

AGENDA ITEM 8-A
ACTION ITEM

TO: CHAIRMAN ZIMMERMAN AND THE VRE OPERATIONS BOARD

FROM: DALE ZEHNER

DATE: NOVEMBER 20, 2009

**RE: AUTHORIZATION TO FORWARD THE FY 2009 AUDITED
FINANCIAL STATEMENTS AND MANAGEMENT LETTER TO
THE COMMISSIONS**

RECOMMENDATION:

The VRE Operations Board is being asked to authorize the Chief Executive Officer to forward to the Commissions for consideration VRE's financial statements for FY 2009 as audited.

BACKGROUND:

The audit of VRE's FY 2009 financial statements has been completed and the auditors have issued an unqualified opinion. Their report finds that VRE's statements, in all material respects, fairly and accurately present the financial position of the organization.

The FY 2009 audit was conducted by the firm of PBGH, LLC. PBGH has served as the auditors for VRE, PRTC and NVTC for the last few years and a new three year contract for the audit of the VRE and NVTC financial statements was approved in April 2008. The audited financial statements will be made available at the Operations Board meeting.

The auditors' report on internal control lists one finding related to the recognition of accrued expenses. A locomotive progress payment was paid by wire in July and erroneously recorded in July, for work performed in June. The auditors were

required to disclose this error as a weakness in internal control because of the materiality of the transaction.

FISCAL IMPACT:

There is no financial impact to the VRE Operating Budget from the presentation of these audited financial statements.

TO: CHAIRMAN ZIMMERMAN AND THE VRE OPERATIONS BOARD
FROM: DALE ZEHNER
DATE: NOVEMBER 20, 2009
RE: AUTHORIZATION TO FORWARD THE FY 2009 AUDITED
FINANCIAL STATEMENTS AND MANAGEMENT LETTER TO
THE COMMISSIONS

RESOLUTION
8A-11-2009
OF THE
VIRGINIA RAILWAY EXPRESS
OPERATIONS BOARD

WHEREAS, the VRE Operations Board, as well as the Northern Virginia Transportation Commission, have contracted for the audit of their respective financial statements; and,

WHEREAS, such audits have been conducted by the firm of PBGH, LLC; and,

WHEREAS, the aforementioned firm has completed the audit of VRE's FY 2009 financial statements; and,

WHEREAS, the auditors have issued an unqualified opinion that VRE's statements, in all material respects, fairly and accurately present the financial position of the organization.

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board authorizes the Chief Executive Officer to forward to the Commissions for consideration VRE's financial statements for FY 2009 as audited.

AGENDA ITEM 8-B
ACTION ITEM

TO: CHAIRMAN ZIMMERMAN AND THE VRE OPERATIONS BOARD

FROM: DALE ZEHNER

DATE: NOVEMBER 20, 2009

RE: AUTHORIZATION TO APPROVE THE 2010 LEGISLATIVE AGENDA

RECOMMENDATION:

The VRE Operations Board is being asked to recommend that the Commissions approve the 2010 VRE Legislative Agenda and authorize the Chief Executive Officer to actively pursue its elements.

BACKGROUND:

The VRE legislative agenda is formulated to advocate VRE priorities in coordination with the Commissions and local jurisdictions. Additional advocacy positions related to specific federal and state legislature are also presented.

FEDERAL

1. **Authorization of Transportation Legislation**

Congress has begun working on the elements for the next Reauthorization legislation as a follow-up to SAFETEA-LU, which expires in 2009. As such, in March VRE submitted several capital funding requests to Congress for their consideration for inclusion in the pending legislation. As of now, Congress has yet to definitively mark-up a bill which sets forth the projects for final inclusion. VRE will continue to pursue funding for all elements of the package, listed below in priority order.

Priority List of VRE Projects

| | |
|--|---------------|
| 1. 5 new tier-two locomotives | \$20 Million |
| 2. Parking Expansion | \$35 Million |
| 3. Platform Extensions/Additions | \$25 Million |
| 4. Expansion of commuter rail service to Gainesville-Haymarket | \$250 Million |
| 5. 30 new railcars | \$66 Million |

TOTAL REQUEST: \$396 MILLION

VRE will also support the advocacy efforts of APTA during the FY 2009-2010 Authorization process to better position public transportation for a larger share of funding in the new legislation.

