



Chautauqua, Cattaraugus, Allegany & Steuben Counties

Southern Tier Extension Railroad Authority

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"This institution is an equal opportunity organization"
John Margeson, Chairman

MINUTES OF MEETING – November 15, 2010

The Chautauqua, Cattaraugus, Allegany and Steuben Southern Tier Extension Railroad Authority met at 9:30 AM on November 15, 2010 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

Michael Brisky
James Cooper
William Daly
Joseph Eade
William Euliano
Jay Gould
James Griffin
John Margeson
Timothy O'Grady

Representing

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

Board Members Not In Attendance

Seth Corwin
Terry Everetts
Karl Kruger
Thomas Ryan
Vacant

Representing

Steuben County
Cattaraugus County
Allegany County
Steuben County
Seneca Nation of Indians

Others Attending

Thomas Barnes
Carl Belke
William Burt
Robert Iszard
Brian Paschen
Richard Zink

Representing

STERA Secretary
WNYP RR
General Public
New York State Empire State Development
Southern Tier West RPDB
STERA Executive Director

Call to Order and Introduction of Those Present

Chairman John Margeson called the meeting to order at 9:45 AM. Introductions were made of those present.

Reading and Approval of the Minutes of the September 20, 2010 Meeting

The Board adopted a resolution approving the minutes of the September 20, 2010 Board Meeting (Eade, Cooper, passing unanimously).

Bills and Communications

There were no bills received, except as were discussed in the Treasurer's report. There were two communications received, as follows:

- A letter from New York State Department of Transportation indicating that STERA has been awarded funds from the Bond Act for bridge repair.
- A letter from New York State Department of Environmental Conservation indicating that NYS DEC will enter the Van Der Horst property to which STERA is in title sometime after November 9, 2010 for the purpose of undertaking groundwater monitoring and chemical analysis. NYS DEC is not intending on acquiring the parcel.

There were no other communications received, excepting communications discussed elsewhere in the minutes.

Treasurer's Report

November 1, 2010 Treasurer's Report

Mr. Zink distributed a Treasurer's Report for November 1, 2010. For the year to date ending November 1, 2010, STERA had a net income of \$21,814.00 on revenues of \$40,000.00. As of November 1, 2010, STERA had net assets of \$6,187,564.00 on assets of \$6,192,464.00, with a cash balance of \$83,435.00.

Mr. Zink noted disbursements for expenses made thus far this year, including:

- \$10,000 to Southern Tier West for administrative purposes.
- \$4,900 for Director's and Officers insurance (paid yet not cashed by the recipient as of the date of the meeting), reflecting a reduction in this expense from the prior year
- \$3,286 for legal expenses to date

Mr. Zink also noted that STERA has been billed \$2,754 by Harris Beach for legal services. The Board authorized payment of this invoice (Daly, Eade, passing unanimously, Griffin abstaining).

The Board adopted a resolution approving the Treasurer's Report for November 1, 2010 (Gould, Cooper, passing unanimously).

Mr. Zink noted that STERA will be entering the second year in a three year engagement of Joseph Trussalo for audit services. The Audit Committee will meet in early 2011 to discuss procedures for undertaking this audit.

Reports of Committees

Audit Committee

The Audit Committee has not met since the last STERA Board meeting. The Audit Committee will meet as required in upcoming months to discharge its duties.

Governance Committee

Governance Committee Chairman Joseph Eade reported that the Governance Committee met at 9:00 AM on November 15, 2010, before the STERA Board meeting. Mr. Barnes noted several items that were discussed by the Governance Committee at this meeting, including:

- **Proposed Bylaw Revision – Order of Business Meeting**

The Governance Committee discussed the proposal to amend Article 7, Section 5 of the Bylaws to change the order of business so that Item #3 should read “Communications,” where currently it reads “Bills and Communications.” Bills then would be discussed under Item #4, the “Report of the Treasurer.” With the revision, Article 7, Section 5 of the Bylaws would read as follows:

ARTICLE VII MEETINGS

Section 5. Order of Business. At the regular meetings of the Board of the Corporation, the following shall be the order of business:

1. Roll Call.
2. Reading and approval of the minutes of the previous meeting.
3. Communications.
4. Report of the Treasurer.
5. Reports of Committees.
6. Unfinished Business.
7. New Business.
8. Adjournment.

