

VRE OPERATIONS BOARD MEETING

May 20, 2022

*The meeting will
begin at 9 a.m.*

Meeting materials are available at
vre.org/about/board/board-agenda-minutes/2022/May



PLEDGE OF ALLEGIANCE



ROLL CALL



Walter Alcorn
Fairfax County



Sarah Bagley
Alexandria



Andrea Bailey
Prince William County



Preston Banks
Manassas Park



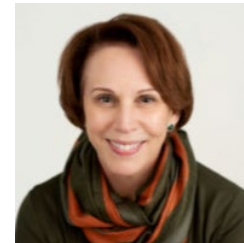
Meg Bohmke
Stafford County



Margaret Franklin
Prince William County



Monica Gary
Stafford County



Libby Garvey
Arlington County



Lori Hayes
Spotsylvania County



Matt Kelly
Fredericksburg



Jeanine Lawson
Prince William County



Mike McLaughlin
Commonwealth of Virginia



Ralph Smith
Manassas



Dan Storck
Fairfax County



James Walkinshaw
Fairfax County



SAFETY MOMENT



APPROVAL OF AGENDA

1. Pledge of Allegiance
2. Roll Call
3. Safety Briefing
4. Approval of the Agenda
5. Approval of Minutes from the April 22, 2022 VRE Operations Board Meeting
6. Chair's Comments
7. Chief Executive Officer's Report
8. VRE Riders' and Public Comment
9. Action Items
 - A. Recommend Authorization to Execute an Amendment for the Second Year of the First Option Period of the Contract for Maintenance Services for Commuter Rail
 - B. Recommend Authorization to Execute an Amendment for the Third Year of the Second Option Period of the Contract for Operating Services for Commuter Rail
 - C. Recommend Authorization of the Issuance and Sale of Transportation District Special Obligation Revenue Bonds (Transforming Rail in Virginia Program), Series 2022 (Green Bonds)
9. Action Items (continued)
 - D. Authorization to Issue a GPC Task Order for Phase I System Plan 2050 Update
 - E. Authorization to Issue a GEC VIII Task Order for Engineering Support for the Franconia-Springfield Station Improvements Project
 - F. Authorization to Amend Contracts for the Delivery of Diesel Fuel for VRE Locomotives
 - G. Authorization to Provide a Letter of Support to the Virginia Passenger Rail Authority for a USDOT Multimodal Project Discretionary Grant Opportunity for Design and Construction of the Long Bridge Capacity Expansion Project
 - H. Authorization to Provide a Letter of Support for Spotsylvania County's FY 2022 RAISE Grant Application for the I-95 Exit 126/U.S. Route 1 Revitalization Project
10. Information Item
 - A. Spending Authority Report
11. Closed Session
12. Operations Board Members' Time

APPROVAL OF MINUTES

April 22, 2022

Meeting with YouTube Livestream

Members Present

- Walter Alcorn (NVTC)
- Sarah Bagley (NVTC)
- Andrea Bailey (PRTC)
- Preston Banks (PRTC)
- Meg Bohmke (PRTC)
- Margaret Franklin (PRTC)
- Libby Garvey (NVTC)
- Lori Hayes (PRTC)
- Matt Kelly (PRTC)
- Ralph Smith (PRTC)
- Dan Storck (NVTC)
- James Walkinshaw (NVTC)

Members Absent

- Michael McLaughlin (VPRA)
- Jeanine Lawson (PRTC)

Alternates Present

- Emily Stock (VPRA)

Jurisdiction

- Fairfax County
- City of Alexandria
- Prince William County
- City of Manassas Park
- Stafford County
- Prince William County
- Arlington County
- Spotsylvania County
- City of Fredericksburg
- City of Manassas
- Fairfax County
- Fairfax County

- Commonwealth of Virginia
- Prince William County

- Commonwealth of Virginia



Margaret Franklin
VRE Operations Board Chair
Prince William County



CHAIR'S COMMENTS

- Welcome to the May 2022 VRE Operations Board meeting.
- There will be a By-Laws Committee meeting following this meeting. All Operations Board members are welcome to attend.
- Following the June Operations Board meeting there will be a meeting of the Finance Committee.
- Reception following the July 15th Operations Board meeting, to commemorate the 30th Anniversary of the start of VRE service.