2. Federal Liability Cap

On the federal level, VRE will continue to advocate for the amendment of the United States Code to cap liability insurance for commuter rail operations. CSX and Norfolk Southern continue to request liability insurance of \$500 million per incident as an element of the new access agreements. VRE will promote amending the current federal liability cap of \$200 million to include third party claims.

3. Corridor Improvements

VRE will also continue to support work toward securing funding to build critical segments of high speed rail on the Fredericksburg line. VRE supports the Commonwealth of Virginia's pending application for Tier 1 stimulus funding for high speed rail. This funding would create the first segment of high speed rail in Virginia on an 11 mile stretch from Powell's Creek to Arkendale. Under the proposal, VRE would be tasked with managing the design/build portion of this project.

In addition, several years ago, the late Congresswoman Davis helped facilitate a working group of the Federal Railroad Administration, CSX and Amtrak to adopt a comprehensive plan for systematic corridor improvements along the Fredericksburg line. Proposed projects were required to have an immediate benefit to Fredericksburg line on-time performance. The total plan cost is estimated at \$20 million and includes construction of several 600 foot long passenger second platforms and canopies as well as associated pedestrian stairs, bridges, and elevators. Locations include Lorton, Rippon, Brooke and Leeland. The effort is now supported by Congressman Wittman and VRE will support efforts to obtain funding.

STATE

1. Legislative

Several important issues have been identified for advancement by VRE during the upcoming legislative session in the General Assembly:

- Enact a legislative remedy to amend the Virginia Code to allow for increased fines and penalties to an individual deliberately trying to defraud VRE when boarding VRE trains (i.e. through the use of a counterfeit ticket).

During the previous legislative session, the House passed SB 1066 but in doing so added considerable amendments to the language. Those amendments have left VRE in a position where the Commonwealth Attorney's Office will no longer handle VRE citations because of the onerous requirements. Delegate Jackson Miller and Senator Toddy Puller will advance respective bills in their chambers.

- Amend the Virginia Code to prohibit pedestrians from crossing public thoroughfares when trains are present. VRE has been working with CSX and Norfolk Southern to get legislation in the Code to match the nearly 20 other states who have similar laws. Again, this is another measure that we brought forth last year. We were able to get the bill all the way to the House floor before a procedural vote killed the bill.
- Amend the Virginia Code to allow VRE to, at its discretion, utilize an independent third party or the Virginia Division of Risk Management (DRM) to manage the liability insurance plan and oversee the VRE Insurance Trust Fund.

Last year, at the recommendation of Delegate May and Senator Colgan, VRE offered a budget amendment which provided permission to utilize a third party to manage the liability insurance plan. VRE would again request budget language to continue this authority and would also seek free standing legislation to codify this request in an effort to provide VRE greater standing toward a long term remedy to handle management and oversight of the VRE Insurance Trust Fund.

- Amend the Virginia Code to cap liability for commuter rail operations since the existing cap enacted in a prior session excludes third party claims. VRE will also seek exemption for freight railroads and VRE from liability for terrorism.

- Codify language before the Commonwealth Transportation Board or embed language within the Virginia Code that would mandate the Commonwealth continue its practice of funding VRE's track leases with federal funds received by the Commonwealth.

2. Funding Requests

VRE will continue to also advocate for state funding for the above Priority List of VRE Projects. VRE will not advocate that such funding come from existing transit sources. Additionally, as stated above, VRE is recommending continued advancement of a third mainline track in order to add capacity to the Fredericksburg line through the construction of a third main line track from Washington to Fredericksburg.

VRE will also seek relief from insurance costs via the Insurance Trust Fund. Due to rapidly increasing insurance costs, VRE has been unable to fully maintain the Insurance Trust Fund to the level desired by the Virginia Division of Risk Management. Annual payments have risen from \$1.5 million to just under \$5 million per year. VRE will pursue a one-time request for assistance from the General Assembly to replenish the Insurance Trust Fund.

