



SEDA-COG JOINT RAIL AUTHORITY MEETING MINUTES
Wednesday, August 14, 2024
Union County Government Center, Lewisburg, PA
12:30 p.m.

AUTHORITY MEMBERS PRESENT

Russ Graham, Centre County
John Spsychalski, 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
Rob Postal, Mifflin County
Rick Maloyed, Snyder County
Dave Park, Snyder County
Patty Perez, Columbia County
David Schultz, Lycoming County
Frank Dombrowski, Montour County
Jennifer Wakeman, Montour County
Eric Winslow, Union County
Chuck Wunz, Union County

JRA OPERATOR

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

GUESTS

John Ashbridge, Carload Express
Erik Bergenthal, Carload Express Legal Counsel (via teleconference)

JRA LEGAL COUNSEL

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

JRA CONSULTING PROFESSIONALS

Stephen Lendway, Operating Agreement Consultant (via teleconference)
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

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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 June 12, 2024, JRA Meeting Minutes

Dr. Spychalski made a motion for the Board to approve the June 12, 2024, SEDA-COG Joint Rail Authority Meeting Minutes; Ms. Perez seconded the motion; motion carried.

Treasurer’s Report

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

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Ms. Wakeman presented the Treasurer's Report for July, 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. Maloyed made a motion for the Board to accept the Treasurer's Report for the month of July 2024; Ms. Hoover seconded the motion; motion carried.

2023 Audit Report

Mr. Beattie and Ms. Wakeman presented the findings from the 2023 Audit Report, prepared by Baker Tilly.

Dr. Spychalski made a motion for the Board to accept the 2023 Audit Report; Mr. Park seconded the motion; motion carried.

Staff Report and Events Calendar

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

- Mr. Beattie attended the North Branch Canal Trail stakeholder's meeting concerning the extension of the current trail to Bloomsburg using JRA property.
- Mr. Beattie and Mr. Postupack attended a virtual meeting with ClearSpan, manufacturer of the Newberry Yard fabric structure, to discuss repair options and probable repair costs.
- PennDOT determined they will not transfer the money from the Wysox Yard to Newberry Yard ShaleRail facility. ShaleRail plans to return the RTAP funding it was awarded in the Wysox Yard and resubmit an application for RTAP funding for the Newberry Yard.
- PennDOT began the replacement of an old stone retaining wall between the NSHR and River Road in Danville in a shared ROW on July 8. This area has had a long-term problem with drainage and failure of the old retaining wall. Work is scheduled for completion in mid-September.

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 said there weren't any significant washouts or damage due to the remnants of Hurricane Debby.

OLD BUSINESS

Bridge Engineer's Report

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

- Revised crossing plans for the Danville Middle School Gas Service Line replacement were received on Aug. 2 and review is pending.

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- Plans for stormwater improvements near South Eaton Street in Berwick were received on July 2. Review comments were provided to JRA staff on July 9.
- Bridge safety inspections on the NBER, LVRR, JVRR, NSHR, SIT and WDR are complete. NBER reports have been submitted to JRA. LVRR, JVRR, NSHR, SIT AND WDR reports are complete and will be submitted pending final QA review. SVRR inspections were completed Aug. 13. The final reports for the remaining railroads are expected to be submitted before the September Board meeting.
- Shamokin Valley Section 130 Corridor project is moving forward. Fourth Street, Lenker Avenue, Haas Avenue, Main Street and Shamrock Road are all complete. Work is on target to be completed prior to substantial completion.
- Plans, specifications and estimates for the SIT Section 130 Corridor Project were submitted to JRA, SIT and PennDOT on July 21. A constructability review meeting with PennDOT, JRA and SIT is scheduled for the end of August. It is on schedule to be advertised on time.
- Project descriptions, location maps, photo sheets, opinion of probable costs and other data required for the 2024 RTAP Grant Application will be submitted to JRA no later than Aug. 16.

NEW BUSINESS

RTAP Grant Application Submission; 2024 Bridge Bundle

The RTAP application is now open and closes on Aug. 30. JRA staff have identified four bridges on the JVRR, three bridges on the NBER and one Culvert on the NBER. The Operator has agreed to contribute \$645,000 toward the project and the JRA will do the same to cover the 30% match to PennDOT's 70%. At this point, the total cost is opinioned at \$3,277,000.

Mr. Postal made a motion for the Board to approve the RTAP 2024 Bridge Bundle Grant application submission with a total probable construction cost of \$3,277,000, including JRA match of \$645,000; Ms. Perez seconded the motion; motion carried.

Financial Commitment to NSHR RTAP Grant Application submission; Phase II Rail Replacement Project

The NSHR put in an RTAP application last year for Phase I and was awarded funds to do a little over a mile of rail replacement from the interchange with NS headed toward Danville. Phase II would pick up from that point and go to the Button Propane terminal siding. The NSHR indicated the project estimate is \$2,680,000, so the JRA commitment would be \$402,000.

Mr. Hormell made a motion to approve financial commitment of \$402,000 for the North Shore Railroad's Phase II Rail Replacement Safety Improvement Project utilizing the 2024 RTAP grant program; Dr. Spsychalski seconded the motion; motion carried.

Approval of Payment Application No. 1 for Contract 2023-02

Contract 2023-02 is part of the SVRR Safety Corridor Project and is fully funded by PennDOT Section 130 funding. The contract award was in the amount of \$2,534,755, approved on Aug. 9, 2023, by the Board. The project is about 40% complete and on schedule for mid-September construction completion. This payment application is in the amount of \$794,959.06.

Mr. Schultz made a motion to approve Payment Application No. 1 for Contract 2023-02 in the amount of \$794,959.06 for payment to Chesapeake Thermite Welding LLC; Mr. Winslow seconded the motion; motion carried.

