



SEDA-COG JOINT RAIL AUTHORITY MEETING
Wednesday, June 3, 2020
Virtual Meeting via Teleconference
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
Scott Harvey, Lycoming County
Lisa Hoover, Northumberland County
Bob Hormell, Northumberland County
Rick Jenkins, Columbia County
Brent Jones, Clinton County
Michael Krentzman, Mifflin County
Dave Park, Columbia County
Rob Postal, Mifflin County
John Showers, Union County
David Schultz, Lycoming County
John Spychalski, Centre County
Jennifer Wakeman, Montour County
Eric Winslow, Union County

JRA OPERATOR

Tom Avery, Director of Operations
Todd Hunter, Chief Marketing Officer
Zac Mahaffey, Director of Maintenance of Way
Jeb Stotter, President & CEO
Diana Williams, Treasurer/Controller

GUESTS

Al Bubb, West Shore Railroad
Alex Lang, Carload Express
John Rautzahn, Stahl Sheaffer Engineering

LEGAL COUNSEL

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

JRA CONSULTING PROFESSIONALS

Dan Mazur, Operating Agreement Consultant
Jason Shura, P.E., Stiffler, McGraw & Associates, Inc.

**SEDA-COG JOINT
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Affiliated with
SEDA Council of Governments

JRA STAFF

Kay Aikey, Program Assistant

Kyle Postupack, Property & Maintenance of Way Manager

Jeff Stover, Executive Director

OTHER SEDA-COG STAFF

Liz Herman, Communications Manager

Steve Herman, Transportation Principal Program Analyst

CALL TO ORDER

Roll call was taken so that everyone would know who was on the call.

Call to Order

Chairman Showers called the meeting to order at 12:36 p.m.

Pledge of Allegiance

Chairman Showers led the Pledge of Allegiance

Welcome – Vice-Chairman’s Statements

Chairman Showers stated that the use of audio or video recording devices at the public virtual 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

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

ADMINISTRATIVE ITEMS

Approval of the April 24, 2020 JRA Special Meeting Minutes (virtual meeting)

Dr. Spychalski made a motion for the Board to approve the April 24, 2020 JRA Special Meeting Minutes; Mr. Postal seconded the motion; motion carried.

Treasurer's Reports

Mr. Harvey presented the Treasurer's Reports for the months of April and May 2020, 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.

Ms. Wakeman made a motion for the Board to accept the Treasurer's Reports for the months of April and May 2020 and file for audit; Mr. Krentzman seconded the motion; motion carried.

PennDOT PIB Loan Update

Mr. Stover stated that on Friday afternoon, May 29th, the Authority received an email from PennDOT Central Office reporting that the Deputy Secretary approved the JRA's new PIB loan. This is huge-and welcome-news.

The terms of the new PIB loan, as laid out by now retired Deputy Secretary Jim Ritzman, will be at zero interest; interest previously paid will be credited to the new loan.

The net result is that nearly 24 months of no \$33,000 monthly payments will ensue. The exact terms will not be known until the new loan documents are received.

Dr. Spsychalski made a motion for the JRA Board to approve a resolution authorizing the officers to execute the PennDOT PIB loan documents; Mr. Winslow seconded the motion provided that the loan documents reflect the understanding of the Board at this time from Secretary Ritzman's email of 2019; Dr. Spsychalski agreed to that addition to the motion; motion carried.

Staff Report & Events Calendar

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

Jannotti Track Inspections

Mr. Jannotti's long completed 2019 track inspection report and 2020 M/W plan were mailed to Board members before the meeting. The disrupted meeting schedule has not allowed him to present it live to the JRA Board.

The tentative plan is to have Paul at the July 8th JRA meeting which, staff hopes, will be live and in-person, but at a respectful distance. The Winfield Fire Hall has been reserved in anticipation of having the July 8th meeting.

RTAP 15 Bridges (NBER, LVRR, and SVRR)

The RTAP 15 program is moving ahead at a very good pace. Bids for the SVRR 14.93 bridge are due on June 9th and will be presented to the Board on July 8th for action.

Grade Crossing Reconstruction (LVRR, SVRR, and NSHR)

The Canfields Lane grade crossing near Montoursville has been rebuilt. Railroad Constructors from New Jersey have done an excellent job installing the crossing and G. O. Hawbaker completing the paving. Commerce Park Drive will be completed by June 2nd.

The SR54 crossing near Mt. Carmel on the SVRR will be redone by K. W. Reese in mid-June.

East and Market Streets in Bloomsburg will be carried out by low bidder CTW later this summer.

PSU-Altoona Rail Transportation and Engineering (RTE) Site Visit and Research at the John P. Conrad Bridge

Mr. Bryan Schlake, Assistant Professor with the RTE Program at PSU-Altoona, and Colin Seitz, RTE student and recipient of the scholarship in memory of John Conrad and funded by the Operator and the JRA, were at the Conrad Bridge to conduct research as part of the scholarship requirements by videoing the bridge for the Program's VR lab on June 2.

Jason Shura, P.E., and SMA staff gave a walkthrough of the bridge inspection process and provided insight into bridge maintenance and annual inspections.

