



**VIRGINIA RAILWAY
EXPRESS**

**OPERATIONS BOARD
MEMBERS**

**DANA KAUFFMAN
CHAIRMAN**

**DOUG WALDRON
VICE CHAIRMAN**

**ELAINE MCCONNELL
SECRETARY**

**PAUL MILDE
TREASURER**

HILDA BARG

SHARON BULOVA

MAUREEN CADDIGAN

WALLY COVINGTON

ROBERT GIBBONS

JOHN D. JENKINS

MATTHEW KELLY

MATT TUCKER

**CHRISTOPHER
ZIMMERMAN**

**DALE ZEHNER
CHIEF EXECUTIVE
OFFICER**

1500 King Street, Suite 202
Alexandria, VA 22314-2730
(703) 684 - 1001
FAX: (703) 684 - 1313
Web Site: www.vre.org

MINUTES

**VRE OPERATIONS BOARD MEETING
PRTC HEADQUARTERS – PRINCE WILLIAM COUNTY, VIRGINIA
FEBRUARY 16, 2007**

MEMBERS PRESENT	JURISDICTION
Sharon Bulova (NVTC)	Fairfax County
John D. Jenkins (PRTC)	Prince William County
Dana Kauffman (NVTC)	Fairfax County
Elaine McConnell (NVTC)	Fairfax County
Paul Milde (PRTC)**	Stafford County
Matthew Tucker	DRPT
Doug Waldron (PRTC)	City of Manassas

ALTERNATES PRESENT	JURISDICTION
Hilda Barg (PRTC)	Prince William County
Maureen Caddigan (PRTC)	Prince William County
Robert Gibbons (PRTC)	Stafford County
Matthew Kelly (PRTC)	City of Fredericksburg
Christopher Zimmerman (NVTC)	Arlington County

ALTERNATES ABSENT	JURISDICTION
Wally Covington (PRTC)	Prince William County

STAFF AND GENERAL PUBLIC	
Marv Dixon – City of Fredericksburg	Steve MacIsaac – VRE counsel
John Duque – VRE	April Maguigad – VRE
Steve Edwards – Supervisor McConnell's Office	Betsy Massie – PRTC staff
Anna Gotthardt – VRE	Sirel Mouchantaf – VRE
Bill Greenup – VHSRDC	Dick Peacock – citizen
Al Harf – PRTC staff	Lloyd Robinson – FAMPO
Angela Horan – PW County Attorney	George Schwartz – Stafford County
Ann King – VRE	Jennifer Straub – VRE
Mike Lake – Fairfax County	Rick Taube – NVTC staff
Trinh Lam – VRE	Alan Tobias – DRPT
Bob Leibbrandt – Prince William County	Amanda Woolner – VRE
	Dale Zehner – VRE

** Delineates arrival following the commencement of the Board meeting. Notation of exact arrival time is included in the body of the minutes.

Chairman Kauffman called the meeting to order at 9:35 A.M. Following the Pledge of Allegiance, roll call was taken.

Approval of the Agenda – 3

Mr. Waldron moved, with a second by Ms. Bulova, to approve the agenda. The vote in favor was cast by Board Members Bulova, Caddigan, Jenkins, Kauffman, McConnell, Tucker and Waldron.

Minutes of the January 19, 2006, VRE Operations Board Meeting – 4

Mr. Waldron moved, with a second by Ms. Bulova, to approve the minutes. The vote in favor to approve the minutes was cast by Board Members Bulova, Caddigan, Jenkins, Kauffman, McConnell, Tucker and Waldron.

Chairman's Comments – 5

Chairman Kauffman had no comments.

Chief Executive Officer's Report – 6

Mr. Zehner reported that VRE ridership is back to averaging 15,000 daily trips, which is that same as last year at this time. VRE has begun to dig itself out of its ridership slump. On-time performance for January was 90 percent systemwide (93 percent on the Manassas Line and 87 percent on the Fredericksburg Line).