Margaret Franklin
VRE Operations Board Chair
Prince William County

CEO REPORT

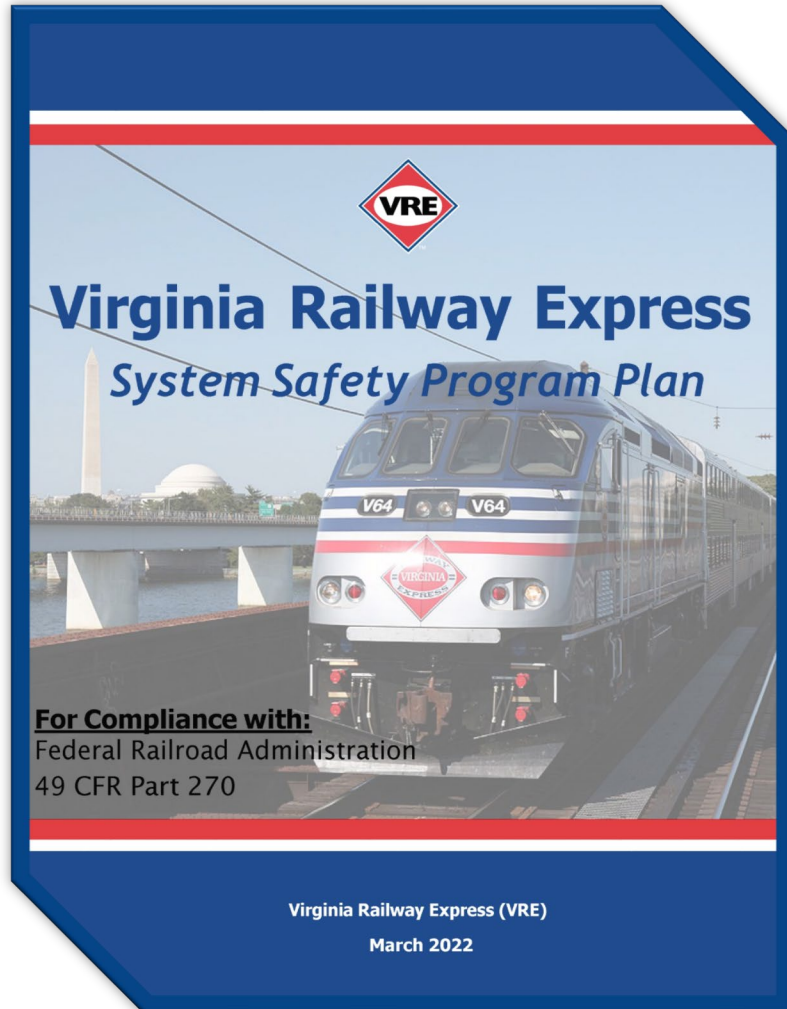
- **Safety**
- **Performance**
- **Ridership**
- **Ridership Recovery**



