



Chautauqua, Cattaraugus, Allegany & Steuben Counties Southern Tier Extension Railroad Authority

Center for Regional Excellence, 4039 Route 219, Suite 200, Salamanca, New York 14779

TEL (716) 945-5301 FAX (716) 945-5550 TDD (716) 945-5301

"This institution is an equal opportunity organization"

Terry Everetts, Chairman
Richard Zink, Chief Executive Director

MINUTES OF ANNUAL BOARD OF DIRECTORS MEETING

June 16, 2014

The Board of Directors of the Chautauqua, Cattaraugus, Allegany and Steuben Southern Tier Extension Railroad Authority held its Annual Meeting at 9:30 AM on June 16, 2014 in the Conference Room in the office of the Southern Tier West Regional Planning and Development Board, 4039 Route 219, Suite 200, Salamanca, New York. The following persons were in attendance:

Board Members In Attendance

Crystal Abers
Michael Brisky
Seth Corwin
Terry Everetts
John Foels
Adam Gorczyca
Jay Gould
James Griffin
Jerry Scott
Randolph Weaver

Representing

Cattaraugus County
Cattaraugus County
Steuben County
Cattaraugus County
Allegany County
Chautauqua County
Chautauqua County
Steuben County
Southern Tier West RPDB
Steuben County

Board Members Not In Attendance

Mitchell Alger
Timothy O'Grady
Vacant
Vacant

Representing

Allegany County
Allegany County
Chautauqua County
Seneca Nation of Indians

Others Attending

Thomas Barnes
Lucas Brewer
Richard Zink

Representing

STERA Secretary
WNYP RR
STERA CEO

1. Call to Order and Introduction of Those Present

Because of the vacancies in the offices of the Chairman and Vice Chairman, Second Vice Chairman James Griffin called the meeting to order at 9:30 AM. Introductions were made of those present.

2. Election of Board and Corporate Officers

For the Nominating Committee, Mr. Scott presented the following slate of nominees for election:

Board officers:

Terry Everetts	Chairman
Jay Gould	Vice Chairman
James Griffin	Second Vice Chairman

There were no other nominations from the floor. The Board approved a resolution closing nominations and electing this slate of officers (Weaver, Abers, passing unanimously).

For the Nominating Committee, Mr. Scott presented the following slate of nominees for election:

Corporate officers:

Richard Zink	Chief Executive Officer (Executive Director)
Mitchell Alger	Treasurer (Chief Financial Officer)
Thomas Barnes	Secretary

There were no other nominations from the floor. The Board approved a resolution closing nominations and electing this slate of officers (Brisky, Gould, passing unanimously).

Mr. Everetts, by virtue of his position as Chairman, becomes the Ethics Officer and Records Access Appeals Officer.

Mr. Zink, by virtue of his position as CEO, is the STERA Contracting Officer, Records Management Officer, and Records Access Officer.

At this point, Mr. Everetts took over the Chairmanship of the organization and meeting.

3. Reading and Approval of the Minutes of the May 5, 2014 Meeting

The Board adopted a resolution approving the minutes of the May 5, 2014 Board Meeting (Brisky, Corwin, passing unanimously).

4. Communications

It was noted that a communication had been received from:

- Town of Busti asking for a support letter for NYS DOT TAP funding for a proposed Busti-Lakewood Bike and Pedestrian Trail that would run parallel to the Southern Tier Extension. At the recommendation of Carl Belke of WNYP, STERA issued the support letter. All appropriate safety design precautions, to be acceptable to WNYP, will be taken.

5. Treasurer's Report

A. May 31, 2014 Treasurer's Report

The Treasurer's Report for May 31, 2014 had been posted to the STERA web site.

The Audit Committee had met earlier that same day, and had discussed the Treasurer's Report and recommended that the Board approve it.

For the year to date ending May 31, 2014, STERA had a net income of \$198,475.02 on revenues of \$352,768.18. As of May 31, 2014, STERA had net assets of \$5,716,903.53 on assets of \$5,806,329.37, with a cash balance of \$220,149.03. Accounts payable as of May 31, 2014 were \$89,425.84, and accounts receivable as of May 31, 2014 were \$3,117.41.

The Board adopted a resolution approving the Treasurer's Report for May 31, 2014 (Brisky, Griffin, passing unanimously).

Reports of Committees

6. Audit Committee

Mr. Zink reported that the Audit Committee had met earlier that same day. The Committee had discussed (for the benefit of the new Committee members) the functions and operations of the Committee, and also had discussed the Treasurer's Report and recommended that the Board approve it.

7. Governance Committee

Mr. Everetts reported that the Governance Committee had met earlier that same day, and had reviewed and discussed the STERA Management Report - Financial Disclosure and Ethics Report June 2014. After discussion, and with the recommendation of the Governance Committee, the Board adopted a resolution making a finding that STERA did not have any conflicts or ethical issues during calendar year 2013, and approving the STERA Management Report - Financial Disclosure and Ethics Report June 2014 (Griffin, Scott, passing unanimously).