All resolutions shall be in writing and shall be copied in or attached to a journal of the proceedings of the Corporation.

The Governance Committee adopted a resolution recommending that the STERA Board adopt the proposed Bylaws revision. After discussion, the STERA Board approved the amendment of the STERA Bylaws as indicated above (Brisky, O’Grady, passing unanimously).

- **Uniform Tax Exemption Policy**

The Governance Committee discussed the proposal to adopt a Uniform Tax Exemption Policy. Mr. Barnes indicated that he had obtained the Uniform Tax Exemption Policy of each of the four Counties, and had based the proposed STERA Uniform Tax Exemption Policy on the language therein. He indicated that he had transmitted a proposed STERA Uniform Tax Exemption Policy for review and discussion by the STERA Governance Committee and Board.

The Governance Committee adopted a resolution recommending that the STERA Board adopt the proposed STERA Uniform Tax Exemption Policy, as amended by the Governance Committee. After discussion, the STERA Board approved the amended STERA Uniform Tax Exemption Policy (Griffin, Brisky, passing unanimously).

The STERA Uniform Tax Exemption Policy would take effect January 1, 2011, and would be in place for any extension of the current Southern Tier Extension Line and Buffalo Line real estate tax abatements.

- **Proposal to issue tax exempt debt for line rehabilitation activities**

Mr. Barnes indicated that at the direction of the STERA Board, he had contacted Harris Beach to determine whether STERA has legal capacity / authority to issue tax exempt bonds in favor of capital rehabilitation projects on the railroad line (e.g., for itself or, as an IDA would do, for the railroad operator Western New York and Pennsylvania Railroad Company (WNYP)).

Harris Beach has indicated that in its opinion, STERA cannot use tax exempt bond issues to fund rail rehabilitation projects unless done as a Recovery Zone Bond, which would require an allocation of county allocation (doubtless in the county or counties in which the project activity would occur) sufficient to fund the proposed project.

Mr. Daly noted that the individual counties and county IDA's could issue tax exempt debt for rail rehabilitation purposes, but WNYP would be responsible for obtaining a purchaser of the bonds.

- **Proposed New Member Orientation Process and web site file**

NYS ABO has issued a "Recommended Guidance," or "Recommended Governance Practice," which recommends that public authorities:

- (1) adopt a new member orientation process, including an orientation session with new members upon their appointment to the Board. This process should:
 - a. familiarize new board members with the organization

- b. familiarize new board members with their duties as board members and the expectations for their service on the board
 - c. provide new board members digital, web-based, or hard copies of informational materials
 - d. provide new board members an overview of how to navigate the authority's web site in order to locate information about the authority
- (2) should develop a library of specified documents (digital, web-based and/or hard copy) that new members would use to familiarize themselves with the authority and continue to use as reference materials
- (3) should make these materials available on the STERA web site

Mr. Barnes reported that he had developed a proposed "STERA New Member Orientation Process" document that is consistent with the NYS ABO guidance, in terms of process and contents, and whose content is customized for STERA's unique circumstances.

The Governance Committee discussed the proposed "STERA New Member Orientation Process" and adopted a resolution recommending that the STERA Board adopt the proposed "STERA New Member Orientation Process." After discussion, the STERA Board approved the STERA New Member Orientation Process (Eade, Daly, passing unanimously).

Mr. Barnes indicated that he would place this "STERA New Member Orientation Process" document and another document containing detailed content (and hyperlinks as appropriate) for each bulleted item in the STERA New Member Orientation Process" document on the STERA web site. This should comply with the NYS ABO requirements. As new members are appointed, Mr. Zink and/or Mr. Barnes would meet with them at the Southern Tier West office to provide the face-to-face orientation required by NYS ABO.

Mr. Barnes suggested that any current STERA Board member desiring a refresher on any aspect of STERA's affairs would be welcome to attend any of these orientation sessions. He will broadcast notice of new member orientation meetings to current STERA Board members for this purpose.

