



SEDA-COG JOINT RAIL AUTHORITY MEETING MINUTES

Wednesday, May 8, 2024

SEDA-COG Boardroom, Lewisburg, PA

12:30 p.m.

AUTHORITY MEMBERS PRESENT

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

JRA OPERATOR

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

GUESTS

Jeff Pontius, Penn Valley Railroad
Baron Emery, Carload Express
Andy Wagner, Penn Valley Railroad Attorney

JRA LEGAL COUNSEL

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

JRA CONSULTING PROFESSIONALS

Stephen Lendway, Operating Agreement Consultant
Jason Shura, P.E., Stiffler McGraw (via teleconference)

JRA STAFF

Steven Beattie, Executive Director
Kyle Postupack, Property & Maintenance of Way Manager
Tina Heintzelman, Program Assistant

CALL TO ORDER

Call to Order

The Chairman called the meeting to order at 12:36 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 April 10, 2024, JRA Meeting Minutes

Dr. Spychalski made a motion for the Board to approve the April 10, 2024, SEDA-COG Joint Rail Authority Meeting Minutes; Mr. Schultz seconded the motion; motion carried.

Treasurer’s Report

Ms. Wakeman presented the Treasurer’s Report for April, 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.

Dr. Spychalski made a motion for the Board to accept the Treasurer’s Report for the month of April 2024; Mr. Schultz seconded the motion; motion carried.

Staff Report and Events Calendar

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

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- JRA staff are working on the 2023 Audit with Baker Tilly. On-site audit occurred March 28; Adam Hartzel will present final draft audit to the Board at the June 12 meeting for final approval.
- Staff, engineering consultants and NSHR staff discussed and decided to not pursue CRISI grant funding in 2024 due to the short 60-day window, ongoing and time-consuming tasks, and limited staff availability. Mr. Beattie will endeavor to complete the CIP and develop a CRISI strategy for a 2025 submission.
- Mr. Beattie and Mr. Postupack, along with NSHR representatives, toured Altoona Railroad Memorial Museum with Executive Director Joe DeFrancesco to discuss the ability and practicality of running the PSU Altoona's EMD SD60i locomotive on the Nittany Main for training purposes in coordination with NBER crew.
- Mr. Beattie attended Legislative meetings in Harrisburg with Chuck Erdman (Sen. DiSanto Chief of Staff) concerning pending MS4 legislation and with Sen. Phillip Hall concerning broadband legislation impacting railroads.
- Diamondback has begun work on the installation of new signals at Short Road and Mill Street as part of the SVRR Section 130 Corridor Grade Crossing upgrades.
- JRA staff continues to work with Shamokin Filler. In late April, JRA and NSHR staff visited the site to review progress on improving the tracks. Based on that meeting, Shamokin Filler will continue their work. JRA staff will issue an entry permit for work adjacent to tracks and will present a new lease agreement identifying maintenance responsibilities utilizing "new" JRA lease language (original agreement is from Conrail era). JRA staff will meet with Shamokin Filler monthly to ensure work is continuing.
- The cashflow model was updated and sent out to Board members.

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 updated the Board on the train-truck collision on May 2, 2024, along the NBER in Huston Twp.

OLD BUSINESS

Bridge Engineer's Report

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

- The land development plan for Old Dominion freight line was received April 18; comments were sent to Mr. Postupack.
- Gannett Fleming's Gravity Sewer Replacement revised plan was received on April 23 and comments were sent to Mr. Postupack.
- Revised drawings for the Draketown Road Sewer Replacement project were received; working with Tom Levine to make minor modifications to the plan.
- Bonds/insurance for the NBER/Milesburg Moose Run bridge have been received and anticipated construction will be in spring 2025.

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- Construction administration on the Shamokin Valley Railroad Section 130 Project is ongoing with field work anticipated to begin in June 2024. Substantial completion is due in November.
- Bridge safety inspections began on the NBER on Feb. 29. NBER fieldwork is complete and all reports have been prepared. Quality assurance review of final reports is in progress. Field inspections on the LVRR began in April. Field work and reports are anticipated to be completed in May and then moving on to the JVRR.

NEW BUSINESS

Approval of SIT Section 130 Railroad Safety Program Reimbursement Agreement

Mr. Beattie briefly summarized the agreement, identical to the SVRR Section 130 Agreement, with the total budget for the corridor of \$3,400,000. JRA will be responsible for survey costs and operator provides flagging at no cost. Engineering, equipment, and construction are covered under the agreement.

Mr. Park made a motion for the Board to approve the SIT Section 130 Railroad Safety Program Reimbursement Agreement; Mr. Gummo seconded the motion; motion carried.

Approval of Change Order No. 2 for Contract 2023-01 (LVRR Bridges)

Mr. Beattie stated a contract decrease of \$900 is presented as a balancing of actual quantities of work installed versus quantities included in the Bid Form. This change order will decrease the contract amount to \$187,678.44.

