**VIRGINIA RAILWAY EXPRESS**

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**BOB THOMAS**

**CHRISTOPHER ZIMMERMAN**

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**SUSAN STIMPSON**

**STAFF AND GENERAL PUBLIC**

**DOUG ALLEN**

CHIEF EXECUTIVE OFFICER

1500 King Street, Suite 202
Alexandria, VA 22314-2730

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**M I N U T E S**

VRE OPERATIONS BOARD MEETING

PRTC HEADQUARTERS – PRINCE WILLIAM COUNTY, VIRGINIA

MAY 17, 2013

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<tr>
<th>MEMBERS PRESENT</th>
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<td>Sharon Bulova (NVTC)</td>
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<td>Maureen Caddigan (PRTC)*</td>
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<td>Kevin Page</td>
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<td>Jonathan Way (PRTC)</td>
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<td>Christopher Zimmerman (NVTC)*</td>
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<td>Thelma Drake</td>
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<td>Jay Fisette (NVTC)</td>
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<td>Joanne Carter – PFM</td>
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<td>Kevin Chisholm – Citizen</td>
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<td>Kelley Coyner – NVTC staff</td>
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<td>Rich Dalton – VRE</td>
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<td>John Duque – VRE</td>
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<td>Patrick Durany – Prince William County</td>
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<td>Kip Foster – VRE</td>
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<td>Rhonda Gilchrest – NVTC staff</td>
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<td>Al Harf – PRTC staff</td>
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* Delineates arrival following the commencement of the Board meeting. Notation of exact arrival time is included in the body of the minutes.
Chairman Smedberg called the meeting to order at 9:30 A.M. Following the Pledge of Allegiance, roll call was taken.

Approval of the Agenda – 3

Mr. Kelly moved, with a second by Ms. Bulova, to approve the agenda. The vote in favor was cast by Board Members Bulova, Cook, Covington, Jenkins, Kelly, Milde, Naddoni, Page, Skinner, Smedberg, Thomas and Way.

Approval of the Minutes of the April 19, 2013 Operations Board Meeting – 4

Mr. Way moved approval of the minutes and Mr. Kelly seconded. The vote in favor was cast by Board Members Bulova, Cook, Covington, Jenkins, Kelly, Milde, Page, Skinner, Smedberg, Thomas and Way. Mr. Naddoni abstained.

Chairman’s Comments – 6

Chairman Smedberg thanked Board Members for arriving early so that a group photo of the VRE Operations Board could be taken. However, due to traffic issues several Board Members are delayed. He suggested taking a short recess when they arrive to take the photo. There were no objections.

Chairman Smedberg stated that Board Members received an email about an incident with a Keolis employee altering VRE on-time performance (OTP). He commended VRE staff for immediately identifying the problem and contacting Keolis, who removed the employee from VRE service. Independent audits were conducted by VRE and Keolis and it was determined that this was an isolated incident. Since then, VRE staff has added additional safeguards to the process. Chairman Smedberg thanked VRE and Keolis staff for being proactive and resolving this quickly.

In response to a question from Mr. Way, Mr. Allen reviewed the reasons why staff believes this is an isolated incident. He assured the Board that staff went back and cross-referenced other electronic data, including on-time performance reports and conductor reports, and found no evidence of any other alterations.

Mr. Kelly stated that moving forward he assumes VRE staff will do more cross checking. Mr. Allen replied in the affirmative. Chairman Smedberg noted that the process did work and it was caught and the issue resolved.

Chairman Smedberg also announced that he had a chance to participate in the Meet the Management event at the Alexandria King Street station. He provided highlights of the event and some of the comments he heard from riders. Riders love VRE and are very loyal customers. He encouraged Board Members to participate in VRE’s last Meet the Management event on June 5th at the Franconia-Springfield station.
Ms. Caddigan arrived at 9:42 A.M.]

Chairman Smedberg recessed the meeting at 9:45 A.M. for the Board photo and the meeting reconvened at 9:53 A.M.

Chief Executive Officer’s Report – 6

Mr. Allen reported that overall on-time performance (OTP) for the month of April was 97 percent for both lines and ridership remains strong at 19,300 average daily riders. He reported that the Commonwealth Transportation Board approved VRE’s track access funding at a level slightly higher than VRE’s budget levels. He thanked DRPT for assisting and supporting this effort.

Mr. Allen reported that VRE will most likely see an increase in summons in the future as a result of VRE implementing 100 percent ticket checking by conductors to ensure tickets are validated. He announced that today is Bike to Work Day and VRE is doing “pit stop” events with refreshments and entertainment at four stations (Burke, Rippon, Woodbridge and Manassas). Also, VRE will be running four excursion trains at the annual Manassas Railway Festival on June 1, 2013. VRE has initiated its System Plan process, which will include a Board workshop scheduled for July 19th at PRTC. Mr. Allen mentioned that an IFB will be issued next week for the third track work in Spotsylvania.