Mr. Griffin noted the STERA Board members ought to familiarize themselves with the contents of the reference document, in case they were asked to discuss these matters with the NYS ABO. In this regard, Mr. Barnes also indicated that he recommended that in order to comply with NYS ABO expectations regarding Board duties and performance, STERA Board members should occasionally visit the STERA web site to review materials there, with special emphasis on STERA financial and other reports, STERA policies, Board responsibilities, and NYS ABO guidances. Mr. Margeson, Mr. Zink, and Mr. Barnes are

available to discuss any issues or questions in this regard that STERA Board members may have.

- **Proposed Records Management Program**

In October 2008, the STERA Governance Committee and Board considered NYS ABO Policy Guidance 07-04, in which NYS ABO required that authorities adopt a records retention policy. At the recommendation of the Governance Committee, the Board had adopted a resolution adopting “the NYS ABO policies relating to retention of certain records and reports, as provided in Policy Guidance 07-04.”

In early 2010, NYS ABO Policy Guidance 07-04 was superseded by NYS ABO Policy Guidance 10-03, which requires that STERA establish and follow a Records Management Program, to promote efficient administration and management of STERA’s records consistent with requirements set forth by the New York State Archives. (The New York State Archives is part of the Office of Cultural Education within the New York State Education Department.)

Mr. Barnes reported that he had developed a proposed STERA Records Management Program, which was reviewed and discussed by the Governance Committee. The Governance Committee had adopted a resolution recommending to the STERA Board that STERA:

- (1) adopt and agrees to follow the STERA Records Management Program.
- (2) adopt the New York State Archives’ “Records Retention and Disposition Schedule MI-1” as required by NYS law. This schedule indicates the minimum length of time that local government officials must retain their records before they may be disposed of legally. The purposes of this schedule are to:
 - ensure that records are retained as long as needed for administrative, legal and fiscal purposes;
 - ensure that state and federal record retention requirements are met;
 - ensure that record series with enduring historical and other research value are identified and retained permanently; and
 - encourage and facilitate the systematic disposal of unneeded records.
- (3) designate a Records Management Officer.

After discussion, in which Mr. Griffin expressed concern that the proposed policy would place duties on individual STERA Board members that he felt were unnecessary given the proposed duties of the proposed Records Management Officer, the STERA Board tabled further discussion of the STERA Records Management Program until the next meeting (O’Grady, Eade, passing unanimously).

- **Proposed Lobbying Policy**

In an email to authorities dated October 19, 2010, NYS ABO indicated that it will ask whether state authorities have created a Lobbying Policy, and whether authorities are keeping records of lobbying activities. The STERA Governance Committee discussed this issue, and felt that although STERA is not a state authority, the Committee nonetheless felt that in terms of transparency and public trust issues, it nonetheless would be worthwhile for STERA to adopt and conform operations to a Lobbying Policy.

Mr. Barnes indicated that he had developed a proposed STERA Lobbying Policy, which:

- (1) defines lobbying as limited to advocacy to influence legislation.
- (2) indicates that advocacy for funding and other purposes (other than advocacy to influence legislation) is not lobbying, provided that the goal is consistent with STERA's mission.
- (3) states that lobbying (advocacy to influence legislation) is permissible, provided that state or federal funds are not used for lobbying activities.
- (4) indicates that advocacy for funding and other purposes (other than advocacy to influence legislation) is always permissible, provided that state or federal funds are not used and the goal is consistent with STERA's mission.

After discussion, the STERA Governance Committee adopted a resolution recommending to the STERA Board that:

- (1) STERA adopt and agrees to follow the STERA Lobbying Policy.
- (2) STERA designate the CEO as Lobbying Officer.
- (3) STERA designate the Chairman as Ethics Officer for purposes of the STERA Lobbying Policy.

After discussion, the STERA Board approved the STERA Lobbying Policy, agreed to conform operations and activities to the STERA Lobbying Policy, and designated the CEO as Lobbying Officer, and designated the Chairman as Ethics Officer for purposes of the STERA Lobbying Policy (Eade, Griffin, passing unanimously).

