



**Virginia Railway  
Express**

Paul Smedberg  
Chairman

Maureen Caddigan  
Vice-Chairman

Katie Cristol  
Secretary

Paul Milde  
Treasurer

Sharon Bulova  
John C. Cook  
John D. Jenkins  
Matt Kelly  
Jennifer Mitchell  
Suhas Naddoni  
Martin Nohe  
Pamela Sebesky  
Gary Skinner  
Bob Thomas

**Alternates**

Ruth Anderson  
Pete Burrus  
Hector Cendejas  
Libby Garvey  
Jeanine Lawson  
Tim Lovain  
Jeff McKay  
Wendy Maurer  
Paul Trampe  
Billy Withers  
Mark Wolfe

Doug Allen  
Chief Executive Officer

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

# MINUTES

**VRE Operations Board Meeting  
PRTC Headquarters – Prince William County, Virginia  
May 19, 2017**

Members Present	Jurisdiction
Sharon Bulova (NVTC)	Fairfax County
Maureen Caddigan (PRTC)	Prince William County
John C. Cook (NVTC)	Fairfax County
Katie Cristol (NVTC)	Arlington County
John D. Jenkins (PRTC)	Prince William County
Paul Milde (PRTC)	Stafford County
Paul Smedberg (NVTC)	City of Alexandria
Pamela Sebesky (PRTC)	City of Manassas
Bob Thomas (PRTC)	Stafford County

Members Absent	Jurisdiction
Matt Kelly (PRTC)	City of Fredericksburg
Jennifer Mitchell	DRPT
Suhas Naddoni (PRTC)	City of Manassas Park
Martin Nohe (PRTC)	Prince William County
Gary Skinner (PRTC)	Spotsylvania County

Alternates Present	Jurisdiction
Pete Burrus	DRPT
Paul Trampe (PRTC)*	Spotsylvania County

Alternates Absent	Jurisdiction
Ruth Anderson (PRTC)	Prince William County
Hector Cendejas (PRTC)	City of Manassas Park
Libby Garvey (NVTC)	Arlington County
Jeanine Lawson (PRTC)	Prince William County
Tim Lovain (NVTC)	City of Alexandria
Jeff McKay (NVTC)	Fairfax County
Wendy Maurer (PRTC)	Stafford County
Billy Withers (PRTC)	City of Fredericksburg
Mark Wolfe (PRTC)	City of Manassas

Staff and General Public	
Khadra Abdulle – VRE	Tom Hickey – VRE
Christine Allen – Citizen	Gerri Hill – VRE
Doug Allen – VRE	Christine Hoeffner – VRE
Monica Backmon – NVTA	Todd Johnson – First Transit
Tracy Baynard – McGuire Woods	Cindy King – VRE
Nydia Blake – Prince William County	Calvin Lam – Fairfax County DOT
Donna Boxer – VRE	Lezlie Lamb – VRE
Alex Buchanan – VRE	Bob Leibbrandt – Prince William County
Norm Catterton – Prince William County	Steve MacIsaac – VRE legal counsel
Rich Dalton – VRE	Betsy Massie – PRTC
Paul Dean – VRE	Kate Mattice – NVTC
Greg Deibler – VRE	Lynn Rivers – Arlington County
Arnold Gilbo – Keolis	Bob Schneider – PRTC
Rhonda Gilchrest – NVTC	Alex Sugatan – VRE
Oscar Gonzalez – VRE	Joe Swartz – VRE
Anna Gotthardt – VRE	Ciara Williams – DRPT
Chris Henry – VRE	

\* 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 9:08 A.M. Following the Pledge of Allegiance, Roll Call was taken.

### Approval of the Agenda – 3

Ms. Caddigan moved, with a second by Ms. Cristol, to approve the Agenda. The vote in favor was cast by Board Members Bulova, Burrus, Caddigan, Cook, Cristol, Jenkins, Milde, Sebesky, Smedberg and Thomas.

### Approval of the Minutes of the April 21, 2017 Operations Board Meeting – 4

Mr. Milde moved, with a second by Ms. Caddigan, to approve the Minutes. The vote in favor was cast by Board Members Burrus, Caddigan, Cristol, Jenkins, Milde, Sebesky, Smedberg and Thomas. Ms. Bulova and Mr. Cook abstained.

