



**PRESERVING
RAIL FREIGHT
SERVICE**

SEDA-COG JOINT RAIL AUTHORITY MEETING
Wednesday, January 12, 2022
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 (via teleconference)
Rick Jenkins, Columbia County (via teleconference)
Brent Jones, Clinton County
Michael Krentzman, Mifflin County (via teleconference)
Rob Postal, Mifflin County (via teleconference)
David Schultz, Lycoming County (via teleconference)
John Showers, Union County
John Spychalski, 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

John Ashbridge, Carload Express
Kelly O'Brien, BIDA
Jeff Pontius, Penn Valley Railroad, LLC
Lauren Bryson, Focus Central PA
Ed Sigl, First National Bank (via teleconference)
Courtney Solomon, Herring, Roll & Solomon (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 12:32 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

Nominating Committee Report & Recommendations & Election of Officers

Committee Chair Eric Winslow gave a report from the Nominating Committee relative to election of 2022 JRA officers.

Committee Chair Winslow presented the proposed slate of officers for 2022:

Chairman:	Russ Graham	Treasurer:	Scott Harvey
Vice-Chairman:	John Gummo	Assistant Secretary:	Brent Jones
Secretary:	Michael Krentzman	Assistant Treasurer:	Jennifer Wakeman

Attorney Schrack stated the requested action is a motion to accept and approve the proposed slate of officers to serve as officers for the 2022 Joint Rail Authority year.

Mr. Hormell made a motion for the Board to accept and approve the slate of officers for 2022 as presented; Mr. Postal seconded the motion; motion carried.

Mr. Hormell recognized Mr. Showers' leadership of the Rail Authority, through a very interesting time, as well as his leadership of other organizations in the valley. Mr. Hormell stated his appreciated.

Mr. Stover stated that Mr. Showers came in at a time when the JRA Board was still going through the RFP process, litigations, and other tensions, and he was extremely successful through his demeanor, expertise, and calming of the waters. Mr. Stover stated that Mr. Showers was a very good counsel for him at times when issues came up. Mr. Stover stated Mr. Showers is a wise leader and thanked him for helping staff and for his management of the Board.

Chairman Graham stated that he has big shoes to fill and asked that board members be patient with him and that he will do his best. He stated that John's demeanor and leadership were outstanding and appreciated.

Approval of the December 8, 2021, JRA Meeting Minutes

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

Mr. Winslow noted that his name was missed as being in attendance via teleconference.

Motion carried.

Appointment of Committees for 2022

Chairman Graham appointed the members to serve on the JRA committees for 2022.

Executive Committee: Russ Graham, John Gummo, Michael Krentzman, Brent Jones, Scott Harvey, Jennifer Wakeman, Dr. John Spychalski, and Rick Jenkins.

Property Management Committee: Rick Jenkins (Chair), Frank Dombroski, Lisa Hoover, Bob Hormell, Brent Jones, Jennifer Wakeman, Matt Weigle, and Eric Winslow.

Passenger Excursions Committee: John Spychalski (Chair), John Gummo (Vice-Chair), Frank Dombroski, and Eric Winslow.

Governance Committee: Rob Postal (Chair), John Spychalski (Vice-Chair), John Showers, Jennifer Wakeman, and Eric Winslow.

Nominating Committee: Eric Winslow (Chair), Lisa Hoover, John Gummo, Rick Jenkins, and Bob Hormell

Operating Agreement Committee: Michael Krentzman (Chair), Scott Harvey (Vice-chair, John Showers, John Gummo, Lisa Hoover, John Spychalski, and David Schultz.

Treasurer's Report

Mr. Harvey presented the Treasurer's Report for the month of December 2021, as well as the JRA's loan summary, 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 December 2021 and file for audit; Mr. Showers seconded the motion; motion carried.

Mr. Stover stated that the payment on the PIB loan in 2021 was actually made in December.

Draft 2020 Audit Presentation

Ms. Solomon, CPA from Herring, Roll & Solomon, presented the draft 2020 JRA audit. A copy of the audit was provided to Board members via email as well as copies were provided at the meeting.

Mr. Gummo called attention to the capital assets values shown on the balance sheet and wondered what the value basis is for those assets. Ms. Solomon stated that the basis is the original cost. It is the amounts for whatever was paid for equipment and improvements. Those are the amounts recorded.

Dr. Spychalski made a motion for the Board to accept the draft 2020 JRA Audit as presented; Mr. Gummo seconded the motion; motion carried.

Dr. Spychalski complimented Ms. Solomon on the clarity of her review of the 2020 JRA audit.

2022 JRA Budget Adoption and Proposed Fiscal Procedure Updates

Mr. Stover presented the final 2022 JRA budget. He stated that staff has worked closely with Treasurer Harvey and Assistant Treasurer Wakeman on the budgeting process.

Mr. Stover stated that starting in January 2022 staff proposes to use the monthly Treasurer's reports to build a real time spreadsheet using the budget categories in the budget. By maintaining this monthly, it will allow staff to track actual expenditures and revenues and make it relatively easy to generate quarterly or semi-annual financial reports.

Mr. Stover stated that these two new fiscal procedures will give the JRA Board an improved picture of the JRA's finances on a regular basis.

Mr. Winslow made a motion for the full Board to adopt the 2022 JRA Budget, as presented; Ms. Hoover seconded the motion; motion carried.

Focus Central PA Report

Ms. Lauren Bryson, Executive Director of Focus Central PA attended the meeting to recognize the JRA as a Focus Investor. She provided a brief report regarding the Focus Central PA industrial development activities. Focus Central PA is holding an Industrial Development Forum on March 23rd at Susquehanna University. A Rail Advantage Tour is going to be held March 22nd and Focus is working with the JRA, North Shore Railroad, Norfolk Southern, and there will be a logistic consultant discussing the importance and advantages of rail. This event is an invite only.

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, as well as a personnel announcement.

Ms. Williams reported on the following:

- YTD operating fee revenue is up 9.6% and car counts YTD are under 3%.
- There is a considerable uptick in fees paid to the JRA.
- Capital contributions of \$183,000 which includes the most recent \$156,000 for the SVRR.
- \$66,000 in flagging services to support the JRA mission.

Mr. Stotter stated that Shane Smith has been promoted to Director of Operations and Justin Wagner has taken over the Superintendent role. Mr. Stotter stated that Tom Avery is enjoying his retirement.

OLD BUSINESS

Bridge Engineer's Report

The Bridge Engineer's Report dated January 4, 2022, was included in the meeting packet. Mr. Shura gave a brief update to the Board on items included in his report and updated the Board on the RTAP array of projects.

Mr. Shura briefed the Board on how he and his team undertake the annual bridge inspections via a PowerPoint presentation. A copy of Mr. Shura's presentation will be mailed to Board members after the meeting.

PROPERTY MANAGEMENT COMMITTEE

PPL License Agreement (WDR – Allenwood)

Mr. Postupack stated that JRA staff was contacted by PPL about replacing an existing transmission line that transversely crosses the WDR at +/- MP 176.5 in Allenwood. The 69kV transmission line will be 133' 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 69kV transmission line 133' vertical clearance for PPL Gregg Township – White Deer & Reading Railroad.

Mr. Postal asked if the license agreements have a termination. Attorney Schrack replied that they do. There is a termination clause that states in event of a default the JRA has the right to terminate the license. Mr. Postal stated that it is really perpetual, and Attorney Schrack stated that it is like an easement, it is perpetual.

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

Lamar Advertising License Agreements – CPI Flat Rate Request

Mr. Postupack stated that Lamar Advertising contacted JRA staff with a request to amend their license agreements to replace the annual Consumer Price Index (CPI) adjustment (all items less food and energy) with a 4% flat annual rate. The index to determine the CPI increase and the JRA agreement invoices are usually mailed after Lamar mails their check to the JRA.

The U.S. Bureau of Labor and Statistics released the index on December 10, 2021, and agreement invoices are typically sent to licensees around December 20th each year.

The CPI increase for 2021 was 1.6% and was 2.25 in 2020. For 2022, it will be 4.9%.

Lamar wishes to avoid having to cut a second check every year to cover the CPI adjustment.

Ms. Wakeman made a motion for the full Board to approve Lamar Advertising's request to amend their current license agreements to use a 4% annual flat rate rather than an annual CPI adjustment determined by the Bureau of Labor and Statistics; Mr. Harvey seconded the motion.

There was discussion among Board members regarding this item. Ms. Wakeman and Mr. Harvey withdrew their motion, pending further discussion.

Attorney Schrack suggested reviewing the rate schedule and regulations, so nothing is done different from what is being done for other licensees. Attorney Schrack suggested to have some further review on this.

It was agreed that this item be tabled until further review is completed.

DRIVE Private Grade Crossings Agreement Amendment (NSHR – Danville)

Mr. Postupack stated that JRA staff was contacted by an attorney that represents a company that is under contract to purchase the KVS North site on DRIVE property about amending a private crossing agreement with the JRA.

The original crossing agreement between the Erie-Lackawanna Railway Company and Kennedy Van Saun Corporation dated June 2, 1975, provides that the Authority would have the right to terminate the agreement at any time and for any reason.

The attorney for the future licensee requested that the termination provision in the agreement be revised to provide that the agreement may be terminated by the JRA only upon default by the licensee.

The JRA solicitor has prepared an amendment to the original agreement to address this request.

Mr. Postupack shared a slide of the DRIVE private crossings on the NSHR – Danville at MP 201.3 & 201.1.

Attorney Schrack prepared an amendment that has been provided to the attorney for the buyer which has not been signed yet.

Ms. Wakeman stated that she spoke to the buyer's attorney, and they just extended due diligence so Ms. Wakeman suggested that this item could be tabled to the February meeting. Attorney Schrack stated that he is comfortable with that.

It was agreed that this item be tabled until the February JRA meeting.

LEGAL

Legal Issues

Attorney Schrack stated that he had nothing to report in public session and recommended that the Board recess into executive session.

Chairman Graham recessed the regular meeting at 2:37 p.m. to convene into executive session at 2:45 p.m.

Chairman Graham reconvened the regular meeting at 3:32 p.m.

Attorney Schrack stated that the Rail Authority Board held confidential discussion with its solicitor in executive session regarding the RFP litigation and a confidential real estate transaction. No action was taken or recommended to be taken at this time.

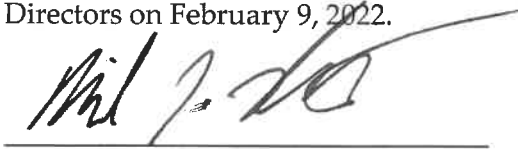
With there being no further business to come before the JRA Board, Chairman Graham adjourned the meeting at 3:34 p.m.

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 9, 2022.



Secretary/Assistant Secretary



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David Schultz, Lycoming County (via teleconference)
John Showers, Union County
John Spsychalski, Centre County (via teleconference)
Jennifer Wakeman, Montour County
Matt Weigle, Columbia County (via teleconference) (left the meeting at 1:45 p.m.)
Eric Winslow, Union County (via teleconference)

JRA OPERATOR

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

GUESTS

Alexander Mitchell IV, Former Selinsgrove Resident (via teleconference)
Mark Rosner, Carload Express
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
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Affiliated with
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JRA STAFF

Kay Aikey, Program Assistant

Kyle Postupack, Property & Maintenance of Way Manager

Jeff Stover, Executive Director

CALL TO ORDER

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Welcome – Chairman’s Statements

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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 12, 2022, JRA Meeting Minutes

Dr. Spychalski made a motion for the Board to approve the January 12, 2022, JRA Meeting Minutes; Mr. Showers seconded the motion; motion carried.

Treasurer’s Report

Mr. Harvey presented the Treasurer’s Report for the month of January 2022, as well as the JRA’s loan summary, 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 January 2022 and file for audit; Ms. Wakeman 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 Dr. Spsychalski will be scheduling a meeting of the Passenger Excursions Committee sometime the week of February 21, 2022.

Operator's Status Report

A copy of the Operator's Report was provided to Board members. Mr. Stotter stated that the maintenance of way staff removed 5 ½ miles of canopy from the NSHR Main between Catawissa and Danville. He stated this increases the longevity of the infrastructure.

OLD BUSINESS

Bridge Engineer's Report

The Bridge Engineer's Report was emailed to Board members prior to the meeting and provided as a handout at the meeting. Mr. Shura gave a brief update to the Board on items included in his report.

- Final inspection has been completed on three of the 2015 RTAP projects.
- NBER Bridge 33.94 (Curtin Bridge) continues to be on hold. This project will be completed in April 2022.
- 2022 bridge inspections to begin in February, weather permitting.

RTAP15 LVRR 179.44 Bridge Bids and Alternative Options

Mr. Stover stated that bids were opened on January 24th for the remaining RTAP15 bridge, LVRR 179.44 "Iron Bridge" at the west end of Newberry Yard.

The results are:

Lycoming Supply	\$2,468,994
CTW	\$2,601,898

The bids came in extraordinarily high; over \$1,000,000 more than the estimate of \$1,400,000. The price of steel being the main driver. Contributing about \$250K of the bid amount is bridge beam painting, which could be deleted from the scope of work, but the cost would still be too high.

Bridge Engineer Shura, JRA staff and the Operator have been discussing alternatives to the project.

Mr. Postupack showed an aerial location slide of the LVRR 179.44 "Iron Bridge", a slide of the existing bridge, and a slide of the Alternative: Precast Concrete Arch Bridge.

Mr. Stover stated that this project began as part of the RTAP 15 package and when John Conrad put together the original concept to replace this bridge in due course. Even in 2015, the estimate was a little over \$2 million. Faced with increases in cost in the interim, the project evolved to be a single-track bridge, instead of a double track, in order to save money. It then looked like this wouldn't be affordable, based on the limitations of grant funding, which was capped at \$3.5 million for the five RTAP bridges. The project that was just bid was for rehabilitation of one span. The bid from Lycoming Supply was for the latest iteration.

Mr. Stover stated that there is a company north of the Bridge, Appellation Services, that has expressed interest in getting rail service.

Mr. Stover stated that Mr. Shura is now proposing a precast concrete arch bridge – 24 feet wide and 14 ½ feet high, which would allow two trucks to pass one another underneath the bridge. The overhead tracks would remain at two, instead of a single track. The options for Appellation Services would be to either go underneath the arch and access the end of the Palmer track that is now filled with storage cars or build up an earthen ramp on the northwest quadrant of the intersection to access the northern track as Appellation's siding.

Mr. Shura stated that the bid price for the rehab option is driven primarily by steel prices, among other factors.

Mr. Shura stated he has been working with Contech Engineering Solutions who provide a design fabrication of the precast concrete arch system. That system is estimated to cost \$1.5 million to install. Mr. Shura spoke with the property owner, who asked if consideration could be given to increasing the width of the span.

Chairman Graham asked why the landowner (Lycoming Supply) wants to increase the width. Mr. Shura stated the owner would like the ability to run two trucks through, simultaneously. There is a 22-foot-wide opening, and the owner is asking to increase that to 28-30 feet. It wouldn't be a substantial increase in price, but this would have to be worked out with the landowner. The options would also need to be discussed with Appellation.

Mr. Stover stated this type of project would likely attract other bidders at a competitive price. Mr. Shura agreed with this.

Mr. Shura stated that the height being provided would be about 16 feet in the middle.

Dr. Spychalski made a motion for the Board to reject the two bids received and have Bridge Engineer Shura pursue an alternative including reviewing the specs and then to bring this information back to the Board in March; Mr. Harvey seconded the motion; motion carried.

NEW BUSINESS**SVRR Corridor Section 130 Concurrence Letter**

Mr. Postupack stated that JRA staff has started working with the Operator and PennDOT District 3-0 on a new Section 130 corridor on the SVRR from Sunbury to Shamokin. The project would include upgrading signals at all 15 grade crossings within the corridor and replacing the surface at eight of the 15 grade crossings. The total cost listed in the concurrence letter is \$4,100,000. The JRA typically incurs some minor costs for engineering and design services as well as costs for surface construction which will be dependent upon bids from contractors. The project would most likely begin in 2023.

PennDOT requested the letter be signed and returned expeditiously so they could add the project to the 2022 Section 130 Highway-Railroad Safety Improvement Projects. Section 130 is funded through the Federal Highway Administration safety funds.

