# M I N U T E S

VRE Operations Board Meeting  
PRTC Headquarters – Prince William County, Virginia  
March 20, 2015

<table>
<thead>
<tr>
<th>Members Present</th>
<th>Jurisdiction</th>
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| Sharon Bulova (NVTC) | Fairfax County  
| John C. Cook (NVTC) | Fairfax County  
| Matt Kelly (PRTC) | City of Fredericksburg  
| Paul Milde (PRTC) | Stafford County  
| Jennifer Mitchell |  
| Suhas Naddoni (PRTC)* | City of Manassas Park  
| Gary Skinner (PRTC) | Spotsylvania County  
| Paul Smedberg (NVTC) | City of Alexandria  
| Jonathan Way (PRTC) | City of Manassas  

<table>
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<th>Members Absent</th>
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| Maureen Caddigan (PRTC) | Prince William County  
| John D. Jenkins (PRTC) | Prince William County  
| Martin Nohe (PRTC) | Prince William County  
| J. Walter Tejada (NVTC) | Arlington County  
| Bob Thomas (PRTC) | Stafford County  

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| Meg Bohmke (PRTC) | Stafford County  
| Jay Fisette (NVTC) | Arlington County  
| Frank C. Jones (PRTC) | City of Manassas Park  
| Jeanine Lawson (PRTC) | Prince William County  
| Tim Lovain (NVTC) | City of Alexandria  
| Michael C. May (PRTC) | Prince William County  
| Jeff McKay (NVTC) | Fairfax County  
| Kevin Page |  
| Paul Trampe (PRTC) | Spotsylvania County  
| Billy Withers (PRTC) | City of Fredericksburg  

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| Paul Trampe | Spotsylvania County  
| Billy Withers | City of Fredericksburg  

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<th>Staff and General Public</th>
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| Doug Allen – VRE | Christine Hoeffner – VRE  
| Gregg Baxter – Keolis | Bryan Jungwirth – VRE  
| Donna Boxer – VRE | Mike Lake – Fairfax County DOT  
| Kelley Coyner – NVTC staff | Lezlie Lamb – VRE  
| Rich Dalton – VRE | Bob Leibrandt – Prince William County  
| James Davenport – Prince William County | Steve Maclsaac – VRE legal counsel  
| Greg Deibler – VRE | Betsy Massie – PRTC staff  
| John Duque – VRE | Ken McCully – TSA  
| Patrick Durany - Prince William County | Dick Peacock – Citizen  
| Rhonda Gilchrest – NVTC staff | Sonya Proctor – TSA  
| Al Harf – PRTC staff | Alexis Rice – VRE  
| Chris Henry – VRE | Lynn Rivers – Arlington County  
| Tom Hickey – VRE | Scott Shenk – Free Lance-Star  
| Gerri Hill – VRE | Joe Swartz – VRE  

* Delineates arrival following the commencement of the Board meeting. Notation of exact arrival time is included in the body of the minutes.
Chairman Cook called the meeting to order at 9:35 A.M. Following the Pledge of Allegiance, Roll Call was taken.

Approval of the Agenda – 3

Chairman Cook suggested amending the Agenda to allow him to move up the Closed Session if necessary in order to maintain a quorum. There were no objections.

Mr. Skinner moved, with a second by Ms. Bulova, to approve the Amended Agenda. The vote in favor was cast by Board Members Bulova, Cook, Kelly, Milde, Mitchell, Skinner, Smedberg and Way.

Approval of the Minutes of the February 20, 2015 Operations Board Meeting – 4

Ms. Bulova moved approval of the minutes and Mr. Skinner seconded. The vote in favor was cast by Board Members Bulova, Cook, Kelly, Milde, Mitchell, Skinner, Smedberg and Way.

Chairman's Comments – 5

Chairman Cook stated the Management Audit will be presented to the Commissions at their April meetings since their March meetings were cancelled due to bad weather.