[Mr. Zimmerman arrived at 9:58 A.M.]

Mr. Allen stated that VRE’s Lorton Second Platform ($1.5 million) and the Alexandria Tunnel project ($1.3 million) have been selected to be included in the list of projects to be recommended to NVTA for funding. The Gainesville-Haymarket extension project was not included in the draft Six-Year Improvement Plan (SYIP). Mr. Allen stated that since it is a draft he is hopeful that this project will be included in the final SYIP. Mr. Zimmerman asked how much funding is being sought for the Gainesville-Haymarket extension project. Ms. Hoeffner answered $2.8 million in rail enhancement funds and $1.5 million in local/non-state match for a total of $4.2 million. The funding request to NVTA is for $1.5 million. Mr. Page reminded the Board that CTB conducts public hearings on the draft SYIP and he encouraged VRE to submit and provide comments at the hearing. Ms. Coyner stated that the public hearing in Northern Virginia is scheduled for May 29th. Board Members discussed sending a letter to NVTA regarding funding for the Gainesville-Haymarket project. There were no objections.

Mr. Way expressed his hope that the Gainesville-Haymarket study will look at a phased implementation with Gainesville as Phase 1 since costs are estimated to be less and it will not have the same environmental issues as Haymarket. This could make a shorter extension to Gainesville more marketable.

VRE Riders’ and Public Comment – 7
Chairman Smedberg observed that Mr. Peacock was not in attendance. There were no other comments.

Compensation Study Update Presentation – 8

Mr. Patrick Bracken, compensation consultant for The Segal Company, gave an update on the progress being made to the compensation study for VRE and PRTC. He reported that the job classification analysis has been completed and provided to VRE and PRTC for their review and comment. Market assessments are also being completed to measure competitiveness of peer employers. There were no questions from Board Members.

Authorization to Issue an Invitation for Bids for Lubricating Oil Delivery Services – 9A

Mr. Allen explained that the VRE Operations Board is being asked to approve Resolution #9A-05-2013 which would authorize him to issue an IFB for lubricating oil delivery services. He explained that the current contract expires in October 2013. The IFB will be developed for the bulk delivery of locomotive lubricating oils and will be structured as a firm fixed unit price contract.

Mr. Covington moved, with a second by Mr. Kelly, to approve Resolution #9A-05-2013. The vote in favor was cast by Board Members Bulova, Caddigan, Cook, Covington, Jenkins, Kelly, Milde, Naddoni, Page, Skinner, Smedberg, Thomas, Way and Zimmerman.

Authorization to Extend the Amended Operating/Access Agreement with Norfolk Southern – 9B

Mr. Allen reported that the VRE Operations Board is being asked to recommend the Commissions authorize him to execute an extension of the existing Amended Operating/Access Agreement with Norfolk Southern to January 31, 2014. Resolution #9B-05-2013 would accomplish this.

Mr. Allen explained that an extension is being requested to provide sufficient time to complete negotiations of a new agreement. Mr. Dalton and Mr. Page have been working on the negotiations. In response to a question from Mr. Way, Mr. Dalton explained that the issues with liability insurance requirements have been resolved. There are a few minor issues, including a legacy betterment clause that needs to be resolved.

Mr. Zimmerman moved, with a second by Ms. Bulova, to approve the resolution. The vote in favor was cast by Board Members Bulova, Caddigan, Cook, Covington, Jenkins, Kelly, Milde, Naddoni, Skinner, Smedberg, Thomas, Way and Zimmerman. Mr. Page abstained due to his involvement in the negotiations.
Authorization to Execute an Agreement with NVTC for National Transit Database (NTD) Consulting Services – 9C

Mr. Allen stated that the VRE Operations Board is being asked to authorize him to execute a project agreement with NVTC for services related to NTD reporting requirements to be provided to VRE via NVTC’s consultant contract. Resolution #9C-05-2013 would accomplish this.

Mr. Allen stated that as a recipient of Federal Urbanized Area Formula (Section 5307) grant funds, VRE is required to report ridership, passenger miles and other performance data to the NTD on an annual basis. NVTC provides similar data collection services to six Northern Virginia transit systems via a consultant contract. This is a good opportunity for VRE to tie into NVTC’s contract and realize some cost savings.

Ms. Coyner stated that NVTC welcomes the opportunity to include VRE in its NTD process. NVTC issued an RFP earlier in May and a contract award is anticipated in June 2013.