Mr. Zehner also reported that the first phase of the Quantico Bridge project will be completed today. Phase II will begin with signal work next week and should be completed within four days. VRE will run a modified schedule on the Fredericksburg Line during this work, but will lengthen the trains to accommodate more riders and mitigate overcrowding.

[Mr. Milde arrived at 9:38 A.M.]

Mr. Zehner stated that on February 5th Phase II of the Burke Centre parking garage began. During this phase, a total of 235 spaces will remain unavailable for about 14 months. He stated that VRE has probably lost some ridership at this station, even though VRE has been running bus shuttles for passengers. He has asked Fairfax County staff and VRE staff to monitor this situation. Ms. Bulova observed that the shuttle buses are running on time, but the trains haven't always been on time.

Mr. Gibbons stated that the House Transportation Bill includes \$30 million for VRE and the Senate version has only \$25 million. Mr. Zehner stated that it is his understanding that it was an oversight and an amendment will be introduced to bring the Senate bill to \$30 million for VRE capital and operating funds. Mr. Tucker stated that he will update the Board by email on the status of this legislation. In response to a question from Mr. Milde asking if this potential state funding would impact the increased jurisdictional subsidy, Mr. Zehner responded that he does not know all the stipulations, but part of the funding would need to be approved by cities and counties.

VRE Riders' Comments – 7

Mr. Peacock stated that VRE needs to obtain new locomotives, because of all the recent breakdowns. He asked what is the average age of the locomotive fleet. If legislators knew the age, they might be more sympathetic to the need for funding for new equipment. VRE needs large enough locomotives to haul 8-10 railcars. VRE doesn't have to pay freight railroads more when VRE runs longer trains. He also stated that it is important for VRE to do a brief statistical study on equipment breakdowns over the last three years.

Authorization to Award Contracts to Install Security Lighting at the VRE Yards – 8A

Mr. Zehner stated that the VRE Operations Board is being asked to authorize the CEO to award a contract to NV Enterprises, Inc. to install perimeter security lighting at the VRE Board Run yard in the amount of \$210,131, plus a contingency of \$21,013, for a total amount not to exceed \$231,144. The VRE Operations Board is also being asked to authorize the CEO to award a contract to Jeff Small Construction to install perimeter security lighting at the VRE Crossroads yard in the amount of \$90,000, plus a contingency of \$9,000, for a total amount not to exceed \$99,000. Resolution #8A-02-2007 would accomplish this.

Mr. Waldron moved, with a second by Ms. Bulova, to approve the resolution. The vote in favor was cast by Board Members Bulova, Jenkins, Kauffman, McConnell, Milde, Tucker and Waldron.

Authorization to Issue a Task Order for Installation of Pneumatic Holding Brake – 8B

Mr. Zehner stated that Resolution #8B-02-2007 would authorize the CEO to issue a task order to STV, Inc. for the modification of VRE's 11 new cab cars by installing a pneumatic holding brake. The task order would be in the amount of \$68,088, plus a contingency of \$6,808, for a total amount not to exceed \$74,816.

Mr. Waldron moved, with a second by Ms. Bulova, to approve the resolution. The vote in favor was cast by Board Members Bulova, Jenkins, Kauffman, McConnell, Milde, Tucker and Waldron.

Chairman Kauffman requested that the Operations Board discuss Agenda Item #9B "DRPT Presentation on the Third Track Feasibility Study" before #9A "Governance Discussion." There were no objections.

DRPT Presentation on the Third Track Feasibility Study – 9B

Chairman Kauffman stated that at the last Operations Board meeting, a request was made that the Board receive a presentation from DRPT staff on the recently completed Washington, D.C.- Richmond Third Track Feasibility Study. Mr. Tobias stated that CSX owns the 118-mile rail right-of-way between Richmond and Union Station. In 2000, The General Assembly approved state funds totaling \$65 million to improve passenger and freight rail capacity and reliability in the I-95 corridor. The projects funded include the Arkendale Crossover (completed), Elmont Crossover near Richmond (completed), and L'Enfant Third track, SRO-RO Third Track, Franconia Third Track and Fredericksburg Third Track.

