



**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 Director Meeting**

**March 26, 2018**

The Board of Directors of the Chautauqua, Cattaraugus, Allegany and Steuben Southern Tier Extension Railroad Authority met at 9:30 AM on March 26, 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  
 Rich Dixon  
 Terry Everetts  
 James Griffin  
 Brooke Harris  
 Steve Havey  
 Jerry Scott

**Representing**

Steuben County  
 Cattaraugus County  
 Chautauqua County  
 Cattaraugus County  
 Steuben County  
 Allegany County  
 Allegany County  
 Allegany County

**Board Members Not In Attendance**

Adam Gorczyca  
 Jay Gould  
 Robert Keis  
 John Malter  
 Earl McElfresh  
 Vacant

**Representing**

Chautauqua County  
 Chautauqua County  
 Southern Tier West RPDB  
 Steuben County  
 Cattaraugus County  
 Seneca Nation of Indians

**Others Attending**

Thomas Barnes  
 Carl Belke  
 Edward Bysiek  
 Jesse Coats  
 Ray Martel  
 Kylie McLaughlin  
 Richard Zink

**Representing**

STERA Secretary  
 WNYP RR  
 Bysiek CPA, PLLC  
 WNYP RR  
 WNYP RR  
 WNYP RR  
 STERA CEO

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

Chairman Terry Everetts called the meeting to order at 9:34 AM. Introductions were made of those present.

## **2. Reading and Approval of the Minutes of the December 11, 2017 Meeting**

The Board adopted a resolution approving the minutes of the December 11, 2017 Board Meeting (Scott, Havey, passing unanimously).

## **3. Presentation of Audit**

The Board adopted a resolution approving a change in the order of business to allow for the presentation of the audit (Scott, Griffin, passing unanimously).

It was noted that the Audit Committee was scheduled to meet earlier on March 26, 2018 to receive a presentation by the auditor and to review the audit and management letter. However, the meeting was canceled due to the lack of a quorum.

Mr. Edward Bysiek of Bysiek CPA, PLLC presented the audit, including the management letter, for the year ending December 31, 2017, to the STERA Board. The audit indicated an unqualified (clean) opinion and did not find any deficiencies in STERA's internal control procedures for the year ending December 31, 2017, or any compliance findings for the year ending December 31, 2017. After discussion, the Board adopted a resolution recommending accepted the audit for the year ending December 31, 2017 and the accompanying management letter (Cousins, Havey, passing unanimously).

## **4. Communications**

- An email from the Clerk of the Chautauqua County Legislature, indicating that Jay Gould would be reappointed in February, and attaching a copy of a resolution reappointing Rich Dixon to a term expiring February 28, 2020 and Adam Gorczyca to a term expiring February 28, 2020.
- An email from the Clerk of the Steuben County Legislature, indicating that Jim Griffin was reappointed to a term expiring August 31, 2020

There were no other communications.

## **5. Treasurer's Report**

Mr. Zink presented the Treasurer's Report for February 28, 2018. Mr. Zink noted that the Audit Committee had met to review the financial statements. For the year to date ending February 28, 2018, STERA had a net income of \$9,114.00 on revenues of \$443,097.79. As of February 28, 2018, STERA had net assets of \$13,125,767.59 on assets of \$13,156,431.59, with a cash balance of \$129,375.46. Accounts payable as of February 28, 2018 were \$30,664.00, and accounts receivable and grants receivable as of February 28, 2018 were \$274,464.32 and \$3,512,614.55, respectively. The Board adopted a resolution approving the Treasurer's Report for February 28, 2018 (Havey, Corwin, passing unanimously).

The Board adopted a resolution approving the payment of certain specific checks (\$264,100.50 to WNYP for the Olean Yard and Enginehouse Project; \$80,000 to WNYP for the FEMA project; \$2,769 to WNYP for the FEMA project; \$3,000 to Bysiek CPA, PLLC for the audit; and \$15,000 to Southern Tier West RPDB for administrative services) (Scott, Havey, passing unanimously, Griffin abstaining).

Mr. Zink noted that Mr. Malter had recommended including depreciation and track improvements in interim financial statements. After discussion with the auditor, Mr. Zink indicated that the depreciation and track improvements will be shown annually, with interim statements to be revised accordingly for the next Board meeting.

## **6. Reports of Committees**

### **A. Audit Committee**

Mr. Griffin reported that the Audit Committee had been scheduled to meet earlier on March 26, 2018, but the meeting was canceled due to the lack of a quorum. The reports and policies to be reviewed by the Committee instead were reviewed by the Governance Committee.

