VRE OPERATIONS BOARD MEETING

October 16, 2020

The meeting will begin momentarily

Meeting materials are available at
vre.org/about/board/board-agenda-minutes/2020/October
Call to Order
by VRE
Operations Board Chairman

Gary Skinner
Spotsylvania County
Roll Call

Walter Alcorn
Fairfax County

Preston Banks
Manassas Park

Elizabeth Bennett-Parker
Alexandria

Meg Bohmke
Stafford County

Katie Cristol
Arlington County

Margaret Franklin
Prince William County

Matt Kelly
Fredericksburg

Jeanine Lawson
Prince William County

Jennifer Mitchell
Virginia DRPT

Cindy Shelton
Stafford County

Gary Skinner
Spotsylvania County

Ralph Smith
Manassas

Dan Storck
Fairfax County

James Walkinshaw
Fairfax County
Resolution Finding the Need to Conduct the October 16, 2020 Operations Board Meeting Electronically

The declared emergency makes it both impracticable and unsafe for the VRE Operations Board to assemble in a single location on October 16, 2020 to discuss and transact the business of the VRE Operations Board.

Meeting by electronic means is authorized because the nature of the declared emergency makes it both impracticable and unsafe for the Operations Board to assemble in a single location on October 16, 2020 to discuss and transact the business of the Operations Board listed on the October 16, 2020 Operations Board meeting agenda.

Meeting by electronic means is authorized because the items on the October 16, 2020 Operations Board meeting agenda are statutorily required or necessary to continue operations of the Operations Board and the discharge of the Operations Board’s lawful purposes, duties and responsibilities.

Items on the October 16, 2020 Operations Board Meeting Agenda are encompassed within the continuity of operations ordinances adopted by several member localities of the Virginia Railway Express Operations Board to assure the continued operation of the government during the disaster posed by the public health emergency resulting from COVID-19.
Approval of Agenda

1. Call to Order
2. Roll Call
3. Finding Need to Conduct October 16, 2020 VRE Operations Board Meeting Electronically
4. Approval of Agenda
5. Approval of Minutes from the September 18, 2019 VRE Operations Board Meeting
6. Chairman’s Comments
7. Chief Executive Officer’s Report
8. Virginia Railway Express Riders’ and Public Comment
9. Action Items:
   A. Authorization to Execute a Contract for Construction of Rolling Road Station Improvements.
   B. Authorization to Amend the GEC VII Task Order for Final Design Services for Franconia-Springfield Station Improvements.
   C. Authorization to Execute an Agreement for Design, Construction, Operation and Maintenance of a Parking Garage at the VRE Manassas Park Station
10. Information Items:
   A. VRE-VPRA Agreements
   B. Draft 2021 VRE Legislative Agenda
   C. FY 2022 Budget Update
   D. Spending Authority Report
11. Closed Session
12. Operations Board Member’s Time
Approval of Minutes

September 18, 2020
WebEx Electronic Meeting with YouTube Live-Stream

Members Present
*Walter Alcorn (NVTC)
*Andrea Bailey (PRTC)
*Preston Banks (PRTC)
*Elizabeth Bennet-Parker (NVTC)
*Meg Bohmke (PRTC)
*Katie Cristol (NVTC)
*Margaret Franklin (PRTC)
*Matt Kelly (PRTC)
*Jeanine Lawson (PRTC)
*Cindy Shelton (PRTC)
*Ralph Smith (PRTC)
*Dan Storck (NVTC)
*James Walkinshaw (NVTC)

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

Members Absent
Jennifer Mitchell (DRPT)
Gary Skinner (PRTC)

Commonwealth of Virginia
Spotsylvania County

Alternates Present
Michael McLaughlin (DRPT)

Commonwealth of Virginia
Chairman’s Comments

• Welcome to the October 2020 VRE Operations Board meeting.

• Nominating Committee update.

Gary Skinner
Spotsylvania County
Chairman’s Comments

• For the 13\textsuperscript{th} consecutive year, VRE was recognized by the Government Finance Officers Association for its financial reporting.

Gary Skinner
Spotsylvania County
CEO Report

- Safety/COVID-19 Update
- Ridership
- Performance
- Project Spotlight
- Train Utilization
- Welcome Back

Rich Dalton
VRE CEO
RAIL SAFETY / COVID-19 UPDATE
MONTHLY RIDERSHIP

March - September 2020

Agenda Item 7

VIRGINIA RAILWAY EXPRESS
MONTHLY AVERAGE DAILY RIDERSHIP

March - September 2020

- March: 8,764
- April: 460
- May: 508
- June: 822
- July: 1,109
- August: 1,177
- September: 1,333

2020

VIRGINIA RAILWAY EXPRESS
ON-TIME PERFORMANCE

September Comparisons

- Manassas Line: 77% to 96%
- Fredericksburg Line: 81% to 95%
- Systemwide: 79% to 96%

Note: The comparison is between September 2019 and September 2020.
VRE PROJECT SPOTLIGHT – ALEXANDRIA STATION
Procurement Activity

Option Year Renewals
The Operations Board previously authorized the CEO to exercise option years "at his discretion." The following contracts are up for renewal in November. In consideration of the contractors' satisfactory performance and the continued need for the services provided, it is my intent to extend each contract by one year.

