



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 10, 2019

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 10, 2019 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
 Jeff Gray
 James Griffin
 Brooke Harris
 Steve Havey
 John Malter
 Earl McElfresh
 Jerry Scott

Representing _____

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

Board Members Not In Attendance

Robert Keis
 Vacant

Representing _____

Southern Tier West RPDB
 Seneca Nation of Indians

Others Attending

Thomas Barnes
 Jesse Coats
 Kylie McLaughlin
 Richard Zink

Representing _____

STERA Secretary
 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 9:35 AM. Introductions were made of those present.

2. Reading and Approval of the Minutes of the March 25, 2019 Meeting

The Board adopted a resolution approving the minutes of the March 25, 2019 Board Meeting (Corwin, Scott, 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 (Corwin, Scott, 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 (Scott, Corwin, 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.

5. Treasurer's Report

Mr. Zink presented the Treasurer's Report for May 31, 2019. Mr. Zink noted that the Audit Committee had met to review the financial statements. For the year to date ending May 31, 2019, STERA had a net income loss of \$35,334.90 on revenues of \$593,667.85. As of May 31, 2019, STERA had net assets of \$7,726,063.38.79 on assets of \$7,782,285.68, with a cash balance of \$28,700.46. Accounts payable as of May 31, 2019 were \$56,222.30, and accounts receivable and grants receivable as of May 31, 2019 were \$80,199.82 and \$2,271,937.60, respectively. He discussed elements of the accounts receivable and grants receivable. The Board adopted a resolution approving the Treasurer's Report for May 31, 2019 (Griffin, Corwin, passing unanimously).

6. Reports of Committees

A. Audit Committee

The Audit Committee met earlier on May 31, 2019 and reviewed the interim financial statements.

B. Governance Committee

Mr. Everetts reported that the Governance Committee had met earlier on May 31, 2019, and had reviewed and discussed STERA's Financial Disclosure and Ethics Report for 2018, noting that the Cattaraugus County Attorney's Office had indicated that it had examined the filings and there were no ethics issues present during 2018. The Governance Committee adopted a resolution making a finding that the Authority had no ethics issues during 2018, and recommending to the Board that it make a finding that the Authority had no ethics issues during 2018 and adopt the report. After discussion, the Board adopted a resolution making a finding that the Authority had no ethics issues during 2018 and adopting the report (Scott, Corwin, passing unanimously).

Old or Unfinished Business

7. Western New York Rail Corridor Passenger Initiative

No update.

8. WNYP RR Operating Status Report

Kylie McLaughlin, General Manager of the WNYP RR, and Jesse Coats, Manager of Engineering and Projects for 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. B&P haulage to Salamanca has been an issue in recent months.
 - Business currently expected to remain strong.
- **Safety:**
 - **First Responder/OLS:** OLS presentations by Chief Walsh are being planned for 2019.
- **STERA Construction Projects:**
 - Although these STERA projects were discussed during Ms. McLaughlin's report, they are reported on separately under item #9 in these minutes.

- **WNYP Construction Projects:**
 - **Grade crossing surface upgrades :** WNYP is planning a number of crossing surface upgrades in 2019. However, the Route 62 crossing in Kennedy, NY has not yet been scheduled due to NYS DOT delays in approving WNYP’s detour plan. WNYP will press to finish this in 2019.
- **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. A motion for summary judgement has been argued, and WNYP is waiting for the judge’s ruling on this. 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 and Mr. Coat’s report (Scott, Dixon, passing unanimously).

Status reports on individual STERA projects, which were discussed during Ms. McLaughlin’s and Mr. Coat’s report, are provided below under item #9.

9. Status Reports on Current and Proposed Rehabilitation Projects

A. Completed 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 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.

B. Active Projects:

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

All work on the project has been completed. However, STERA has submitted a request to NYS DOT for a no-cost time extension through the end of 2019 to enable STERA to use unspent project funds to rebuild the Clark Street grade crossing in Olean. STERA currently is awaiting NYS DOT documents approving the project deadline extension and the inclusion of this additional grade crossing rehabilitation in the project.

NYS DOT PFRAP 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.

WNYP will install the rail, with contractors to weld it in place in 2019. WNYP is securing bids for welding contractors. This element of the project is planned to be completed in 2019.

