



SEDA-COG JOINT RAIL AUTHORITY MEETING

Wednesday, June 12, 2019

Lock Haven University Parsons Union Building

Conference Room 4

Lock Haven, PA

12:30 P.M.

PRESERVING RAIL FREIGHT SERVICE

serving the counties of

Centre

Clinton

Columbia

Lycoming

Mifflin

Montour

Northumberland

Union

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

Brent Jones, Clinton County

Michael Krentzman, Mifflin County

Dave Park, Columbia County

David Schultz, Lycoming County

John Showers, Union County

John Spsychalski, Centre County

Jennifer Wakeman, Montour County

JRA OPERATOR

Loni Martz Briner, PR & Media Manager

Jeb Stotter, President & CEO

Diana Williams, Treasurer/Controller

GUESTS

Douglas Byerly, Lock Haven City Council

Alex Lang, Carload Express

Jeff Snyder, Commissioner, Clinton County

LEGAL COUNSEL

John Bee, Esq., McQuaide Blasko

Michael Crotty, Esq., Siana, Bellwoar & McAndrew (via teleconference during executive session)

Tom Schrack, Esq., McQuaide Blasko

JRA CONSULTING PROFESSIONALS

Dan Mazur, Operating Agreement Consultant

SEDA-COG JOINT RAIL AUTHORITY

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SEDA Council of Governments

SEDA-COG Joint Rail Authority Meeting

June 12, 2019

Page: 2

JRA STAFF

Kay Aikey, Program Assistant

George Fury, Property & Maintenance of Way Manager

Kyle Postupack, GIS/Transportation

Jeff Stover, Executive Director

SEDA-COG STAFF

Betsy Lockwood

Kristen Moyer

CALL TO ORDER

Call to Order

The Chairman called the meeting to order at 12:30 p.m.

Pledge of Allegiance

The Chairman led the Pledge of Allegiance.

Welcome – Chairman’s Statements

Chairman Showers 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.

Chairman Showers asked if anyone would be recording the meeting. No one expressed an intention to record the meeting.

Chairman Showers stated that the JRA Board appreciates the courtesy and welcome provided by Lock Haven University in making facilities available for the meeting.

Chairman Showers welcomed Douglas Byerly from Lock Haven City Council and Jeff Snyder, Clinton County Commissioner.

Mr. Gummo expressed his invitation to the JRA Board, Operator and guests to Laurel Run Farm after the project tour and provided directions.

Public Forum

Chairman Showers asked if there is any public comment to come before the Board. No one expressed any comments.

ADMINISTRATIVE ITEMS

Approval of the May 8, 2019 Meeting Minutes

Dr. Sychalski made a motion for the Board to approve the May 8, 2019 JRA Meeting Minutes as distributed; Mr. Park seconded the motion; motion carried.

Treasurer's Reports

Mr. Harvey presented the Treasurer's Report for the month of May, as well as the JRA's PIB Loan Account, JRA's loan summary, DCED Grant – "Milesburg 3 Pipes" financial statement, and the JRA's detailed accounting associated with the operating fees paid by the Operator.

Mr. Gummo made a motion for the Board to accept the Treasurer's Report for the month of May 2019 and file for audit; Mr. Graham seconded the motion; motion carried.

PIB Loan Adjustment

Mr. Stover stated that on May 24, 2019, staff learned from PennDOT Deputy Secretary Jim Ritzman that the Department will make a change to the JRA's \$3.5 million PIB loan tied to the replacement of the Loyalsock Creek Bridge (to be renamed the John P. Conrad Bridge). The interest rate will be reduced from 1.62% to 0%, retroactive.

Mr. Stover stated that in December 2018 staff had consulted with PennDOT to consider allowing a PIB loan refinance for the \$3.5 million loan. Payments are now near \$33,000 per month. The interest rate reduction will save the JRA about \$295,000. Staff is awaiting contact from PennDOT central office staff to see how this change will be administered.

Mr. Stover stated that the balance on the loan is about \$1.3 million.

Events Calendar

Mr. Stover presented the events calendars for June and July as well as the staff report.

Ms. Wakeman gave an update on DRIVE's multimodal project in Danville. The bid opening for this project is June 21st. Work on the siding and rail will begin in mid-July. The access road will be the next step in this project. The company that will be moving into the building

will be a rail customer and they have already started to do work on the interior of the building. Ms. Wakeman stated this building has not been used in 30 years.

Mr. Stover stated that this is a \$1 million grant from the Commonwealth Financing Authority multimodal program. This project will be a cost sharing with the JRA and the operator.

Mr. Fury showed slides on the Talleyrand Park Project which includes the pedestrian bridge that will be attached to the Talleyrand Bridge.

Operator's Status Report

Ms. Williams stated that the operator has seen a 4.26% increase in operating fee revenue and an increase of 4.85% in carloads over last year at this time. Approximately \$2.2 million has been spent for maintenance of way. The operator is entering into its biggest project currently which is a 5,000 tie replacement on the Bald Eagle Main.

Mr. Stotter reported on the fatality that occurred south of Sunbury on Norfolk Southern track. The operator was not involved. Mr. Stotter also reported that some of the operator's track maintenance vehicles were vandalized near Bucknell in Lewisburg.

Mr. Stotter stated that the tie replacement project on the Nittany Main has recently gone out for bid.

Mr. Fury provided the Board with an update on the flooding problems at Tyrone.

OLD BUSINESS

Bridge Engineers Report

Mr. Fury referred to the Monthly Bridge Engineers Report from Jason Shura, P.E., that was provided as a handout to Board members.

NSHR MP 194.07 Bridge

Mr. Fury stated that Lycoming Supply replaced the small rail bridge at NSHR MP 194.07 with a 12 ft. by 4 ft. concrete culvert with a steel track carrying span. The track subcontractor was K. W. Reese. Work started on May 31 with the first train over the new bridge and track on June 5. NSHR crews raised, lined and surfaced the track.