Policy

VRE will also partner with local jurisdictional staff and the Virginia Transit Association to:

- Advocate the continued growth of state funding for transit.
- Encourage the Commonwealth to meet the statutory goal of funding 95 percent of eligible transit capital and operating costs from the Mass Transit Fund.
- Advocate the provision of annual funding to offset operational costs attributable to persons using VRE from non-member jurisdictions.

FISCAL IMPACT:

There is no funding necessary to implement the FY 2010 VRE Legislative Program. Based on the success of federal and/or state appropriations, some local match may be required.

TO: CHAIRMAN ZIMMERMAN AND THE VRE OPERATIONS BOARD
FROM: DALE ZEHNER
DATE: NOVEMBER 20, 2009
RE: AUTHORIZATION TO APPROVE THE 2010 LEGISLATIVE
AGENDA

RESOLUTION
8B-11-2009
OF THE
VIRGINIA RAILWAY EXPRESS
OPERATIONS BOARD

WHEREAS, VRE is an essential part of traffic mitigation for the Northern Virginia and DC Metropolitan region; and,

WHEREAS, the VRE Strategic Plan has identified certain critical needs for VRE to meet projected ridership growth; and,

WHEREAS, the capital cost associated with these needs can best be met through obtaining additional discretionary federal and state capital funding; and,

WHEREAS, VRE has advocated positions with Congress and the Virginia General Assembly that are supportive of the transportation philosophy of the Northern Virginia region; and,

WHEREAS, VRE shall seek to promote its legislative positions during the upcoming calendar year on both the state and federal level.

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board recommends that the Commissions approve the VRE 2010 Legislative Agenda and authorize the Chief Executive Officer to actively pursue its elements in coordination with the local jurisdictional and Commission staffs to accomplish the provisions set forth in the legislative agenda.

AGENDA ITEM 8-C
ACTION ITEM

TO: CHAIRMAN ZIMMERMAN AND THE VRE OPERATIONS BOARD

FROM: DALE ZEHNER

DATE: NOVEMBER 20, 2009

RE: AUTHORIZATION TO AMEND VRE TARIFF TO MODIFY THE YOUTH FARE POLICY

RECOMMENDATION:

The VRE Operations Board is being asked to authorize the Chief Executive Officer to amend the VRE tariff to reflect changes to the youth fare policy to allow for an increase in the age of children riding free with a fare paying adult from age 6 to age 10 and to eliminate the youth fare discount for youths age 11 through 21.

BACKGROUND:

As part of the ongoing FY 2011 VRE budget process, VRE staff reviewed potential policy changes that could be made to enhance revenue without having a critical impact on ridership or service. Accordingly, in September 2009, the Chief Executive Officer sought and received authorization from the VRE Operations Board to solicit comments related to a proposed modification to the youth fare policy that would eliminate the 50% discount fare for youths age 11-21 and increase the age limit for children who ride free with a fare paying adult from age 6 to age 10.

Between September 28th and November 6th, VRE accepted comments on the proposed changes. A public hearing was also held on November 2, 2009. Out of the three individuals who attended the hearing and the 94 written comments received, approximately 70 percent were against the proposed change and approximately 30 percent were in favor. Of those opposed, the majority

represented students who travel on VRE to attend private schools in Northern Virginia or Washington, DC or college students. Of those in favor, most felt that everyone utilizing a seat should pay full fare. There are no regulations governing required discounts that must be offered to youths.

It is estimated that approximately 80 youths travel on VRE trains on a daily basis. Because that is a relatively low figure in comparison to the average daily ridership, consideration was given to continuing to offer the youth discount under an amended and more stringent process. However, staff ultimately found that because this program is not required and does not benefit the majority of VRE riders, it should be eliminated until a time when the budget was more favorable toward discretionary programs.

FISCAL IMPACT:

VRE staff estimates that the recommended amendment will result in an increase in annual fare revenue of approximately \$100,000.