The bridge component of the project began in 2018. Contractors are doing the bridge work. LC Whitford has completed two of the three Jamestown bridges (Buffalo Street and Main Street), and will complete the third (Foote Avenue) in 2019. All concrete work on the Wildwood Avenue (Salamanca) bridge was completed in November. The contractor will finish sealcoating when weather permits in the spring. This bridge encountered significant cost overruns due to concrete deterioration that was worse than anticipated. The Foote Avenue and Wildwood Avenue bridges should be completed in 2019.

As to the remaining bridge (Queen Street in Olean on the Buffalo Line), WNYP previously had reported that the bridge would now involve a deck replacement, which could be done under the project agreement and within the project budget. However, after additional inspection and engineering, WNYP had determined that the bridge would need to be completely replaced, which would not be within the project budget. Subsequently, through discussions with the City of Olean, a new strategy was mutually developed that WNYP would raise the Front St overpass rail bridge by 18" to accommodate truck traffic and the City could lower the roadbed by 8", provided that the City would allow WNYP to fill in under the Queen Street bridge, eliminating the road underpass, but installing culvert pedestrian walk-through. The Queen Street fill, pedestrian culvert, and Front Street raising could all be accomplished within the project budget, if such an amendment would be approved by NYS DOT. The City agreed to this strategy, and NYS DOT seemed amenable as well. Subsequently, WNYP and the City have been negotiating engineering requirements for the Queen Street fill and the pedestrian walk-through culvert. In early 2019, they came to agreement, engineering was developed, and STERA submitted a scope change request to NYS DOT. NYS DOT has approved the scope change request; however, as part of the process for approving a scope change, an administrative law judge hearing will have to be held, which has not yet been scheduled as of the date of the meeting. If approved early enough in the construction season, the Queen Street and Front Street bridge components potentially could be completed in 2019, or failing that, in 2020.

NYS DOT PFRAP 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. Yard tie installation was completed in late 2017, and switch installation was completed in the spring of 2018. NYS DOT has approved the specification of the security system and approved purchase from a specific vendor. The pole line installation is now complete. NYS DOT has given the authority to proceed with installation of cameras and recording system, currently in process.

Because of significant bid cost overruns, the engine house components have been removed, and WNYP may ask STERA to approach NYS DOT for a change order for the unused project funds. STERA is awaiting WNYP proposals for such a change order. Previously the STERA Board had

authorized either a change order request or a scope change, as required by NYS DOT, in this regard.

The project is planned to be completed in 2019.

NYS DOT PFRAP Tie and Rail Replacement PFRAP Project (Southern Tier Extension Line)

STERA had applied for \$1,251,677.38 of NYS DOT PFRAP grant funds, to be matched by \$536,433.16 of WNYP funds. The revised project cost is \$1,788,110.54.

The project involves replacement of approximately 13,000 ties and surfacing 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) on the Southern Tier Extension Line. 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).

All of the work would be bid by WNYP or done by WNYP itself. The STERA Board previously had authorized subcontracting with WNYP on the project. NYS DOT has approved an award and STERA is now in the contracting phase. As of May 31, the NYS DOT contract for the Steamburg to Poland Center project is at the State Comptroller's office under review. Once the executed NYS DOT contract is received by STERA, STERA and WNYP will be able to execute the STERA-to-WNYP subcontract via regular mail exchange. If the contracting proceeds in a timely fashion, this could allow the project to be commenced and completed in 2019.

C. Proposed Projects

US DOT Build Project

STERA will not be submitting US DOT Build project. WNYP will be submitting a US DOT Build project for its Pennsylvania assets.

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

In 2017, STERA had discussions with the City of Salamanca and the Seneca Nation of Indians regarding a project that would involve 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. The project grant application would not be submitted until a future 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.

Other Salamanca / Seneca Nation of Indians Projects

No update.

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.

10. 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.

11. 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. Gray, all STERA Board members and staff are in compliance with NYS ABO training requirements.

Discussion of Any Desired Policy Modifications

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

12. Other Old or Unfinished Business

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

New Business

13. New Business

There was no new business.

14. Public Comment

There was no public comment.

15. Next Meeting Date and Agenda for Next Meeting

The remaining regularly scheduled 2019 meetings of the STERA Board will be on the following dates: October 21, 2019; and December 9, 2019. 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 2019. The meetings of the committees will be held at the office of the Southern Tier West Regional Planning and Development Board in Salamanca, NY.

