned to the way it was previously.

Mr. Weigle asked if Newpark indemnifies the JRA against any damages or cleanup related to a spill and are there any DEP or EPA requirements about storage of the containers and that type of material on site that they would need to comply with.

Attorney Schrack stated that in terms of the lease and environmental indemnification obligations that the tenant has is well within the regulatory compliance.

No action was taken on this item. Mr. Postupack will bring this item back to the November JRA Board meeting.

Mr. Postupack stated that two new items have been added to the agenda.

Shale Rail Asset Purchase Agreement (Newberry Yard)

Mr. Postupack stated that the PMC and the full JRA Board approved the purchase of the following items for \$4,000 at the August meetings.

- 20' x 8' storage containers
- 2001 Ford F-350 plow truck which runs very well but has a lot of rust
- Approximately 200 concrete blocks used as pole bins
- Portable metal bunks and other facilities used to store poles

Shale Rail, a lessee in the Newberry Yard, has offered \$7,000 for the plow truck and the storage container which includes the shelves, work benches and bench top vise.

Shale Rail is purchasing the items "As is" and will be responsible for transporting the truck and the container to their site in the North Yard.

Ms. Wakeman asked Attorney Schrack if Board approval is needed for the two new items being added to the meeting agenda. Attorney Schrack confirmed.

Ms. Wakeman made a motion to add the Shale Rail Asset Purchase Agreement (Newberry Yard) item to the JRA Board Agenda; r. Spychalski seconded the motion; motion carried.

Mr. Hormell made a motion for the full Board to approve the sale of the 2001 Ford F-350 plow truck and the 20' x 8' storage container to Shale Rail for \$7,000; Mr. Krentzman seconded the motion; motion carried.

North Yard Scrap Sale Phase-2 & Brush Cutting (North Yard – Burnham)

Mr. Postupack stated that earlier this summer, JRA staff scrapped a rail crane and miscellaneous metallics in the North Yards.

Additional rail on-site was originally going to be scrapped but was postponed to further evaluate the condition of the rail and to assess the need for the rail on JRA lines. It has since been determined that the rail is not worth saving and now would be a good time to scrap the rail while prices are high. There has also been discussion about hiring a contractor to clear the brush off the site. The brush was last cut in 2015.

Staff has been contacted by a party interested in leasing the site.

Since the site has been vacant since its purchase in 2014, and to make the site more marketable, staff is proposing to do a "Phase-2 Rail Scrap Removal" from the North Yards and to have the site brush cut.

Mr. Postupack shared a slide showing the brush cutting and rail in 2015 in comparison to the North Yards in 2021.

Ms. Wakeman made a motion to add the North Yards Scrap Phase-2 & Brush Cutting 9North Yard – Burnham) item to the JRA Board Agenda; Mr. Postal seconded the motion.

Ms. Wakeman made a motion for the full board to approve that JRA staff advertise for bids to scrap the rail in the North Yards; Mr. Dombroski seconded the motion.

Mr. Jones asked how interested the other party is in this property. Mr. Stover stated there has been no discussion with the party; it was through the JRA's operator.

Mr. Krentzman stated that when the property went up for tax sale Joe Krentzman & Son (Michael's company) seriously considered buying the property but stepped aside for the JRA to buy it at the tax sale, which the JRA did. Joe Krentzman & Son had planned to start a rail car breaking operation there but there was a lot better overall circumstance to do it elsewhere on another property they owned in Dubois next to a big rail car shop. Mr. Krentzman stated that he believes that his company has a lingering interest in that property.

Mr. Stover stated that he did have a conversation with Attorney Larry Coploff who is conflict counsel for the JRA. Attorney Coploff said that the Board could entertain multiple offers.

Motions carried with Mr. Krentzman abstaining.

LEGAL

Attorney Schrack stated that the Executive Committee had a conference call on Tuesday, October 12, 2021, to discuss a confidential property matter. Further discussion on this will be held in executive session.

Chairman Showers recessed the regular meeting at 1:49 p.m. to convene into executive session at 1:59 p.m.