### Chairman's Comments –5

Chairman Smedberg announced VRE's 25<sup>th</sup> Anniversary celebration is scheduled for June 16<sup>th</sup>. The VRE Operations Board meeting will be held in the Fredericksburg City Council Chamber and then Board Members will be shuttled to the station for the celebration event. Senator Tim Kaine has been confirmed as the keynote speaker.

Chairman Smedberg stated as part of VRE's Board Recognition Program, VRE held a locomotive naming ceremony on May 13<sup>th</sup> at the Broad Run Station to honor three distinguished past and current Board Members who have made outstanding contributions to VRE's establishment and long-term success. Maureen Caddigan, Joe Alexander, and David Brickley were honored. VRE also dedicated a bench, to be placed near the Manassas Station, in honor of the late Richard Peacock, a long-time VRE rider and commuter rail advocate. Ms. Caddigan thanked the Operations Board for selecting her for this honor.

Chairman Smedberg stated Mr. Skinner could not attend this meeting but wanted to publicly congratulate him on being selected by the Virginia Transit Association (VTA) as its 2017 recipient of the Award for an Outstanding Contribution by an Individual. Mr. Skinner was recognized for spearheading the effort to bring VRE to Spotsylvania County and his work on the new Spotsylvania station. Mr. Skinner will be recognized at VTA's annual conference next week in Arlington.

### Chief Executive Officer's Report –6

Mr. Allen reported on recent safety and security activities, including a Baseline Security Enhancement (BASE) assessment by the Transportation Security Administration (TSA). VRE scored 100 percent and is the first agency in the nation to receive a perfect score. He acknowledged Mr. Dalton, Mr. Deibler and Mr. Hostelka for their hard work. VRE's work on IT/cyber security was one of the reasons VRE received such a high score.

Mr. Allen reported ridership remains strong at 19,357 average daily riders for the month of April, which is a six percent increase compared to the same month last year. On May 8, 2017, VRE served its 80 millionth rider. Overall on-time performance (OTP) for the month

of April was 88 percent. He stated VRE will start to see more heat restrictions on the CSX rail line during the summer months.

Mr. Allen gave a brief update on the recent Meet the Management events, which included different development projects highlighted during these events. He also reported VRE is in the process of searching for a replacement for Donna Boxer, VRE's Chief Financial Officer, who is planning to retire at the end of June.

#### VRE Riders' and Public Comment – 7

There were no comments.

#### Authorization to Issue an Invitation for Bids for Electronic Fuel Injector Assemblies – 8A

Mr. Allen asked the Operations Board to authorize him to issue an Invitation for Bids (IFB) for locomotive fuel injector assemblies for a period of 30 calendar days. Resolution #8A-05-2017 would accomplish this.

Mr. Allen explained to maintain compliance with the locomotive emissions regulations established by the Environmental Protection Agency (EPA), VRE must replace the fuel injectors during the three-year maintenance cycle. In response to a question from Chairman Smedberg, Mr. Allen stated funding is included in the budget.

Mr. Milde moved, with a second by Mr. Thomas, to approve Resolution #10A-01-2017. The vote in favor was cast by Board Members Bulova, Burrus, Caddigan, Cook, Cristol, Jenkins, Milde, Sebesky, Smedberg and Thomas.

#### Authorization to Execute a Contract for Financial Advisory Services – 8B

Mr. Allen asked the Operations Board to authorize him to execute a contract with PFM Financial Advisors, LLC (PFM) in Philadelphia, Pennsylvania for financial advisory services, to be done on a task order basis, in the amount not to exceed \$300,000 for a base year and nine option years, with the CEO exercising the option years at his discretion. Resolution #8B-05-2017 would accomplish this.

Ms. Boxer explained Prince William County issued a RFP for these services on behalf of the county, PRTC, NVTA and VRE. It was Prince William County's decision to make it a 10-year contract. In response to a question from Ms. Cristol, Ms. Boxer explained NVTC issues debt for VRE while PRTC and VRE have historically hired the financial advisor. VRE is required to have a financial advisor and there is no duplication of service with NVTC. Both Ms. Boxer and Ms. Mattice talked about how VRE and NVTC work together on debt financing issues. Ms. Boxer explained any large debt finance or service will come back to the Operations Board for approval.

[Mr. Trampe arrived at 9:27 A.M.]