Rich Dalton
VRE CEO

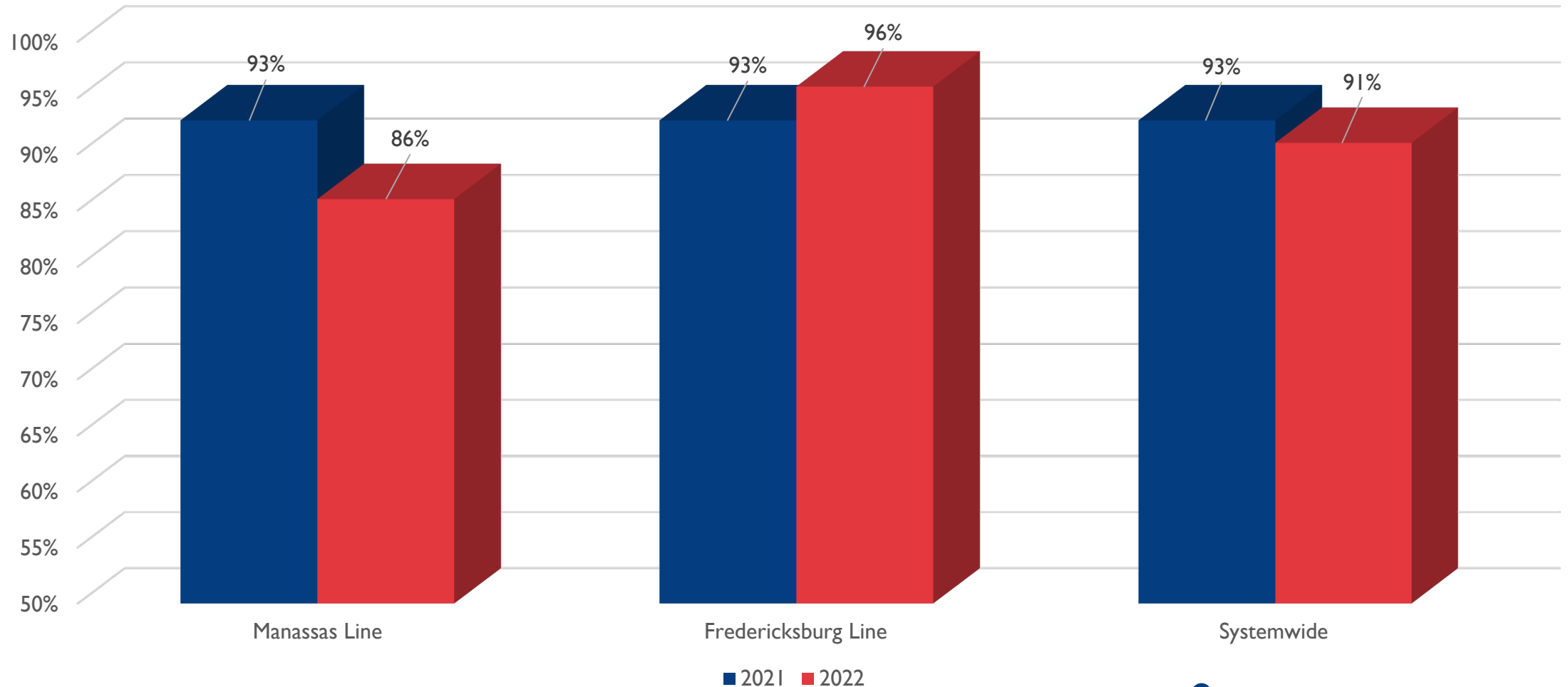


CEO REPORT – SAFETY

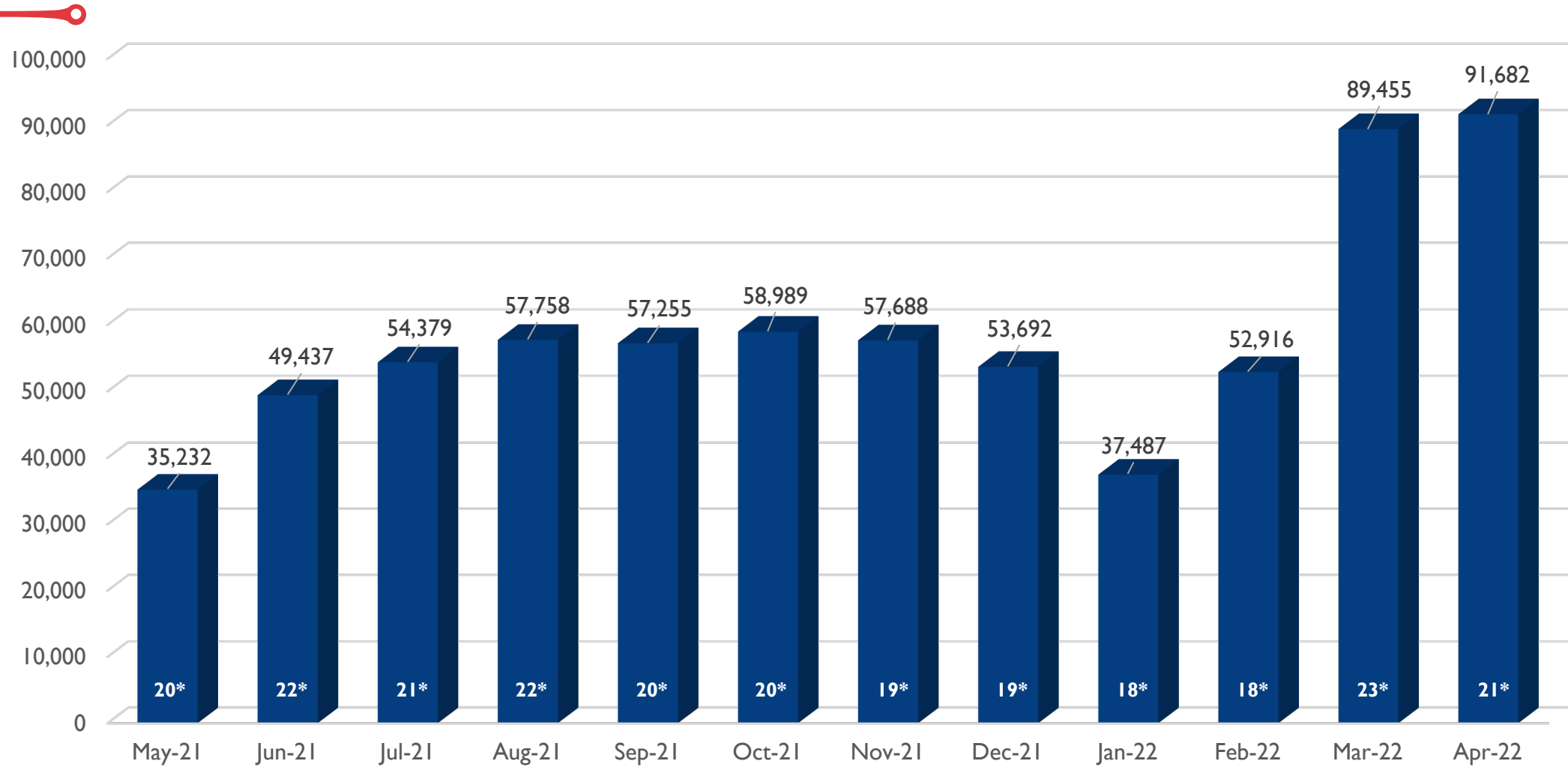


CEO REPORT – ON TIME PERFORMANCE

April Comparisons



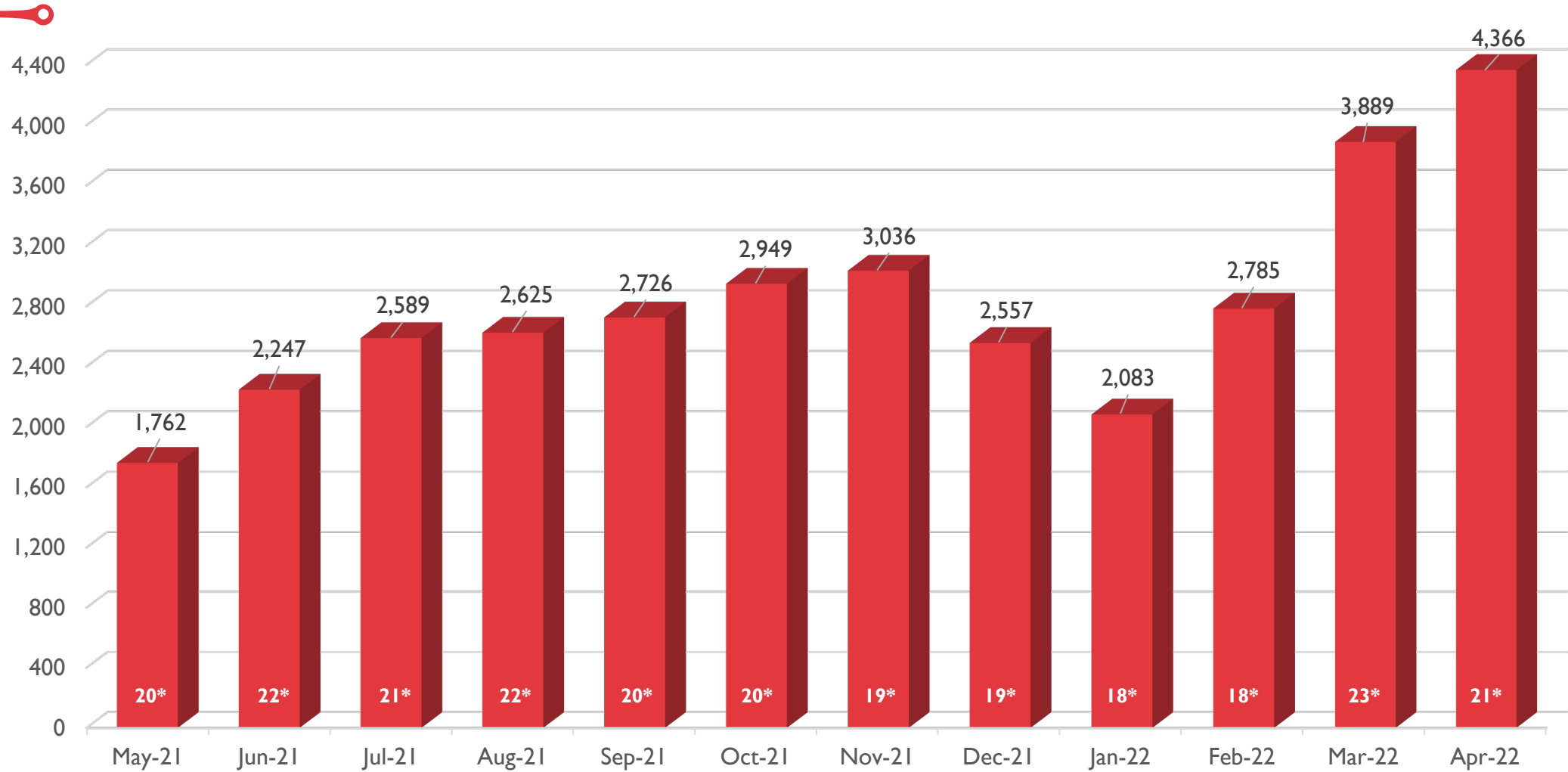
CEO REPORT – MONTHLY RIDERSHIP



*service days per month



CEO REPORT – AVERAGE DAILY RIDERSHIP



*service days per month



CEO REPORT – RIDERSHIP RECOVERY



CEO REPORT – RIDERSHIP RECOVERY – RECENT EVENTS



Great Train Race – May 1 – Fredericksburg



Fredericksburg Farmers Market – May 14



Manassas Farmers Market – May 14



CEO REPORT – TODAY’S EVENT



VRE is being represented at four station pitstops:

- Manassas**
- Manassas Park**
- Rippon**
- Woodbridge**



CEO REPORT – BUSINESS/COMMUNITY OUTREACH – RECENT EVENTS



**U.S. Rep. Gerry Connolly's
Infrastructure Panel
May 5**

THE CHAMBER ALX
Advocacy

2022 City Council Breakfast
presented by Virginia Tech