Chairman Showers reconvened the regular meeting at 2:51 p.m.

Attorney Schrack stated that the Authority Board held an executive session to discuss a confidential property transaction and held brief discussion on the pending RFP litigation. No action is recommended to be taken at this time.

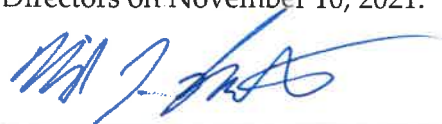
With there being no further business to come before the JRA Board, Chairman Showers adjourned the meeting at 2:52 p.m.

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 November 10, 2021.



Secretary/Assistant Secretary



**PRESERVING
RAIL FREIGHT
SERVICE**

SEDA-COG JOINT RAIL AUTHORITY MEETING
Wednesday, November 10, 2021
Union County Government Center, Lewisburg, PA
12:30 p.m.

AUTHORITY MEMBERS

Frank Dombroski, Montour County (via teleconference)
Russ Graham, Centre County
Scott Harvey, Lycoming County
Lisa Hoover, Northumberland County
Bob Hormell, Northumberland County
Rick Jenkins, Columbia County (via teleconference)
Brent Jones, Clinton County
Michael Krentzman, Mifflin County
Rob Postal, Mifflin County (via teleconference)
David Schultz, Lycoming County
John Showers, Union County
John Spsychalski, Centre County
Jennifer Wakeman, Montour County (via teleconference)
Eric Winslow, Union County

JRA OPERATOR

Jeb Stotter, President & CEO
Diana Williams, Treasurer/Controller

GUESTS

Kelly O'Brien, BIDA
Jeff Pontius, Penn Valley Railroad, LLC
Mark Rosner, Carload Express

LEGAL COUNSEL

John Bee, Esq., McQuaide Blasko (via teleconference)
Tom Schrack, Esq., McQuaide Blasko (via teleconference)

JRA CONSULTING PROFESSIONALS

Dan Mazur, Operating Agreement Consultant
Jason Shura, P.E., Stiffler McGraw

Affiliated with
SEDA Council of Governments



JRA STAFF

Kay Aikey, Program Assistant

Kyle Postupack, Property & Maintenance of Way Manager

Jeff Stover, Executive Director

CALL TO ORDER

Call to Order

The Chairman) called the meeting to order at 12:32 p.m.

Pledge of Allegiance

The Chairman led the Pledge of Allegiance.

Welcome – Chairman’s Statements

The Chairman 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 Vice-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.

Public Forum

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

ADMINISTRATIVE ITEMS

Approval of the October 13, 2021, JRA Meeting Minutes

Dr. Spychalski made a motion for the Board to approve the October 13, 2021, JRA Meeting Minutes; Mr. Winslow seconded the motion; motion carried.

Treasurer’s Report

Mr. Harvey presented the Treasurer’s Report for the month of October 2021, as well as the JRA’s loan summary, the JRA Money Market Account Financial Statement, the PIB Loan Financial Statement, and the JRA’s detailed accounting associated with the operating fees paid by the Operator.

Mr. Jenkins made a motion for the Board to accept the Treasurer's Report for the month of October 2021 and file for audit; Mr. Krentzman seconded the motion; motion carried.

Staff Report and Events Calendar

Mr. Stover summarized the status of various construction projects and calendar highlights.

Operator's Status Report

A copy of the Operator's Report was provided to Board members. Mr. Stotter reported the following:

- 900 ties were completed on the NSHR Main.
- The annual track inspections were completed in conjunction and cooperation with JRA staff and track consultant.
- PennDOT will be doing a walk through at the Route 11 transload site. The only thing left to do is some seeding of grass as well as a guardrail on the Northumberland end of the project.
- Staff will be observing Veteran's Day with business being suspended for a moment of silence at 11:00 a.m. and will be participating in a special event in Sunbury for recognition of the unknown soldiers' tomb.

OLD BUSINESS

Bridge Engineer's Report

The Bridge Engineer's Report dated November 3, 2021, was included in the meeting packet. Mr. Shura gave a brief update to the Board on items included in his report.