TO: CHAIRMAN ZIMMERMAN AND THE VRE OPERATIONS BOARD
FROM: DALE ZEHNER
DATE: NOVEMBER 20, 2009
RE: AUTHORIZATION TO AMEND VRE TARIFF TO MODIFY THE YOUTH FARE POLICY

**RESOLUTION
8C-11-2009
OF THE
VIRGINIA RAILWAY EXPRESS
OPERATIONS BOARD**

WHEREAS, as part of the ongoing FY 2011 VRE budget process, VRE staff reviewed potential policy changes that could be made to enhance revenue without having a critical impact on ridership or service; and,

WHEREAS, the Chief Executive Officer sought and received authorization to solicit comments related to a proposed modification to the youth fare policy; and,

WHEREAS, children age 6 and under currently ride free with a fare paying adult, the proposal would increase the age to 10 and under; and,

WHEREAS, youths age 11-21 can currently purchase tickets at a 50% discount, the proposal is to eliminate any discount for youths age 11-21.

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board authorizes the Chief Executive Officer to amend VRE's tariff to modify the youth fare policy to increase the age a child can ride free with a fare paying adult from age 6 to age 10 and to eliminate the 50% discount for youths age 11-21.

AGENDA ITEM 8-D
ACTION ITEM

TO: CHAIRMAN ZIMMERMAN AND THE VRE OPERATIONS BOARD

FROM: DALE ZEHNER

DATE: NOVEMBER 20, 2009

**RE: AUTHORIZATION TO EXTEND LEASE AGREEMENT WITH THE
MANASSAS REGIONAL AIRPORT AUTHORITY**

RECOMMENDATION:

The VRE Operations Board is being asked to recommend that the Commissions authorize the Chief Executive Officer to extend the term of a lease agreement between VRE and the Manassas Regional Airport Authority in an amount not to exceed \$81,960 over a period of fifty-nine (59) months.

BACKGROUND:

The Broad Run station is a heavily used station with parking demands currently at 117% of available capacity. There are currently 887 parking spaces, including a 98 space lot constructed on land leased from the Airport Authority.

In 2003, VRE was awarded funding through the Governor's Congestion Relief Program to complete parking expansion projects and access improvements at Manassas and Broad Run. As part of this project, property was identified adjacent to the Broad Run VRE station that is owned by the Manassas Regional Airport Authority. In February 2005, VRE entered into a five-year lease agreement and 98 parking spaces were subsequently constructed.

VRE recommends maintaining the surface parking lot afforded by the lease which will expire in January 2010. VRE staff is requesting an extension of fifty-nine (59) months at a cost not to exceed \$81,960 during that period.

FISCAL IMPACT:

Funding is included in the VRE CIP as part of the Broad Run project. Funding is available from a FY 2009 federal grant. The local match is provided using state and local funds.

TO: CHAIRMAN ZIMMERMAN AND THE VRE OPERATIONS BOARD
FROM: DALE ZEHNER
DATE: NOVEMBER 20, 2009
RE: AUTHORIZATION TO ENTER INTO A LEASE AGREEMENT
WITH THE MANASSAS REGIONAL AIRPORT AUTHORITY

RESOLUTION
8D-11-2009
OF THE
VIRGINIA RAILWAY EXPRESS
OPERATIONS BOARD

WHEREAS, in May 2004, the Operations Board approved a land lease and construction of a temporary parking lot adjacent to the Broad Run VRE station; and,

WHEREAS, the existing lease will expire in January 2010; and,

WHEREAS, VRE staff is requesting permission to extend this agreement for an additional period of fifty-nine (59) months.

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board recommends that the Commissions authorize the Chief Executive Officer to extend the term of a lease agreement between VRE and the Manassas Regional Airport Authority in an amount not to exceed \$81,960 over a period of fifty-nine (59) months.

AGENDA ITEM 8-E
ACTION ITEM

TO: CHAIRMAN ZIMMERMAN AND THE VRE OPERATIONS BOARD

FROM: DALE ZEHNER

DATE: NOVEMBER 20, 2009

**RE: AUTHORIZATION TO AWARD A TASK ORDER FOR FINAL DESIGN
WORK AT THE LEELAND ROAD VRE STATION**

RECOMMENDATION:

The VRE Operations Board is being asked to authorize the Chief Executive Officer to execute a task order with AECOM for final design of the parking expansion at the Leeland Road VRE station. This authorization is being requested in an amount not to exceed \$271,000, plus a 10% contingency of \$27,100, for a total amount not to exceed \$298,100.