Please join us for a conversation with members of the Alexandria City Council. Council members will discuss the City's recovery from COVID-19, City initiatives/projects and what's on the horizon for Alexandria's future. They will also answer your questions.

Members of Council confirmed:

 Mayor Justin Wilson	 Vice Mayor Amy Jackson	 Councilman Canek Aguirre	 Councilmember Sarah Bagley
 Councilman John Taylor Chapman	 Councilwoman Alyla Gaskins	 Councilman Kirk McPike	

**Alexandria Chamber
City Council Breakfast
May 12**



**Rotary Club of Bull Run
May 10**

CEO REPORT – RIDERSHIP RECOVERY – UPCOMING EVENTS



Nokesville Day – May 21 – Nokesville



Farmers Markets

Kingstowne – May 27

Del Ray – May 28

Spotsylvania – June 1

Manassas – June 9



Rock the River – June 4 – Fredericksburg

MANASSAS RAILWAY FESTIVAL

SATURDAY
JUNE 4, 2022
10:00 AM - 3:00 PM

ON SALE
\$10.00*
TICKETS
AT THE
TRAIN STATION
\$11 IF PAYING BY CARD

SPONSORS

WWW.VISITMANASSAS.ORG

Manassas Railway Festival
June 4



CEO REPORT – QUESTIONS?