JVRR West Park Track Bid Results and Award

Mr. Stover stated that bids were received on November 9th at 3 p.m. for the rebuilding of a section of the JVRR West Park Track under a PennDOT RFAP grant. The bids received on Tuesday, November 9, 2021, are below:

Contractor	Bid (\$)	Rank
K W Reese	497,610.00	1
Fox Railroad Services	529,954.00	2
Timity Railroad Const.	544,157.00	3
Rhinehart Railroad Const.	585,423.00	4
Railroad Constructors	626,790.00	5
Kennedy Railroad Services	758,640.00	6
CTW	783,643.00	7
Harbour Contractors, Inc.	795,760.11	8
The Middlesex Corp.	840,432.50	9

Mr. Stover stated that low bidder K W Reese has been one of the best performing railroad contractors the JRA has worked with. The lowest bid from K W Reese of \$497,610 is still \$94,000 above the estimate which was \$403,000. The amount on \$403,000 includes the engineering cost in the amount of \$19,200 for Mr. Jannotti's work. The local share under the original proposal would have been \$120,962 which - at the time - the JVRR agreed to split in furtherance of anticipated maintenance cost savings. Mr. Stover stated this work is the rebuild of the track which is Phase 2 and Phase 1 was already done at the north end of the track. Mr. Stotter and Mr. Mahaffey are agreeable to splitting the additional cost of the local share of \$107,500 with the JRA. This will take care of a problem area with the track. The recommendation was to award to K W Reese, subject to the split increase in local share in the amount of \$107,500.

Ms. Wakeman asked if this is a RFAP that was already awarded. Mr. Stover confirmed that it was approved and is the last one from 2020.

Mr. Postal made a motion to award the JVRR West Park Track to K W Reese with the approval being an increase of the local share of approximately \$107,500; Dr. Spychalski seconded the motion; motion carried.

PennDOT Multimodal Applications Update

Mr. Stover stated that the Multimodal Transportation Fund (MTF) applications were submitted on November 4th for both the JRA's (Milesburg Bridge) and for Port Matilda (application for stormwater facilities).

The budget for each application is listed below:

Borough of Port Matilda

MTF PennDOT 2021

Total Cost	\$348,000
MTF Grant Request	\$267,000
Centre County Grant	\$55,000
Borough of Port Matilda	\$10,000
SEDA-COG JRA	\$16,000

SEDA-COG Joint Rail Authority – Milesburg Bridge

MTF PennDOT 2021

Total Cost	\$1,499,000
MTF Grant Request	\$1,144,000
Centre County Grant	\$45,000
Borough of Milesburg	\$100,000
NBER	\$100,000
SEDA-COG JRA	\$110,000

Mr. Graham made a motion for the Board to ratify JRA contributions for each project as \$16,000 for the Port Matilda application and \$110,000 for the Borough of Milesburg Mr. Schultz seconded the motion; motion carried.

PROPERTY MANAGEMENT COMMITTEE

BIDA Track Lease – Unauthorized Scrapping of Penn Valley Railroad, LLC Passenger Cars (Berwick)

Mr. Stover stated that JRA staff learned on October 27th that two former PRR rail cars owned by Penn Valley Railroad, LLC (Jeff Pontius) had been scrapped on a track in the BIDA complex. The JRA has now been fully informed of the circumstances of this unauthorized scrapping of a P70 Coach and the last Railway Post Office (RPO) car on the PRR.

In January 2020, at the request of DeLuxe Modular (owner of the Soft Foundry where Mr. Pontius had previously stored his cars) both cars were moved to a track outside the north end of the building where they presumably were “safe”.

All tracks in the BIDA complex are subject to a 2007 lease between the JRA and BIDA. This lease runs to 2027 and continues whether BIDA or any successor owns the underlying property.