- **Annual Board of Directors Evaluation**

The 2009 Public Authorities Reform Act requires that the STERA Board conduct an annual evaluation of its performance. STERA Board member comments are protected from disclosure under Article 6 of Public Officers Law, but the results of the assessment are to be provided to the ABO.

In an email to authorities dated October 28, 2010, NYS ABO indicated that it has issued Policy Guidance 10-05, "Annual Board of Directors Evaluation", which:

- (1) states the purposes of conducting the evaluation of STERA's Board's performance by the individual members of the STERA Board
- (2) outlines the process for undertaking the evaluation, as follows:
 - STERA undertakes a confidential survey of each member, in which each member assesses the STERA Board's overall performance (i.e., not their own individual performance as Board members).
 - Survey results are compiled by the Governance Committee for presentation to the STERA Board, in executive session if so desired by the STERA Board.
 - STERA transmits the report to the NYS ABO within 90 days of end of STERA's fiscal year.
 - STERA undertakes immediate implementation of any appropriate corrective changes.
- (3) provides a model board evaluation survey instrument that STERA can use to comply with this requirement
- (4) provides a reporting form for tallying survey responses and reporting to ABO

The STERA Governance Committee had discussed a proposal made by Mr. Barnes relating to the administration of the survey. After discussion, the STERA Governance Committee adopted a resolution recommending to the STERA Board that it approve administration of the survey by the Secretary in person or by email, with the Secretary contacting non-responding Board members to obtain responses to the survey, followed by a tally of responses by the Secretary, with a confidential report (not identifying responses by respondent name) transmitted to the Governance Committee using the ABO-provided reporting form for tallying responses and reporting to ABO. The Governance Committee then will review the summary report and make recommendations for approval of the report by the STERA Board, for transmission of the report to ABO by the STERA Board, and making any appropriate corrective changes by the STERA Board.

After discussion, the STERA Board approved the process recommended by the Governance Committee as stated above for complying with NYS ABO Policy Guidance 10-05, "Annual Board of Directors Evaluation" (Cooper. O'Grady, passing unanimously).

The Governance Committee will meet as required in upcoming months to discharge its duties.

Unfinished Business

Operating Status and Proposed Rehabilitation Projects

Carl Belke, President & Chief Operating Officer of the WNYP RR, provided a detailed Management Report to the STERA Board. The Management Report covered the areas of

Safety, Financial Status of WNYP RR, Operations and Customer Service, Marketing and Freight Business, Mechanical Issues, Engineering and Maintenance of Way, Bridges and Culverts, Signals and Communication, and Other Projects.

As part of the report, he noted:

- WNYP expects to receive a FRA RRIF loan in the range of \$5-7 million for tie and surfacing work, bridge steel and masonry repairs, and rail replacement. Construction is anticipated in 2011.
- STERA has received a NYS Renew and Rebuild Transportation Bond Act Grant (see discussion below under Unfinished Business).
- STERA expects that NYS DOT will issue an RFP for additional NYS DOT Freight and Rail Program Grant funds (see discussion below under New Business).
- WNYP has received a PENNDOT RFAP grant award in the amount of \$570,000 for tie replacement on the Farmers Valley Branch; construction is anticipated in 2011.
- The WNYP application to PENNDOT RTAP for a \$1,060,000 grant for ties on 13 miles of the Oil City Branch (first of three phases) was not approved. WNYP anticipates re-submitting the proposal in the future.
- NS operations have continued to affect WNYP operations, in some cases adding expenses to WNYP operations.
- WNYP continues to negotiate with NS for approval of a lease of the Hornell interchange loop track. To date, NS has been unwilling to approve the lease.
- With the removal of all NS signal devices on the Buffalo Line, the Buffalo Line is now being dispatched exclusively by WNYP.
- Certain WNYP customers have been experiencing upswings in rail shipping activity. Marcellus shale activity seems to be growing, with a new waste contractor using Falconer as a transfer site, a frac sand distributor considering Emporium PA, and sand being stored on a new sidetrack in Port Allegany PA. NS overhead coal traffic remained down from 2009 in the third quarter, but the fourth quarter is at 100% of last year's carload volumes.
- In 2010 to date, WNYP has installed 6,000 maintenance ties, surfaced 57 miles of track, and rebuilt 8 grade crossings (with 15 more grade crossings scheduled to be rebuilt in 2011), all without direct government financial assistance.
- WNYP has completed emergency repairs to a bridge in Jamestown NY, is watching masonry in an abutment in a bridge in Andover, has received PA approval for removing a Saegertown PA bridge and a Venango PA bridge, has repaired a bridge in Corry PA, and has been directed by PA to repair a bridge in Keating Summit PA. The PA projects will result in the removal of 3 overhead clearance problem areas.