### **B. Executive Committee**

Mr. Everetts reported that the Executive Committee had met earlier on March 26, 2018 and had reviewed the self-evaluation report. The Committee recommended that the Board accept the report. The Board adopted a resolution accepting the report (Griffin, Cousins, passing unanimously).

### **C. Governance Committee**

Mr. Everetts reported that the Governance Committee had met earlier that same day, and had reviewed and discussed STERA's current policies, the draft reports for the year ending December 31, 2017, and STERA's structure, governance, and operating activities.

#### **1. Review of Current Policies**

After discussion, and with the recommendation of the Governance Committee, the Board adopted a resolution making a finding that STERA was in compliance with all of the current policies and applicable laws and that the policies should not be revised (Scott, Corwin, passing unanimously). These policies are as follows:

- Audit Committee Charter
- Bylaws
- Code of Ethics
- Compensation, Reimbursement, and Attendance Policy
- Competencies and Personal Attributes Required of Board Members Policy
- Defense and Indemnification Policy
- Equal Opportunity and Affirmative Action Policy
- Fee Schedules
- Governance Committee Charter
- Internal Control Procedures
- Investment Policy
- Lobbying Policy
- Management Performance Evaluation Standards
- Measurement Standards Performance Evaluation
- Mission Statement
- New Member Orientation Process

New Member Orientation Process Reference Document  
Procurement Guidelines (Contract and Procurement Policy)  
Property Disposition Guidelines  
Public Access to Records Policy  
Public Access to Records - Subject Matter List  
Records Management Program  
Travel and Use of Discretionary Funds Policy  
Uniform Tax Exemption Policy  
Whistleblower Policy

Mr. Barnes noted that the New Member Orientation Process is available for all new members, and one important aspect was to ensure that new members comply with required NYS ABO training requirements.

The Board noted that the NYS ABO requires STERA to have in place a Personnel Policy. The Personnel Policy is perhaps moot, as STERA has no employees, and no intention to have employees. However, a draft policy currently is being developed.

## **2. Review of Reports**

After discussion, and with the recommendation of the Governance Committee, the Board adopted a resolution approving these reports (Corwin, Havey, passing unanimously). These reports are as follows:

Active and Completed Projects  
Annual Report FYE Dec 31, 2017  
Audit FYE Dec 31, 2017, including Audit Management Letter FYE Dec 31, 2017  
Audit Committee Charter Review Report  
Audit Committee Self-Evaluation Report  
Authority Performance Self-Evaluation Report  
Board Member Attendance Report  
Board Performance Self-Evaluation Report  
Board Performance Self-Evaluation Report 2015 vs 2016 vs 2017  
Budget for 2018  
Compliance Report  
Effectiveness of Internal Controls Report  
Executive Committee Self-Evaluation Report  
Financial Disclosure and Ethics Report  
Four-Year Financial Plan for 2018 to 2021  
Governance Committee Charter Review Report  
Governance Committee Self-Evaluation Report  
Investment Report  
Management Evaluation Report  
Operations and Accomplishments Report  
Procurement Report  
Property Disposition Report  
Property Listing Report  
Records Management Program Report  
Schedule of Debt Report

The Board noted that the following reports were discussed and approved at the October 16, 2017 Board meeting:

Budget for 2018  
Four Year Financial Plan for 2018 to 2021

The Board noted that the following report was discussed and approved at the June 12, 2017 Board meeting:

Management Report: Financial Disclosures and Ethics Report June 2017

**3. Review of structure, governance, and operating activities**

The Governance Committee has responsibilities for reviewing STERA structural, governance and operating policies and activities. Many of the policies and governance practices practiced by STERA derive directly from the cornerstone principles (transparency, independence, accountability, fiduciary responsibilities, and management oversight) prescribed by the State Legislature and NYS ABO, and from model practices recommended or mandated by the NYS ABO.

In this regard, on March 26, 2018, the Committee discussed the report on the Board Member Self Evaluation process and discussed whether the Board may wish to make any changes so as to improve STERA's performance. The Board previously had decided to add an open-ended question to the Board self evaluation survey to ask members if they had any suggestions for improvement of authority operations. There were no suggestions made in response to this question. Mr. Barnes noted that authority members should, at any time during the year, bring any such suggestions forward to Mr. Everetts, Mr. Zink, or himself, or to the full Board or the Governance Committee at any meeting.