Additional site work includes complicated contour and ditching work to create drainage paths that have not previously existed. Primary benefits will be to drain the railroad and neighboring properties efficiently. A side benefit is the re-establishment of a property line. Installation of an additional 700 live stakes (grasses) to hold the embankments, as well as 55 native shrubs and trees will finish the project.

All work is estimated to be completed by the end of July.

Mr. Fury showed slides of the work being done at 194.07 Bridge at Catawissa.

PSU Rail Engineering – John P. Conrad Research Fund

Mr. Stover stated that staff has been working with Attorney Crotty to develop an agreement with PSU to establish a research grant honoring the late John P. Conrad. The grant would fund equipment, materials, travel for presentation of railroad research, etc.

Total initial endowment amount is \$25,000 over a 5-year span, after which an annual \$1,250 award would be made to fund a student's research project. To bridge the 5-year gap until the \$25,000 endowment could produce a grant, the Authority would also donate \$1,250 to cover the grant needs. Annual payment to PSU for 5 years would be \$6,250.

Mr. Fury stated the railroad's award is a stipend to a student who is working with the research fund portion. The JRA's portion would fund the research fund, which is the hard cost – classroom costs for equipment, materials, travel or anything associated with projects that the railroad and the JRA would deem necessary or would want to see research on its railroad.

Mr. Fury stated this would be a chance to work on the Nittany & Bald Eagle Railroad and other railroads. Mr. Stover stated that one of the projects could be the subgrade mud issue on the Nittany & Bald Eagle Railroad.

Mr. Hormell commented that it would seem wise to not identify a project in just one direction and would be a chance to partner with other research efforts and open to other opportunities. Mr. Fury stated this is an annual award to a different student.

Mr. Stover stated the agreement is for 5 years.

Mr. Graham asked if Altoona would drop their curriculum for any reason, would the base funds come back to the Authority. Mr. Stover stated he would have to check the agreement, but he thinks there is some protections in the agreement. This is an agreement between the JRA and Penn State.

Dr. Spychalski stated this is a dedicated purpose grant to support work that would benefit the JRA, its operator and other components of the railroad industry.

Action on this item was deferred until after the executive session so discussion could be held with Attorney Crotty, following the executive session.

REPORTS FROM COMMITTEES

Property Management/Capital Budget Committee Meeting

Danville Municipal Authority (NSHR)

Mr. Fury stated that staff has been approached by the Danville Municipal Authority requesting a license to cross the NSHR Main in Danville, ±90' east of the Sewer Plant private crossing, with a 4" PVC potable water service lateral to service the Wastewater Treatment Plant.

The new facility is needed to replace an existing facility that was constructed in 1971, about 10' west of the proposed new facility. The existing license will be terminated. Fee assessed this year was \$197.53.

The new facility will be located at ± MP 202.33. A new 4" PVC pipe will be encased in a 12" steel pipe within the R/W and zone of influence due to the narrow R/W. Depth of top of casing will be no less than 7' below bottom of rail.

Annual fee assessed is \$400, subject to CPI increase. Application fee of \$750 is assessed.

Mr. Fury shared two slides regarding this project.

Ms. Wakeman made a motion for the Board to approve this license and authorize its execution by the Chair; Mr. Gummo seconded the motion; motion carried.

LEGAL

Legal Issues

Attorney Schrack stated there were no items to discuss in public session and recommended that the JRA Board convene into executive session.

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

Chairman Showers reconvened the regular meeting at 2:20 p.m.

SEDA-COG Joint Rail Authority Meeting

June 12, 2019

Page: 7

Attorney Schrack stated that the JRA Board held an executive session with its solicitor to discuss confidential legal advice; the ongoing RFP litigation was discussed.

Attorney Schrack stated there will be continuation in public session with Mike Crotty, special counsel regarding the agreement with Penn State on the John P. Conrad research fund.

Chairman Showers asked that Attorney Crotty discuss what the agreement calls for, in terms, if Penn State would decide to suspend the program at some point and what the options would be.

Attorney Crotty stated the way the existing funding agreement is set out, it provides that if the University decides to terminate the endowment, it must, however, transfer those funds to another existing university endowment with the purpose that it adheres to the core support objectives provided in the agreement. Those core supported objectives which are defined above are those that are the JRA mission which is the promotion of rail engineering and regional rail infrastructure.

The way to address any potential concerns that the funds the JRA contributes are going to be used in a way that is objectionable would be to add into that provision language that any transfer of the endowment fund would be subject to the approval of the JRA, with respect to the JRA's contributions, noting that there are other contributors to this endowment agreement and may separately govern their contributions.

Chairman Showers asked board members if there were any other concerns. If not, then the Board would be recommending that this go forward with the research fund and the JRA's contributions, subject to those additional provisions.

Mr. Graham made a motion for the Board to approve the establishment of the "John P. Conrad Rail Transportation Engineering Research Fund" with the Pennsylvania State University through an agreement and total donation not to exceed \$31,250 paid over five years; and authorize the Chair to execute all documents and subject to those additional provisions as noted above as long as Penn State concurs with those amendments; Mr. Harvey seconded the motion; motion carried with Dr. Spychalski abstaining.

With there being no further business to come before the JRA Board, Chairman Showers adjourned the meeting at 2:24 p.m.

Respectfully submitted,



Jeffery K. Stover, Executive Director

SEDA-COG Joint Rail Authority Meeting

June 12, 2019

Page: 8

I hereby certify these minutes were approved by the SEDA-COG Joint Rail Authority Board of Directors on August 14, 2019.



Secretary/Assistant Secretary