- WNYP has received NYS DOT administrative law judge approval for the closure of the May Road grade crossing (Steamburg NY). The upgrading of crossing protection at the Lebanon Road grade crossing (Steamburg NY) is scheduled for spring 2011.
- The remaining storefronts under the Jamestown NY Main Street bridge will be demolished in 2011, with the City intending to improve this land and convert it to parkland.
- Repair of spalling issues on the Jamestown NY bridges will be funded either by the RRIF loan and/or by the Bond Act funds.
- WNYP has entered into an agreement with the Gebbie Foundation (Jamestown NY) to jointly clean up about 1.5 miles of old ties and debris in Jamestown NY.
- On October 28, 2010, WNYP found a member of the Seneca Nation of Indians stealing rail assets / scrap in Killbuck NY. There had been an altercation on site, and the Seneca Nation of Indians Marshalls kept the peace but did not interfere on the property issues. However, the individual in charge of the theft of the rail assets indicated that he would cease and desist. The rail assets had been moved from the right of way to a nearby corn field, and WNYP needs to repossess the assets and return them to the right of way. Subsequently, WNYP has been in contact with local scrap dealers, and has been told by the scrap dealers that the individual in question had been selling scrap rail assets for 1 to 2 weeks at that time; the scrap has been re-sold by the scrap dealers, so WNYP has no redress for the scrap that already had been re-sold by the scrap dealers. The NYS Police have been helpful thus far, and Mr. Belke hopes that they will continue to do so, and also that they will provide protection for the WNYP employees as they repossess and move the rail assets. The FBI has been notified of this matter; to date the US Marshalls have not been notified. WNYP intends to press charges against the individual, using federal statute if possible, but at minimum using State statute. Mr. Belke indicated that he had spoken to the Seneca Nation of Indians' attorney and new President of the Seneca Nation of Indians, who had told him that the Seneca Nation of Indians views this as an issue between the railroad and the individuals, and not between the railroad and the Seneca Nation of Indians, and accordingly, the Seneca Nation of Indians does not have any issue with WNYP taking legal action against this individual. Mr. Belke asked STERA for a statement claiming ownership, so that WNYP may proceed against this taking. The STERA Board authorized the Chairman to execute a letter in such form and with such content as is appropriate for this purpose (Griffin, Gould, passing unanimously).

Chairman Margeson noted that in response to a request by the Chairman of the County Legislative Development Committee, WNYP had hosted a tour of the line from Hornell to Belvedere, pointing out mitigation areas that could be addressed with FEMA funds. Mr. Margeson thanked Mr. Belke for hosting this tour.

Bond Act Funding

NYS DOT has announced that STERA has been awarded a grant from the Bond Act for repairing four bridges on the Southern Tier Extension line.

Mr. Belke indicated that WNYP proposes that for each of the bridges concerned, there would be a portion to be constructed by a third party contractor and a portion to be constructed by WNYP forces. He proposed that third party contractors would handle the steel and concrete/masonry repairs, while WNYP forces would perform all track and timber bridge deck repairs. WNYP is definitely prepared to handle the preparation of the project specifications, bid packages and project oversight for the project. In that the nature of the contracted repairs are somewhat similar across the bridges, WNYP proposes that STERA issue a single bid package to prospective contractor respondents encompassing the three separate projects, with the successful respondent to address all the bridges to be repaired under the Bond Act contract. The in-kind value of the WNYP force account for construction, preparation of the project specifications, bid packages, and project oversight for the project would be off-budget and not an element of the net project cost.

Mr. Belke has indicated that WNYP is anxious to expedite the receipt of the funds and start-up of the repairs. STERA submitted this application two years ago and WNYP needs to make the repairs in 2011 if at all possible – in fact in a couple of cases WNYP has had to make some temporary expenditures to keep the track safe.

