

SEDA-COG JOINT RAIL AUTHORITY MEETING – MINUTES

Wednesday, January 11, 2023

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 (via teleconference)

Scott Harvey, Lycoming County

Lisa Hoover, Northumberland County

Bob Hormell, Northumberland County

Rick Jenkins, Columbia County

Brent Jones, Clinton County

Michael Krentzman, Mifflin County

Rick Maloyed, Snyder County

Dave Park, Snyder County

Rob Postal, Mifflin County (via teleconference)

David Schultz, Lycoming County

John Showers, Union 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

Diana Williams, Treasurer/Controller

Jeff Pontius, Penn Valley Railroad

GUESTS

Mark Rosner, Carload Express

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

LEGAL COUNSEL

John Bee, Esq., McQuaide Blasko

Tom Schrack, Esq. McQuaide Blasko (via teleconference)

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JRA CONSULTING PROFESSIONALS

Dan Mazur, Operating Agreement Consultant

Jason Shura, P.E., Stiffler McGraw (via teleconference)

Jeff Stover, JRA Consultant

JRA STAFF

Michelle Ballou, Program Assistant

Steven Beattie, Executive Director

Kyle Postupack, Property & Maintenance of Way Manager

CALL TO ORDER

Call to Order

The Chairman called the meeting to order at 12:35 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. There were no public comments.

ADMINISTRATIVE ITEMS

Approval of the December 14, 2022, JRA Meeting Minutes

Dr. Spychalski made a motion for the Board to approve the December 14, 2022, JRA Meeting Minutes; Mr. Weigle seconded the motion; motion carried.

Report of the 2023 Nominating Committee

Chairman Winslow stated that he has appointed the following Board members to the 2023 Nominating Committee: Russ Graham (Chairman), John Gummo (Vice Chairman), Scott Harvey (Treasurer), Michael Krentzman (Secretary), Brent Jones (Assistant Secretary) and Jennifer Wakeman (Assistant Treasurer).

Mr. Schrack requested a motion for the Board to approve the slate of officers as presented by Chairman Winslow. Mr. Hormell made a motion to approve the slate of officers as presented. Mr. Jenkins seconded the motion; motion carried with Ms. Wakeman voting no.

JRA Committees for 2023

Chairman Graham stated there would be two changes to existing committee members with the addition of Dave Park to the excursion committee and Rick Maloyed to property management committee for 2023.

Treasurer's Report

Mr. Harvey presented the Treasurer's Report for the month of December 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 December 2022. Mr. Dombroski seconded the motion; motion carried.

Audit Presentation

Mr. Adam Hartzel, CPA of Baker & Tilly provided an update on the status of JRA's final 2021 Audit for which should be completed in 7-10 days. The goal would be for Mr. Hartzel to present the 2022 draft financial statement at the May 10, 2023, meeting.

Chairman Graham – asked if any response was needed from the JRA, to which Mr. Hartzel replied that they will be recommending a corrective action plan to management.

Dr. Spsychalski made a motion for the Board to accept the audit for 2021. Mr. Showers seconded the motion; motion carried.

2023 JRA Budget

Mr. Beattie presented the final 2023 JRA Budget. Copies of the budget were provided at the meeting. He stated that Authority Operations Expenses for legal fees was increased to account for the storm water fees issues and the meeting and conferences budget was also increased to allow Mr. Beatty and Mr. Postupack to attend conferences. The expenses for RTAP 15 were adjusted due to close out. Mr. Stover added that the RTAP grant for Bellefonte Yard Hilex was not included because he was unsure of the funding.

Mr. Park made a motion for the Board to approve the budget for 2023. Mr. Schultz seconded the motion; motion carried.

Staff Report and Events Calendar

Mr. Beattie summarized the status of various construction projects and calendar highlights. He noted that he hit the ground running as the JRA's new Executive Director off to a busy start in 2023 and that he and new Program Assistant, Michelle Ballou, are quickly acclimating to their new roles. Mr. Beattie and Mr. Postupack recently attended a site visit to Newberry Yard Office and met with Hydrologists from ARM Group, along with engineers from Stiffler & McGraw. Mr. Beattie and Mr. Postupack also met with Chairman Graham and Vice Chairman Gummo to review ongoing JRA business. Mr. Postupack also attended a site visit for the Milesburg Borough Bridge Replacement and separately met with employees from PA Department of Conservation and Natural Resources (DCNR) to discuss pedestrian tunnels at Bald Eagle State Park. It was confirmed that the maintenance of underground tunnels is the responsibility of DCNR. Mr. Postupack is working with the DCNR to put appropriate maintenance agreements in place.

