



MINUTES

VRE OPERATIONS BOARD MEETING PRTC HEADQUARTERS – PRINCE WILLIAM COUNTY, VIRGINIA MARCH 20, 2009

VIRGINIA RAILWAY EXPRESS

BOARD MEMBERS

CHRIS ZIMMERMAN
CHAIRMAN

PAUL MILDE
VICE-CHAIRMAN

WALLY COVINGTON
TREASURER

SHARON BULOVA
SECRETARY

MAUREEN CADDIGAN
PATRICK HERRITY
JOHN JENKINS
MATTHEW KELLY
SUHAS NADDONI
KEVIN PAGE
GEORGE SCHWARTZ
PAUL SMEDBERG
JONATHAN WAY

ALTERNATES

MARC AVENI
CHARLES BADGER
HARRY CRISP
MARK DUDENHEFER
BRAD ELLIS
JAY FISETTE
FRANK JONES
TIMOTHY LOVAIN
MICHAEL MAY
JEFF McKAY
MARTIN NOHE
JOHN STIRRUP

DALE ZEHNER
CHIEF EXECUTIVE
OFFICER

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MEMBERS PRESENT	JURISDICTION
Sharon Bulova (NVTC)	Fairfax County
Wally Covington (PRTC)	Prince William County
Patrick Herrity (NVTC)	Fairfax County
John D. Jenkins (PRTC)	Prince William County
Paul Milde (PRTC)	Stafford County
Kevin Page	DRPT
George H. Schwartz (PRTC)	Stafford County
Jonathan Way (PRTC)	City of Manassas
Christopher Zimmerman (NVTC)	Arlington County

MEMBERS ABSENT	JURISDICTION
Maureen Caddigan (PRTC)	Prince William County
Matthew Kelly (PRTC)	City of Fredericksburg
Suhas Naddoni (PRTC)	City of Manassas Park
Paul Smedberg (NVTC)	City of Alexandria

ALTERNATES ABSENT	JURISDICTION
Marc Aveni (PRTC)	City of Manassas
Charles Badger	DRPT
Brad Ellis	City of Fredericksburg
Harry Crisp (PRTC)	Stafford County
Mark Dudenhefer (PRTC)	Stafford County
Jay Fiset (NVTC)	Arlington County
Frank C. Jones (PRTC)	City of Manassas Park
Timothy Lovain (NVTC)	City of Alexandria
Michael C. May (PRTC)	Prince William County
Jeff McKay (NVTC)	Fairfax County
Martin E. Nohe (PRTC)	Prince William County
John Stirrup (PRTC)	Prince William County

STAFF AND GENERAL PUBLIC	
Kelly Hannan – Free Lance Star	April Maguigad – VRE
Al Harf – PRTC staff	Betsie Massie – PRTC staff
Ann King – VRE	Peyton Onks – Sup. Herrity's office
Mike Lake – Fairfax County	Dick Peacock – citizen
Trinh Lam – VRE	Lynn Rivers – Arlington County
Lezlie Lamb – VRE	Mark Roeber – VRE
Bob Leibbrandt – Prince William County	Jennifer Straub – VRE
Steve MacIsaac – VRE counsel	Rick Taube – NVTC staff
	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 Zimmerman called the meeting to order at 9:42 A.M. Following the Pledge of Allegiance, roll call was taken.

Approval of the Agenda – 3

Chairman Zimmerman requested that the agenda be modified to remove Agenda Item #9D: “Authorization to Amend the Contract with Scheidt and Bachmann to Upgrade the VRE Fare Collection System” from the agenda. There were no objections. This agenda item is expected to be put on the agenda for next month.

Mr. Jenkins moved, with a second by Mr. Schwartz, to approve the amended agenda. The vote in favor was cast by Board Members Bulova, Covington, Herrity, Jenkins, Milde, Page, Schwartz, Way and Zimmerman.

Minutes of the February 20, 2009, VRE Operations Board Meeting – 4

By unanimous consent, the minutes were accepted as presented. There were no objections.

Chairman’s Comments – 5

Chairman Zimmerman sadly announced that George Billmyer passed away on March 9, 2009. Mr. Billmyer was a long time supporter of VRE and regularly attended VRE Operations Board meetings and spoke during VRE rider’s and citizen’s time. Ms. Bulova observed that George has been around since VRE’s inception and was a member of the Friends of the Virginia Railway Express. Chairman Zimmerman requested that VRE send condolences to the Billmyer family. Ms. Bulova suggested including an obituary with a photograph in VRE’s newsletter.