JRA staff met with Chairman Graham to sign the letter so it could be returned to PennDOT to meet their timeline.

Mr. Postupack showed a slide of the list of the 15 SVRR Corridor Section 130 grade crossings.

Grade Crossing	Municipality	New Signals	New Surface
4 th Street	Sunbury	Yes	Yes
S. Awl Street	Sunbury	Yes	No
S. 10 th Street	Sunbury	Yes	No
Lenker Avenue	Sunbury	Yes	Yes
Haas	Sunbury	Yes	Yes
Mill Street	Upper Augusta Twp.	Yes	No
SR 4005 (Market Street)	Snydertown Borough	Yes	Yes
SR-2007	Shamokin Twp.	Yes	No
SR-2010	Shamokin Twp.	Yes	Yes
SR-487	Shamokin Twp.	Yes	No
SR-2016	Shamokin Twp.	Yes	Yes
Overlook Boulevard	Ralpho Twp.	Yes	No
Johns Estate Road	Coal Twp.	Yes	Yes
SR-4012	Ralpho Twp.	Yes	No
Shamokin Street	City of Shamokin	No	Yes

Mr. Harvey asked if project construction begins in 2023, whether it would be completed in 2023. Mr. Postupack replied that the project contract allows until 2025 to complete. Mr. Harvey asked if this is signal only. Mr. Postupack stated that Diamond Back is doing the design of the

crossings and that the PUC will determine what needs to be installed. They will all have flashing lights and will be active crossings.

Ms. Wakeman clarified that the \$4.1 million is for signals and resurfacing. Mr. Postupack stated that the JRA would be responsible for the admin costs as well as any overruns. Mr. Postupack said that the crossings can be upgraded to timber crossings, which will save some money.

Mr. Harvey made a motion for the Board to ratify Chairman Graham's signature on the SVRR Corridor Section 130 Concurrence Letter; Mr. Jones seconded the motion; motion carried.

PROPERTY MANAGEMENT COMMITTEE

Chairman Jenkins stated that a PMC meeting will be planned for some time before the March JRA board meeting.

KINBER – Assignment of Easement Agreements to FirstLight Fiber, Inc.

Mr. Postupack stated that KINBER contacted JRA staff about an Asset Purchase Agreement (APA) they had entered into with FirstLight Fiber, Inc. As part of the APA, KINBER would assign 10 easement agreements for fiber lines on the NSHR and the NBER to FirstLight Fiber, Inc. The JRA does not receive rent for the easement agreements.

In response to the APA, JRA staff and Solicitor Schrack drafted an Assignment of Easement Agreements document, which says the JRA consents to the assignment of the easements by KINBER and the acceptance and assumption of the easements by FirstLight Fiber, Inc. per the APA.

An \$800 document preparation fee is being assessed for the Agreement. The JRA will rescind this assignment if the fee is not paid. Attorney Schrack stated this assignment is contingent on the closing. This will be effective, provided that the transaction closes.

Mr. Schultz made a motion for the Board to approve this Assignment of Easement Agreements and authorize its execution by the JRA's officers; Mr. Jenkins seconded the motion; motion carried.

COVIA – Third Amendment to Lease Agreement (LVRR)

Mr. Postupack stated that COVIA recently contacted JRA staff about renewing their land lease in the Newberry Yard, where they have been leasing property since 2010. The lease would be extended for an additional year with the option to extend the term for three additional one-year periods with one-month prior written notice. The base annual rent for 2022 is \$103,338.42 and subject to future CPI increases.

Mr. Gummo made a motion for the Board to approve this Amendment to Lease Agreement and authorize its execution by the JRA's officers; Mr. Dombroski seconded the motion; motion carried.

Windstream Pennsylvania, LLC License Agreement (LVRR - Muncy)

Mr. Postupack stated that Windstream Pennsylvania, LLC contacted JRA staff about installing an aerial fiber optic line across the LVRR adjacent to the Pepper Street grade crossing in Muncy.

The fiber optic line will be 28'-4" above top of rail and is wholly within the public right of way.

Windstream will be assessed a \$500 engineering review fee per the JRA's Fee Schedule. All plans have been reviewed and approved. Mr. Postupack showed an aerial location slide for the fiber optic line for Windstream.

Mr. Hormell made a motion for the Board to approve this License Agreement and authorize its execution by the JRA's officers; Mr. Showers seconded the motion; motion carried.

Coal Township Catch Basin Easement Agreement (SVRR - Coal Township)

Mr. Postupack stated that this item is being postponed until the March PMC and JRA meetings.

North Yards Appraisal (JVRR - Burnham)

Mr. Postupack stated that this item is being postponed until the March PMC and JRA meetings.

LEGAL

Legal Issues

Mr. Stover stated that a motion is needed by the Board to add to the agenda consideration of First Amendment to Asset Purchase and Sales Agreement and First Amendment to Freight Service Easement Agreement, related to the Selinsgrove Line.

Attorney Schrack stated that there was a call with insurance agents for the JRA and NS and JRA's solicitor about the terms of the Freight Services Easement Agreement, particularly the insurance terms. There was a question regarding whether Contractor Pollution Liability coverage was required, or whether Railroad Liability provided the requisite coverage. The agreement that was signed contained an inconsistent stray reference to "CPL." It was determined that Contractor Pollution Liability is not required, so NSR agreed to the removal of that stray reference, based on the coverages provided for in the documents. The amendment was prepared after the agenda was circulated.

The other amendment for the Asset Purchase and Sale Agreement is to reference the inclusion of the 1.35-mile Power Plant Lead.

Dr. Spychalski made a motion to add the amendment items to the agenda; Mr. Showers seconded the motion; motion carried.

Attorney Schrack stated that a motion is needed to approve the two amendments – an amendment to Freight Service Easement Agreement relative to the insurance and an amendment to Asset Purchase and Sale Agreement to include the Power Plant Lead and to authorize the Authority's officers to sign.

Mr. Stover stated that there was a question offered by someone as to why NSR didn't want to sell the real estate and the answer is that staff does not know.

Mr. Mitchell inquired about the Selinsgrove Line negotiations between the JRA and NSR. Attorney Schrack suggested that Mr. Mitchell direct his questions to JRA staff after the meeting.

Mr. Harvey made a motion for the Board to approve the Amendment to the Asset Purchase and Sale Agreement to add the Power Plant Lead to the original agreement and authorize the officers to sign; Mr. Postal seconded the motion; motion carried.

Mr. Harvey made a motion for the Board to approve the Amendment to the Freight Services Easement Agreement to modify the language in Section 24(b) related to Railroad Accident Pollution Liability and authorize the officers to sign; Mr. Schultz seconded the motion; motion carried.

Chairman Graham recessed the regular meeting at 1:29 p.m. to convene into executive session at 1:40 p.m.

Chairman Graham reconvened the regular meeting at 2:15 p.m.

Attorney Schrack stated that the Rail Authority Board held confidential discussion with its solicitor in executive session regarding the RFP litigation and a confidential real estate transaction. No action was taken, nor recommended to be taken at this time.

SEDA-COG Joint Rail Authority Meeting

February 9, 2022

Page: 9

With there being no further business to come before the JRA Board, Chairman Graham adjourned the meeting at 2:20 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 9, 2022.



Secretary/Assistant Secretary



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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 February 9, 2022, JRA Meeting Minutes

Dr. Spychalski made a motion for the Board to approve the February 9, 2022, JRA Meeting Minutes; Mr. Schultz seconded the motion; motion carried.

Treasurer’s Report

Mr. Harvey presented the Treasurer’s Report for the month of February 2022, as well as the JRA’s loan summary, 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. Showers made a motion for the Board to accept the Treasurer’s Report for the month of February 2022 and file for audit; Ms. Wakeman seconded the motion; motion carried.

JRA Audit RFP Responses

Chairman Graham stated the responses to the Audit RFP were due on March 1. The following responses were received:

Baker Tilly (Williamsport)	\$18,000
Herring, Roll & Solomon (Sunbury)	\$13,500
McKonly & Asbury (Bloomsburg)	\$15,860

Staff and an *ad hoc* committee (Chairman Graham, Vice Chairman Gummo, Treasurer Harvey, Vice Treasurer Wakeman and board member Hormell) reviewed all three proposals. This group conferred on March 7th and reviewed the proposals. A summary of that discussion was emailed to the entire Board prior to the board meeting.

At the request of the audit review *ad-hoc* committee, Baker Tilly was asked to submit a follow-up to their proposal showing a three-year engagement. Baker Tilly provided the following information:

Services	December 31, 2021	December 31, 2022	December 31, 2023
Financial Statement Audit	\$18,000	\$18,700	\$19,450

Chairman Graham stated that a single audit is an audit required by the federal government if expenditures or if income from grants is greater than \$750,000 so that would only be necessary if the JRA received a large sum of income from the federal government.

Ms. Wakeman stated that in the *ad hoc* committee it was discussed that both Baker Tilly and McKonly & Asbury were both well suited, but the recommendation would be to go forward with Baker Tilly, given the level of expertise, particularly with organizations like the JRA. The two proposals were fairly similar and fairly well matched. They both had a lot of good references.

Mr. Stover stated both Baker Tilly and McKonly & Asbury have audit teams and not CPAs who seem to be engaged for the first quarter plus doing taxes.

Chairman Graham stated that McKonly & Asbury had said that they would have this year's audit done by the end of September and then ongoing would be the end of June whereas Baker Tilly would have the audit done by July of this year and then by the end of April in ongoing years. Baker Tilly is also willing to waive any startup costs, which would otherwise be substantial because the JRA would be a new client for them.

Ms. Hoover made a motion for the Board to approve Baker Tilly for a 3-year agreement with the JRA for the JRA's annual audit; Mr. Gummo 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 via email and a handout was provided to members at the meeting.

OLD BUSINESS

Bridge Engineer's Report

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

- Primary focus was on the RTAP 2015 projects.
- NBER Bridge 33.84 (Curtin Bridge) Rehabilitation (RTAP Project) will be completed in Spring 2022.
- LVRR Antlers IT Bridge 179.44 (Iron Bridge) Rehabilitation Project bids were received on January 20, 2022. Bids received were high and were rejected.
- Preliminary inspection report on 25-30 bridges were completed on the NBER and will then move on to the LVRR later this month.

Last month, discussion was held regarding the LVRR 179.44 "Iron Bridge" and the Alternative Precast Concrete Arch Bridge. Mr. Shura stated that he is recommending the 24-foot-wide arch which would provide an opening width between 22-23 feet to the base of the abutments that would allow two standard cars or pickup trucks to pass by one another. However, larger trucks that they may be using would only be able to use the bridge opening one at a time which Mr. Shura stated he does not feel would inhibit Lycoming Supply's use or any planned future use of that property. The height of the opening would accommodate all legal loads; it would be a minimum of 14'-6" for a 22-foot opening. Mr. Shura stated it is approximately \$500,000 to increase from the 24-foot-wide arch to a 32-foot wide arch. Mr. Shura stated there are only certain widths available – 24, 28, and 32. The increase from 24-foot-wide to 32-foot-wide is approximately \$500,000 more.

PA Local Share Account Statewide – Milesburg Bridge – Bellefonte Branch

Mr. Shura stated that he previously provided a cost estimate and project description relative to this project and developed a cost estimate total of \$1.2 million to include all construction,

engineering, and inspection with a request of \$1 million and a local match of \$200,000. It is noted that the maximum grant request is limited to \$1 million. There is no requirement for match on this project. Mr. Shura stated that what has been discussed is that there is an anticipated significant response for this particular grant and question whether it makes sense to submit the application given the responses that are being received and the potential to see a partial award that would put the JRA in a bind in terms of accepting the partial award with greater share cost versus rejecting the award.

Mr. Stover stated that this grant is not going to be submitted. There is a massive amount of applications and one of the problems with CFA is they will typically reduce the amount of the ask.

Mr. Shura stated that Stiffler McGraw is submitting 15 applications for this particular round – mostly municipal projects. One of the challenges is getting letters of support from local representatives because they are overwhelmed with requests.

Mr. Shura stated this bridge is not a high priority bridge. It is part of an approach in Milesburg to alleviate some flooding.

Mr. Stover stated that no action is being requested for this item.

MOU with Port Matilda Borough for CFA Multimodal

Mr. Stover stated that a Memorandum of Understanding (MOU) has been prepared by the JRA solicitors which lays out the relationship between the JRA and the Borough of Port Matilda. The project is the implementation of the borough's approved Multimodal Transportation Fund grant from the Commonwealth Financing Authority (CFA).

The structure of the relationship keeps all engineering and construction agreements through the borough, and none would flow through the JRA's accounts.

The draft MOU has been sent to the borough and borough solicitor for their review.

Mr. Stover stated the cost shares for the project are: \$200,000 from the CFA Multimodal, \$55,000 from Centre County's \$5 fee fund, \$10,000 from Port Matilda Borough Council and \$18,000 from the JRA, which is in the JRA's budget. All the monies will flow through Port Matilda Borough not through the JRA.

Mr. Postal made a motion for the Board to approve the MOU with Port Matilda for the administration of the CFA multimodal project; Mr. Showers seconded the motion; motion carried.

PROPERTY MANAGEMENT COMMITTEE

Committee Chairman Jenkins reported on the work of the Property Management Committee which met at 10:30 a.m. Chairman Jenkins stated that the items discussed at the PMC meeting will not be rehashed *ad nauseam*. Recommendations from the PMC will be made to the full Board for approval. Members can feel free to ask questions before approval.

PPL License Agreement (SVRR – Shamokin)

Committee Chairman Jenkins stated the PMC is recommending approval of the license agreement with PPL and to authorize execution by the JRA's officers.

Mr. Jenkins made a motion for the Board to approve this license agreement with PPL and authorize execution by the JRA's officers; Dr. Spsychalski seconded the motion; motion carried.

AGAPE Land Lease Termination Agreement (NSHR – Bloomsburg)

Committee Chairman Jenkins stated the PMC is recommending approval of termination of the land lease agreement with AGAPE and to authorize execution by the JRA's officers.

Mr. Jenkins made a motion for the Board to approve this Land Lease Termination Agreement and authorize execution by the JRA's officers; Mr. Showers seconded the motion; motion carried.

Wildlife for Everyone Endowment Foundation (WFE) Amendment to License Agreement (NBER – Huston twp.)

Committee Chairman Jenkins stated the PMC is recommending approval of the amendment to the license agreement for Wildlife for Everyone Foundation (WFE) and to authorize execution by the JRA's officers.

Mr. Krentzman made a motion for the Board to approve this amendment to the license agreement for WFE and authorize execution by the JRA's officers; Mr. Gummo seconded the motion; motion carried.

Coal Township Catch Basin Easement Agreement (SVRR – Coal Township)

Committee Chairman Jenkins stated the PMC is recommending approval of the easement agreement with Coal Township and to authorize execution by the JRA's officers.

Mr. Jenkins made a motion for the Board to approve the easement agreement with Coal Township and authorize execution by the JRA's officers; Mr. Postal seconded the motion; motion carried.

North Yards Sales Agreement (JVRR – Burnham)

Committee Chair Jenkins stated the PMC is recommending approval of the North Yards Sales Agreement to Joseph Krentzman & Son, Inc. and execution by the JRA's officers.

Board Chairman Graham stated that Mr. Krentzman requested a 90-day due diligence period, so the closing would not be until up to 120 days after the signing of the sales agreement

Mr. Jenkins made a motion for the Board to approve the same of the North Yards Sales Agreement to Joseph Krentzman & Son, Inc. at the 2022 appraised value of \$120,000 and execution by the JRA's officers; Ms. Wakeman seconded the motion; motion carried with Mr. Krentzman abstaining.

Bear Camp Encroachments (NSHR – Cooper Township)

Committee Chairman Jenkins stated that the PMC had discussion on an encroachment in Cooper Township, Montour County, and more discussion will be brought to the full Board in future meetings if any action is required.

Mr. Stover stated that Mr. Postupack will start to add the graphics and background information in the PMC meeting packet going forward.

PASSENGER EXCURSIONS COMMITTEE

Committee Chairman Spychalski reported on the work of his committee which met on Tuesday, March 8th.

