



Chautauqua, Cattaraugus, Allegany & Steuben Counties
Southern Tier Extension Railroad Authority
 Center for Regional Excellence, 4039 Route 219, Suite 200, Salamanca, New York 14779
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"This institution is an equal opportunity organization"

Terry Everetts, Chairman
 Richard Zink, Chief Executive Officer

Minutes of Board of Directors Annual Meeting

June 6, 2016

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 6, 2016 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
 Rich Dixon
 Terry Everetts
 Jay Gould
 James Griffin
 Robert Keis
 Jerry Scott

Representing

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

Board Members Not In Attendance

Adam Gorczyca
 Steve Havey
 Randolph Weaver
 Vacancy
 Vacant

Representing

Chautauqua County
 Allegany County
 Steuben County
 Allegany County
 Seneca Nation of Indians

Others Attending

Thomas Barnes
 Carl Belke
 Jesse Coats
 George Fillgrove
 Kylie McLaughlin
 Richard Zink

Representing

STERA Secretary
 WNYP RR
 WNYP RR
 Senator Cathy Young
 WNYP RR
 STERA CEO

1. Call to Order and Introduction of Those Present

Chairman Terry Everetts called the meeting to order at 9:30 AM. Introductions were made of those present. Mr. Everetts welcomed Robert Keis, newly appointed to the STERA Board by Southern Tier West RPDB. Mr. Everetts noted that Jerry Scott, who previously had been Southern Tier West's representative on the Board, was appointed to STERA membership by Allegany County, and Mr. Keis takes Mr. Scott's place as the Southern Tier West representative.

2. Reading and Approval of the Minutes of the March 7, 2016 Meeting

The Board adopted a resolution approving the minutes of the March 7, 2016 Board Meeting (Scott, Corwin, passing unanimously).

3. Election of Officers

For the Nominating Committee, Mr. Corwin 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 (Corwin, 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)
Robert Keis	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 (Corwin, 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.

Mr. Everetts made the following committee appointments, ratified by vote of the Board (Abers, Corwin, passing unanimously):

Executive Committee

Terry Everetts, Chairman
Jay Gould
James Griffin
Jerry Scott
Bob Keis
Vacancy, Seneca Nation of Indians (non-voting member)

Audit Committee

James Griffin, Chairman
Crystal Abers
Jay Gould

Bob Keis
Randolph Weaver

Governance Committee

Terry Everetts, Chairman
Seth Corwin
Adam Gorczyca
Jerry Scott
Steve Havey

4. Communications

STERA received a resolution from Allegany County appointing Jerry Scott as a member of STERA, with term to expire 8/27/2016. STERA received a resolution from Southern Tier West RPDB appointing Robert Keis as a member of STERA, with term to expire 3/7/2019. STERA received a letter from the City of Olean dated May 27, 2-16 regarding the need for grass cutting and trimming; this was passed along to WNYP. There were no other communications.

5. Treasurer's Report

The Treasurer's Report for May 31, 2016 was not available as bank statements for May 31, 2016 had not yet been received by the date of the meeting. Accordingly, the Board reviewed the Treasurer's Report for April 30, 2016, which Mr. Zink distributed. Mr. Zink noted that the Audit Committee had met and reviewed the financial statements. Mr. Zink provided a summary of the Treasurer's Report. For the year to date ending April 30, 2016, STERA had a net income of \$36,526.95 on revenues of \$342,812.74. As of April 30, 2016, STERA had net assets of \$5,183,978.28 on assets of \$5,186,478.28, with a cash balance of \$117,192.56. Accounts payable as of April 30, 2016 were \$2,500.00, and accounts receivable and grants receivable as of April 30, 2016 were \$0.00 and \$1,299,398.43, respectively. The Board adopted a resolution approving the Treasurer's Report for April 30, 2016 (Griffin, Dixon, passing unanimously).

The Board adopted a resolution approving the payment of certain specific checks, including a check to RONY for membership in the amount of \$1,000.00 (Griffin, Gould, passing unanimously).

6. Reports of Committees

A. Audit Committee

Mr. Griffin reported that the Audit Committee had met earlier on June 6, 2016. The Board adopted a resolution accepting the Audit report (Griffin, Dixon, passing unanimously).

B. Governance Committee

1. Review of Financial Disclosure and Ethics Report for 2015

Mr. Everetts reported that the Governance Committee had met earlier that same day, and had reviewed and discussed STERA's Financial Disclosure and Ethics Report for 2015, noting that the Cattaraugus County Attorney's Office had indicated that it had examined the filings

and there were no ethics issues present during 2015. The Governance Committee adopted a resolution making a finding that the Authority had no ethics issues during 2015, and recommending to the Board that it make a finding that the Authority had no ethics issues during 2014 and adopt the report. After discussion, the Board adopted a resolution making a finding that the Authority had no ethics issues during 2015 and adopting the report (Scott, Corwin, passing unanimously).