In response to a question from Mr. Harf, Mr. Tobias explained that \$43 million of the \$65 million was designated for the six I-95 corridor projects. The other \$18 million was allocated for the Richmond area. Mr. Tucker explained that at this point, approximately \$20 million will be needed to supplement the \$65.7 million originally provided by the state. Costs have increased due to lack of PE for original estimates done six years ago, cost escalations, and project refinements. In response to a question from Ms. Barg, Mr. Tobias explained that the Neabsco Bridge is part of the third track project. He stated that the bridge is owned by CSXT and it is their responsibility to maintain it.

Mr. Harf observed that at the time the MOU with CSXT was negotiated in regards to the third track, VRE was operating 32 trains a day. It is now down to 30 trains a day. Therefore, presumably VRE could add another train each way. Chairman Kauffman asked how many freight trains CSX has added since that time. Mr. Tobias guessed that CSX has added six to eight additional freight trains. Mr. Zimmerman stated that it would be useful to know what value CSX has gained from these additional trains. Ms. Bulova stated that the more freight that can be on rail is less truck traffic on I-95.

Mr. Tobias then reviewed the key finding of the Feasibility Study Report. In general, it was determined that the feasibility of a third track could not be determined from a cost or engineering perspective. There is still a great deal of work that needs to be done before this can be determined. Mr. Tucker stated that it is important to look at it from the perspective of public benefit and the investment of funds. There is the issue of feasibility relative to cost. Mr. Zimmerman stated that it would be interesting to know the criteria that would be used to determine economic feasibility, such as the number of riders involved, or looking at improvements for current riders, or potential impact on

economic development. Mr. Tucker stated that his department is transitioning all its programs to a public benefit model, which needs to be looked at from a congestion management or congestion reduction point of view, as well as social and economic impacts.

Mr. Tobias reported that the study has concluded that the minimum/partial cost estimate for the partial third track is \$612.2 million and the Richmond Terminal is \$71.8 million, for a total estimate of \$684 million, which excludes items such as inflation costs, cost of electrification, purchase of right-of-way, relocation of utilities, and the Potomac Bridge, all of which could dramatically increase this estimate. The costs are calculated in 2006 dollars. Mr. Tobias then reviewed the current project issues and ongoing challenges.

Mr. Tobias reported that the study includes a future strategic approach, including providing \$20 million to complete the VTA 2000 projects, conduct a comprehensive Alternatives Analysis, conduct environmental reviews and preliminary engineering, develop realistic cost estimates, establish governance agreements, and identify a dedicated source of funding for capital and operating expenses.

Ms. McConnell asked who would own the third track once it was completed. Mr. Tobias responded that this is a governance issue that would need to be resolved to insure that if the state is making the investments in the third track, then it is guaranteed that the state reaps the benefits.

Mr. Milde stated that in the end it comes down to the issue of capacity. He asked if there is a way to look at the third track project in phases, such as a segment between Washington to Spotsylvania, to put more emphasis where it needs to be.

Mr. Harf observed that the cost benefit question needs to be looked at more broadly because there are going to be more investments needed, in order to maximize the optimal combination of investments that will result in maximum public benefit. Investments in I-95 highway and the rail corridor need to be looked at together.

Mr. Gibbons asked for information on what Amtrak pays for track usage and the "amount of money going to Richmond coffers out of this corridor." He stated that the commitment was made for third rail and his constituents are waiting for it. Mr. Tucker stated that there is a sequencing of steps, which includes identifying the long range vision of the corridor. Mr. Gibbons stated that the corridor needs help now.