Mr. Beattie stated that eight of the eighteen board members' appointments expire at the end of 2023. It was suggested that membership re-appointments be staggered for current board members who intend to continue beyond 2023, if so, appointed by their respective county commissioners. It was also suggested that any Board members not intent on continuing their membership dedicate thought to identifying quality replacement candidates and communicating the same to the respective appointing county commissioners.

Operator Status Report

A copy of the Operator's Report was distributed to board members via email and hard copies were provided to board members at the meeting. Mr. Stotter will be meeting with Mr. Beattie, Mr. Postupack and JRA's engineer and railroad inspection engineer on February 1, 2023, to recap last year's maintenance of way projects as well as anticipated projects for 2023.

OLD BUSINESS

Bridge Engineer's Report

Mr. Shura reviewed the Bridge Engineer's Report provided in the meeting packet. There were no questions or comments.

NEW BUSINESS

Two positions need to be approved. Mr. Steven Beattie as a member of Keystone State Railroad Association and as JRA representative for Focus Central Pennsylvania Board.

Ms. Wakeman made a motion for the Board to approve Mr. Beattie as JRA Representative to the Focus Central Pennsylvania Board and the Keystone Railroad Association and to appoint Mr. Kyle Postupack to serve as alternate; Mr. Harvey seconded the motion; motion carried.

REPORTS FROM COMMITTEES

PROPERTY MANAGEMENT COMMITTEE

Committee Chairman Jenkins reported that the Property Management Committee did not meet today. Mr. Postupack requested approval for staff to move forward with the PP&L licensing agreement for Shamokin Valley Railroad.

Ms. Hoover made a motion for the Board to approve the licensing agreement with PP&L for Shamokin Valley Railroad. Mr. Jenkins seconded the motion; motion carried.

EXCURSION COMMITTEE

Mr. Spsychalski reviewed the excursion and accounting report provided in the meeting packet. No additional questions or comments were either raised or made.

LEGAL

Legal Issues

Solicitor Schrack provided an update on the subordination agreement with Bank of America concerning Newpark Drilling Fluids lease. Mr. Schrack indicated that it had been confirmed that the truck scale on site is a fixture, rather than personal property, and thus not subject to

bank's lien. In light of this clarification, the condition to the Board's approval was satisfied and the Agreement will be signed.

Memorandum Of Understanding (MOU) for Milesburg Bridge Replacement

Chairman Graham stated that the draft was approved by solicitors for both parties and sought a motion to add approval of the Milesburg Bridge Replacement to the meeting agenda and board approval of MOU. This item had been unintentionally omitted from the agenda.

Mr. Jenkins made a motion to approve the addition of Milesburg MOU to agenda. Mr. Showers seconded the motion; motion carried.

Mr. Gummo made a motion to approve Chairman Graham to sign the MOU on behalf of the JRA; Mr. Jones seconded the motion; motion carried.

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

Chairman Graham recessed the regular meeting at 1:38 p.m. to convene into executive session at 1:45 p.m.

Chairman Graham reconvened the regular meeting at 2:47 p.m.

Engagement of ARM Group

Assistant Solicitor Bee noted that the Board had met with its legal counsel and discussed the status of litigation matters, as well as the potential engagement of the ARM Group as the JRA's hydrogeologist for.

Assistant Solicitor Bee requested a motion for the Board to approve the engagement of the ARM Group as the JRA's hydrogeologist. Dr. Spsychalski made a motion for the Board to approve ARM Group as JRA's Hydrogeologist. Mr. Park seconded the motion; motion carried.

Mr. Mazur stated that he planned on completing the 2022-year end performance review and proposed 2023 operator's budget and presenting his findings at the March 2023 meeting.

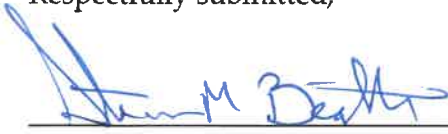
With there being no further business to come before the JRA Board, Chairman Graham adjourned the meeting at 2:49 p.m.

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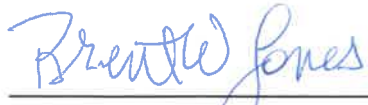
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Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Steven M. Beattie", written over a horizontal line.

Steven Beattie, Executive Director

I hereby certify these minutes were approved by the SEDA-COG Joint Rail Authority Board of Directors on February 8, 2023.

A handwritten signature in blue ink, appearing to read "Brentle Jones", written over a horizontal line.

Secretary/Assistant Secretary