



Victoria F. Sheehan  
Commissioner

**THE STATE OF NEW HAMPSHIRE**  
**DEPARTMENT OF TRANSPORTATION**



William Cass, P.E.  
Assistant Commissioner

His Excellency, Governor Christopher T. Sununu  
and the Honorable Council  
State House  
Concord, New Hampshire 03301

Bureau of Rail and Transit  
November 13, 2017

**REQUESTED ACTION**

Authorize the Department of Transportation to enter into a contract amendment with the St. Lawrence & Atlantic Railroad Company, Auburn, ME (VC#166963) to modify the scope of its bridge and track improvement project and amend the contract's completion date from December 31, 2017 to May 31, 2018, effective upon Governor and Council approval. The original agreement was approved by Governor and Council on September 7, 2016, Item # 17. Therefore, this request is to modify the scope with a time extension, no new funding.

**EXPLANATION**

Pursuant to the Laws of 2017, Chapter 228:1-XXII:C, the State appropriated \$1,950,000 of capital budget funds to support the St. Lawrence & Atlantic Railroad Company rehabilitation project and match equivalent railroad funds; this agreement was approved by the Governor and Council on September 7, 2016. The Department's management and oversight of the agreement included a review of documentation submitted by the Railroad's consultant pertaining to a planned solicitation for railroad bridge work. During the Department's review of bridge-related solicitation documents it was realized that the Railroad intended to modify the specific bridges that were to be rehabilitated with capital budget funds. The railroad had reevaluated its bridges on the line and determined that two of the five bridges initially included in the scope of work were actually compliant with industry standard weight limit ratings and did not need to be rehabilitated as part of this project. Concurrently, the railroad identified three additional bridges that did require rehabilitation and proposed to modify the number of bridges to be rehabilitated under this agreement from five to six.

Based on a review of the Railroad's proposal to amend the number and location of bridges, the Department determined that the Railroad's proposed scope of work was acceptable as the Railroad indicated that they could rehabilitate all six of the proposed bridges for the same amount of funds included in the original agreement for five bridges. Therefore, the Department requests to amend the scope of the agreement to reflect the Railroad's proposal.

Also, additional time will be necessary to complete the bridge rehabilitation work and submit final invoices for the overall project. The Department therefore requests to extend the contract completion date from December 31, 2017 to May 31, 2018.

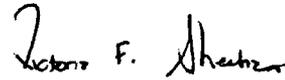
All other provisions of the agreement shall remain in effect.

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The Agreement has been approved by the Attorney General as to form and execution, and the Department has verified that the funds are available. Copies of the fully executed agreement are on file at the Secretary of State's Office and the Department of Administrative Services' Office, and subsequent to Governor and Council approval will be on file at the Department of Transportation.

Your approval of this resolution is respectfully requested.

Sincerely,

A handwritten signature in black ink, appearing to read "Victoria F. Sheehan". The signature is written in a cursive style with a large initial "V".

Victoria F. Sheehan  
Commissioner

Attachments



Victoria F. Sheehan  
Commissioner

**THE STATE OF NEW HAMPSHIRE**  
**DEPARTMENT OF TRANSPORTATION**



William Cass, P.E.  
Assistant Commissioner

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August 4, 2016  
Bureau of Rail and Transit

Her Excellency, Governor Margaret Wood Hassan  
and the Honorable Council  
State House  
Concord NH 03301

**REQUESTED ACTION**

Authorize the Department of Transportation to enter into a retroactive contract with the St. Lawrence & Atlantic Railroad Company, Auburn, ME (Vendor 166963) for an amount not to exceed \$1,950,000 for track improvements on the St. Lawrence & Atlantic Railroad in Coos County, effective from April 14, 2016 through December 31, 2017. 100% Capital General Funds.

Funding is available as follows:

04-96-96-960030-7548	<u>FY 2017</u>
Coos Rail I	
034-500161 New Construction	\$1,500,000
04-96-96-960030-5105	
Coos County Rail	
034-500161 New Construction	<u>\$ 450,000</u>
	\$1,950,000

**EXPLANATION**

Pursuant to the Chapter 275, Laws of 2015, the State appropriated \$1,950,000 of capital budget funds to support the St. Lawrence & Atlantic Railroad Company rehabilitation project and match equivalent railroad funds. This agreement is retroactive to April 14, 2016 to allow certain material costs incurred to be eligible for reimbursement as market conditions at that time facilitated lower prices and greater availability of the rail to be used on this project. An additional benefit was the St. Lawrence & Atlantic Railroad was able to order an additional 3,000 linear feet of rail with the cost savings, allowing an additional 0.3 miles of track rehabilitation to the project within the budget. A total of 7.3 miles in Stark, Milan, Dummer, Gorham and Shelburne will be replaced under this agreement.

