



SEDA-COG JOINT RAIL AUTHORITY MEETING MINUTES

Wednesday, December 13, 2023

Union County Government Center, Lewisburg, PA

3:00 p.m.

AUTHORITY MEMBERS PRESENT

Russ Graham, Centre County
John Spsychalski, Centre County
John Gummo, Clinton County
Scott Harvey, Lycoming County
Lisa Hoover, Northumberland County
Bob Hormell, Northumberland County
Brent Jones, Clinton County
Dave Park, Snyder County
Rob Postal, Mifflin County
David Schultz, Lycoming County
John Showers, Union County
Jennifer Wakeman, Montour County
Frank Dombroski, Montour County
Matt Weigle, Columbia County
Eric Winslow, Union County

JRA OPERATOR

Jeb Stotter, President & CEO
Diana Williams, Treasurer/Controller
Loni Martz-Briner, PR, and Media Manager for NSHR
Jeff Pontius, Penn Valley Railroad, L.L.C.

GUESTS

John Ashbridge, Carload Express
Baron Emery, Carload Express
Marc Lindenmuth, National Railway Historical Society (NRHS)
Sam Simon, Esq., Houston Harbaugh (for Carload Express) (via teleconference)
Stephen J. Lendway, Strafford Branch, L.L.C. (via teleconference)

JRA LEGAL COUNSEL

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

JRA CONSULTING PROFESSIONALS

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

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 3:06 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

Mr. Gummo spoke about the importance of being thankful this holiday season.

ADMINISTRATIVE ITEMS

Approval of the November 8, 2023, JRA Meeting Minutes

Dr. Spychalski made a motion for the Board to approve the November 8, 2023, Joint Rail Authority Meeting Minutes; Mr. Postal seconded the motion; motion carried.

Treasurer’s Report

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

Ms. Wakeman made a motion for the Board to accept the Treasurer’s Report for the month of November 2023, Mr. Weigle seconded the motion; motion carried.

Staff Report and Events Calendar

- Mr. Beattie summarized the status of various construction projects and calendar highlights.
- Passenger Excursions in 2023 - The passenger excursions are going well and are sold out.
- Milesburg Bridges – The bridge design is complete, and the permits are in place. JRA staff continues to work with the Borough Secretary and Authority solicitors to obtain the necessary right-of-way. There is still one outstanding easement. Otherwise, the project would be out for bid. Bidding is anticipated for early January 2024.
- Newberry Yard – There were two poles down on November 22nd due to rain and wind. An emergency repair was completed the following week. Two poles were replaced, the electrical line was hung back up, and then a phone line was put back in place. The repair was approximately \$10,000. Several other rotten poles will be replaced this winter.

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. Ms. Loni Martz-Briner presented a video from NSHR.

OLD BUSINESS

Bridge Engineer's Report

- Mr. Shura reviewed the Bridge Engineer's Report provided in the meeting packet.
- Contract 2023-01 Lycoming Valley RTAP 2021 Bridge Rehabilitation Project - Lycoming Supply will be completing bridge work this Saturday. Project is expected to be completed by the end of 2023. A substantial completion punch list is anticipated to be completed next week.
- Contract 2023-03 North Shore Railroad Pipe Culvert Replacement at Mile Post 207.66 – The project was awarded to Lycoming Supply. Work will begin on Jan 16th, 2024, and should be completed by the end of January which will include permanent pipe replacement.
- Contract 2023-04 NSHR Bridge 191.52 Rehabilitation Project – The bids were opened on December 5th, 2023. Four bids were received. Lycoming Supply is the low bidder at \$689,269.00 on an engineer's estimate of \$615,000.
- Contract 2024-01 and 2024-02 Nittany Bald Eagle Rehabilitation Project – The estimated bid opening dates will coincide with the February Board meeting...all permits are in place and all approvals from PennDOT are obtained.
- Contract 2024-03 Juniata Valley Railroad Bridge Rehabilitation Project – Paperwork has been submitted to Bureau of Rail Freight. Some minor comments were received. There is one permit in place and the other permit will be submitted this week. Bid Advertising is anticipated in early January.
- Contract 2024-04 Milesburg Multi-Modal Bridge Replacement – All permits are in place. PennDOT has approved the bid package. The project can be advertised once the remaining easement has been received by the Borough of Milesburg.