The Soft Foundry and some surrounding land (which includes the area north of the building on which the cars sat on a track that enter the Soft Foundry) was sold by BIDA a few years ago. That deed of conveyance was discussed in a call on November 2nd with JRA staff, Attorney Bee and BIDA’s Executive Director and Solicitor. That deed includes an exclusion for rights of way and easements existing in the chain of title.

In 2018 the Deluxe Homes company was sold to a Jacob Frydman of New York and the company name changed to DeLuxe Modular.

Besides the scrapping of the two cars, 23 cross ties were damaged in the process. Zac Mahaffey inspected the track and said 23 ties were just scored and no substantial damage occurred. The tracks are serviceable and do not require any rehab.

JRA staff and Attorney Bee discussed having the JRA’s solicitor send a cease-and-desist letter to DeLuxe Modular to prevent any removal of the tracks.

Mr. Pontius has filed a report of theft to the Berwick Police Department.

Mr. Pontius briefly referred to a statement that he provided to JRA staff regarding this incident. Mr. Pontius suggested that a letter be sent to the DeLuxe regarding this.

Mr. Postupack share a slide of the two cars owned by Mr. Pontius that were scrapped and located in the BIDA Complex.

Ms. O'Brien stated that she forwarded pictures of the deed from the actual deed book in Columbia County to Mr. Stover that refers back to Pennsylvania Railroad easements and right-of-way and it constantly refers back that those are in place even after the transaction of property. Ms. O'Brien stated that the next decision is with Attorney Bee and BIDA's solicitor as to how far back will be needed to get the details of what the easement and right-of-way was for the rail as property and transfer of hands over the years. She stated it goes back over 60 years. Ms. O'Brien stated that it is clear from what she has seen in letters that the individual who owns the property now definitely knew that the cars were not his. Ms. O'Brien stated that follow up was done with the Borough of Berwick to see if there is any activity with the police department and the investigation has been turned over to a detective.

Attorney Bee stated that a letter is ready to be sent to Deluxe. Attorney Bee suggested that this issue be better discussed in executive session.

Mr. Stover stated that based upon the 2007 lease between the JRA and BIDA, one of the key points is that the term of the lease continues for 10 years with BIDA, its successors or assigns. The rest of the property was sold to the private owner in 2010 but that did not affect the lease on the track. Attorney Bee stated there is a lease that encumbers the property and there is no subordination language. The lease would have carried over notwithstanding a conveyance of title.

Dr. Spychalski made a motion for the full Board to authorize JRA staff sending Deluxe Modular a cease-and-desist letter under the signature of Attorney Bee; Mr. Hormell seconded the motion; motion carried.

Mr. Pontius suggested that an additional letter be sent to the scrapper, as he is still in the area.

Dr. Spychalski made a motion for the full Board to also send an additional letter to Brenner Recycling of Hazleton who was the scrapper; Mr. Hormell seconded the motion; motion carried.

LVRN North Yards – Offer to Purchase and Approval to Seek Appraisal (JVRN – Burnham)

Mr. Stover stated that the JRA office has received an offer of \$100,000 from Joe Krentzman & Son, Inc. to purchase the 19.8-acre North Yards in Burnham.

In 2018 there were some active discussion with Michael Krentzman about buying the North Yards, but no formal offer resulted from those discussions.

In response to the earlier interest, the JRA engaged Christian Aumiller of Lewistown in 2018 for an appraisal which he set at \$100,000.

At the October JRA meeting, staff recommended seeking bids for the embedded rail that exists on the site. In light of the Krentzman offer, staff recommends leaving it 'as is', pending a possible sale.

With Michael Krentzman sitting on the JRA Board, Mr. Stover said it would be best to get a current appraisal from a different appraiser. Staff contacted Richard Drzewiecki of Real Estate Appraisal & Marketing Associates of Sunbury. Both Aumiller and Drzewiecki have worked for Mifflin County per Commissioner Postal. The cost of the appraisal to be done by Richard Drzewiecki is \$3,500.

A copy of the offer on this parcel from Joe Krentzman & Son, Inc. was included in the meeting packet.

Chairman Showers noted that JRA staff consulted with Attorney Larry Coploff, as independent counsel regarding this matter.