The results of the Board Member Self Evaluation were favorable, with unfavorable ratings received for none of the questions in the survey, and with the overwhelming majority of responses indicating agreement with the survey questions. The two questions which generated the least number of "Agree" responses (i.e., "potential problem areas") were:

- Question 8: Board members are knowledgeable about the Authority's programs, financial statements, reporting requirements, and other transactions. (10 agree, 2 somewhat agree)
- Question 12: Board members have sufficient opportunity to research, discuss, question and prepare before decisions are made and votes taken. (10 agree, 2 somewhat agree)

It was noted that the Committee previously had recommended that the Board should set aside some time at each Board meeting for presentations or training sessions on each of the issues raised in the Board Self Evaluation survey, and on other relevant issues relating to the Authority, the Board, and to governance and operations. However, the Committee chose to make no specific recommendation about addressing any of these potential issues, and the Board took no action in this regard.

The Governance Committee also discussed:

- the Competencies and Personal Attributes Required of Board Members Policy and the New Member Orientation Process Policy, and noted that it had reviewed and approved these policies at this meeting and recommended no changes. It was also noted that the New Member Orientation Process Reference Document has been updated and is current.
- the number and structure of STERA Committees, and noted that it had reviewed this issue at this meeting and recommended no changes in the number and structure of committees. STERA does not have a Finance Committee, but is not required to have one as it has not issued any debt.
- Board and staff compliance with NYS ABO training requirements, and noted that all Board members and staff are in compliance with the required training, with the exception of Brooke Harris, newly appointed member from Allegany County.
- the compensation and benefits for the managing director and other senior Authority officials, and noted that the Authority has no direct employees, and accordingly there are no such individuals (Board or corporate officers or other management personnel) receiving compensation and benefits from the Authority, and recommended no action in this matter by the Board.

After discussion and at the recommendation of the Governance Committee, the Board made a finding that the Authority's policies and procedures are being effectively implemented and are effective in guiding and controlling the Authority's governance and operations, and accordingly made no changes to the Authorities governance and operating policies and procedures, but indicated an interest in

- addressing the results of the annual Board Self Evaluation process through internal Board training
- training for the Board on STERA policies
- encouraging all Board members and staff to take the required NYS ABO training, either first instance or refresher

(Griffin, 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:

- **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 seem to have improved for the time being. There have been frequent NS service issues at Meadville.

- **Service levels:** Falconer to Meadville service has been restored to weekly service. Train size has grown to an average of 15+ cars. WNYP projects two trains per week between Olean and Meadville (currently one train per week).
- **Freight levels:** WNYP projects aggregates shipments from Machias to Turtle Point will be a regular move in 2018, with overall aggregate shipping levels projected to increase in 2018 over 2017 levels. The delivery of sand for fracking gas wells continues at a strong pace and is projected to continue through 2018. 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. Phase 1 track construction for bulk distribution was completed in November 2017. Phase 2 track construction for bulk distribution is beginning this spring. The enginehouse was placed in service in December 2-017.
- **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 #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. This project will be completed in 2018.
  - **PennDOT 2017 RFAP Project:** In September 2017, WNYP submitted an application to 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. PennDOT has not yet awarded.
  - **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.
  - **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. This project is now completed.
  - **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:**
  - **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.
  - **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.
  - **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).
- **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. Depositions of the plaintiff occurred on Long Island on February 18. A trial date has not yet been set. 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 (Cousins, Corwin, 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. 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.

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

As to the remaining bridge, Mr. Belke previously had reported that the Olean bridge (Queen Street) would now involve a deck replacement, which could be done under the project agreement and within the project budget. He indicated that with additional inspection and engineering, WNYP had determined that the bridge would need to be completely replaced, which would not be within the project budget. He reported that he had had a meeting with the City of Olean, and the City of Olean had asked him if WNYP could raise the Front St overpass rail bridge by 26" to accommodate truck traffic. He had indicated that he could raise it 18", if the City could lower the roadbed by 8". And he had indicated that if the City would allow WNYP to fill in under the Queen Street bridge, eliminating the road underpass, that it would be so much less expensive that WNYP would raise the Front Street bridge with the money saved, all within the project budget, if such an amendment would be approved by NYS DOT. The City had indicated that it would check with the local alderman, but it would seem to be an acceptable tradeoff, so long as a pedestrian walkway culvert could be installed under the Queen Street bridge, which Mr. Belke had agreed to.

Mr. Belke indicated that he had spoken to NYS DOT, which told him that given the increased safety considerations of a higher Front Street clearance, and the desire to funnel semi-trucks away from the roundabouts on North Union Street onto Front Street, this would be a positive amendment. However, STERA would still have to formally ask for the amendment, either a change order or a scope change. STERA also would enter into an agreement with the City and WNYP to effect both the Queen Street and Front Street bridge changes indicated above.

Mr. Cousins asked about whether a pedestrian walkway culvert could be installed at Orchard Avenue. Mr. Belke estimated that to add such an element would be between \$500,000 to \$700,000, and so would be unworkable with the funds available. Mr. Cousins asked whether a better fence would prevent trespassers from crossing the railroad line at Orchard Avenue. Mr. Belke noted that this hasn't worked.

