



SEDA-COG JOINT RAIL AUTHORITY MEETING MINUTES
Wednesday, November 8, 2023
Union County Government Center, Lewisburg, PA
12:30 p.m.

AUTHORITY MEMBERS

Russ Graham, Centre County
John Spsychalski, 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
Dave Park, Snyder County
Rob Postal, Mifflin County
David Schultz, Lycoming County
John Showers, Union County
Matt Weigle, Columbia County (via teleconference)
Eric Winslow, Union County

JRA OPERATOR

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

GUESTS

Baron Emery, Carload Express
Michael Filoni, Carload Express
Ed Sigl, First National Bank
Sam Simon, Esq., Houston Harbaugh (for Carload Express) (via teleconference)

JRA LEGAL COUNSEL

John Bee, Esq., McQuaide Blasko

JRA CONSULTING PROFESSIONALS

Dan Mazur, Operating Agreement Consultant
Jason Shura, P.E., Stiffler McGraw (via teleconference)
Jeff Stover (via teleconference)

JRA STAFF

Michelle Ballou, Program Assistant
Steven Beattie, Executive Director
Kyle Postupack, Property & Maintenance of Way Manager

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 11, 2023, JRA Meeting Minutes

Dr. Spychalski made a motion for the Board to approve the October 11, 2023, Joint Rail Authority Meeting Minutes; Mr. Park seconded the motion; motion carried.

Treasurer’s Report

Mr. Harvey presented the Treasurer’s Report for the month of October 2023, 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. Postal made a motion for the Board to accept the Treasurer’s Report for the month of October 2023, Mr. Showers seconded the motion; motion carried.

American Eagle Paper Mills Acknowledgement and Resolution

The JRA Board and the Nittany & Bald Eagle Railroad would like to congratulate The American Eagle Paper Mills in Tyrone, PA on their 20th Anniversary this month. The American Eagle Paper Mills was closed in 2001. Through local investors and former employees, the Mill was reopened in 2003. There have been major improvements to the plant by expanding the warehouse, new processing equipment and a new natural gas boiler house. The NBER delivers approximately one hundred railcar loads per year to this facility. The papermill focuses on using recycled paper to produce new paper.

Mr. Krentzman made a motion for the Board to accept the American Eagle Paper Mills Acknowledgement and Resolution, Mr. Harvey seconded the motion; motion carried.

Staff Report and Events Calendar

- Mr. Beattie summarized the status of various construction projects and calendar highlights.
- JRA staff is working with the operator on scoping for a Consolidated Rail Infrastructure and Safety Improvements (CRISI) grant application submission for rail improvements. The grant is an 80/20 match. JRA staff will aid the operator with the application. The grant will not be awarded until September or October of 2024. Construction would not be until late 2025 at the earliest.
- JRA staff and Board members recently attended the BHRS inaugural RDC run. Mr. Beattie recently approved the BHRS December holiday schedule.
- The JRA staff and several Board members attended the track inspections with Mr. Sam Jannotti.
- JRA staff is working with a new potential tenant in Newberry Yard. It is at the oil and gas terminal. Tenants would be on property in Q3 2024 at the earliest.
- PennDOT has approved a reallocation of funds through RTAP 22 on the Bellefonte Yard/Hilex improvement project. The JRA was approved for that reallocation of \$46,000.
- Carbon Run Branch - JRA staff has been working with Shamokin Filler. The track was reclassified as excepted. There is a large amount of sediment covering the track which does not allow for proper inspection. Due to the sediment issues, the hope is for Shamokin Filler to take over maintenance of the branch after the last public crossing. JRA staff is working to find a solution.
- There will be an electronic invitation for the holiday dinner on December 13th which will take place at the Bull Run Taphouse in Lewisburg. The program will begin at 5:30 p.m. There will be a presentation to recognize the contributions to the Board members leaving at the end of this year.

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 provided the Operator's activities and rail traffic overview.

OLD BUSINESS

Bridge Engineer's Report

- Mr. Shura reviewed the Bridge Engineer's Report provided in the meeting packet.
- Mr. Shura has been working with Vasallo and JRA staff to get the subdivision plan finalized for the subdivision adjacent to Iron bridge. There were comments provided to Vasallo, which were addressed last week.
- Contract 2023.01 LVRR is under way. The field work is scheduled to begin next Monday November 13th.
- The LVRR Avis Bridge should be completed next week.
- LVRR IT Bridge – Will be completing the contract in early December.
- Contract 2023-03 Pipe Culvert at North Shore Mile Post 207.66 – A final date is needed from Lycoming Supply. Anticipating work to be completed in December.
- North Shore Bridge 191.52 Contract – This project has been advertised for bid. The mandatory prebid conference is scheduled for tomorrow morning. The bids will be due December 5th. Action is anticipated to take place at the December board meeting.
- Nittany Bald Eagle bridge projects – This is nearly ready to advertise. There are several easements needed as well as one permit from DEP for bridge 16.75. The plans specifications, and estimates, have been submitted to PennDOT, The Joint Rail Authority, and Nittany Bald Eagle Railroad. Bid openings are expected in early December.
- JVRR Contract – Final permits and easements are needed to advertise this project. Hoping to advertise for bid openings sometime in late January or early February.
- Shamokin Valley Section 130 Corridor Project– No action has been taken on this. Work is anticipated to begin in May/June 2024. Contractor submissions will be reviewed as received. Mr. Shura will be meeting with JRA staff and NSRS staff in Bellefonte tomorrow to continue discussion on a potential section 130 project.

