



SEDA-COG JOINT RAIL AUTHORITY MEETING
Wednesday, October 9, 2019
SEDA-COG, Lewisburg, PA
12:30 P.M.

**PRESERVING
RAIL FREIGHT
SERVICE**

-serving the counties of

Centre

Clinton

Columbia

Lycoming

Mifflin

Montour

Northumberland

Union

AUTHORITY MEMBERS

Russ Graham, Centre County (via teleconference)
John Gummo, Clinton County
Scott Harvey, Lycoming County
Lisa Hoover, Northumberland County
Bob Hormell, Northumberland County (via teleconference)
Rick Jenkins Columbia County
Brent Jones, Clinton County
Dave Park, Columbia County
David Schultz, Lycoming County
John Showers, Union County
John Spychalski, Centre County
Jennifer Wakeman, Montour County
Eric Winslow, Union County

JRA OPERATOR

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

GUESTS

Cliff Grunstra, Carload Express
Howard Hobbs, Roaring Creek & Catawissa Valley Historical Study Group
Gary Roberts, Roaring Creek & Catawissa Valley Historical Study Group

LEGAL COUNSEL

John Bee, Esq., McQuaide Blasko
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

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JRA STAFF

Kay Aikey, Program Assistant

George Fury, Property & Maintenance of Way Manager

Kyle Postupack, Program Analyst

Jeff Stover, Executive Director

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 asked for introductions of guests present.

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 September 11, 2019 Meeting Minutes

Mr. Gummo made a motion for the Board to approve the September 11, 2019 JRA Meeting Minutes as distributed; Ms. Wakeman seconded the motion; motion carried.

Treasurer's Reports

Mr. Harvey presented the Treasurer's Report for the month of September 2019, 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. Harvey commented on the substantial increase in interest earned from \$400 to the current amount of \$2,000 due to the higher interest rate.

Mr. Jones made a motion for the Board to accept the Treasurer's Report for the month of September 2019 and file for audit; Dr. Spsychalski seconded the motion; motion carried.

Events Calendars

Mr. Stover presented the events calendars for October and November as well as the staff report.

Mr. Stover stated that staff has been contacted by six different banks regarding the Banking and Financial Services Request for Proposals – Riverview, Susquehanna Community Bank, Woodlands, FNB, Kish and Jersey Shore State Bank.

Ms. Wakeman stated that she had a request from two banks in Columbia County – First Columbia and First Keystone. Ms. Wakeman will send contact information for First Keystone to Mr. Stover.

Mr. Stover stated there is an opportunity for a PennDOT Multimodal application, which is due November 8, 2019. Staff would like to submit a Multimodal application with Jason Shura of Stiffler McGraw for Port Matilda and for the Moose Run bridges under Railroad Street, the NBER Main, and the Bellefonte Branch. A second Multimodal application for the Poppy Road Bridge in Shamokin Township will be submitted.

Dr. Spsychalski made a motion for the full Board to authorize submission of two applications to PennDOT Multimodal Transportation Funds for 1) a project on the NBER in Milesburg for a bridge over Moose Run under the Main Line and 2) for the Poppy Run Bridge in Shamokin Township over the SVRR; Mr. Park seconded the motion; motion carried unanimously.

Operator's Status Report

Ms. Williams stated that carload traffic on the NBER is down; the reason being one of the strongest customers had a rebuild of their track. Also, one customer had a shift in logistics of

how they brought in their product. Ms. Williams stated that there are three new customers on the line.

Mr. Stotter stated that with maintenance of way, there has been a lot of tie replacements. The major tie replacement project on the NBER of approximately 6,000 ties has been completed, as well as the replacement of 1,100 ties on the Avis Branch of the LVRR.

Mr. Stotter stated that \$4.1 million has been spent on maintenance of way expenditures through September.

OLD BUSINESS

Bridge Engineer's Report

A copy of the Bridge Engineer's Report was provided in the meeting packet.

Mr. Fury shared slides of the Catawissa Bridge 194.07 project on the NSHR.

REPORTS FROM COMMITTEES

Property Management/Capital Budget Committee Meeting

Committee Chair Rick Jenkins reported on the work of the Property Management/Capital Budget Committee.

Updated License Agreements Fee Schedule

At the September meeting, Mr. Fury introduced a draft of an updated license agreements fee schedule. A spreadsheet version with information from multiple agencies was presented to the Board for its review. Staff's recommended fees are shown in the spreadsheet as well as the current fees. The fee schedule compares the JRA rates to the rates of three other entities. Board members were asked to review the fee schedule, as it will be discussed at the November Property Management Committee.

Coal Township Men Cited for Dumping

Mr. Fury stated that in late September 2018, NSHR Signal Maintainer Jim Boyer sent staff a series of YouTube links showing people dumping on the SVRR near the Shamokin Yard. A neighbor caught the two men and a woman dumping rubbish on the R/W, which showed remnants of previous materials being burned.

A recent newspaper article said that the two men were cited for scattering rubbish along private property.

A short clip of the dumping on the SVRR was shown.

LEGAL

Attorney Schrack updated the Board on the following:

- After several months of negotiating a lease agreement has been completed with Newpark Drilling Fluids, LLC, a Texas limited liability company for the CUDD site on the LVRR. The terms of the lease agreement are \$30,000/year for 5 years, \$2,500/month. There is a rent credit aspect, which had been discussed at the May Board meeting, and that is for the first year only if Newpark provides written substantiation to staff of repairs that have been done. Mr. Fury stated that the protocol will be that if Newpark wishes to make repairs they will contact Mr. Postupack and Mr. Postupack will approve the repairs with the budget costs. After the repair has been made, Mr. Postupack will inspect the repairs and determine if it meets the JRA level of quality, it will then be approved to rebate that money from the \$30,000. Mr. Fury stated there are approximately \$20,000 in repairs.

Attorney Schrack stated that this was initially approved by the Board as a license, but it is a lease agreement and requested a motion to ratify the lease agreement with Newpark Drilling Fluids, LLC for the former CUDD site.

Mr. Harvey made a motion for the full Board to ratify the lease agreement with Newpark Drilling Fluids, LLC for the former CUDD site and authorize the Chair to sign the document; Ms. Wakeman seconded the motion; motion carried unanimously.

- The transaction for the former rest stop site authorized in August has closed. Susquehanna Union Railroad Company (SURC) has purchased that property and the Authority has been paid.

Mr. Stover stated that staff has been trying to get some competitive insurance quotes for passenger excursions to see what the market is. The policy for passenger excursions is in the name of Penn Valley Railroad, LLC. The idea is for the Authority to get the passenger excursions insurance and put that as part of the general liability policy the JRA already has. This will be discussed at the next Passenger Excursions Committee meeting. The cost of the general liability insurance policy is \$32,000 and the passenger excursions policy is \$15,700.

Attorney Schrack then recommended that the Board recess into Executive Session to discuss further legal items, including the RFP litigation.

Chairman Showers recessed the regular meeting at 1:18 to convene into executive session.

Chairman Showers reconvened the regular meeting at 2:29 p.m.

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Attorney Schrack stated that the Authority Board, staff, solicitor and bridge consultant first discussed a potential real estate acquisition, which qualifies under the Sunshine Act as a basis for Executive Session. The Authority Board then had discussion with the solicitor concerning the ongoing RFP litigation. No action is recommended to be taken.

Mr. Fury shared slides of how railroad was laid in the 1800's.

With there being no further business to come before the JRA Board, Chairman Showers adjourned the meeting at 2:31 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 November 13, 2019.



Secretary/Assistant Secretary