



Chautauqua, Cattaraugus, Allegany & Steuben Counties
Southern Tier Extension Railroad Authority
 Center for Regional Excellence, 4039 Route 219, Suite 200, Salamanca, New York 14779
 TEL (716) 945-5301 FAX (716) 945-5550 TDD (716) 945-5301

"This institution is an equal opportunity organization"

Terry Everetts, Chairman
 Richard Zink, Chief Executive Officer

Minutes of Board of Director Meeting

October 15, 2018

The Board of Directors of the Chautauqua, Cattaraugus, Allegany and Steuben Southern Tier Extension Railroad Authority met at 9:30 AM on October 15, 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
 Jay Gould
 James Griffin
 Steve Havey
 Robert Keis
 John Malter
 Earl McElfresh
 Jerry Scott

Representing

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

Board Members Not In Attendance

Brooke Harris
 Vacant
 Vacant

Representing

Allegany County
 Chautauqua County
 Seneca Nation of Indians

Others Attending

Crystal Abers
 Thomas Barnes
 Jare Cardinal
 Jesse Coats
 Lori Cornell
 Vince DeJoy
 Bob Dingman
 Randy Gustafson
 Jeff Gray
 Sandy Loudin
 Lynn Marinelli
 Ray Martel
 John McGee
 Kylie McLaughlin

Representing

Cattaraugus County ED, P & T
 STERA Secretary
 Salamanca Rail Museum
 WNYP RR
 Governor Cuomo's office
 City of Jamestown
 NY & Lake Erie Railroad
 Stone Consulting
 General public (Monofrax)
 WNYP RR
 NYS ESD
 WNYP RR
 WNYP RR
 WNYP RR

Bill Rice
John Walgus
Corey Wiktor
Richard Zink

City of Jamestown
WNY Rail Corridor Project; Town of Persia Supervisor
Cattaraugus County IDA
STERA CEO

1. Call to Order and Introduction of Those Present

Chairman Terry Everetts called the meeting to order at 9:35 AM. Introductions were made of those present.

2. Reading and Approval of the Minutes of the June 11, 2018 Meeting

The Board adopted a resolution approving the minutes of the June 11, 2018 Board Meeting (Scott, Corwin, passing unanimously).

3. Communications

Mr. Barnes noted that he had received the resignation of Adam Gorczyca. Chautauqua County has not yet named a replacement Board member.

There were no other communications.

4. Treasurer's Report

Mr. Zink presented the Treasurer's Report for September 30, 2018. Mr. Zink noted that the Audit Committee had met to review the financial statements. For the year to date ending September 30, 2018, STERA had a net income (loss) of (\$47,534.10) on revenues of \$1,132,072.79. As of September 30, 2018, STERA had net assets of \$8,268,745.46 on assets of \$8,285,530.36, with a cash balance of \$72,727.36. Accounts payable as of September 30, 2018 were \$16,784.90, and accounts receivable and grants receivable as of September 30, 2018 were \$80,199.82 and \$3,031,521.40, respectively. The Board adopted a resolution approving the Treasurer's Report for September 30, 2018 (Cousins, Havey, passing unanimously).

After discussion, the Board adopted a resolution approving the payment of certain invoices, including \$6,192 to Hayes Corporation for Directors and Officers insurance, and \$2,500 to Southern Tier West for administrative services (Gould, Cousins, passing unanimously).

5. Reports of Committees

A. Audit Committee

Mr. Griffin reported that the Audit Committee had met earlier on October 15, 2018, and had reviewed the interim financial statements, the budget for 2019, and the budget for 2019-2022. The Committee recommended that the Board accept the financial statements and the two budgets with no changes. See item #4 above for the Board resolution accepting the financial statements.

Budget for 2019

After discussion, the Board adopted the Budget for 2019, including authorization of the payment during 2019 of \$25,000 to Southern Tier West for administrative services (Corwin, Griffin, passing unanimously).

Four Year Financial Plan for 2019 – 2022

After discussion, the Board adopted the Four Year Financial Plan for 2019 – 2022 (Keis, Havey, passing unanimously).

Old or Unfinished Business

6. Western New York Rail Corridor Initiative

Representatives of the Jamestown Passenger Initiative were present to discuss the proposed initiative, which they requested now be known as the Western New York Rail Corridor Initiative. They provided an executive summary and a partial draft of the final feasibility study report. Not all work has been completed under the study; they indicated that the study should be completed in the coming months. The WNYRCI made an oral proposal to STERA regarding the existing contractual relationship between STERA and Norfolk Southern. There was substantial disagreement between the parties present as to various issues, including constraints, costs, etc. Mr. Zink noted that STERA needs to pay attention to WNYP interests so as not to jeopardize the existing freight service on the regional rail system. At his recommendation, the Board adopted a resolution authorizing the STERA Executive Committee to engage in additional discussions with WNYP and WNRCI regarding relevant issues and devise a proposal to bring back to the STERA Board at an upcoming meeting (Dixon, Malter, passing unanimously, Griffin abstaining).