Committee Chairman Spychalski stated that the committee also met on February 23rd. the result of the deliberations that occurred as the result of the two meetings is in the form of a draft 2022 Passenger Excursions Time Table that was provided to Board members.

Dr. Spychalski made a motion for the Board to approve the draft Passenger Excursions Time Table; Mr. Gummo seconded the motion.

Mr. Harvey asked if the time table is final or whether additional trips will be added to the schedule. Committee Chairman Spychalski replied that there is a possibility that trips will also ultimately be offered based out of Williamsport and Bellefonte; however, this is still a work in progress, relative to resolution of conditions that would make it operationally feasible. If it does work out, the Passenger Excursions Committee will be bringing a proposal for a second time table to accommodate the trips for those two locations. However, at this point, what is certain in terms of feasibility of operation is what is seen on the existing time table.

Mr. Harvey asked if the time table has the approval of all three partners and will still be working with the partners in the other regions. Committee Chairman Spychalski responded yes.

Motion carried.

Sunbury Semiquincentennial Committee – Trip Sponsor MOU

Mr. Stover stated that the Sunbury Semiquincentennial Committee is the sponsor of a proposed passenger run on the SVRR on July 9th. The JRA executes a Memorandum of Understanding (MOU) with each trip sponsor organization that lays out the responsibilities of the sponsor organization, Penn Valley Railroad, LLC, and the JRA.

The MOU does not approve specific trips for any given year. That approval lies with annual approval of the passenger excursions time table.

JRA staff was able to get the MOU signed by Penn Valley Railroad, LLC, the Semiquincentennial Committee and the JRA.

Dr. Spychalski made a motion for the Board to ratify the JRA's officers' signatures on the Memorandum of Understanding with the Sunbury Semiquincentennial Committee; Mr. Jones seconded the motion.

Mr. Harvey asked if any action needed to be taken about the liability insurance for the excursions as he thought the insurance was dropped at one point due to the unfavorable outlook regarding COVID.

Mr. Stover stated the insurance cost is \$18,000 and it is already in the JRA's budget. Mr. Stover stated he will contact Mr. Tripp Salisbury regarding reinstating the insurance.

Attorney Bee stated this would be an administrative item and does not need a motion. Mr. Harvey stated he is not requesting a motion and is comfortable it being an administrative item.

Motion carried.

LEGAL

Legal Issues

Mr. Stover stated that a request has been received for 2022 track car ("speeder") runs this year. All have been approved by the Operator.

The proposed 2022 railcar excursions are:

May 14 – LVRR

May 15 – NBER

June 11 – NSHR

June 12 – SVRR

Ms. Hoover made a motion for the full Board to approve the speeder runs as listed above; Mr. Schultz seconded the motion; motion carried.

Operating Agreement Consultant's Report

Mr. Dan Mazur presented the Operator's year-end financial and the 2022 budget via PowerPoint.

2021 Transportation Expense Ratio

- Target: About 43%
- Results for 4Q 2021
 - Lower than Target
 - Higher than 2020
 - Lower than 2021 Budget
- Results for all of 2021
 - Lower than Target
 - Lower than 2020
 - Lower than 2021 Budget

2021 Maintenance of Way Ratio

- Target: About 21%
- Results for 4Q 2021
 - Higher than Target
 - Significantly higher than 2020
 - Significantly higher than 2021 Budget
- Results for all of 2021
 - Higher than Target
 - Higher than 2020
 - About equal to 2021 Budget

2022 Budget Transportation Expense Ratio

- Target: About 43%
- 2022 Budget
 - Lower than Target
 - About equal to 2021

2022 Budget Maintenance of Way Expense Ratio

- Target: About 21%
- 2022 Budget
 - Higher than Target
 - Slightly lower than 2021

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

Prior to recessing into executive session, Attorney Bee stated that the JRA Board held an executive session with its legal counsel concerning the RFP litigation and appeals on February 24, 2022. There are no other items for public session, but there are multiple items to be discussed in executive session including the litigation and there may be action items following executive session.

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

Chairman Graham reconvened the regular meeting at 2:15 p.m.

Attorney Bee stated that the JRA Board had recessed into executive session where the Board's consultant, Dan Mazur, continued the confidential portion of his operator's report. After that occurred, Mr. Mazur and the operator's representatives left and the JRA Board had privileged and confidential discussion with its legal counsel regarding the RFP litigation, a confidential property transaction, and regarding certain attorney work product. The JRA's counsel has been working on an operating agreement addendum to add the Selinsgrove Line into the JRA's operations. There is a potential need to consider an amendment to the agenda for today's meeting to add two action items. The reason these were not on the agenda is that counsel were exchanging redlined drafts up until the day before the meeting.

If the Board should want to entertain adding these two items to its agenda, the items for substantive action would be: first, to consider the approval of an Addendum to the Operating Agreement between the JRA and SURC to add the Selinsgrove Line to SURC's operation of the JRA lines and to authorize the JRA's officers to execute that Addendum, and the second substantive motion would be to authorize the JRA's solicitor and its special STB counsel to work

toward finalizing and submitting coordinated filings to the STB for exemption, in order to obtain regulatory approval to commence operations on the Selinsgrove Line.

Mr. Harvey made a motion to amend the agenda to add consideration of these items to the agenda; Mr. Schultz seconded the motion; motion carried.

Attorney Bee stated that JRA's counsel has been working on language that everyone – including STB counsel – would find appropriate to amend the Operating Agreement between the JRA and its current Operator for the purpose of adding the Selinsgrove Line to the operations of the JRA's holdings and to conform the Operating Agreement with the terms of the Freight Services Easement Agreement between the JRA and Norfolk Southern. With the exception of incorporating the Selinsgrove Line and making that Line's operation subject to those easement-specific requirements, the terms of the Operating Agreement, as previously amended, did not change for the most part.

Mr. Harvey asked Attorney Bee to walk the Board through some of the key terms in the Operating Agreement Addendum, such as the operating fee, maintenance obligations to the operator and what is the term or duration of the agreement.

Attorney Bee stated that the term of the Operating Agreement is established by the extension of the original Operating Agreement, following negotiation with the parties to the RFP litigation. The duration is not explicitly stated in this Addendum; but is supplied under the existing Operating Agreement, as amended and extended. For the most part, the Addendum does not change the terms of the Operating Agreement, except to add the Selinsgrove Line, subject to the Freight Service Easement provisions. The fee did not change. One exception to that is that the maintenance standard for the Selinsgrove Line is set at FRA standards, but the parties can implement higher maintenance standards by mutual agreement.

Mr. Harvey clarified that the term of the Operating Agreement, as amended by the new Addendum, corresponds to the resolution of the RFP litigation. Attorney Bee confirmed that was correct.

Mr. Winslow made a motion for the Board to approve an addendum to the Operating Agreement between the JRA and the operator to add the Selinsgrove Line to the JRA's operations and authorize the JRA's officers to execute that addendum; Ms. Wakeman seconded the motion; motion carried.

Mr. Harvey made a motion for the Board to authorize the JRA's solicitor and special STB counsel to finalize and submit a filing with the STB for exemption in order to obtain regulatory approval for the JRA's operator to commence operation on the Selinsgrove Line; Mr. Postal seconded the motion; motion carried.

SEDA-COG Joint Rail Authority Meeting

March 9, 2022

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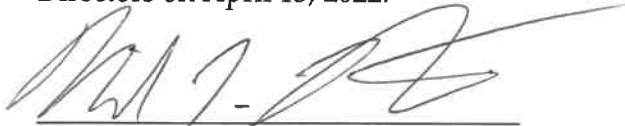
With there being no further business to come before the JRA Board, Chairman Graham adjourned the meeting at 2:40 p.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "J. K. Stover", written over a horizontal line.

Jeffery K. Stover, Executive Director

I hereby certify these minutes were approved by the SEDA-COG Joint Rail Authority Board of Directors on April 13, 2022.

A handwritten signature in black ink, consisting of stylized initials and a surname, written over a horizontal line.

Secretary/Assistant Secretary



**PRESERVING
RAIL FREIGHT
SERVICE**

SEDA-COG JOINT RAIL AUTHORITY MEETING
Wednesday, April 13, 2022
Union County Government Center, Lewisburg, PA
12:30 p.m.

AUTHORITY MEMBERS

Russ Graham, Centre County
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
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 (via teleconference)

JRA OPERATOR

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

GUESTS

Alexander Mitchell IV, former Selinsgrove Resident (via teleconference)
Dave Park, DRIVE
Mark Rosner, Carload Express
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

Paul Jannotti, Track Consultant

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. No one expressed any comments.

ADMINISTRATIVE ITEMS

Chairman Graham stated that it was discovered that a correction needs to be made to the following items as sated in the March meeting minutes:

- *Dr. Spychalski made a motion for the Board to approve the February 9, 2022, JRA Meeting Minutes, not the January 12, 2022, JRA Meeting Minutes.*
- *Under Treasurer's Report, it should read that Mr. Harvey presented the Treasurer's Report for the month of February 2022, not January 2022. The motion should also read to accept the Treasurer's Report for the month of February 2022.*

Approval of the March 9, 2022, JRA Meeting Minutes

Dr. Spychalski made a motion for the Board to approve the March 9, 2022, JRA Meeting minutes with the above corrections; Mr. Krentzman seconded the motion; motion carried.

Treasurer's Report

Mr. Harvey presented the Treasurer's Report for the month of March 2022, as well as the JRA's Loan Summary, 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. Showers made a motion for the Board to accept the Treasurer's Report for the month of March 2022 and file for audit; Ms. Hoover seconded the motion; motion carried.

Staff Report and Events Calendar

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

Operator Status Report

A copy of the Operator's Report was provided to Board members via email and copies were provided to Board members at the meeting.

OLD BUSINESS

Bridge Engineer's Report

The Bridge Engineer's Report was provided in the meeting packet. Mr. Shura gave a brief update to the Board on items included in his report:

- Continuing to advance the 2015 RTAP bridges project.
- Track outage will begin on April 29 for NBER Bridge 33.84 (Curtin Bridge) Rehabilitation (RTAP Project)
- Bids for the precast arch alternative for the LVRR Antlers IT Bridge 179.44 (Iron Bridge) Rehabilitation Project will be received on April 14, with a special meeting on April 19 to award the contract.
- 2022 Bridge Inspections have begun. NBER inspections are complete with exception of NBER Bridge 0.05. and will moving on to the LVRR later this month.
- Met with JRA staff, LVRR and PennDOT to discuss a grant application to replace/raise LVRR Bridge 171.30 over S.R. 220 to accommodate future I-99 corridor.
- Marine Solutions completed the underwater inspections in December. All reports except for three have been submitted by Marine Solutions.

NEW BUSINESS

Jannotti Report – 2021 Inspections and 2022 Maintenance of Way Plan

Mr. Jannotti, the JRA's track consultant, presented the 2021 Track Inspection Report and his approved 2022 Maintenance of Way Plan. Board members were provided with a copy of Mr. Jannotti's 2021 Track Inspection Report.

PROPERTY MANAGEMENT COMMITTEE

Committee Chairman Jenkins reported on the work of the Property Management Committee which met at 10:30 a.m. Items discussed at the PMC meeting will not be rehashed. If additional information is needed, diagrams and other details can be found in the PMC meeting packet. Recommendations from the PMC will be made to the full Board for approval. Members were afforded an opportunity to ask questions and discuss before approval.

Croda, Inc. Private Pedestrian at Grade Crossing License Agreement (NBER – Castanea Twp.)

Committee Chairman Jenkins stated that this is a second private crossing going in as Croda already has one. All plans have been reviewed and approved. Croda will be assessed an annual fee of \$400 plus CPI increases as well as a one-time \$800 application fee for the pedestrian grade crossing.

Mr. Harvey made a motion for the Board to approve this license agreement with Croda and authorize execution by the JRA's officers; Mr. Postal seconded the motion; motion carried.

Dale Summit Acquisitions LP Private at Grade Crossings License Agreement (NBER – College Twp.)

Mr. Postupack stated these are two private crossings. There is no agreement on file for these crossings. Dale Summit Acquisitions will be assessed an annual fee of \$1,800 plus CPI increases in addition to a one-time \$800 application fee.

Mr. Jenkins made a motion for the Board to approve this license agreement with Dale Summit Acquisitions and authorize execution by the JRA's offices; Mr. Krentzman seconded the motion; motion carried.

First Quality Tissue (FQT) Overhead Pipe Amendment to Easement Agreement (NBER – Lock Haven)

Committee Chairman Jenkins stated that First Quality Tissue is adding a 1-1/2" overhead pipe to an existing utility bridge over the NBER mainline. First Quality Tissue will be assessed an annual fee of \$375 including CPI increases and a one-time application fee of \$800.

Mr. Jenkins made a motion for the Board to approve the amendment to the easement agreement for First Quality Tissue and authorize execution by the JRA's officers; Mr. Winslow seconded the motion; motion carried.

City of Shamokin Easement Agreement (SVRR – Shamokin)

Committee Chairman Jenkins stated that there were some buildings removed on Water Street in Shamokin, and it was learned that part of their property sits on JRA right-of-way. The JRA is looking into potentially conveying property to the City of Shamokin so they can get funding to pay for their pocket park.

Mr. Jenkins made a motion for the Board to approve the easement agreement with the City of Shamokin and authorize execution by the JRA's officers; Ms. Hoover seconded the motion; motion carried.

Committee Chairman Jenkins stated that the Shale Rail, LLC Site Improvements and NSHR Fike Property Issue items were discussed at the PMC meeting, but further discussion is needed by the PMC and then these items will be brought to the full Board.

PASSENGER EXCURSIONS COMMITTEE

Ratify Passenger Excursions Time Table Amendment

Committee Chairman Spychalski stated that the Danville Business Alliance has requested its excursions, previously approved for September 3, 2022, be changed to September 10, 2022. The operator welcomes this change due to another scheduling conflict on September 3, 2022.

Dr. Spychalski made a motion for the full Board to approve the request of the Danville Business Alliance to amend the 2022 Passenger Excursions Time Table; Mr. Showers seconded the motion; motion carried.

NARCOA Toys for Tots – November 2022

Committee Chairman Spychalski stated that the local track speeder group approached the operator for November dates for its annual Toys for Tots run.

The proposed dates are:

Saturday, November 19, 2022 – NSHR to Berwick (BIDA)

Sunday, November 20, 2022 – UCIR to Allenwood

Dr. Spychalski made a motion for the full Board to approve the November 2022 Toys for Tots track car run; Mr. Schultz seconded the motion; motion carried.

LEGAL

Legal Issues

Attorney Schrack stated there are three items for action in public session before the Board recesses into execution session.

Attorney Schrack stated that because of the changes in the Sunshine Act that require certain actions whenever there is an amendment to the agenda. The practice has been that at the next meeting there would be a ratification of the action that was taken on that item at the previous meeting, and it wasn't on the agenda for the meeting.

Attorney Schrack stated what is needed is to seek approval of the Addendum of the Operating Agreement to add the Selinsgrove Line to operations and also to ratify the authorization of filing of the STB exemption to add the Selinsgrove Line to operations. Attorney Schrack stated the reason why is the Authority is required to post an amended agenda the day after the meeting as this is a new requirement of the law. It is impractical for a lot of local agencies, so the way to ensure compliance is to just a ratification at this meeting.

Ratify March 9, 2022 Agenda Amendments

Dr. Spychalski made a motion for the full Board to ratify approval of Addendum of Operating Agreement to add the Selinsgrove Line to operations and to ratify authorization of the filing of STB exemption to add the Selinsgrove line to operations; Ms. Wakeman seconded the motion; motion carried.

Snyder County – JRA Membership Requested

Attorney Schrack stated that on March 29th, the Snyder County Board of Commissioners approved a resolution seeking membership in the SEDA-COG Joint Rail Authority. Attorney Schrack stated he and Mr. Stover had a call on April 6th with the Snyder County Solicitor and Administrator and told them that a resolution to consent to the application of Snyder County to become a member would be presented to the JRA Board at its April 13th meeting. This is all set forth in the Municipality Authorities Act in Section 5604. The steps in the process are that, once the county has expressed its intention and desire to join the Authority, the next step would then be for the JRA Authority to pass a resolution consenting to the joinder. If the JRA Board does this, then the next step will be to go to the member counties to seek their consent to the joinder. Assuming all counties consent, the application to join will then need to be filed with the Department of State and it will need to be noticed.