General Planning Consulting (GPC) Services
Expires November 16
The Operations Board approved this contract in October 2016 with Vanasse Hangen Brustlin, Inc. of Watertown, Massachusetts as the primary contractor and Michael Baker International, Inc., of Alexandria, Virginia as the alternate contractor for services in an amount not to exceed $6 million per year in aggregate for all task orders. The award was for a base period of one year and four option years, for a potential cumulative value of $30 million. This is the last of the four option years for each GPC contract.

Upcoming Solicitations
Last month, the Operations Board approved an increase to the CEO's procurement authority to $1 million for the issuance of solicitations. We plan to advertise one such solicitation, an invitation for bids (IFB) to acquire electronic fuel injector assemblies, within the next 30 days. Each locomotive in VRE's fleet uses 16 electronic fuel injector assemblies, which require replacement every 3 years to comply with U.S. Environmental Protection Agency regulations. We will seek the board's authorization to award a contract following receipt and evaluation of bids.
### TRAIN UTILIZATION

**Virginia Railway Express: Train Utilization Trends**

#### Fredericksburg Line: Northbound Trains

<table>
<thead>
<tr>
<th>Train</th>
<th>Total Number of Seats*</th>
<th>Maximum Capacity**</th>
<th>Current Daily Ridership</th>
<th>Utilization Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>300</td>
<td>1040</td>
<td>360</td>
<td>118</td>
<td>33%</td>
</tr>
<tr>
<td>302</td>
<td>780</td>
<td>270</td>
<td>53</td>
<td>20%</td>
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<td>306</td>
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<tr>
<td>314</td>
<td>780</td>
<td>270</td>
<td>60</td>
<td>22%</td>
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</tbody>
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#### Fredericksburg Line: Southbound Trains

<table>
<thead>
<tr>
<th>Train</th>
<th>Total Number of Seats*</th>
<th>Maximum Capacity**</th>
<th>Current Daily Ridership</th>
<th>Utilization Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>301</td>
<td>780</td>
<td>270</td>
<td>55</td>
<td>20%</td>
</tr>
<tr>
<td>305</td>
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<tr>
<td>313</td>
<td>780</td>
<td>270</td>
<td>69</td>
<td>26%</td>
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</tbody>
</table>

#### Manassas Line: Northbound Trains

<table>
<thead>
<tr>
<th>Train</th>
<th>Total Number of Seats*</th>
<th>Maximum Capacity**</th>
<th>Current Daily Ridership</th>
<th>Utilization Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>324</td>
<td>780</td>
<td>270</td>
<td>89</td>
<td>33%</td>
</tr>
<tr>
<td>328</td>
<td>1040</td>
<td>360</td>
<td>89</td>
<td>25%</td>
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<td>330</td>
<td>1040</td>
<td>360</td>
<td>51</td>
<td>14%</td>
</tr>
<tr>
<td>332</td>
<td>780</td>
<td>270</td>
<td>25</td>
<td>9%</td>
</tr>
</tbody>
</table>

#### Manassas Line: Southbound Trains

<table>
<thead>
<tr>
<th>Train</th>
<th>Total Number of Seats*</th>
<th>Maximum Capacity**</th>
<th>Current Daily Ridership</th>
<th>Utilization Percentage</th>
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<td>7%</td>
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<tr>
<td>327</td>
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<tr>
<td>335</td>
<td>780</td>
<td>270</td>
<td>35</td>
<td>13%</td>
</tr>
</tbody>
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* Including those marked "Do Not Sit". ** To fully support Social Distancing

Source: Virginia Railway Express

Ridership is updated each Friday and is current as of October 9, 2020

**VIRGINIA RAILWAY EXPRESS**
WELCOME BACK

HALLOWEEN COSTUME INSPIRATION: Be a Superhero

WE HAVE YOUR SOCALLY DISTANT SEAT. WELCOMING YOU BACK WILL BE SUCH A TREAT!
Public Comment

Gary Skinner
VRE Operations Board Chairman
Spotsylvania County
Authorization to Execute a Contract for Construction of Rolling Road Station Improvements

Recommendation:
The VRE Operations Board is asked to authorize the CEO to execute a contract with Sumter Contracting Corp. of Fairfax, Virginia, for construction of Rolling Road station improvements in the amount of $2,234,474, plus a 10 percent contingency of $223,447, for a total amount not to exceed $2,457,921.