7. WNYP RR Operating Status Report

Kylie McLaughlin, General Manager of the WNYP RR, reported to the Board that Carl Belke, formerly President and Chief Operating Officer of the WNYP RR, has retired. Mr. Belke is staying on as consultant.

Ms. McLaughlin and Jesse Coats (Assistant Engineer 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 the 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 (four day delay) 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, to Falconer once per week, and service to Salamanca and Cuba is provided as necessary.

- **Car storage:** WNYP is not currently any cars at Salamanca, but car storage may return at a later date.
- **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 in 2018 exceeded 2017 levels. 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, with a potential move to Emporium PA that would result in additional carload volume. Siemens has no high-wides planned for 2018/2019 as of this date.
- **Safety and Security:**
 - There have been on FRA reportable injury and six derailments in 2018 to date.
 - There have been three tractor trailer strikes at the Front Street (Olean) underpass.
- **STERA Construction Projects:**
 - Although these STERA projects were discussed during the 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 forces completed tie installation in September, and ballasting and surfacing is underway and will be completed in October.
 - **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 the replacement of 1.5 track miles of rail. The project is planned for early 2019.
 - **Grade Crossing Projects:** WNYP completed 14 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. WYP will press to complete this in 2019.
 - **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. Preliminary engineering and cost estimates are now in hand. The Farmers Valley bridge estimate is approximately \$5 million. WNYP is sourcing funding at this time.
- **Real Property and Municipal Projects:**
 - **Olean:** WNYP is assisting the City of Olean in the acquisition of some non-rail parcels from NS. NS was unresponsive to requests for negotiations. The City engineer recently has advised that the City will no longer pursue this.
 - **Olean Yard:** WNYP is contributing to a paving project that will simultaneously improve the driveway entrance to the Olean Yard and improve the quality of the Allegany Trail system that intersects at that point.

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.

The Board adopted a resolution approving Ms. McLaughlin's report (Corwin, Dixon, passing unanimously).

Status reports on individual STERA projects, which were discussed during the WNYP 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.

Recent discussions between NYS DOT and WNYP have led WNYP to propose that STERA ask NYS DOT for an extension on the project and ask NYS DOT to approve additional rehabilitation work under the project involving rebuilding/rehabbing the Clark Street grade crossing in the City of Olean, using unspent (NYS DOT and WNYP) project funds. WNYP would be responsible for any overage beyond remaining project funds, per the terms of the original agreement between STERA and WNYP on the project. After discussion, the Board approved asking NYS DOT for the extension and approval of the additional work as described above, with work to be accomplished per the original contract between STERA and WNYP (Corwin, Keis, passing unanimously).

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 2019.

The contractor LC Whitford has completed the Buffalo Street and Main Street (Jamestown) bridges. The Foote Avenue (Jamestown) bridge will be completed in 2019.

The contractor Union Concrete has completed the west side of the Wildwood Avenue (Salamanca) bridge and will be moving to the east side in mid-October. There have been significant cost overruns due to the concrete deterioration being worse than anticipated.

As to the remaining bridge (the Queen Street bridge in Olean), WNYP 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 during 2019. STERA will approach NYS DOT with a request for a scope change once engineering is in hand. WNYP anticipates the Queen Street and Front Street components of the project can be completed in 2019.

Olean Enginehouse and Yard Improvement Project

STERA received a funding award from NYS DOT for the 2016 PFRAP funding cycle for a project that involves 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. 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. Yard tie installation was completed in December 2017. Switch installation was completed in May 2018. Security systems are in final design.

The enginehouse work component is overbudget even after downsizing the enginehouse work. WNYP proposes to remove the enginehouse work component from the project and self-fund the improvements.

With respect to the security system, WNYP commenced pole line installation in June. WNYP is awaiting NYS DOT authority to award camera and recording system procurement, and to install communication lines on the installed poles.

WNYP has submitted a change order request and is awaiting NYS DOT approval.

The project is planned to be completed in 2019.

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

In April 2018, STERA applied 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 October 15, 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)

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. WNYP previously had indicated its 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 all current STERA Board members and staff are in compliance with NYS ABO training requirements. When Mr. Gorczyca's replacement is named, that person will have to receive the required 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.

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 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 meeting of the STERA Board will be on 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 11:15 AM (Cousins, 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: _____ October 15, 2018