



**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"*  
John Margeson, Chairman

**MINUTES – June 18, 2007**

The Chautauqua, Cattaraugus, Allegany and Steuben Southern Tier Extension Railroad Authority met at 9:30 AM on June 18, 2007 in the conference room of the offices 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**

Seth Corwin  
William Daly  
Joseph Eade  
Terry Everetts  
Karl Kruger  
Fran Lus  
John Margeson  
Robert Walrod

**Representing**

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

**Others Attending**

Thomas Barnes  
William Burt  
Linda Fox  
Robert Iszard  
Donald Rychnowski  
Richard Zink

**Representing**

Southern Tier West  
WNYP  
WNYP  
NYS ESDC  
Southern Tier West  
Southern Tier West

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

Chairman John Margeson called the meeting to order at 9:40 AM. Mr. Margeson welcomed all who were present. Following this, introductions were made of those present..

**Approval of Minutes**

The Board approved the minutes of the April 30, 2007 Board Meeting (Eade, Lus, passing unanimously).

**Bills and Communications**

There was no correspondence.

**Treasurer's Report**

Mr. Zink provided a Treasurer's Report, including an income statement for the period January 1, 2007 through May 31, 2007 and a balance sheet for the four month period ending May 31, 2007. There was net income of \$11,773.78 on revenues of \$1,069,056.74. Total assets were at \$6,779,910, with liabilities of \$9.069 and net worth of \$6,779,910. The Board adopted a resolution approving the Treasurer's Report (Everetts, Kruger, passing unanimously).

## **Reports of Committees**

Mr. Barnes noted that there were no committee reports, as the Audit Committee and Governance Committee have not yet been named and have not yet begun to meet. However, this is the place in the agenda where their reports will be heard.

## **Unfinished Business**

### **NYS Public Authorities Accountability Act (PAAA) Compliance**

#### **Audit Committee**

Mr. Margeson announced that he has appointed the following Board members to serve as members of the Audit Committee:

James Griffin  
Karl Kruger  
Thomas Livak  
Fran Lus

Mr. Margeson announced that he has appointed the following Board member to serve as Chairperson of the Audit Committee:

James Griffin

The Board received the proposed draft Audit Committee Charter, modeled after the NYS Authority Budget Office model charter.. The Board indicated that it would review, discuss, revise as necessary, and adopt the Audit Committee Charter at the next meeting.

Mr. Margeson noted that the Audit Committee Report will become a regular agenda item. However, he felt that the Audit Committee would meet several times per year.

#### **Governance Committee**

Mr. Margeson announced that he has appointed the following Board members to serve as members of the Governance Committee:

Joseph Eade  
Seth Corwin  
William Daly  
Timothy O'Grady

Mr. Margeson announced that he has appointed the following Board member to serve as Chairperson of the Governance Committee:

Joseph Eade

The Board received the proposed draft Governance Committee Charter, modeled after the NYS Authority Budget Office model charter.. The Board indicated that it would review, discuss, revise as necessary, and adopt the Governance Committee Charter at the next meeting.

Mr. Margeson noted that the Governance Committee Report will become a regular agenda item. However, he felt that the Governance Committee would meet several times per year.

### **STERA Policies**

Mr. Margeson asked members for comments or suggested revisions to the policies adopted at the last meeting. He again encouraged members to review the policies and come forward with discussion regarding any need for revisions.

### **Election of Corporate Secretary**

The Board approved the election of Robert Walrod as Secretary, an officers of the corporation (Lus, Corwin, passing unanimously).

### **Board Training**

Mr. Barnes distributed copies of the NYS ABO's schedule for upcoming Board training sessions.

## **Operating Status and Current and Proposed Rehabilitation Projects**

### **Presentation by William Burt, President and Chief Operating Officer, Western New York and Pennsylvania Railroad Company: "Line Status and Projected Repairs"**

William Burt indicated that WNYP had engaged the Holland Company to provide rail profile data on the east-west line's rail. This laser analysis provides data on rail wear at any point on the line, and has been very accurate. He noted also that WNYP has also developed a database of tie replacement along the line, and has done a statistical analysis of projected tie wear along the line that also has proven very accurate. WNYP has incorporated this data into a spread sheet that shows where the most pressing repairs are over the next five years to both rail and ties and surface. He noted that tie issues can result in a line being downgraded to 10 mph service, and that both NS and the FRA do an annual analysis of the rail and ties for this purpose. He also noted that his model does not include bridge or drainage projects.