- Bud Williams Easement – The subdivision plan is submitted and goes to the Township Board of Supervisors today for approval. Vasallo Engineering & Surveying, Inc. will be in attendance on JRA’s behalf. Once approved and plans signed, JRA can record documents and previously approved agreements.

NEW BUSINESS

Approval of 2013 Ford Taurus as Surplus Vehicle

Mr. Beattie stated that the Ford Taurus is 10 years old with 167,660 miles. The radio, Bluetooth, and rear defrost do not work; The Ford Dealership indicated the repair would be approximately \$1,500 and would not guarantee results. Staff are proposing to place this vehicle for public sale through the on-line Municibid website. A reserve price of \$1,000 will be indicated during the bid process. The JRA also has an existing Ford Explorer that is used primarily by Mr. Postupack.

Mr. Postal made a motion to declare the 2013 Ford Taurus as surplus and authorize Mr. Beattie to advertise sale of the vehicle and to execute all documents for the final sale; Mr. Park seconded the motion; motion carried.

Approval of Final 2024 JRA Budget

There have been minor changes which include starting balance, license revenue and project revenue and expenses. The deficit spending did increase. The deficit spending is 1.125 million from the reserve account. A large portion of this is caused by the grant reimbursements not occurring in 2024 and grant match provided by the JRA. This will be regained in early 2025 and would be reflected in the future budget.

Mr. Gummo made a motion to approve the 2024 JRA Budget as presented; Mr. Showers seconded the motion; motion carried.

Conveyance of Rail to the Central PA Chapter of the NRHS

- The Central PA Chapter of the NRHS has long endeavored to construct a new siding close to their station building for security purposes. In past conversations occurred with the JRA related to donating rail.
- In coordination with the Operator, we were able to locate approximately 540 feet of track (1,080LF) of what appears to be #101 rail located in Danville; the rail is in rough shape but would be suitable for car storage use. There are bars and plates available for this track.
- The scrap value of this rail is \$12,726; the value of the bars and plates were not calculated. Over the past four quarters the JRA made \$3,200 in payments under the revenue sharing agreement and pay a \$5,810 track lease to the Chapter annually.
- The Chapter is seeking the cost, if any, for the rail; they are open to make a payment to the JRA or Deduct a dollar amount from future rent or quarterly payments.

Ms. Wakeman made a motion to accept conveyance of rail in recognition of the contribution made by the JRA to the Central PA Chapter of the NRHS; Mr. Park seconded motion; motion carried.

Approval of Operating Agreement Consultant to the JRA

- The current Consultant, Dan Mazur is retiring following the completion of 2023 reporting, the Board agreed that a replacement consultant is needed.
- Mr. Stephen Lendway, operating as Strafford Branch, LLC, is a former Conrail and NS employee, works for other short lines as a consultant and is very familiar with short line marketing and finances. Agreement and resume included in packet.
- Mr. Lendway was interviewed by the Executive Committee and recommends approval. Further Dan Mazur believes Stephen will be a good fit and the Operator agrees.
- Compensation is proposed at \$75 per hour and direct, reasonable expenses.

Mr. Harvey made a motion to approve execution of the Consulting Agreement between the SEDA-COG Joint Rail Authority and Strafford Branch, LLC.; Mr. Postal seconded the motion; motion carried.

Stiffler McGraw Engineering Consulting Retainer Agreement

Mr. Beattie asked for this to be tabled until the January 2024 Board meeting because the agreement is not yet completed.

Approval of Bids & Notice of Award; North Shore Railroad Bridge Rehabilitation at Mile Post 191.52

Bid opening occurred on December 5, 2023. The apparent low bidder was Lycoming Supply with a bid of \$689,269. Mr. Shura and JRA staff have reviewed the bids and pricing is generally reasonable. The Engineer's estimate was \$614,900.00; thus, the low bid is 12% over the estimate. All permits and PennDOT approval are in place. Temporary access license is pending approval by the Bloomsburg Fair Association in mid-December. The award will be contingent on receiving official PennDOT concurrence and acceptable bonding.

Mr. Park made a motion to award the JRA Contract 2023-04, NSHR Railroad Bridge Rehabilitation at MP 191.52 – Project to the lowest responsible bidder, Lycoming Supply at a bid price of \$689,269.00, contingent on receiving official PennDOT concurrence and acceptable insurance/bonding; Mr. Winslow seconded the motion; motion carried.