NEW BUSINESS

Approval of Purchase of RCP for Section 103 Project (SVRR)

The SVRR Section 130 project includes the installation of twin 34" x 53" elliptical RCP for a small stream located near Shamrock Road. PennDOT funding will allow the Contractor to install the culverts but will not pay for the culverts since they are not critical to the crossing work. The JRA has solicited quotes for 80 linear feet of culverts and received three quotes:

- Rinker Materials - \$17,364.00
- Oldcastle Infrastructure - \$19,392.40
- Vianini Pipe, Inc. - \$22,394.83

Ms. Hoover made a motion to approve the procurement of 80 linear feet of elliptical RCP from Rinker Materials at a lump sum price of \$17,364.00; Mr. Schultz seconded the motion; motion carried.

Review of Tentative 2024 JRA Budget

- The JRA is entertaining a deficit budget in 2024 due to the unprecedented capital project expenditures to be constructed in 2024.
- The Operator is contributing \$275,000 towards capital projects in 2024, but receipt of those funds likely will occur in 2023 and recorded in 2023. Early payments help the Operator and the JRA's cash flow. The \$275,000 is reflected in the estimated balance on 12/31/23. In real terms, our deficit is \$775,000.
- The JRA is the recipient of \$2.5 million in PennDOT RTAP funding in 2024. PennDOT withholds 10% of those funds until full close-out at their end, approximately six months from construction completion. That amount, \$250,000, won't be realized until the first quarter of 2025.
- The three bullet points add up to \$900,000. The remaining overage relates to our match of \$176,000 for the SIT Embankment Repair (if DEP awards our Growing Greener Grant) and \$194,000 contribution for the NSHR rail replacement project if PennDOT awards this RTAP Grant to the Operator. The final budget is anticipated to be presented at the December 13th meeting.
- Operating Revenue is predicted to be level in 2024 or slightly up from 2023; Trackage rights will only be for sand unit trains going forward; Rail Car Storage is predicted to be level in 2023.
- General engineering is reduced by \$60,000 due to underwater inspections only occurring every five years (with exception of three bridges); Underwater Inspections occurred in 2022.
- Legal is reduced based on actual 2023 costs. Staff has utilized legal for SAR roadway and BHRS Agreement and lease clean-up; Though 2024 will include court hearings, this is anticipated to be similar to 2023 actuals.
- This budget does not tackle the MS4 issue in the City of Williamsport.
- This budget does not include construction of the Avis Runaround (to ease service at Pine Creek Seed), though it includes design services for a 2025 construction project.

The budget was presented for informational purposes only and no action was taken.

Approval of FNB Short-term Revolving Loan for Working Capital

- The JRA will be undertaking \$10.66 million in capital improvements over the next twelve months. Though much of this work will be funded through grant programs, delays are known to occur between submission for reimbursement and receipt of funds.

- Projected cash flow analysis illustrates that our capital reserve fund could be reduced to \$120,000 in certain points in 2024, therefore, if delays occur in receipt of funding, the JRA will need an alternative means to make payment to Contractors.
- First National Bank (FNB) proposes a demand revolving line of credit on the amount of \$500,000 at a floating secured overnight financing rate (SOFR) plus 2%

Dr. Szychalski made a motion to accept FNB short-term revolving loan terms and authorize the Executive Director to execute loan documents if it is deemed necessary to draw funds for working capital needs; Mr. Harvey seconded motion; motion carried.

REPORTS FROM COMMITTEES

Property Management Committee

Reapproval of BHRS Lease – Oil House & Land (NBER – Bellefonte)

- The Bellefonte Historical Railroad Society (BHRS) has been occupying the former PRR Oil House at the WYE of the NBER – Bellefonte Branch and would like to enter into a lease with the JRA for the building and land.
- The building is 900 square feet, the total area of the leased land is 0.3 acres and 240' of track that is not connected to the main.
- The lease is for a 10-year term. In exchange for leasing the property, BHRS will be responsible for performing a list of upgrades that BHRS submitted to JRA staff.
- A one-time \$880.00 lease application fee will also be assessed.
- This lease was moved by a JRA Board member who does not sit on the PMC and needs to be voted on again.

Mr. Jenkins made a motion to reapprove the amended BHRS Oil House Lease Agreement; Mr. Postal seconded the motion; motion carried.

Reapproval of BHRS Lease – Potter Street Siding (NBER – Bellefonte)

- The BHRS stores a non-operational Budd Rail Diesel Car (RDC) on a 500' siding off the NBER – Bellefonte Branch that runs parallel to Potter Street in Bellefonte.
- In addition to storing their RDC on the track, BHRS also uses the track to organize speeder runs.
- BHRS would like to enter into an agreement for the use of the spur from the JRA.
- The term of this agreement is ten years, and a one-time license application fee of \$880.00 will be assessed. Additionally, BHRS will be responsible for all track maintenance costs per the license agreement.

