



**PRESERVING
RAIL FREIGHT
SERVICE**

SEDA-COG JOINT RAIL AUTHORITY MEETING
Wednesday, February 9, 2022
Union County Government Center, Lewisburg, PA
12:30 p.m.

AUTHORITY MEMBERS

Frank Dombroski, Montour County
Russ Graham, Centre County
John Gummo, Clinton County
Scott Harvey, Lycoming County
Lisa Hoover, Northumberland County
Bob Hormell, Northumberland County
Rick Jenkins, Columbia County (via teleconference)
Brent Jones, Clinton County
Michael Krentzman, Mifflin County
Rob Postal, Mifflin County (via teleconference)
David Schultz, Lycoming County (via teleconference)
John Showers, Union County
John Spsychalski, Centre County (via teleconference)
Jennifer Wakeman, Montour County
Matt Weigle, Columbia County (via teleconference) (left the meeting at 1:45 p.m.)
Eric Winslow, Union County (via teleconference)

JRA OPERATOR

Loni Briner, Public Relations & Media Manager
Jeb Stotter, President & CEO (via teleconference)
Diana Williams, Treasurer/Controller

GUESTS

Alexander Mitchell IV, Former Selinsgrove Resident (via teleconference)
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)

JRA CONSULTING PROFESSIONALS

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

Affiliated with
SEDA Council of Governments



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 12:35 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 Vice-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

Approval of the January 12, 2022, JRA Meeting Minutes

Dr. Spsychalski made a motion for the Board to approve the January 12, 2022, JRA Meeting Minutes; Mr. Showers seconded the motion; motion carried.

Treasurer’s Report

Mr. Harvey presented the Treasurer’s Report for the month of January 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. Hormell made a motion for the Board to accept the Treasurer’s Report for the month of January 2022 and file for audit; Ms. Wakeman seconded the motion; motion carried.

Staff Report and Events Calendar

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

Mr. Stover stated that Dr. Spychalski will be scheduling a meeting of the Passenger Excursions Committee sometime the week of February 21, 2022.

Operator's Status Report

A copy of the Operator's Report was provided to Board members. Mr. Stotter stated that the maintenance of way staff removed 5 ½ miles of canopy from the NSHR Main between Catawissa and Danville. He stated this increases the longevity of the infrastructure.

OLD BUSINESS

Bridge Engineer's Report

The Bridge Engineer's Report was emailed to Board members prior to the meeting and provided as a handout at the meeting. Mr. Shura gave a brief update to the Board on items included in his report.

- Final inspection has been completed on three of the 2015 RTAP projects.
- NBER Bridge 33.94 (Curtin Bridge) continues to be on hold. This project will be completed in April 2022.
- 2022 bridge inspections to begin in February, weather permitting.

RTAP15 LVRR 179.44 Bridge Bids and Alternative Options

Mr. Stover stated that bids were opened on January 24th for the remaining RTAP15 bridge, LVRR 179.44 "Iron Bridge" at the west end of Newberry Yard.

The results are:

| | |
|-----------------|-------------|
| Lycoming Supply | \$2,468,994 |
| CTW | \$2,601,898 |

The bids came in extraordinarily high; over \$1,000,000 more than the estimate of \$1,400,000. The price of steel being the main driver. Contributing about \$250K of the bid amount is bridge beam painting, which could be deleted from the scope of work, but the cost would still be too high.

Bridge Engineer Shura, JRA staff and the Operator have been discussing alternatives to the project.

Mr. Postupack showed an aerial location slide of the LVRR 179.44 "Iron Bridge", a slide of the existing bridge, and a slide of the Alternative: Precast Concrete Arch Bridge.

Mr. Stover stated that this project began as part of the RTAP 15 package and when John Conrad put together the original concept to replace this bridge in due course. Even in 2015, the estimate was a little over \$2 million. Faced with increases in cost in the interim, the project evolved to be a single-track bridge, instead of a double track, in order to save money. It then looked like this wouldn't be affordable, based on the limitations of grant funding, which was capped at \$3.5 million for the five RTAP bridges. The project that was just bid was for rehabilitation of one span. The bid from Lycoming Supply was for the latest iteration.

Mr. Stover stated that there is a company north of the Bridge, Appellation Services, that has expressed interest in getting rail service.

Mr. Stover stated that Mr. Shura is now proposing a precast concrete arch bridge – 24 feet wide and 14 ½ feet high, which would allow two trucks to pass one another underneath the bridge. The overhead tracks would remain at two, instead of a single track. The options for Appellation Services would be to either go underneath the arch and access the end of the Palmer track that is now filled with storage cars or build up an earthen ramp on the northwest quadrant of the intersection to access the northern track as Appellation's siding.

