



SEDA-COG JOINT RAIL AUTHORITY MEETING MINUTES
Wednesday, Nov. 13, 2024
Union County Government Center, Lewisburg, PA
12:30 p.m.

AUTHORITY MEMBERS PRESENT

Russ Graham, Centre County
John Gummo, Clinton County
Lisa Hoover, Northumberland County
Robert Hormell, Northumberland County
Rick Jenkins, Columbia County (via teleconference)
Brent Jones, Clinton County
Dave Park, Snyder County
Patty Perez, Columbia County (via teleconference)
David Schultz, Lycoming County
John Spsychalski, Centre County
Eric Winslow, Union County

JRA OPERATOR

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

GUESTS

John Ashbridge, Carload Express (via teleconference)
Sam Simon, Carload Express Legal Counsel (via teleconference)
Jeff Pontius, Penn Valley Railroad

JRA LEGAL COUNSEL

Jen Bauer, McQuaide Blasko
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
Tina Heintzelman, Program Assistant
Kyle Postupack, Property & Maintenance of Way Manager

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CALL TO ORDER

Call to Order

The Chairman called the meeting to order at 12:34 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 9, 2024, JRA Meeting Minutes

Dr. Spsychalski made a motion for the Board to approve the October 9, 2024, SEDA-COG Joint Rail Authority Meeting Minutes; Ms. Hoover seconded the motion; motion carried.

Treasurer’s Report

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

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Staff Report and Events Calendar

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

- RTAP21 projects NBER 16.75, NSHR 191.52 and NBER 26.01 are all complete. A PennDOT inspection is needed before the release of the final 10% funding money; it is scheduled for later next week.
- Chesapeake Thermite Welding began construction on the Hilex and Bellefonte Yard Improvement Project (RTAP 22) earlier in the month. Work has been completed on the west wye turnout, the Railroad Street crossing and the Hilex turnout. During November, the wye crossover and west end yard ladder track improvements will be constructed.
- The SVRR Section 130 Corridor Grade Crossing upgrades are complete. Diamondback installation of new signals continues along the SVRR. Remaining crossings (Johns Estate Road, Route 487, Bottle Drive, Overlook Blvd) receiving signals will be completed over the winter and into the spring.
- The SIT Section 130 Corridor Project is out to bid. JRA staff has verbally agreed with the property owner at the Market Street crossing in Selinsgrove for a permanent easement; it will be before the JRA Board in December. A pre-bid meeting is scheduled for Nov. 19, with the bid opening on Dec. 4.
- The JRA Holiday Dinner will be held at 5 p.m. Dec. 11 at the Bull Run Tap House in downtown Lewisburg. The December Board meeting will begin at 3 p.m., with the Property Management Committee meeting occurring before that, if necessary.

Review Draft Capital Improvement Plan

Mr. Beattie presented the draft 2025-2029 Capital Improvement Plan. Mr. Beattie stated that bridges are the focus of the plan. At the start of the RTAP 15, which wrapped up in 2022, there were 47 bridges that needed immediate attention. This year, that number is 38 and if everything in the five-year plan is achieved, it will be down to 14 bridges. Mr. Gummo thanked JRA staff, Operator and Mr. Shura for putting the document together. Mr. Graham said a lot of effort went into the document, that it is a working document and a blueprint for moving forward. Mr. Hormell said when communicating with the state legislators the document may be helpful in showing the kind of on-going investment that is necessary.

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. Hormell asked Mr. Stotter what the outlook for 2025 was. Mr. Stotter stated he anticipates a slight uptick.

OLD BUSINESS

Bridge Engineer's Report

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

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- Old Dominion Freight Line pipeline occupancy request and at-grade crossing request have been revised in accordance with SMA comments. Recommendation to approve both requests was provided to JRA staff on Nov. 5, 2024.
- Bridge safety inspections are complete and all reports have been submitted to JRA staff. 2024 Underwater Bridge inspections on three bridges were completed by Marine Solutions Inc.; final reports are pending.
- Field measurements have been obtained at all bridges that require load rating updates. Draft load ratings are complete with Quality Control review in progress.
- Working with Lycoming Supply on final payment application, balancing change order and other items to close out Contract 2024-01 NBER Bridge Rehabilitation Project. Anticipated items will be received for the December Board meeting.
- SIT Section 130 Corridor Project has been advertised for bidding. A mandatory pre-bid meeting is scheduled for 10 a.m. Nov. 19, 2024, with bids due by 3 p.m. Dec. 4, 2024.

