



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

October 21, 2019

The Board of Directors of the Chautauqua, Cattaraugus, Allegany and Steuben Southern Tier Extension Railroad Authority met at 9:30 AM on October 21, 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

Richard Cousins
 Rich Dixon
 Terry Everetts
 Jay Gould
 Steve Havey
 Robert Keis
 John Malter
 Earl McElfresh
 Jerry Scott

Representing

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

Board Members Not In Attendance

Jeff Gray
 James Griffin
 Brooke Harris
 Vacant
 Vacant

Representing

Chautauqua County
 Steuben County
 Allegany County
 Steuben County
 Seneca Nation of Indians

Others Attending

Thomas Barnes
 Jesse Coats
 Bob Gabbey
 Richard Zink

Representing

STERA Secretary
 WNYP RR
 Operation Lifesaver
 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. He asked for a moment of silence to commemorate Board member Seth Corwin's passing. The Board adopted a resolution directing that a card of condolence be sent to his widow (Scott, McElfresh, passing unanimously). Introductions were made of those present.

2. Reading and Approval of the Minutes of the June 10, 2019 Meeting

The Board adopted a resolution approving the minutes of the June 10, 2019 Board Meeting (Gould, McElfresh, passing unanimously).

3. Communications

There were two communications:

- Contact from Cattaraugus County Department of Public Works asking that the grade crossing on Route 98 in Cadiz (Buffalo Line near Franklinville) be repaired. WNYP will investigate.
- Communication from NYS Department of State regarding an eminent domain taking in the City of Jamestown for road repairs at Washington Street, and noting that funds for the taking might be available. Upon investigation, WNYP's consultant Carl Belke indicated that it was the legal authority of Norfolk Southern (i.e., not either STERA nor WNYP) to agree to the taking and accept funds for it. WNYP will provide a Norfolk Southern contact person for NYS DOS to contact in this regard.

4. Treasurer's Report

Mr. Zink presented the Treasurer's Report for September 30, 2019. Mr. Zink noted that the Audit Committee had met to review the financial statements. For the year to date ending September 30, 2019, STERA had a net income loss of \$348.52 on revenues of \$738,931.42. As of September 30, 2019, STERA had net assets of \$9,602,395.68 on assets of \$9,652,139.52, with a cash balance of \$66,455.84. Accounts payable as of September 30, 2019 were \$49,743.84, and accounts receivable and grants receivable as of September 30, 2019 were \$124,188.28 and \$3,944,048.48, respectively. He discussed elements of the accounts receivable and grants receivable. Mr. Zink noted an \$81,000 receivable from WNYP, which relates to the FEMA project (WNYP has been providing documentation for \$123,000 of FEMA reimbursement, which, when received, will result in \$81,000 to STERA and \$42,000 to WNYP). He also noted that WNYP has paid the annual \$40,000 administrative fee. The Board adopted a resolution approving the Treasurer's Report for September 30, 2019 (McElfresh, Havey, passing unanimously).

The Board authorized payment of two checks, \$5,551.00 to Hayes Corporation for director's and officer's insurance (competitively bid by Hayes Corporation) (Scott, Cousins, passing unanimously) and \$6,100.60 to Southern Tier West for administration (including contractual administration) (Malter, Cousins, passing unanimously).

5. Reports of Committees

A. Audit Committee

Mr. Zink reported that the Audit Committee had met earlier on October 21, 2018, and had reviewed the interim financial statements, the budget for 2020, and the budget for 2020-2023. 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 2020

After discussion, in which Mr. Zink noted a changeover to accrual accounting for developing the budgets, the Board adopted the Budget for 2020 (Scott, Dixon, passing unanimously).

Four Year Financial Plan for 2020 – 2023

After discussion, the Board adopted the Four Year Financial Plan for 2020 – 2023 (Keis, Malter, passing unanimously).

Old or Unfinished Business

6. Western New York Rail Corridor Passenger Initiative

No update.

