



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 Annual Board of Director Meeting

June 11, 2018

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 11, 2018 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
 Terry Everetts
 Adam Gorczyca
 Jay Gould
 James Griffin
 Brooke Harris
 Steve Havey
 Robert Keis
 John Malter
 Earl McElfresh
 Jerry Scott

Representing

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

Board Members Not In Attendance

Rich Dixon
 Vacant

Representing

Chautauqua County
 Seneca Nation of Indians

Others Attending

Thomas Barnes
 Carl Belke
 Jesse Coats
 Vince DeJoy
 Bob Dingman
 Ray Martel
 Bill Rice
 John Walgus
 Pat Whalen
 Corey Wiktor
 Richard Zink

Representing

STERA Secretary
 WNYP RR
 WNYP RR
 City of Jamestown
 NY & Lake Erie Railroad
 WNYP RR
 City of Jamestown
 WNY Rail Corridor Project; Town of Persia Supervisor
 Niagara Global Tourism
 Cattaraugus County IDA
 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.

2. Reading and Approval of the Minutes of the March 26, 2018 Meeting

The Board adopted a resolution approving the minutes of the March 26, 2018 Board Meeting (Gould, 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 electing this slate of officers (Scott, Havey, 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 electing this slate of officers (Griffin, McElfresh, 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.

4. Communications

There were no communications. However, Mr. Zink noted that Southern Tier West RPDB had received a communication regarding the Jamestown Passenger Excursion Initiative, which will be discussed later in the meeting.

5. Treasurer's Report

Mr. Zink presented the Treasurer's Report for May 31, 2018. Mr. Zink noted that the Audit Committee had met to review the financial statements. For the year to date ending May 31, 2018, STERA had a net income (loss) of (\$61,819.00) on revenues of \$747,198.29. As of May 31, 2018, STERA had net assets of \$8,221,782.11 on assets of \$8,224,282.11, with a cash balance of \$58,442.46. Accounts payable as of May 31, 2018 were \$2,500.00, and accounts receivable and grants receivable as of February 28, 2018 were \$33,236.47 and \$3,471,318.74, respectively. The Board adopted a resolution approving the Treasurer's Report for May 31, 2018 (McElfresh, Corwin, passing unanimously).

Mr. Zink noted that Mr. Malter's recommendations regarding including depreciation and track improvements in interim financial statements have been implemented, per discussions with the auditor. Depreciation and track improvements are now shown annually, with interim statements reflecting these line items.

6. Reports of Committees

A. Audit Committee

Mr. Griffin reported that the Audit Committee had met earlier on June 11, 2018, and had reviewed the interim financial statements. The Committee recommended that the Board accept the financial statements with no changes. See item #5 above for the Board resolution accepting the financial statements.

B. Governance Committee

Mr. Everetts reported that the Governance Committee had met earlier on June 11, 2018, and had reviewed and discussed STERA's Financial Disclosure and Ethics Report for 2017, noting that the Cattaraugus County Attorney's Office had indicated that it had examined the filings and there were no ethics issues present during 2017. The Governance Committee adopted a resolution making a finding that the Authority had no ethics issues during 2017, and recommending to the Board that it make a finding that the Authority had no ethics issues during 2017 and adopt the report. After discussion, the Board adopted a resolution making a finding that the Authority had no ethics issues during 2017 and adopting the report (Corwin, Scott, 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:

- **Operations, Service Levels, and Freight:**
 - The northern tier of the **national rail system** is running smoothly, but WNYP's connecting railroads are reducing train service and connection frequency at interchanges. Frequent NS service issues at Meadville continue.
 - **Service levels:** The Meadville-Oil City run is scheduled M-W-F with local days being Tuesdays and Thursdays, or a Corry/Falconer run on one of these 2 days as necessary. Service to Turtle Point/Port Allegany/Driftwood is five days per week, and service to Salamanca and Cuba is provided as necessary.
 - **Car storage:** WNYP currently is storing 100 empty NS covered hoppers at Salamanca. They are clean and last contained sand. WNYP has briefed the Seneca Nation of Indians on this and the SNI is okay with the storage. The SNI's concern had been open cars which could be an attraction to trespassers.
 - **Freight levels:** The 2018 aggregates shipping to Turtle Point began in early March and is currently at 3 to 4 trains per week. Overall aggregate shipping levels are projected to increase in 2018 over 2017 levels; however, it is unknown if this will be a regular move in 2018. The delivery of sand for fracking gas wells continues at a strong pace and is projected to continue through 2018. Activity is currently at Turtle Point. Siemens has no high-wides planned for 2018 as of this date.
- **Safety and Security:**
 - Locomotive engineer Frank Graves has taken over leadership of **WNYP's Safety Committee**.
 - WNYP has completed a one-week **ASLRRA Short Line Safety Institute assessment**. WNYP was given a positive safety assessment.
 - **Trespass** and interference with rail operations by people in the 10 to 20 year age range in the Olean area is a growing problem.
- **STERA Construction Projects:**
 - Although these STERA projects were discussed during Mr. Belke's report, they are reported on separately under item #8 in these minutes.
- **WNYP Construction Projects:**
 - **PennDOT 2016 RTFAP Project:** WNYP currently is in the construction phase for this \$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. All materials are now in hand. WNYP anticipates force account to perform the project in August and September, with completion in 2018.
 - **PennDOT 2017 RFAP Project:** In March 2018, WNYP received an award from PennDOT for a \$1,000,000 project (\$700,000 PennDOT, \$300,000 WNYP match) for the installation of 6,000 ties on the Pennsylvania main line over 6 miles between Concord PA and Union City PA, and replace 1.5 track miles of rail. WNYP is considering partnering with B&P to transport welded rail to the site, instead of buying stick rail and welding it itself. The project is planned for 2019.
 - **Grade Crossing Projects:** WNYP plans to complete 20 grade crossing track and highway surface upgrades in 2018. The Route 62 crossing in Kennedy NY was not completed due to NYS DOT

delays in approving the proposed detour plan. It was discussed that perhaps some communication with Senator Young might be useful in moving this through NYS DOT. The Kennedy crossing is projected to be completed in June 2018. WNY also plans to complete 4 highway warning signal upgrades in 2018.

- **PA Truss Bridges:** WNYP is preparing a long term strategy for replacement or strengthening four to six through-truss bridges. The farmers Valley bridge will be the first to be addressed.
- **Real Property and Municipal Projects:**
 - **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. There will be a two-year detour as this bridge is fixed or replaced. However, the project is on hold as local match funds for the project are not in hand.
 - **Lakewood:** WNYP is assisting Cummins Engine with potential property acquisition by Cummins to facilitate Cummins' expansion. Negotiations are occurring with Norfolk Southern. Recently, there has been no response from Cummins to WNYP's offers of assistance.
 - **Olean:** WNYP is assisting the City of Olean in the acquisition of some non-rail parcels from NS. If negotiations do not prove fruitful, the City plans to condemn the property as excess property (i.e., not take via eminent domain). There is no update from the City, but there is some indication that Norfolk Southern may be willing to sell the parcels.
- **Litigation status report:** This involves the collision of a FedEx truck with a WNYP train in a prior year. Discovery and depositions have been completed. A trial date has not yet been set; WNYP would like a venue change to upstate. Current delay involves NY DOT documentation of grade crossing devices being installed per federal requirements. 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.
- **CRASE Training:** Mr. Scott thanked Mr. Belke for his letter to the Cuba Patriot regarding WNYP's appreciation for the Civilian Response to Active Shooter Events (CRASE) seminar presented by the Cuba Police department.
- **Bakken Unit Train Law:** Mr. Belke discussed Senator Schumer's proposed law to require the pre-processing of Bakken crude oil to remove volatiles from Bakken crude oil prior to rail transport.

The Board adopted a resolution approving Mr. Belke's report (Corwin, Keis, 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)

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)

This project is funded by \$1,600,000 of NYS DOT PFRAP grant funds, matched by \$400,000 of WNYP funds. The project scope involves 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. All work except the Olean bridge is to be done on the Southern Tier Extension; the Olean bridge is on the Buffalo line.

WNYP will install the rail, with contractors to weld it in place. This component of the project is planned to be completed in 2018.

Following NYS DOT's approval of the bridge plans, the bridge component of the project has commenced. Contractors will do the bridge work. Four of the bridges have been let. Work on one of the Jamestown bridges has been completed, and work is commencing on the second Jamestown bridge, with work on the third Jamestown bridge to be completed in 2019. WNYP will install the rail, with contractors to weld it in place. The project is planned to be completed in 2018.

