



**PRESERVING
RAIL FREIGHT
SERVICE**

SEDA-COG JOINT RAIL AUTHORITY MEETING
Wednesday, December 8, 2021
Union County Government Center, Lewisburg, PA
3:00 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
Rick Jenkins, Columbia County (via teleconference)
Brent Jones, Clinton County
Michael Krentzman, Mifflin County (via teleconference)
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 (via teleconference)

JRA OPERATOR

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

GUESTS

Kelly O'Brien, BIDA (via teleconference)
Dave Park, Snyder County Resident
Mark Rosner, Carload Express
Ed Sigl, First National Bank
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
Jason Shura, P.E., Stiffler McGraw

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 3:02 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 November 10, 2021, JRA Meeting Minutes

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

Appointment of 2022 Nominating Committee

Chairman Showers stated that he has appointed the following Board members to the 2022 Nominating Committee: Eric Winslow (Chair), Rick Jenkins, John Gummo, Lisa Hoover, and Bob Hormell. This committee is charged with returning, at the January 12, 2022, meeting, a proposed slate of officers to serve in 2022.

Treasurer's Report

Mr. Harvey presented the Treasurer's Report for the month of November 2021, as well as the JRA's loan summary, the Money Market Account Financial Statement, the PIB Loan Financial Statement, and the 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 November 2021 and file for audit; Ms. Wakeman seconded the motion; motion carried.

Presentation of Draft 2022 JRA Budget

Mr. Stover presented the draft 2022 JRA Budget and highlighted some of the items on the budget. Board members received the budget via email prior to the Board meeting and copies were available at the meeting. The final 2022 budget will be on the January 12, 2022, agenda for action.

Staff Report and Events Calendar

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

Mr. Postupack shared a slide of the Button Propane transload event held along the NSHR in Point Township on December 6, 2021.

Operator's Status Report

A copy of the Operator's Report was provided to Board members. Mr. Stotter reported the following:

- The Maintenance of Way program is still on schedule.
- Overall freight volume and revenue is up.
- Received 18 of the rail cars purchased for coal and lime business
- Partially funded for a rehabilitation for the crossing in Winfield which will be completed in 2022. This is a non JRA project.

OLD BUSINESS

Bridge Engineer's Report

The Bridge Engineer's Report dated December 3, 2021, was included in the meeting packet. Mr. Shura gave a brief update to the Board on items included in his report.

Stiffler McGraw & Associates – 2022 Engineering Agreement

Mr. Stover stated that each year Stiffler McGraw and Associates, Inc. provide an updated engagement agreement. Jason Shura, P.E., has submitted the 2022 agreement for JRA Board action. The pertinent item is that Jason, as a Senior Project Engineer's hourly rate would go from \$140 to \$147.

Mr. Harvey made a motion for the full Board to approve the 2022 Engineering Services Agreement with Stiffler McGraw and Associates, Inc., Ms. Wakeman seconded the motion; motion carried.

NEW BUSINESS

Asset Purchase & Freight Services Easement Agreement

Mr. Stover stated that the JRA has an opportunity to acquire rail assets. The Board needs to consider an Asset Purchase Agreement and Freight Service Easement Agreement which conveys the operating rights to the property.

Mr. Postupack shared a slide of the Selinsgrove Industrial Track located in Snyder County, PA.

Mr. Stover introduced the topic as consideration of a new railroad acquisition being the Selinsgrove Industrial Track. The project totals 9 miles, of which 7.7 miles extends from the Selinsgrove Junction on the east side of the river on the Buffalo line of Norfolk Southern and going west to the end of the line at Creamer. An additional 1.3 miles of track is the lead to the former Sunbury Generation Station. There is some other potential on both lines for industrial development, but no major industrial park on the lines.

Attorney Schrack stated that the two agreements are an asset purchase and sales agreement and under that agreement Norfolk Southern will sell certain rail assets to the JRA, but not title to the underlying land. The purchase price is \$371,200. The second document is a freight services easement agreement. Attorney Schrack stated that NS is granting an easement for freight operation because the JRA is not getting the full title.

Mr. Stover stated that staff is recommending that the Authority borrow \$300,000 from First National Bank for this purchase.

Mr. Harvey made a motion for the full Board to approve the Asset Purchase Agreement and the Freight Services Easement Agreement to purchase 9 miles of track and easement for operations in Snyder County from Norfolk Southern; Mr. Gummo seconded the motion.

Attorney Schrack suggested that an addition be made to the motion to authorize the Chair to sign those agreements. Mr. Harvey and Mr. Gummo agreed to that addition to the motion. Motion carried unanimously.

Mr. Stover stated that the First National Bank has already agreed to loan the necessary funds to the JRA. The term of the loan would be a 10-year term, fixed rate for 5-year at 3.26%, or 7-year fixed rate of 3.5% and there is no pre-payment penalty. Mr. Sigl stated the payment for the 7-year fixed rate would be \$2,974.00 per month.

Ms. Wakeman made a motion for the full Board to borrow \$300,000 from First National Bank for a 10-year term for a 7-year fixed rate at 3.5%; Ms. Hoover seconded the motion; motion carried with Mr. Hormell abstaining.

Mr. Stover stated he will reach out to the chief clerk and set up a meeting with representatives from Snyder County, regarding their interest in joining the JRA, given that the Selinsgrove Industrial Track project is situated in Snyder County.

Attorney Schrack stated that there is a resolution that member counties need to approve to allow Snyder County to join the Authority and the Articles of Incorporation will need to be amended.

PROPERTY MANAGEMENT COMMITTEE

BIDA Track Lease (Berwick)

Attorney Bee suggested that this item be discussed in executive session due to the recent communication that has occurred. Research is being done relative to the title and scope of each of the parcels of property at issue.

Mr. Stover stated that BIDA has hired McTish Kunkle to do a complete, new survey of the whole complex. A survey was done in 2011 by an engineer out of Berwick.

Mr. Postupack shared a slide of the track in the BIDA complex, showing some of the Penn Valley LLC cars.

LEGAL

Chairman Showers recessed the regular meeting at 4:16 p.m. to convene into executive session at 4:26 p.m.

Chairman Showers reconvened the regular meeting at 4:56 p.m.

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

Mr. Gummo expressed his thanks to Chairman Showers for his services for the JRA and for keeping everyone politically correct and positive and stated that Chairman Showers has done an outstanding job.

With there being no further business to come before the JRA Board, Chairman Showers adjourned the meeting at 4:58 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 January 12, 2022.



Secretary/Assistant Secretary