Ms. Wakeman stated she is comfortable with Mr. Drzewiecki doing the appraisal as she has worked with this firm.

Mr. Postupack shared a slide of the 19.7 acres in the North Yards on the JVRB in Burnham.

Ms. Wakeman made a motion for the full Board to engage Richard Drzewiecki to prepare an appraisal of the North Yards parcel in Burnham; Mr. Harvey seconded the motion.

Mr. Winslow asked if the real estate and evaluation is just the land or will it incorporate the steel left there as well. Mr. Stover stated there is not much steel.

Motion carried with Mr. Krentzman abstaining.

Newpark Drilling Fluids Amendment (Newberry Yard)

Mr. Postupack stated that Newpark Drilling Fluids contacted JRA staff about their intention to add 14 mobile storage tanks on their leased site in the Newberry Yard.

Each mobile storage tank will hold 21,000-gallons of oil-based drilling fluid that is not HAZMAT and is not flammable.

At the October JRA Board meeting, there was concern about the possibility of a spill and if the spill containment system would be installed. There was also concern as to whom would be responsible for disposal of the drilling fluid and tanks should Newpark go out of business and leave the tanks behind.

JRA staff worked with Solicitor Schrack to draft an amendment to the original agreement which covers both scenarios.

Mr. Postupack shared a slide of the Newpark Storage Tank Containment System and the proposed location of 20,000-gallon storage tanks

Amendment to Lease – Section 1. Consent to Alterations.

- a. The installation, use, and maintenance of any storage tanks and related equipment, including but not limited to any pipes, lines, or fixtures, shall comply with any applicable laws, rules, regulations, or ordinances and safety measures.*
- b. All storage tanks shall be maintained, inspected, and tested in compliance in all material respects with applicable Environmental Laws (as defined in the lease) and shall be kept in good condition.*
- c. The title and ownership of the storage tanks shall be vested and remain in Newpark.*
- d. The Authority has made no representations or warranties with respect to the storage tanks or their location and shall assume no responsibility for the storage tanks.*
- e. Upon the expiration and/or termination of the lease, Newpark agrees to remove and/or clean up, at the sole option of the Authority, any storage tanks installed on the leased premises. The removal and/or cleanup shall be at Newpark's sole cost and expense and shall be undertaken and completed in full compliance with all federal, state, and local laws and regulations, as well as the reasonable directions of the Authority. All storage tanks removed from the leased premises shall be closed in compliance in all material respects with all applicable Environmental Laws, and with respect to each such tank, testing, and observations shall confirm that there were no releases requiring material environmental remedial actions or that any required material environmental remedial actions have been completed.*
- f. Newpark shall indemnify, defend, and hold the Authority, its successors and assigns, harmless against any expenses or damages, including reasonable attorneys' fees, that the Authority suffers or incurs related to the presence or installation of the storage tanks on the leased premises. Newpark understands and agrees that it is strictly liable for any environmental violation or harm, or any contamination to the soil or water under the leased premises, occurring during the term. The indemnification in this section shall be in addition to, and not in lieu of, any indemnification in favor of the Authority under the lease.*

Mr. Harvey asked if this is permitted by PA DEP. Mr. Postupack stated it is.

Attorney Schrack stated there are two components of this. There is legal language to address any additional protections in terms of indemnification, compliance with regulations, etc. there is a need to tell the tenant what removables are required. This also gives protection to the JRA to address the concerns.

Mr. Harvey made a motion for the full Board to amend the lease agreement with Newpark; Mr. Jones seconded the motion; motion carried.

PPL License Agreement (NSHR – Danville)

Mr. Postupack stated that JRA staff was contacted by PPL about replacing an existing transmission line that transversely crosses the NSHR at +/- MP 203.5 in Mahoning Township. The 69kV transmission line will be 130.8' above top of rail with sag.

PPL will be assessed an \$800 application fee as well as an annual fee of \$460 and subject to CPI increases per the Fee Schedule. All plans have been reviewed and approved.