VRE RIDERS' & PUBLIC COMMENT



Margaret Franklin
VRE Operations Board Chair
Prince William County

RECOMMEND AUTHORIZATION TO EXECUTE AN AMENDMENT FOR THE SECOND YEAR OF THE FIRST OPTION PERIOD OF THE CONTRACT FOR MAINTENANCE SERVICES FOR COMMUTER RAIL

Recommendation:

The VRE Operations Board is asked to recommend the commissions authorize the CEO to amend the contract for maintenance services for commuter rail with Keolis Rail Services Virginia, LLC (KRSV) by approving \$10,024,653 for the second year of the first option period, for a total contract value not to exceed \$58,926,279 through June 30, 2023.

Summary:

This action will allow for the continuation of contracted services for the maintenance, inspection, and repair of VRE locomotives, passenger rail cars and maintenance facilities for FY 2023.



Margaret Franklin
VRE Operations Board Chair
Prince William County



Rich Dalton
VRE CEO



RECOMMEND AUTHORIZATION TO EXECUTE AN AMENDMENT FOR THE THIRD YEAR OF THE SECOND OPTION PERIOD OF THE CONTRACT FOR OPERATING SERVICES FOR COMMUTER RAIL

Recommendation:

The VRE Operations Board is asked to recommend the commissions approve an amendment to the contract for operating services for commuter rail with Keolis Rail Services Virginia, LLC (KRSV) by approving \$17,797,500 for the third year of the second option period, for a total contract value not to exceed \$230,588,057 through June 30, 2023 and authorize the CEO to execute the amendment on behalf of the commissions.

Summary:

This action will authorize the third year of the final option period and continue the contracted services for management, supervision and certified locomotive engineers and conductors to operate VRE commuter rail trains for FY 2023.



Margaret Franklin
VRE Operations Board Chair
Prince William County



Rich Dalton
VRE CEO



RECOMMEND AUTHORIZATION OF THE ISSUANCE AND SALE OF TRANSPORTATION DISTRICT SPECIAL OBLIGATION REVENUE BONDS (TRANSFORMING RAIL IN VIRGINIA PROGRAM), SERIES 2022 (GREEN BONDS)

Recommendation:

The VRE Operations Board is asked to recommend to the Northern Virginia Transportation Commission (NVTC) that NVTC authorize the issuance and sale of Transportation District Special Obligation Revenue Bonds (Transforming Rail in Virginia Program), Series 2022 (Green Bonds) (hereafter referred to as the “Series 2022 Bonds”). The Operations Board is also asked to recommend to the Potomac and Rappahannock Transportation Commission (PRTC) that PRTC authorize and consent to the issuance of the Series 2022 Bonds by NVTC.

Summary:

For the benefit of VRE and the Transforming Rail in Virginia (TRV) Program, the Commissions have committed to issue debt secured by a pledge of the funds received from the Commuter Rail Operating and Capital (CROC) Fund (the “CROC-Backed Debt”) by no later than November 15, 2022. The net proceeds of the CROC-Backed Debt will be paid to the Virginia Passenger Rail Authority (VPRA) to assist with the purchase of rail right-of-way from CSX Transportation in support of the TRV Program.

In accordance with the VRE Master Agreement, NVTC is designated to be the issuer of all bonds and notes to finance project costs related to VRE commuter rail service, with the authorization and consent of PRTC also required. As provided for in the bond documents, (i) the aggregate principal amount of the Series 2022 Bonds may not exceed \$140,000,000, (ii) the true interest cost may not exceed 6.5%, and (iii) the final maturity date may not be later than December 31, 2053. It is expected that the Series 2022 Bonds will price in mid-June 2022, and the transaction is expected to close before the end of June 2022.



