



**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 Meeting**

**December 11, 2017**

The Board of Directors of the Chautauqua, Cattaraugus, Allegany and Steuben Southern Tier Extension Railroad Authority last met at 9:30 AM on December 11, 2017 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**

Seth Corwin  
 Richard Cousins  
 Rich Dixon  
 Terry Everetts  
 Adam Gorczyca  
 Jay Gould  
 James Griffin  
 Robert Keis  
 John Malter  
 Earl McElfresh  
 Jerry Scott

**Representing** \_\_\_\_\_

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

**Board Members Not In Attendance**

Steve Havey  
 Vacancy  
 Vacant

**Representing** \_\_\_\_\_

Allegany County  
 Allegany County  
 Seneca Nation of Indians

**Others Attending**

Thomas Barnes  
 Carl Belke  
 Jesse Coats  
 Kylie McLaughlin  
 Richard Zink

**Representing** \_\_\_\_\_

STERA Secretary  
 WNYP RR  
 WNYP RR  
 WNYP RR  
 STERA CEO

**1. Call to Order and Introduction of Those Present**

Recognizing a quorum, Chairman Terry Everetts called the meeting to order at 9:30 AM. Introductions were made of those present.

## **2. Reading and Approval of the Minutes of the October 16, 2017 Meeting**

The Board adopted a resolution approving the minutes of the October 16, 2017 Board Meeting (Griffin, Corwin, passing unanimously).

## **3. Communications**

There have been several communications from Norfolk Southern and National Grid / Niagara Mohawk regarding an easement proposed to be provided by NS (and STERA and WNYP) to National Grid / Niagara Mohawk for power line installation in the Randolph area. Discussion deferred to Mr. Belke's report, which is reported on in item #6 below.

There also was a communication from Sanchez Engineering, which is doing a survey of a property adjacent to the rail line just east of Corry, PA in Columbus Township, Warren County, PA., for USDA. Mr. Belke had provided necessary information to the engineering consultant.

There were no other communications.

## **4. Treasurer's Report**

Mr. Zink presented the Treasurer's Report for November 30, 2017. Mr. Zink noted that the Audit Committee had met to review the financial statements. For the year to date ending November 30, 2017, STERA had a net income of \$14,245.90 on revenues of \$774,200.22. As of November 30, 2017, STERA had net assets of \$6,521,047.65, on assets of \$6,523,547.65, with a cash balance of \$122,756.46. Accounts payable as of November 30, 2017 were \$2,500.00, and accounts receivable and grants receivable as of November 30, 2017 were \$7,106.92 and \$2,468,812.41, respectively. The Board adopted a resolution approving the Treasurer's Report for November 30, 2017 (Gould, Scott, passing unanimously).

The Board also adopted a resolution authorizing the payment of \$2,500 to Southern Tier West for administrative services and \$6,907.10 to WNYP for construction services (Keis, Dixon, passing unanimously).

### **Budget for 2018**

After discussion, the Board adopted the amended Budget for 2018 (Griffin, Dixon, passing unanimously).

### **Four Year Financial Plan for 2018 – 2021**

After discussion, the Board adopted the amended Four Year Financial Plan for 2018 – 2021 (Griffin, Dixon, passing unanimously).

## **5. Reports of Committees**

### **A. Audit Committee**

Mr. Griffin noted that the Committee had met earlier that day and had reviewed the Treasurers Report and recommended that the Board approve the report.

## Old or Unfinished Business

### **6. 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:

- **Operations, Service Levels, and Freight:**
  - The **national rail system** is running smoothly, but WNYP's connecting railroads are reducing train service and connection frequency at interchanges. CSX service issues continue and may now be worsening in the northeast.
  - **Service levels:** Falconer to Meadville service has been restored to weekly service. Train size has grown to an average of 20+ cars. WNYP projects two trains per week between Olean and Meadville (currently one train per week). Olean to Machias service has been restored for ballast trains, with weekly service. In Pennsylvania, service is provided to Driftwood on a weekly basis, with Olean to Port Allegany being operated on a daily basis.
  - **Freight levels:** Aggregate shipping has increased 15% over 2016 levels and projects to be increasing further in 2018. The delivery of sand for fracking gas wells continues at a strong pace, and is projected to continue into 2018. New customers are projected to come on line in Pennsylvania. WNYP has acquired a 10 acre parcel with three warehouse buildings adjacent to the Meadville PA yard. One of the three buildings has been converted into an enginehouse, and the other two are committed to by rail shippers locating manufacturing operations there. Track construction for bulk distribution will be completed this month. WNYP has installed a 1,000 foot spur for natural gas loading in Union City PA. The customer will begin shipping in the spring of 2018.
  - **Car Storage:** WNYP continues to store tank cars and other cars.
- **Safety and Security:**
  - Trespass and interference with rail operations by people in the 10 to 20 year age range in the Olean area is a growing problem. Police are notified in all instances. WNYP's police officer patrols Olean and Portville. Arrests have been made.
- **STERA Construction Projects:**
  - Although these STERA projects were discussed during Mr. Belke's report, they are reported on separately under item #7 in these minutes.
- **WNYP Construction Projects:**
  - **PennDOT 2015 RTAP Project:** WNYP was awarded a \$500,000 grant (\$215,000 WNYP match) for the installation of 7,500 ties on the Buffalo Line between Larabee Road, Eldred PA and North Kean in Port Allegany PA. The project was completed in December using WNYP forces.
  - **PennDOT 2016 RTFAP Project:** WNYP currently is in the application phase for this proposed \$1,010,000 project (\$700,000 PennDOT, \$310,000 WNYP match) for the installation of 7,500 ties on the Buffalo Line between North Eldred and Larabee Road, Eldred PA and North Kean and