- This License Agreement was moved by a JRA Board Member who does not sit on the PMC and needs to be voted on again.

Mr. Jenkins made the motion to reapprove the BHRS Lease for Potter Street Siding License Agreement; Dr. Spychalski seconded the motion; motion carried.

Jersey Shore Borough Land Sale Agreement (LVRR – Jersey Shore)

JRA staff has been working with the Jersey Shore Borough to sell them 0.83 acres of land so the Borough can build a new building for their public works department. Per the Agreement, the Borough must construct a fence or barrier 15' from the centerline of the track to protect JRA property and ensure rail service is not interrupted. The Borough was also responsible for all costs in preparation for this agreement, including the survey, development of the subdivision plan, etc. The Girio Agency appraised the land at \$76,022.10 for the 0.83-acre parcel.

Mr. Hormell made a motion to approve the Jersey Shore Borough Land Sale Agreement; Mr. Jones seconded the motion; motion carried.

FastBridge Fiber, LLC License Agreement for Aerial Fiber Cable (LVRR – Williamsport)

- FastBridge Fiber, LLC contacted JRA staff about constructing a new aerial fiber optic cable that will transversely cross the Lycoming Valley Railroad in Williamsport.
- The cable shall be no less than 23' from the top of rail with sag.
- FastBridge Fiber will be assessed an annual fee of \$2,530.00 and subject to CPI increases in addition to a one-time \$880 application fee.
- All plans have been reviewed and approved.

Mr. Showers made a motion to approve the FastBridge Fiber, LLC License Agreement for Aerial Fiber Cable (LVRR – Williamsport); Mr. Postal seconded the motion; motion carried.

FastBridge Fiber, LLC License Agreement for Underground Fiber Cable

- FastBridge Fiber, LLC contacted JRA staff about constructing a new underground fiber optic cable that will transversely cross the Lycoming Valley Railroad in Williamsport.
- The underground wire will be in a casing pipe that will be no less than 108' from bottom of rail. The casing pipe will be installed via directional bore.
- FastBridge Fiber will be assessed an annual fee of \$2,530.00 and subject to CPI increases in addition to a one-time \$880 application fee.
- All plans have been reviewed and approved.

Mr. Winslow made a motion to approve the FastBridge Fiber, LLC License Agreement for Underground Fiber Cable (LVRR – Williamsport); Mr. Harvey seconded the motion; motion carried.

Approval of Agreement and Lot Add-on Subdivision with Leo & Patty Williams for the LVRR 179.44 Bridge Project

It was discovered when the area was surveyed that a portion of the property was on Bud and Patty Williams' property. In return for a permanent land easement and temporary construction easement that the Williams will receive a \$15,000 cash payment and conveyance of four acres of JRA property. The 4 acres are wetlands located in a flood plain. This has been a lengthy negotiating process and exceeds the typical JRA negotiations.

- This is an Agreement in Lieu of Condemnation
- SEDA-COG JRA Easement to Bud and Patty Williams for a 50' access road
- Bud and Patty Williams Temporary Construction Easement of 0.111 acres and Permanent Easement of 0.053 acres to the SEDA-COG JRA to construct the LVRR Iron Bridge 179.44.
- Lot add-on subdivision between JRA and Bud and Patty Williams.

Mr. Jenkins made a motion to approve the Agreement and Lot Add-On Subdivision with Leo and Patty Williams; Mr. Gummo seconded the motion; motion carried.

LEGAL

Operating Agreement Q3 Consultant's Report

Mr. Mazur presented the Operator's third quarter financials for 2023 via PowerPoint.

3Q 2023 Transportation Expense Ratio

- Target: About 40%
- Results for 3Q 2023
 - Much lower than Target
 - Lower than 3Q of 2022
 - Lower than 3Q 2023 Budget

3Q 2023 Maintenance of Way Ratio

- Target: About 21%
- Results for 3Q 2023
 - Much higher than the Target
 - About twice the level of 3Q 2022
 - Higher than 3Q 2023 Budget

Mr. Mazur stated the remainder of the PowerPoint presentation should be discussed in an executive session to provide additional confidential background.

Asst. Solicitor Bee 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 1:33 p.m. to convene into executive session at 1:40 p.m.

Chairman Graham reconvened the regular meeting at 2:33 p.m.

Asst. Solicitor Bee stated that the JRA Board held an executive session with Mr. Mazur and the Operator. After Mr. Mazur finished the confidential and proprietary portion of his report, he and the Operator's representatives left the executive session. Asst. Solicitor Bee stated that the JRA Board then held an executive session with solicitor and JRA staff concerning a brief discussion addressing potential real estate acquisition/matters, and updates in the litigations pending in Clinton and Columbia Counties. No action was taken in executive session and no action is recommended to be taken.


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 December 13, 2023.


Secretary/Assistant Secretary