Chairman Cook welcomed Sonya Proctor, Transportation Security Administration's Director of Surface Transportation Division. Ms. Proctor announced VRE has received TSA's Gold Standard Award. VRE participated in a security assessment known as a Baseline Assessment for Security Enhancement. VRE’s overall scores exceeded 90 percent across all categories. She read a letter from TSA Acting Administrator Melvin Carraway congratulating VRE on receiving this highest standard of excellence. Ms. Proctor also stated there were several smart VRE practices identified including the use of GPS to track security patrols, public outreach, contract security to ensure consistent security system-wide, and tracking of all security related incidents. Ms. Proctor then presented the award to Chairman Cook, VRE CEO Allen and VRE Manager of System Safety and Security, Greg Deibler.

Mr. Allen acknowledged both Rich Dalton and Greg Deibler for their work and focus on safety and security. VRE is very proud of its safety program. Chairman Cook congratulated staff on VRE’s achievement. Ms. Bulova stated VRE should share this information with the riders and the public.

Chairman Cook stated that as a result of recommendations made by the Management Audit, Mr. Smedberg is heading up the development of a formal annual review process for the Chief Executive Officer. The Executive Committee will discuss this process next month and then will bring it to the Operations Board later. He also reported VRE is formalizing the Operations Board Recognition Program by setting an annual process. The Executive
Committee has discussed limiting recognition to two people each year. Mr. Allen also noted staff is working on a date and location for the inaugural recognition ceremony.

[Mr. Naddoni arrived at 9:47 A.M.]

**Chief Executive Officer’s Comments – 6**

Mr. Allen reported overall on-time performance for February was 92 percent and ridership remained strong at 18,567 average daily riders. He reported that following Mr. Naddoni’s recommendation, VRE has shifted longer train consists to later time slots on days with weather delays.

Mr. Allen reported VRE will begin beta testing of the Mobile Ticketing System, which is targeted for full roll-out for all customers in mid-May. VRE received an overwhelming response of 600 volunteers to participate in the beta testing, although only 100 are needed. VRE is the process of choosing a good cross-section of riders to participate.

Mr. Allen stated he, along with DRPT Director Jennifer Mitchell and Deputy Secretary of Transportation Nick Donohue, met with the District of Columbia’s Department of Transportation Director Leif Dormsjo and Deputy Director Greer Gillis to discuss coordination on the Long Bridge Project.

In response to a question from Mr. Milde regarding security and safety, Mr. Dalton stated that uniformed law enforcement officers can ride free on VRE trains and undercover officers are allowed to ride free if they are part of VRE’s Law Enforcement Officers’ program.

**VRE Riders’ and Public Comment – 7**

Chairman Cook welcomed Dick Peacock back. Mr. Peacock thanked VRE for the cards and prayers as he recovers from brain cancer. He commended VRE for its security award and observed VRE continues to improve security. He referred to Agenda #9B and encouraged VRE to move forward with the Gainesville-Haymarket extension.

**Consent Agenda – 8**

On a motion by Ms. Bulova and a second by Mr. Kelly, the Board unanimously approved the following Consent Agenda items:

- Resolution #8A-03-2015: Authorization to Issue a Request for Proposals for Engineering and Environmental Services for Platform Improvements at Five Fredericksburg Line Stations
- Resolution #8B-03-2015: Authorization to Issue a Request for Proposals for System Safety and Security Consultant Services
- Resolution #8C-03-2015: Authorization to Issue an Invitation for Bids for Elevator Rehabilitation or Replacement at Franconia-Springfield and Rippon Stations
• Resolution #8D-03-2015: Authorization to Issue an Invitation for Bids for Replacement of Tactile Warning Strips at Station Platforms
• Resolution #8E-03-2015: Authorization to Issue an Invitation for Bids for Rehabilitation of Fredericksburg Station Platforms

• Resolution #8F-03-2015: Authorization to Issue an Invitation for Bids for Replacement of Platform Canopies, Gutters and Downspouts at the L’Enfant and Leeland Road Stations

The vote in favor was cast by Board Members Bulova, Cook, Kelly, Milde, Mitchell, Naddoni, Skinner, Smedberg and Way.