Mr. Shura stated that the bid price for the rehab option is driven primarily by steel prices, among other factors.

Mr. Shura stated he has been working with Contech Engineering Solutions who provide a design fabrication of the precast concrete arch system. That system is estimated to cost \$1.5 million to install. Mr. Shura spoke with the property owner, who asked if consideration could be given to increasing the width of the span.

Chairman Graham asked why the landowner (Lycoming Supply) wants to increase the width. Mr. Shura stated the owner would like the ability to run two trucks through, simultaneously. There is a 22-foot-wide opening, and the owner is asking to increase that to 28-30 feet. It wouldn't be a substantial increase in price, but this would have to be worked out with the landowner. The options would also need to be discussed with Appellation.

Mr. Stover stated this type of project would likely attract other bidders at a competitive price. Mr. Shura agreed with this.

Mr. Shura stated that the height being provided would be about 16 feet in the middle.

Dr. Spychalski made a motion for the Board to reject the two bids received and have Bridge Engineer Shura pursue an alternative including reviewing the specs and then to bring this information back to the Board in March; Mr. Harvey seconded the motion; motion carried.

NEW BUSINESS

SVRR Corridor Section 130 Concurrence Letter

Mr. Postupack stated that JRA staff has started working with the Operator and PennDOT District 3-0 on a new Section 130 corridor on the SVRR from Sunbury to Shamokin. The project would include upgrading signals at all 15 grade crossings within the corridor and replacing the surface at eight of the 15 grade crossings. The total cost listed in the concurrence letter is \$4,100,000. The JRA typically incurs some minor costs for engineering and design services as well as costs for surface construction which will be dependent upon bids from contractors. The project would most likely begin in 2023.

PennDOT requested the letter be signed and returned expeditiously so they could add the project to the 2022 Section 130 Highway-Railroad Safety Improvement Projects. Section 130 is funded through the Federal Highway Administration safety funds.

JRA staff met with Chairman Graham to sign the letter so it could be returned to PennDOT to meet their timeline.

Mr. Postupack showed a slide of the list of the 15 SVRR Corridor Section 130 grade crossings.

| Grade Crossing | Municipality | New Signals | New Surface |
|----------------------------|--------------------|-------------|-------------|
| 4 th Street | Sunbury | Yes | Yes |
| S. Awl Street | Sunbury | Yes | No |
| S. 10 th Street | Sunbury | Yes | No |
| Lenker Avenue | Sunbury | Yes | Yes |
| Haas | Sunbury | Yes | Yes |
| Mill Street | Upper Augusta Twp. | Yes | No |
| SR 4005 (Market Street) | Snydertown Borough | Yes | Yes |
| SR-2007 | Shamokin Twp. | Yes | No |
| SR-2010 | Shamokin Twp. | Yes | Yes |
| SR-487 | Shamokin Twp. | Yes | No |
| SR-2016 | Shamokin Twp. | Yes | Yes |
| Overlook Boulevard | Ralpho Twp. | Yes | No |
| Johns Estate Road | Coal Twp. | Yes | Yes |
| SR-4012 | Ralpho Twp. | Yes | No |
| Shamokin Street | City of Shamokin | No | Yes |

Mr. Harvey asked if project construction begins in 2023, whether it would be completed in 2023. Mr. Postupack replied that the project contract allows until 2025 to complete. Mr. Harvey asked if this is signal only. Mr. Postupack stated that Diamond Back is doing the design of the

crossings and that the PUC will determine what needs to be installed. They will all have flashing lights and will be active crossings.

Ms. Wakeman clarified that the \$4.1 million is for signals and resurfacing. Mr. Postupack stated that the JRA would be responsible for the admin costs as well as any overruns. Mr. Postupack said that the crossings can be upgraded to timber crossings, which will save some money.

Mr. Harvey made a motion for the Board to ratify Chairman Graham's signature on the SVRR Corridor Section 130 Concurrence Letter; Mr. Jones seconded the motion; motion carried.

PROPERTY MANAGEMENT COMMITTEE

Chairman Jenkins stated that a PMC meeting will be planned for some time before the March JRA board meeting.

KINBER – Assignment of Easement Agreements to FirstLight Fiber, Inc.

Mr. Postupack stated that KINBER contacted JRA staff about an Asset Purchase Agreement (APA) they had entered into with FirstLight Fiber, Inc. As part of the APA, KINBER would assign 10 easement agreements for fiber lines on the NSHR and the NBER to FirstLight Fiber, Inc. The JRA does not receive rent for the easement agreements.

In response to the APA, JRA staff and Solicitor Schrack drafted an Assignment of Easement Agreements document, which says the JRA consents to the assignment of the easements by KINBER and the acceptance and assumption of the easements by FirstLight Fiber, Inc. per the APA.

