



Chautauqua, Cattaraugus, Allegany and 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”

Frank “Jay” Gould, Chairman
Richard Zink, Chief Executive Officer

Minutes of Board of Director Meeting

October 18, 2021

The Board of Directors of the Chautauqua, Cattaraugus, Allegany and Steuben Southern Tier Extension Railroad Authority held a Board of Directors meeting at 9:30 AM on October 18, 2021 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, with additional meeting attendance via Zoom. The following persons were in attendance:

Board Members In Attendance

John Carbone
Richard Cousins
Rich Dixon
Jay Gould
Jeff Gray
James Griffin
Brooke Harris
Steve Havey
Robert Keis
Keri Kerper
John Malter
Jerry Scott

Representing

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

Board Members Not In Attendance

Earl McElfresh
Vacant

Representing

Cattaraugus County
Seneca Nation of Indians

Others Attending

Thomas Barnes
Jeff Bauman
Jesse Coats
Sandy Loudin
Kylie McLaughlin
Richard Zink

Representing

STERA Secretary
WNYP RR
WNYP RR
WNYP RR
WNYP RR
STERA CEO

1. Call to Order and Introduction of Those Present

Recognizing a quorum, Chairman Jay Gould called the meeting to order at 9:30 AM. Introductions were made of those present.

2. Reading and Approval of the Minutes of the June 14, 2021 Meeting

The Board adopted a resolution approving the minutes of the June 14, 2021 Board Meeting (Kerper, Havey, passing unanimously).

3. Communications

STERA received a communication from the Seneca Nation of Indians regarding lease status of certain property in the Salamanca yards. STERA has indicated that it was not a lease on the specific property, but a federal treaty with the Seneca Nation of Indians that controlled.

STERA received a communication from the City of Olean regarding lawn mowing of a specific parcel, and passed it on to WNYP, which has indicated that it does not have any obligation to mow the parcel.

STERA received a communication from a consulting engineer working for the City of Jamestown asking whether STERA had any issues with a proposed stormwater basin at the Fairmont triangle. STERA passed this on to WNYP, and WNYP indicated it had no issues with the proposal, and STERA passed this on to the engineer.

STERA received communication from the owner of a property in Olean, the former Olean Lumber Yard, which has a former rail line right of way traversing the property. The owner asked for STERA's help in acquiring the right of way so that the property could be built on, and STERA provided NS contact information to the owner. After discussion, and in the event that NS approves the sale, the Board approved authorization of the execution of any required closing documents and other documents as may be required to facilitate the transaction (Scott, Keis).

4. Treasurer's Report

Mr. Zink presented the Treasurer's Report for September 30, 2021. Mr. Zink noted that the Audit Committee had met to review the financial statements. For the year to date ending September 30, 2021, STERA had a net income loss of \$241,152.52 on revenues of \$80,854.16; this reflects timing circumstances, with NYS DOT draw received prior to the start of the calendar year, but payments made during the calendar year. As of September 30, 2021, STERA had net assets of \$3,939,842.89 on assets of \$3,944,842.89, with a cash balance of \$81,938.63. Reflecting the movement of grants receivable out of the balance sheet and into notes to the balance sheet, accounts payable as of September 30, 2021 were \$5,000.00, and accounts receivable as of September 30, 2021 were \$80,000.00. He discussed elements of the balance sheet. The Board adopted a resolution approving the Treasurer's Report for September 30, 2021 (Dixon, Kerper, passing unanimously).

The Board adopted a resolution approving the payment of the \$5,000 invoice from Southern Tier West (Keis, Scott, passing unanimously).

5. Reports of Committees

A. **Audit Committee**

Mr. Zink reported that the Audit Committee had met earlier on October 18, 2021, and had reviewed the interim financial statements, the budget for 2022, and the budget for 2022-2025. The Committee recommended that the Board accept the two budgets with the revenues and expenses reduced.

Budget for 2022

After discussion, the Board adopted the revised Budget for 2022 (Malter, Dixon, passing unanimously).

Four Year Financial Plan for 2022 – 2025

After discussion, the Board adopted the revised Four Year Financial Plan for 2022 – 2025 (Havey, Griffin, passing unanimously).

Old or Unfinished Business

6. **Western New York Rail Corridor Passenger Initiative**

No update. It currently appears to be a lower priority within the City of Jamestown government. Mr. Zink recommended that this item be removed from future agendas.