Approval of Payment Application No. 1 for Contract 2023-04

Contract 2023-04 is part of the RTAP 21 Bridge Bundle Project and is 70% funded by PennDOT RTAP 21 funding; the contract award was in the amount of \$689,269, approved on Jan. 5, 2024, by the Board. The project is approximately 33% complete and slightly behind schedule for a late-August construction completion. The payment application is in the amount of \$228,543.

Mr. Gummo made a motion to approve Payment Application No. 1 for Contract 2023-04 in the amount of \$228,543 for payment to Lycoming Supply Inc.; Mr. Jones seconded the motion; motion carried.

Selinsgrove Industrial Track; PennDOT Section 130 Safety Upgrades Engineering Supplement

The JRA Board authorized SMA to proceed with engineering design at the February 12, 2024, meeting in the amount of \$97,000. The original scope of the project did not include accessibility upgrades at University Avenue crossing in Selinsgrove, which PennDOT requested be made during a field scoping meeting. PennDOT has agreed to pay the construction and engineering costs associated with this added work. The crossing will not receive a new roadway surface; it will receive new active warning devices. SMA is asking for an additional fee of \$5,000.

Mr. Park made a motion to approve Stiffler McGraw engineering design supplement in amount of \$5,000 for engineering services for SIT Section 130 Safety Upgrades; Mr. Dombroski seconded the motion; motion carried.

REPORTS FROM COMMITTEES

Property Management Committee

1a. RCPA, LLC - Master Property Agreement (Newberry Yard)

The JRA and Operator have operated on, and maintained, Track 5 West since the purchase of the LVRR from Conrail in 1996. It has been determined that Track 5 West is located on RCPA, LLC (Reading Property) and the JRA has a blanket railroad use easement across the

entire Reading Property. Through 12 months of land records research and negotiations, the RCPA and the JRA have agreed to execute a Master Property Agreement.

Mr. Park made a motion for the Board to approve Master Property Agreement with RCPA LLC and that non-material, minor changes to these agreements may be required upon full review by all parties and such changes are authorized upon approval by JRA staff and Solicitor. Mr. Jones seconded the motion; motion carried.

1b. Staiman Recycling Corporation – Lease Agreement Amendment (Newberry Yard)

Staiman Recycling Corporation (Staiman) leases a site from the JRA in the Newberry Yard and requested to add a rail scale to their leased track. Staiman would be responsible for all costs associated with the installation and maintenance of the scale moving forward. This amendment memorializes that Staiman owns the scale, they are responsible for all costs associated with the scale, and maintenance responsibilities are theirs.

Mr. Park made a motion for the Board to approve the lease agreement with Staiman Recycling Corporation. Mr. Winslow seconded the motion; motion carried.

1c. Tuscarora Grain Co. LLC – License Agreement Amendment (NSHR – Centre Twp.)

Tuscarora Grain Company (TGC) leases a JRA track at a granary on the NSHR. TGC recently installed a concrete pit underneath the leased track to unload rail cars. This amendment memorializes that TGC owns the pit, is responsible for all costs associated with the pit, and maintenance responsibilities are theirs.

Dr. Spychalski made a motion for the Board to approve the amendment to the license agreement with Tuscarora Grain Co. LLC. Mr. Jones seconded the motion; motion carried.

1d. Robert H. Heydenreich – Lease Agreement (NSHR – Bloomsburg)

Robert Heydenreich owns Soles Coal Yard in Bloomsburg, which is operated by his son, Eric. Eric contacted the JRA to request to lease 1,170 square feet of the railroad ROW to store a flatbed trailer. The lease term is for one year and will automatically be renewed for another year unless the lessee or the JRA terminates it upon 90 days prior written notice. An annual rent of \$1,280 will be assessed and is subject to annual CPI increases. As part of this agreement, Heidenreich's must install concrete blocks along the lease area boundary to protect the tracks.

Mr. Park made a motion for the Board to approve the lease agreement with Robert H. Heydenreich. Mr. Hormell seconded the motion; motion carried.

1e. PPL Electric Utilities Corporation – License Agreement (LVRR – Muncy Creek Twp.)

PPL recently contacted JRA staff to request an upgrade of an overhead electrical transmission facility crossing on the LVRR in Munch Twp. PPL will rebuild the existing wire with six new 230kV conductors and dual overhead fiber optic cables used for internal communications. The facility will be no less than 57'6" from top of rail. PPL will be assessed a license fee of \$2,767, subject to annual CPI increases, and a one-time license preparation fee of \$1,000. All plans have been reviewed and approved.

Mr. Park made a motion for the Board to approve license agreement with PPL Electric Utilities Corporation. Ms. Perez seconded the motion; motion carried.

LEGAL

Operating Agreement Consultant's Report

Mr. Lendway presented the Operator's second quarter financials for 2024 via PowerPoint.

2024 Transportation Expense Ratio

- Target: About 40%
- Results for Q2 2024
 - Lower than Target
 - Higher than Q2 2023
 - Lower than Q2 2024 Budget

2024 Maintenance of Way Ratio

- Target: About 21%
- Results for 2Q 2024
 - Higher than Target
 - Lower than Q2 2023
 - Lower than Q2 2024 Budget

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

Solicitor Schrack stated that the Board held a virtual executive session on July 23 to discuss a property matter. He had nothing further to discuss in public session and recommended 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.


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Chairman Graham reconvened the regular meeting at 2:01 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.

With there being no further business to come before the JRA Board, Chairman Graham adjourned the meeting at 2:02 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 September 11, 2024.


Secretary/Assistant Secretary