Attorney Schrack then read the Resolution of SEDA-COG Joint Rail Authority into the record.

WHEREAS, SEDA-COG Joint Rail Authority (the "Authority") is a Pennsylvania municipal authority organized and existing under the Pennsylvania Municipality Authorities Act, 53 Pa. C.S. § 5601 et seq. (the "Act"); and

WHEREAS, the Board of County Commissioners of Snyder County, Pennsylvania, has passed a resolution signifying the intention and desire of Snyder County to become a member of the Authority, pursuant to Section 5604 of the Act, 53 Pa. C.S. § 5604;

WHEREAS, it is the desire of the Board of the Authority to consent to the joinder of Snyder County as a member of the Authority, as provided in the Act;

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

SECTION 1. The Board of the Authority hereby consents to the joinder of Snyder County as a member of the Authority.

SECTION 2. The Authority is hereby authorized and directed to take such actions as may be necessary or desirable to enable Snyder County to join and become a member of the Authority in accordance with the Act and other applicable law.

SECTION 3. The above resolutions shall take effect immediately, and any resolutions or parts of resolutions that are inconsistent therewith are expressly repealed to the extent of such inconsistencies.

The foregoing resolutions were duly adopted by the Board of SEDA-COG Joint Rail Authority on the 13th day of April, 2022.

Mr. Hormell made a motion for the full Board to adopt the resolution for consent to the joinder of Snyder County to become a member of the SEDA-COG Joint Rail Authority; Mr. Winslow seconded the motion.

Mr. Harvey asked if the JRA has an executed agreement for Selinsgrove. Mr. Stover replied that the Asset Purchase and Sale Agreement and Freight Services Easement Agreement with NS have been executed.

Attorney Schrack stated that the plan is to formally close the transaction with Mr. Chip Meador of NS on April 28th. The agreements have been signed and have received the STB approval.

Mr. Harvey asked whether, from a technical standpoint, the JRA owns no property in Snyder County when this is done. Attorney Schrack replied the JRA doesn't own the underlying fee simple; it owns the rail assets being purchased and has a right for its operator to operate the lines there. Mr. Harvey then said this would be different from all the other counties; Mr. Stover confirmed that is correct.

Motion carried.

FNB Loan

Attorney Schrack stated that the First National Bank has offered the JRA a \$300,000 loan to be used as part of the funds needed to purchase the Selinsgrove Industrial Track (total purchase price is \$371,200). The agenda contemplates that the loan documents would be signed today, but it was agreed to sign these in connection with the closing, once the date is determined with NS. Board approval is needed for the loan and the authorization given to the JRA officers to execute the documents once the closing date is determined.

Mr. Krentzman asked if there is a prepayment penalty on the loan. Mr. Stover stated no, there is not, as long as it doesn't get refinanced by another financial institution.

Mr. Postal asked if there was any consideration given to a PIB loan over 10 years or even drawing down an account, since the JRA seems to have a healthy balance sheet. Mr. Stover stated the debt service is budgeted and wanted to be conservative on this because of finishing up the RTAP bridges. The loan is a fixed rate of 3.5% for seven years.

Mr. Harvey stated the JRA wanted to reserve some cash for any capital requirements.

Mr. Harvey made a motion for the Board to pass a resolution to borrow \$300,000 from the First National Bank on a 10-year term for the purchase of the Selinsgrove Line and authorize the JRA's officers to execute the documents needed; Ms. Wakeman seconded the motion.

Mr. Mitchell asked if the borrowed money is expected to be long term financing or simply pay it off as soon as it can be paid off with whatever revenues, grants or whatever. Chairman Graham replied that the plan at this point is to pay it off in the seven (7) years, mainly because the JRA is not expecting interest rates to be any less than that.

Motion carried with Mr. Hormell abstaining.

Chairman Graham recessed the regular meeting at 1:57 to convene into executive session at 2:10 p.m.

Chairman Graham reconvened the regular meeting at 2:52 p.m.

Attorney Schrack stated that the JRA had an executive session with its legal counsel to discuss litigation matters. No action is recommended at this time for the Board's consideration.

Chairman Graham stated that a late afternoon Board meeting is being planned in Lock Haven for September and then going to the Laurel Run Estate (John Gummo's property) for late evening/early dinner. Spouses would also be invited.

With there being no further business to come before the JRA Board, Chairman Graham adjourned the meeting at 2:54 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 11, 2022.



Secretary/Assistant Secretary



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SEDA-COG JOINT RAIL AUTHORITY MEETING
Wednesday, May 11, 2022
Union County Government Center, Lewisburg, PA
12:30 p.m.

AUTHORITY MEMBERS

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
Rob Postal, Mifflin County (via teleconference)
David Schultz, Lycoming County
John Showers, Union County (via teleconference)
John Spsychalski, Centre County
Jennifer Wakeman, Montour County (via teleconference)
Matt Weigle, Columbia County (via teleconference)
Eric Winslow, Union County

JRA OPERATOR

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

GUESTS

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

LEGAL COUNSEL

Tom Schrack, Esq. McQuaide Blasko (via teleconference)

JRA CONSULTING PROFESSIONALS

Dan Mazur, Operating Agreement Consultant
Jason Shura, P.E., Stiffler McGraw (via teleconference)

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 April 13, 2022, JRA Meeting Minutes

Dr. Spychalski made a motion for the Board to approve the April 13, 2022, JRA Meeting Minutes; Mr. Schultz seconded the motion; motion carried.

Approval of the April 19, 2022, JRA Special Meeting Minutes

Dr. Spychalski made a motion for the Board to approve the April 19, 2022, JRA Special Meeting Minutes; Mr. Schultz seconded the motion; motion carried.

Treasurer’s Report

Mr. Harvey presented the Treasurer’s Report for the month of April 2022, as well as the JRA’s Loan Summary, 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. Gummo made a motion for the Board to accept the Treasurer’s Report for the month of April 2022 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 Status Report

A copy of the Operator's Report was provided to Board members via email and copies were provided to Board members at the meeting.

Mr. Stotter stated the maintenance of way program has kicked off in a significant way this past month. Ten miles of surfacing has been done, 6.75 miles were done on the North Shore, as well as 3,500 ties replaced on the North Shore line. In terms of marketing, there was an uptick in frac sand on the Lycoming Valley Railroad. The operator began serving the Creamer/Selinsgrove line the week of May 2nd and staff did a wonderful job documenting the service.

OLD BUSINESS

Bridge Engineer's Report

The Bridge Engineer's Report was provided in the meeting packet. Mr. Shura gave a brief update to the Board on items included in his report:

- Work continues on the NBER Bridge 33.84 (Curtin Bridge) Rehabilitation (RTAP15 Project). The first planned track outage is complete. Span 1 rehabilitation is to begin Friday, May 13th.
- Approval received from PennDOT Bureau of Rail Freight to award LVRR Antlers IT Bridge 179.44 (Iron Bridge).
- 2022 bridge inspections have begun. NBER inspections are complete and the LVRR is approaching 50% complete.

Consideration of FRA Grant Application to Raise and Widen LVRR Bridge 171.30 at Larry's Creek over SR220

Mr. Stover stated that the board may recall previous discussions and grant applications to raise the LVRR bridge that spans SR220 just north of Jersey Shore. The bridge's clearance is 13 feet, 10 inches. It has been impacted by trucks carrying dimensional loads. Per Jason Shura's inspections, the bridge is not on the list for upgrades, other than possibly raising it.

Mr. Shura stated that impacts to this bridge have typically been equipment and larger box trucks.

Improving the under-clearance via bridge raise has been part of the scope for applications for federal BUILD and RAISE grants. These applications were submitted by Lycoming County in partnership with some surrounding counties. None of the efforts resulted in grant approval.

Mr. Shura stated the idea with this project was to replace the bridge and upgrade the bridge geometry and primarily the opening width and height to meet Interstate criteria, the future I-99 corridor. This would mean providing four 12-foot traffic lanes – two in each direction with proper shoulder widths, crash barriers, etc. and increasing the vertical clearance to a minimum 15'-6".

Mr. Shura stated the most cost-effective structure to meet the Interstate requirements would be a two-span structure with a pier constructed in the roadway. In order to construct that structure now there would be some significant roadway marking modifications that would have to be painted which is quite an undertaking. Mr. Shura stated some of his concerns with this would be the costs and the approximate timeline.

Mr. Stover stated that George Fury from the NSHR had suggested an FRA grant program for Railroad Crossing Elimination Program as a possible source of funding to raise the bridge and more. He discussed this opportunity with Steve Betts at PennDOT District 3-0. The idea could include a new, longer span to accommodate a future I-99 that would pass underneath. The current width and height of the opening does not meet Interstate standards.

Mr. Stover stated that Mr. Shura's cost to raise the bridge is approximately \$675,000.

Engineer Shura is working up a cost estimate for the more expansive structure that would go well beyond a straightforward bridge raise. The FRA grant program is an 80/20 split. Using \$5 million as an example, the local share would be \$1 million. The JRA would need substantial local share assistance from PennDOT to justify a project of this magnitude.

PennDOT District 3-0 thought that the PennDOT Multimodal Transportation Fund program could be a good source and could partially match the federal dollars, if approved.

Messrs. Shura, Stover, Mahaffey, Postupack and Fury met with Steve Betts of PennDOT District 3-0 and other PennDOT District 3-0 personnel on April 25 to discuss the concept and costs. This project concept is supported by District 3-0.

Mr. Stover stated no action is needed; this is for discussion and information only.

Mr. Stover stated the FRA will begin accepting applications in July.

Mr. Postupack shared a slide of bridge 171.30 on the LVRR Avis Branch.

Mr. Hormell asked if there has been any documentation as to how many times this bridge has been struck in the last 5 years. He also asked if any type of remedial signage has been placed there as far as the clearance.

Mr. Gummo asked if there is any opportunity to do any type of paint identification to the bridge to raise the level of identity. Mr. Shura stated there is and he believes he has sand blasting and painting included as part of the scope.

Chairman Graham asked if it would be possible to place some type of a lit sign or LED light instead of a stationary sign. Mr. Shura stated PennDOT would have to approve any kind of sign.

Mr. Shura stated there has been four reportable vehicle strikes since 2014. Each time the bridge is impacted, and it is a reportable strike, an interim inspection is done and it is documented. Mr. Shura stated that impacts are not all reported.

PROPERTY MANAGEMENT COMMITTEE

Committee Chairman Jenkins reported on the work of the Property Management Committee which met at 11:00 a.m. this morning. Items discussed at the PMC meeting will not be rehashed at the same level of detail as the committee discussion. If additional information is needed, diagrams and other details can be found in the PMC meeting packet. Recommendations from the PMC will be made to the full Board for approval. Members were afforded an opportunity to ask questions and discuss before approval.

Crown Castle Fiber, LLC - License Agreement (NBER – College Twp.)

Committee Chair Jenkins stated that the Crown Castle Fiber, LLC contacted JRA staff about installing an overhead fiber optic line across the NBER – Corning Branch in College Township, Centre County. The fiber line would be no less than 25'-6" above top of rail with sag. Crown Castle will be assessed a one-time \$800 application fee and an annual license fee of \$860 which is subject to CPI increases per the JRA's Fee Schedule.

Mr. Hormell made a motion for the Board to approve the license agreement for Crown Castle Fiber, LLC; Mr. Postal seconded the motion; motion carried.

ZITO Media Communications, LLC – License Agreement (SVRR – Sunbury)

Committee Chairman Jenkins stated that ZITO Media Communications, LLC contacted staff about installing an overhead fiber optic line across the SVRR at Haas Avenue grade crossing. The fiber line will be no less than 30'-3" from top of rail with sag. The overhead facility is entirely within the public right-of-way. ZITO will be assessed a one-time engineering fee of \$500 per the JRA's Fee Schedule.

Dr. Spychalski made a motion for the Board to approve this license agreement with ZITO Media Communications, LLC; Mr. Schultz seconded the motion; motion carried.

Ken Snyder, Inc. – Scrap Transload (SVRR – Paxinos)

Committee Chair Jenkins stated that Ken Snyder, Inc. contacted SVRR staff about transloading scrap metal from truck to rail on the Paxinos runaround. Trucks will use an existing JRA access road off SR-487 to access the runaround to load rail cars with scrap. Ken Snyder, Inc. will have nonexclusive use of the runaround. This agreement is for a one-year term. A one-time application fee of \$800 as well as a \$2,400 fee will be assessed.

Mr. Jenkins made a motion for the Board to approve the scrap transload for Ken Snyder, Inc.; Dr. Spychalski seconded the motion; motion carried.

First Quality Tissue, LLC (FQT) - Easement Amendment Payment (NBER – Lock Haven)

Mr. Postupack stated that at last month's JRA meeting, the Board approved an amendment to First Quality Tissue's current easement agreement which will add an overhead pipe to an existing overhead utility bridge. First Quality Tissue has requested to pay the amendment fee as a ten-year lump sum payment of \$3,750.

Per the easement agreement if First Quality Tissue requests a 10-year lump sum payment there will be no annual CPI adjustments, but the easement fee shall be increased by 15% effective on January 1st or each 10th year after the first payment. The initial payment of \$3,750 will then increase to \$4,312.50 for the second 10-year period.

Mr. Postupack stated that First Quality is one of the JRA's bigger customers and they pay the JRA \$29,000 yearly in easement fees.

Mr. Hormell stated that this is a unique, self-standing agreement. He stated as long as this agreement doesn't set any precedent with any other agreements the JRA has and doesn't have any other impacts on any other agreements he will agree to it.

Mr. Hormell made a motion for the Board to approve the easement agreement amendment request for First Quality Tissue for a 10-year lump sum payment of \$3,750 with a fee increase of 15% after 10 years; Mr. Jones seconded the motion.

Mr. Harvey asked if the \$29,000 that First Quality pays a year remains \$29,000 per year and only this single pipe that is being discussed is being moved to a 10-year agreement. Chairman Graham stated that is correct and \$3,750 will be due this year.

Motion carried.

LEGAL

Operating Agreement Consultant's Report

Mr. Dan Mazur will present the Operator's first quarter report at the June JRA Board Meeting.

Legal Issues

Attorney Schrack stated there is nothing for public session and recommended the Board recess in executive session.

Chairman Graham recessed the regular meeting at 1:30 p.m. to convene into executive session at 1:40 p.m.

Chairman Graham reconvened the regular meeting at 1:59 p.m.

Attorney Schrack stated that the JRA had an executive session with its legal counsel to discuss ongoing litigation matters. No action was taken and no action is recommended to be taken at this time for the Board's consideration.

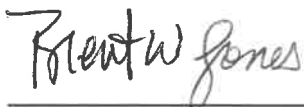
With there being no further business to come before the JRA Board, Chairman Graham adjourned the meeting at 2:00 p.m.

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 June 8, 2022.



Secretary/Assistant Secretary



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SEDA-COG JOINT RAIL AUTHORITY MEETING

Wednesday, June 8, 2022

Union County Government Center, Lewisburg, PA

12:30 p.m.

AUTHORITY MEMBERS

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
Rob Postal, Mifflin County (via teleconference)
David Schultz, Lycoming County
John Spychalski, Centre County
Matt Weigle, Columbia County (via teleconference)

JRA OPERATOR

Jeb Stotter, President & CEO (via teleconference)
Diana Williams, Treasurer/Controller

GUESTS

Mark Rosner, Carload Express
Ed Sigl, First National Bank (via teleconference)
Sam Simon, Esq., Houston Harbaugh (for Carload Express) (via teleconference)
Scott Williams, Lycoming County Planning

LEGAL COUNSEL

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

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

CALL TO ORDER

Call to Order

The Chairman called the meeting to order at 12:37 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 May 11, 2022, JRA Meeting Minutes

Dr. Spychalski made a motion for the Board to approve the May 11, 2022, JRA Meeting Minutes; Mr. Schultz seconded the motion; motion carried.

Treasurer's Report

Mr. Harvey presented the Treasurer's Report for the month of May 2022, as well as the JRA's Loan Summary, 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. Gummo made a motion for the Board to accept the Treasurer's Report for the month of May 2022 and file for audit; Ms. Hoover seconded the motion; motion carried.

