



SEDA-COG JOINT RAIL AUTHORITY MEETING MINUTES

Wednesday, February 14, 2024

Union County Government Center, Lewisburg, PA

12:30 p.m.

AUTHORITY MEMBERS PRESENT

Russ Graham, Centre County
Frank Dombroski, Montour County
John Spychalski, Centre County
Scott Harvey, Lycoming County
Lisa Hoover, Northumberland County
Rick Jenkins, Columbia County (via teleconference)
Brent Jones, Clinton County
Michael Krentzman, Mifflin County
Dave Park, Snyder County
Patty Perez, Columbia County
Rob Postal, Mifflin County
David Schultz, Lycoming County
Jennifer Wakeman, Montour County
Eric Winslow, Union County (via teleconference)

JRA OPERATOR

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

GUESTS

John Ashbridge, Carload Express
Erik Bergenthal, Carload Express Legal Council (via teleconference)
Baron Emery, Carload Express
Adam Hartzel, Baker Tilly (via teleconference)
Stephen Lendway, Strafford Branch, L.L.C.
Jeff Snyder, Clinton County Commissioner
Ed Siegel, First National Bank

JRA LEGAL COUNSEL

John Bee, Esq., McQuaide Blasko
Thomas Schrack, ESQ., McQuaide Blasko

JRA CONSULTING PROFESSIONALS

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

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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 12:32 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

ADMINISTRATIVE ITEMS

Approval of the February 14, 2024, JRA Meeting Minutes

Dr. Spsychalski made a motion for the Board to approve the February 14, 2024, Joint Rail Authority Meeting Minutes; Mr. Postal seconded the motion; motion carried.

Treasurer’s Report

Ms. Wakeman presented the Treasurer’s Report for the month of January 2024, 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. Harvey made a motion for the Board to accept the Treasurer’s Report for the month of January 2024; Mr. Park seconded the motion; motion carried.

2023 Audit Kick-off and Planning Communications

Mr. Hartzell introduced the Board and staff to the 2023 Audit process. It is an audit requirement to provide necessary communications to the persons responsible for governance of the Joint Rail Authority. No action was taken by the board.

Resolution 24-01; Entering into a Business Loan Agreement

- At the November 2023 meeting, the Board approved opening a \$500,000 revolving loan with FNB Bank.
- Per the loan agreement paperwork, a Resolution is required to specifically state the intentions and actions of the Board.

Mr. Krentzman made a motion for the Board to approve Resolution 24-01 as presented and authorize the Executive Director to execute the loan documents; Mr. Dombroski seconded the motion; motion carried.

FNB Letter of Credit Second Amendment for FNB PIP Loan

- FNB backstops our state PIP Loan note by providing an irrevocable letter of credit to the state. To date, the outstanding principal balance is \$896,000.
- The current PIP loan was taken to consolidate two existing PIP loans, one to assist funding of the LVRR Bridge over Loyalsock Creek and for improvements to the Pleasant Gap Industrial Track and Roundhouse Road Grade Crossing.
- This agreement simply confirms the current outstanding balance to reduce the 1% annual Letter of Credit fee we pay to FNB each year.
- The JRA Board must approve the Letter of Credit Second Amendment for the JRA's PIB loan. The cost of this Commonwealth required coverage declines each year based on the remaining principal of the PIB loan.

Ms. Wakeman made a motion for the Board to approve the second amendment for FNB PIP Loan as presented and authorize the Chairman and Treasury to execute agreement; Ms. Perez seconded the motion; motion carried.

Staff Report and Events Calendar

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

- JRA staff attended the KSRRRA quarterly meeting virtually. They do plan on having a statewide conference in 2024; one is contemplated for Spring 2025.
- JRA Staff attended a Capstone Senior Project coordination meeting and tour of Penn State Altoona railroad engineering program. The students are looking at solutions related to stormwater issues, erosion issues and opportunities for transload sites on the Nittany Main in the Tyrone area.

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- JRA staff met with the operator and track inspector to review the 2023 Maintenance of Way (MoW) program and the proposed 2024 MoW program.
- Milesburg Bridge - JRA ED met with Milesburg Borough council on February 12th and with the adjacent property owner to the project site to discuss the needed temporary and permanent easement needs for the project. Another site meeting is planned for February 25, 2024.
- JRA continues to work with Sherwood Lumber on the RACP application and their proposed project.

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. The operator indicated that due to the favorable winter weather, the MoW department was able to get a head start on the 2024 program.