Mr. Postupack shared a slide of the overhead transmission line – 10.8' on the NSHR – Mahoning Township – SR-11.

Mr. Hormell made a motion for the full Board to approve the license agreement with PPL and authorize its execution by the JRA's officers; Ms. Wakeman seconded the motion; motion carried.

PPL License Agreement (SVRR – Shamokin)

Mr. Postupack stated that JRA staff was contacted by PPL about replacing an existing overhead electrical wire at the Water Street grade crossing on the Carbon Run in Shamokin. The new overhead facility will be 38'-6" above top of rail with sag.

PPL will be assessed an \$800 application fee as well as an annual fee of \$460 and subject to CPI increases per the Fee Schedule. All plans have been reviewed and approved.

Mr. Postupack shared a slide of the overhead electrical wire located on the SVRR – Carbon Run Branch – 5th Street & Water Street.

Ms. Hoover made a motion for the full Board to approve the license agreement with PPL and authorize its execution by the JRA's officers; Mr. Graham seconded the motion; motion carried.

CRODA License Agreement (NBER – Mill Hall)

Mr. Postupack stated the JRA staff was contacted by CRODA about installing a new storm water valve vault on the SW quadrant of the Draketown Road grade crossing on the NBER Mainline as well as replacing an existing culvert under Draketown Road. Both facilities are within the JRA's right-of-way; however, the culvert does not cross under the main. There is not an existing agreement for either facility, so a new license agreement was drafted.

CRODA will be assessed an \$800 application fee as well as an annual fee of \$400 and subject to CPI increases per the Fee Schedule. All plans have been reviewed and approved.

Mr. Postupack shared a slide of the location of the automated valve and culvert replacement on the NBER Main – Mill Hall at the Draketown Road North Grade Crossing.

Mr. Harvey made a motion for the full Board to approve the license agreement with CRODA and authorize its execution by the JRA's officers; Mr. Jones seconded the motion; motion carried.

LEGAL

Operating Agreement Consultant Report

Mr. Dan Mazur presented the Operator's Third Quarter 2021 financials via PowerPoint.

3 Q 2021 Transportation Expense Ratio

- Target: About 43%
- Results for 3 Q 2021
 - Much lower than Target
 - Much lower than 3 Q 2020
 - Much lower than 3 Q 2021 Budget

3 Q 2021 Maintenance of Way Ratio

- Target: About 21%
- Results for 3 Q 2021
 - Higher than the Target
 - Lower than 3 Q 2020
 - Lower than 3 Q 2021 Budget

Mr. Mazur stated that he has additional and detailed information, but recommended it be discussed in executive session.

Attorney Schrack stated that he had nothing to report in public session and recommended that the remainder to Mr. Mazur's report be continued in executive session as well as brief discussion of the ongoing litigations.

Chairman Showers recessed the regular meeting at 1:34 p.m. to convene into executive session at 1:44 p.m.

Chairman Showers reconvened the regular meeting at 2:30 p.m.

Attorney Schrack stated that the Authority Board entered into executive session and continued the discussion with the Operator and Operating Agreement Consultant regarding the confidential aspect of his report. The Operator and the Operating Agreement Consultant then left the executive session, and the Authority Board and its solicitor held discussion concerning the ongoing RFP litigation and also held brief discussion concerning a potential and confidential real estate transaction. No action is recommended to be taken at this time.

With there being no further business to come before the JRA Board, Chairman Showers adjourned the meeting at 2:31 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 December 8, 2021.



Secretary/Assistant Secretary



**PRESERVING
RAIL FREIGHT
SERVICE**

SEDA-COG JOINT RAIL AUTHORITY MEETING
Wednesday, December 8, 2021
Union County Government Center, Lewisburg, PA
3:00 p.m.