Staff Report and Events Calendar

Mr. Stover stated that he received notice on Tuesday that the grant agreement for the RTAP15 time extension has been approved. The reason this is important is because the deadline for

completion of the Iron Bridge (LVRR Antlers IT Bridge 179.44) and NBER Bridge 33.84 (Curtin Bridge) has to be done by August 31. There is an opportunity until July 15th to ask for another extension if needed. A notice was received June 8th that the grant agreement for the RTAP21 which is the new bridge package for a total of \$3.5 million has been approved.

Mr. Stover stated at the suggestion of the Board Chairman, all the current JRA projects are included in the Staff Report in greater detail. These are all active projects. Mr. Stover summarized the upcoming meetings.

Operator Status Report

A copy of the Operator's Report was provided to Board members via email and copies were provided to Board members at the meeting.

OLD BUSINESS

Bridge Engineer's Report

The Bridge Engineer's Report was provided in the meeting packet. Mr. Stover gave a brief update to the Board on items included in the Bridge Engineer's Report.

Mr. Postupack stated that Mr. Shura is going to have a mandatory pre-bid meeting for the Newberry parking lot on June 23rd.

NEW BUSINESS

Grant Application for LVRR Bridge 171.30 at Larry's Creek

Mr. Stover stated that Mr. Shura is preparing an "order of magnitude" cost to build a new LVRR crossing over SR220 to Interstate standards. He stated that PennDOT District 3-0 still has an interest in the project. A call with Lycoming County Planning, which included Transportation Supervisor for Lycoming County, Scott Williams, was held June 1st to determine county interest. This is a very long-term project that needs to be balanced with current, short- and mid-term JRA financial demands.

Mr. Stover stated that based on the call with Lycoming County Planning and Mr. Williams, there seems to be a lot of support to change the scope to just raising the bridge to a clearance of 16'-1" which is the Interstate standard. This would not be a new structure but would be similar to what was submitted previously under the RAISE and BUILD applications.

Mr. Stover stated the JRA would be looking to Mr. Williams to get some of the language that Lycoming County used for the RAISE and BUILD grant.

Mr. Stover stated that the Lycoming County Commissioners may participate in some of the local share. The local match is 80/20.

Mr. Stover stated that the bridge will be repainted as part of the budget.

Mr. Postupack showed a slide of Bridge 171.30 on the LVRR Avis Branch.

Dr. Spychalski made a motion for the Board to authorize an application for this project; Mr. Harvey seconded the motion; motion carried.

Selinsgrove Wood-Mode Crossties

Mr. Stover stated as previously reported to the board, the Selinsgrove line's tie conditions decline the further west one travels. Of immediate concern is establishing a runaround track to operate the spur efficiently and safely.

A runaround exists on Wood-Mode property. Wood-Mode has agreed to allow the NSHR to use the siding under agreement. The final form of agreement and who will be the signatories needs to be determined.

At present, the existing runaround is unusable due to tie and switch timber conditions. The NSHR is prepared to provide the labor and equipment to install 291 crossties and 19 switch timbers if the JRA can purchase the materials. Total cost to the JRA would be \$18,296.

Mr. Postupack showed a slide of the Wood-Mode runaround track.

Mr. Hormell made a motion for the full Board to approve the JRA's donation of \$18,296 to purchase crossties and switch timbers to make the Wood-Mode runaround track operational; Mr. Harvey seconded the motion; motion carried.

RACP Ratification for Button Holdings Additional \$400,000 Grant

Mr. Stover stated that the initial RACP grant application that the JRA submitted on behalf of Button Holdings was for \$1.4 million. The grant award was reduced to \$1 million.

In mid-May JRA staff received word that the remaining \$400,000 has now also been approved. The Commonwealth requested the applicant either accept or reject the additional amount. Button would like the additional grant, which it will match.

A letter was sent to the Office of the Budget, which needs to be ratified by the Board.

Mr. Schultz made a motion that the full Board ratify the Executive Director's acceptance of the additional RACP grant of \$400,000 for the Button Holdings project in Point Township; Mr. Jones seconded the motion, motion carried.

PROPERTY MANAGEMENT COMMITTEE

Committee Chairman Jenkins reported on the work of the Property Management Committee which met at 11:00 a.m. Items discussed at the PMC meeting will not be rehashed at the same level of detail as the committee discussion. If additional information is needed, diagrams and other details can be found in the PMC meeting packet. Recommendations from the PMC will be made to the full Board for approval. Members are afforded an opportunity to ask questions and discuss before considering approval of such recommendations.

Bridgewell Resources LLC Amendment to Lease (Newberry Yard)

Committee Chair Jenkins stated that Bridgewell Resources contacted JRA staff about amending their current lease to include the center section of the pole yard in the Newberry Yard which is 1.65 acres of additional space. Bridgewell will be assessed an annual rent of \$5,000 for the additional space via an amendment to the original agreement. For the initial agreement, they are paying \$6,400, so they will be paying a total of \$11,400 annually and will be subject to CPI increases per the JRA's Fee Schedule.

Mr. Hormell made a motion for the Board to approve the amendment to the lease agreement for Bridgewell Resources LLC; Ms. Hoover seconded the motion; motion carried.

Crown Castle Fiber LLC License Agreement (NBER – Bellefonte)

Committee Chairman Jenkins stated that Crown Castle Fiber LLC contacted staff about constructing an overhead fiber cable within the public right-of-way at the Willowbank Street grade crossing in Bellefonte. The vertical clearance of the facility will be no less than 30.6' from top of rail with sag. An engineering review fee of \$500 will be assessed per the JRA Fee Schedule.

Mr. Jenkins made a motion for the Board to approve this license agreement with Crown Castle Fiber LLC; Mr. Hormell seconded the motion; motion carried.

SEDA-COG JRA Temporary Easement and Quitclaim Land Sale with Spring Township (NBER – Spring Township)

Mr. Postupack stated that Spring Township is rehabilitating township bridge T-942 over Buffalo Run in Lower Coleville Road. The township is requesting a temporary construction easement for 0.017-acres of the JRA's right-of-way to complete work along the stream bank. The township will pay the JRA \$200 for the temporary easement. Additionally, the township is

requesting the JRA quitclaim 0.008-acres of the land for \$300 that will be added to the Lower Coleville Road right-of-way. The JRA will be compensated a total of \$500.

Mr. Jenkins made a motion for the Board to approve the temporary easement agreement for 0.017-acres with Spring Township; Dr. Spychalski seconded the motion; motion carried.

Mr. Jenkins made a motion for the Board to approve the quitclaim 0.008 acres of land to Spring Township; Dr. Spychalski seconded the motion; motion carried.

Committee Chairman Jenkins stated that members of the PMC held brief discussion regarding the JRA Fee Schedule rent increases. The committee will review the revised JRA Fee Schedule and make a final presentation at the September Board meeting for approval. The increases will be for new leases, not for current leases.

Chairman Graham stated that discussion was also held regarding the CPI increase. Mr. Postupack stated the two proposed changes are doing an increase of 10% across the board for the Fee Schedule and adjust the CPI increase to include "All items" rather than the currently used index "All items less food and energy." Mr. Postupack stated the Fee Schedule has not been revised since 2019.

PASSENGER EXCURSIONS COMMITTEE

Committee Chairman Spychalski reported that the Passenger Excursions Committee held a meeting at 10:00 a.m. Committee Chairman Spychalski stated that the principal task for this committee was to review the conditions and to try to identify possible actions for excursion service on the LVRR and NBER in 2022, specifically conditions relating to the movement of the passenger equipment required for those excursions between the Northumberland Yard and the various points involved in the Williamsport and Bellefonte areas. Committee Chairman Spychalski stated this remains a work in progress. There is no action item to report or request at this time.

LEGAL

Legal Issues

Attorney Schrack stated there is one item in public session that requires consideration by the Board.

Monroe Township MOU – River Road Grade Crossing (Selinsgrove)

Mr. Stover stated this item is related to the Selinsgrove Industrial Track and is the River Road Grade Crossing which is on the Power Plant Lead that goes from the Y at Selinsgrove north to the former Sunbury Generation Plant. This grade crossing is in poor condition and because of

its condition, Monroe Township had applied to the PUC to abolish the crossing. JRA staff met with members of the township and the PUC at the site, and they are comfortable if the crossing is rehabilitated to withdraw their application with the PUC. A Memorandum of Understanding was prepared by Attorney Schrack and is being reviewed by the township solicitor. The MOU calls for the JRA (with NSHR) to remove the deteriorated crossing timbers and some of the asphalt 15 feet each way from centerline of track. The Township will pave the crossing as part of a wider project.

This item will be tabled and discussed at the August JRA Board meeting for potential action.

Operating Agreement Consultant's Report

Mr. Dan Mazur presented the Operator's first quarter 2022 results via PowerPoint.

1 Q 2022 Transportation Expense Ratio

- Target: About 43%
- Results for 1Q 2022
 - Higher than Target
 - Higher than 1Q 2021
 - Higher than 1Q 2022 Budget
- Total transportation expenses slightly lower than budget, but lower than expected revenue resulted in a higher ratio.

1Q 2022 Maintenance of Way Ratio

- Target: About 21%
- Results for 1Q 2022
 - Higher than Target
 - Higher than 1Q 2021
 - Higher than 1Q Budget
- Total maintenance of way expenses higher than budget due to early start of maintenance of way work with an earlier than budgeted purchase of ties.
- Lower than expected revenue resulted in a higher ratio.

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

Chairman Graham recessed the regular meeting at 1:23 p.m. to convene into executive session at 1:30 p.m.

Chairman Graham reconvened the regular meeting at 1:59 p.m.

SEDA-COG Joint Rail Authority Meeting

June 8, 2022

Page: 8

Attorney Schrack stated that the JRA Board had recessed into executive session where the Board's consultant, Dan Mazur, continued the confidential portion of his operator's report. After that occurred, Mr. Mazur and the operator's representatives left and the JRA Board had

privileged and confidential discussion with its legal counsel regarding the RFP litigation and personnel matters. 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 Graham adjourned the meeting at 2:00 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 August 10, 2022.



Secretary/Assistant Secretary



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SEDA-COG JOINT RAIL AUTHORITY MEETING

Wednesday, August 10, 2022

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
Lisa Hoover, Northumberland County
Bob Hormell, Northumberland County
Rick Jenkins, Columbia County (via teleconference)
Brent Jones, Clinton County
Michael Krentzman, Mifflin County
David Schultz, Lycoming County
John Spsychalski, Centre County
Jennifer Wakeman, Montour County
Matt Weigle, Columbia County (via teleconference)
Eric Winslow, Union County (via teleconference)

JRA OPERATOR

Jeb Stotter, President & CEO (via teleconference)
Diana Williams, Treasurer/Controller

GUESTS

Mark Rosner, Carload Express
Sam Simon, Esq., Houston Harbaugh (for Carload Express) (via teleconference)
Tina Welch, Welch Performance Consulting

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 (via teleconference)

JRA STAFF

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

OTHER SEDA-COG STAFF

Kim Wheeler, Executive Director

CALL TO ORDER

Call to Order

The Chairman called the meeting to order at 12:39 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.

Introduction of board members, staff and guests present.

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 June 8, 2022, JRA Meeting Minutes

Dr. Spychalski made a motion for the Board to approve the June 8, 2022, JRA Meeting Minutes; Mr. Dombroski seconded the motion; motion carried.

Treasurer's Report

Mr. Harvey presented the Treasurer's Report for the month of June 2022, as well as the JRA's Loan Summary, 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. Gummo made a motion for the Board to accept the Treasurer's Report for the month of June 2022 and file for audit; Ms. Wakeman seconded the motion; motion carried.

Mr. Harvey presented the Treasurer's Report for the month of July 2022, as well as the JRA's Loan Summary, 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 July 2022 and file for audit; Mr. Schultz seconded the motion.

Chairman Graham commented that the car storage amount is down dramatically and asked if the operator would comment on this.

Ms. Williams replied that the cars are going back out from storage which is the reason for the fluctuation in storage revenue. Mr. Stotter shared that while this trend led to lower storage revenues, it was a positive economic reflection, as the previously stored railcars were largely going back into revenue service, and not being scrapped.

Ms. Wakeman asked if all the bills are paid out of the JRA's Jersey Shore State Bank checking account. Mr. Stover stated the JRA has two checking accounts and most bills come out of the account with First National Bank. Mr. Stover also stated that it is difficult to get PennDOT to move any grant monies to the First National Bank instead of the Jersey Shore State Bank and that is the reason the JRA has maintained an account with Jersey Shore State Bank in order to receive the PennDOT money. Mr. Stover stated that the auditors from Baker & Tilly will be at the September JRA Board meeting to present the audit.

Motion carried.

Staff Report and Events Calendar

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

Mr. Postupack shared a before and after slide of the JVRR West Park Track RFAP project.

Mr. Postupack also shared a slide from the National Night Out held at the Bloomsburg Fairgrounds which showed signatures from kids promising to stay off the railroad tracks.

Operator Status Report

A copy of the Operator's Report was provided to Board members via email and copies were provided to Board members at the meeting.

Mr. Stotter reported on the following:

- The Button Oil Project on the North Shore Line continues and traffic for that facility is expected in late September/early October.

- Traffic on the Selinsgrove Branch has been decent and have been servicing that branch 2-3 days per week primarily with Kreamer Feeds. The operator is working on getting 2 other customers on that line. The runaround at Wood-Mode is complete.
- Work on the Union County crossing will be done after the Labor Day holiday.

Mr. Harvey asked Mr. Stotter about the service of Norfolk Southern. Mr. Stotter stated that a lot of the customers have seen Norfolk Southern's lead times change from 7 days to 21 days and there has been a bunching of cars on line. Several customers have way more cars on line than usual which slows down operation and poses some concerns. Mr. Stotter stated this is being addressed with customers.

OLD BUSINESS

Bridge Engineer's Report

The Bridge Engineer's Report was provided in the meeting packet. Mr. Shura provided updates from his Bridge Engineer's Report.

NEW BUSINESS

Grant Application for LVRR Bridge 171.30 at Larry's Creek over SR220

Mr. Stover stated that the Board has previously discussed the LVRR Bridge 179.44 over SR220 just east of Jersey Shore and the Linden area of Lycoming County. Its vertical clearance is posted at 13 feet-10 inches (actual is 14 feet-1 inch).

The Federal Railroad Administration (FRA) has a grant program open that is a possible funding source.

Mr. Shura's latest estimate to raise the bridge to the Interstate standard of 16 feet-6 inches is \$1,290,000. With an 80/20 cost share, the JRA's share in the cost would be about \$260,000.

The bridge has been regularly inspected and requires no remedial work other than raising it. There is no entity that is seeking to have the JRA raise the bridge. If a limited access I-99 is eventually built in the Jersey Shore to Linden corridor, any rail infrastructure modifications would be paid for by the highway interests, not the JRA or its operator.

Mr. Postupack shared a slide of Bridge 171.30 on the LVRR, Avis Branch.

Mr. Stover stated his recommendation is that the Board not to pursue funding to raise LVRR Bridge 179.44 at this time. No action needed.

RACP Ratifications for Button Holdings for NSHR Propane Terminal

Mr. Stover stated that Button Holdings is the entity that the JRA is working with relative to the RACP grant of \$1.4 million. The original grant was \$1 million and was then increased to \$1.4 million, which was the original request. Work is proceeding on this project, but Penn Strategies, who is the consultant for Button on this project, have asked the Authority to pass two documents and a letter, in order to keep this project moving. Penn Strategies is working on the full application.

Ms. Wakeman made a motion for the Board to authorize the submission of the RACP application for the Button Holdings project; Mr. Winslow seconded the motion.

Mr. Harvey asked if the role of the JRA is just the applicant and not project manager. Mr. Stover replied that the JRA is the conduit of the funding.

Motion carried.

Mr. Hormell made a motion for the Board to create a Cooperation Agreement between the JRA and Button Holdings to administer the RACP grant application; Mr. Harvey seconded the motion; motion carried.

Ms. Wakeman clarified that the above motion is not for grant administration. The Cooperation Agreement just identifies who is in charge of what. The JRA is the grantee and is not administering the grant; that is the job of Penn Strategies. Penn Strategies is the administrator, the JRA is the grantee and Button Holdings is the beneficiary. The JRA is just the applicant/grantee.