Kean in Port Allegany PA. The project will include re-timbering two turnouts and rebuilding a two-track public grade crossing in Port Allegany. This project will probably be performed in 2018.

- **Grade Crossing Projects:** WNYP completed 14 grade crossing track and highway surface upgrades, with at least as many planned for 2018. The Route 62 crossing in Kennedy NY was not completed due to NYS DOT delays in approving the proposed detour plan. This is projected to be undertaken in June 2018. WNY also completed 3 highway warning signal upgrades, with 4 planned for 2018.
- **Austin Road Overpass (Keating Summit, PA):** The overpass has been closed and replaced with a grade crossing. The PAPUC has ordered that the bridge must be removed. This will occur in February 2018.
- **Oil City Branch Tie and Surface Project:** WNYP installed 6,000 ties on the Oil City branch main, with ballasting and surfacing completed in November.
- **Proposed PennDOT 2017 RFAP Project:** In September WNYP submitted an application for a \$1,000,000 Penn DOT grant (70/30) to install 6,000 ties over 6 miles between Concord PA and Union City PA and replace 1.1 miles of rail.
- **PA Truss Bridges:** WNYP is preparing a long term strategy for replacement or strengthening four to six through-truss bridges, 3 of which are to be addressed immediately, and the other 3 on a more longer term basis.
- **Real Property and Municipal Projects:**
  - **Falconer – National Grid Linear Occupancy:** NS, WNYP, National Grid and STERA have reached an agreement to permit a linear occupancy for electric power lines, with agreement documents to be executed by WNYP and STERA today, per a STERA authorizing resolution passed December 15, 2014.
  - **Jamestown – Dawson Metals Grade Crossing:** WNYP is working with the City toward City-funded improvements to this crossing due to a deteriorated highway bridge over the Chadakoin River.
  - **Jamestown – Fairmount Avenue pedestrian underpass:** Per an agreement with the City, this underpass has been permanently closed off and an at-grade pedestrian crossing has been installed.
  - **Jamestown Engine House –** Norfolk Southern has approved the lease of the enginehouse to a local group, which will make improvements thereto. The redevelopment concept includes and trolley and museum. Jamestown is reviewing the lease.
  - **Lakewood:** WNYP is assisting Cummins Engine with potential property acquisition by Cummins to facilitate Cummins' expansion. Negotiations are occurring with Norfolk Southern, and progress is being made.
- **Litigation status report:** This involves the collision of a FedEx truck with a WNYP train in a prior year. Discovery is almost completed. In November, the defendant will be asked questions. There has been counsel change for the plaintiffs, causing a delay. WNYP is confident in its position in the case, and does not plan to settle. 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 (Corwin, Scott, passing unanimously).

Status reports on individual STERA projects, which were discussed during Mr. Belke's report, are provided below under item #7.

## **7. Status Reports on Current and Proposed Rehabilitation Projects**

### **FEMA Project (Southern Tier Extension Line)**

All work on the project has been completed and STERA is awaiting project closeout from FEMA.

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

All work on the project has been completed and STERA is awaiting project closeout from NYS DOT.

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

All work on the project has been completed and STERA is awaiting project closeout from NYS DOT.

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

All work on the project has been completed and STERA is awaiting project closeout from NYS DOT.

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

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. The Olean bridge (Queen Street) will now involve a deck replacement. STERA received a contract for the project from NYS DOT in November 2016, and has executed a contract with WNYP for contractual services in support of the project. Unfortunately, due to NYS's delay in reviewing the plans, the actual construction work will not commence until the spring of 2018. WNYP will install the rail, with contractors to weld it in place. Contractors will do the bridge work. The project will be completed in 2018.