After discussion the Board approved a resolution authorizing submission of a request for a change order or scope change and authorizing the CEO to execute a contract with the City of Olean and WNYP covering the Queen Street and Front Street bridge changes (Griffin, Scott, passing unanimously). The project would 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 by approximately \$70,000, so WNYP is downsizing the enginehouse work. As a consequence, the project will come in under budget by approximately \$200,000. 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. With additional specificity for the change order to be done (Mr. Belke now is proposing switch timber installation, roof and HVAC repairs to the office building, and macadam paving), the Board authorized either a change order request or a scope change, as required by NYS DOT (Corwin, Havey, passing unanimously, Griffin abstaining).

The project will be completed in 2018.

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

In June 2017, the STERA Board had authorized submission of an application for \$1,120,000 of NYS DOT PFRAP grant funds, to be matched by \$480,000 of WNYP funds. STERA also had undertaken the SEQRA review and issued a negative declaration on the project. However, NYS DOT had not issued the Notice of Funding Availability (NOFA) for the 2017 PFRAP program until just recently. In the interim, WNYP had revised the proposed project scope.

The project as initially proposed was to involve replacement of 10,000 ties, replacement of some worn rail, and surfacing between Steamburg (Cattaraugus County) to Waterboro (Chautauqua County), between MP SA-14.00 (west of Steamburg) to MP SA-23.00 (Waterboro).

WNYP's current thinking is that the project will involve ten (10) miles of tie replacement and surfacing between Steamburg, SA-14.00 and Waterboro, SA-23.00, and between MP SA-27.0 and MP SA-28.0 (Poland Center). This works out to approximately 13,000 ties. Approximately half of this project area will need substantial ballasting. The project also will include three (3) public highway grade crossing surface rebuilds at Coldspring Road (Randolph), Main Street (Randolph), and Goodwins Landing Road (Waterboro) and eleven (11) private farm grade crossing widenings and rebuilds. The project also will involve replace of switch timbers at one main line turnout (the No. 10 turnout at the Randolph Team Track). The revised project cost is \$1,788,110.54, which would be funded by \$1,251,677.38 of NYS DOT grant and \$536,433.16 of WNYP match funds.

The work would be done on the Southern Tier Extension Line. All of the work would be bid by WNYP or done by WNYP itself. If NYS DOT approves an award in a timely fashion, the project could be commenced and completed in 2019.

Because of the change in scope and budget, the Board agreed to undertake completely new resolutions and SEQRA review.

After discussion, the STERA Board adopted a resolution declaring itself lead agent for SEQRA review on the project (Scott, Corwin, passing unanimously, Griffin abstaining). The Board reviewed and discussed a Short Form EAF and noted that the proposed project involved maintenance repairs to the existing rail line, 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 (Havey, Corwin, passing unanimously, Griffin abstaining).

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, Harris, 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 (Scott, Corwin, passing unanimously, Griffin abstaining).

**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.

**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.

**ABO Policy Guidance 18-01: Preferred Source Procurement**

Mr. Barnes noted that the NYS ABO has released Policy Guidance 18-01: Preferred Source Procurement. NYS's Preferred Source Program grants "preferred source" status to veterans, not-for-profit organizations that serve and employ people who are blind and severely disabled, and the correctional industries program to the department of corrections and community supervision (Corcraft). The ABO expects that all public authorities seek to purchase commodities and services from Preferred Sources first whenever it is available. The intent of the Program is to advance social and economic opportunities for these groups. The advantage to procuring from Preferred Sources is that the public authority does not need to follow the competitive bid process. Policy Guidance 18-01 provides the information public authorities need to know to help identify existing Preferred Source organizations.

**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. Appointment of Nominating Committee**

Mr. Everetts appointed Mr. Dixon, Mr. McElfresh, Mr. Havey, and Mr. Corwin to a Nominating Committee to present a slate of nominees for the Board and Corporate officer positions at the June 11, 2018 meeting. Mr. Everetts appointed Mr. Corwin to chair the Nominating Committee. The Board ratified these appointments (Harris, Cousins, passing unanimously).

**B. Annual Ethics Form Filing**

Mr. Everetts reminded members to complete the annual Ethics Form and transmit it to Mr. Zink as soon as is possible.

**C. Other 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 2018 meetings of the STERA Board will be on the following dates: June 11, 2018; October 15, 2018; and December 10, 2018. The next Board meeting (June 11) 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.

**15. Adjournment**

The meeting adjourned at 11:06 AM (Scott, Griffin, 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: March 26, 2018