Chairman Graham asked for a third motion for the Board to authorize Jeff Stover, the executive director, to sign a letter to the PA Office of the Budget acknowledging compliance with applicable Commonwealth requirements.

Ms. Wakeman asked why the JRA is signing the letter. Mr. Stover replied that this letter is regarding a statement of compliance with RACP requirements, per Steven Heuer, Office of the Budget Bureau Director. Ms. Wakeman stated that Button Holdings should be signing the letter. The JRA is not complying with the RACP requirements; it is the actual organization that is getting the money and that is Button Holdings that has to comply.

Mr. Hormell questioned if the JRA is the official applicant, whether the JRA is required to represent, as the applicant, that the JRA is complying with the RACP requirements. Ms. Wakeman replied that it is totally different.

Mr. Hormell asked why the JRA is the applicant. Ms. Wakeman stated that the JRA is the applicant because the state will not write a check to a private company.

Mr. Hormell asked if the JRA has any responsibility as the applicant. Ms. Wakeman stated that the JRA does, but the compliance letter has to come from the sub-grantee or the beneficiary or company; it typically does not come from the grantee.

Mr. Stover stated that the letter states that the SEDA-COG Joint Rail Authority (SEDA-COG JRA), in connection with the Button Propane Transload project in Northumberland County, understands, and intends to comply with, all PA Redevelopment Assistance Capital Program (RACP) requirements. SEDA-COG JRA acknowledges that failure to comply with the RACP program requirements may adversely affect grant reimbursements.

SEDA-COG JRA is aware of, and agrees to abide by, the following specific program requirements:

1. *Competitive Bidding Requirements*
2. *Steel Products Procurement Act*
3. *Trade Practices Act*
4. *Public Works Contractors' Bond Law (Performance Bond & Payment Bond)*
5. *Pennsylvania Prevailing Wage Act*
6. *Americans with Disabilities Act*
7. *Fidelity Bonds*
8. *Insurance*
 - a. *Worker's Compensation Insurance*
 - b. *Comprehensive General Liability and Property Damage Insurance*
 - c. *Flood Insurance (if applicable)*
9. *Article 8*

Ms. Wakeman stated that it is not the job of the JRA as grantee to make sure that the Button Holdings is following the rules; it is the job of the organization receiving the grant funds to follow the rules.

Chairman Graham agreed and stated that the JRA does not have any control on what Button Holdings does.

Mr. Hormell stated that maybe action on this should not be taken by the board and just let the executive director take care of any administrative items. Mr. Hormell asked why this would have legal standing based on an act of the JRA.

Mr., Stover recommended that the following motion be amended to say "if required" the executive director can sign the letter.

Ms. Wakeman made a motion for the Board to authorize Jeff Stover, the Executive Director to sign the letter to the PA Office of the Budget if applicable, pending final review; Mr. Harvey seconded the motion; motion carried.

NEW BUSINESS

NBER Struble Road Section 130 Agreement Ratification

Mr. Postupack stated that the JRA has been working with PennDOT on a Section 130 project to upgrade the signals and add gates at the Struble Road grade crossing on the NBER Corning Branch in College Township, Centre County.

The upgrades to the signal devices and the addition of gates will help to protect both the public and the train crew during a "shove move" to serve the customers on the branch: Centre Concrete and Lezzer Lumber.

The project total cost is \$660,777 and is fully funded through the Section 130 program.

The agreement has been reviewed by JRA staff and executed by the JRA officers to keep the project on schedule.

Mr. Postupack shared an aerial slide of the Struble Road Grade Crossing Update Section 130 project on the NBER – Corning Branch, College Township, Centre County and a slide of the Struble Road Grade Crossing.

Dr. Spychalski made a motion for the Board to ratify the Railroad Safety Program (Section 130) for the Struble Road grade crossing on the NBER Corning Branch; Mr. Jones seconded the motion; motion carried.

RFAP Application Submission for NBER Bellefonte Yard Upgrades

Mr. Stover stated that PennDOT opened the window for RFAP and RTAP applications on August 8 and it will close on September 2.

The JRA submitted a RFAP for major upgrades to the entrances to the Bellefonte "Sunnyside" Yard. The application also included a new turnout on the NBER Main for Hilex with a total cost of \$694,000, but that does not include some additional work on the Wye in Bellefonte.

This is one of the highest track priorities noted by Zac Mahaffey, maintenance of way director for the operator.

Mr. Stover stated that Paul Jannotti prepared a revised 2023 estimate which will also include work on the West Wye turnout that was not in the 2022 application. Mr. Stover stated that the revised project which is being proposed for RFAP funding is a maximum grant of \$700,000. The Authority just received the new numbers. The new updated project cost is \$1,161,870 and the local share would be \$384,561 and is being proposed as a 50/50 local share so the local share

would be approximately \$175,000 if this project gets funded. Mr. Stover stated the question presented is whether the Board wants to submit this RFAP application. Mr. Stover stated that there is a significant amount of work needed to correct the yard and this is because the JRA is stuck with the way it was designed for the Pennsylvania Railroad and Conrail, which is not right. Mr. Stover stated that this would be a major project and noted that it is the operator's highest priority.

Mr. Postupack shared an aerial slide of the Capital Track & Turnout Improvements on the NBER showing Hilex Poly and the Bellefonte Rail Yard. An aerial slide was also shown of the Bellefonte Yard – South End, Bellefonte Yard - North End, and Hilex Turnout Upgrade.

Because the grant maxes out at \$700,000.00, it was discussed that the local share split would actually be higher. Mr. Stover stated that when these grants exceed \$1,000,000.00, prevailing wages would apply, but additional grant funds are unavailable above the \$700,000.00 limit. Mr. Stover stated that if the project could be pursued as an RTAP grant, then the grant could fund up to 70% of the project, without being limited to the \$700,000.00 cap.

Mr. Stover said staff would explore whether it would be possible to move this forward as an RTAP. Both types of grant applications are September 2nd. Mr. Stover said one possibility is to adjust the scope of the project to eliminate some portions of the presently anticipated upgrades. Mr. Stover suggested a motion to approve as either an RFAP or an RTAP or to limit the scope to keep the total project cost under \$1,000,000.00. Ms. Wakeman requested that staff bring back what they learn to the Board in September.

Dr. Spychalski made a motion for the board to authorize a RFAP or RTAP application pending staff analysis of the project for the Bellefonte Yard upgrade; Mr. Schultz seconded the motion; motion carried.

REPORTS FROM COMMITTEES

PROPERTY MANAGEMENT COMMITTEE

Committee Chairman Jenkins reported on the work of the Property Management Committee which met at 11:00 a.m. Items discussed at the PMC meeting will not be covered at the same level of detail as the committee discussion. If additional information is needed, diagrams and other details can be found in the PMC meeting packet. Recommendations from the PMC will be made to the full Board for approval. Members are afforded an opportunity to ask questions and discuss before considering approval of such recommendations.

LVRP Parking Lot Paving Bid Approval

Mr. Jenkins stated that the LVRP parking project included variable depth pavement removal and furnishing and placing new pavement, as specified on the plan. Alternate 1 includes the

addition of geotextile underlayment for an additional \$4,136.00 and is recommended by the JRA Engineer, Jason Shura.

Two bids were received on Wednesday, August 3, 2022"

Schlegel Excavating: \$84,342.00

Glenn O. Hawbaker: \$109,780.00

Mr. Jenkins made a motion for the board to approve the bid of \$80,342.00 from Schlegel Excavating for the LVRR Parking Lot Paving project; Mr. Winslow seconded the motion; motion carried.

JVRR Engine House Lighting Upgrade

Mr. Postupack stated that JVRR general manager Eric Lynn contacted JRA staff about a discount program through Penelec to upgrade the current 400-watt metal halide fixtures to 170-Maxlite linear high bay LED fixtures. All ten fixtures in the engine house will be replaced. The total project cost to remove and recycle the old lights and replace them with LEDs is \$4,185. Penelec offers an \$800 rebate which will reduce the price to \$3,385.

Mr. Postupack stated he has a meeting with a local contractor to get a cost quote from him. The PMC discussed moving forward with this project but will wait to get the price from the local contractor and as long as that price does not exceed \$3,385 will go with the local contractor.

Mr. Winslow made a motion for the board to approve moving forward with the project of the JVRR Engine House lighting upgrade with a cost not to exceed \$3,385 for the project; Mr. Jones seconded the motion; motion carried.

ZITO Media Communications, LLC License Agreement (NBER – College Township)

Mr. Postupack stated that Zito Media Communications, LLC contacted staff about constructing an overhead fiber cable across the NBER – Corning Branch in College Township. The vertical clearance of the facility will be no less than 31' from top of rail with sag.

Zito will be assessed an annual fee of \$860 and subject to CPI increases in addition to an \$800 application fee. All plans have been revised and approved.

Mr. Jones made a motion for the board to approve the license agreement with Zito Media Communications, LLC; Ms. Wakeman seconded the motion; motion carried.

Comcast Cable Communications Management, LLC License Agreement (LVRR – Fairfield Township)

Mr. Postupack stated that Comcast Cable Communication Management, LLC contacted staff about constructing an overhead fiber cable across the LVRR in Fairfield Township. The vertical clearance of the facility will be no less than 23' – 9" from top of rail with sag.

Comcast will be assessed an annual fee of \$860 and subject to CPI increases in addition to an \$800 application fee. All plans have been reviewed and approved.

Mr. Jones made a motion for the board to approve the license agreement with Comcast Cable Communications Management, LLC; Mr. Dombroski seconded the motion; motion carried.

Comcast Cable Communications Management, LLC1 (Newberry Yard)

Mr. Postupack stated that Comcast Cable Communication Management, LLC contacted staff about constructing an overhead fiber cable across the LVRR along Trenton Avenue in Newberry. The vertical clearance of the facility will be no less than 26' – 6" from top of rail with sag.

Comcast will be assessed an annual fee of \$860 and subject to CPI increases in addition to an \$800 application fee. All plans have been reviewed and approved.

Mr. Jones made a motion for the board to approve the license agreement with Comcast Cable Communications Management, LLC1; Mr. Harvey seconded the motion; motion carried.

Comcast Cable Communications Management, LLC2 (Newberry Yard)

Mr. Postupack stated that Comcast Cable Communication Management, LLC contacted staff about constructing an overhead fiber cable across the LVRR in Fairfield Township. The vertical clearance of the facility will be no less than 28' – 7" from top of rail with sag.

Comcast will be assessed an annual fee of \$860 and subject to CPI increases in addition to an \$800 application fee. All plans have been reviewed and approved.

Mr. Jones made a motion for the board to approve the license agreement with Comcast Cable Communications Management, LLC; Ms. Wakeman seconded the motion; motion carried.

PASSENGER EXCURSIONS COMMITTEE

Committee Chairman Spychalski stated that the Passenger Excursions Committee held a meeting at 10:00 a.m. and the most important subject matter discussed at the meeting was the question of whether or not the conditions affecting the deadhead movement of passenger excursions equipment between the Northumberland Yard and Williamsport and Lock Haven and Williamsport and the LVRR piece of track to Lock Haven and the east end of the NBER. The challenge was to find a way that would be affordable and acceptable from a service quality standpoint to move deadhead the passenger equipment that traditionally has been used on excursions trips out of both Williamsport and Bellefonte. Unfortunately, an affordable solution to that particular movement requirement was not able to be achieved. This means that there will not be passenger excursions this year based out of either Bellefonte or Williamsport.

Committee Chairman Spychalski stated that the existing passenger excursions timetable that was approved by the board at a previous meeting has some schedule times for excursions at two different locations and they are being adjusted as an administrative matter. The trip for fall foliage from Bloomsburg, which was originally scheduled for September, has been moved back to mid-October. That gives the sponsor a little more time between that date and the excursions that are to be operated out of Danville on September 10th. The sponsors of the Bloomsburg trips felt that they would be in a better position to promote ridership if it were scheduled at some point in October.

Committee Chairman Spychalski stated that in November and December historically the Christmas themed excursion trips out of Sunbury for Fort Discovery Playground as the sponsor were performed on a Friday and a Sunday to free up the Saturday for the annual Christmas party for the employees of the JRA's freight operator. However, given the circumstances this year with regard to service not being in existence north of Northumberland, the service dates for Fort Discovery Playground have been moved to Saturday, December 10 and Sunday, December 11. This will give that sponsor group an opportunity to sell a greater number of tickets.

Committee Chairman Spychalski stated that the board packet contains a report on the results of the two excursions that have already been operated. One is for the Northumberland County Council for the Arts out of Shamokin on May 28th for which there was 521 riders on two trips. The other excursion was on July 9th for the Sunbury Semi-quincentennial Committee, for which four trips were operated and the total number of tickets sold was 1,286. The passenger revenue for both trips totaled \$18,070.00.

LEGAL

Legal Issues

MOU with Monroe Township, Snyder County

Mr. Stover stated that in regard to the River Road grade crossing of the Selinsgrove's Power Plant Lead, an MOU was prepared by the JRA Solicitor. Mr. Stover stated that is a grade crossing, which Monroe Township had sought PUC approval to abolish.

The MOU calls for Monroe Township to repave the roadway and through the grade crossing provided by the JRA and its operator to remove the existing deteriorated crossing timbers and remove bituminous materials 15 feet from center in both east and west directions.

The operator and JRA will monitor the Township work within the crossing limits.

The Township solicitor has reported the Monroe Township Supervisors have approved the MOU.

Mr. Stover stated that there is a pre-bid meeting scheduled on August 11, 2022.

Mr. Postupack shared a slide of the River Road grade crossing as well as an aerial slide of the Selinsgrove Industrial Track, a total of 9 miles of railroad track in Snyder County, which showed the River Road grade crossing.

Dr. Spychalski made a motion for the board to approve the Memorandum of Understanding with Monroe Township, Snyder County relative to the improvements to the River Road grade crossing on the Power Plant Lead; Ms. Hoover seconded the motion; motion carried.

Operating Agreement Consultant's Report

Mr. Dan Mazur presented the public portion of the Operator's second quarter 2022 results via PowerPoint.

2 Q 2022 Transportation Expense Ratio

- Target: About 43%
- Results for 2 Q 2022
 - Lower than Target
 - Lower than 2 Q 2021
 - Lower than 2 Q 2022 Budget

2 Q 2022 Maintenance of Way Ratio

- Target: About 21%
- Results for 2 Q 2022
 - Lower than Target
 - Significantly lower than 2 Q 2021
 - Significantly lower than 2 Q Budget

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

Chairman Graham recessed the regular meeting at 2:07 p.m. to convene into executive session at 2:20 p.m. Chairman Graham stated that there will be action to take when the public meeting is reconvened.

Chairman Graham reconvened the regular meeting at 3:36 p.m.

Attorney Schrack stated that the JRA Board held an executive session to discuss a few topics: the first involved a personnel matter, in particular succession planning for the JRA's Executive Director. Tina Welch of Welch Performance Consulting, LLC was present for that portion of the executive session.

Attorney Schrack also noted that the JRA board held an executive session on June 29th in which Ms. Welch was also present, in order to discuss the succession planning. Ms. Welch submitted a proposal to the JRA for the engagement of Welch Performance Consulting to provide professional services to assist the Authority with the succession planning process.

Attorney Schrack stated that in public session, a motion is needed for the Board to approve Welch Performance Consulting's proposal. Her fee in the proposal is \$135 per hour and will bill on an hourly basis and she will be assisting the JRA by providing professional guidance in the succession process, including assistance with the preparation of a job description for the position.

Mr. Harvey made a motion for the board to approve the Welch Performance Consulting, LLC proposal at a fee of \$135 per hour for succession planning professional services relative to seeking a successor JRA Executive Director; Dr. Spychalski seconded the motion.

Mr. Stover stated the reason for the proposal is because he is retiring at the end of December 2022.

Attorney Schrack stated that Ms. Welch then left the executive session and Mr. Mazur and the operator's representatives then entered, at which point Mr. Mazur resumed his report by

addressing the confidential and proprietary portions in executive session. No action was required for that matter.