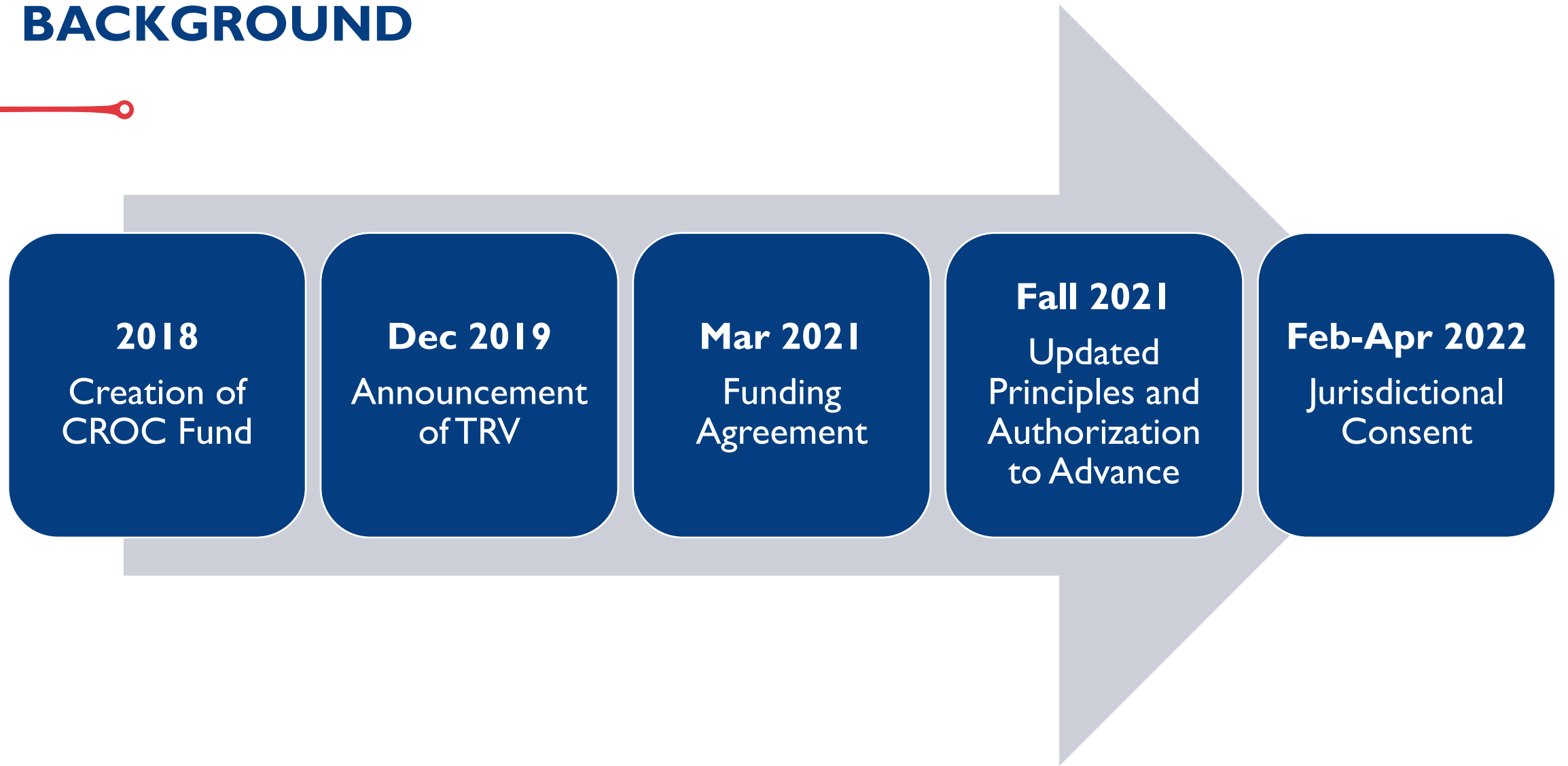
Margaret Franklin
VRE Operations Board Chair
Prince William County



Rich Dalton
VRE CEO



BACKGROUND



OVERVIEW OF SERIES 2022 BONDS

- **Reminder:** VRE has committed a certain amount of CROC funds to annual debt service, rather than committing to a certain amount of net proceeds
- Transaction limits:
 - ✓ Aggregate principal amount may not exceed \$140,000,000
 - ✓ True interest cost (TIC) may not exceed 6.5%
 - ✓ Final maturity date no later than December 31, 2053
- Funding of reserves:
 - ✓ \$3.75 million to Revenue Stabilization Fund out of existing CROC funds
 - ✓ Debt Service Reserve Fund (DSRF) out of proceeds, equal to maximum annual debt service
- Expected structure is level debt service of approximately \$7.5 million over 30 years
- Based on market conditions as of 5/4/22, expected transaction would be:
 - ✓ Principal amount of \$115,670,000
 - ✓ True interest cost of 3.99%
 - ✓ Net proceeds of \$122.0 million for transfer to VPRA



CREDIT RATINGS AND GREEN BOND DESIGNATION



MOODY'S
INVESTORS SERVICE

S&P Global



KESTREL
VERIFIERS™

BOND DOCUMENTS

- 1) Master Indenture of Trust
- 2) First Supplemental Indenture
- 3) Bond Purchase Agreement
- 4) Preliminary Official Statement (POS)
- 5) Continuing Disclosure Agreement
- 6) Assignment and Payment Agreement
- 7) Green Bond Framework and Kestrel Closing Package
- 8) Payment and Use Agreement

Includes Bond Counsel Opinion from McGuireWoods:

Series 2022 Bonds are not a debt of the Commonwealth or any political subdivision thereof, including VPRA and all local jurisdiction members of NVTC and PRTC.

Requires NVTC and PRTC to provide annual financial information and material event notices in accordance with SEC rules.

Replaces October 2018 agreement between Commissions. NVTC will continue to serve as recipient of CROC revenues, will request that Comptroller send all revenues directly to the Trustee.



NEXT STEPS

- **June 2:** NVTC meeting
- **June 3:** POS and investor marketing information posted
- **June 9:** PRTC meeting
- **Week of June 13:** Pricing of bonds
- **By June 30:** Transaction closes



AUTHORIZATION TO ISSUE A GPC TASK ORDER FOR PHASE I SYSTEM PLAN 2050 UPDATE

Recommendation:

The VRE Operations Board is asked to authorize the CEO to issue a general planning consulting (GPC) services task order to STV Incorporated for phase I of the system plan update in the amount of \$354,263, plus a 10 percent contingency of \$35,426, for a total not to exceed \$389,689.

