



**Virginia Railway
Express**

Martin E. Nohe
Chairman

Katie Cristol
Vice-Chairman

Maureen Caddigan
Secretary

John C. Cook
Treasurer

Sharon Bulova
Mark Dudenhefer
John D. Jenkins
Matt Kelly
Wendy Maurer
Jennifer Mitchell
Suhas Naddoni
Pamela Sebesky
Gary Skinner
Paul C. Smedberg

Alternates

Ruth Anderson
Pete Candland
Jack Cavalier
Hector Cendejas
Libby Garvey
Todd Horsley
Jeanine Lawson
Tim Lovain
Jeff McKay
Michael McLaughlin
Cindy Shelton
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
July 20, 2018**

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
Mark Dudenhefer (PRTC)	Stafford County
John D. Jenkins (PRTC)	Prince William County
Matt Kelly (PRTC)	City of Fredericksburg
Wendy Maurer (PRTC)	Stafford County
Martin E. Nohe (PRTC)	Prince William County
Pamela Sebesky (PRTC)	City of Manassas
Gary Skinner (PRTC)	Spotsylvania County
Paul Smedberg (NVTC)	City of Alexandria

Members Absent	Jurisdiction
Jennifer Mitchell	DRPT
Suhas Naddoni (PRTC)	City of Manassas Park

Alternates Present	Jurisdiction
Jeanine Lawson (PRTC)	Prince William County
Michael McLaughlin	DRPT
Cindy Shelton (PRTC)	Stafford County

Alternates Absent	Jurisdiction
Ruth Anderson (PRTC)	Prince William County
Pete Candland (PRTC)	Prince William County
Jack Cavalier (PRTC)	Stafford County
Hector Cendejas (PRTC)	City of Manassas Park
Todd Horsley	DRPT
Libby Garvey (NVTC)	Arlington County
Tim Lovain (NVTC)	City of Alexandria
Jeff McKay (NVTC)	Fairfax County
Paul Trampe (PRTC)	Spotsylvania County
Billy Withers (PRTC)	City of Fredericksburg
Mark Wolfe (PRTC)	City of Manassas

Staff and General Public	
Khadra Abdulle – VRE	Todd Johnson – First Transit
Doug Allen – VRE	Cindy King – VRE
Monica Backmon – NVTA	Mike Lake – Fairfax County DOT
Paolo Belita – Prince William County	Lezlie Lamb – VRE
Alexander Buchanan – VRE	Bob Leibbrandt – Prince William County
Kasaundra Coleman – PRTC	Steve MacIsaac – VRE Legal Counsel
Rich Dalton – VRE	Kristen Nutter – VRE
Andrew D’huyvetter – NVTC	Pat Porzillo – HDR
John Duque – VRE	Mark Schofield – VRE
Julie Elliott – Stafford County	Aimee Perron Seibert – The Hillbridge Group
Lucy Gaddis – VRE	Steve Sindiong – City of Alexandria
Paul Garnet – Keolis	Joe Swartz – VRE
Chris Henry – VRE	Ann Warner – Ann Warner, LLC
Christine Hoeffner – VRE	Ciara Williams – DRPT
Pierre Holloman – Arlington County	

Chairman Nohe called the meeting to order at 9:18 A.M. Following the Pledge of Allegiance, Roll Call was taken.

Approval of the Agenda – 3

Mr. Kelly moved, with a second by Mr. Skinner, to approve the Agenda. The vote in favor was cast by Board Members Bulova, Caddigan, Cook, Cristol, Dudenhefer, Jenkins, Kelly, Maurer, McLaughlin, Nohe, Sebesky, Skinner and Smedberg.

Approval of the Minutes of the June 15, 2018 Operations Board Meeting – 4

Ms. Bulova moved, with a second by Mr. Kelly, to approve the Minutes. The vote in favor was cast by Board Members Bulova, Caddigan, Cook, Cristol, Dudenhefer, Jenkins, Kelly, McLaughlin, Sebesky, Skinner and Smedberg. Ms. Maurer and Mr. Nohe abstained.

Chairman's Comments –5

Chairman Nohe announced there will be a Legislative Committee meeting immediately following the Operations Board meeting to begin discussions of the 2019 Legislative Agenda. Members of the Legislative Committee include Ms. Cristol, Mr. Cook and Mr. Kelly. He encouraged all Board Members to attend.