In response to a question from Chairman Kauffman, Mr. Tobias stated that he has received favorable responses to his presentation on the feasibility study. Chairman Kauffman stated that it has been three years of CSX "limbo" and asked if there was a timeline for negotiations. Mr. Tucker stated that he hopes it is months and not years. Ms. McConnell stated that it is important to have the public supporting the project.

Governance Discussion -- 9A

Chairman Kauffman reported that NVTC approved the resolution at its February meeting and forwarded the two VRE budgets and the governance issue to the NVTC jurisdictions for action. However, at the PRTC meeting, an amended resolution was adopted that included language asking the Operations Board to examine comments and alternative proposals made by member jurisdictions. These modifications were based on concerns voiced by Stafford County and the City of Fredericksburg.

Mr. Zehner stated that the three issues Stafford and Fredericksburg have with the resolution deal with the weighted vote based on subsidy, non-jurisdictional riders and autonomy of the VRE Operations Board. Mr. Kelly explained that the “subsidy-based” approach as drafted creates the unintentional consequence of enabling Prince William County and Fairfax County to prevail in a “split vote” situation even if all other member jurisdictions are opposed. The original proposal on weighted voting insured that no fewer than three members were in agreement to bring about a result. Therefore, they would like an adjustment made to restore this. Mr. Kelly stated that it is important that no two localities have control of Board decisions. Mr. Waldron stated that the subsidy based approach is fair and the right way to do it. It was his understanding that the 60 percent could be changed, which would be an option to resolve this issue. Mr. Zimmerman stated that another way to do it would be to have a quantity of jurisdictions threshold, which is done at NVT. Ms. Caddigan stated that 66 percent was talked about that would bring in other jurisdictions. Mr. Jenkins agreed on the subsidy based approach with a minimum number of jurisdictions voting, such as three jurisdictions. Mr. Milde also agreed.

Mr. Kelly explained that the second issue concerns non-member jurisdictional riders. Stafford County and Fredericksburg take issue with the position that non-member jurisdictional riders have no differential impact on the member jurisdictions. Some members are affected disproportionately because of the heavy incidence of traffic and parking demands and associated, adjoining neighborhood sensitivities. They feel some accommodation is warranted, be it in the form of a portion of the system revenue or a mitigation project funded by all the VRE members as part of VRE's CIP. Mr. Kelly explained that currently Fredericksburg has approximately 200 residents riding VRE, while 1000 from outside jurisdictions come into the city and use VRE. Mr. Waldron stated that it is important to look at the big picture and get the outer jurisdictions to join VRE, such as Spotsylvania County. He suggested that there may be a way to help Fredericksburg “over the hump” until Spotsylvania joins VRE. Mr. Milde stated that there is some logic to allowing a small portion of the revenue to come back to the jurisdictions to help mitigate some of the extra financial burden associated with non-member jurisdictional riders.

Mr. Kelly explained that the third issue deals with the autonomy of the VRE Operations Board. Stafford and Fredericksburg want all VRE member governments to commit to working towards the goal of giving the VRE Operations Board control of its operations

and budget by 2010. He stated that FAMPO wants to expand its borders to Caroline County and King George County in the next few years. With NVTC, PRTC and FAMPO all being involved, this could impact VRE operations. VRE needs more autonomy over its budget.

[Ms. Barg left the meeting at 11:20 A.M.]

Chairman Kauffman stated that it is important that this process progresses so negotiations can begin. Mr. Gibbons stated that PRTC convened a subcommittee to look at these issues.

Adjournment

Chairman Kauffman adjourned the meeting at 11:23 A.M.

Approved this 16th day of March, 2007.

Dana Kauffman
Chairman

Elaine McConnell
Secretary

CERTIFICATION

This certification hereby acknowledges that the minutes for the February 16, 2007 Virginia Railway Express Operations Board Meeting have been recorded to the best of my ability.

Rhonda Gilchrest

Rhonda Gilchrest