



**PRESERVING
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SEDA-COG JOINT RAIL AUTHORITY MEETING
Wednesday, April 13, 2022
Union County Government Center, Lewisburg, PA
12:30 p.m.

AUTHORITY MEMBERS

Russ Graham, Centre County
John Gummo, Clinton County
Scott Harvey, Lycoming County
Lisa Hoover, Northumberland County
Bob Hormell, Northumberland County (via teleconference)
Rick Jenkins, Columbia County (via teleconference)
Brent Jones, Clinton County
Michael Krentzman, Mifflin County
Rob Postal, Mifflin County (via teleconference)
David Schultz, Lycoming County
John Showers, Union County
John Spychalski, Centre County
Jennifer Wakeman, Montour County
Matt Weigle, Columbia County (via teleconference)
Eric Winslow, Union County (via teleconference)

JRA OPERATOR

Zac Mahaffey, Director of Maintenance of Way
Jeb Stotter, President & CEO
Diana Williams, Treasurer/Controller

GUESTS

Alexander Mitchell IV, former Selinsgrove Resident (via teleconference)
Dave Park, DRIVE
Mark Rosner, Carload Express
Sam Simon, Esq., Houston Harbaugh (for Carload Express) (via teleconference)

LEGAL COUNSEL

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

Affiliated with
SEDA Council of Governments



JRA CONSULTING PROFESSIONALS

Paul Jannotti, Track Consultant

Dan Mazur, Operating Agreement Consultant

Jason Shura, P.E., Stiffler McGraw

JRA STAFF

Kay Aikey, Program Assistant

Kyle Postupack, Property & Maintenance of Way Manager

Jeff Stover, Executive Director

CALL TO ORDER

Call to Order

The Chairman called the meeting to order at 12:33 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. No one expressed any comments.

ADMINISTRATIVE ITEMS

Chairman Graham stated that it was discovered that a correction needs to be made to the following items as sated in the March meeting minutes:

- *Dr. Spychalski made a motion for the Board to approve the February 9, 2022, JRA Meeting Minutes, not the January 12, 2022, JRA Meeting Minutes.*
- *Under Treasurer’s Report, it should read that Mr. Harvey presented the Treasurer’s Report for the month of February 2022, not January 2022. The motion should also read to accept the Treasurer’s Report for the month of February 2022.*

Approval of the March 9, 2022, JRA Meeting Minutes

Dr. Spychalski made a motion for the Board to approve the March 9, 2022, JRA Meeting minutes with the above corrections; Mr. Krentzman seconded the motion; motion carried.

Treasurer's Report

Mr. Harvey presented the Treasurer's Report for the month of March 2022, 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. Showers made a motion for the Board to accept the Treasurer's Report for the month of March 2022 and file for audit; Ms. Hoover seconded the motion; motion carried.

Staff Report and Events Calendar

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

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.

OLD BUSINESS

Bridge Engineer's Report

The Bridge Engineer's Report was provided in the meeting packet. Mr. Shura gave a brief update to the Board on items included in his report:

- Continuing to advance the 2015 RTAP bridges project.
- Track outage will begin on April 29 for NBER Bridge 33.84 (Curtin Bridge) Rehabilitation (RTAP Project)
- Bids for the precast arch alternative for the LVRR Antlers IT Bridge 179.44 (Iron Bridge) Rehabilitation Project will be received on April 14, with a special meeting on April 19 to award the contract.
- 2022 Bridge Inspections have begun. NBER inspections are complete with exception of NBER Bridge 0.05. and will moving on to the LVRR later this month.
- Met with JRA staff, LVRR and PennDOT to discuss a grant application to replace/raise LVRR Bridge 171.30 over S.R. 220 to accommodate future I-99 corridor.
- Marine Solutions completed the underwater inspections in December. All reports except for three have been submitted by Marine Solutions.

NEW BUSINESS

Jannotti Report – 2021 Inspections and 2022 Maintenance of Way Plan

Mr. Jannotti, the JRA's track consultant, presented the 2021 Track Inspection Report and his approved 2022 Maintenance of Way Plan. Board members were provided with a copy of Mr. Jannotti's 2021 Track Inspection Report.

PROPERTY MANAGEMENT COMMITTEE

Committee Chairman Jenkins reported on the work of the Property Management Committee which met at 10:30 a.m. Items discussed at the PMC meeting will not be rehashed. If additional information is needed, diagrams and other details can be found in the PMC meeting packet. Recommendations from the PMC will be made to the full Board for approval. Members were afforded an opportunity to ask questions and discuss before approval.

Croda, Inc. Private Pedestrian at Grade Crossing License Agreement (NBER – Castanea Twp.)

Committee Chairman Jenkins stated that this is a second private crossing going in as Croda already has one. All plans have been reviewed and approved. Croda will be assessed an annual fee of \$400 plus CPI increases as well as a one-time \$800 application fee for the pedestrian grade crossing.