Attorney Schrack stated that the operator and Mr. Mazur then left the executive session and the JRA board and staff along with the JRA bridge engineer, Jason Shura, held discussion about the Lycoming Supply Easement at LVRR 179.44 "Iron Bridge" renovation project, which involves a potential property acquisition. The recommended motion for consideration is to seek a motion to authorize JRA staff, its solicitor and engineer to negotiate an agreement with adjacent property owners, the Williams', in order to acquire the property interest necessary for the "Iron Bridge" project.

Mr. Jones made a motion for the board to authorize JRA staff, its solicitor, and engineer to negotiate an agreement with adjacent property owners, the Williams', to acquire the property necessary for the "Iron Bridge" project; Mr. Dombroski seconded the motion; motion carried.

Attorney Schrack stated that the JRA board and staff then held discussion with the JRA solicitor concerning the outstanding litigation commenced by Deluxe Realty and Jacob Frydman against the JRA and others in Columbia County and also discussion regarding certain updates in the RFP litigation. There is one action item for consideration by the Board, which is the execution of a Joint Defense and Tolling Agreement between and among the defendants to that lawsuit.

Mr. Krentzman made a motion for the board to approve a proposed Tolling and Joint Defense Agreement with the other defendants in litigation and authorize the Chair to execute the agreement; Ms. Wakeman seconded the motion; motion carried.

Attorney Schrack made a modification to the above motion and stated that legal counsel would execute the agreement, not the Chair.

Mr. Krentzman made a motion for the board to approve a proposed Tolling and Joint Defense Agreement with the other defendants in litigation and authorize legal counsel to execute the agreement; Ms. Wakeman seconded the motion; motion carried.

With there being no further business to come before the JRA Board, Chairman Graham adjourned the meeting at 3:44 p.m.

Respectfully submitted,



Jeffery K. Stover, Executive Director

SEDA-COG Joint Rail Authority Meeting

August 10, 2022

Page: 15

I hereby certify these minutes were approved by the SEDA-COG Joint Rail Authority Board of Directors on September 14, 2022.



Secretary/Assistant Secretary



PRESERVING
RAIL FREIGHT
SERVICE

Affiliated with
SEDA Council of Governments

SEDA-COG JOINT RAIL AUTHORITY MEETING
Wednesday, September 14, 2022
Durrwachter Alumni Conference Center (Lytle Board Room)
10 Susquehanna Avenue, Lock Haven, PA
2:30 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
Brent Jones, Clinton County
David Schultz, Lycoming County
John Showers, Union 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 (via teleconference)
Diana Williams, Treasurer/Controller (via teleconference)

GUESTS

John Ashbridge, Carload Express
Rick Maloyed, Snyder County
Dave Park, Snyder County
Mark Rosner, Carload Express (via teleconference)
Sam Simon, Esq., Houston Harbaugh (for Carload Express) (via teleconference)

LEGAL COUNSEL

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

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 2:30 p.m.

Introduction of staff and guests present.

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 August 10, 2022, JRA Meeting Minutes

Mr. Hormell made a motion for the Board to approve the August 10, 2022, JRA Meeting Minutes; Mr. Dombroski seconded the motion; motion carried.

Treasurer’s Report

Mr. Harvey presented the Treasurer’s Report for the month of August 2022, as well as the JRA’s Loan Summary, 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. Gummo made a motion for the Board to accept the Treasurer's Report for the month of August 2022, 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 provided a handout of the 2023 funded projects that included the following:

- Milesburg Road and Railroad Bridges
- RTAP21 – Nine Bridges
- RTAP22 – NBER Bellefonte Yard Track Improvements and Hilex Switch Replacement (if funded)
- 2022 Budget Highlights

Mr. Postupack showed the following photo slides:

- JVRR West Park Final Walk-Through taken August 31, 2022
- JVRR Bridge 0.46 Bridge Re-decking, Lewistown
- Progress at Button Oil & Propane (Point Township – NSHR) – Mr. Stotter stated that there is currently a car online there.

Operator Status Report

A copy of the Operator's Report was provided to Board members via email.

OLD BUSINESS

Bridge Engineer's Report

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

- Most of the work in the last month has focused on the 2015 RTAP projects
- NBER Bridge 33.84 (Curtin Bridge) Rehabilitation (RTAP Project) is complete, and the contractor has mobilized equipment off-site. Tentatively scheduling the walk through the week of September 19th.
- G.O. Hawbaker continues to make progress on the LVRR Antlers IT Bridge 179.44 (Iron Bridge) Rehabilitation Project. All concrete placement is complete, and they are preparing for demolition and precast installation. The project should be done the end of September/early October.
- 2022 bridge inspection continue. NBER, LVRR, and JVRR inspections are complete and the field work on the NSHR was completed. SVRR and SIT will be completed in late September.

- Working with K. Postupack and Niagara to evaluate frequency of water line breaks and identify potential solutions.

PennDOT Multimodal Transportation Fund (MTF) Reimbursement Agreement Approval and Resolution for Milesburg Bridges

Mr. Stover stated that the replacement of the railroad and roadway bridges on the NBER Main Milesburg received a combination of two Multimodal Transportation Fund (MTF) grants. One is from the Commonwealth Financing Authority (CFA) and the other from PennDOT.

The breakdown is as follows:

Source	Amount
PennDOT MTF	\$894,000
CFA MTF	\$250,000
Milesburg Borough	\$100,000
Centre County \$5 Fee Fund	\$45,000
Nittany & Bald Eagle Railroad	\$100,000
SEDA JRA	\$110,000
TOTAL	\$1,499,000

Mr. Stover stated that with two state grants, staff is working with two state offices: CFA in Harrisburg and PennDOT District 2-0 in Clearfield. The CFA grant agreement is already executed, but the JRA needs to execute a PennDOT Reimbursement Agreement and accompanying resolution. In addition, PennDOT requires a Memorandum of Understanding (MOU) between the JRA and Milesburg Borough to cover each partner's maintenance responsibilities, and to memorialize the Borough's local share. Mr. Stover stated that the JRA does have a commitment letter from Milesburg Borough. Attorney Schrack is preparing the MOU.

Mr. Stover read the following resolution:

"Be it resolved, by authority of the Board of the SEDA-COG Joint Rail Authority, Union County, and it is hereby resolved by authority of the same, that the Executive Director of said Authority be authorized to execute a Multimodal Transportation Grant Reimbursement Agreement for the Milesburg road and rail bridge project with the Commonwealth of Pennsylvania acting through the Department of Transportation. The JRA Secretary (or Assistant) be authorized and directed to attest the same".

Mr. Harvey made a motion for the Board to approve the resolution authorizing execution by the JRA officers for the PennDOT Reimbursement Agreement; Mr. Showers seconded the motion; motion carried.

MOU with Milesburg Borough – MTF Project for Milesburg Bridges

Mr. Stover stated that Solicitor Schrack is preparing an MOU with the Borough of Milesburg covering maintenance of the new bridge and the borough's local share contribution. Mr. Stover stated this MOU is memorializing the contribution by Milesburg Borough of \$100,000 and if there are any increase costs on the road portion, the JRA would negotiate with the Borough of Milesburg relative to such increase. Mr. Stover stated the MOU is not ready for approval by the Board at this time.

Attorney Schrack stated that the MOU is consistent with what has been done with MOUs in the past and lays out the respective contributions. It is ready to be sent to the Milesburg Borough and the Borough's solicitor for review and will be ready for action at the October Board Meeting.

No action was taken on this item at this time; it will be discussed at the October Board Meeting for action by the Board.

Ms. Wakeman asked if the PennDOT portion for one part of the project and then the CFA a different portion of the project. Mr. Stover state that the total cost of the project was just broken up between the two agencies.

JRA RTAP Application for NBER Bellefonte Yard & Hilex Switch

Mr. Stover stated that on September 2nd, the JRA submitted a Rail Transportation Assistance Program (RTAP) application to PennDOT Bureau of Rail Freight. The project is major track reconstruction in the NBER Bellefonte Yard and a Hilex switch replacement on the NBER Main. The total cost is \$1,162,370.

This proposed track work has been identified by the Director of Maintenance of Way, Zac Mahaffey as the highest priority on the JRA system.

Mr. Stover stated that the local share is \$348,711 and the NBER has agreed to splitting the local share 50/50 which results in a local share for each partner to be just shy of \$175,000. The engineering costs are not included in the RTAP grant application budget, per PennDOT recommendation. The Jannotti engineering and inspection is estimated to be \$25,000 which the NBER has also agreed to split 50/50.

Mr. Postupack showed an aerial photo of the Capital Track and Turnout Improvements on the NBER for the RFAP 2021 project, which showed the Hilex Poly and the Bellefonte Rail Yard. Another photo was shown of the Bellefonte Yard South End and Bellefonte Yard North End and the Hilex Turnout Upgrade.

Dr. Spychalski made a motion for the Board to ratify the JRA's application to PennDOT for an RTAP project on the NBER in the amount of \$1,162,370 and to cost share 50% of the required local share with the NBER; Mr. Harvey seconded the motion; motion carried.

NEW BUSINESS

Consideration of 2022-2023 Staff Services Budget

Mr. Stover stated that a year ago the Board entered into a three-year agreement with SEDA-COG to provide staff services. The process calls for an annual budget review. A copy of the 2022-2023 Staff Services Budget was provided to Board members via email and copies were available at the meeting.

Mr. Stover stated that an email was sent out prior to the meeting by Mr. Bo Hornberger, Fiscal Director for SEDA-COG, explaining how some of the numbers on the budget proposal came about. Mr. Stover stated that a couple of highlights include that the travel percentage has fallen from \$17,813 in 2021-2022 to \$3,378 for 2022-2023. There had been discussion earlier this year with Ms. Kim Wheeler and Mr. Hornberger, seeking to have the travel budget reduced to something more realistic because all the SEDA-COG Authority was paying for is gas. There has been some other changes and these changes have resulted in the proposed budget being only 1.29% higher than last year and some of this is because the Executive Director of the JRA is only here at SEDA-COG until the end of 2022 with an overlap of the incoming Executive Director at likely a lower salary.

Mr. Stover stated that how the allocation is done by SEDA-COG was presented in the email from Mr. Hornberger.

Ms. Wakeman commented that a change to how the budget proposal is done may be moot at this point. She stated that the items reflected in the budget were discussed at length last year at this time. Ms. Wakeman stated that she has difficulty believing that \$10,000 is spent on phone bills each year, along with what is spent on equipment/furniture and IT. Ms. Wakeman further stated there are fewer employees for the JRA than in her office. She questioned whether the Authority should be paying another organization \$100,000 for "stuff and fluff" and when you take the total amount proposed for 2022-2023 and subtract out personnel and fringe expenses, that leaves \$100,000; this is a lot of money. Ms. Wakeman stated that she found the administrative support description in the document that was sent in Mr. Hornberger's email to be lacking. Ms. Wakeman stated that she cannot support this budget proposal.

Ms. Wakeman has asked to have this redone, stating also that she understands the structure that SEDA-COG decides to use percentages for salary, and she stated she doesn't agree that the JRA Board doesn't determine what the JRA staff salary is every year.

Chairman Graham stated that JRA signs a 3-year agreement, so at this point in the contract cycle the JRA doesn't have a choice. The choice the JRA does have is whether the JRA decides not to be part of SEDA-COG in the future. The JRA would then need to obtain its own accounting services, HR services, and would have to secure the benefit package, secure its own office space, etc. Chairman Graham said he is not saying that the JRA can't do this but would need to secure office space, etc. It can be done, but efforts would need to commence starting now or 6 months from now or whatever the case might be.

Ms. Wakeman replied that she understands that, but this budget proposal comes to the Board for approval, and she will not rubber stamp it. If the budget proposal is coming to the Board for approval, she stated she is not going to approve it, as presented.

Ms. Wakeman stated she doesn't understand why the JRA Board doesn't have the ability to negotiate. The document sent by Mr. Hornberger stated that everything is a percent of salary and maybe they are based on real numbers, but the JRA Board doesn't see all of those. It is just a percentage that someone plugged in the proposal budget. Ms. Wakeman stated she doesn't buy it anymore; as a board member having a fiduciary obligation, she cannot support paying another organization \$100,000 for the JRA to sit in their space.

Mr. Stover stated he defers to Mr. Hornberger's email as to how this is done. Mr. Stover stated he does see some improvements from last year and it is reflected in the bottom line.

Mr. Stover stated there are 2 years remaining on the agreement between it and SEDA-COG, and maybe the JRA can look at a different way to do the costing.

Mr. Hormell asked what the timeframe is for the budget. Mr. Stover stated it is October 1 to September 30.

Mr. Hormell stated it would be a fair thing to have a conditional approval subject to clarification from management at SEDA-COG to explain the items Ms. Wakeman is questioning.

Mr. Winslow wanted to know if there are any other organizations within SEDA-COG that would have their individual budgets put together like the one for the JRA in this format. Mr. Stover responded that there are other contracts with other entities and the cost allocation plan is one that is used throughout; that is what Mr. Hornberger was trying to explain.

Chairman Graham stated that every entity within SEDA-COG would have to be treated the same way.

Ms. Wakeman stated she would like to know how the allocation process is done.

Mr. Showers made a motion for the Board to approve the proposed Staff Services Budget for the year 2022-2023 and invite SEDA-COG staff to attend the October meeting to explain the allocation process for the Staff Services Budget; Mr. Gummo seconded the motion; motion carried with Ms. Wakeman voting no.

REPORTS FROM COMMITTEES

PROPERTY MANAGEMENT COMMITTEE

In the absence of Committee Chairman Jenkins, Mr. Postupack reported on the work of the Property Management Committee which met virtually at 1:30 p.m. on Tuesday, September 13, 2022.

Mr. Postupack stated that the following items were discussed:

- Jersey Shore Land Sale (LVRR – Jersey Shore)
- JVRR Engine House Lighting (Lewistown)
- Kreamer Feed, Inc. Track Lease Selinsgrove Industrial Track (SIT) – Kreamer
- JRA Fee Schedule Revisions

PASSENGER EXCURSIONS COMMITTEE

Committee Chairman Spychalski reported on an effort by the Williamsport/Lycoming County Chamber to conduct the Christmas passenger excursion.

Committee Chairman Spychalski stated that the Williamsport/Lycoming County Chamber of Commerce reached out to both federal and state legislators seeking legislative contact with Norfolk Southern urging them to consider moving the Penn Valley Railroad, LLC passenger equipment as freight cars attached to the regular freight train rather than a special move. Norfolk Southern declined to accept the Chamber's request and that moved the discussion back to the price that Norfolk Southern quoted for moving that equipment as a special move. There is some ambiguity over the amount of the move. The price for a special move is \$25,440 for each movement in each direction. A reading of the quote from Michael Johnson of Norfolk Southern reveals that there is some degree of ambiguity on what is a round trip versus a one way charge. Therefore, the Executive Director of the Williamsport/Lycoming County of Commerce in an email to Committee Chairman Spychalski dated September 12, 2022, stated that he was going to reach out to Mr. Johnson of Norfolk Southern to verify what his colleague, Rudy Husband, is in effect correct. If it is \$25,440, Jason Fink, the Executive Director of the Williamsport/Lycoming Chamber of Commerce, stated in an email to Committee Chairman Spychalski dated September 12, 2022, that the Williamsport/Lycoming Chamber of Commerce would take responsibility for funding the \$25,440 movement fee in special train service. Mr. Fink also stated in his email that the Chamber "would look to increase the ticket fee from the

\$10 rate and also solicit businesses to sponsor the remaining". He concluded at the end of his email that the resources are available to the Chamber whenever it is needed to pay Norfolk Southern. Committee Chairman Spsychalski stated that in effect Mr. Fink is committing the Chamber to provide the funding as long as it is the \$25,440 amount. No word has been received from Mr. Fink about whether he has received a response from Mr. Johnson from Norfolk Southern.

Committee Chairman Spsychalski stated if the amount is \$25,440, operation of the Christmas-theme trips from Williamsport would be possible assuming that the Norfolk Southern would provide the special train service on the dates needed and be consistent with its service to follow through. Obviously, the Williamsport/Lycoming Chamber is certainly desirous of having this service. Verification of what the round-trip charge is one part and the other part is the service dates requested. These details have to be worked out with Mr. Fink because he wants the second weekend of December and that was already committed to another sponsor on the assumption that operation of the excursions out of Williamsport would not be possible in 2022. Committee Chairman Spsychalski stated he will wait to see what the round trip price would be from Norfolk Southern.