BACKGROUND:

On February 15, 2008, the VRE Operations Board approved a task order for an environmental assessment and preliminary engineering work for a parking expansion at the Leeland Road VRE station. Those tasks have been completed and the Federal Transit Administration (FTA) is expected to issue final approval of the Environmental Assessment (EA) in November 2009. The recommended preferred alternative is a surface parking lot on the PRTC owned parcel to the west of the existing lot. The expansion goal is approximately 200 spaces.

Once FTA approval is granted, design can begin and is estimated to take five months to complete. Following completion of design, VRE staff will return to the Operations Board with a request to advertise the project for construction.

FISCAL IMPACT:

Funding for this task order is being provided using CMAQ funds for parking expansion at the Leeland Road VRE station. No local match is required.

TO: CHAIRMAN ZIMMERMAN AND THE VRE OPERATIONS BOARD
FROM: DALE ZEHNER
DATE: NOVEMBER 20, 2009
RE: AUTHORIZATION TO AWARD A TASK ORDER FOR FINAL DESIGN
WORK AT THE LEELAND ROAD VRE STATION

RESOLUTION
8E-11-2009
OF THE
VIRGINIA RAILWAY EXPRESS
OPERATIONS BOARD

WHEREAS, the preliminary engineering and environmental assessment have been completed for the parking expansion at Leeland Road VRE station; and,

WHEREAS, the FTA is expected to approve the environmental assessment in November 2009; and,

WHEREAS, the final design will increase parking at the Leeland Road VRE station by approximately 200 parking spaces on the PRTC property to the west of the existing lot.

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board authorizes the Chief Executive Officer to execute a task order with AECOM for final design of the parking expansion at the Leeland Road VRE station. This authorization is being requested in an amount not to exceed \$271,000, plus a 10% contingency of \$27,100, for a total amount not to exceed \$298,100.

AGENDA ITEM 8-F
ACTION ITEM

TO: CHAIRMAN ZIMMERMAN AND THE VRE OPERATIONS BOARD

FROM: DALE ZEHNER

DATE: NOVEMBER 20, 2009

RE: AUTHORIZATION TO EXECUTE A TASK ORDER FOR DESIGN SERVICES FOR A TRAIN WASH FACILITY AND WAREHOUSE AT THE BROAD RUN YARD

RECOMMENDATION:

The VRE Operations Board is being asked to authorize the Chief Executive Officer to execute a task order with STV/RWA for design services for a train wash facility and warehouse at the Broad Run Yard in the amount of \$472,920, plus a 10% contingency of \$47,292, for a total amount not to exceed \$520,212.

BACKGROUND:

In June of 2004, the Operations Board approved a plan to shift VRE fleet maintenance to the outlying yards. As part of this initiative, construction projects at both yards were commenced. Work at the Crossroads yard was completed last year following construction of a service and inspection building, train wash facility, and additional storage track.

Work at the Broad Run yard was initiated in November of 2006 when design and limited construction support services was approved by the Board. The Broad Run yard consists of eight stub-end tracks that store six VRE train sets overnight. Similar to the project at the Crossroads yard, the project at Broad Run includes a locomotive and railcar maintenance building and track expansion within the existing yard area. The Operations Board approved the associated construction contract in February of 2009.

As a second phase of this project, construction of a train wash facility and warehouse are being proposed. As VRE currently leases a warehouse facility off-site, moving the

warehouse to the yard will greatly improve efficiency. VRE equipment is currently washed at the Crossroads yard, which will continue until this facility is completed.

The proposed action item will authorize the award of a task order to perform the design and develop the plans and specifications for solicitation. The design is expected to take eight months to complete. Once the task order work has been completed, VRE staff will return to the Operations Board to obtain authorization to issue a solicitation for construction.