7. **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 their report are:

- **Operations, Service Levels, and Freight:**
 - Current operations are as follows:
 - Olean: normal operation is two crew starts (two-man crews). RCO used as back-up.
 - Meadville: normal operation is a daily two-man crew and 1 RCO as needed.
 - Qualified Conductor hired in May 2021.
 - Two new hires started October 4, 2021.
 - Significant Initiatives-Legal/Environmental: Arbitration held in September for two employees. Waiting for decision.
 - General Managers/Assistant Vice Presidents: Began cross training in September.
 - Have some MOW and train operations job openings.

- **Safety:**
 - One injury this quarter (YTD). One derailment in the Olean yard (four YTD). YTD Incidents include signal equipment strikes, trespasser (Eldred), and gate strike.
 - Federal Railroad Administration: NYS DOT Rail Safety department conducted a two-day educational seminar (classroom and field) to discuss what inspectors are looking for during inspections. The FRA inspectors include mechanical, track, operations inspectors. The FRA found no violations.
 - Action Committee: WNYP reorganized and revised its safety committee to include open discussions for employee activities such as cookouts and trainings.
- **STERA Construction Projects:**
 - Although these STERA projects were discussed by Mr. Coats during the WNYP report, they are reported on separately under item #8 in these minutes.
- **WNYP Construction Projects:**
 - **PA 2017 RFAP:** WNYP is working with PennDOT to do a time extension on the project this summer. A handful of ties and $\frac{3}{4}$ mile of rail still to be installed.
 - **PA 2021 RTAP** – Application submitted in September for a \$1,669,792 project (\$1,168,854 PennDOT, \$500,938 WNYP match) to install and surface 11,297 ties and one set of switch timber in the ‘Columbus & Erie’ mileage from the NYS/PA state line at MP CE-1.55 to East Columbus, MP CE-13.20, a distance of 11.65 miles. Announcement of awards by PennDOT are expected in December.
 - **Grade crossing signal installations:** WNYP has awarded a contract to Diamondback to upgrade six crossings (lights, gates, surface) on the Buffalo Line between Port Allegany and Sterling Run. These are 100% PennDOT and Section 130 funded at \$1,763,218. Final crossing surface has been upgraded. Diamondback to install new signals this Fall.
 - **Grade crossing signal installations:** Contract awarded to Diamondback to upgrade four crossings (lights, gates, concrete pad surfaces) at Cambridge Springs, PA. These are 100% PennDOT and Section 130 funded at \$2,099,100. Surfaces have been completed and signals installed in October 2020. Final sidewalk and cleanup work is currently underway.
 - **Grade crossing surface upgrades:** WNYP planned to do 13 grade crossing surface upgrades in 2021. Eight have been completed. The balance will be done in 2022.
 - **Railpod-Geometry Testing:** This is scheduled for this week.
 - **2019 Federal Consolidated Rail Infrastructure and Safety Improvements (CRISI) Grant:** Continued planning, design work and FRA negotiations for bridge replacements/repairs of four through-truss bridges. 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. Also includes abutment repairs to another Farmers Valley Branch bridge and replacements of the Sugar Creek and Oil Creek Bridges truss bridges on the Oil City Branch. In early March WNYP received an \$11.9M Federal CRISI Grant against a project estimate of \$17.8M. The match of \$5.9M is expected to be covered by PennDOT, IGI and OCTL. PennDOT 2020 RTAP grant application for \$4.8M submitted in late August 2020. Award received on January 12, 2021. WNYP will cover approximately \$150,000 in grant writing and preliminary engineering charges. Project will bring the entirety of the WNYP to 286K. RTAP 2020 \$4.7 million CRISI match agreement was officially

accepted and signed. National Environmental Protection Act (NEPA), State Historic Preservation Act (SHIPO) permitting and preliminary engineering underway and may be completed after FRA and NS agree on language. NEPA and SHIPO permitting will likely consume the bulk of the 2022 construction season with actual construction to begin in 2023.

The Board adopted a resolution approving Ms. McLaughlin's and Mr. Coat's report (Keis, , passing unanimously).

Status reports on several 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

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. At this point, FEMA would reimburse approximately \$123,000 on the project to WNYP, and WNYP would use approximately \$80,000 of these funds to repay STERA for funds it had lent WNYP on the project.