In response to a question from Ms. Bulova, Ms. Boxer stated all bond issues are in NVTC's name and anything that is backed by equipment is in the name of both NVTC and PRTC. No bonds are issued in the name of VRE.

Mr. Milde asked about past expenditures. Ms. Boxer stated over the last 10 years VRE spent \$25,000 on PFM's work for the debt and financial principles and \$220,000 for the Financial Plan. If VRE decides to update the Financial Plan, staff will come back to the Operations Board for approval.

Mr. Milde moved, with a second by Ms. Bulova, to approve Resolution #8B-05-2017. The vote in favor was cast by Board Members Bulova, Burrus, Caddigan, Cook, Cristol, Jenkins, Milde, Sebesky, Smedberg, Thomas and Trampe.

#### Authorization to Execute a Contract for the Purchase of Railcar Battery Assemblies –8C

Mr. Allen asked the Operations Board to authorize him to execute a contract with Hoppecke Batteries Inc., of Hainesport, New Jersey for railcar battery assemblies in the amount of \$346,028, plus a 10 percent contingency of \$34,602, for a total amount not to exceed \$380,630. Resolution #8C-05-2017 would accomplish this.

Mr. Milde moved, with a second by Ms. Caddigan, to approve Resolution #8C-05-2017. The vote in favor was cast by Board Members Bulova, Burrus, Caddigan, Cook, Cristol, Jenkins, Milde, Sebesky, Smedberg, Thomas and Trampe.

#### Recommend Authorization to Extend the Amended and Restated Operating/Access Agreement with CSX Transportation –8D

Mr. Allen asked the Operations Board to recommend the Commissions authorize him to execute a one-year extension of the existing Amended and Restated Operating/Access Agreement with CSX Transportation (CSXT) through June 30, 2018. Resolution #8D-05-2017 would accomplish this.

Mr. Allen explained the current agreement with CSXT expires June 30, 2017. Currently VRE and CSXT are in discussions to further identify potential capacity enhancement improvement projects, funding sources, and funding mechanisms for capital improvement projects in the corridor. At the request of CSXT, VRE and CSXT will work to identify a mutually agreed upon cost sharing methodology for the implementation and ongoing operations of Positive Train Control and update the Master Facilities Lease Agreement during this extension period.

In response to a question from Ms. Cristol, Mr. Dalton stated staff expects to present a new five-year agreement with CSXT by this time next year. Discussions regarding the negotiations with the Operations Board in Closed Session are anticipated at future meetings.

Ms. Cristol moved, with a second by Ms. Bulova, to approve Resolution #8D-05-2017. The vote in favor was cast by Board Members Bulova, Burrus, Caddigan, Cook, Cristol, Jenkins, Milde, Sebesky, Smedberg, Thomas and Trampe.

#### Authorization to Execute a Force Account Agreement with CSX Transportation for Design Review of Franconia-Springfield Station Improvements – 8E

Mr. Allen asked the Operations Board to authorize him to execute a force account agreement with CSXT for design review of improvements to the Franconia-Springfield Station in an estimated amount of \$85,000, plus a 10 percent contingency of \$8,500, for a total not to exceed \$93,500. Resolution #8E-05-2017 would accomplish this.

Mr. Allen explained VRE is initiating improvement projects at five Fredericksburg Line stations (Franconia-Springfield, Lorton, Rippon, Brooke and Leeland Road), which will improve safety, provide flexibility for railroad operations, and accommodate the ridership growth and longer trains proposed in the System Plan 2040. VRE will coordinate the improvements with the Commonwealth on the Atlantic Gateway project.

Ms. Bulova moved, with a second by Mr. Cook, to approve Resolution #8E-05-2017. The vote in favor was cast by Board Members Bulova, Burrus, Caddigan, Cook, Cristol, Jenkins, Milde, Sebesky, Smedberg, Thomas and Trampe.

Authorization to Execute a Force Account Agreement with CSX Transportation for Design Review of Lorton Station Second Platform Improvements – 8F

Mr. Allen asked the Operations Board to authorize him to execute a force account agreement with CSXT for design review of the Lorton Station Second Platform Improvements in an estimated amount of \$85,000, plus a 10 percent contingency of \$8,500, for a total not to exceed \$93,500. Resolution #8F-05-2017 would accomplish this.