This agreement will provide funding for the St. Lawrence & Atlantic Railroad to make improvements to its 23-mile privately-owned short line railroad that runs between North Stratford and Shelburne, NH. Improvements to and rehabilitation of this line will continue to allow rail freight movement of multiple

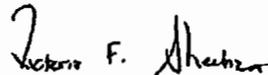
commodities and help provide safer operations and a safe increase in the volume of rail cars on the corridor. Major components of the project include the repair and refurbishment of five (5) bridges in Stark, Milan, Gorham and Shelburne and track refurbishment, including rail replacements with over 76,800 feet of continuous welded rail, ballast work, and line resurfacing, to accommodate industry-standard 286,000-lb. rail cars and increase train speeds. The repairs and improvements will bring the line up to industry standards and allow competitive shipping between New Hampshire, Maine, Vermont and the rest of North America.

The total for this phase of the project is \$3,900,000. In addition to the State contribution of \$1,950,000, the St. Lawrence and Atlantic Railroad will provide matching funds for this phase in the amount of \$1,950,000.

The Department of Transportation will administer these funds as authorized by RSA 228:63 and RSA 228:66.

The Agreement has been approved by the Attorney General as to form and execution, and the Department verified that the necessary funds are available. Copies of the fully executed Agreement are on file at the Secretary of State's Office and the Department of Administrative Service's Office, and subsequent to Governor and Council approval will be on file at the Department of Transportation.

Sincerely,

A handwritten signature in black ink, appearing to read "Victoria F. Sheehan". The signature is written in a cursive style with a large initial "V".

Victoria F. Sheehan  
Commissioner

## AMENDMENT TO AGREEMENT

WHEREAS, the Governor and Council approved an agreement between the New Hampshire Department of Transportation and St. Lawrence & Atlantic Railroad Company on September 7, 2016;

WHEREAS, Section 2 of the agreement reads, "The project consists of the installation of new continuous welded rail on the main line and rehabilitation of bridges of the St. Lawrence & Atlantic Railroad Company (SL&A) in the Towns of Milan, Dummer, Stark, Shelburne and Gorham, Coos County, New Hampshire, including segments from:

- A. MP 105.4 to MP 106.0, Town of Milan
- B. MP 106.35 to MP 108.4, Town of Milan
- C. MP 109.4 to MP 110.0, Towns of Milan & Dummer
- D. MP 111.0 to MP 114.70, Town of Stark
- E. MP 116.51 to MP 116.91, Town of Stark

Bridges to be rehabilitated include:

- A. Bridge 85.6, Town of Shelburne
- B. Bridge 92.8, Town of Gorham
- C. Bridge 106.2, Town of Milan
- D. Bridge 109.0, Town of Milan
- E. Bridge 111.7, Town of Stark

The work will be performed by or for the Grantee and accepted by the NHDOT for reimbursement with funds provided through the State of New Hampshire and as appropriated through Chapter 275, Laws of 2015, State of New Hampshire."

WHEREAS, Section 3 E reads, "Project Completion Date – December 31, 2017."

WHEREAS, Exhibit A reads,

"The Project will upgrade 5 bridges along the SLR mainline in Coos County:

- Bridge 85.6, Clement Brook, Shelburne, NH
- Bridge 92.8, Moose Brook, Gorham, NH
- Bridge 106.2, Ammonoosuc River, Milan, NH
- Bridge 109.0, Route 110, Milan, NH
- Bridge 111.7, Phillips Brook, Stark, NH"

And,

"The total Project cost is estimated to be \$3,900,000 and split 50% between SLR and NHDOT (\$1,950,000 each)"

And,

"The plan is to start at the west end of the project, Mile Post 116.91 to MP 116.51 and 114.70 to 111.0 with CWR in 2016, complete 2 bridges in 2016 and the remainder in 2017. Project can begin in April 2016 and can be completed and inspections complete by December 31, 2017. The Project will be put out to bid to qualified railroad contractors and overseen by SLR employees."