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 inspected by NYS DOT, 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 inspected by NYS DOT, 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 inspected by NYS DOT, and STERA is awaiting project closeout from NYS DOT.

B. Active Projects:

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 contributed traffic control for the bridge construction period. All work except the Olean bridge is to be done on the Southern Tier Extension; the Olean bridge is on the Buffalo line.

WNYP plan is to install the 8,000 linear feet of welded rail itself, with contractors to weld it in place. WNYP would secure bids for welding contractors. This element of the project was planned to be completed in 2019. However, NYS DOT has not reviewed WNYP's bid documents at this point.

The bridge component of the project began in 2018 and four of the five bridges (the three Jamestown bridges and the Salamanca bridge) were completed in 2020. The Salamanca bridge encountered significant cost overruns due to concrete deterioration that was worse than anticipated, but has been completed.

Mr. Coats indicated that he would check whether STERA still needs NYS DOT to authorize the installation of the 8,000 linear feet of rail. NYS DOT still has not approved the completed work on the four completed bridges.

As to the remaining bridge (Queen Street in Olean on the Buffalo Line), WNYP previously had reported that the bridge should have a deck replacement, instead of the planned simple repair, which still could be done under the project agreement and within the project budget. However, after additional inspection and engineering, WNYP next 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 Front Street roadbed by 8", provided that the City would allow WNYP to fill in under the Queen Street bridge, eliminating the road underpass, but installing a culvert pedestrian walk-through at the former Queen Street underpass. 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, STERA, WNYP and NYS DOT all agreed to this strategy. Subsequently, WNYP and the City negotiated engineering requirements for the Queen Street fill and the pedestrian walk-through culvert, and in early 2019, WNYP and the City came to an agreement, engineering was developed, and STERA submitted a scope change request to NYS DOT.

As part of the process for approving a scope change, a mandatory administrative law judge hearing was held in October 2020, and administrative law judge approval was received in late June 2021.

NYS DOT has approved a no-cost time extension of the contract through December 31, 2023.

STERA currently is awaiting approval by NYS DOT of a DOT-to-STERA contract revision, after which STERA and WNYP will execute a letter agreement that would revise the STERA-WNYP subcontract regarding the Queen Street and Front Street bridges.

STERA anticipates that the project will be completed in 2022.

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. STERA has received approval for remainder of the track portion grant money to be spent to replace more switches and switch timbers in the Olean yard. STERA has received approval for unused engine house money to be used for an exterior concrete apron at the east end of the shop and a power plant to run the shop when commercial power is down. STERA has received the NYS DOT contract amendment approving these scope changes, and a no-cost time extension through December 31, 2023. STERA and WNYP are in the process of executing a letter agreement that would revise

the STERA-WNYP subcontract, after which WNYP will compile a new contractor bid package for concrete and power plant work. STERA anticipates that the project will be completed in 2022.

Mr. Coats indicated that he assumes that NYS DOT still has not been reimbursing PFRAP draw requests.

STERA 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 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 and is planning to go out for bid this summer. Material purchase is being delayed by new NYS DOT M/WBE (Minority/Women owned Business) requirements and COVID-19. Mr. Barnes and Mr. Coats will discuss how to advance the project with respect to the M/WBE and EBO issues.

The project was commenced in 2019 and could be completed in 2021.

WNYP has engaged the engineering consulting firm Bergman Associates to manage the project, Bergmann has completed surveying project site locations and transmitted the bid package to WNYP, and WNYP currently is reviewing Bergmann's bid packages for publication this fall, and after review, WNYP will send the bid package to DOT for approval, and upon DOT approval, will issue the bid package, with goal of lining up contractor for 2022 installation

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. Gould noted that all STERA Board members and staff are in compliance with NYS ABO training requirements.

Discussion of Any Desired Policy Modifications

Mr. Gould 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 new business discussed at the meeting.

13. Public Comment

There was no public comment. Mr. Barnes noted that in STERA’s press release to the media announcing the meeting, it was noted that the public could attend either the in-person meeting or the Zoom meeting, and it indicated the method for contacting STERA to obtain Zoom meeting info for the meeting.

14. Next Meeting Date and Agenda for Next Meeting

The remaining regularly scheduled 2021 meeting of the STERA Board will be on December 13, 2021. 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 2021. 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 9:59 AM (Dixon, Keis 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 18, 2021