Unfinished Business

8. WNYP RR Operating Status Report

In the absence of Carl Belke, President and Chief Operating Officer of the WNYP RR, Lucas Brewer, Assistant Chief Engineer of the WNYP RR, provided a Management Report to the STERA Board. The Management Report covered the areas of Safety and Security, Major Projects, Operations and Customer Service, Marketing and Freight Business, Mechanical Issues, Engineering and Maintenance of Way, and Bridges and Culverts.

Mr. Brewer indicated that the Norfolk Southern diversion of Meadville overhead traffic to Olean via Buffalo (B&P Railroad) to Salamanca started February 1, 2014, and has been working well. Projections of 2014 Buffalo line traffic from/to Pennsylvania are up from last year. There is a new National Gas pipe yard receiving traffic in Port Allegany, PA. The delivery of sand for fracking gas wells has returned to

Emporium and Meadville, PA. Olean to Hornell service is operated once per week, and as needed. Olean to Falconer service is operated one to two times per week, and as needed. There currently are no customers in Jamestown. Olean to Machias service is operated as required for pickup of WNYP ballast.

In 2015, WNYP will be undertaking a \$1,200,000 project involving installation of 12,000 ties on 14.5 miles of the Oil City Branch between Oil City and Sugar Grove, PA; funding is to be provided by PENNDOT (\$840,000 RTAP Capital Budget grant) and WNYP (\$360,000 match). WNYP has submitted a funding application to PENNDOT for a grant to rehabilitate the timber approaches to a through-truss bridge on the Famers Valley Branch in Eldred, PA; funding would be provided by PENNDOT (\$448,000 RTAP Capital Budget grant) and WNYP (\$192,000 match).

Status reports on individual STERA projects are provided below.

9. Status Reports on Current and Proposed Rehabilitation Projects

NYS DOT 2005 Bond Act Bridge Rehab and Track Realignment (Falconer) Project (Southern Tier Extension Line) – Remaining Project Funds Issue

This STERA project is funded by NYS DOT and WNYP. This project is located in the Falconer Area in Chautauqua County, and involves the realignment of track from a bridge currently in service to an adjacent bridge not currently in service. The bridge that the line now traverses has a 315,000 weight limit per carload, above the industry standard of 286,000 pounds, and it replaces a bridge in need of major repair that had only a 273,000 pound per carload weight capacity. The project's primary objectives have been completed; the realigned route and bridge crossing were placed back in service in November 2013. There are some funds remaining on the project. With some of the remaining project funds, WNYP is continuing final surfacing, alignment and cleanup work, and will install a small amount of rail and crossties at the ends of the project area. This project should be completed in 2014.

NYS DOT 2005 Bond Act Bridge Rehab Project (Southern Tier Extension Line)

This is a STERA project funded by NYS DOT and WNYP. The project involves the rehabilitation of four railroad bridges in Allegany County (three in Alfred Station and one in Belvidere) and one railroad bridge in Cattaraugus County (Salamanca). WNYP is STERA's engineering and construction contractor for the project. WNYP has commenced the project. With STERA's and NYS DOT's approval, WNYP has competitively procured and engaged an engineering subcontractor. WNYP has completed final engineering design, and has received approval of the engineering design from NYS DOT. With STERA's and NYS DOT's approval, WNYP also has competitively procured and engaged a construction subcontractor (L.C. Whitford) that will undertake construction activities (concrete and steel work) on two of the three Alfred Station bridges, the Belvidere bridge, and the Salamanca bridge. WNYP will undertake construction activities on the remaining Alfred Station bridge. WNYP has ordered materials for the project, and has given the notice to proceed to L.C. Whitford. WNYP has begun tie installation in Alfred Station. This project is anticipated to be completed sometime in 2014. STERA and WNYP will coordinate construction activities with the affected municipalities.

NYS DOT PFRAP Tie Replacement and Grade Crossing Repair Project (Buffalo Line)

STERA has received a contract from NYS DOT for funding for the project. The project would involve the replacement of 8,000 cross ties and the rehabilitation of four highway-railroad grade crossings on the section of the Buffalo Railroad Line between Olean and the Pennsylvania State Line. The

total proposed project will cost \$1,345,630.56, comprised of \$1,076,504.45 of grant funding from the New York State Department of Transportation Passenger and Freight Rail Assistance Program (PFRAP, at 80%), and \$269,126.11 of cash match funding (20%) provided by WNYP.

With the approval of NYS DOT, STERA and WNYP have executed a letter agreement for services to include construction contracting services. STERA and its engineering/construction agent WNYP will coordinate construction activities with the affected municipalities.