Mr. Allen stated this action is part of the platform improvement projects discussed in the last action item. Separate force account agreements will be brought before the Operations Board in the future for the remaining three stations.

Ms. Bulova moved, with a second by Mr. Cook, to approve Resolution #8F-05-2017. The vote in favor was cast by Board Members Bulova, Burrus, Caddigan, Cook, Cristol, Jenkins, Milde, Sebesky, Smedberg, Thomas and Trampe.

Authorization to Execute a Sole Source Contract for Central Diagnostic Cloud Services for VRE Locomotives – 8G

Mr. Allen asked the Operations Board to authorize him to execute a sole source contract with Motive Power (a Wabtec Company) for a Central Diagnostic System upgrade and monitoring for three years in the amount of \$575,766, plus a 10 percent contingency of \$57,576, for a total amount not to exceed \$633,342. Resolution #8G-05-2017 would accomplish this.

Mr. Allen explained a sole source contract is needed because this is a proprietary system created by Wabtec that provides real time diagnostics to alert technicians to potential issues needing attention. This will increase locomotive reliability, improve on-time performance, and enhance operational safety.

In response to a question from Mr. Milde, Mr. Dalton stated this is a new expense since the first five years were included in the locomotive contract. There is now an annual service cost. To this point, VRE has been issuing purchase orders for this service on an annual

basis, but there is a needed upgrade to the CDS server from “physical” to “cloud” based storage. This upgrade will increase the security of the database and automated system monitoring.

Ms. Caddigan moved, with a second by Ms. Bulova, to approve Resolution #8G-05-2017. The vote in favor was cast by Board Members Bulova, Burrus, Caddigan, Cook, Cristol, Jenkins, Milde, Sebesky, Smedberg, Thomas and Trampe.

Authorization to Execute a Contract Amendment with Scheidt & Bachmann for the Automated Fare Collection System –8H

Mr. Allen asked the Operations Board to authorize him to amend the contract with Scheidt & Bachmann for the current Europay Master Card Visa Upgrade Project in the amount of \$471,813, plus a 10 percent contingency of \$47,181, for a total not to exceed \$518,994, increasing the total contract authorization from \$13,529,183 to \$14,048,177. Resolution #8H-05-2017 would accomplish this.

In response to a question from Chairman Smedberg, Mr. Henry stated approximately 40-45 percent of riders still use the TVM machines to purchase tickets. Twenty-five percent of ticket purchases are made through the mobile ticketing app. He explained a bigger challenge is shifting from vendor purchases (Commuter Direct Network) to mobile purchases.

Mr. Milde stated he has heard some complaints from riders about the reliability of the TVM machines. Mr. Henry explained this work will bring the last components up to the newest technology available for paper ticketing and should address the reliability issues.

Ms. Bulova moved, with a second by Ms. Cristol, to approve Resolution #8H-05-2017. The vote in favor was cast by Board Members Bulova, Burrus, Caddigan, Cook, Cristol, Jenkins, Milde, Sebesky, Smedberg, Thomas and Trampe.

Authorization to Execute a Contract Amendment for Station Platform LED Lighting Upgrades –8I

Mr. Allen asked the Operations Board to authorize him to amend the current contract with Capital Tristate Lighting and Supply of Upper Marlboro, Maryland for LED lighting to exercise the option for an order of 97 additional lamps and associated supplies, increasing the contract amount by \$227,000, for a total amount not to exceed \$359,369. Resolution #8I-05-2017 would accomplish this.

Mr. Allen explained VRE has replaced the lighting at the L’Enfant station and has found it illuminates the platforms well and saves money. VRE is now developing plans to replace lighting at the next phase of stations where lighting needs are the greatest (City of Manassas, Fredericksburg, Rolling Road). This contract amendment will satisfy upgrade plans through the remainder of 2017 and midway into 2018.

Mr. Trampe asked about the timetable for installation at the Fredericksburg station. Mr. Deibler stated there is a 12-week lead time on the lamps and a three-week installation process.

Ms. Cristol moved, with a second by Ms. Bulova, to approve Resolution #8I-05-2017. The vote in favor was cast by Board Members Bulova, Burrus, Caddigan, Cook, Cristol, Jenkins, Milde, Sebesky, Smedberg, Thomas and Trampe.