As of November 15, 2010, NYS DOT has not yet transmitted a grant award notice or contract to STERA. However, NYS DOT has advised STERA that it should adopt a resolution that would advance the project as fast as is possible. Accordingly, STERA adopted a resolution authorizing submission of a project scope to NYS DOT reflecting the above proposals by WNYP, authorizing acceptance of the NYS DOT award, authorizing acceptance of matching funds from WNYP, authorizing execution of contracts with NYS DOT and WNYP for these purposes, authorizing issuance of an RFP for construction services, authorizing the Chairman to select the lowest responsible bidder for construction services, and authorizing the Chairman to execute a contract with the selected contractor for construction services (Eade, Brisky, passing unanimously, Griffin abstaining).

Provision of Permanent Easement for the Replacement of the Sprague Street Bridge (City of Jamestown)

Since the last meeting, STERA was contacted by NYS DOT Regional Office real estate staff about the Sprague Street donation. NYS DOT indicated that STERA / WNYP should have been informed that they could have been paid for the property, an amount probably in the hundreds of dollars. NYS DOT was concerned that someday an inspector general could find that the City didn't follow established protocols to offer funds for the property donation, and that subsequently the City could be required to pay the funds back.

Mr. Zink had indicated to NYS DOT that in consideration of the amounts involved, STERA didn't require payment for the donation, and that as any funds would go to WNYP (or Norfolk Southern) anyway, not STERA, the decision to require or not require payment was the province of WNYP (or Norfolk Southern).

Mr. Belke indicated that WNYP had spoke with NYS DOT and told NYS DOT that WNYP had been made aware that it could be compensated for the property, and had told NYS DOT that the amounts involved were so small as to not be worth WNYP's time in pursuing the matter. The WNYP's position as property manager is that the donation should be consummated without payment from the City so that the Sprague Street project can proceed.

Hartson Swamp / Falconer Bridge Issue

WNYP had removed the proposed rebuilding of the Falconer bridge (located between Stone Road and Quaint Road) from its RRIF loan request because the environmental reviews for the project had not been completed. The environmental reviews were a function of an accurate definition of the boundaries of the swamp, which WNYP has not yet been able to ascertain, despite research and a request from NYS DEC. Mr. Cooper indicated that he had investigated this matter with the Town assessor, and had transmitted the relevant maps to Mr. Belke. Mr. Gould indicated that WNYP had approached the Soil and Water office for information as well. Mr. Belke indicated that this matter would be addressed in the future as time and funds permit.

Poland Center Flooding Issue

Mr. Belke indicated that this matter has been resolved, so that the flooding issues would no longer occur, unless the beavers rebuild a dam structure in this area. Mr. Cooper thanked Mr. Belke for addressing this issue.

Multi-Modal Freight Transfer Facility and Manufacturing Center Project Status

STERA and Southern Tier West continue to seek funding for line rehabilitation and phase one construction of the transload facility. The Truck-Rail Multi-Modal Freight Facility (Transload Facility) Feasibility Study and Preliminary Engineering Study are downloadable from the Southern Tier West web site (www.southerntierwest.org).

Cattaraugus County (Randolph) Remediation Project Status

Mr. Barnes indicated that the STERA attorney has signed off on language for the environmental easement, but in the interim, Cattaraugus County has asked NYS DEC for an extension of the project until July 31, 2011. The STERA Board previously had adopted a resolution re-authorizing execution of the easement, with the Executive Director being authorized to execute the document. Subsequently, NYS DEC has provided additional model language for the easement, which STERA has transmitted to its attorney.

Request for Acquisition of Landlocked City of Olean Parcels

WNYP has offered the landowners a lease of the land as a more expeditious way of acquiring the right to beneficial use of the parcels, but the landowners wish to purchase title. Mr. Belke indicated that the resolution of this issue is still pending review by Norfolk Southern.

Olean Request for Land for East Olean Wastewater Main Right of Way

Mr. Belke noted that this right of way was on an old track that may not have even been included in the 2001 transaction with STERA. It is unclear who is in title to the land. WNYP has met with the City and the City has arrived at a method for addressing this issue on its own.