AUTHORITY MEMBERS

Frank Dombroski, Montour County (via teleconference)
Russ Graham, Centre County
John Gummo, Clinton County
Scott Harvey, Lycoming County
Lisa Hoover, Northumberland County
Bob Hormell, Northumberland County
Rick Jenkins, Columbia County (via teleconference)
Brent Jones, Clinton County
Michael Krentzman, Mifflin County (via teleconference)
David Schultz, Lycoming County
John Showers, Union County
John Spychalski, Centre County (via teleconference)
Jennifer Wakeman, Montour County
Matt Weigle, Columbia County (via teleconference)
Eric Winslow, Union County (via teleconference)

JRA OPERATOR

Jeb Stotter, President & CEO
Diana Williams, Treasurer/Controller

GUESTS

Kelly O'Brien, BIDA (via teleconference)
Dave Park, Snyder County Resident
Mark Rosner, Carload Express
Ed Sigl, First National Bank
Sam Simon, Esq., Houston Harbaugh (for Carload Express) (via teleconference)

LEGAL COUNSEL

John Bee, Esq., McQuaide Blasko (via teleconference)
Tom Schrack, Esq., McQuaide Blasko (via teleconference)

JRA CONSULTING PROFESSIONALS

Dan Mazur, Operating Agreement Consultant
Jason Shura, P.E., Stiffler McGraw

Affiliated with
SEDA Council of Governments



JRA STAFF

Kay Aikey, Program Assistant

Kyle Postupack, Property & Maintenance of Way Manager

Jeff Stover, Executive Director

CALL TO ORDER

Call to Order

The Chairman called the meeting to order at 3:02 p.m.

Pledge of Allegiance

The Chairman led the Pledge of Allegiance.

Welcome – Chairman's Statements

The Chairman 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 Vice-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.

Public Forum

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

ADMINISTRATIVE ITEMS

Approval of the November 10, 2021, JRA Meeting Minutes

Dr. Spychalski made a motion for the Board to approve the November 10, 2021, JRA Meeting Minutes; Mr. Jenkins seconded the motion; motion carried.

Appointment of 2022 Nominating Committee

Chairman Showers stated that he has appointed the following Board members to the 2022 Nominating Committee: Eric Winslow (Chair), Rick Jenkins, John Gummo, Lisa Hoover, and Bob Hormell. This committee is charged with returning, at the January 12, 2022, meeting, a proposed slate of officers to serve in 2022.

Treasurer's Report

Mr. Harvey presented the Treasurer's Report for the month of November 2021, as well as the JRA's loan summary, the Money Market Account Financial Statement, the PIB Loan Financial Statement, and the detailed accounting associated with the operating fees paid by the Operator.

Mr. Hormell made a motion for the Board to accept the Treasurer's Report for the month of November 2021 and file for audit; Ms. Wakeman seconded the motion; motion carried.

Presentation of Draft 2022 JRA Budget

Mr. Stover presented the draft 2022 JRA Budget and highlighted some of the items on the budget. Board members received the budget via email prior to the Board meeting and copies were available at the meeting. The final 2022 budget will be on the January 12, 2022, agenda for action.

Staff Report and Events Calendar

Mr. Stover summarized the status of various construction projects and calendar highlights.

Mr. Postupack shared a slide of the Button Propane transload event held along the NSHR in Point Township on December 6, 2021.

Operator's Status Report

A copy of the Operator's Report was provided to Board members. Mr. Stotter reported the following:

- The Maintenance of Way program is still on schedule.
- Overall freight volume and revenue is up.
- Received 18 of the rail cars purchased for coal and lime business
- Partially funded for a rehabilitation for the crossing in Winfield which will be completed in 2022. This is a non JRA project.

OLD BUSINESS

Bridge Engineer's Report

The Bridge Engineer's Report dated December 3, 2021, was included in the meeting packet. Mr. Shura gave a brief update to the Board on items included in his report.

Stiffler McGraw & Associates – 2022 Engineering Agreement

Mr. Stover stated that each year Stiffler McGraw and Associates, Inc. provide an updated engagement agreement. Jason Shura, P.E., has submitted the 2022 agreement for JRA Board action. The pertinent item is that Jason, as a Senior Project Engineer's hourly rate would go from \$140 to \$147.