FISCAL IMPACT:

Funding is included in the VRE CIP as part of the Broad Run Maintenance Facilities project. Funding is available from FY 2007, FY 2008, and FY 2009 federal grants. The local match is provided using state and local funds.

TO: CHAIRMAN ZIMMERMAN AND THE VRE OPERATIONS BOARD
FROM: DALE ZEHNER
DATE: NOVEMBER 20, 2009
RE: AUTHORIZATION TO EXECUTE A TASK ORDER FOR DESIGN SERVICES FOR A TRAIN WASH FACILITY AND WAREHOUSE AT THE BROAD RUN YARD

**RESOLUTION
8F-11-2009
OF THE
VIRGINIA RAILWAY EXPRESS
OPERATIONS BOARD**

WHEREAS, in June of 2004, the Operations Board approved a plan to shift VRE fleet maintenance to the outlying yards; and,

WHEREAS, in February of 2009, the Operations Board approved construction of the Broad Run Maintenance Facility; and,

WHEREAS, installation of a train wash facility and warehouse at the Broad Run Yard is being requested to allow VRE to fully assume maintenance operations at the Broad Run Yard.

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board authorizes the Chief Executive Officer to execute a task order with STV/RWA for design services for a train wash facility and warehouse at the Broad Run Yard in the amount of \$472,920, plus a 10% contingency of \$47,292, for a total amount not to exceed \$520,212.

AGENDA ITEM 8-G
ACTION ITEM

TO: CHAIRMAN ZIMMERMAN AND THE VRE OPERATIONS BOARD

FROM: DALE ZEHNER

DATE: NOVEMBER 20, 2009

RE: AUTHORIZATION TO EXECUTE A MEMORANDUM OF UNDERSTANDING WITH FAIRFAX COUNTY FOR THE LORTON SECOND PLATFORM PROJECT

RECOMMENDATION:

The VRE Operations Board is being asked to authorize the Chief Executive Officer to execute a Memorandum of Understanding (MOU) with Fairfax County for project management and match responsibilities related to the Lorton second platform project.

BACKGROUND:

In FY 2009, VRE received \$749,000 in Mass Transit Trust Funds (MTTF) from the Department of Rail and Public Transportation (DRPT) for the design phase of the Lorton second platform project. The construction of a second platform will improve VRE operational efficiency and the capacity of the corridor as passengers will be able to board and alight from either of the two mainline tracks.

A MOU with Fairfax County is needed to establish Fairfax County contribution of the match and VRE management of the project. VRE will be responsible for procuring and contracting for the environmental analysis, preliminary engineering and final design of the project, with County coordination. The County will provide \$321,000 in local matching funds, for a project total of \$1,070,000.

VRE will manage the project on behalf of VRE and the County and work will include environmental analysis, preliminary engineering and final design. VRE staff will return to the Operations Board with a request for a solicitation to procure this work.

FISCAL IMPACT:

Funding for this project is from the FY 2009 Mass Transit Trust Fund. A 30% match of \$321,000 is being provided by Fairfax County.

TO: CHAIRMAN ZIMMERMAN AND THE VRE OPERATIONS BOARD
FROM: DALE ZEHNER
DATE: NOVEMBER 20, 2009
RE: AUTHORIZATION TO EXECUTE A MEMORANDUM OF UNDERSTANDING WITH FAIRFAX COUNTY FOR THE LORTON SECOND PLATFORM PROJECT

**RESOLUTION
8G-11-2009
OF THE
VIRGINIA RAILWAY EXPRESS
OPERATIONS BOARD**

WHEREAS, VRE received \$749,000 in Mass Transit Trust Funds from the Department of Rail and Public Transportation for the design phase of the Lorton second platform project; and,

WHEREAS, a MOU with Fairfax County is needed to establish Fairfax County contribution of the match and VRE management of the project; and,

WHEREAS, VRE will manage the project on behalf of VRE and the County and work will include environmental analysis, preliminary engineering and final design.

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board authorizes the Chief Executive Officer to execute a Memorandum of Understanding (MOU) with Fairfax County for project management and match responsibilities related to the Lorton second platform project.