### **Olean Enginehouse and Yard Improvement Project**

In late 2016, STERA submitted a grant application to NYS DOT for the 2016 PFRAP funding cycle. The project would involve improvements to the enginehouse in the Olean yard, installation of a yard video security system, the installation of 6,000 6x8 ties in the Olean yard, and the replacement of 8 switches in the Olean yard. The work would be done on the Southern Tier Extension Line. The goal of the project is to improve safety and track speeds within the Olean Yard, which would further improve competitiveness of rail service. Further, the project is part of an overall strategy to raise the entire Southern Tier Extension Railroad and Buffalo lines to a 286,000 lb. capacity specification for 4-axle rail cars. The enginehouse improvements specifically are intended to improve safety and productivity related to operations within the enginehouse. The security system is intended to improve public safety and reduce vandalism. STERA's intention is to contract directly with WNYP for the provision of engineering, construction, and construction inspection services on this contract

(augmented by engineering review and inspection review by NYS DOT). WNYP may engage one or more third party private sector construction contractor(s) to provide certain construction services under sub-contract to WNYP; interested potential subcontractors may contact STERA and/or WNYP directly. Yard tie installation was completed in December. Switch installation will occur in the spring of 2018. Enginehouse work will be bid shortly. Security systems are in final design. The project will be completed in 2018. The project will come in under budget, and the Board approved requesting a change order from NYS DOT for the underage amount, with work to be done in the Olean Yard (Scott, Dixon, passing unanimously).

#### **Proposed STERA Tie and Rail Replacement PFRAP Project (Southern Tier Extension Line)**

Mr. Barnes reported that NYS DOT has not yet announced a 2017 funding cycle for the PFRAP funding program, which has been made available on a yearly basis for a number of years now and which STERA has successfully utilized for line rehabilitation funding for a number of years now. Mr. Belke indicated that he understood that the 2017 PFRAP funding cycle may be announced shortly.

#### **Proposed Bridge NY Project (Salamanca Main Street Bridge Replacement and Track Realignment, Southern Tier Extension Line)**

Mr. Belke reported that STERA, the City of Salamanca, and the Seneca Nation of Indians had met in the spring of 2017 to discuss replacement of the Salamanca Main Street rail bridge (replacing the 6 lane rail bridge with a two lane bridge, with higher clearance for Main Street underpass traffic) and the realignment of track just to the west of the bridge (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 (or at least the bridge replacement component) would be eligible for NYS DOT Bridge NY funding. Another meeting is anticipated, but the project grant application would not be submitted until 2018. It had been decided that the project would be best planned for this year, with an application to be submitted next year. The Seneca Nation of Indians representatives indicated that there would have to be approval by the Seneca Nation of Indians for both the bridge and track realignment projects to move forward.

#### **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.

#### **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. Mr. Belke previously had indicated his concern that developable, rail-serviceable land may be vanishing to other uses.

#### **Jamestown Passenger Excursion Train Project**

It was noted that Jamestown has entered into a contract with Stone Consulting of Warren PA to develop a plan for proceeding, including a feasibility analysis. The report should be available in six to eight months. Up front capital costs should be at least \$25 million, including \$11 million of rail and ties.

### **8. 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.

**9. 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**

ABO Policy Guidance 17-01 Board Member Training has been posted to the web site.

Mr. Everetts noted that with the exception of new member Mr. Cousins, all STERA Board members and staff are in compliance with NYS ABO training requirements.

This Policy Guidance also states that “as a best practice, the ABO recommends that directors participate in refresher training upon re-appointment to the Board or at least every three years.”

Mr. Barnes reminded any Board member taking the ABO training to forward to STERA the email documenting completion of the training, as STERA is required to keep documentation of all Board members’ completed training.

**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.

**10. Other Old or Unfinished Business**

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

**New Business**

**11. New Business**

There was no new business discussed at the meeting.

**12. Public Comment**

There was no public comment.

**13. Next Meeting Date and Agenda for Next Meeting**

The Board approved a resolution setting the regularly scheduled meetings of the STERA Board in 2018 for the following dates: March 26, 2018; June 11, 2018; October 15, 2018; and December 10, 2018 (Scott, Corwin, passing unanimously). The June meeting will be the Annual Meeting. 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 2018. The meetings of the committees will be held at the office of the Southern Tier West Regional Planning and Development Board in Salamanca, NY.

**14. Adjournment**

The meeting adjourned at 10:42 AM (Scott, Cousins, 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: December 11, 2017