Mr. Harvey made a motion for the Board to approve this license agreement with Croda and authorize execution by the JRA's officers; Mr. Postal seconded the motion; motion carried.

Dale Summit Acquisitions LP Private at Grade Crossings License Agreement (NBER – College Twp.)

Mr. Postupack stated these are two private crossings. There is no agreement on file for these crossings. Dale Summit Acquisitions will be assessed an annual fee of \$1,800 plus CPI increases in addition to a one-time \$800 application fee.

Mr. Jenkins made a motion for the Board to approve this license agreement with Dale Summit Acquisitions and authorize execution by the JRA's offices; Mr. Krentzman seconded the motion; motion carried.

First Quality Tissue (FOT) Overhead Pipe Amendment to Easement Agreement (NBER – Lock Haven)

Committee Chairman Jenkins stated that First Quality Tissue is adding a 1-1/2" overhead pipe to an existing utility bridge over the NBER mainline. First Quality Tissue will be assessed an annual fee of \$375 including CPI increases and a one-time application fee of \$800.

Mr. Jenkins made a motion for the Board to approve the amendment to the easement agreement for First Quality Tissue and authorize execution by the JRA's officers; Mr. Winslow seconded the motion; motion carried.

City of Shamokin Easement Agreement (SVRR – Shamokin)

Committee Chairman Jenkins stated that there were some buildings removed on Water Street in Shamokin, and it was learned that part of their property sits on JRA right-of-way. The JRA is looking into potentially conveying property to the City of Shamokin so they can get funding to pay for their pocket park.

Mr. Jenkins made a motion for the Board to approve the easement agreement with the City of Shamokin and authorize execution by the JRA's officers; Ms. Hoover seconded the motion; motion carried.

Committee Chairman Jenkins stated that the Shale Rail, LLC Site Improvements and NSHR Fike Property Issue items were discussed at the PMC meeting, but further discussion is needed by the PMC and then these items will be brought to the full Board.

PASSENGER EXCURSIONS COMMITTEE

Ratify Passenger Excursions Time Table Amendment

Committee Chairman Spychalski stated that the Danville Business Alliance has requested its excursions, previously approved for September 3, 2022, be changed to September 10, 2022. The operator welcomes this change due to another scheduling conflict on September 3, 2022.

Dr. Spychalski made a motion for the full Board to approve the request of the Danville Business Alliance to amend the 2022 Passenger Excursions Time Table; Mr. Showers seconded the motion; motion carried.

NARCOA Toys for Tots – November 2022

Committee Chairman Spychalski stated that the local track speeder group approached the operator for November dates for its annual Toys for Tots run.

The proposed dates are:

Saturday, November 19, 2022 – NSHR to Berwick (BIDA)

Sunday, November 20, 2022 – UCIR to Allenwood

Dr. Spychalski made a motion for the full Board to approve the November 2022 Toys for Tots track car run; Mr. Schultz seconded the motion; motion carried.

LEGAL

Legal Issues

Attorney Schrack stated there are three items for action in public session before the Board recesses into execution session.

Attorney Schrack stated that because of the changes in the Sunshine Act that require certain actions whenever there is an amendment to the agenda. The practice has been that at the next meeting there would be a ratification of the action that was taken on that item at the previous meeting, and it wasn't on the agenda for the meeting.

Attorney Schrack stated what is needed is to seek approval of the Addendum of the Operating Agreement to add the Selinsgrove Line to operations and also to ratify the authorization of filing of the STB exemption to add the Selinsgrove Line to operations. Attorney Schrack stated the reason why is the Authority is required to post an amended agenda the day after the meeting as this is a new requirement of the law. It is impractical for a lot of local agencies, so the way to ensure compliance is to just a ratification at this meeting.

Ratify March 9, 2022 Agenda Amendments

Dr. Spychalski made a motion for the full Board to ratify approval of Addendum of Operating Agreement to add the Selinsgrove Line to operations and to ratify authorization of the filing of STB exemption to add the Selinsgrove line to operations; Ms. Wakeman seconded the motion; motion carried.

Snyder County – JRA Membership Requested

Attorney Schrack stated that on March 29th, the Snyder County Board of Commissioners approved a resolution seeking membership in the SEDA-COG Joint Rail Authority. Attorney Schrack stated he and Mr. Stover had a call on April 6th with the Snyder County Solicitor and Administrator and told them that a resolution to consent to the application of Snyder County to become a member would be presented to the JRA Board at its April 13th meeting. This is all set forth in the Municipality Authorities Act in Section 5604. The steps in the process are that, once the county has expressed its intention and desire to join the Authority, the next step would then be for the JRA Authority to pass a resolution consenting to the joinder. If the JRA Board does this, then the next step will be to go to the member counties to seek their consent to the joinder. Assuming all counties consent, the application to join will then need to be filed with the Department of State and it will need to be noticed.