Authorization to Execute a Contract for Financial Auditing Services – 9A

Chairman Cook announced he has asked Mr. Skinner to chair the Audit Committee.

Mr. Allen stated the VRE Operations Board is being asked to authorize him as CEO to execute a contract with PBMares, LLP of Harrisonburg, Virginia for financial auditing services. The contract will be for a base period of three years with options to extend for up to four additional years, in two-year increments, in an amount not to exceed $385,100 for the seven-year period, plus a contingency of $30,000 for a total not to exceed $415,100. Resolution #9A-03-2015 would accomplish this.

Mr. Allen stated PBMares has been VRE’s auditor since 2008. Following a competitive solicitation process in which five proposals were received, interviews were conducted with the top three firms. The proposal from PBMares was technically complaint and it was awarded the highest rank by the selection committee made up of financial staff from NVTC, PRTC, VRE and NVTA. Mr. Skinner reported that the Audit Committee met prior to this meeting and recommends the contract be awarded to PBMares.

Mr. Skinner moved to approve the Resolution with the following amendment to replace “the VRE Chief Executive Officer exercising the option years at his discretion” with “the approval of the Operations Board.” Mr. Smedberg seconded the motion. The vote in favor was cast by Board Members Bulova, Cook, Kelly, Milde, Mitchell, Naddoni, Skinner, Smedberg and Way.

Recommend Authorization to Execute a Contract for Planning and Engineering Consultant Services for the Gainesville-Haymarket Extension – 9B

Mr. Allen stated the Operations Board is being asked to recommend the Commissions authorize him to execute a contract with AECOM Technical Services, Inc., (AECOM) for planning and engineering services for the Gainesville-Haymarket Extension project in the amount of $3,968,330, plus a 10 percent contingency of $396,833, for a total amount not to exceed $4,365,163. Resolution #9B-03-2015 would accomplish this.
Mr. Allen stated the project is included in the FY2015 Capital Budget through a Virginia Rail Enhancement Fund (REF) grant and funding from the Northern Virginia Transportation Authority (NVTA). Mr. Smedberg asked for the breakdown of funding. Mr. Allen replied that $1.5 million comes from NVTA funding and the rest from the Rail Enhancement Fund.

Mr. Way stated for this type of contract, experience and knowledge of the consultant is critical. Mr. Allen stated reviewing the credentials of the consultant team members was a big part of the evaluation. AECOM is extremely qualified to do this work and it is a bonus that they are a local firm.

Mr. Milde moved, with a second by Mr. Smedberg, to approve Resolution #9B-03-2015. The vote in favor was cast by Board Members Bulova, Cook, Kelly, Milde, Mitchell, Naddoni, Skinner, Smedberg and Way.

Recommend Authorization to Execute an Agreement with Amtrak for Access and Storage at Washington Union Terminal – 9C

Mr. Allen stated the VRE Operations Board is being asked to recommend the Commissions authorize him to enter into a five-year agreement with Amtrak for access and mid-day storage at Washington Union Terminal. The total payment will not exceed $10,685,184, plus a $300,000 contingency, for total amount not to exceed $10,985,184 during the first year, and will be subject to escalation in each successive year according to the Association of American Railroads Quarterly Index of Charge-Out Prices and Wage Rates and a three-year rolling average of actual costs for those charges subject to Section 212 of the Passenger Rail Improvements and Investment Act of 2008 (PRIIA). Resolution #9C-03-2015 would accomplish this.

Mr. Allen stated that the current agreement with Amtrak will expire June 30, 2015. He acknowledged Rich Dalton, Donna Boxer and Steve Maclsaac who have been meeting monthly with Amtrak staff to negotiate the new agreement.

Ms. Bulova moved, with a second by Mr. Skinner, to approve Resolution #9C-03-2015.