Chairman Nohe regretfully announced the passing of Stephen T. Roberts, who served as VRE Rail Director and Chief Operating Officer from 1993-2000. Chairman Nohe asked Ms. Bulova to say a few words since she worked with Mr. Roberts during the early VRE days. Ms. Bulova stated prior to working at VRE, Mr. Roberts was a long-time NVTC staff member who led the effort to get VRE started. He was instrumental in leading the process of creating the Master Agreement establishing VRE; leading negotiations of operating and access agreements with Amtrak, Conrail, Norfolk Southern and the RF&P Railroad; establishing the Risk Management Program; and managing the design and construction for new stations and yards. Ms. Bulova observed Steve was a character and she shared some fond memories. She concluded by saying the Operations Board has Steve Roberts to thank for building the foundation of VRE.

Chairman Nohe reminded the Board there will be no meeting in August.

Chief Executive Officer's Report –6

Mr. Allen reviewed recent VRE security and safety initiatives, including hosting K-9 unit training for the Transportation Security Administration (TSA). He also announced Robert Easley, a Keolis conductor, earned his engineer's license.

Mr. Allen asked Mr. Dalton to give an update on Positive Train Control (PTC). Mr. Dalton stated all four major milestones are complete, which are needed for final implementation. As of June 23, 2018, VRE completed training for 111 employees (both Keolis and VRE staff). Over the next five months, VRE will complete lab testing of the full system, followed by field testing on the host railroads. The current plan has VRE completing operational testing by December 1, 2018, although it is a tight timeline. Staff anticipates VRE and its host railroads will meet the December 31st PTC deadline. Mr. Allen noted VRE has completed all the extension pre-requisites if needed.

In response to a question from Mr. Smedberg, Mr. Dalton stated VRE has already begun interoperability testing with the host railroads. In response to a question from Mr. Skinner, Mr. Dalton stated both CSX and Norfolk Southern have certified their systems and CSX has operated

trains under full PTC enforcement. Norfolk Southern will conduct end-to-end testing next month primarily using Amtrak equipment.

Mr. Allen reported average daily ridership for the month of June was just over 19,000 with on-time performance (OTP) of 87 percent. Delays were primarily due to heat restrictions and rail congestion. He gave an update on the L'Enfant storage track, which went into service on July 9, 2018. VRE no longer needs to "deadhead" one train on the Manassas Line, thus saving time and fuel.

Mr. Allen reported for the second year VRE hosted a group from the Washington Center for Internships, comprised of college student interns working at the U.S. Department of Transportation. The interns traveled by VRE from Union Station to Broad Run, where they were given a tour of the Maintenance and Storage Facility before an OmniRide bus picked them up and took them to tour the PRTC bus operations yard. VRE also provided a special orientation tour for the Fairfax County Transportation Advisory Commission on June 19th.

Mr. Allen stated VRE is responding to the upcoming single tracking on the Orange and Silver Metrorail lines during August 11-26, 2018. VRE has created a webpage and radio advertisement for potential riders directing them to trains with the most capacity. He stated this is somewhat of a dry run for next summer's major Metrorail shutdowns.

Mr. Allen reported VRE submitted a federal BUILD grant application for design of the L'Enfant Station and Fourth Track projects. Forty-five percent of VRE's riders use this station. Mr. McLaughlin stated the Commonwealth sent a letter of support for VRE's application.

Mr. Allen thanked Chairman Nohe, along with Manassas Park's Mayor Jeanette Rishell, for their assistance getting city-owned property transferred to VRE for the Manassas Park parking expansion project.

VRE Riders' and Public Comment – 7

There were no rider comments.

Authorization to Execute a Sole Source Contract for a Master Product Purchase and License Agreement with Meteorcomm LLC – 8A

Mr. Allen stated the Operations Board is being asked to authorize him to execute a sole source contract with Meteorcomm LLC for five years in the amount of \$3,446,557, plus a 10 percent contingency of \$344,656, for a total amount not to exceed \$3,791,213. Resolution #8A-07-2018 would accomplish this.

Mr. Allen explained Meteorcomm is the sole provider of software necessary for communications between VRE locomotives/cabs control cars and the host railroads' wayside and back office systems, as required for the implementation and ongoing operations of Positive Train Control (PTC).

Ms. Bulova moved, with a second by Mr. Kelly, to approve Resolution #8A-07-2018. The vote in favor was cast by Board Members Bulova, Caddigan, Cook, Cristol, Dudenhefer, Jenkins, Kelly, Maurer, McLaughlin, Nohe, Sebesky, Skinner and Smedberg.