Attorney Schrack then read the Resolution of SEDA-COG Joint Rail Authority into the record.

WHEREAS, SEDA-COG Joint Rail Authority (the "Authority") is a Pennsylvania municipal authority organized and existing under the Pennsylvania Municipality Authorities Act, 53 Pa. C.S. § 5601 et seq. (the "Act"); and

WHEREAS, the Board of County Commissioners of Snyder County, Pennsylvania, has passed a resolution signifying the intention and desire of Snyder County to become a member of the Authority, pursuant to Section 5604 of the Act, 53 Pa. C.S. § 5604;

WHEREAS, it is the desire of the Board of the Authority to consent to the joinder of Snyder County as a member of the Authority, as provided in the Act;

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

SECTION 1. The Board of the Authority hereby consents to the joinder of Snyder County as a member of the Authority.

SECTION 2. The Authority is hereby authorized and directed to take such actions as may be necessary or desirable to enable Snyder County to join and become a member of the Authority in accordance with the Act and other applicable law.

SECTION 3. The above resolutions shall take effect immediately, and any resolutions or parts of resolutions that are inconsistent therewith are expressly repealed to the extent of such inconsistencies.

The foregoing resolutions were duly adopted by the Board of SEDA-COG Joint Rail Authority on the 13th day of April, 2022.

Mr. Hormell made a motion for the full Board to adopt the resolution for consent to the joinder of Snyder County to become a member of the SEDA-COG Joint Rail Authority; Mr. Winslow seconded the motion.

Mr. Harvey asked if the JRA has an executed agreement for Selinsgrove. Mr. Stover replied that the Asset Purchase and Sale Agreement and Freight Services Easement Agreement with NS have been executed.

Attorney Schrack stated that the plan is to formally close the transaction with Mr. Chip Meador of NS on April 28th. The agreements have been signed and have received the STB approval.

Mr. Harvey asked whether, from a technical standpoint, the JRA owns no property in Snyder County when this is done. Attorney Schrack replied the JRA doesn't own the underlying fee simple; it owns the rail assets being purchased and has a right for its operator to operate the lines there. Mr. Harvey then said this would be different from all the other counties; Mr. Stover confirmed that is correct.

Motion carried.

FNB Loan

Attorney Schrack stated that the First National Bank has offered the JRA a \$300,000 loan to be used as part of the funds needed to purchase the Selinsgrove Industrial Track (total purchase price is \$371,200). The agenda contemplates that the loan documents would be signed today, but it was agreed to sign these in connection with the closing, once the date is determined with NS. Board approval is needed for the loan and the authorization given to the JRA officers to execute the documents once the closing date is determined.

Mr. Krentzman asked if there is a prepayment penalty on the loan. Mr. Stover stated no, there is not, as long as it doesn't get refinanced by another financial institution.

Mr. Postal asked if there was any consideration given to a PIB loan over 10 years or even drawing down an account, since the JRA seems to have a healthy balance sheet. Mr. Stover stated the debt service is budgeted and wanted to be conservative on this because of finishing up the RTAP bridges. The loan is a fixed rate of 3.5% for seven years.

Mr. Harvey stated the JRA wanted to reserve some cash for any capital requirements.

Mr. Harvey made a motion for the Board to pass a resolution to borrow \$300,000 from the First National Bank on a 10-year term for the purchase of the Selinsgrove Line and authorize the JRA's officers to execute the documents needed; Ms. Wakeman seconded the motion.

Mr. Mitchell asked if the borrowed money is expected to be long term financing or simply pay it off as soon as it can be paid off with whatever revenues, grants or whatever. Chairman Graham replied that the plan at this point is to pay it off in the seven (7) years, mainly because the JRA is not expecting interest rates to be any less than that.

Motion carried with Mr. Hormell abstaining.

Chairman Graham recessed the regular meeting at 1:57 to convene into executive session at 2:10 p.m.

Chairman Graham reconvened the regular meeting at 2:52 p.m.

Attorney Schrack stated that the JRA had an executive session with its legal counsel to discuss litigation matters. No action is recommended at this time for the Board's consideration.

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Chairman Graham stated that a late afternoon Board meeting is being planned in Lock Haven for September and then going to the Laurel Run Estate (John Gummo's property) for late evening/early dinner. Spouses would also be invited.

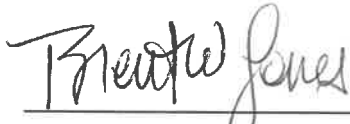
With there being no further business to come before the JRA Board, Chairman Graham adjourned the meeting at 2:54 p.m.

Respectfully submitted,



Jeffery K. Stover, Executive Director

I hereby certify these minutes were approved by the SEDA-COG Joint Rail Authority Board of Directors on May 11, 2022.



Secretary/Assistant Secretary