Mr. Way asked for reassurance on the mid-day storage issue. Mr. Allen stated VRE has already begun an in-depth study of alternative storage locations and is now looking at a site owned by Amtrak, which will be large enough to accommodate VRE’s entire fleet. A recommendation will be presented to the Operations Board in the next few months. Also, adding tracks in Ivy City area will accommodate a few more trains and provide more flexibility. Amtrak is committed to working with VRE on the mid-day storage issue. Mr. Allen stated funding for a new mid-day storage location is included in the CIP. Mr. Smedberg asked if there are any concerns with Amtrak about future construction in the rail corridor. Mr. Allen stated Amtrak will work with VRE and both sides are committed to making progress.

Mr. Smedberg asked about the step-up program and if there is concern about price sensitivity for customers with the expected increase. Mr. Allen stated the $2 increase won’t occur until July 1, 2017. VRE does not anticipate seeing a drop-off in usage because the
program is very popular with riders. In response to a question from Mr. Smedberg, Ms. Mitchell stated DRPT has not made a decision on whether it will provide future funding for the step-up program.

The Board then voted on the motion and it passed. The vote in favor was cast by Board Members Bulova, Cook, Kelly, Milde, Mitchell, Naddoni, Skinner, Smedberg and Way.

Closed Session – 11

Mr. Skinner moved, with a second by Mr. Smedberg, the following motion:

Pursuant to the Virginia Freedom of Information Act (Sections 2.2-3711A (7) of the Code of Virginia), the VRE Operations Board authorizes a Closed Session for the purpose of consultation with legal counsel and necessary staff concerning the contract with Abernathy Construction for Fredericksburg to Crossroads improvements and Case No. CL-15001416 pending in the Circuit Court of Alexandria.

The vote in favor was cast by Board Members Bulova, Cook, Kelly, Milde, Mitchell, Naddoni, Skinner, Smedberg and Way.

The Board entered into Closed Session at 10:08 A.M. and returned to Open Session at 10:49 A.M.

Mr. Skinner moved, with a second by Mr. Smedberg, the following certification:

The VRE Operations Board certifies that, to the best of each member’s knowledge and with no individual member dissenting, at the just concluded Closed Session:

1. Only public business matters lawfully exempted from open meeting requirements under Chapter 37, Title 2.2 of the Code of Virginia were discussed; and

2. Only such public business matters as were identified in the motion by which the Closed Session was convened were heard, discussed or considered.

The vote in favor was cast by Board Members Bulova, Cook, Kelly, Milde, Mitchell, Naddoni, Skinner, Smedberg and Way.

Mr. Skinner moved, with a second by Mr. Smedberg, to approve Resolution #11-03-2015, which provides authorization to issue written notice of termination to Abernathy Construction Company for the Hamilton to Crossroads Third Rail Track Contract. He then read the resolution into the record. The vote in favor was cast by Board Members Bulova, Cook, Kelly, Milde, Mitchell, Naddoni, Skinner, Smedberg and Way.
Management Audit Recommendations Update – 10A

Mr. Allen stated the Management Audit Report includes recommendations to VRE’s organization structure and practices, VRE’s functions and processes, and VRE Operation’s Board oversight. A list of short-term actions (less than 12 months) has been developed.

[Ms. Bulova left the meeting at 10:53 A.M. and did not return.]

Financial Plan Update – 10B

Mr. Allen stated the consultant, PFM Group, has begun work on the development of a Financial Plan. Ms. Boxer stated the Operations Board will have a mid-development discussion with the consultant in May and the draft final Financial Plan will be presented to the Operations Board in July 2015. The intent is to have the final product in July so there is time to discuss it in the context of future legislative action if needed.

