



SEDA-COG JOINT RAIL AUTHORITY MEETING MINUTES

Wednesday, May 10, 2023

Union County Government Center, Lewisburg, PA

12:30 p.m.

AUTHORITY MEMBERS

Russ Graham, Centre County
Scott Harvey, Lycoming County
Lisa Hoover, Northumberland County
Bob Hormell, Northumberland County
Rick Jenkins, Columbia County (via teleconference)
Frank Dombroski, Montour County
Brent Jones, Clinton County
Michael Krentzman, Mifflin County
Rick Maloyed, Snyder County
Dave Park, Snyder County
Rob Postal, Mifflin County
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

JRA OPERATOR

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

GUESTS

Mark Rosner, Carload Express
Erik Bergenthal, Carload Express Legal Counsel (via teleconference)
Sam Simon, Esq., Houston Harbaugh (for Carload Express) (via teleconference)
Lauren Bryson, Focus Central Pennsylvania

JRA 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)
Jeff Stover, Consultant (via teleconference)

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 12:41 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.

Focus Central PA Support Presentation

Ms. Bryson from Focus Central PA stated that the JRA is a Board Level Investor in Focus Central PA. Their mission is to attract business investment that cultivates economic growth in Central PA. Ms. Bryson thanked the Board for their contributions and requested a check presentation/photo opportunity with Mr. Graham, Ms. Wakeman, and Mr. Beattie.

ADMINISTRATIVE ITEMS

Approval of the April 12, 2023, JRA Meeting Minutes

Dr. Spychalski made a motion for the Board to approve the April 12, 2023, JRA Meeting Minutes; Mr. Postal seconded the motion; motion carried.

Treasurer's Report

Mr. Harvey presented the Treasurer's Report for the month of April 2023, 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. Park made a motion for the Board to accept the Treasurer's Report for the month of April 2023; Mr. Postal seconded the motion; motion carried.

Staff Report and Events Calendar

- Mr. Beattie summarized the status of various construction projects and calendar highlights.
- Mr. Beattie and Mr. Postupack will be meeting with Engineering Consultants and NSHR staff to strategize a new 5-year Capital Budget list to assist with future grant submissions, budgeting, and scheduling/prioritizing. That plan should be ready in September.
- Mr. Beattie and Todd Hunter met with Fisher Mining to discuss long-range mining operations.
- Mr. Beattie was interviewed by WKOK "On the Mark" radio program April 18, 2023, to discuss JRA operations, history, and the industry in general.
- Mr. Beattie met with Senator Yaw, Chair of the Environmental Resources & Energy Committee, at the Capitol on May 2nd to discuss stormwater tax/fee legislation.
- Mr. Beattie attended KSRRA's Railroad Day at the Harrisburg Capitol on May 2nd. The recent derailment in Ohio and a new bill containing unreasonable requirements were both discussed.
- JRA staff were notified that PennDOT has awarded three crossings for Section 130 Railroad warning device upgrades. The crossing locations are Kish Pike, Walnut Street, Ramp to 322 and Delaware Avenue.
- Mr. Postupack provided photos of the washout for NSHR at MP 207.66. Temporary repair is being completed with 48" plastic pipe because the lead time for 8' CMP piping needed is twelve weeks. The permanent fix is expected to be completed by the end of this year.
- Mr. Beattie along with the Executive Committee met with SEDA-COG Executive Director, Ms. Wheeler, to finalize revisions to the Staff Services Agreement.

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 provided the Operator's activities and rail traffic overview.

OLD BUSINESS

Bridge Engineer's Report

- Mr. Shura reviewed the Bridge Engineer's Report provided in the meeting packet.
- Bridge safety inspections for 2023 have been completed for the Nittany Bald Eagle Railroad. The Bridge Inspection Report was submitted to JRA staff on May 9th, 2023. Inspection of the

LVRB bridges is near completion. Thirty out of the thirty-four bridges have been inspected, including all bridges on Avis I.T. and in the Newberry Yard. The report is expected to be available by the next month's meeting. The Antlers Truss and ten bridges on LVRB I.T. remain and will be completed in May 2023. The field work for the JVRB will begin in late May or early June.

- Mr. Shura is working with JRA staff on the NSHR Pipe Culvert at Milepost 207.66 to get the track back in service as quickly as possible. Because of the lead time for the pipe needed a temporary solution is being put in place. The permanent replacement is expected to be completed by the end of this year.
- Bud Williams Easement (LVRB Antlers I.T. Bridge 179.44 Replacement); The signed agreement was received.
- Shamokin Valley Section 130 –A let date will be established by June 14th meeting. Mr. Shura is working with JRA Staff to obtain necessary easements. All permits are expected to be in place for construction in 2024.
- PennDOT has approved the preliminary design for the Nittany Bald Eagle Railroad, Moose Run Bridge and Railroad Street Bridge.

NEW BUSINESS

Regional Bridge Upgrades RTAP 2021 LVRB

Mr. Shura stated that Bridges 174.48 and 189.66 bids were received and publicly opened on Thursday May 4, 2023. Two bids were received, and both were over the projected budget. Mr. Shura recommended all bids be rejected and readvertise in July 2023.