Old or Unfinished Business

7. WNYP RR Operating Status Report

Carl Belke, President and Chief Operating Officer of the WNYP RR, provided a Management Report to the STERA Board. The Management Report covered the areas of Safety and Security, Grant Activities, Real Property, Operations and Customer Service, Marketing and Freight Business, Mechanical Issues, and Engineering and Maintenance of Way.

Highlights of his report are:

- Discussion of major rehabilitation projects. Although these projects were discussed during Mr. Belke's report, they are reported on separately under item #8 in these minutes.
- WNYP is holding a First responders training session on June 30 in Port Allegany, PA, invitation only for McKean Potter and Cameron County authorities. WNYP plans to follow up with at least two NYS and one other western PA session. Possible locations include Wellsville (fall 2016), Oil City/Franklin PA, Salamanca (joint session with B&P RR and Seneca Nation of Indians), and Dunkirk. Mr. Belke indicated that LAL RR could provide contacts.
- **Municipal projects:**
 - **Olean Trail Project** – This “rails with trails” project would is being delayed due to the issue related to the required length of contract commitment. WNYP cannot grant a lease for the trail on the bridge over the Olean Creek for longer than 17 years, and a longer period is necessary. A longer lease would have to be provided by Norfolk Southern, and it apparently is against Norfolk Southern corporate policy to facilitate side-by-side trails adjacent to active rail lines. Recently, the City had talked about a separate non-rail-based bridge crossing of the Creek, which would not solve the trespass issue on the rail bridge. However, more recently, the City has indicted an interest in using the rail bridge.
 - **Busti Trail Project** – This project was not funded by NYS, but is still alive as a project. The Town of Busti has downsized the project and continues to seek funding.
 - **Lucy-Desi / National Comedy Center Park Project** – Construction work on the at-grade pedestrian crossing has been completed. WNYP is discussing the lease of additional adjacent property.
 - **Jamestown Engine House** – A local group would lease this facility and make improvements thereto. Environmental cleanup has been completed; lease negotiations continue.
 - **East Branch Trail** – This is a trail project in Corry PA, involving the transfer of an unused rail bridge overpassing the active rail line to a trail group. The group is seeking funding for the project. Negotiations continue.

- The national rail system is running smoothly, but nationally reduced traffic levels are causing WNYP's connecting railroads to reduce train service and connection frequency at interchanges.
- Olean to Hornell service is operated less than once per week. Olean to Meadville service is operated on a bi-weekly basis (currently runs weekly); Olean to Falconer is operated once or twice per week. Olean to Machias service has been restored for ballast trains.
- WNYP is currently storing 450 cars.
- WNYP anticipates 200 carloads of pipe traffic into PA in 2017. Aggregates traffic was up in 2015 versus 2014. WNYP delivered two high and wide transformers to Port Allegany in the first half of the year. WNYP anticipates possible additional Dresser high-wide inbound and outbound traffic in 2017-2018.
- WNYP has completed two rehabilitation projects in Pennsylvania (installation of 12,000 ties on 14.5 miles of the Oil City Branch and the rehab of a bridge on the Famers Valley Branch). Following a derailment in March, WNYP installed an additional 6,000 ties on the remaining 7 unrepaired miles.
- WNYP has underway or planned track and highway replacements at 20 grade crossings and highway warning signal upgrades at 6 crossings, in both NY and PA, using \$130,000 of US DOT funds.
- WNYP has received a \$100,000 "PA First" grant for blacktop and drainage improvements to the Emporium PA sand unloading terminal.
- WNYP has had discussions with Seneca Nation of Indians with respect to the potential replacement of the Main Street (Salamanca) rail bridge (replacing the 6 lane rail bridge with a two lane bridge, with higher clearance for Main Street underpass traffic) and the re-routing of the main line in this area to remove the curvature of the line (which is a safety issue and which keeps train speeds down). Such a project would be eligible for NYS DOT funding. This is still an active project, and ongoing discussions with the Seneca Nation of Indians on other issues could lead to the project moving forward. Recently, WNYP has met with the City engineer and other City representatives to discuss the project, and has made some temporary repairs (welding) to the walkway framing underneath the bridge.

Ms. Abers suggested that the Salamanca Main Street redevelopment Committee might be an entrée to the Seneca Nation on this topic.