Approval of LOA with Operator for Milesburg Bridge Multimodal

- The Operator proposes a LOA for the reimbursement of a \$100,000 contribution made towards JRA's NBER Milesburg Bridge Multi-modal capital project.
- The agreement defines a proportionate refund back to the Operator on a per diem Amortization schedule of 3,650 days starting on the date of project substantial completion.

Mr. Postal made a motion to approve execution of Letter of Agreement between the SEDA-COG Joint Rail Authority and Susquehanna Union Railroad Company for the NBER Milesburg Bridge Multimodal Project; Mr. Winslow seconded the motion; motion carried.

Approval of LOA with Operator for RTAP 21 Bridge Bundle

- The Operator proposes a Letter of Agreement for the reimbursement of a \$200,000 contribution made towards JRA's RTAP 21 Bridge Bundle capital project.
- The agreement defines a proportionate refund back to the Operator on a per diem amortization schedule of 3,650 days starting on the date of project substantial completion.

Mr. Hormell made a motion to approve execution of Letter of Agreement between the SEDA-COG Joint Rail Authority and Susquehanna Union Railroad Company for the RTAP 21 Bridge Bundle Project; Mr. Weigle seconded the motion; motion carried.

Approval of LOA with Operator for RTAP 22 Bell Yard & Helix

- Operator proposes a Letter of Agreement for the reimbursements of a \$175,000 contribution made towards the JRA's RTAP 22 Bellefonte Yard/Helix Turnout Improvement Project.
- The agreement defines a proportionate refund back to the Operator on a per diem amortization schedule of 3,650 days starting on the date of project substantial completion.

Mr. Harvey made a motion to approve the LOA with the Operator for RTAP 22 Bell Yard & Helix; Dr. Spsychalski seconded the motion; motion carried.

Approval of PennDOT Concurrence Letter for Selinsgrove Industrial Track (SIT) Section 130 Corridor Project

- PennDOT proposes a Section 130 Highway-Railroad Safety Improvement Project along the Selinsgrove Industrial Track Corridor in 2024-2025. The project includes upgrades to eight crossing along the corridor.
- The crossing location and scope of work are included in the Board packet. The project budget is \$3,004,020.00. All costs are reimbursable by PennDOT except for the field survey costs.

Mr. Park made a motion to approve execution of Letter of Concurrence for SIT Section 130 Project between the SEDA-COG Joint Rail Authority and PennDOT; Ms. Wakeman seconded the motion; motion carried.

REPORTS FROM COMMITTEES

Property Management Committee

PennDOT South Avis Access Road Temporary Construction Easement

- PennDOT contacted JRA staff about a Temporary Construction Easement (TCE) needed on the South Avis Access Road to be used to access Phase 5 of the Bald Eagle Valley Trail in Clinton County.
- Contractors will use the South Avis Access Road to bring equipment and materials on the old New York Central railbed and get to the old railroad bridge over the Susquehanna River.
- The TCE is for 61,021 square feet or 1.4 acres of land.
- The JRA has been offered \$8,000.00 for use of the road.
- Construction is anticipated to begin sometime in 2024.

Mr. Hormell made a motion to approve the PennDOT South Avis Access Road Temporary Construction Easement for consideration by the full Board; Mr. Jones seconded the motion; motion carried.

Shale Rail, LLC License Agreement (Newberry Yard)

- Shale Rail, LLC has been licensing a site in Newberry Yard since 2021. They originally entered into a temporary month-to-month agreement for \$750.00 per month to unload cars in the North Yard. They are still operating under this agreement, and a new agreement is needed.
- The new license agreement would be for 30-days and automatically renew for an additional 30-days, But the monthly rent would be increased to \$3,200.00, which is closer to market value. This is still a temporary agreement until a long-term agreement can be negotiated, which is in process.
- Either party can void this agreement with 14 days' advanced written notice.

Ms. Wakeman made the motion to approve this month's Agreement with Shale Rail for consideration by the full Board; Mr. Hormell seconded the motion; motion carried.

Engine House Leases – Lease to Operator of three locations (LVRR, JVRR, NBER)

- SURC has occupied the engine houses and offices at the JVRR (2003), LVRR (2011), and NBER (2001) Railroads for many years. However, there has never been an agreement to memorialize their use of the buildings, and rents have remained the same.
- JRA staff and solicitors worked together to draft agreements for these engine houses and offices.
- The lease term for each agreement would commence on January 1, 2024, and continue for five years. The leases would also be terminated if SURC no longer operates the JRA's rail lines.

