



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 19, 2020

The Board of Directors of the Chautauqua, Cattaraugus, Allegany and Steuben Southern Tier Extension Railroad Authority met at 9:30 AM on October 19, 2020 via Zoom, with additional meeting attendance available 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

Rich Dixon
Jay Gould
Jeff Gray
James Griffin
Brooke Harris
Steve Havey
Robert Keis
John Malter
Earl McElfresh

Representing

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

Board Members Not In Attendance

John Carbone
Richard Cousins
Jerry Scott
Vacant
Vacant

Representing

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

Others Attending

Thomas Barnes
Jeff Bauman
Jesse Coats
Ray Martel
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

In the absence of Chairman Terry Everetts, and recognizing a quorum, Vice Chairman Jay Gould called the meeting to order at 9:33 AM. Introductions were made of those present.

2. Reading and Approval of the Minutes of the June 15, 2020 Meeting

The Board adopted a resolution approving the minutes of the June 15, 2020 Board Meeting (Dixon, Griffin, passing unanimously).

3. Communications

STERA received a communication from Steuben County indicating that John Carbone has been appointed to Board.

STERA received a communication from Terry Everetts, in which Mr. Everetts provided his written resignation from the Board, effective immediately.

4. Motion to Change the Order of Business

In the light of Chairman Everetts’ resignation, the Board adopted a resolution to change the order of business for this meeting, to elect officers (Griffin, McElfresh, passing unanimously).

5. Election of Officers

As a Nominating Committee was not designated, Mr. Gould accepted from the floor the following slate of nominees for election:

Board Officers:

Jay Gould	Chairman
Steve Havey	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 (Dixon, Griffin, passing unanimously).

Mr. Gould, by virtue of his position as Chairman, becomes the Ethics Officer and Records Access Appeals Officer.

6. Treasurer’s Report

Mr. Zink presented the Treasurer’s Report for September 30, 2020. Mr. Zink noted that the Audit Committee had met to review the financial statements. For the year to date ending September 30, 2020, STERA had net income of \$15,950.00 on revenues of \$58,586.65. As of September 30, 2020, STERA had net assets of \$8,505,920.35 on assets of \$8,510,920.35, with a cash balance of \$71,854.84. Accounts payable as of September 30, 2020 were \$5,000.00, and accounts receivable and grants receivable as of September 30, 2020 were \$80,199.82 and \$3,833,577.69, respectively. He discussed elements of the accounts receivable and grants receivable. The Board adopted a resolution tabling approval of the Treasurer’s Report for September 30, 2020 until the financial statements are reformatted with respect to grants received and recognizing grants as income when they are approved (McElfresh, Dixon, passing unanimously).

The Board adopted a resolution authorizing the payment of \$5,000 to STW and up to \$6,500 for Directors and Officers Liability Insurance (Malter, McElfresh, passing unanimously).

7. Reports of Committees

A. Audit Committee

Mr. Zink reported that the Audit Committee had met earlier on October 19, 2020, and had reviewed the interim financial statements, the budget for 2021, and the budget for 2021-2024. The Committee recommended that the Board accept the two budgets with no changes. See item #6 above for the Board resolution tabling the financial statements.

Budget for 2021

After discussion, the Board adopted the Budget for 2021 (McElfresh, Havey, passing unanimously).

Four Year Financial Plan for 2021 – 2024

After discussion, the Board adopted the Four Year Financial Plan for 2021 – 2024 (Griffin, McElfresh, passing unanimously).

Old or Unfinished Business

8. Western New York Rail Corridor Passenger Initiative

There apparently is a draft report, but STERA has not received a copy of it. There has been no activity at the Jamestown Mayor's level that STERA is aware of.

9. 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 three daily two-man crews. RCO used as back-up.
 - Meadville - normal operation is one daily two-man crew and 1 RCO as needed.
- **Safety:**
 - Injury record for Q3:
 - 2 injuries.
 - Two derailments for Q3:

- 2 minor derailments
- Incidents for Q3:
 - 2 bridge strikes. 2 gate strikes. 1 signal mast strike.
- Federal Railroad Administration Audit: The FRA conducted several field and paperwork inspections. 0 violations.
- **STERA Construction Projects:**
 - Although these STERA projects were discussed by Mr. Coats during the WNYP report, they are reported on separately under item #10 in these minutes.
- **WNYP Construction Projects:**
 - **Grade crossing surface upgrades:** WNYP is planning 13 crossing surface upgrades in 2020; 12 have been completed, the twelfth will be pushed to 2021.
 - **Grade crossing signal installations:** WNYP awarded a contract to Diamondback to upgrade six crossings (lights, gates, surface) on the Buffalo Line between Port Allegany and Sterling Run. This work is 100% PennDOT and Section 130 funded at \$1,763,218. The work was scheduled for summer 2020. Five crossings currently have been completed, the sixth will be pushed to 2021.
 - **Grade crossing signal installations:** WNYP awarded a contract to Diamondback to upgrade four crossings (lights, gates, concrete pad surfaces) at Cambridge Springs, PA. This work is 100% PennDOT and Section 130 funded at \$2,099,100. The surfaces have been completed and signal installation is scheduled for October 2020.
 - **Ties, rail and geometry:**
 - Geometry inspection was completed by Railpod in September. Only a few minor defects were found and have been repaired.
 - Tie replacement (6,000) and surfacing have been completed from North DFT to Sterling Run by WNYP forces.
 - **Pennsylvania Tie and Rail Project:** 2017 PennDOT RFAP project (\$997,013 total project, \$697,909 PENNDOT, \$299,104 WNYP match). WNYP has received contract documents from PennDOT. This project had been scheduled for Summer 2020. This project involves work from Concord to Union City. WNYP will install 6,000 new ties over 6 miles and 0.75 track miles of new rail. Tie installation and surfacing has been completed except in area where rail is to be laid. WNYP had received authority from PennDOT to reduce rail quantity from 1.5 to approximately 0.75 track miles due to high cost of rail 4 years after the estimate contained in the original grant application. At this time, WNYP is sourcing rail and a rail placement contractor.
 - **Proposed 2019 Federal Consolidated Rail Infrastructure and Safety Improvements (CRISI) Grant Project:** This project involves continued planning, design work and FRA negotiations for bridge replacements/repairs of four through-truss bridges. 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. This also would include 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 2020, 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. WNYP submitted a PennDOT 2020 RTAP grant application for \$4.8M in late August

for the match for the CRISI project. If WNYP is successful, PennDOT should announce the awards in early 2021. WNYP will cover approximately \$250,000 in grant writing and preliminary engineering charges. The project will bring the entirety of the WNYP system to 286K.

- **American Rail Engineers/AirShark performed UAV (drone) inspections** on four through truss bridges (two on the OC Branch and two near Cambridge Springs) last fall. Only minor issues were flagged, and those are being addressed. There were no rating reductions, weight or speed limitations placed as a consequence. American Rail Engineers/AirShark has completed similar inspections for truss bridges at Falconer, Salamanca, Olean, and South Emporium with no rating reductions or speed limitations found. Work indicated includes repair of bridge seat under bearings, and on the OC Branch, repair of masonry stone cracked at bearing. WNYP also planned to do underwater pier and abutment inspections at selected bridges this summer, but didn't need to do these inspections because the water levels were so low this year.
- **Litigation status report:** This involves the collision of a FedEx truck with a WNYP train in a prior year. WNYP has indicated that this lawsuit has been settled.

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

Status reports on individual STERA projects, which were discussed during the WNYP report, are provided below under item #10.

10. 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.

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

All work on the project has been completed and STERA is awaiting project closeout from NYS DOT.

B. Active Projects:

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 were to 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 is seeking sub-contractor proposals to install rail in 2021. The project has been delayed by COVID-19.

The bridge component of the project began in 2018. LC Whitford has completed the three Jamestown bridges (Buffalo Street, Foote Avenue, and Main Street). Union Concrete has completed the Wildwood Avenue (Salamanca). This bridge encountered significant cost overruns due to concrete deterioration that was worse than anticipated. NYS DOT inspected the four bridges; there has been some retainage of grant funds until the work implied from the inspection has been completed.

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. Engineering requirements for the Queen Street fill and the pedestrian walk-through culvert have been completed. In early 2019, STERA submitted a scope change request to NYS DOT. NYS DOT approved the scope change request; however, as part of the process for approving a scope change, an administrative law judge hearing was required to be held. Thus, the hearing, and hence the project, have been delayed by COVID-19. The hearing finally was held on October 14, 2020. A ruling is expected in 60 days. Assuming a positive outcome, the completion of the Queen Street and Front Street bridge components will occur thereafter in 2021.

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 from the project. STERA submitted a proposal for a change order for the unused project funds, and 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, and for the unused engine house money to be used for an exterior concrete apron at the east end of the shop. WNYP currently is ordering track materials and prepping bids for engine housework. STERA is awaiting the revised NYS DOT contract, and then will execute a letter amendment to the WNYP subcontract.

The project is planned to be completed in 2021.

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 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 should be completed in 2021.

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.

11. 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.

12. 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 except for Mr. Gray, all STERA Board members and staff are in compliance with NYS ABO training requirements. When Mr. Gray receives his training, he should forward documentation of the receipt of training to STERA for its compliance file. Mr. Griffin indicated that John Carbone has been training as a consequence of his membership on the Hornell IDA Board; Mr. Barnes said that documentation of this should be forwarded to STERA for its compliance file. Mr. Barnes noted that STERA can expect Cattaraugus County to name a replacement for Mr. Everetts, and the replacement also will need to complete the ABO training.

Discussion of Any Desired Policy Modifications

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

13. Other Old or Unfinished Business

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

New Business

14. New Business

There was no new business.

15. 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 the Zoom meeting, and it indicated the method for contacting STERA to obtain Zoom meeting info for the meeting.

16. Next Meeting Date and Agenda for Next Meeting

The remaining regularly scheduled 2020 meeting of the STERA Board will be on December 7, 2020. 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 2020. The meetings of the committees will be held at the office of the Southern Tier West Regional Planning and Development Board in Salamanca, NY.

17. Adjournment

The meeting adjourned at 10:18 AM (McElfresh, Dixon, 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 19, 2020