- The Seneca Nation of Indians is undertaking a rehab of Old State Road east of Steamburg using NYS DOT funds to rehab the road and bridge. WNYP installed a grade crossing at Robinson Run Road; no additional WNYP involvement is expected.
- Litigation status report: This involves the collision of a FedEx truck with a WNYP train in a prior year. The litigation is still in the deposition and interrogatory phase. From STERA's perspective, there has been no change in STERA's position: STERA has been sued (one of several defendants), but the 1998 MOU requires Norfolk Southern to indemnify STERA. STERA's attorney Harris Beach has been in contact with Norfolk Southern's and WNYP's attorneys.

The Board adopted a resolution approving Mr. Belke's report (Scott, Abers, passing unanimously).

Status reports on individual STERA projects, which were discussed during Mr. Belke's report, are provided below under item #8.

8. Status Reports on Current and Proposed Rehabilitation Projects

FEMA Project (Southern Tier Extension Line)

This STERA project, funded by FEMA, WNYP, and NYS DHSES, involved repairs to 47 locations on the Southern Tier Extension that were damaged in a storm occurring May 13 – 22, 2014. FEMA had declared a disaster in Allegany, Cattaraugus, Chautauqua, and Steuben Counties, relating to this storm. All work on the project has been completed and financial closeout of the project is underway.

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

This STERA project is funded by NYS DOT and WNYP. This project consisted of the realignment of track from a bridge located in the Falconer area in Chautauqua County that in recent years had been in service to an adjacent bridge that in recent years had not been in service. The project's primary objectives have been completed; the realigned route and bridge crossing were placed back in service in November 2013. The project replaced a bridge in need of major repair that had only a 273,000 pound per carload weight capacity with a bridge (the bridge placed back into service) that has a 315,000 pound per carload weight capacity (above the industry standard of 286,000 pounds); it was the last remaining 273,000 pound-per-carload bridge in the line.

The project had come in under budget and NYS DOT had approved the installation of additional welded rail, the installation of 1,200 ties, and the improvement of a switch serving the RHI Monofrax siding in Falconer. STERA had received (from NYS DOT) and executed a no-cost time extension for the project through December 31, 2015. All project work was completed, but approximately \$482,000 of funds (\$240,839 NYS DOT, \$241,621 WNYP) still remained in the budget.

On 12/31/15, the last day of the NYS DOT contract, STERA received an extension to accommodate additional work under the project, utilizing the underrun. STERA will use the extension and unspent funds to install an additional 5,000 ties in the Southern Tier Extension east of the Falconer bridge, between Steamburg and Poland Center. All matching funds and overruns for the additional work would be WNYP's responsibility. STERA and WNYP executed an amendment of the existing agreement on the project on March 7, 2016.

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

The project involves 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 grade crossing construction has been completed, including a track realignment in Olean. Cross tie shortages and delayed delivery had caused the postponement of the tie installation and surfacing work until 2015, but tie installation work and first surfacing work was completed in June 2015. Additional ballast is being applied and regulated, and final removal of the replaced ties will be completed shortly. All project work was completed, but approximately \$214,000 of funds (\$188,794 NYS DOT, \$25,741 WNYP) still remained in the budget.

On 12/31/15, the last day of the NYS DOT contract, STERA received an extension to accommodate additional work under the project, utilizing the underrun. STERA will use the extension and unspent funds to rehab four additional grade crossings on the Buffalo line north in the Olean area (Back Hinsdale Road, Oregon road, Haskell Road, and Promised Land Road). All matching funds and overruns for the additional work would be WNYP's responsibility. STERA and WNYP executed an amendment of the existing agreement on the project on March 7, 2016

NYS DOT PFRAP Cattaraugus Rail Rehabilitation Project (Southern Tier Extension Line)

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 started in 2015 and should be completed in 2016, with the Olean yard work switch work begin until 2016. A bid package for the remaining Olean Yard work is expected to be let in June 2016.

Proposed STERA Track and Bridge Rehabilitation Project (Southern Tier Extension Line and Buffalo Line)

Mr. Barnes reported that STERA had submitted an application to NYS DOT for \$1,600,000 of PFRAP grant funds, to be matched by \$400,000 of WNYP funds. The project would involve replacing 8,000 linear feet of welded rail in Carrolton in Cattaraugus County, and repairing three bridges in Jamestown, one bridge in Salamanca, and one bridge in Olean. The three cities will contribute traffic control. All work except the Olean bridge is to be done on the Southern Tier Extension; the Olean bridge is on the Buffalo line.