Mr. Weigle made a motion to approve the lease agreements for the following JRA Building: 1. JVRR Engine House; 2. LVRR Engine House, Office, and Marine Corps Building; 3. NBER Engine House; Mr. Postal seconded the motion; motion carried.

Renewal of North Yards Sales Agreement Between the JRA and Joe Krentzman and Son, Inc. (JVRR – Burnham)

- In 2022, The JRA agreed to sell Joe Krentzman & Son, Inc. the North Yards in Burnham for \$120,000.
- There was a 120-day closing from the original agreement date, which was March 9, 2022. However, they could not meet that date due to pursuing an Act 2 designation for the site through PADEP, which can take time.
- The JRA drafted a new agreement with a closing date no later than December 31, 2024. The purchase price was also increased to \$130,000 due to inflation and the JRA’s unforeseen expense of paying taxes on the property for an additional year.
- The taxes for this property are below:
 - Local/County.....\$4,184.79
 - School.....\$4,902.13
- The JRA has also agreed to seek an exemption from property taxes since PA municipal Authorities are exempt from paying property taxes. If the JRA successfully obtains an exemption Before closing, “one half the amount of savings on real property taxes realized for year 2024 by Seller shall be credited to the purchase price payable by the Buyer at closing.”

Dr. Spychalski made a motion to approve the renewal of North Yards Sales Agreement between the JRA and Joe Krentzman and Son, Inc (JVRR – Burnham); Ms. Wakeman seconded the motion; motion carried. Abstained by Mr. Postal.

SEDA-COG JRA Easement With Mertz Real Estate Partnership for Signal Cantilever And Bollards (SVRR – Sunbury)

- JRA staff, PennDOT, SVRR staff, and JRA Engineer Mr. Shura have been working on a Section 130 grade crossing improvement corridor from Sunbury to Shamokin.
- The 4th Street crossing in Sunbury will get a surface and signal upgrade. An easement is necessary from the property owner, Mertz Real Estate Partnership, for the cantilever and bollards that will encroach on their property.
- The location of the new cantilever will now meet MUTCD specifications.
- The fee for this easement is \$1, and Mertz Real Estate Partnership asked for 34 square yards of additional pavement to be added to their alley.
- The agreement shall run with the land.

Mr. Park made a motion to approve the SEDA-COG JRA Easement with Mertz Real Estate Partnership for Signal Cantilever and Bollards; Ms. Hoover seconded the motion; motion carried.

PPL License Agreement for Transverse Aerial Electrical Wire (SVRR – Sunbury)

- PPL contacted JRA staff about replacing an existing overhead electrical wire with 69kV wire over the SVRR in Sunbury.
- The wire will be no less than 37’-6” from top of rail with sag.
- PPL will be assessed an annual fee of \$760.00, subject to annual CPI increases and a one-time \$880

agreement preparation fee.

- All plans have been reviewed and approved.

Ms. Wakeman made a motion to approve the PPL License Agreement for Transverse Aerial Electrical Wire (SVRR – Sunbury); Mr. Park seconded the motion; motion carried.

Michael Thompson License Agreement (SVRR – Shamokin)

- Michael Thompson owns a building on East Independence Street in Shamokin. Mr. Thompson contacted JRA staff about licensing the JRA ROW behind his building for parking.
- The licensed area is approximately 1,050 square feet and would be used for parking his personal vehicles. He must also construct a JRA-approved barrier to prevent vehicles from fouling the railroad.
- The term for this agreement is ten years, and either party can terminate this agreement upon thirty days written notice.
- The annual license fee is \$1,000.00, subject to annual CPI increases. There will also be a one-time license preparation fee assessed of \$880.00.

Mr. Weigle made a motion to approve the license agreement for Michael Thompson; Mr. Dombroski seconded the motion; motion carried.

LEGAL

Solicitor Schrack stated he has nothing to discuss in public session and recommended that the Board recess into executive session.

Chairman Graham recessed the regular meeting at 4:33 p.m. to convene into executive session at 4:34 p.m.

Chairman Graham reconvened the regular meeting at 5:04 p.m.

Solicitor Schrack stated that the JRA Board held an executive session with solicitor and JRA staff concerning a brief discussion addressing RFP litigations in Clinton and Columbia Counties and personnel matters. No action was taken in executive session and no action is to be taken at this time.

With there being no further business to come before the JRA Board, Chairman Graham adjourned the meeting at 5:05 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 10, 2024.



Secretary/Assistant Secretary