Construction began in June with the reconstruction of the 4th Street grade crossing in Olean, which has been completed. This week WNYP is working on the reconstruction of the Coleman Street grade crossing in Olean. The other two grade crossings (Dugan Road and Barbertown Road) will be completed by mid-July. Crossties have been ordered for delivery in August. This project should be completed in 2014.

Proposed NYS DOT PFRAP Tie Replacement, Grade Crossing, and Switch Repair Project (Cattaraugus County Rail Rehabilitation Project, Southern Tier Extension Line)

Mr. Barnes noted that the NYS DOT funding application has been submitted.

This is a \$2,478,967.20 million project, involving \$1,983,173.76 of NYS DOT grant funds and approximately \$495,793.44 of WNYP funds (20% match rate). The project involves the installation of 10,000 rail ties between Olean and Killbuck (Cattaraugus County), the repair of 11 rail switches, the installation of 12,000 tons of ballast, surfacing and alignment of track and turnouts, the rehabilitation of three at-grade crossings, and the rehabilitation of 11 turnouts. This project may begin in 2014, but could start in 2015, and it should be completed by the end of 2015.

Proposed FEMA Project

Mr. Brewer discussed damage to the lines in Allegany, Cattaraugus, and Chautauqua Counties that has occurred as a result of recent storms. He estimates that the lines have sustained approximately \$750,000 to \$1,000,000 of damage. If FEMA declares a disaster in these counties, STERA would be eligible to apply for FEMA grant funds. After discussion, the STERA Board adopted a resolution authorizing application to FEMA for this project (Scott, Corwin, passing unanimously, Griffin abstaining).

Proposed Multi-Modal Freight Transfer Facility and Manufacturing Center Project (Olean)

Mr. Barnes indicated that there has been no change in this potential initiative. STERA has been unsuccessful to date in obtaining first phase construction funds, but continues to seek funding.

STERA has received communication from a potential developer's agent indicating some interest in developing the project, but the developer has not made any progress toward moving the project forward.

Site Development Project Status

Mr. Barnes indicated that there has been no change in this potential initiative. Southern Tier West has not advanced this project at the current time.

10. Other Old Business

There was no other old or unfinished business discussed at the meeting.

11. Seneca Nation of Indians Representation on STERA Board

There has been no movement on the appointment of a representative to the STERA Board by the Seneca Nation of Indians.

12. Compliance with NYS Public Authorities Accountability Act (PAAA) and Public Authorities Reform Act (PARA) and Other Statutory and Regulatory Requirements

Training Sessions – now online

Five current members (Mr. Alger, Mr. Brisky, Mr. Weaver, and Mr. O’Grady) have not yet completed NYS ABO’s PAAA compliance training sessions. NYS ABO requires Board members to receive training within one year of becoming a STERA Board member. NYS ABO now makes the required training available online. Board members are encouraged to register for this training, as the limited space available fills up quickly. Mr. Barnes has emailed information on the online training sessions to the appropriate members.

Discussion of Any Desired Policy Modifications

Mr. Everett encouraged Board members to bring any desired policy modifications forward at any time of the year.

New Business

13. Appointment of Member to Executive Committee

Per the STERA Bylaws, the Executive Committee consists of the Board officers, the Southern Tier West representative, a representative of the county that does not have a Board officer, and the Seneca Nation of Indians representative. Consistent with the Bylaws, Mr. Everett appointed Mr. Foels to membership on the Executive Committee. The Board adopted a resolution ratifying this appointment (Griffin, Corwin, passing unanimously).

14. Other New Business

There was no other new business discussed at the meeting.

15. Public Comment

There was no public comment.

16. Next Meeting Date and Agenda for Next Meeting

The following are the upcoming dates for the regularly scheduled meeting of the STERA Board in 2014: October 20 and December 15. Special meetings may also be called as needed; a special meeting may need to be called to accommodate authorization and other actions related to the proposed FEMA project. Unless otherwise amended, all meetings of the STERA Board will be at 9:30 AM in the Conference Room in the office of the Southern Tier West Regional Planning and Development Board, 4039 Route 219, Suite 200, Salamanca, New York.

There will be Governance and Audit Committee meetings on each of the Board meeting dates to be held at 9:00 AM immediately preceding the scheduled Board meeting on those dates. Additional special meetings of the two committees may be called as needed during 2014. The meetings of the committees will be held at the office of the Southern Tier West Regional Planning and Development Board in Salamanca, NY.

There currently are no meetings of the Executive Committee scheduled to be held during 2014; however, the Board will call special meetings of the Executive Committee as needed.

17. Adjournment

The meeting adjourned at 10:09 AM (Griffin, Corwin, passing unanimously).

I certify that this is an accurate summary of the meeting of the Board of Directors of the Chautauqua, Cattaraugus, Allegany and Steuben Southern Tier Extension Railroad Authority held on the date indicated above.

Name: Thomas M. Barnes

Office: Secretary

Date: June 16, 2014