Ms. Wakeman made a motion for the Board to approve Change Order No. 2 for Contract 2023-01 (LVRR Bridges); Mr. Schultz seconded the motion; motion carried.

Approval of Payment Application No. 2 for Contract 2023-01 (LVRR Bridges)

Mr. Beattie indicated that Contract 2023-01, LVRR Bridges, was deemed substantially complete on Dec. 22, 2023. All remaining minor punchlist items have been completed and reviewed by Mr. Shura.

Mr. Schultz made a motion for the Board to approve Payment Application No. 2 for Contract 2023-01 (LVRR Bridges) in the amount of \$9,050 to Lycoming Supply Inc.; Mr. Krentzman seconded the motion; motion carried.

Approval of Change Order No. 1 for Contract 2023-03 (NSHR 207.66 Culvert)

Mr. Beattie stated a contract increase of \$8,483.07 is presented to complete removal and replacement of unsuitable bearing material under the mainline tracks and for additional stone in the adjacent property owner's sales lot. The change order will increase the contract amount to

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\$356,605.07. The work is completed by the contractor and acceptable by JRA staff, Stiffler McGraw and the adjacent property owner; the project is deemed final and complete.

Mr. Schultz made a motion to approve Change Order No. 1 for Contract 2023-03 (NSHR 207.66 Culvert) in the amount of \$8,483.07 to Lycoming Supply Inc.; Ms. Perez seconded the motion; motion carried.

Approval of Payment Application No. 2 for Contract 2023-03 (NSHR 207.66 Culvert)

Mr. Beattie indicated Contract 2023-03, NSHR 207.66 Culvert, was deemed substantially complete and all punchlist items have been completed; all additional work related to the unsuitable bearing material and adjacent property owner's sales lot is also complete.

Mr. Hormell made a motion for the Board to approve Payment Application No. 2 for Contract 2023-03 (NSHR 207.66 Culvert) in the amount of \$45,983.07 to Lycoming Supply Inc.; Mr. Krentzman seconded the motion; motion carried.

Contract 2024-02 Bidder in Default, Rejection of all bids; RTAP 21 NBER Bridge 26.01

Mr. Beattie indicated that Masters Excavating LLC, which was awarded Contract 2024-02 in February, notified the JRA that the railroad insurance policy was too costly, and it would be withdrawing its bid after award. The JRA has determined the Bidder is in default and all bids must be rejected. The second low bid was \$155,190.22; however, bids were opened over 60 days ago, therefore an award to the second responsible bidder is not feasible. Masters Excavating has agreed to pay costs associated with rebidding the project.

Dr. Spsychalski made a motion to declare Masters Excavating LLC in default of Notice of Award, dated March 14, 2024, and reject all bids received for Contract 2024-02 bid opening on February 12, 2024; Mr. Gummo seconded the motion; motion carried.

Approval of Contract 2023-02 for Public Bid, NBER Bridge 26.01

Mr. Beattie stated the project would be rebid with a lower insurance requirement after extensive research and discussion with the insurance carrier. After discussion, it was decided to rebid with current insurance requirements and to work on a policy to bring before the Board for setting insurance requirements for future projects.

Mr. Hormell made a motion to approve the public bidding for Contract 2023-03, NBER-Bridge 26.01, utilizing current insurance requirements, as they were in January 2024; Dr. Spsychalski 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.

Operating Agreement Consultant's Report

Mr. Stephen Lendway presented the Operator's Q1 Consultant's Report via PowerPoint.

First Quarter of 2024 Transportation Expense Ratio

- Target: About 40%
- Results for Q1 2024
 - Lower than Target
 - Much lower than Q1 2023
 - Lower than Q1 2024 Budget

First Quarter of 2024 Maintenance of Way Ratio

- Target: About 21%
- Results for Q1 2024
 - Roughly on Target
 - Higher than Q1 2023
 - Slightly higher than Q1 2024 Budget

Mr. Lendway stated that he has additional and detailed information to present and recommended discussing that confidential and proprietary information in executive session.

Chairman Graham recessed the regular meeting at 1:43 p.m. to convene into executive session at 1:50 p.m.

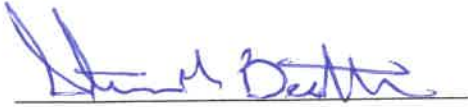
Chairman Graham reconvened the regular meeting at 2:41 p.m.

Solicitor Schrack stated that the JRA Board held an executive session which included the Operator and Mr. Lendway for the confidential and proprietary portion of Mr. Lendway's report. The operator and Mr. Lendway then left and the Solicitor and JRA staff had an executive session concerning ongoing litigations and property matters. No action was taken in executive session and no action is recommended to be taken at this time. Solicitor Schrack also stated that an executive session was held on March 25, 2024, to discuss litigation matters, with no action taken.

With there being no further business to come before the JRA Board, Chairman Graham adjourned the meeting at 2:43 p.m.

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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 May 8, 2024.



Secretary/Assistant Secretary