Elaine Conrad, wife, and Byron Conrad, son of John Conrad, were also in attendance to observe the project and meet with the team.

Board members were invited to attend.

The following slides were shared:

- Grade Crossing Reconstruction – Canfields Lane (LVRR)
- Grade Crossings Reconstruction – Commerce Park Drive (LVRR)
- Danville DRIVE project (NSHR)

Operator's Status Report

The Operator's report was included in the meeting packet. The Operator's Pro forma for April and May will be provided at the July 8th meeting.

OLD BUSINESS

Bridge Engineer's Report

The Bridge Engineer's Report was provided in the meeting packet.

Mr. Shura provided the following updates:

- Talleyrand Park Pedestrian Walkway (Bellefonte Borough project) has been awarded to Lycoming Supply. The pre-construction meeting and notice to proceed will be issued the week of June 15th. The project is underway and construction will begin in the next 6-8 weeks.
- Bids for the SVRR Bridge 14.93 (one of the RTAP 15 bridges) will be opened on June 9th. A pre-bid meeting was held on May 14, 2020 with good attendance and a lot of interest in the project. A bid award recommendation will be on the agenda for the July 8th JRA meeting. A slide of the SVRR Bridge 14.3 was shared.
- The plans, specs, and bidding documents are complete for NBER Bridge 33.84 (Curtin Bridge) Rehabilitation (RTAP Project). Will be submitting to the JRA and PennDOT Bureau of Rail Freight.
- The plans for LVRR Antlers IT Bridge 179.44 (Iron Bridge Rehabilitation Project) are 50% complete. Submission of the plans to the Bureau of Rail Freight later this month is anticipated.
- Working with Mr. Jannotti on NSHR Bridge 201.35 (Sechler Run) as part of the DRIVE project.
- The 2020 bridge inspections are nearly complete and it is anticipated that all of the remaining bridges will be finished during the month of June. The plan is to submit some of the reports to the JRA in July.

REPORTS FROM COMMITTEES

Property Management/Capital Budget Committee Meeting

Deeds of Dedication to the City and Township for First Quality Way

Mr. Stover stated that a large portion of the new First Quality Tissue road, called "First Quality Way" will become a public street. Deeds of dedication to the City of Lock Haven and Castanea Township need to be signed by the JRA officers.

Attorney Schrack stated that a requirement the City had was to include language in the deed that the JRA would be responsible for maintenance of the guiderail. The City wanted to include language that would also give the City the ability to require the JRA to remove the guiderail at the JRA's cost. After discussion with the City manager, City's solicitor, JRA's solicitor and JRA staff, the City agreed

to relent on the removal language and it was agreed that the maintenance requirement would be included in the deed. Attorney Schrack stated that the deed is ready for signature by the JRA Chair. Mr. Stover added that the guiderail is on JRA property and is the boundary line.

Mr. Postal made a motion for the full Board to approve the Deeds of Dedication of land to the City of Lock Haven and Castanea Township for the public portions of First Quality Way and authorize the JRA Chair to execute all documents; Mr. Jones seconded the motion; motion carried.

Talleyrand Park Pedestrian Bridge Easement (NBER)

Mr. Postupack stated that Bellefonte Borough has approached staff for an agreement to attach a pedestrian bridge to the NBER bridge in Talleyrand Park.

Jason Shura, P.E., Stiffler McGraw, completed the design and engineering of the structure.

The purpose of the easement would be for the construction, installation, and maintenance of a pedestrian bridge on JRA property. No fee will be assessed for the easement. Mr. Postupack stated this is a CDBG funded project and is being administered by the Borough. He stated that this is a pedestrian bridge being attached to the JRA railroad bridge.

Mr. Postupack shared a slide of the design of the railroad bridge.

Mr. Shura stated that the railing will be attached to the downstream side of the existing bridge. The new walkway and railing being attached will not impact the functionality or capacity of the existing bridge. The proposed work will not impact the railroad's operations or the function of the existing bridge in any way. Mr. Shura stated that some of the construction work will have to be done under flagging; however, the construction will not impact the railroad's operations.

Dr. Spychalski made a motion for the full Board to approve the easement with the Borough of Bellefonte for construction, installation, and maintenance of a pedestrian bridge in Talleyrand Park; Mr. Park seconded the motion; motion carried.

American Eagle Paper Permission to Clear Leased Area for Additional Parking in Tyrone, PA (NBER)

Mr. Postupack stated that American Eagle Paper has a land lease for a ± 85,000 square foot parcel between the Tyrone Team track and the NBER Main Line. The current annual rent on the lease is \$335.99.

Trucks and trailers are spilling out of the leased area and onto property that could potentially be used for a transload site or storage for another customer.

Staff spoke with American Eagle Paper about the parking of trucks and storage of trailers on JRA property outside of the leased area. In response, American Eagle Paper is requesting to clear an area of grass and trees within the leased area and spread stone for additional parking and storage at their cost.

The area is currently unused and written permission is needed from the lessor to allow the lessee to make alternations to the area.

Mr. Postupack shared a slide of the leased area showing the land to be cleared and stone spread.