To date, there has been \$15 million of capital rehabilitation in New York and \$6 million in Pennsylvania. The model indicates the need for an additional \$15 million of rehabilitation in New York from 2007 to 2009, inclusive, and an additional \$15 million of rehabilitation in Pennsylvania from 2007 to 2009, inclusive.

He noted that WNYP currently has a request to New York State for \$4.5 million of bond act funds, which together with \$700,000 of other additional grant funds applied for, would total the \$5.3 million of the \$15 million of rehabilitation in New York State that is planned for the year 2007. (He noted that this 2007 funding does not include the remainder of the work being carried over from 2006.) He also noted that WNYP has been approved for up to \$10 million of funds from Pennsylvania, which would be spread out over time.

### **Operating Status**

Mr. Burt discussed rail operations. WNYP is in the midst of hiring and bringing on board an additional 15 employees.

He noted that Congressmen Kuhl and Higgins have signed onto the extension of federal tax credits to railroads, which is essential to WNYP's corporate strategic plan

### **WNYP STB Filing**

Previously, the Board had adopted a resolution authorizing the Chairman to execute Surface Transportation Board filings to implement the previous resolution of the Board affecting the Buffalo line transaction. Mr. Burt noted that this had not been necessary; the filing was to be done exclusively by WNYP.

Mr. Burt provided a report on the WNYP STB Filing, the "notice of exemption." There has been some opposition, mostly by the United Transportation Union, which has been working to delay the process, and which has indicated it would file a petition to kill the process. Mr. Burt indicated that the probability of the STB approving WNYP's filing remained very high. However, because of the delay, the takeover date would be extended from June 25 to either July 17 or August 4.

### **Current Rehabilitation Projects**

Rail installation should begin in June or July. Crop and weld work also will commence shortly, converting stick to welded rail between Jamestown and the Pennsylvania line. However, Mr. Burt noted that NYS DOT has agreed to convert some crop and weld work to tie installation in Chautauqua County, where needed.

Mr. Burt noted that Assemblyman Parment has indicated that a \$500,000 grant may be awarded in July for work in Chautauqua County.

Mr. Burt noted that the multimodal project, which was pending but held up in the Comptroller's Office, seems to be moving forward now and is out of the Comptroller's Office. He noted Mr. Iszard's inquiry on this matter.

### **Proposed NYS Bond Act Project**

Mr. Burt had noted that WNYP has submitted proposals for \$4.5 million of tie and surface work from the eastern Allegany County boundary to Jamestown. He indicated that we hope to hear on this in either July or August, and that if it is awarded, we will get needed tie work done in the fall of 2007.

He noted that similar work would be done in Steuben County separately.

### **Potential Steuben County Multimodal Project**

Mr. Burt noted that there has been no change with this proposal for a \$600,000 rehab project in Steuben County, which still has not advanced to approval yet.

**Other Potential STERA Rehabilitation Projects**

No discussion.

**Multi-Modal Freight Transfer Facility and Manufacturing Center Project Status**

Mr. Barnes noted that Southern Tier West’s project steering committee will be meeting on June 20 to discuss the consultant’s recommendations regarding feasibility and site selection.

**Cattaraugus County (Randolph) Remediation Project Status**

Mr., Barnes noted that he had spoken to Pete Gorton of Panamerican Environmental, consultant for Cattaraugus County, who had indicated that the County is negotiating with NYS DEC for a final work plan, but expects that the demolition portion of the project will be completed by summer’s end. Following that, the County will investigate the site, including the building foot print, for contamination. The project may stretch into 2008.

**Other Old Business**

There was no other Old Business.

**New Business**

There was no New Business.

**Public Comment**

There was no public comment.

**Next Meeting Date and Agenda for Next Meeting**

Mr. Margeson noted that the Authority full Board would meet on August 20 at 9:30 AM to do business.

**Adjournment**

The Board adopted a resolution to adjourn at 11:25 AM (Eade, Lus, passing unanimously).

I certify that this is an accurate summary of the meeting of the Chautauqua, Cattaraugus, Allegany and Steuben Southern Tier Extension Railroad Authority held on the date indicated above.

Name: \_\_\_\_\_

Office: \_\_\_\_\_

Date: \_\_\_\_\_