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SEDA Council of Governments

SEDA-COG JOINT RAIL AUTHORITY MEETING
Wednesday, November 9, 2022
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
Scott Harvey, Lycoming County
Lisa Hoover, Northumberland County (via teleconference)
Bob Hormell, Northumberland County
Rick Jenkins, Columbia County (via teleconference)
Brent Jones, Clinton County
Michael Krentzman, Mifflin County
Rick Maloyed, Snyder County
Dave Park, Snyder County
Rob Postal, Mifflin County (joined meeting at 2:30 p.m. 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

JRA OPERATOR

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

GUESTS

Kelly O'Brien, BIDA
Mark Rosner, Carload Express
Ed Sigl, First National Bank (via teleconference)
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 (via teleconference)

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 12:38 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 October 12, 2022, JRA Meeting Minutes

Mr. Schultz made a motion for the Board to approve the October 12, 2022, JRA Meeting Minutes; Mr. Weigle seconded the motion; motion carried.

Treasurer's Report

Mr. Harvey presented the Treasurer's Report for the month of October 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.

Mr. Park made a motion for the Board to accept the Treasurer's Report for the month of October 2022 and file for audit; Mr. Showers seconded the motion; motion carried.

Draft 2023 JRA Budget

Mr. Stover reviewed the draft 2023 JRA budget. Copies of the budget were provided at the meeting.

Staff Report and Events Calendar

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

Dr. Spychalski stated that the two Norfolk Southern car inspectors completed their review of the PVRR equipment and found that is ready to be moved.

Mr. Postupack shared the following photos:

- LVRR Parking Lot Paving
- Bellefonte Engine House Lighting Upgrade
- Sidewalk & Curbing, Market Street, Bloomsburg

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 stated the operator continues to monitor the impending rail strike of November 19. Mr. Stotter stated that the car volumes and revenues are up.

Mr. Park asked when a column would be included on the Selinsgrove Industrial Track. Mr. Stotter stated the information for that line is incorporated in the NSHR column.

OLD BUSINESS

Bridge Engineer's Report

The Bridge Engineer's Report was provided in the meeting packet. Mr. Shura provided the following updates:

- NBER Bridge 33.84 (Curtin Bridge) Rehabilitation (RTAP Project) – field work is complete. Final inspection with the Bureau of Rail Freight is scheduled for November 22nd.
- LVRR Antlers IT Bridge 179.44 (Iron Bridge) Rehabilitation Project – field work is complete. Final inspection with the Bureau of Rail Freight is scheduled for November 22nd.
- Bridge Safety Inspections are underway. Inspections and reports on NBER, LVRR, JVRR, SVRR and NSHR are complete. Selinsgrove Industrial Track inspection have not been scheduled but are pending availability of a flagman.
- There are three underwater bridge inspections planned for November. Marine Solutions will be completing them this month.
- Permitting for the 2021 RTAP projects is underway.
- Worked with JRA staff and Schlegel Excavating on the Newberry office parking lot. Construction work is complete, and installation of fence is pending. Project will be closed out when fencing is complete.
- Completing the Shamokin Valley Railroad Corridor Section 130 project as the surveys come in.
- Milesburg Bridge – design is 30% complete. Submitting plans to JRA staff for early discussions and approval.

REPORTS FROM COMMITTEES

PROPERTY MANAGEMENT COMMITTEE

Committee Chairman Jenkins reported on the work of the Property Management Committee, which met at 11:30 a.m.

Adoption of Revised JRA Fee Schedule

Mr. Postupack stated that JRA staff has been working on a Fee Schedule for 2023. All fees listed in the Fee schedule have been increased by 10% with minor rounding adjustments. Annual CPI adjustments will stay the same and will be assessed in three different categories.

- No CPI increase – pertains to select agreements
- All Items – agreements prior to 2017
- All Items Less Food and Energy – agreements after 2017

Changes to the Fee Schedule will only apply to new and renewed agreements.

Dr. Spychalski made a motion for the Board to approve the revised Fee Schedule for 2023; Mr. Gummo seconded the motion; motion carried.

Zito Media Communications License Agreement (Lewistown Yard)

Mr. Postupack stated that Zito Media Communications contacted JRA staff about installing an overhead fiber optic cable across 6-tracks in the Lewistown Yard. The overhead clearance of the cable will be no less than 28'-6" from top of rail with sag.

Zito Media Communications will be assessed a one-time \$800 application fee and an annual fee of \$860 that will be subject to CPI increases. All plans have been reviewed and approved.

Mr. Hormell made a motion for the board to approve the license agreement for Zito Media Communications; Mr. Winslow seconded the motion; motion carried.

LEGAL

Legal Issues

Operating Agreement Consultant's Report

Mr. Dan Mazur presented the public portion of the Operator's third quarter 2022 results via PowerPoint.

3 Q 2022 Transportation Expense Ratio

- Target: About 43%
- Results for 3 Q 2022
 - Much lower than Target
 - Higher than 3 Q 2021
 - Higher than 3 Q 2022 Budget

3 Q 2022 Maintenance of Way Ratio

- Target: About 21%
- Results for 3 Q 2022
 - Higher than Target
 - Lower than 3 Q 2021
 - Much lower than 3 Q Budget

Mr. Mazur stated that he has additional and detailed information but recommended discussing that confidential and proprietary information in executive session.

BHRS Speeder Runs in December

Attorney Schrack stated that the Bellefonte Historical Railway Society (BHRS) has requested JRA approval for speeder runs in Bellefonte.

The dates are as follows:

Friday, December 9: 5 p.m. - 10:00 p.m.

Saturday, December 10: 10 a.m. - 5:00 p.m.

The speeders will run within Bellefonte from the Willowbank Street crossing to the south end of the Bellefonte Yard. Flagging will be used at all grade crossings. BHRS has successfully conducted these runs in past years.

Dr. Spychalski made a motion for the Board to approve BHRS' request to conduct speeder runs on the NBER Bellefonte Branch on December 9th and 10th; Mr. Krentzman 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 1:31 p.m. to convene into executive session at 1:40 p.m.

Chairman Graham reconvened the regular meeting at 3:12 p.m.

Attorney Schrack stated that the JRA Board held an executive session where the Board's operating agreement consultant, Dan Mazur, continued the confidential portion of his operator's report. After that occurred, Mr. Mazur and the operator's representatives left and the JRA Board had privileged and confidential discussion with its legal counsel regarding the RFP litigation. No action was taken, and no action is recommended to be taken at this time.

With there being no further business to come before the JRA Board, Chairman Graham adjourned the meeting at 3:13 p.m.

Respectfully submitted,



Jeffery K. Stover, Executive Director

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I hereby certify these minutes were approved by the SEDA-COG Joint Rail Authority Board of Directors on December 14, 2022.

Secretary/Assistant Secretary