



**PRESERVING
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SERVICE**

SEDA-COG JOINT RAIL AUTHORITY MEETING

Wednesday, April 14, 2021

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

AUTHORITY MEMBERS

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

JRA OPERATOR

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

GUESTS

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

LEGAL COUNSEL

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

Affiliated with
SEDA Council of Governments



SEDA-COG Joint Rail Authority serving the counties of

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

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JRA CONSULTING PROFESSIONALS

Dan Mazur, Operating Agreement Consultant

Jason Shura, P.E., Stiffler McGraw

JRA STAFF

Kay Aikey, Program Assistant

Kyle Postupack, Property & Maintenance of Way Manager

Jeff Stover, Executive Director

Olivia Zavrel, Intern

OTHER SEDA-COG STAFF

Kim Wheeler, Executive Director

CALL TO ORDER

Call to Order

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

Pledge of Allegiance

The Chairman led the Pledge of Allegiance.

Welcome – Chairman’s Statements

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

Public Forum

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

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

ADMINISTRATIVE ITEMS

Approval of the March 10, 2021 JRA Meeting Minutes

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

Treasurer's Report

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

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

Staff Report and Events Calendar

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

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

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

Operator's Status Report

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

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

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

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

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

OLD BUSINESS

Bridge Engineer's Report

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

Mr. Shura provided the following updates:

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

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

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

Underwater Bridge Inspections

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

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

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

RTAP15 Bridges Program – Bid Award for NBER 33.84

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

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

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

A status report of the RTAP15 program is listed below:

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

Mr. Postupack showed the following slides:

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

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

NEW BUSINESS

RACP Application for Button Propane Terminal

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

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

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

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

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

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

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

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

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

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

PROPERTY MANAGEMENT COMMITTEE

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

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

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

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

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

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

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

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

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

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

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

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

CRODA License Agreement (NBER – Mill Hall)

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

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

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

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

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

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

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

KINBER – Assignment of Easement Agreement

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

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

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

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

North Yards Scrap Metal Sale (JVRR – Burnham)

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

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

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

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

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

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

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

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

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

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

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

LEGAL

Legal Issues

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

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

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

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

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

Respectfully submitted,



Jeffery K. Stover, Executive Director

I hereby certify these minutes were approved by the SEDA-COG Joint Rail Authority Board of Directors on May 12, 2021.



Secretary/Assistant Secretary