



**PRESERVING
RAIL FREIGHT
SERVICE**

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

AUTHORITY MEMBERS

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

JRA OPERATOR

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

GUESTS

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

LEGAL COUNSEL

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

JRA CONSULTING PROFESSIONALS

Dan Mazur, Operating Agreement Consultant

Affiliated with
SEDA Council of Governments



JRA STAFF

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

CALL TO ORDER

Call to Order

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

Pledge of Allegiance

The Chairman led the Pledge of Allegiance.

Welcome – Chairman’s Statements

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

Public Forum

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

ADMINISTRATIVE ITEMS

Approval of the September 8, 2021, JRA Meeting Minutes

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

Treasurer’s Report

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

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

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

Staff Report and Events Calendar

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

Operator's Status Report

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

OLD BUSINESS

Bridge Engineer's Report

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

NEW BUSINESS

2022 Focus Central PA Industrial Development Forum Sponsorship

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

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

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

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

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

RTE Program Update

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

SEDA-COG/North Shore Railroad Gift

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

John P. Conrad Endowment Update

Research Program Fund - \$23,100

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

Research Award Fund - \$35,090

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

John P. Conrad Award Recipients

- Jonathan Ambrosino – 2020
- Colin Seitz - 2019

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

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

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

PROPERTY MANAGEMENT COMMITTEE

PPL Amendment Agreement (LVRR – Fairfield Township)

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

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

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

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

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

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

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

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

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

Mr. Postupack shared the following slides:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Shale Rail Asset Purchase Agreement (Newberry Yard)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Motions carried with Mr. Krentzman abstaining.

LEGAL

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

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

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

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

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

Respectfully submitted,



Jeffery K. Stover, Executive Director

I hereby certify these minutes were approved by the SEDA-COG Joint Rail Authority Board of Directors on November 10, 2021.



Secretary/Assistant Secretary