NEW BUSINESS

Review Tentative 2025 JRA Budget

Mr. Beattie presented the tentative 2025 JRA Budget. He stated the budget is similar to last year. There are a lot of capital improvement projects. There is potentially \$9.8 million in grant funding in 2025. Even though the Bell Yard is under construction now, payments and grant reimbursements won't occur until 2025. Award of RTAP 24 is anticipated, which is for the bridge bundle project. The Authority will learn on Dec. 18. The CRISI grant preparation will require \$100,000 in engineering and planning. The Newberry Yard drainage system down by ShaleRail is failing and it is unclear whether it is attributable to whether it is full of sediment or a pipe has collapsed. That won't be known until it is jetted clean and a camera is placed in the culverts to confirm conditions. Design, planning and pipe jetting will be at a significant cost, which will be moving forward. There are three Section 130 projects, finishing the Struble Road, which has been delayed, the SIT Corridor project, and the JVRR corridor project, thus, just in grade crossings there are over \$6 million of improvements slated for 2025. The SIT slope stabilization repair and Newberry Yard fabric structure repair projects and about \$65,000 in building facilities and property upgrades and maintenance are in the budget.

Mr. Graham asked if the line of credit, arranged in 2024, would potentially need to be used in 2025. Mr. Beattie stated the cash flow model hasn't been updated yet, so it won't be known until that update is made early in 2025.

Bid Opening and Notice of Award; Newberry Yard Fabric Structure Repair Project Contract 2024-05

Bid Opening occurred on Nov. 6th. One bid was received. This project includes the removal of approximately 80 feet of the west end of the fabric and replacing it in-kind; includes repair of existing penetrations; and replacement of the rear 16'x16' overhead door. The project estimate is opinioned at \$171,000. The apparent low bidder is ClearSpan Fabric Structures International,

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Inc. with a Base Bid of \$142,783 and a bid alternate of \$31,192. JRA staff recommends not awarding the bid alternate, as it is believed the work can be performed separately, at a lower price.

Dr. Spychalski made a motion to award JRA Contract 2024-05, Newberry Yard Fabric Structure Repair Project, to the lowest responsible bidder, ClearSpan Fabric Structures International Inc., with a base bid of \$142,783 and to reject the Bid Alternate No. 1, all contingent on receipt of acceptable insurance/bonding; Ms. Perez seconded the motion; motion carried.

Ratify Change Order No. 3 and No. 4 for Contract 2023-02 (SVRR Safety Corridor Project)

Contract 2023-02 addresses the Section 130 Safety Corridor upgrades on the SVRR. The current contract amount is \$2,611,975.95 and the majority of the project is paid for by PennDOT. A contract increase of \$41,709.34 (\$19,482.76 for Change Order No. 3 and \$22,226.58 for Change Order No. 4) is presented to cover costs associated with extra effort to remove underground old granite curbs and concrete foundations at North Shamokin Street, additional mobilization at Fourth Street, additional spikes, and balancing of actual work installed versus bid quantities. Only one work item, additional pavement at Mertz property along Fourth Street, is NOT being reimbursed by PennDOT and will be covered by the JRA. This amount equals \$3,414.30.

Mr. Park made a motion to ratify approval of Change Orders No. 3 and No. 4 for Contract 2023-02 in the amount of \$47,446.79 to Chesapeake Thermite Welding LLC; Mr. Schultz seconded the motion; motion carried.

Approve Payment Application No. 5 and 6 for Contract 2023-02 (SVRR Safety Corridor Project)

Contract 2023-02 addresses the SVRR Safety Corridor Project and is fully funded by PennDOT Section 130 funding; the contract, in the amount of \$2,534,755, was approved for award by the Board on August 9, 2023. This project is 100% complete and the construction close-out process is presently proceeding. These are the last two payment applications for this project. Payment Application No. 5 is in the amount of \$3,414.30 (Additional Pavement) and Payment Application No. 6 is in the amount of \$413,153.77 (Balance of Work).

Mr. Winslow made a motion to approve Payment Application No. 5 in the amount of \$3,414.30 (additional pavement) and Payment Application No. 6 in the amount of \$413,153.77 under Contract 2023-02 for payment to Chesapeake Thermite Welding LLC; Mr. Gummo seconded the motion; motion carried.