Mr. Kelly moved, with a second by Mr. Skinner, to approve Resolution #9C-05-2013. The vote in favor was cast by Board Members Bulova, Caddigan, Cook, Covington, Jenkins, Kelly, Milde, Naddoni, Page, Skinner, Smedberg, Thomas, Way and Zimmerman.

Authorization to Amend the Contract for the Employee Compensation Study – 9D

Mr. Allen explained that the VRE Operations Board is being asked to recommend that PRTC authorize a contract amendment with The Segal Company of Washington, D.C. for the employee compensation study. The contract amendment will be in the amount not to exceed $10,750 (10 percent contingency) for a total contract value not to exceed $118,250. Resolution #9D-05-2013 would accomplish this.

Mr. Allen explained that the original contract did not include a contingency. Since that time, The Segal Company was asked to increase the number of comparative agencies to include one additional rail system and two additional bus systems for the peer portion of the study. The contingency of $10,750 is requested to accommodate this work as well as any other unforeseen changes to the scope of services in order to complete the study. In response to a question from Mr. Thomas, Mr. Allen explained that increasing the number of comparable agencies will not delay the schedule.

Mr. Jenkins moved, with a second by Ms. Bulova, to approve Resolution #9D-05-2013. The vote in favor was cast by Board Members Bulova, Caddigan, Cook, Covington, Jenkins, Kelly, Milde, Naddoni, Page, Skinner, Smedberg, Thomas, Way and Zimmerman.
Authorization to Award a Contract for Track and Tie Rehabilitation at the VRE Broad Run and Crossroads Yards – 9E

Mr. Allen stated that the VRE Operations Board is being asked to authorize him to execute a contract with G.W. Peoples Contracting Company, Inc., for the track and tie rehabilitation at the VRE Broad Run and Crossroads Yards, in the amount not to exceed $395,048, plus a contingency of 10 percent, for a total amount not to exceed $434,553. Resolution #9E-05-2013 would accomplish this.

Mr. Allen stated that both yards were constructed over 20 years ago and all substandard ties, rail, switches and ballast need to be replaced. Following a competitive bid process, VRE received three bids. G.W. Peoples Contracting Company was the lowest responsive bidder.

Mr. Way observed that G.W. Peoples Contracting Company’s bid is considerably lower than the other bids and asked if they have the specifications correct. Mr. Allen responded that staff checked to make sure they understand the scope of work. In response to a question from Chairman Smedberg, Ms. Hill stated that this is the first time VRE will have worked with this contractor. Mr. Page stated that this firm is a contractor that does business with the Commonwealth.

Mr. Covington moved, with a second by Mr. Kelly, to approve the resolution. The vote in favor was cast by Board Members Bulova, Caddigan, Cook, Covington, Jenkins, Kelly, Milde, Naddoni, Page, Skinner, Smedberg, Thomas, Way and Zimmerman.

Authorization to Award a Contract for Construction of the Spotsylvania Station Project – 9F

Mr. Allen reported that Resolution #9F-05-2013 would authorize him to execute a contract with Hammerhead Construction of Dulles, Virginia for the construction of the Spotsylvania VRE station project, in the amount not to exceed $2,349,000, plus a ten percent contingency of $234,900, for a total amount not to exceed $2,583,900.

Mr. Allen explained that five bids were received. The day after the bids were opened, Dominion Construction Group, LLC withdrew their bid due to a mathematical error in their bid sheet. The error was examined and verified by VRE staff per procurement requirements. Consequently, VRE staff is requesting authorization to award the contract to the second lowest bidder, which is still within the project budget.

Mr. Skinner moved, with a second by Mr. Milde, to approve the resolution. The vote in favor was cast by Board Members Bulova, Caddigan, Cook, Covington, Jenkins, Kelly, Milde, Naddoni, Page, Skinner, Smedberg, Thomas, Way and Zimmerman.

Mr. Skinner observed that the bids came in even lower than the engineering estimates, which will result in savings close to $1 million.
Authorization to Amend Task Orders for the Brooke and Leeland Parking Expansion Design – 9G

Mr. Zimmerman stated that based on state and local government Conflict of Interest Acts, he will recuse himself from the discussion and action of this agenda item because he has a consulting relationship with the company in question (disclosure attached). Mr. Zimmerman stepped away from the table and did not participate in the discussion.

Mr. Allen reported that the VRE Operations Board is being asked to authorize him to execute task order amendments with AECOM for final design of the parking expansion at the Brooke and Leeland VRE stations. This authorization is to reduce the Brooke task order by $9,490, from $255,200 to $245,710 and to increase the Leeland task order by $9,490, from $298,100 to $307,590. Resolution #9G-05-2013 would accomplish this.