Summary:

This task order will initiate the first phase of a three-phase planning process to update VRE's existing System Plan 2040 with a new horizon year of 2050. Phase I includes several deliverables:

- Communications and Outreach Plan
- Goals, Objectives, and Evaluation Process Technical Memorandum
- Trends and Potential Markets Technical Memorandum
- Baseline ridership forecasts for 2026, 2030, and 2050, including estimates by line as well as boarding and alighting estimates by station
- Interactive web-based plan format with the results of the phase I analyses and stakeholder outreach
- Presentation to VRE Operations Board summarizing the results of the analysis and recommended next steps in the plan process



Margaret Franklin
VRE Operations Board Chair
Prince William County



Rich Dalton
VRE CEO



AUTHORIZATION TO ISSUE A GEC VIII TASK ORDER FOR ENGINEERING SUPPORT FOR THE FRANCONIA-SPRINGFIELD STATION IMPROVEMENTS PROJECT

Recommendation:

The VRE Operations Board is asked to authorize the CEO to issue a general engineering consulting services (GEC) VIII task order to HDR, Engineering, Inc. for engineering support for the Franconia-Springfield Station Improvements Project in the amount of \$354,262.90, plus a 10 percent contingency of \$35,426.29, for a total not to exceed \$389,689.19.

Summary:

During coordination efforts with the Virginia Passenger Rail Authority (VPRRA) on its Third Track Project and VRE's Franconia-Springfield Station Improvements Project, VPRRA requested VRE complete a pedestrian tunnel prior to construction of the third track. Including plans for the tunnel in the station improvement project's final design will result in additional scope and cost to VRE. HDR will provide engineering support services under the GEC VIII contract. The scope of services for this GEC task order includes final design as required to advance 100% complete plans, technical specifications, pre-construction documents, and cost estimates for the pedestrian tunnel.



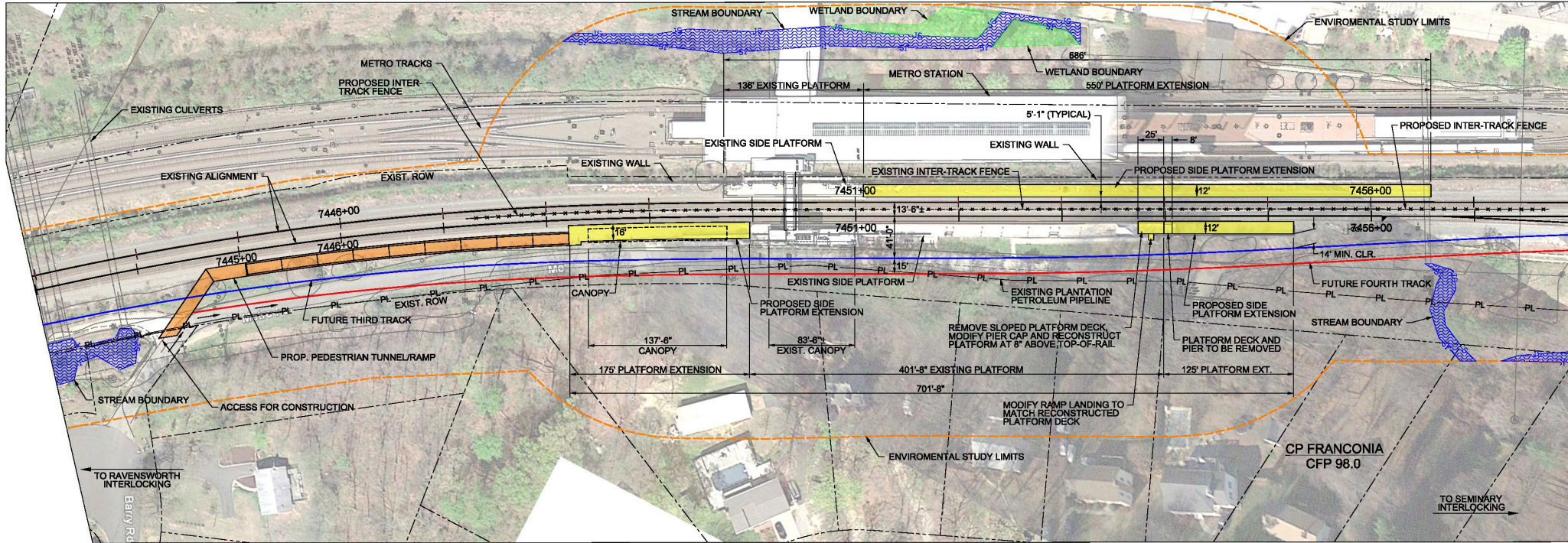
Margaret Franklin
VRE Operations Board Chair
Prince William County













Rich Dalton
VRE CEO



AUTHORIZATION TO ISSUE A GEC VII TASK ORDER FOR ENGINEERING SUPPORT FOR THE FRANCONIA-SPRINGFIELD STATION IMPROVEMENTS PROJECT



LEGEND

- | | | | |
|---|---|---|--|
|  | PROPOSED PLATFORM & CONSTRUCTION |  | EXISTING PLANTATION PETROLEUM PIPELINE |
|  | EXISTING SLOPED PLATFORM DECK TO BE REMOVED |  | EXISTING TRACK |
|  | PROPOSED PEDESTRIAN TUNNEL/RAMP |  | FUTURE THIRD TRACK |
|  | STREAM BOUNDARY |  | FUTURE FOURTH TRACK |
|  | WETLAND BOUNDARY | | |
|  | ENVIRONMENTAL STUDY LIMITS | | |