RESOLVED, that the agreement be amended as follows:

Section 2 of the agreement to read, "The project consists of the installation of new continuous welded rail on the main line and rehabilitation of bridges of the St. Lawrence & Atlantic Railroad Company (SL&A) in the Towns of Milan, Dummer, Stark, Shelburne and Gorham, Coos County, New Hampshire, including segments from:

- A. MP 105.4 to MP 106.0, Town of Milan
- B. MP 106.35 to MP 108.4, Town of Milan
- C. MP 109.4 to MP 110.0, Towns of Milan & Dummer
- D. MP 111.0 to MP 114.70, Town of Stark
- E. MP 116.51 to MP 116.91, Town of Stark

Bridges to be rehabilitated include:

- A. Bridge 85.6, Town of Shelburne
- B. Bridge 88.26, Town of Shelburne
- C. Bridge 106.2, Town of Milan
- D. Bridge 109.0, Town of Milan
- E. Bridge 124.6, Town of Northumberland
- F. Bridge 128.70, Town of Stratford

The work will be performed by or for the Grantee and accepted by the NHDOT for reimbursement with funds provided through the State of New Hampshire and as appropriated through Chapter 275, Laws of 2015, State of New Hampshire."

Section 3 E to read, "Project Completion Date – May 31, 2018."

Exhibit A amended to read,

"The Project will upgrade 6 bridges along the SLR mainline in Coos County:

- Bridge 85.60, Clement Brook, Shelburne, NH
- Bridge 88.26, Rattle River, Shelburne, NH
- Bridge 106.2, Ammonoosuc River, Milan, NH
- Bridge 109.0, Route 110, Milan, NH
- Bridge 124.6, Farm Road near Hatches Creek, Northumberland, NH
- Bridge 128.7, Connary Brook, Stratford, NH"

And,

"The Total Project cost is estimated to be \$3,994,605.28 and split between SLR and NHDOT with NHDOT's contributions not to exceed \$1,950,000."

And,

"The plan is to start at the west end of the project, Mile Post 116.91 to MP 116.51 and 114.70 to 111.0 with CWR in 2016, complete 2 bridges in 2016, 2017 and the remainder in the spring of 2018. Project can begin in April 2016 and can be completed and inspections complete by May 31, 2018. The Project will be put out to bid to qualified railroad contractors and overseen by SLR employees".

All other provisions of the agreement shall remain in effect.

St. Lawrence & Atlantic Railroad Company

Date: 9/11/2017 By: [Signature]  
(Name) LOUIS GRAVEL  
PRESIDENT  
(Title)

STATE OF  
COUNTY OF

On this the 9 day of November, 2017, before me,  
Fatoumata Lo, the undersigned officer, personally appeared  
Louis Gravel, known to me (or satisfactorily proven) to be the person whose  
name is subscribed to the within instrument and acknowledged that (s)he has executed the same for the  
purposes therein contained.

IN WITNESS WHEREOF I hereunto set my hand and official seal.

Fatoumata Lo  
Notary Public/Justice of the Peace



NH Department of Transportation

By: [Signature] Date: 11/21/17

Approved by Attorney General

By: Alvin B. Greenstein Date: 11/27/17

Approved by Governor and Council

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

**EXHIBIT A  
AMENDMENT 1**

**Narrative**

**St. Lawrence & Atlantic Railroad/New Hampshire State Capital Fund Project**

The route of the St. Lawrence & Atlantic Railroad (SLR) provides connectivity between the North American freight rail network and the "North Country" region, serving Gorham, Berlin, Stark, Groveton and North Stratford. The SLR is a vital transportation link for existing as well as future NH businesses that depend on freight rail shipments.

The current freight car load weight limit on the line is restricted to 263,000 lbs. per rail car, vs. the modern North American industry standard of 286,000 lbs. This restriction results in businesses shipping partially loaded freight railcars while paying to ship fully loaded railcars. This puts NH businesses at a competitive disadvantage. Beginning in the early 1990's work began along this key corridor to upgrade the main line rail and infrastructure between Auburn, Maine and the end of the route outside metropolitan Montreal, Quebec. Examples of current SLR traffic include road salt, propane and plastic.

