

SEDA-COG JOINT RAIL AUTHORITY MEETING
Wednesday, December 14, 2022
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
Lisa Hoover, Northumberland County
Bob Hormell, Northumberland County
Rick Jenkins, Columbia County
Brent Jones, Clinton County
Michael Krentzman, Mifflin County
Rick Maloyed, Snyder County
Dave Park, Snyder County
Rob Postal, Mifflin County (via teleconference)
David Schultz, Lycoming County
John Showers, Union County
John Spychalski, Centre County
Jennifer Wakeman, Montour County
Matt Weigle, Columbia County
Eric Winslow, Union County

JRA OPERATOR

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

GUESTS

Steven Beattie, Borough of Lewisburg
Kelly O'Brien, BIDA
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
Tom Schrack, Esq. McQuaide Blasko

JRA CONSULTING PROFESSIONALS

Dan Mazur, Operating Agreement Consultant
Jason Shura, P.E., Stiffler McGraw

JRA STAFF

Kay Aikey, Program Assistant (via teleconference)
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 12:35 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 November 9, 2022, JRA Meeting Minutes

Dr. Spychalski made a motion for the Board to approve the November 9, 2022, JRA Meeting Minutes; Mr. Jenkins seconded the motion; motion carried.

Appointment of the 2023 Nominating Committee

Chairman Graham stated that he has appointed the following Board members to the 2023 Nominating Committee: Eric Winslow (Chairman), Bob Hormell, Rick Jenkins, Lisa Hoover, and Dave Park. This committee is charged with returning, at the January 11, 2023, meeting, a proposed slate of officers to serve in 2023.

Treasurer's Report

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

Ms. Wakeman made a motion for the Board to accept the Treasurer's Report for the month of November 2022 and file for audit; Mr. Schultz seconded the motion; motion carried.

Audit Presentation

Mr. Stover stated that Adam Hartzel, CPA of Baker & Tilly, will present the JRA's final audit at the January 11, 2023, meeting.

FNB Letter of Credit Approval for PIB

Mr. Stover stated that the JRA Board of Directors needs to approve the 2023 Letter of Credit for the JRA's PIB loan. The cost of this Commonwealth required coverage declines with the remaining principal of the PIB loan.

Ms. Hoover made a motion for the Board to approve the FNB Letter of Credit for the PIB loan; Mr. Schultz seconded the motion; motion carried.

2023 Budget Follow Up

Mr. Stover reviewed the updated 2023 JRA Budget. Copies of the budget were provided at the meeting. A final budget will be on the agenda for action at the January 11th board meeting.

Staff Report and Events Calendar

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

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.

OLD BUSINESS

Bridge Engineer's Report

Mr. Shura reviewed the Bridge Engineer's Report provided in the meeting packet.

NEW BUSINESS

SMA 2023 Engineering Annual Agreement

Chairman Graham stated that Stiffler McGraw has submitted an updated Engineering Agreement effective January 1, 2023. The only change is a slight increase in the hourly rate charged to the JRA. The hourly rate for 2023 has changed from \$147 per hour to \$154 per hour.

Mr. Showers made a motion for the Board to approve the 2023 Engineering Services Agreement with Stiffler McGraw and Associates, Inc.; Mr. Dombroski seconded the motion; motion carried.

REPORTS FROM COMMITTEES

PROPERTY MANAGEMENT COMMITTEE

Committee Chairman Jenkins reported on the work of the Property Management Committee, which met at 10:30 a.m. All details of the items below are contained in the Property Management Committee packet.

Covia Holdings Corporation Lease Renewal (Newberry Yard)

Mr. Jenkins made a motion for the Board to approve the Covia Holdings Corporation Lease Renewal; Ms. Wakeman seconded the motion; motion carried.

Newpark Drilling Fluids Landlord's Agreement (Newberry Yard)

Attorney Schrack stated that Newpark Drilling Fluids is a tenant in the Newberry Yard, and they are doing a financing transaction with Bank of America. Bank of America is requiring that in order for the transaction to close, the Authority execute a landlord's agreement essentially for the Authority to waive any rights it might have to the equipment and personal property of Newpark, but not fixtures or leasehold improvements.