Approval of Change Order 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, in the amount of \$689,269, was approved for award by the Board on January 5, 2024, for NSHR 191.52 over Fishing Creek. This Change Order No. 1 is a Contract Price decrease of \$18,737 and is presented for adjustment of work item quantities,

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balancing of actual work installed versus bid quantities (reduction in repointing of masonry). The new reduced contract price is \$670,532.

Dr. Spychalski made a motion to approve Change Order No. 1 for Contract 2023-04 in the deduct amount of \$18,737 to Lycoming Supply Inc.; Mr. Hormell seconded the motion; motion carried.

Approval of Payment Application No. 3 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 by the Board on January 5, 2024, for NSHR 191.52 over Fishing Creek. This project is 100% complete with no further punchlist items and final contract close-out is presently in process. This Payment Application No. 3 is in the amount of \$34,811.94. This is the final payment application for this project.

Mr. Winslow made a motion to approve Payment Application No. 3 for Contract 2023-04 in the amount of \$34,811.94 for payment to Lycoming Supply Inc.; Mr. Schultz seconded the motion; motion carried.

RACP Cooperation Agreement for Button Holdings

This RACP grant was originally awarded in 2022 to the JRA in the amount of \$1,400,000 to assist Button Propane in the development of a rail transload facility in Point Township, Northumberland County. The project was constructed in the summer/fall of 2022 and opened in the fall of 2022 and has seen propane volumes steadily increase since opening (2024 will likely see +/- 60 carloads). A cooperation agreement is necessary between the JRA and Northumberland County. The County is requesting a surety bond to cover a grant default between now and full grant close-out. A new agreement between the JRA and Button Holdings is also necessary to establish Button Holdings as the party responsible for maintaining the surety bond.

Mr. Hormell made a motion to approve RACP Cooperation Agreements between the JRA and Northumberland County and an amendment to the existing RACP cooperation agreement between JRA and Button Holdings; Mr. Park seconded the motion; motion carried.

REPORTS FROM COMMITTEES

Property Management Committee

1a. PPL – License Agreement (LVRR – Fairfield Twp.)

PPL contacted JRA staff to remove and install two overhead steel ground wires and six existing 69kV overhead conductors over the Lycoming Valley Railroad. The wires will be no less than

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44'-8" with sag from top of rail. PPL will be assessed an annual fee of \$760 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 the license agreement with PPL; Mr. Winslow seconded the motion; motion carried.

1b. PPL – License Agreement (NSHR – Montour Twp.)

PPL contacted JRA staff to construct two overhead non-energized cables and six 230kV overhead conductors over the North Shore Railroad. The overhead wires will be no less than 124' with sag from top of rail. PPL will be assessed an annual fee of \$1,265 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 the license agreement with PPL; Ms. Hoover seconded the motion; motion carried.

1c. UGI Energy Services LLC – Second Amendment to License Agreement (NBY)

UGI Energy Services, LLC (UGI) has an exclusive license with the JRA on track 2-North in the Newberry Railyard to store rail cars. With the increase of unit sand trains in the Yard, this track would greatly help operations to service an adjacent customer. JRA staff proposes moving UGI's licensed track from 2-North to 10-North. UGI will have exclusive use of 10-North and will pay the same annual fee. This agreement has an annual term that renews automatically every year.

Mr. Park made a motion for the Board to approve the second amendment to the license agreement with UGI Energy Services LLC; Ms. Perez seconded the motion; motion carried.

1d. Old Dominion Freight Line LLC – License Agreement (WDR – White Deer Twp.)

Item was tabled during the Property Management Committee.

LEGAL

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

Chairman Graham recessed the regular meeting at 1:25 p.m. to convene into executive session at 1:35 p.m.

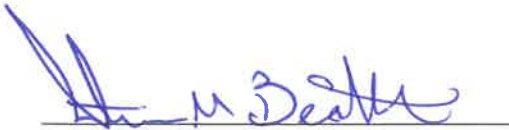
Chairman Graham reconvened the regular meeting at 2:24 p.m.

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Solicitor Schrack stated that the Solicitor and JRA Board and staff had an executive session to discuss items related to personnel matters and ongoing litigation. 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 2:25 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 11, 2024.



Secretary/Assistant Secretary