OLD BUSINESS

Bridge Engineer's Report

- Mr. Shura reviewed the Bridge Engineer's Report provided in the meeting packet.
- Contract 2023-03 North Shore Railroad Pipe Culvert Replacement at Mile Post 207.66 – Mr. Shura stated substantial completion was achieved and only a few minor punchlist items that are outstanding. Mr. Shura will continue to work with Lycoming Supply to prepare for field work.
- Contract 2023-04, NSHR Bridge 191.52 Rehabilitation Project; Mr. Shura indicated that the construction contract agreement has been executed and the notice to proceed has been issued.
- Contracts 2024-01 & 2024-02 RTAP 2021 NBER Bridge Rehabilitation Contracts – Opened bids on February 12, 2024; this is a later agenda item.
- SVRR Section 130 Project; Mr. Shura is coordinating a project update meeting with the Contractor to coordinate upcoming rail crossing surfacing scheduled to begin in June.
- Mr. Shura is also working on two plan reviews for private utility work proposed along JRA property. He is coordinating with the applicants and Mr. Postupack.

NEW BUSINESS

Stiffler McGraw Engineering Consulting Retainer Agreement

Mr. Beattie stated that the JRA Solicitor and Mr. Shura have been working to finalize a new professional engineering services retainer agreement between the JRA and Stiffler McGraw & Associates. Mr. Beattie stated the Agreement is thorough and comprehensive, including language related to invoicing, dispute resolution, indemnification, document ownership, and professional practice standards. Additionally, a new process will be put in place that allows for

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confirmation of assignments issued for individual projects with the retainer Agreement as the umbrella agreement for these future tasks.

Mr. Park made a motion for the Board to approve the Stiffler McGraw Engineering Consulting Retainer Agreement effective January 1, 2024; Mr. Postal seconded the motion; motion carried.

Payment Application No. 1 for Contract 2023-03

Mr. Beattie indicated that Contract 2023-03, NSHR Culvert MP 207.66 is deemed substantially complete and payment application No. 1 has been submitted by the Contactor, Lycoming Supply, Inc. and reviewed by the JRA staff and the Project Engineer.

Dr. Spsychalski made a motion for the Board to approve Payment Application No. 1 for Contract 2023-03 in the amount of \$310,622.00; Mr. Winslow seconded the motion; motion carried.

Bid Opening and Notice Award; NBER RTAP 21 Bridge Rehabilitation Project Contract 2024-01

Mr. Beattie presented the results of the Bid Opening for Contract 2024-01. The apparent, responsible low bid was Lycoming Supply, Inc. at a bid of \$859,999.00. The bid is approximately 40% higher than the engineer's estimate due to shotcrete costs coming in much higher than anticipated. Mr. Shura indicated he will research this issue further, meet with shotcrete subcontractors and learn more about the higher costs and ways to reduce this cost in future projects. Mr. Beattie also noted that the RTAP-21 Bridge Bundle Program has exhausted its funding and that the rehabilitation of the planned JVRR bridges will not proceed under the RTAP 21 Bridge program.

Dr. Spsychalski made a motion to Award JRA Contract 2024-01, NBER RTAP 21 Bridges 16.75 and 36.90 Rehabilitation Project to the lowest responsible bidder, Lycoming Supply, Inc. with a bid of \$859,999.00 contingent on receiving approval from PennDOT, acceptance of Bidder not requiring access to cross private property, and receipt of acceptable insurance and bonding; Mr. Dombroski seconded the motion; motion carried.

Bid Opening and Notice of Award; NBER RTAP 21 Bridge Rehabilitation Project Contract 2024-02

Mr. Beattie presented the results of the Bid Opening for Contract 2024-02. The apparent, responsible low bid was Masters Excavating, LLC. at a bid of \$96,139.60. The bid is approximately 7% higher than the engineer's estimate due to continued inflationary costs, which are being seen in construction projects.

Mr. Park made a motion to Award JRA Contract 2024-02, NBER RTAP 21 Bridge 26.01 Rehabilitation Project to the lowest responsible bidder, Masters Excavating, LLC, with a bid of

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\$96,139.60 contingent on receiving approval from PennDOT and receipt of acceptable insurance and bonding; Mr. Schultz seconded the motion; motion carried.

Place Contract 2023-05 for Public Bid (NBER – Milesburg Multi-Modal)

Mr. Beattie provided an update on the Milesburg Railroad Street Bridge replacement project. This is a cooperative project with the Borough of Milesburg and funded through numerous sources including PennDOT Multimodal and DCED Multimodal grants. This project had been delayed due to the need to obtain temporary and permanent easements on two adjacent private properties. Since there is no March meeting and the schedule is tight for construction in 2024, a motion is sought to go out to bid immediately, upon obtaining necessary easements. It is likely these easements will be obtained during the first week of March and bidding can occur prior to the Board's April meeting.

Mr. Beattie indicated that probable construction cost is opinioned at \$1.15M.

Dr. Spychalski made a motion to approve the public bidding for Contract 2023-05, NBER – Milesburg Multimodal Project subject to receipt of final easement agreements and PennDOT concurrence to bid; Mr. Harvey seconded the motion; motion carried.