In response to a question from Chairman Cook, Ms. Boxer explained that the draft final Financial Plan will include the consultants’ recommendations and conclusions. It will be a baseline for 2040 with basically no expansion of service and costs associated with continuing VRE’s program, as well as two growth scenarios with capital, operating and maintenance costs for those increased levels of service. It will including funding recommendations. Mr. Allen stated ridership and demand forecasting will be done in tandem with the Financial Plan to help identify those long-term recommendations and if they will generate enough ridership. It is anticipated that these recommendations will be presented to the Operations Board in October 2015.

[Mr. Milde left the meeting at 11:04 A.M. and did not return.]

Mr. Way asked if the Financial Plan will include identifying sources of funds as well as the need for funds. Ms. Boxer stated the needs for funds will be presented in July and potential funding sources will be included in October.

Fare Collections Equipment and Software Maintenance Agreement – 10C

Mr. Allen reported that a request for authorization to amend the current Scheidt & Bachmann maintenance agreement will be presented to the Operations Board in April, since the current agreement is set to expire on June 30, 2015. The scope of the agreement will continue to provide on-site technical support.

As he reported earlier, Mr. Allen stated VRE’s Mobile Ticketing System will roll-out later this spring, which will have an impact on the current fare collection system. VRE staff is also working with the NVTC Working Group, WMATA and Accenture on future integration with WMATA’s New Electronic Payments Program (NEPP). The first phase of integration with NEPP is planned to be through the Mobile Ticketing System. Mr. Way expressed
concern that VRE does not get ahead of the region. Mr. Allen assured him that VRE is working with the NEPP partners.

VRE’s Proposed Fare Increase: Comments from Public Hearings – 10D

Mr. Allen reminded the Operations Board that the FY 2016 Budget includes a recommended fare increase of up to four percent. Public hearing were held in Washington, DC, Crystal City, Burke, Woodbridge, Manassas, Stafford and Fredericksburg. Comments were received via e-mail and through the public hearings. Mr. Allen stated there was general acceptance of the need for the proposed fare increase as riders understood the need to balance the budget through a fare increase. However, other participants stated their opposition to the fare increase as it is a direct out-of-pocket expense increase for them. In addition to comments about fares, passengers took the opportunity to provide their opinions about on-time performance, extending service, “S” schedules, and to advocate for additional services and more capacity. Mr. Allen stated that VRE staff will bring forth its fare increase recommendation to the Operations Board at the April meeting along with a final summary of public comments received.

Legislative Update – 10E

Mr. Allen gave a brief update on HB 1887, the omnibus transportation bill that provides an estimated $40 million annually for transit capital to help address a 62 percent projected drop in funding expected to occur in the next 2-3 years. The Mass Transit Trust Fund will be supplemented by reallocating existing transportation funds from the recent gas tax increase, will take effect on July 1, 2016. It also reallocates $9 million from the Rail Enhancement Fund to fund structurally deficient bridges.

Mr. Allen reported the budget amendment submitted by Delegate Eileen Filler-Corn and Senator Chuck Colgan was included in the final version of the budget. It strikes the language allowing for the general fund to retain the interest earnings generated in the Commuter Rail Trust Fund at the Department of Treasury. VRE will now receive the interest earnings from the funds invested in the pool.

Discussion of Procurement Authorization and Approval Thresholds – 10F

Chairman Cook requested this item be deferred to the April meeting. There were no objections.

Board Members Time – 10

Mr. Skinner reported the opening of the Spotsylvania Station is anticipated for this summer. He invited Scott Shenk from the Free Lance-Star Newspaper to accompany him and Mr. Allen to tour the station.
Mr. Kelly thanked VRE staff for their assistance in finalizing the agreement with the City of Fredericksburg and thanked the Operations Board Members for their patience as they worked through the issues.

Adjournment

Without objection, Chairman Cook adjourned the meeting at 11:13 A.M.

Approved this 17th day of April, 2015.

John C. Cook
Chairman

Paul Smedberg
Secretary

CERTIFICATION

This certification hereby acknowledges that the minutes for the March 20, 2015 Virginia Railway Express Operations Board Meeting have been recorded to the best of my ability.

Rhonda Gilchrest