Mr. Harvey made a motion for the full Board to approve the 2022 Engineering Services Agreement with Stiffler McGraw and Associates, Inc., Ms. Wakeman seconded the motion; motion carried.

NEW BUSINESS

Asset Purchase & Freight Services Easement Agreement

Mr. Stover stated that the JRA has an opportunity to acquire rail assets. The Board needs to consider an Asset Purchase Agreement and Freight Service Easement Agreement which conveys the operating rights to the property.

Mr. Postupack shared a slide of the Selinsgrove Industrial Track located in Snyder County, PA.

Mr. Stover introduced the topic as consideration of a new railroad acquisition being the Selinsgrove Industrial Track. The project totals 9 miles, of which 7.7 miles extends from the Selinsgrove Junction on the east side of the river on the Buffalo line of Norfolk Southern and going west to the end of the line at Kreamer. An additional 1.3 miles of track is the lead to the former Sunbury Generation Station. There is some other potential on both lines for industrial development, but no major industrial park on the lines.

Attorney Schrack stated that the two agreements are an asset purchase and sales agreement and under that agreement Norfolk Southern will sell certain rail assets to the JRA, but not title to the underlying land. The purchase price is \$371,200. The second document is a freight services easement agreement. Attorney Schrack stated that NS is granting an easement for freight operation because the JRA is not getting the full title.

Mr. Stover stated that staff is recommending that the Authority borrow \$300,000 from First National Bank for this purchase.

Mr. Harvey made a motion for the full Board to approve the Asset Purchase Agreement and the Freight Services Easement Agreement to purchase 9 miles of track and easement for operations in Snyder County from Norfolk Southern; Mr. Gummo seconded the motion.

Attorney Schrack suggested that an addition be made to the motion to authorize the Chair to sign those agreements. Mr. Harvey and Mr. Gummo agreed to that addition to the motion. Motion carried unanimously.

Mr. Stover stated that the First National Bank has already agreed to loan the necessary funds to the JRA. The term of the loan would be a 10-year term, fixed rate for 5-year at 3.26%, or 7-year fixed rate of 3.5% and there is no pre-payment penalty. Mr. Sigl stated the payment for the 7-year fixed rate would be \$2,974.00 per month.

Ms. Wakeman made a motion for the full Board to borrow \$300,000 from First National Bank for a 10-year term for a 7-year fixed rate at 3.5%; Ms. Hoover seconded the motion; motion carried with Mr. Hormell abstaining.

Mr. Stover stated he will reach out to the chief clerk and set up a meeting with representatives from Snyder County, regarding their interest in joining the JRA, given that the Selinsgrove Industrial Track project is situated in Snyder County.

Attorney Schrack stated that there is a resolution that member counties need to approve to allow Snyder County to join the Authority and the Articles of Incorporation will need to be amended.

PROPERTY MANAGEMENT COMMITTEE

BIDA Track Lease (Berwick)

Attorney Bee suggested that this item be discussed in executive session due to the recent communication that has occurred. Research is being done relative to the title and scope of each of the parcels of property at issue.

Mr. Stover stated that BIDA has hired McTish Kunkle to do a complete, new survey of the whole complex. A survey was done in 2011 by an engineer out of Berwick.

Mr. Postupack shared a slide of the track in the BIDA complex, showing some of the Penn Valley LLC cars.

LEGAL

Chairman Showers recessed the regular meeting at 4:16 p.m. to convene into executive session at 4:26 p.m.

Chairman Showers reconvened the regular meeting at 4:56 p.m.

Attorney Schrack stated that the Authority Board and legal counsel held an executive session to discuss the ongoing RFP litigation. No action was taken; no action is recommended to be taken at this time.

Mr. Gummo expressed his thanks to Chairman Showers for his services for the JRA and for keeping everyone politically correct and positive and stated that Chairman Showers has done an outstanding job.

With there being no further business to come before the JRA Board, Chairman Showers adjourned the meeting at 4:58 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 January 12, 2022.

 ASSISTANT SECRETARY
Secretary/Assistant Secretary