Chairman Zimmerman announced that Governor Kaine has officially appointed Chip Badger as the DRPT Director. Chairman Zimmerman asked Mr. Page to convey VRE’s congratulations to Mr. Badger.

Chairman Zimmerman stated that the Commonwealth Transportation Board met yesterday and approved the CSX framework agreement, which means track work between Washington, D.C. and Richmond can be initiated. The CTB also approved the amendment to the MOU between CSXT, VRE and DRPT relating to the DRPT intercity train service. Mr. Page stated that the Commonwealth initiative was started over two years ago. Chairman Zimmerman noted that this is timely with the new federal initiative. Mr. Page agreed and stated that the Amtrak reauthorization legislation passed last October 2008, sets up a strategy for regional trains not currently being subsidized by Amtrak to be transitioned over for state subsidy. Virginia will become the 15th state which will fund passenger rail service under agreement with Amtrak. This establishes a path to move forward if intercity passenger rail service is federally mandated that it must be subsidized by the states in return for federal subsidies.

Chief Executive Officer's Report – 6

Mr. Zehner reported that VRE's on-time performance for February was 93 percent systemwide, with 92 percent for Fredericksburg and 94 percent for Manassas. Ridership is still up but the growth rate is slowing. It does not seem to be performance related, but staff will monitor this. During this past week, VRE experienced three locomotive failures in-route, which resulted in delays cascading down the schedule. The failures were the result of a broken water pump shaft, an auxiliary generator failure and an electrical short in a traction motor. All three locomotives have been repaired and are back in service. Chairman Zimmerman stated that staff needs to look at whether these failures were a result of the age of the equipment or a failure of proper maintenance. Mr. Milde agreed that it is important to know if they are age related problems. Mr. Zehner responded that he has asked for a report from Amtrak on what exactly occurred and what can be done to mitigate any future problems. Chairman Zimmerman asked staff to report back to the Board on this issue.

Mr. Zehner announced that he has been asked to testify on March 30th for the Transportation and Infrastructure Committee's Railroads, Pipelines, and Hazardous Materials Subcommittee concerning the Railroad Rehabilitation and Financing Loan Program (RIF), which was the loan program VRE used to buy 60 railcars. VRE was the first public agency to use this program.

Mr. Milde asked for more information about the Brooke Station project in the CEO report every month. He would like to see this project made a priority.

VRE Riders' and Public Comment – 7

Dick Peacock paid tribute to Mr. Billmyer. He also asked if additional RIF funds can be obtained to purchase more locomotives. He suggested contacting other rail systems to see if they have locomotives that can be leased for a reasonable price. It is his understanding that a commuter rail operation in Nashville, Tennessee is struggling and may not need all of its locomotives for awhile. He stated that VRE needs to pursue more options to acquire more locomotives, either by leasing, purchasing, and/or better or more maintenance.

Chairman Zimmerman stated that VRE should communicate to the public why VRE needs stimulus funds to purchase additional locomotives. Mr. Zehner stated that in regards to Mr. Peacock's comment about the RIF loan, unfortunately VRE is not in a position to incur any more debt. However, VRE staff is looking for more state funding, grants and earmarks to be able to purchase up to 11 more locomotives. In response to a question from Mr. Milde, Mr. Zehner provided additional statistics on VRE's locomotive fleet.

Consent Agenda – 8

Mr. Jenkins moved, with a second by Ms. Bulova, to approve the following Consent Agenda items:

Resolution #8A-03-2009: Authorization to Issue a Task Order for Locomotive Diagnostic Work

Resolution #8B-03-2009: Authorization to Issue a Task Order for Daily HEP and Hot Start Inspections and Running Repairs

The Board voted on the motion and it unanimously passed. The vote in favor was cast by Board Members Bulova, Covington, Herrity, Jenkins, Milde, Page, Schwartz, Way and Zimmerman.

Authorization to Modify the Contract for New Locomotive Purchase – 9A

Mr. Zehner explained that the VRE Operations Board is being asked to recommend that the Commissions authorize the VRE CEO to modify the contract with Motive Power, Inc., for the purchase of locomotives so that the base order is increased from five to up to nine locomotives, increasing the contract value to \$44,103,342, plus a 10 percent contingency of \$3,310,334, for a total amount not to exceed \$36,413,676. Resolution #9A-03-2009 would accomplish this.

Mr. Zehner stated that VRE is expected to receive \$9.8 million in stimulus funds to purchase locomotives. As a result, the Board is being asked to increase the base order by up to four additional units, using a combination of the stimulus funds, federal formula funds and a \$5 million federal earmark approved in FY 2008. In response to a question from Mr. Milde, Mr. Zehner stated that once in operation, the new locomotives will save VRE operating funds.