Much of the existing rail is of lighter #100 Lb. weight, over 80 years old, bolted in 39 foot sections, and made with the inferior non-controlled cooled technology. The obsolete rail is prone to internal metallurgical failures, creating risks for derailments if undetected, and is outdated for modern railcar weight capacities. Through a series of federal and state public – private partnerships and a steady stream of investments by SLR, most of the line has been upgraded with new heavier continuous welded rail. The route is down to the last 20 miles of obsolete rail in New Hampshire and Vermont. Replacement of 64,000 linear feet of this rail with new 115# continuously welded rail, plus upgrades to five bridges, will progress towards the ultimate goal of opening up the entire route to modern 286,000 lb. freight carload shipments, return the track to a state of good repair, and allow for significant future growth in freight shipments. The SLR is the only connection with the State-owned New Hampshire Central RR.

Public Benefits of this Project:

- Improves sourcing and distribution options for current businesses in New Hampshire to receive and ship 286,000 lb. rail cars.
- Increases freight rail capacity to the publicly owned seaport facilities in Portsmouth, New Hampshire.
- Increases marketability of industrial sites (greenfield and brownfield) on the corridor, helping with industrial sector job creation.
- Opens markets for export shippers in New Hampshire.
- Long term and meaningful transportation infrastructure improvements in a region currently faced with inadequate freight transportation options and increasing freight demands.
- Significant matching funds provided by SLR (50%)
- Moves towards completion of a long term project actively supported by three states (NH/VT/ME) and the Province of Quebec as well as many regional stakeholders.

The Project will upgrade 6 bridges along the SLR mainline in Coos County:

Bridge 85.60, Clement Brook, Shelburne, NH

Bridge 88.26, Rattle River, Shelburne, NH

Bridge 106.2, Ammonoosuc River, Milan, NH

Bridge 109.0, Route 110, Milan, NH

Bridge 124.6, Farm Road near Hatches Creek, Northumberland, NH

Bridge 128.7, Connary Brook, Stratford, NH

The Project will install new 115# continuously welded rail on the SLR mainline in Coos County:

MP 105.4 to MP 106.0, Milan, NH

MP 106.35 to MP 108.4, Milan, NH

MP 109.4 to MP 110.0, Milan, NH & Dummer, NH

MP 111.0 to MP 114.70, Stark, NH

MP 116.51 to MP 116.91, Stark, NH

Other Track Material Used:

6,400 115# tie plates per mile will be installed

3.5 spikes per plate

2 joint bars per joint

4 track bolts per joint

3 tie plugs per plate

6,700 rail anchors per mile

12 bonded insulated joints

550 tons of ballast per mile

The Total Project cost is estimated to be \$3,994,605.28 and split between SLR and NHDOT with NHDOT's contributions not to exceed \$1,950,000.

See separate project Materials & Labor Cost Estimate for more details.

The plan is to start at the west end of the project, Mile Post 116.91 to MP 116.51 and 114.70 to 111.0 with CWR in 2016, complete 2 bridges in 2016 and the remainder in 2017 and the spring of 2018. Project can begin in April 2016 and can be completed and inspections complete by May 31, 2018. The Project will be put out to bid to qualified railroad contractors and overseen by SLR employees.

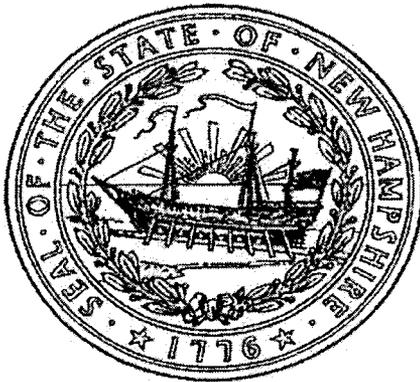
# State of New Hampshire

## Department of State

### CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that ST. LAWRENCE & ATLANTIC RAILROAD COMPANY is a Delaware Profit Corporation registered to do business in New Hampshire as ST. LAWRENCE & ATLANTIC RAILROAD COMPANY, INC. on March 16, 1989. I further certify that all fees and documents required by the Secretary of State's office have been received and is in good standing as far as this office is concerned.

Business ID: 138909



IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed  
the Seal of the State of New Hampshire,  
this 27th day of October A.D. 2017.

A handwritten signature in cursive script, appearing to read "William M. Gardner".