Mr. Hormell made a motion for the full Board to provide written consent allowing American Eagle Paper to extend parking and storage area at their own cost; Mr. Winslow seconded the motion; motion carried.

DL&W Avenue Guiderail Update (NSHR)

Mr. Postupack stated that approximately 240' of guiderail was installed between the North Shore Railroad and DL&W Avenue between Pine Street and Church Street in Danville.

Parking will not be permitted along the guiderail and the no parking signs will be moved from their current location to the other side of the guiderail along DL&W Avenue.

The guiderail could not be located along the edge of the alley because of a longitudinal high-pressure gas line in that location.

Mr. Postupack shared a slide showing the installation of the guiderail at DL&W Avenue. No action is needed as this item is informational only.

LVRB Office Building Updates

Mr. Postupack stated that staff had the LVRB office building's electrical system inspected by Montgomery Office, CCIS, Inc. A copy of the inspector's report was included in the meeting packet.

As shown in the report, the inspector said that the electrical system in the dock area needs to be totally rewired with new lighting to a standard.

Staff is working on a bid specification similar to a "design-build" for the electrical work. This approach puts the responsibility for detailed design and recommended LED lighting fixtures on the contractor.

Stiffler McGraw surveyors were on the property in recent days to survey the grades between Reighard Avenue, office parking lot and the building. The purpose of that work is to correct the

drainage problem which forces surface water to enter the building on its east and northeast sides. The survey work is also important to the reconfiguration of the fencing, parking, and access roads.

No action is needed for this item; informational only.

LEGAL

Legal Issues

In public session, Solicitor Schrack briefed the Board relative to current legal matters.

Solicitor Schrack stated that he has been working with JRA staff on a new, simpler Release Waiver of Liability Agreement that would be employed for individuals seeking access on JRA property such as for the PSU Altoona students and in working with the Department of Agriculture in dealing with the spotted lanternfly issue.

Operating Agreement Consultant's Report

Mr. Dan Mazur presented the Operator's year-end financials and the 2020 budget and first quarter results via PowerPoint.

2019 Transportation Expense Ratio

- Target: About 43%
- Results for 4Q 2019
 - Lower than Target
 - Lower than 2018
 - Slightly lower than 2019 Budget
- Results for all of 2019
 - Significantly lower than Target
 - Lower than 2018
 - Lower than 2019 Budget
- Total Transportation Expense higher than 2019 Budget and about equal to 2018, but higher Revenue resulted in lower Transportation Ratio.

2019 Maintenance of Way Ratio

- Target: About 21%
- Results for 4Q 2019
 - Significantly lower than Target
 - Higher than 2018
 - Significantly lower than 2019 Budget

- Results for all of 2019
 - Significantly higher than Target
 - Much higher than 2018
 - Lower than 2019 Budget
- Total Maintenance of Way expenses equal to 2019 Budget and almost double 2018, higher Revenue resulted in Maintenance of Way ratio lower than 2019 budget.

2020 Budget Transportation Expense Ratio

- Target: About 43%
- 2020 Budget
 - Significantly lower than Target
 - Significantly lower than 2019

2020 Budget Maintenance of Way Expense Ratio

- Target: About 21%
- 2020 Budget
 - Much higher than Target
 - Significantly higher than 2019

1 Q 2020 Transportation Expense Ratio

- Target: About 43%
- Results for 1Q 2020
 - Higher than Target
 - Significantly higher than 1 Q 2019
 - Significantly higher than 1 Q 2020 Budget
- Total Transportation expenses about equal to Budget, but lower than expected revenues resulted in a higher ratio.

1 Q 2020 Maintenance of Way Ratio

- Target: About 21%
- Results for 1 Q 2020
 - Slightly higher than Target
 - Lower than 1 Q 2019
 - Significantly higher than 1 Q 2020 Budget
- Total Maintenance of Way expenses significantly higher than Budget, and Maintenance of Way Ratio significantly higher than Budget due to lower than expected revenues.

Mr. Mazur stated that he has additional and detailed information, but the recommendation is that it would be discussed in executive session.

Chairman Showers recessed the regular meeting at 1:34 p.m. to convene into executive session.

Chairman Showers reconvened the regular meeting at 2:28 p.m.

Attorney Schrack stated that the JRA Board held an executive session with representatives of the Operator and the Operating Agreement Consultant to continue its discussion of the operating agreement consultant's report involving confidential and proprietary information of the operator. After representatives of the Operator left the executive session, the Authority Board and its solicitor continued the executive session for confidential discussion of litigation matters and discussion of a confidential property transaction being considered by Board. No action was taken, and no action is recommended to be taken in public session.

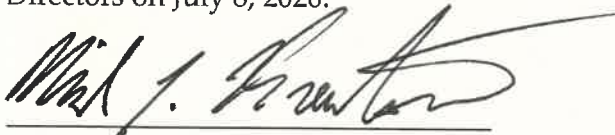
With there being no further business to come before the JRA Board, Chairman Showers adjourned the meeting at 2:29 p.m.

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 July 8, 2020.



Secretary/Assistant Secretary