Ms. Bulova moved, with a second by Mr. Milde, to approve Resolution #9A-03-2009. The vote in favor was cast by Board Members Bulova, Covington, Herrity, Jenkins, Milde, Page, Schwartz, Way and Zimmerman.

Authorization to Increase the Contract Amount for Locomotive Fuel Supply at Both Yards – 9B

Mr. Zehner reported that the VRE Operations Board is being asked to authorize him to amend the existing contract with Mifco Heating oil of Manassas, Virginia for the delivery of diesel fuel to the Broad Run Yard by \$600,000, for a total amount not to exceed \$2,900,000. Resolution #9B-03-2009 would accomplish this as well as authorizing the VRE CEO to amend the existing contract with Quarles Petroleum Company of Fredericksburg, Virginia for the delivery of diesel fuel to the Crossroads Yard by \$200,000, for a total amount not to exceed \$3,200,000.

Mr. Zehner explained that the higher than projected level of expenditure is attributed to more fuel usage than estimated. This increase is due primarily to increased ridership and the use of F-40 locomotives in VRE's fleet. The F-40's consume nearly twice the amount of fuel as a GP-39 locomotive. While every effort is made to use only GP-style units for VRE service, the F-40's must be used when a GP unit is undergoing a scheduled or unscheduled repair. This authorization does not impact the action last month to execute fuel contracts for the next fiscal year.

Ms. Bulova moved, with a second by Mr. Schwartz, to approve Resolution #9B-03-2009. The vote in favor was cast by Board Members Bulova, Covington, Herrity, Jenkins, Milde, Page, Schwartz, Way and Zimmerman.

Authorization to Award a Contract for Contaminated Waste Removal Services – 9C

Mr. Zehner stated that Resolution #9C-03-2009 authorizes the CEO to enter into a contract with IMS Environmental Services of Fredericksburg, Virginia, for contaminated waste removal services in an amount not to exceed \$250,000, for the three year term of the contract.

Mr. Zehner reported that following a RFP process, VRE received two proposals and IMS Environmental Services is being recommended for award. The scope of services in this contract are spill containment, hazardous and contaminated materials removal, blood borne pathogen awareness training for the cleaning staff, and annual washing and cleaning of the locomotive drip pan system. The annual training and drip pan treatment are base contract services with spill containment, waste removal and other unscheduled duties being managed on an as needed basis.

Mr. Covington moved, with a second by Mr. Schwartz, to approve the resolution. The vote in favor was cast by Board Members Bulova, Covington, Herrity, Jenkins, Milde, Page, Schwartz, Way and Zimmerman.

Other VRE Items

Mr. Zehner reported that the annual Meet the Management events begin on April 1st at Union station and will occur every Wednesday through the last event at the Lorton Station on August 5th. CSXT representatives will participate at the L'Enfant event and Norfolk Southern representatives will attend at the Crystal City event. Ms. Bulova encouraged Board Members to attend some of these events because it provides a unique opportunity to meet VRE riders. Mr. Zehner explained that all VRE staff members participate so that everyone gets "face time" with the customers.

Mr. Milde commended staff for VRE's on-time performance on the Fredericksburg line.

Mr. Schwartz stated that at the last Stafford County Board of Supervisor's meeting, a resolution was passed which includes a two-fold directive: 1) instructs county staff to direct billings to adjoining non-member jurisdictions for their proportion of ridership on

VRE affecting the Stafford County subsidy; and 2) directs Stafford County's VRE members Milde and Schwartz to advocate to VRE to develop a voucher system for Stafford ridership, whereby all ticket sales would be at the full operating cost and residents of member jurisdictions would receive refunds from their member jurisdiction. Both Mr. Milde and Mr. Schwartz voted against this resolution. Mr. Schwartz stated that although they do not agree with the voucher system, they are directed to ask that VRE consider it. Mr. Milde stated that in order to make the voucher system work, Fredericksburg needs to participate. The legality of doing this also needs to be explored. He also reported that Spotsylvania County is poised to vote next month on joining VRE.

Adjournment

Chairman Zimmerman announced that the next meeting is scheduled for April 17, 2009. Without objection, Chairman Zimmerman adjourned the meeting at 10:22 A.M.

Approved this 17th day of April 2009.

Christopher Zimmerman
Chairman

Sharon Bulova
Secretary

CERTIFICATION

This certification hereby acknowledges that the minutes for the March 20, 2009 Virginia Railway Express Operations Board Meeting have been recorded to the best of my ability.

Rhonda Gilchrest

Rhonda Gilchrest