#### System Plan 2040 Update – 9A

Mr. Hickey stated the current System Plan was adopted in 2014 and outlines a phased approach to capacity and service improvements. Now after three years, staff better understands the System Plan by translating service standards into actual schedules, looking at ridership more closely and interacting with other corridor projects, such as DC2RVA, Long Bridge Expansion, and Union Station expansion.

Mr. Hickey explained staff proposes to right-size the System Plan 2040 by changing headways from 15-minutes to 20-minutes during peak with longer trains, changing reverse peak from 30-minute to 60-minute headways, and off-peak from 60-minutes to 120-minute headways. This would reduce the number of trains from 92 to 64, which is a more achievable goal to negotiate with the railroads for additional capacity.

Mr. Hickey stated next steps include rerunning the Travel Demand Forecast and evaluating costs of the Preliminary Update Schedule using the VRE Financial Model. Staff plans to return to the Operations Board for action in fall 2017.

In response to a question from Mr. Cook, Mr. Hickey stated staff does not expect a big drop in peak ridership with the proposed changes. It is assumed there is enough elasticity in off-peak service that will result in basically the same number of riders. Mr. Cook observed financial costs should drop because VRE would be running less trains. Mr. Hickey stated costs would also be lower because VRE would be running fewer less productive trains. Mr. Cook stated it is important to have updated numbers before the next General Assembly Session.

Ms. Bulova stated staff's proposal is based on right-sizing the System Plan based on actual experience with a more appropriate and cost effective service. Mr. Hickey stated VRE is not discarding the goals of the System Plan 2040, but the goals can be achieved with these new changes. In response to Ms. Cristol's question about VRE's natural growth plan, Mr. Hickey stated Phase 2 and 3 of the System Plan kicks in at 2025 and beyond.

Mr. Cook stated the revised plan will help VRE to make the system more efficient and it should strengthen the argument for additional funding sources.

Chairman Smedberg asked staff to bring this back to the Operations Board a month prior to seeking action. Mr. Allen stated staff will bring it back in July. Mr. Cook stated it is important to include the financial numbers, so he suggested staff wait to bring it back if they aren't ready.

### Long Bridge Update – 9B

Mr. Gonzalez gave a brief update on the Long Bridge project. VRE has been collaborating with the District Department of Transportation (DDOT), Federal Railroad Administration (FRA), CSXT and DRPT. Recent key activities include initiating the NEPA process and focusing on the purpose and need for project to ensure it is focused on railroad capacity needs. Screening results and preliminary alternatives will be presented in the fall 2017. He stated one of the big challenges is to find ways to streamline the project delivery.

Mr. Gonzalez reviewed the key issues—determining the impact on five other bridges, evaluating opportunities for pedestrian and bicycle access, and identifying funding for final design and construction. There are challenges to this project because it is a constrained alignment and confined railroad infrastructure.

### Spending Authority Report – 9C

Mr. Allen stated the written report includes two reportable expenditures, which include a Task Order in the amount of \$96,831 to NV Enterprises for remediation of the embankment on the CSX right-of-way in Spotsylvania County, and a Purchase Order in the amount of \$78,283 to Technical Communities for Wi-Fi radios to support Positive Train Control. There were no comments.

### Closed Session – 10

Chairman Smedberg noted there is no need for a Closed Session.

### Operations Board Members Time – 11

Chairman Smedberg thanked Board Members for submitting their CEO evaluation surveys. The CEO Evaluation Committee met earlier this morning. The Operations Board will meet with Mr. Allen for his review in a Closed Session in June and then come back in July for a separate Operations Board discussion in Closed Session.

Mr. Allen reminded Board Members about VRE's 25<sup>th</sup> Anniversary event on June 16<sup>th</sup> in Fredericksburg.

Ms. Cristol reminded Board Members the Capital Committee will meet immediately following this meeting.

### Adjournment

On a motion by Mr. Cook and a second by Ms. Bulova, Chairman Smedberg adjourned the meeting at 10:25 A.M.



Approved this 16<sup>th</sup> day of June 2017.

<Signature on File>  
Paul C. Smedberg  
Chairman

<Signature on File>  
Katie Cristol  
Secretary

#### CERTIFICATION

This certification hereby acknowledges the minutes for the May 19, 2017 Virginia Railway Express Operations Board Meeting have been recorded to the best of my ability.

*Rhonda Gilchrest*

Rhonda Gilchrest