Place Contract 2024-03 for Public Bid (JVRR-RTAP 21 Bridges)

This agenda item was tabled.

Mr. Krentzman made a motion to table the agenda item; Mr. Park seconded the motion; motion carried.

2024 Bridge Inspection Engineering Confirmation of Assignment

Mr. Beattie presented the Engineer's Confirmation of Assignment to complete the 2024 annual bridge inspection program and complete all needed field work and preparation of final bridge inspection reports for a lump fee of \$125,300.

Mr. Postal made a motion to approve Stifler McGraw Confirmation of Assignment in the amount of \$125,300 for bridge inspection services across the rail network; Ms. Perez seconded motion; motion carried.

Selinsgrove Industrial Track PennDOT Section 130 Safety Upgrades Engineering Confirmation of Assignment

Mr. Beattie presented the Engineer's Confirmation of Assignment for the SIT 130 Safety Upgrades and complete all needed field work, design work, permitting, bid administration, contract administration, and inspection for \$97,000. The estimated probable construction cost is opinioned to be \$3.3M. The design schedule proposes bidding in early autumn and construction

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to commence in late spring 2025 preparation of final bridge inspection reports for a lump fee of \$125,300.

Mr. Park made a motion to approve Stiffler McGraw Confirmation of Assignment in the amount of \$97,000 for engineering service for the SIT Section 130 Safety Upgrades subject to final Federal Form D-4232 authorized for the project; Ms. Wakeman seconded motion; motion carried.

REPORTS FROM COMMITTEES

Property Management Committee

1a. Increase Agreement Preparation Fee from \$880 to \$1,000 (Administrative)

Mr. Park presented a recommended change in the preparation fees to cover increasing administrative costs associated with the preparation of agreements with entities requesting license and other types of agreements. The Property Management Committee recommends approval of this amendment by the full board.

Mr. Park made a motion to approve a revision to the JRA standard fee schedule to increase the one-time document preparation fee from 2024 from \$880 to \$1,000; Mr. Postal seconded the motion; motion carried.

1b. Knorr Property LLC Boundary Line Agreement Line Agreement (NSHR – S. Centre Twp.)

Mr. Park presented the boundary line agreement between the JRA and Mitchell Knorr that establishes and clarifies that Knorr owns the granary building and the JRA owns the railroad track and land on which a portion of the Knorr building sits. This agreement removes liability from and indemnifies the JRA should something happen to the building. This agreement also includes a waiving of any fees associated with the agreement. The Property Management Committee recommends approval of this agreement by the full board.

Mr. Park made a motion to approve a Boundary Line Agreement with Mitchell Knorr; Mr. Jones seconded the motion; motion carried.

1c. Tuscarora Grain Company License Agreement (NSHR – S. Centre Twp.)

Mr. Park presented the license agreement between the JRA and Tuscarora Grain Company (TGC) that establishes and clarifies use of a JRA runaround track for use by the TGC. This agreement establishes the responsibility of maintenance of the track by TGC. The agreement term is for 5 years and includes an annual fee of \$6,000 subject to annual CPI increases. The Property Management Committee recommends approval of this agreement by the full board.

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Mr. Park made a motion to approve a License Agreement with Tuscarora Grain Company; Mr. Jones seconded the motion; motion carried.

1d. Bridgewell Resources LLC License Agreement (Newberry Yard)
This agenda item was tabled.

Mr. Krentzman made a motion to table the agenda item; Ms. Wakeman seconded the motion; motion carried.

Passenger Excursions Committee

Dr. Spychalski stated that the passenger excursion timetable for 2024 has been completed and approved by the Passenger Excursion Committee. The dates have been confirmed with the sponsors, Penn Valley Railroad LLC., and the Operator.

Dr. Spychalski made a motion for the Board to approve the draft passenger excursion timetable for 2023; Ms. Perez seconded the motion; motion carried.

LEGAL

Solicitor 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 2:00 p.m. to convene into executive session at 2:10 p.m.

Chairman Graham reconvened the regular meeting at 3:03 p.m.

Solicitor Schrack stated that the JRA Board held an executive session with Solicitor and JRA staff concerning ongoing litigations, personnel matters, and confidential legal advice. No action was taken in executive session and no action is to be taken at this time. Solicitor Schrack also noted that the JRA's Executive Committee held an executive session on Wednesday, February 7, 2024 concerning personnel matters.

With there being no further business to come before the JRA Board, Chairman Graham adjourned the meeting at 3:04 p.m.

Respectfully submitted,



Steven M. Beattie, Executive Director

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I hereby certify these minutes were approved by the SEDA-COG Joint Rail Authority Board of Directors on April 10, 2024.

A handwritten signature in black ink, appearing to read "Mark J. Preston", written over a horizontal line.

Secretary/Assistant Secretary