William M. Gardner  
Secretary of State

ST. LAWRENCE & ATLANTIC RAILROAD COMPANY

Extract of a

Resolution of the Board of Directors

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IT IS RESOLVED THAT:

WHEREAS Louis Gravel, President, is authorized to act for and on behalf of St. Lawrence & Atlantic Railroad Company, (the "Company") and to perform each and every one of the following acts:

1. To collect and receive any rent, interest and capital, rent in arrears or other revenues due and accruing due, as well as any repayments in principal and interest offered or exigible and generally any sums of money that are or may be owing to the Company.
2. To demand, collect and receive any capital sums and any revenues owing to the Company by anyone, for any reason whatsoever and of any nature whatsoever, in principal and interest, and for the sums so received or paid to give or acknowledge good and valuable discharge.
3. To grant any legal or conventional subrogations with or without security, and any pure discharges, with or without consideration, in respect of any rights, hypothecs, resolutive clause, seizures, oppositions and other impediments against any movable or immovable property, the whole with or without consideration, as well as any prior hypothecs or hypothecary priorities in favor of anyone.
4. To accept and sign, for and on behalf of the Company, any cancellation of deeds of sale, leases or other contracts, to give any notice, make any surrender, exercise any taking of possession, and exercise any taking in payment, the whole in accordance with articles 2644 *et. seq.* of the Civil Code of Quebec. To take any immovable property that any debtor may offer to the Company in payment of any sums of money owing to it, in principal, interest and charges, and to discharge any debtor from its debt, under the terms of an obligation, a loan or a sale, duly published or not, with hypothecary discharge from any hypothec registrations so granted to the Company, as well as from a resolutive clause.
5. To sell, assign or transfer, for the price and on the terms and conditions most favorable for the Company, any movable and immovable property owned or acquired by the Company, to receive the price in cash or installments, establish the taking of possession and the terms and conditions thereof, and enter into any other special agreement necessary to protect the interests of the Company, such as a resolutive clause and other clauses, to acquire and lease for the Company any immovable or movable property at the most favorable price, and make any exchanges and may sell an enterprise in accordance with articles 1764 and 1767 *et. seq.* of the Civil Code of Quebec.
6. To grant or accept any real and perpetual servitude, either in favor of or against the immovable property of the Company, at the most favorable price and on the most favorable terms and conditions, and grant any servitudes by destination of proprietor; to make subdivision or resubdivision requests, subdivision cancellation requests, and cadastral number redivision requests, etc.
7. To hear, discuss and balance accounts with the Company's debtors and depositors and, in the event of difficulty or default on the part of the debtors and depositors, to institute any actions, obtain any

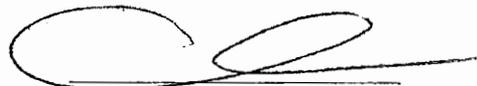
judgments and cause them to be executed, and negotiate and accept any out-of-court settlements deemed to be in the best interests of the Company.

8. To become party to any documents whatsoever and accept any assignments or transfers and assignments of debt that may be made in respect of the Company, but for purposes of service only.
9. For all the above purposes, to enter into and sign any necessary notarized or private documents and give any notaries or attorneys the authorization or mandate to represent the Company for all legal purposes in the event of a dispute, and for all judicial purposes as either plaintiff or defendant, and to agree to any guilty plea, if necessary.
10. To cause to be drawn up and to sign any proceedings in the event of expropriation of the Company's property, hire experts, and obtain a judgment or any favorable settlement in connection therewith.
11. To buy or acquire at any auction, public or not, and to sign any documents, proceedings and contracts in connection therewith.
12. To sign and execute any security documents and any guarantees in respect of any court proceedings and in any transactions in which the Company is involved.
13. To submit a matter to arbitration on behalf of the Company.
14. To sign and countersign the Company's minutes and issue copies of the present resolution under his signature as being a resolution of the Company's board of directors.

IT IS THEREFORE CONFIRMED THAT Louis Gravel is authorized to act for and on behalf of St. Lawrence & Atlantic Railroad Company and sign all relevant documents.

I, Catherine Pushchak, Assistant Secretary of St. Lawrence & Atlantic Railroad Company, hereby certify that said vote has not been amended or repealed and remains in full force and effect as of November 9th, 2017 and that Louis Gravel is duly elected President of this Company.

I hereby certify and affirm that the information contained herein is true and accurate to the best of my knowledge.



Catherine Pushchak

Date: 11/9/17