7. WNYP RR Operating Status Report

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.
 - Current operations are as follows:
 - Olean - normal operation is four daily 2-man crews. RCO used as back-up.
 - Meadville - normal operation is one to 1- 2-man crew and 1 RCO.
 - Operations and MOW provided safety and roadway worker training to The Andersons.
- **Safety:**
 - 2 bridge strikes in third quarter
 - WNYP's Safety Committee meets quarterly and forwards valid concerns for correction. Productive meeting held on September 17, 2019 to address and implement concerns and recommendations from employees. Short line Safety Institute provided Hazmat training to Supervisors.
 - First Responder/OLS –presentations completed for Olean High School. Twenty warnings issued to trespassers (generally juveniles-Olean and Portville area).
 - US DOT Office of Attorney General-conducted interviews and reviewed documents related to the OIG audit of FRA's alcohol and drug testing program and WNYP's experiences regarding the development, maintenance, and enforcement of the Part 219 compliance plans and related commitments.

- **STERA Construction Projects:**
 - Although these STERA projects were discussed during Mr. Coats' report, they are reported on separately under item #8 in these minutes.
- **WNYP Construction Projects:**
 - **Grade crossing surface upgrades:** WNYP completed 9 crossing surface upgrades in NY in 2019. The Route 62 grade crossing rebuild in Kennedy, NY has been completed.
 - **Grade crossing signal installations:** WNYP has awarded a contract to upgrade six crossings (lights, gates, surface) on the Buffalo Line between Port Allegany and Sterling Run. 100% PennDOT and Section 130 funded.
 - **Tie Installation:**
 - Approximately 500 maintenance ties installed at Port Allegany siding.
 - Approximately 200 maintenance ties installed at Emporium siding
 - Approximately 480 ties installed in Falconer Yard and surfaced
 - Approximately 600 maintenance ties installed on Mainline in Lakewood.
 - Tie replacement (6,000) has begun from North DFT to Sterling Run.
 - **PennDOT 2016 RFAP Buffalo Line Tie & Surface Project:** In October 2016, WNYP was awarded a \$700,000 grant for the installation of 7,500 ties on the Buffalo Line between North Eldred and Kean in Port Allegany, PA. Work has been completed.
 - **PennDOT 2017 RFAP:** Concord to Union City. WNYP has received contract documents from PennDOT. Project will involve installation of 6,000 new ties (6 miles) and 1.5 track miles new rail, with work scheduled for summer 2020. Tie installation and surfacing has been completed except in the areas where rail is to be laid.
 - **Meadville Locomotive House:** Will be completed in November 2019.
 - **Replacement of four PA through-truss bridges:** The long term strategy is to replace these bridges. WNYP is continuing planning, design work and grant prospects for bridge replacements/repairs. The Farmers Valley Branch through-truss bridge FV-1.2 has moved to the head of the list with IGI signaling a commitment to participate financially. WNYP has submitted a Federal BUILD Grant application in July 2019 and is currently following with a nearly identical Federal CRISI Grant to be submitted in mid-October 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 Mr. Coats' report (McElfresh, Cousins, passing unanimously).

Status reports on individual STERA projects, which were discussed during Mr. Coat's report, are provided below under item #8.

8. 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 has received NYS DOT documents approving the project deadline extension and the inclusion of this additional grade crossing rehabilitation in the project and has executed a letter agreement with WNYP amending the subcontract with WNYP so as to include the Clark Street work in the project. The Clark Street work subsequently has been completed, and STERA now is in final closeout for 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. After discussion, the Board authorized Mr. Zink to sign a joint letter requesting the administrative law judge hearing (McElfresh, Havey, passing unanimously). The Queen Street and Front Street bridge components should be completed in 2020. WNYP will install 8,000 track feet of rail 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. The security system has been installed.

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 2020.

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 and/or done by WNYP itself. The STERA Board previously had authorized subcontracting with WNYP on the project. STERA has received and executed the NYS DOT contract and has executed the sub-contract with WNYP. WNYP is readying bid packets

for subcontractor services. The project was commenced in 2019 and should be completed in 2020.

C. Proposed Projects

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

No update. 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.

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. Gray, all STERA Board members and staff are in compliance with NYS ABO training requirements. Mr. Barnes noted that STERA can expect Steuben County to name a replacement for Mr. Corwin, and the replacement also will need to complete the ABO training.

Discussion of Any Desired Policy Modifications

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