Machias (Lime Lake) Wastewater Project

The Town has requested that WNYP provide an easement for a wastewater collection run from Machias (Lime Lake) to the treatment plant in Franklinville along the Buffalo Line right of way. WNYP has agreed to this in principle; the price for doing so is a function of what NS will accept, as NS has the right to easement fees for long linear runs like this. Mr. Belke and WNYP staff, Mr. Brisky, Mr. Barnes, Mr. Wohlers (Cattaraugus County Environmental Health) and Mr. Alianello (Machias engineer) and his staff met on this matter. Representatives of the Town and/or the potential Lime Lake system customers group were invited but were unable to attend this meeting.

The final deal will require NS approval. Both the cost of the easement and the cost of physically installing the wastewater collection line will determine whether the project may go forward with the alignment in the rail right of way. The cost of installation may be prohibitive. WNYP has offered to provide access to the engineers and to high rail the line with the engineers to facilitate estimation of physical installation costs.

Request of Dresser Rand for Rail Siding (Village of Wellsville)

There is no change in status on this proposal. The project is still do-able, but there is no funding for the installation. NYS DOT has indicated that budgetary funds from the most likely programs probably are not available at this time to fund this project.

Mr. Belke indicated that the estimated cost for reinstallation is about \$200,000, which would cover the re-installation of a switch and the reinstallation of 500 to 600 feet of track. However, he noted that if this switch were installed, there still may be issues moving freight because of clearance restrictions, the nearest one being on a bridge in east Wellsville. Fixing the clearance issue on the Wellsville bridge would cost approximately \$100,000 to repair or alternately \$1,000,000 to \$1,500,000 to replace the bridge.

Mr. Belke had noted at the September 2010 STERA Board meeting that a useful study would be a **NYS DOT assessment of clearances and the costs of remediating clearance issues**. There are, for example, through truss bridges to the west of the line that have only 14 feet of width clearance and weight restrictions. These bridges are old and probably couldn't be effectively repaired to remove these restrictions. Replacing them might be a \$6 million project for each bridge. Mr. Barnes indicated that Southern Tier West staff is investigating potential federal and state funding sources for this study project, and may come back to STERA with a proposal to sponsor the study project.

Update of Allegany and Cattaraugus County Hazard Mitigation Plans

FEMA requires an update of each county's Hazard Mitigation Plan every five years, and affected parties such as STERA must participate in the update in order to maintain eligibility for FEMA disaster mitigation funds. Mr. Belke indicated that WNYP has worked with or is working with all four New York counties in this regard.

Site Development Project

Mr. Barnes noted that Southern Tier West intends to work with Chautauqua, Cattaraugus, and Allegany Counties and with the Seneca Nation of Indians to promote the development of business development sites along the east-west and north-south railroads.

Meetings have been ongoing with the Seneca Nation of Indians, the Salamanca IDA, WNYP, NYS ESD, and NYS DOT regarding redevelopment of the Main Street railroad yard in Salamanca and with the Seneca Nation of Indians regarding possible development of a site or sites in the Steamburg area.

Mr. Barnes had noted that the Machias Wastewater Project might be an excellent opening for discussing development a site or sites in the Route 16 area south of Machias.

Mr. Barnes indicated that Southern Tier West staff is investigating potential federal and state funding sources for a study project to advance these site development initiatives, and may come back to STERA with a proposal to sponsor the study project.

Seneca Nation of Indians Representation on STERA Board

As of this date, the Nation has not appointed a representative to the STERA Board.

NYS Public Authorities Accountability Act (PAAA) and Public Authorities Reform Act (PARA) Compliance

General Compliance with NYS ABO and NYS Requirements

Per actions taken earlier in this meeting, STERA has now come into compliance with respect to the following issues:

- Approval of a Uniform Tax Exemption Policy
- Approval of a New Member Orientation Process and web site file
- Approval of a Lobbying Policy and designation of a Lobbying Officer and an Ethics Officer for purposes of complying with the Lobbying Policy
- Approval of a process for Annual Board of Directors Evaluation

STERA has tabled discussion and approval of a Records Management Program and designation of a Records Management Officer until the next meeting.