As of the June 6, 2016 Board meeting, NYS DOT has not made funding decisions on this round of applications. However, a NYS DOT funding decision is expected shortly.

Proposed STERA Olean Enginehouse Drop Table / Olean Yard Switch and Tie Replacement Project (Southern Tier Extension Line)

Mr. Belke requested that STERA submit an application in the 2016 funding cycle to NYS DOT for \$1,000,000 of PFRAP grant funds, to be matched by \$300,000 of WNYP funds. The project would involve replacement of 7,000 cross ties in the Olean Yard, installation of 20,000 tons of ballast, installation of 6 additional replacement switches in the Olean Yard, and improved OSHA health and welfare facilities for the Olean enginehouse. The work would be done on the Southern Tier Extension Line. Some or all of the work would be bid by WNYP to subcontractors.

After discussion, the STERA Board adopted a resolution declaring itself lead agent for SEQRA review on the project (Griffin, Corwin, passing unanimously). The Board reviewed and discussed a Short Form EAF, and noted that it involved expansion of (but no substantial changes in) an existing structure, with project construction activities to occur only on existing railroad right-of-way. The Board noted that the existing railroad right-of-way is already improved, and is not the locus of any significant habitat or species. The Board noted that project construction activities will not impact the environment any more than do existing operation of trains on this currently operating railroad line and the construction activity itself is seen as a small impact. There will be no impacts on vegetation, animals, stormwater, wetlands, streams, natural resources, historical resources, archaeological resources, or the character or viewsheds of the adjoining lands. There will be no changes in use, intensity of use, or traffic as a consequence of the project. The project is not inconsistent with any approved comprehensive plan, land use plan, or zoning ordinance. STERA has evaluated the magnitude, duration, likelihood, scale and context of any potential adverse impacts, and has determined that the project does not need further analysis in an EIS.

As a result of this analysis, the STERA Board adopted a resolution making a finding that the project would not present any significant adverse environmental impacts on the environment, and therefore to issue a negative declaration on the project (Griffin, Corwin, passing unanimously).

After discussion, the Board approved a resolution, consistent with the STERA procurement policy, making a determination that the public interest is best served by making a purchase of goods and services from WNYP related to the project without competitive procurement, finding:

- a) that WNYP is qualified to perform the work required or provide the commodities, equipment, goods or services required,
- b) that WNYP is responsible and reliable,
- c) that the price to be set for the procurement is likely to be either the lowest price if a competitive procurement were followed or a fair market price for the goods and services required, that is, the price is likely to be a Best Value, and
- d) that there is some valid public purpose for not undertaking a competitive procurement process, to include but not be limited to public safety, public health, and timeliness,

and therefore, authorizing entering into one or more contracts with WNYP for the provision of services and the procurement of materials, supplies, and leased equipment in support of the project (Corwin, Abers, passing unanimously, Griffin abstaining). It was noted that WNYP may subcontract portions of the project, and that any such subcontracts must be in compliance with the requirements of NYS DOT and STERA and must be approved in advance by NYS DOT and STERA.

After discussion, the STERA Board adopted a resolution authorizing submission of an application to NYS DOT for the project, authorizing acceptance of a NYS DOT award and WNYP match funds, authorizing implementing the project using the NYS DOT and WNYP funds, authorizing adherence to the NYS DOT contract, authorizing the Chairman and CEO to execute all legal documents pertaining to the project, and authorizing entering into a contract with WNYP for the match funds and for a subcontract for the implementation of the project work (Keis, 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

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.

9. 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.

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

Compliance Status – NYS ABO Training Requirements

Mr. Barnes noted that with the exception of Mr. Keis, all STERA Board members and staff are in compliance with NYS ABO training requirements.

Discussion of Any Desired Policy Modifications

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

11. Other Old or Unfinished Business

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

New Business

12. New Business

There was no new business discussed at the meeting.

13. Public Comment

There was no public comment.

14. Next Meeting Date and Agenda for Next Meeting

The remaining regularly scheduled 2016 meetings of the STERA Board will be on the following dates: October 3, 2016 and December 5, 2016. The October 3 date was changed from the originally scheduled October 10, 2016 date, as October 10 is a legal holiday. Special meetings may also be called as needed. 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 an Audit Committee meeting immediately preceding each scheduled Board meeting. The Governance Committee and Executive Committee will meet as required. Additional special meetings of the committees may be called as needed during 2016. The meetings of the committees will be held at the office of the Southern Tier West Regional Planning and Development Board in Salamanca, NY.

15. Adjournment

The meeting adjourned at 11:07 AM (Gould, 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 6, 2016