Mr. Hormell made a motion for the Board to reject all bids for the RTAP 2021 LVRB Bridge Upgrades on bridge 174.48 in Woodward Township and 189.66 in Muncy Township and readvertise; Mr. Schultz seconded the motion; motion carried.

Ratify Revised Staff Services Monthly Cost Retroactive to October 2022.

Mr. Beattie stated that SEDA-COG has reviewed the charges related to the staff services agreement and proposes changes to the monthly cost retroactive to October 2022.

- Generally, the reductions relate to the lower staff salaries and benefits of the Executive Director and Program Assistant positions upon their hiring on January 3rd, and other line items calculated utilizing salary numbers.
- The current annual cost will be reduced to \$383,091.00. This annual cost is retroactive, and a credit is due. The credit will be applied to May and June invoices.

Ms. Wakeman made a motion for the Board to accept the Revised Staff Services Monthly Costs retroactive to October 2022; Mr. Harvey seconded the motion; motion carried.

Ratify NSHR Corridor 2 Section 130 Amendment to Original Agreement

- The NSHR Corridor 2 Section 130 Project was completed in the fall of 2022 and included signal upgrades to seven crossings on the NSHR.
- The Amendment increases the budget of the original agreement from \$1,394,999.00 to \$1,432,980.50.
- The JRA covered the \$37,981.50 overrun last year to ensure the signal and paving contractors were paid in full.
- This amendment will allow PennDOT to reimburse the JRA for the cost overrun.

Mr. Schultz made a motion for the Board to accept the ratification of this Amendment for NSHR Corridor 2 Section 130 Agreement; Mr. Showers seconded the motion; motion carried.

SVRR Section 130 Grade Crossing Signal Upgrade Project on the SVRR

- The project includes signal and surface upgrades at fifteen crossings.
- The JRA will be responsible for survey costs. Everything else is covered under this agreement, including engineering and construction.

Mr. Krentzman made a motion for the Board to approve the SVRR Section 130 Signal Upgrade Project Grade Crossing Corridor; Mr. Park seconded the motion; motion carried.

REPORTS FROM COMMITTEES

PASSENGER EXCURSION COMMITTEE

Agenda Item 1a., Proposed Term Sheet for potential BHRS Rail Passenger Excursion Service Agreement.

Mr. Beattie noted that comments were received shortly before the meeting from one of the parties in the Clinton County RFP litigation concerning the proposed Term Sheet. Mr. Beattie requested to table this agenda item pending discussion in executive session concerning this matter.

Mr. Park made the motion to table item 1a for discussion in executive session; Mr. Krentzman seconded the motion, Motion carried.

Proposed 2023 Time Table Revisions

Dr. Spychalski stated a time table revision is necessary to include two holiday weekends, December 9 and 10, 2023 and December 16 and 17, 2023 for the Williamsport/Lycoming Chamber of Commerce Holiday Train Excursions.

Dr. Spychalski made the motion to approve two additional holiday weekends to the existing 2023 Passenger Excursions Timetable; Mr. Postal seconded the motion; motion carried.

LEGAL

Diamondback Signal, LLC Amendment to Master Services Agreement

- Diamondback Signal, LLC has been the JRA's signal contractor since June 2014. Their professional services are utilized on all PennDOT Section 130 improvement projects.
- The existing Master Services Agreement with Diamondback, which covers professional services, has expired and should be renewed; JRA staff recommends a 5-year extension to keep Section 130 projects on schedule.

Dr. Spychalski made the motion to approve the First Amendment to Diamondback Signal, LLC Master Services Agreement; Mr. Krentzman seconded the motion; motion carried.

Operating Agreement Consultant's Report

Mr. Dan Mazur presented the Operator's year-end financial and the 2023 budget via PowerPoint.

First Quarter of 2023 Transportation Expense Ratio

- Target: About 40%
- Results for 1Q 2023
 - Higher than Target
 - Lower than 1 Q 2022
 - Lower than 1 Q 2023 Budget
- Total Transportation expenses were higher than Budget, but higher than expected revenue resulted in a lower ratio.

First Quarter of 2023 Maintenance of Way Ratio

- Target: About 21%
- Results for 1Q 2023
 - Lower than Target
 - Lower than 1Q 2022
 - Lower than 1Q 2023 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.
 - Higher than expected revenue resulted in a lower ratio.

Mr. Mazur stated that he has additional and detailed information but recommended discussing that confidential and proprietary information in executive session. Solicitor 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 1:43 p.m. to convene into executive session at 1:55 p.m.

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

Solicitor Schrack stated that the JRA Board held an executive session with Mr. Mazur and the Operator. After Mr. Mazur finished the confidential and proprietary portion of his report, he and the Operator's representatives left the executive session and Solicitor Schrack stated that the JRA Board and staff held an executive session for privileged and confidential discussion with its legal counsel relating to the RFP litigation. No action was taken in executive session.

With there being no further business to come before the JRA Board, Chairman Graham adjourned the meeting at 3:08 p.m.

Respectfully submitted,

Steven M. Beattie, Executive Director

I hereby certify these minutes were approved by the SEDA-COG Joint Rail Authority Board of Directors on June 14, 2023.

Secretary/Assistant Secretary