FY 2020 Key Budget Issues – 8B

Mr. Allen stated the Operations Board is being asked to provide feedback and direction for the development of the FY 2020 budget and six-year Capital Improvement Program (CIP). Resolution #8B-07-2018 would direct VRE staff to develop the budget and CIP in accordance with the Board's direction.

Mr. Schofield stated the preliminary FY 2020 budget will be presented in September for Board consideration, with final budget approval and referral to the Commissions in December. He then reviewed the nine key budget issues.

Key Budget Issue #1 - Programming of CROC Funds in FY 2019 and FY 2020. Mr. Schofield stated the Capital Committee is providing guidance on the development of principles to guide the use of CROC funds for the immediate programming and longer-term budgeting and planning for major initiatives. Initially, CROC funds will be used for pay-go capital projects that are transformative type projects. While \$15 million annually is a good first step, it does not cover all of VRE's long-term funding needs.

Key Budget Issue #2 – Planned Fare Increases and Ridership Projections. Mr. Schofield stated a three percent fare increase is being proposed for FY 2020. He stated ridership will also be key for this budget. FY 2018 ridership was down slightly from the previous year, although the broader drop-off in ridership that was anticipated after the conclusion of Metro's SafeTrack did not occur. Transit ridership in general has been in decline regionally and nationwide, although VRE has largely avoided these declines.

Key Budget Issue #3 – Potential Reduction in State Operating Assistance. Mr. Schofield stated the recent legislative changes in transit funding, that now requires all transit operating assistance be allocated based on service delivery factors, could result in reduction in funding. VRE staff have been working with NVTC staff on projections and determined state assistance could drop \$1-2 million annually for VRE.

Key Budget Issue #4 – Renewal of Operating Access Agreement with CSX. Mr. Schofield stated as of July 1st VRE has renewed its access agreement with Norfolk Southern for another five years and VRE's agreement with Amtrak goes through June 30, 2020. VRE continues to operate under a series of one-year extensions with CSX. Mr. Skinner asked if it is more advantageous to go with multiple-year contracts with CSX. Mr. Allen stated the best approach is to continue with five-year agreements. However, a five-year agreement was delayed due to changes in CSX leadership and implementation of PTC. VRE, CSXT, and DRPT continue to meet to review planned capacity enhancement projects, determine resources to complete these projects, and prioritize the projects across the coming years.

Key Budget Issue #5 – Diesel Fuel Price Uncertainty. Mr. Schofield stated fuel prices have steadily increased and macroeconomic uncertainty remains. Ms. Cristol asked why fuel volatility is still an issue with VRE's fuel hedging contract. Mr. Schofield explained the hedging contract mitigates some of the short-term volatility, but over the long-term VRE is exposed to risk for fuel price increases.

Key Budget Issue #6 – Staffing to Support Growth. Mr. Schofield explained VRE must ensure it has the resources, through a combination of permanent staff and contracted support, to advance the capital program. VRE management is currently reviewing staffing resources and potential needs for FY 2020.

Key Budget Issue #7 – Changes to State Capital Matching Funding. Mr. Schofield stated VRE staff is working with DRPT on how the changes to the Commonwealth Mass Transit Fund will

impact VRE. The Transit Service Delivery Advisory Committee (TSDAC) is still deliberating on its recommendation to the Commonwealth Transportation Board (CTB). TSDAC will likely recommend all projects requiring state capital funding support be categorized as either State of Good Repair (SGR), Minor Enhancement, or Major Expansion. Debt service and track access fees are not expected to be impacted.

Ms. Cristol suggested VRE draft a letter for the chairman's signature to send to TSDAC expressing concerns about a per passenger operating assistance approach. This would uniquely disadvantage VRE since it transports fewer passengers yet for longer distances. It will undercut VRE's success in relieving congestion along corridors of statewide significance. Mr. Smedberg also noted it is important to express concerns that new policies may have unintended consequences. Chairman Nohe stated the proposed changes benefit the smaller transit systems that carry many people a short distance.

Mr. Kelly observed this isn't the first time this issue has come up. While he does not have an issue with sending a letter, he suggested it may be time to address next steps and not just express concerns.