Mr. Allen explained that during the contract closeout process it was identified that these additional engineering costs in the amount of $9,490 were billed to Brooke rather than to Leeland and that the Leeland task order was fully expended, so the costs could not be transferred without Board authorization. The overall cost of both projects is unchanged and these projects were completed within the budgeted grant amounts. Sufficient funds are available in the Brooke task order for this transfer.

Mr. Milde moved, with a second by Mr. Kelly, to approve the resolution. The vote in favor was cast by Board Members Bulova, Caddigan, Cook, Covington, Jenkins, Kelly, Milde, Naddoni, Page, Skinner, Smedberg, Thomas and Way. Mr. Zimmerman did not participate in the vote.

Mr. Zimmerman returned to the table after the vote.
Authorization to Execute a Lease Agreement for 30 Parking Spaces at the Fredericksburg Station – 9H

Mr. Allen stated that the VRE Operations Board is being asked to authorize him to execute a lease agreement with AFM, LLC, doing business as Thomas J. Wack Company, for 30 parking spaces located at 400 Charles Street, Fredericksburg, Virginia. The lease would be in the amount of $60,140 for three years. Resolution #9H-05-2013 would accomplish this.

Mr. Kelly moved, with a second by Mr. Thomas, to approve the resolution.

Mr. Kelly stated that he looks forward to working with VRE staff regarding the overall parking situation in Fredericksburg. Mr. Page reported that DRPT will soon begin a 96-month study of intercity rail along the I-95 corridor and looks forward to working with the City of Fredericksburg to share plans and opportunities that can be of joint benefit to commuter rail and intercity rail. Chairman Smedberg suggested that DRPT update the VRE Operations Board on this study. Mr. Page responded that DRPT anticipates that VRE will be highly engaged in discussions regarding this study as it relates to VRE’s territory.

The Board then voted on the motion and it passed. The vote in favor was cast by Board Members Bulova, Caddigan, Cook, Covington, Jenkins, Kelly, Milde, Naddoni, Page, Skinner, Smedberg, Thomas, Way and Zimmerman.

Operations Board Members’ Time – 11

Mr. Skinner observed that tremendous work and cooperation has been done between VRE, DRPT and CSX in regards to the Spotsylvania station. He thanked all the parties involved. He looks forward to the opening of the station.

Mr. Zimmerman announced that Arlington County has three events today for Bike to Work Day, which includes an event near the Crystal City VRE station. He stated that multi-modalism is an important part of moving people throughout the region and will become more important as the region continues to grow.

Mr. Zimmerman also noted that with taxes beginning to be collected on July 1, 2013 in response to HB 2313, NVTA is moving quickly to develop an action plan for the first year. Revenues for the first year are estimated to be $190 million. He observed that there has been tremendous cooperation from jurisdictions and agencies to get this work done quickly. He thanked VRE staff for their participation. He reported that a separate committee will be formed to look at regional issues relating to VRE and WMATA. Mr. Zimmerman stated that in comparison to other metropolitan areas, this region moves less people by commuter rail. However, commuter rail has more potential than some other modes and it needs to be part of the regional discussion. Ms. Bulova stated that she is serving as Vice-Chair of NVTA’s Organizational Working Group and she gave a brief update on the work of the group. Chairman Smedberg stated that he is impressed
with the work and effort from elected officials and jurisdictional staff and all that they have accomplished in a very short time period.

Mr. Jenkins stated that he is impressed with the new format of the VRE CEO Report. Mr. Allen acknowledged Mark Roeber who is editor-in-chief of the report and other staff who contribute as well.

In response to a question from Mr. Naddoni, Mr. Allen explained that VRE does cost estimates as part of the process in preparing for a solicitation. Mr. Page stated that DRPT also does its own engineering review and cost estimates for VRE projects as well as being part of the notice to proceed process, so by the time a solicitation comes to the VRE Operations Board for approval, it is well vetted.

Mr. Page stated that in regards to additional service to Gainesville-Haymarket and the NVTA process, it is important for Mr. Zimmerman and Ms. Bulova, as members of NVTA, to understand the core capacity issues, which are a challenge for Metrorail and commuter rail service. If more trains are going to be added to the Norfolk Southern and CSX lines, there will be core capacity issues that need to be addressed. Capital investments will be needed to provide any significant increase in service to and from the Core.

Adjournment

On a motion by Ms. Bulova and a second by Ms. Caddigan, the Board unanimously voted to adjourn. Chairman Smedberg adjourned the meeting at 10:44 A.M.

Approved this 21st day of June, 2013.

_____________________________
Paul Smedberg
Chairman

_____________________________
John Cook
Secretary

CERTIFICATION

This certification hereby acknowledges that the minutes for the May 17, 2013 Virginia Railway Express Operations Board Meeting have been recorded to the best of my ability.

_____________________________
Rhonda Gilchrest