Attorney Schrack stated that the PMC's recommendation is to conditionally approve the landlord's agreement but for the JRA to just have the understanding with Newpark that the truck scale and any other leasehold improvements that are there are not specifically subject to the landlord's agreement. The JRA just needs to confirm with Newpark what items would be covered by the waiver and what property would be considered "fixtures" and provided the JRA and Newpark agree concerning the characterization of such items, then the JRA would recommend that the landlord's agreement be signed.

Mr. Jenkins made a motion for the Board to conditionally approve the Landlord's Agreement for Newpark Drilling Fluids; Mr. Postal seconded the motion; motion carried.

PPL Transmission Line License Agreement (SVRR – Paxinos)

Mr. Jenkins made a motion for the Board to approve the PPL Transmission Line License Agreement; Ms. Hoover seconded the motion; motion carried.

Verizon Pennsylvania LLC License Agreement (NBER – Julian)

Mr. Jenkins made a motion for the Board to approve the license agreement for Verizon Pennsylvania LLC; Mr. Showers seconded the motion; motion carried.

Jersey Shore Land Sale Update (LVRR – Jersey Shore)

Mr. Jenkins made a motion for the Board to approve Girio Agency's appraisal of \$30,000 for the 0.33-acre parcel and to proceed with the land sale to Jersey Shore Borough, based on that appraised value; Mr. Dombroski seconded the motion; motion carried.

LEGAL

Legal Issues

Ratification of Recommendation to Engage New Executive Director

Chairman Graham stated that through a recruiting search/interviewing process, the team is recommending that Mr. Steven Beattie of Lewisburg, PA be hired as the incoming Executive Director for the JRA.

Mr. Park made a motion for the Board to recommend to SEDA-Council of Governments that it hire Steven Beattie as incoming Executive Director; Ms. Wakeman seconded the motion; motion carried with Mr. Winslow abstaining.

Stover Consulting Contract

Chairman Graham stated that, at the request of the JRA Board, retiring JRA Executive Director Jeff Stover has agreed to provide consulting services to the JRA after January 1, 2023.

Solicitor Schrack has prepared a simple consulting agreement to engage Stover at a rate of \$70 per hour.

The agreement indemnifies Stover in regard to legal representation for JRA-related suits.

The JRA's Ford Taurus will be surrendered to the JRA in the SEDA-COG parking lot on December 31st or before.

The consulting agreement addresses Stover retaining the Adobe program suite during the time of the consulting services. This access will cease upon termination of the consulting agreement.

For budgeting purposes, the engagement assumes 8 hours per week for a year, on average. The assumption being that the time needed in the First Quarter of 2023 will be higher than that initially but tapering down through the year.

Mr. Krentzman made a motion for the Board to approve the 2023 Consulting Contract between the JRA and Jeffery K. Stover; Mr. Hormell 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 1:18 p.m. to convene into executive session at 1:25 p.m.

* Chairman Graham reconvened the regular meeting at 2:30 p.m.

Attorney Schrack stated that the JRA Board and the Operator initially held an executive session with JRA staff to discuss certain customer matters. The Operator then left the executive session and the Authority board held privileged and confidential discussion with its legal counsel regarding the RFP litigation. No action was taken in executive session but there is an action item recommended for public session.

Engage Mark L. Freed, Esq. as Environmental Law Attorney

Solicitors Schrack and Bee recommend the JRA retain an attorney specializing in environment law. Attorney Schreck stated this was discussed in executive session with legal counsel and the JRA Board. Solicitor Schrack recommended that the Board take action to engage Mark L. Freed, Esq., of Curtin & Heefner as environmental counsel.

SEDA-COG Joint Rail Authority Meeting

December 14, 2022

Page: 7

Mr. Jenkins made a motion for the Board to approve the engagement of Mark L. Freed, Esq., of Curtin & Heefner, LLP as counsel for environment law for the JRA; Mr. Postal seconded the motion; motion carried.

With there being no further business to come before the JRA Board, Chairman Graham adjourned the meeting at 2:35 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 January 11, 2023.



Secretary/Assistant Secretary