Key Budget Issue #8 – Stakeholder Consensus of Long Bridge. Mr. Schofield explained while the need for additional railroad capacity across the Potomac River at Long Bridge is generally agreed upon, key questions regarding the ownership and funding of an expanded bridge remain to be answered. VRE continues to work with the other stakeholders.

Key Budget Issue #9 – Maintenance and Replacement of VRE Assets. Mr. Schofield stated future replacement of the existing fleet is expected to require significant additional funding beyond available federal funds. VRE's current fleet was purchased during a relatively compressed time. As a result, replacement of the fleet is projected to be needed during a similarly compressed time frame beginning in FY 2030. VRE staff is now working with consultants to assess the trade-offs between undertaking major overhauls versus purchasing new rolling stock. Mr. Skinner asked staff to brief the Board at a future meeting on the life cycle maintenance and how long VRE can extend the life of the equipment.

Mr. Smedberg asked about the impact to VRE's budget due to Metro's extensive shutdowns next summer and if VRE is planning to seek state and federal assistance to offset the costs. Mr. Schofield stated VRE staff is still looking at ways to provide additional service to respond to these shutdowns, but once that is determined, then staff can work on estimates of additional operation costs. VRE will look at all options for funding assistance.

Mr. Cook asked for the timeline for updating the Financial Plan. He stated VRE should look at long-term practices to be realistic considering the economy, including inflation. He stated it is important to analyze factors under VRE's control. He suggested VRE look at the Financial Plan over the course of the next two years.

Mr. Kelly stated VRE already knows at a certain point it will not be able to sustain service without additional funding. He stated it is important to educate passengers on how lack of operating funding will impact service. Mr. Schofield stated VRE staff is working with PFM on a new modeling program and will start running scenarios in August. He stated the wild card is ridership. If VRE can grow ridership it will increase revenues.

Ms. Bulova moved, with a second by Mr. Smedberg, to approve Resolution #8B-07-2018. The vote in favor was cast by Board Members Bulova, Caddigan, Cook, Cristol, Dudenhefer, Jenkins, Kelly, Maurer, McLaughlin, Nohe, Sebesky, Skinner and Smedberg.

Endorsement of the Preferred Concept for the Broad Run Expansion Project Near-Term Improvements – 8C

Mr. Allen stated the Operations Board is being asked to endorse the site located north of the Broad Run Station and Norfolk Southern (NS) tracks as the preferred location for expanded station parking, at an estimated cost of \$25 million. Resolution #8C-07-2018 would accomplish this. Mr. Allen explained Prince William County will provide up to \$10 million in county funds towards the cost of this parking and is seeking a federal BUILD grant that would increase their contribution to \$25 million. If agreement is reached with the county reflecting these commitments, Resolution #8C-07-2018 also directs staff to bring back the agreement for consideration by the VRE Operations Board.

Mr. Allen explained if the county does not receive the grant, VRE would need to pay the additional amount. Mr. Cook asked why Prince William County isn't paying the full amount since VRE's past policy has been jurisdictions pay for parking. Mr. Allen stated the north lot would accommodate 600 parking spaces, which includes 300 spaces to replace the spaces lost from the proposed yard expansion. Prince William County paid for these spaces when the lot was built. In his view, an argument can be made the replacement spaces should be a system cost.

Chairman Nohe stated the heart of the issue is the decision to build parking to the north. This is a policy decision that needs to be made by the Operations Board. If the south option is chosen, Prince William County would not need to pay anything because I-66 Concessionaire funding would cover the costs. He noted these I-66 funds are also being used for the Manassas Park parking expansion project. He stated if the Operations Board does not want to take the risk on grant funding, then VRE could build just 300 spaces at the north site. It wouldn't save \$9 million, but more likely \$3 million because of incremental costs. He argued it is still to the overall system's benefit to put parking on the north site. With better access, it will be easier to get additional riders into empty seats on these trains.

Ms. Bulova stated she can support the strategy but asked if an additional 300 spaces is sufficient. She asked if structured parking is an option for the future. Mr. Allen stated the benefit for choosing the north site is better access and will also provide flexibility to expand parking in the future.

Mr. Kelly agreed this is a policy decision. The decision to choose the north option makes sense. He assumes if future decisions are made to take away parking spaces at other stations because of expansion, the policy will be the same. He also assumes any future parking structure at Broad Run would be the financial responsibility of Prince William County.

Ms. Sebesky stated it is important to think about long-term planning. Choosing the north option provides VRE parking on both side of tracks. Acquiring land now gives VRE options for the future.