Discussion of Any Desired Policy Modifications

STERA encourages comments on and suggested revisions to the organizational policies, so as to improve organizational effectiveness and PAAA compliance.

Training Sessions

Several current members (Brisky, Cooper, and Euliano) have not yet completed NYS ABO's PAAA compliance training sessions. Options include ABO-sponsored training sessions from time-to-time at locations around the State, potential training sessions sponsored from time-to-time by the Allegany, Cattaraugus, and Chautauqua County IDA's, and online training

sessions that the ABO is working toward developing. Mr. Griffin noted that NYS ABO recently had issued a communication changing training offerings.

Advocacy for Federal Rehabilitation Funding

STERA previously had discussed participating in advocacy for federal rehabilitation funding, possibly accompanying WNYP's representatives on trips to Albany and/or Washington for this purpose. STERA remains willing to write support letters for rehabilitation funding. Mr. Belke previously had noted that noted WNYP's activities include (a) educational train trips for representatives, (b) participating in the annual federal railroad day in Washington every March (for which he had indicated that it would be good to have customers as well as STERA accompany them), and (c) Gene Blabey's visits with representatives. The STERA Board previously had approved reimbursement of expenses for funding advocacy initiatives such as these on a case-by-case basis.

Mr. Belke indicated the **Small Railroad Tax Extender** (SRTE) probably would not be passed before the new Congress. However, he indicated that he felt that the SRTE may be included in the extension of the Bush Tax Cuts, which will be discussed in 2011.

Future Status of the Property Tax Abatement Provided by STERA to Norfolk Southern

In the future, STERA may consider extending the abatement period. The Uniform Tax Exemption Policy adopted by STERA will be an element of any such consideration.

Other Old Business

There was no other Old or Unfinished Business.

New Business

Potential NYS DOT RFP for Rehabilitation Funding

STERA anticipates that NYS DOT will issue a request for proposals for rehabilitation grant funding. After discussion, the STERA Board approved (a) authorization of the submission of a grant proposal to NYS DOT for rehabilitation funding, consistent with WNYP recommendations and utilizing WNYP-provided match consistent with any NYS DOT funding program requirements as may be announced, (b) upon notification by NYS DOT of an award, authorization of the submission of a project scope to NYS DOT reflecting the above proposals by WNYP, (c) authorization of execution of any award or contract documents provided by NYS DOT in response to this application for funds, (d) authorization of the execution of any contract with WNYP regarding provision of matching funds and services by WNYP in furtherance of the NYS DOT contact, (e) authorization of the acceptance of matching funds from WNYP, (f) authorization of the issuance of an RFP for construction services, (g) authorization of the Chairman to select the lowest responsible bidder for engineering and/or construction services as appropriate, and (h) authorization of the Chairman and/or the Executive Director to execute a contract(s) with the selected engineer and/or contractor(s) for engineering and/or construction services (Eade, Cooper, passing unanimously). Mr. Griffin indicated that he expected that the Board would be apprised of progress on this initiative as it occurs. Mr. Belke

indicated that at this time he expected that the scope of work for this submission would center on installation of welded rail.

New Congressman

Mr. Brisky recommended that both WNYP and STERA acquaint the new Congressman with their operations and issues. STERA may consider inviting to a STERA meeting the Congressmen serving the counties in which the two lines are located.

Other New Business

There was no other New Business.

Public Comment

There was no public comment.

2011 Meeting Dates

After discussion, the Board agreed to hold the regularly scheduled 2011 meetings of the STERA Board on March 8, June 20, October 17, and December 19. The June 2011 meeting date will be the Annual Meeting.

Next Meeting Date and Agenda for Next Meeting

The STERA Board will next meet on March 8, 2011 at 9:30 AM at the Conference Room at the office of the Southern Tier West Regional Planning and Development Board in Salamanca, NY.

The Audit Committee and Governance Committee each might meet before the next Board meeting if necessary to discuss appropriate matters. Each Committee also may meet at an additional meeting or meeting as needed.

Adjournment

The meeting adjourned at 11:30 AM (Eade, Cooper, 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: _____