AUTHORIZATION TO AMEND CONTRACTS FOR THE DELIVERY OF DIESEL FUEL FOR VRE LOCOMOTIVES

Recommendation:

The VRE Operations Board is asked to authorize the (CEO) to amend the contracts for the delivery of diesel fuel for VRE locomotives by increasing the total authorized amount for fuel deliveries for the current contract year (FY 2022), which ends June 30, 2022. The increase to the contract with James River Solutions of Ashland, Virginia for the delivery of diesel fuel to the Crossroads Yard is being recommended in the amount of \$630,900, plus a 10 percent contingency of \$63,090, for a total of \$693,990. This will increase the authorization for this contract for FY 2022 from \$1,963,500 to a total amount not to exceed \$2,657,490. The increase to the contract with Griffith Energy Services, Inc. of Columbia, Maryland for the delivery of diesel fuel to the Broad Run Yard is being recommended in the amount of \$458,000, plus a 10 percent contingency of \$45,800, for a total of \$503,800. This will increase the authorization for this contract for FY 2022 from \$1,309,000 to a total amount not to exceed \$1,812,800.

Summary:

Along with other petroleum products, diesel fuel prices have increased significantly over the last few months. As a result, the amounts previously authorized for the two diesel fuel delivery contracts will not be sufficient to support VRE's fuel needs for the remainder of the current fiscal year. Approval of this item will authorize the CEO to amend the fuel contracts to increase the total authorized value for the current contract year (FY 2022) with both James River and Griffith.



Margaret Franklin
VRE Operations Board Chair
Prince William County



Rich Dalton
VRE CEO



AUTHORIZATION TO PROVIDE A LETTER OF SUPPORT TO VPRA FOR A USDOT MULTIMODAL PROJECT DISCRETIONARY GRANT OPPORTUNITY FOR DESIGN AND CONSTRUCTION OF THE LONG BRIDGE CAPACITY EXPANSION PROJECT

Recommendation:

The VRE Operations Board is asked to authorize the CEO to provide a letter of support on behalf of the Virginia Passenger Rail Authority (VPRA) Board of Directors application to the U.S. Department of Transportation's (USDOT) Multimodal Project Discretionary Grant Opportunity for design and construction of the Long Bridge Capacity Expansion Project.

Summary:

VPRA is applying to the USDOT Multimodal Project Discretionary Grant Opportunity for design and construction of the Long Bridge Capacity Expansion Project. VPRA requests a letter of support from VRE for its grant application.



Margaret Franklin
VRE Operations Board Chair
Prince William County



Rich Dalton
VRE CEO



AUTHORIZATION TO PROVIDE A LETTER OF SUPPORT FOR SPOTSYLVANIA COUNTY'S FY 2022 RAISE GRANT APPLICATION FOR THE I-95 EXIT 126/U.S. ROUTE 1 REVITALIZATION PROJECT

Recommendation:

The VRE Operations Board is asked to authorize the CEO to provide a letter of support for the Spotsylvania County application to the U.S. Department of Transportation's (DOT) FY 2022 Rebuilding American Infrastructure with Sustainability and Equity (RAISE) discretionary infrastructure grant program for the I-95 Exit 126/U.S. Route 1 Revitalization Project.

Summary:

Spotsylvania County is applying to the U.S. DOT RAISE discretionary infrastructure grant program to fund a planning study and preliminary engineering for the I-95 Exit 126/U.S. Route 1 Revitalization Project and has asked VRE to provide a letter of support for the application. The project includes a new VRE feeder bus from the new Veterans Administration Health Care Clinic site and Route 208 Park-n-Ride lot to the City of Fredericksburg and the Fredericksburg station that Amtrak and VRE serve.



Margaret Franklin
VRE Operations Board Chair
Prince William County



Rich Dalton
VRE CEO



SPENDING AUTHORITY REPORT

The VRE Operations Board in September 2020 approved an increase in the CEO's delegated spending authority from \$100,000 to \$200,000. It was resolved as part of that increased delegation that any purchase or contract award in the range of \$50,000 to \$200,000 would be communicated to the board as an information item.

- On April 14, 2022, VRE issued a purchase order in the amount of \$89,200 to Power Rail Distribution for the purchase of three locomotive turbochargers and related components.
- On April 20, 2022, VRE issued a task order in the amount of \$141,461 to NVE, Inc. under the maintenance services for VRE facilities contract to replace the light poles and light fixtures at the Burke Centre and Manassas Park stations.



Rich Dalton
VRE CEO



VRE OPERATIONS BOARD MEMBER TIME



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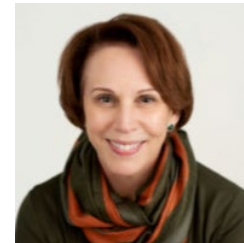
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**THE MAY 20, 2022 MEETING OF
THE VRE OPERATIONS BOARD
IS ADJOURNED**



[VRE.ORG](https://vre.org)



VRE BYLAWS COMMITTEE MEETING NOW IN PROGRESS



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