Mr. Cook observed it was important to ask the policy question. He can support the north option. He did note this could open the door for future issues and cautioned VRE not to go down a "slippery slope." There are parking issues at Rolling Road that will need to be addressed in the future.

Ms. Maurer asked if VRE does payback analysis regardless of the source of funding. Mr. Allen stated VRE looks at the effect of reducing congestion and compares the costs to road construction costs. Ms. Cristol noted NVTC did analysis of the economic benefit of VRE to the Commonwealth. Together, WMATA and VRE create \$600 million of tax revenues to the Commonwealth annually. She suggested VRE ask NVTC to go more granular in its data analysis on how much revenue is being generated specifically from VRE for the Commonwealth and individual VRE jurisdictions.

Mr. Kelly stated in response to Mr. Cook's "slippery slope" comment, this is a change in policy that when VRE expands facilities resulting in the loss to the jurisdiction's parking, VRE will step in and take its portion of the impact. It is specific to a specific capital project. This is much better investment than building more roads.

Ms. Caddigan moved, with a second by Mr. Jenkins, to approve Resolution #8C-07-2018. The vote in favor was cast by Board Members Bulova, Caddigan, Cook, Cristol, Dudenhefer, Jenkins, Kelly, Maurer, McLaughlin, Nohe, Sebesky, Skinner and Smedberg.

2018 Customer Service Survey Results – 9A

Mr. Henry reported the Annual Customer Service Survey was conducted on May 2, 2018 on all morning VRE and Amtrak Step-Up trains. A total of 4,694 surveys were completed out of 10,000 passengers, which is a 47 percent participation rate. The results of the survey are very positive. Mr. Henry reviewed some of the ratings, including VRE achieving all-time high satisfaction in several categories:

- Responsiveness of VRE staff – 94 percent
- Overall Service Quality – 93 percent
- Overall Crew Performance – 95 percent

Mr. Henry explained over the past year VRE staff focused on improving several areas and the survey results show successful results of those initiatives. Significant improvements are noticeable in the categories of Customer Email Responsiveness, Social Media Presence and Updates, Website Content Maintenance, and Train Talk Alerts. These categories grew on average four to six percentage points from last year. On-Time Performance was 87 percent, which is the highest rating in the past five years. Train Cleanliness received a 96 percent rating. Crew Performance also reached its highest rating at 95 percent. Ms. Bulova suggested VRE staff convey to the crews how pleased the Operations Board is with this rating.

Mr. Henry stated about five years ago VRE staff started capturing data on teleworking trends and how they impact ridership. Thirty-five percent of VRE riders telework as many as 3-4 days a week. VRE has continued to maintain ridership despite many riders not using VRE on a daily basis.

Spending Authority Report –9B

The written report includes the following:

- Blanket Purchase Order, issued to Digilink, Inc., for an amount not to exceed \$100,000, to provide printing services for marketing materials.
- Task Order for \$99,195, to RPI Group, Inc., to install and test 26 security cameras at the Crossroads Maintenance and Storage Facility.

There were no questions or comments.

Operations Board Member Time

There were no comments.

Closed Session

Chairman Nohe moved, with a second by Ms. Bulova, the following motion:

Pursuant to the Virginia Freedom of Information Act (Sections 2.2-3711A (1) of the Code of Virginia), the VRE Operations Board authorizes a Closed Session for the purpose of discussing one personnel matter.

The vote in favor was cast by Board Members Bulova, Caddigan, Cook, Cristol, Dudenhefer, Jenkins, Kelly, Maurer, McLaughlin, Nohe, Sebesky, Skinner and Smedberg.

The Board entered into Closed Session at 10:58 A.M. and returned to Open Session at 11:24 A.M.

Mr. Skinner moved, with a second by Ms. Maurer, 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, Caddigan, Cook, Cristol, Dudenhefer, Jenkins, Kelly, Maurer, McLaughlin, Nohe, Sebesky, Skinner and Smedberg.

Adjournment

Without objection, Chairman Nohe adjourned the meeting at 11:25 A.M.

Approved this 21st day of September 2018.

<Signature on File>

Martin Nohe
Chairman

<Signature on File>

Maureen Caddigan
Secretary

CERTIFICATION

This certification hereby acknowledges the minutes for the July 20, 2018 Virginia Railway Express Operations Board Meeting have been recorded to the best of my ability.

Rhonda Gilcrest

Rhonda Gilcrest