The Salamanca bridge has encountered problems with NYS DOT Buffalo regional office review of the plans, many of which relate to traffic control, the latest being the installation of a temporary improvement during construction of the sidewalks on either side of the underpass road (Wildwood Avenue), first one side, then the other, as construction proceeds, to accommodate ADA accessibility (gradient) concerns. Once the project is completed, these temporary improvements would be removed. The result is an approximate \$150,000 increase in the project budget, which is not possible to accommodate. It was discussed that perhaps Senator Young could ask the NYS DOT Buffalo regional office to come down to the site and work with WNYP to develop a compromise solution that makes this component of the project economically viable.

As to the remaining bridge (the Queen Street bridge in Olean), Mr. Belke previously had reported that the current plan is to fill the underpass under the bridge, closing off Queen Street, but installing a pedestrian walk-through culvert. As this option is much cheaper than replacing the bridge, the under-run funds would be spent on raising the track approaches to the Front Street bridge in Olean, and raising the Front Street bridge itself by approximately 18", increasing highway clearance under the bridge. Because the Queen Street culvert is a pedestrian walk-through, the level of design is significant, to insure pedestrian safety over the long haul. The culvert is in design stage. Also, because the filling of this underpass will result in the closure of Queen Street as a through-street, an administrative law judge review process is being required by NYS DOT. That'll probably be in Albany sometime this summer. It was suggested that STERA or local officials could attend to support the closure. As to the Front Street component, STERA will approach NYS DOT with a request for approval once engineering is in hand. WNYP anticipates the Queen Street and Front Street components of the project can 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. Security systems are in final design.

The enginehouse work component looks like it will be overbudget, so WNYP is downsizing the enginehouse work while still staying within the contractual terms. WNYP has submitted a change order request, and is awaiting NYS DOT approval to re-bid.

Consequently, the project will come in under budget. The Board previously had approved requesting a change order from NYS DOT for the underage amount, with work to be done in the Olean Yard. In the coming weeks, WNYP will be submitting a budget with additional specificity for the change order request (WNYP is proposing some combination of switch timber installation, roof and HVAC repairs to the office building, and macadam paving).

The project is still planned to be completed in 2018.

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

In April 2018, STERA submitted an application for \$1,251,677.38 of NYS DOT PFRAP grant funds, to be matched by \$536,433.16 of WNYP funds. All project work would be done on the Southern Tier Extension Line. The project will involve installation of approximately 13,000 ties, ballast, surfacing, 3 public highway and 11 private farm grade crossing surface rebuilds, and replacement of turnout switch timbers.

The project tie replacement, surfacing, and ballasting work will occur between Steamburg, SA-14.00 and Waterboro, SA-23.00, and between MP SA-27.0 and MP SA-28.0 (Poland Center). The three (3) public highway grade crossing surface rebuilds will be at Coldspring Road (Randolph), Main Street (Randolph), and Goodwins Landing Road (Waterboro). The project also will involve replace of switch timbers at one main line turnout (the No. 10 turnout at the Randolph Team Track).

WNYP plans to do all of the work itself. The project will increase operating efficiencies, improve safety, and reduce potential for injury. As of the June 11, 2018 meeting, NYS DOT has not announced awards for this PFRAP funding cycle. If NYS DOT approves an award in a timely fashion, the project could be commenced and completed in 2019.

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 next year. 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.

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. Everetts noted that with the exception of Mr. Harris, 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

A. Presentation by WNY Rail Corridor Project

The WNYRCP made a presentation regarding the Jamestown passenger excursion initiative. WNYRCP noted that the Stone Consulting feasibility study/business plan project report would not be completed and released until the year end. WNYRCP asked STERA to authorize WNYRCP to represent STERA in negotiations with Norfolk Southern. The Board felt that there was not enough information to discuss the WNYRCP request, especially since the Stone study report was not completed. The Board decided to table discussion of the request until the next meeting (Gould, Cousins, passing unanimously, Griffin abstaining).

B. Other New Business

There was no other 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 2018 meetings of the STERA Board will be on the following dates: October 15, 2018; and December 10, 2018. 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.

15. Adjournment

The meeting adjourned at 11:07 AM (Scott, Havey, 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 11, 2018