An \$800 document preparation fee is being assessed for the Agreement. The JRA will rescind this assignment if the fee is not paid. Attorney Schrack stated this assignment is contingent on the closing. This will be effective, provided that the transaction closes.

Mr. Schultz made a motion for the Board to approve this Assignment of Easement Agreements and authorize its execution by the JRA's officers; Mr. Jenkins seconded the motion; motion carried.

COVIA – Third Amendment to Lease Agreement (LVRR)

Mr. Postupack stated that COVIA recently contacted JRA staff about renewing their land lease in the Newberry Yard, where they have been leasing property since 2010. The lease would be extended for an additional year with the option to extend the term for three additional one-year periods with one-month prior written notice. The base annual rent for 2022 is \$103,338.42 and subject to future CPI increases.

Mr. Gummo made a motion for the Board to approve this Amendment to Lease Agreement and authorize its execution by the JRA's officers; Mr. Dombroski seconded the motion; motion carried.

Windstream Pennsylvania, LLC License Agreement (LVRR - Muncy)

Mr. Postupack stated that Windstream Pennsylvania, LLC contacted JRA staff about installing an aerial fiber optic line across the LVRR adjacent to the Pepper Street grade crossing in Muncy.

The fiber optic line will be 28'-4" above top of rail and is wholly within the public right of way.

Windstream will be assessed a \$500 engineering review fee per the JRA's Fee Schedule. All plans have been reviewed and approved. Mr. Postupack showed an aerial location slide for the fiber optic line for Windstream.

Mr. Hormell made a motion for the Board to approve this License Agreement and authorize its execution by the JRA's officers; Mr. Showers seconded the motion; motion carried.

Coal Township Catch Basin Easement Agreement (SVRR - Coal Township)

Mr. Postupack stated that this item is being postponed until the March PMC and JRA meetings.

North Yards Appraisal (JVRR - Burnham)

Mr. Postupack stated that this item is being postponed until the March PMC and JRA meetings.

LEGAL

Legal Issues

Mr. Stover stated that a motion is needed by the Board to add to the agenda consideration of First Amendment to Asset Purchase and Sales Agreement and First Amendment to Freight Service Easement Agreement, related to the Selinsgrove Line.

Attorney Schrack stated that there was a call with insurance agents for the JRA and NS and JRA's solicitor about the terms of the Freight Services Easement Agreement, particularly the insurance terms. There was a question regarding whether Contractor Pollution Liability coverage was required, or whether Railroad Liability provided the requisite coverage. The agreement that was signed contained an inconsistent stray reference to "CPL." It was determined that Contractor Pollution Liability is not required, so NSR agreed to the removal of that stray reference, based on the coverages provided for in the documents. The amendment was prepared after the agenda was circulated.

The other amendment for the Asset Purchase and Sale Agreement is to reference the inclusion of the 1.35-mile Power Plant Lead.

Dr. Spychalski made a motion to add the amendment items to the agenda; Mr. Showers seconded the motion; motion carried.

Attorney Schrack stated that a motion is needed to approve the two amendments – an amendment to Freight Service Easement Agreement relative to the insurance and an amendment to Asset Purchase and Sale Agreement to include the Power Plant Lead and to authorize the Authority's officers to sign.

Mr. Stover stated that there was a question offered by someone as to why NSR didn't want to sell the real estate and the answer is that staff does not know.

Mr. Mitchell inquired about the Selinsgrove Line negotiations between the JRA and NSR. Attorney Schrack suggested that Mr. Mitchell direct his questions to JRA staff after the meeting.

Mr. Harvey made a motion for the Board to approve the Amendment to the Asset Purchase and Sale Agreement to add the Power Plant Lead to the original agreement and authorize the officers to sign; Mr. Postal seconded the motion; motion carried.

Mr. Harvey made a motion for the Board to approve the Amendment to the Freight Services Easement Agreement to modify the language in Section 24(b) related to Railroad Accident Pollution Liability and authorize the officers to sign; Mr. Schultz seconded the motion; motion carried.

Chairman Graham recessed the regular meeting at 1:29 p.m. to convene into executive session at 1:40 p.m.

Chairman Graham reconvened the regular meeting at 2:15 p.m.

Attorney Schrack stated that the Rail Authority Board held confidential discussion with its solicitor in executive session regarding the RFP litigation and a confidential real estate transaction. No action was taken, nor recommended to be taken at this time.

SEDA-COG Joint Rail Authority Meeting

February 9, 2022

Page: 9

With there being no further business to come before the JRA Board, Chairman Graham adjourned the meeting at 2:20 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 March 9, 2022.



Secretary/Assistant Secretary