LEGAL

Legal Issues

Attorney Schrack stated he has nothing to discuss regarding the active litigation in public session, but has an update on the Snyder County Joinder process.

Attorney Schrack stated that the joinder for Snyder County is a bit of a tedious process, and the Municipal Authorities Act has made it that way. Currently, all of the JRA counties have approved the joinder and the JRA has their resolutions. The next step in the process is that Snyder County needs to file an application to join with the Commonwealth. The Municipal Authorities Act requires that you advertise the filing of that application first before you actually file the application and, in the advertisement itself, you say that you will be filing the application on this specific date certain. Attorney Schrack stated the intention is to file on September 30 because the papers have to run the advertisement and then a proof of publication is needed and that has to be submitted with the application to the Commonwealth. Attorney Schrack stated he feels that in October this should be finalized and the Snyder County representatives will be formally joining the Board as members.

Chairman Graham recessed the regular meeting at 3:47 p.m. to convene into executive session at 3:51 p.m. Chairman Graham stated that there will be action to take when the public meeting is reconvened.

Chairman Graham reconvened the regular meeting at 4:02 p.m.

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

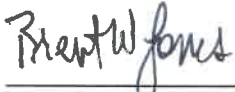
With there being no further business to come before the JRA Board, Chairman Graham adjourned the meeting at 4:03 p.m.

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 12, 2022.



Secretary/Assistant Secretary



**PRESERVING
RAIL FREIGHT
SERVICE**

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SEDA Council of Governments

SEDA-COG JOINT RAIL AUTHORITY MEETING
Wednesday, October 12, 2022
Union County Government Center, Lewisburg, PA
12:30 p.m.

AUTHORITY MEMBERS

Russ Graham, Centre County
John Gummo, Clinton County
Scott Harvey, Lycoming County
Rick Jenkins, Columbia County (via teleconference)
Brent Jones, Clinton County
Michael Krentzman, Mifflin County (via teleconference)
Rick Maloyed, Snyder County
Dave Park, Snyder County
Rob Postal, Mifflin County
David Schultz, Lycoming County (via teleconference)
John Showers, Union County
John Spychalski, Centre County
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

Adam Hartzel, CPA, Baker Tilly
Kelly O'Brien, BIDA
Mark Rosner, Carload Express
Ed Sigl, First National Bank (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 (via teleconference)

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.

Mr. Gummo congratulated Mr. Stover on being recognized for his service to the Board since 1984. Mr. Stover was presented with the Frank D. O'Reilly Award at the Clinton County Economic Partnership Annual Dinner on October 5, 2022.

Introduction of board members, staff and guests present.

ADMINISTRATIVE ITEMS

Approval of the September 14, 2022, JRA Meeting Minutes

Mr. Gummo made a motion for the Board to approve the September 14, 2022, JRA Meeting Minutes; Dr. Sychalski seconded the motion; motion carried.

Treasurer's Report

Mr. Harvey presented the Treasurer's Report for the month of September 2022, as well as the JRA's Loan Summary, 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 September 2022 and file for audit; Dr. Spychalski seconded the motion; motion carried.

2021 Audit Presentation

Adam Hartzel, CPA of Baker & Tilly presented the JRA's 2021 draft audit. A copy of the audit was emailed to board members before the meeting and copies were available at the meeting.

Budget Status for 2022

Mr. Stover presented information to summarize JRA 2022 expenses and revenues, to date. These data will be an excellent starting point for the 2023 JRA budget. A copy of the budget was emailed to board members before the meeting and copies were available at the meeting.

Dr. Spychalski pointed out an item on the term "Pass-Through Expenses" and stated that technically they are "Pass-Through Payments," not pass-through expenses as identified on the budget sheet. Technically, there are not expenses incurred by the JRA. They record an action that was required because of an agreement in place to pass through funds received from one entity to another. Mr. Stover stated he will make this change on the budget spreadsheet.

Staff Report and Events Calendar

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

Mr. Postupack shared the following pictures:

- Button Oil Site Progress
- LVRR 179.44 "Iron Bridge" Before & After
- Frank D. O'Reilly Award - Clinton County Economic Partnership Annual Dinner – October 5, 2022

Operator Status Report

A copy of the Operator's Report was provided to Board members via email and copies were provided to Board members at the meeting.

OLD BUSINESS

Bridge Engineer's Report

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

NEW BUSINESS

PennDOT Rail Grant Applications/Assignment of Capital Budget Line Item to Pine Creek Seed Farm

Mr. Stover stated that Pine Creek Seed Farm in Avis is one of three companies that received PennDOT Rail application assistance from the JRA and SURC. Mr. Paul Jannotti was also instrumental in providing project scoping and budgets under his charges to the JRA. If a project is funded, Mr. Jannotti will work for the rail customer at its expense.

Mr. Stover stated that besides Pine Creek Seed Farm, significant help was provided to Double S in Lewistown and Penn Recycling in Newberry. JRA staff participated on the PennDOT presentation calls for all customers assisted in the RFAP/RTAP process.

Pine Creek Seed Farm is already a LVRR customer having received a rail car of malted barley (at an offsite siding) for the craft breweries in the region. Pine Creek Seed Farm wants to expand that and other businesses and need a siding into their facility just east of Jersey Shore Steet.

During the PennDOT virtual presentation for Pine Creek Seed Farm, the PennDOT Bureau of Rail Freight staff reminded owner Chris McCracken that unloading pits and related equipment to unload rail cars are eligible for possible funding. The current project budget, minus the unloading apparatus, is \$461,000. Since the project is to build a new siding into an existing building, it is considered new construction. Under RFAP rules the cap for new construction is \$250,000.

If the application could go in as a RTAP (Capital Budget), the \$250,000 new construction cap goes away. During the conversation with PennDOT, it became apparent doing this project as a RTAP with the unloading equipment added in would cost the applicant less (no \$250K cap on construction) and make for a better and more complete project.

Mr. Stover stated that PennDOT rail staff asked if a line item could cover Pine Creek Seed Farm. That would be SB651 from 2017 for the rail construction and capital upgrades along the Avis branch of the LVRR. It is capped at \$4.9 million state share. A more comprehensive Pine Creek Seed Farm project budget is being developed. It may come in at \$2.9 million, so a 70% RTAP grant could be \$2,030,000. The remainder (\$2.9 million) of the line item remains for future use by the JRA or other assignees.

Mr. Stover stated it is estimated that roughly \$2,000,000 of the line item is likely needed. If funded, a Memorandum of Understanding needs to be executed between Pine Creek Seed Farm and the JRA.

Mr. Postupack showed an aerial photo of Pine Creek Seed Farm which showed the siding into building, siding to unload box cars, loading/unloading equipment. Pine Creek Seed Farm is on the LVRR – Avis Branch.

Mr. Krentzman stated it all sounds wonderful and he is not critiquing this in any way, but he wonders if there is a better option for it; otherwise, he is not opposed to this. Chairman Graham stated that Mr. Stover was feeling there could be some rail improvements for the JRA and the operator, but no new traffic, and along with the local share it would mean roughly \$4 million on that relatively short piece of track. Other than line improvements there is nothing else.

Mr. Stover stated this piece of track is from Newberry to just east of Jersey Shore.

Mr. Postupack stated that approximately six jobs would be created for this project.

Ms. Wakeman made a motion for the JRA to approve assignment to Pine Creek Seed Farm of a portion of the JRA's Capital Budget line item in SB 651, page 131, line 27 for roughly \$2,030,000; Mr. Harvey seconded the motion.

Dr. Spychalski asked if the motion could include a not to exceed entry.

Mr. Stover stated that the \$2,030,000 for a \$2.9 million project is the current number. Chairman Graham agreed to having the \$2,030,000 as the cap.

Ms. Wakeman agreed to the addition as well as Mr. Harvey.

Mr. Stover asked to add without further approval.

The motion was changed to:

Ms. Wakeman made a motion for the JRA to approve assignment to Pine Creek Seed Farm of a portion of the JRA's Capital Budget line item in SB 651, page 131, line 27 not to exceed \$2,030,000 without further approval and subject to the MOU; Mr. Harvey seconded the motion; motion carried.

REPORTS FROM COMMITTEES

PROPERTY MANAGEMENT COMMITTEE

Committee Chairman Jenkins reported on the work of the Property Management Committee, which met at 11:00 a.m.

Tuscarora Grain Company Removal of Hazard Trees (NSHR – Berwick)

Mr. Postupack stated that Tuscarora Grain Company contacted JRA staff about a dead tree that was felled by a storm and landed close to their building along the NSHR.

Mr. Postupack stated that due to the proximity of the trees to the building and the necessity for a contractor to work from the tracks, KW Reese was contacted to look at the trees and provide an estimate. KW Reese agreed the trees are in poor condition and provided a quote of \$9,975 to remove 15 trees that have the potential to damage the granary should they fall. KW Reese agreed the trees should be removed promptly.

Mr. Postupack stated that JRA staff is proposing to split the \$9,975 cost with the operator to remove the trees, which the operator has agreed to.

Mr. Postupack showed a slide of the Tuscarora Grain Company Hazard Tree Removal on the NSHR – Briar Creek and the Hazard Trees at Granary.

Mr. Jones made a motion for the full board to approve hiring KW Reese to remove 15 trees at a cost of \$9,975 to be split 50/50 with the operator; Dr. Spychalski seconded the motion; motion carried.

PASSENGER EXCURSIONS COMMITTEE

Committee Chair Spychalski reported on the work of the Passenger Excursions Committee regarding the proposed amendments to the 2022 Public Passenger Train Excursions Time Table.

Amended Passenger Excursions Time Table Consideration

A copy of the amended 2022 Public Passenger Train Excursions Time Table was emailed to board members and a copy of the time table was provided at the meeting.

Dr. Spychalski made a motion to change the dates for operation of excursion trips for Fort Discovery Playground from December 10th and 11th to December 3rd and 4th and change the number of trips from five on December 10th to four on December 3rd (i.e., eliminate trip departing at 6:00 p.m.); and to add trips for Williamsport/Lycoming Chamber of Commerce on Saturday, December 10th, Sunday, December 11th, Saturday, December 17th and Sunday, December 18th.

Departure times from Maynard Street, Williamsport on each date will be 11:00 a.m.; 1:00 p.m.; 3:00 p.m.; 5:00 p.m.; and 7:00 p.m.

Committee Chairman Spychalski stated that the excursion trips for the Williamsport/Lycoming Chamber of Commerce on December 10th, 11th, 17th and 18th were made possible because the Williamsport/Lycoming Chamber of Commerce committed itself to paying the Norfolk Southern Railway Company the amount of money agreed upon by NS to move the passenger equipment deadhead from the Northumberland Yard to an interchange point with the Lycoming Valley Railroad. Committee Chairman Spychalski said the original quote to move the equipment was not affordable. However, the executive director of the Williamsport/Lycoming Chamber of Commerce took his own initiative to achieve the amount that is now applicable. He has obtained an agreement with the Norfolk Southern Railway Company for the movement of the passenger excursion cars in both directions for a total of \$25,000.

Chairman Graham asked to clarify that the JRA is not responsible financially at all for any of the charges for the movement of cars and that the Williamsport/Lycoming Chamber is dealing directly with Norfolk Southern. Committee Chairman Spychalski responded that the JRA has no financial commitment in this; it is an agreement between the Williamsport/Lycoming Chamber of Commerce and Norfolk Southern Railway.

Chairman Graham asked if it is confirmed that Norfolk Southern can move the cars in a timely manner. Committee Chairman Spychalski stated that he would not have put this forward unless Mr. Fink provided proof in writing of the agreement from Norfolk Southern and that information has been provided. There is a definite committed quote on the rate and specifications for what that rate will cover. There are some managerial issues that are related to it and those have to be worked out between representatives of Norfolk Southern, the JRA's freight operator and the owner of the passenger equipment. The JRA has no role to play in those technical matters.

Mr. Stotter stated that the operator is working with Mr. Fink, Mr. Pontius and with Norfolk Southern to give them a preliminary schedule as well as the logistic matters with Dr. Spychalski and Norfolk Southern.

Mr. Harvey seconded the motion; motion carried.

Ms. Wakeman asked if there is a minimum requirement for ticket sales. Committee Chairman Spychalski replied there is not. However, there is a desired target for ridership, but there is no contractual agreement between any party and the excursion sponsor for sale of a minimum number of tickets. There have been recommendations that have been put forward among others and the owner of Penn Valley Railroad LLC as to what is a desirable load. Obviously the higher the load factor, the better from the standpoint of ticket revenues and the utilization of the equipment and the service to the community. There is no contractual agreement in place. Ms.

Wakeman stated she is just wondering about the ticket sales because this is not normally their practice to run for two weekends. Ms. Wakeman stated her suggestion is that going forward it should be checked as to how many tickets were sold. Committee Chairman Spychalski stated there is a different element in this. The sponsor is paying \$25,000 to have the equipment moved and that has never happened before by any sponsor. The sponsor is putting their money out there for that and they have asked for those trips for that money. If the trips for Lycoming Chamber wouldn't be run, then the trips would have been run for Bellefonte Historical Railroad Society. Ms. Wakeman stated she is not objecting, but she said that going forward it should factor in how many tickets are being sold because it is still the operator's time, staff time and diesel fuel, and if they are not selling a certain percentage of tickets Ms. Wakeman said she would think it should be looked at if it makes good use of the sponsor's time and resources.

Committee Chairman Spychalski stated he agrees and that is why the sponsors were encouraged to do it. The problem is you never know how many tickets are going to be sold until it is put out on the market. There is a risk to this just as in most business actions. The trouble is if the schedule is not put out in time, then you don't have a definite time for selling the tickets.

Chairman Graham stated it would be good if Mr. Fink could provide the number of tickets per trip for this year.

LEGAL

Legal Issues

Attorney Schrack stated he has nothing to discuss in public session and recommended that the Board recess into executive session.

Chairman Graham recessed the regular meeting at 3:18 p.m. to convene into executive session at 3:23 p.m.

Chairman Graham reconvened the regular meeting at 4:19 p.m.

Attorney Schrack stated that the JRA Board held an executive session with legal counsel to discuss ongoing RFP litigation and to discuss a personnel matter. 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 Graham adjourned the meeting at 4:20 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 9, 2022.



Secretary/Assistant Secretary



**PRESERVING
RAIL FREIGHT
SERVICE**

Affiliated with
SEDA Council of Governments

AGENDA
SEDA-COG JOINT RAIL AUTHORITY MEETING
Wednesday, November 9, 2022
AGENDA UPDATED ON November 4, 2022
Union County Government Center
155 North 15th Street, Lewisburg, PA
12:30 p.m.

Or join meeting at: <https://meetings.ringcentral.com/j/6901776944>
Or Telephone only: Dial: (312) 263-0281 Meeting ID: 690 177 6944#

A. CALL TO ORDER

1. Call to Order R. Graham
2. Pledge of Allegiance R. Graham
3. Welcome – Chairman’s Statements R. Graham
4. Public Forum R. Graham

B. ADMINISTRATIVE ITEMS (See Agenda Grid)

1. *Approval of the October 12, 2022, Meeting Minutes R. Graham
2. *Treasurer’s Report – October 2022 S. Harvey
 - 2a. Draft 2023 JRA Budget J. Stover
3. Staff Report and Events Calendar J. Stover
4. Operator’s Status Report J. Stotter & Staff

C. OLD BUSINESS (See Agenda Grid)

1. Bridge Engineer’s Report J. Shura, P.E.

D. REPORTS FROM COMMITTEES

1. Property Management Committee R. Jenkins/K. Postupack
 - 1a. *Adoption of Revised JRA Fee Schedule (pending PMC recommendation)
..... K. Postupack
 - 2a. *Zito Media Communications License Agreement (Lewistown Yard)
..... K. Postupack

E. LEGAL (See Agenda Grid)

1. Legal Issues T. Schrack, Esq.
 - 1a. *BHRS Speeder Runs in December T. Schrack, Esq.
 - 1b. Operating Agreement Consultant’s Report D. Mazur
2. Status of RFP and Litigations T. Schrack, Esq.

F. ADJOURNMENT

(*) Action Items