Summary:
The existing platform at Rolling Road Station can only accommodate trains up to five cars, prohibiting train crews from opening all doors on longer trains. This prolongs dwell times at the station and reduces railroad capacity.

Station improvements include extension of the existing platform by about 300 feet, installation of additional canopy coverage with new LED lighting, construction of a second walkway from the parking lot to the extended platform, and rehabilitation of the existing platform and canopy structures.
Authorization to Amend the GEC VII Task Order for Final Design Services for Franconia-Springfield Station Improvements

Recommendation:
The VRE Operations Board is asked to authorize the CEO to amend the existing task order for final design services for Franconia-Springfield Station improvements executed with STV Incorporated (STV) under the General Engineering Consulting Services (GEC VII) contract in the amount of $66,326, plus a 20 percent contingency of $13,265, for a total increase of $79,591. This will increase the authorization for this task order from $924,246 to a total amount not to exceed $1,003,837.

Summary:
This action reflects refinements to the original final design services for the Franconia-Springfield Station Improvements project. Refinement of the design has resulted in additional scope and cost. Amending the task order to include the additional scope now will reduce the need for future supplemental design changes and potential delays later in the implementation process.
Authorization to Execute an Agreement for Design, Construction, Operation, and Maintenance of a Parking Garage at the VRE Manassas Park Station

**Recommendation:**
The VRE Operations Board is asked to recommend that the rail system’s parent commissions authorize the CEO to execute an agreement with the City of Manassas Park for the design, construction, operation and maintenance of a parking garage at the VRE Manassas Park station; and to authorize CEO to execute all deeds and other documents required to accept the conveyance of real property by the city to the Commissions.

**Summary:**
The agreement will memorialize mutual understandings between VRE and the city concerning the creation and conveyance of the existing expansion parking lot parcel and a parcel for constructing a new 675-space parking garage; funding for additional design costs; and collaboration on the design, construction, operation, use and maintenance of the parking garage.
VRE-Virginia Passenger Rail Authority Agreements

VRE has been working with DRPT staff, on behalf of the Virginia Passenger Rail Authority (VPRA), to develop a passenger operations and access agreement allowing VRE to operate on right-of-way owned by the Commonwealth of Virginia, as well as a funding agreement for VRE contributions to the Transforming Rail in Virginia program. The following presentation provides an overview of the relationship between VRE and VPRA.
VPRA AGREEMENTS

October 16, 2020
Overview

• Virginia Passenger Rail Authority (VPRA)
• VPRA Agreements
  • Operating and Access
  • Funding
Virginia Passenger Rail Authority - VPRA

- **Purpose** - promote, sustain, and expand the availability of passenger and commuter rail service in the Commonwealth and to increase ridership of such service by connecting population centers with passenger and commuter rail service and increasing availability of such service.

- **Board of Directors – 15 Members**
  - 12 non-legislative members appointed by the Governor
  - VRE CEO – ex officio
  - Amtrak Designee – ex officio
  - DRPT Director – Chairman; will vote in case of tie
  - Will meet quarterly – first Authority Board of Directors meeting scheduled for October 26th
VPRA Agreements

Passenger Rail Operations and Access Agreement - *(Operating and Access)*

1. Operations
2. Access (Fees)
3. Station Leases
4. Planned Improvements
5. Planned Additional Service
**Operations**

- VPRA will acquire right-of-way and some rail facilities in the VRE service area
- This agreement will apply to the VPRA acquired right-of-way and rail facilities
- CSX will continue to dispatch and provide track maintenance
- VRE will continue to have Operating Access agreement with CSX
- As improvements are completed, VRE will operate more on VPRA vs. CSX track
- **VRE/VPRA to mutually develop criteria for selection of Operator**
Access (Fees)

• No increase in operating cost anticipated
• Currently → State operating assistance covers ~85% of all VRE Access fees (NS, CSX, Amtrak)
  • Will need to include VPRA in funding agreement with DRPT or other method for state operating assistance
• VPRA will pay CSX actual cost for maintenance, etc.
• VRE will pay proportionate share – likely equivalent to current train mile lease fees
• Currently refining details/terms with DRPT/VPRA
Station Leases

• No increase in operating cost anticipated (likely to be a nominal cost)

• Like current station platform lease agreements, VPRA will own the land and the Commissions retain ownership/control of the station platforms and associated elements on VPRA land

• This does not include land outside of the right-of-way (e.g. station parking lots)

• Fredericksburg, Quantico and Alexandria – VRE will lease the platforms (these stations pre-date VRE)

• For station/platforms not acquired by VPRA, VRE will continue to lease from CSX

• Currently refining details/terms with DRPT/VPRA
Planned Improvements

• VPRA will deliver $3.7 billion program
• VPRA responsible for Long Bridge, Franconia-Springfield bypass, 3rd and 4th mainline tracks
• VRE responsible for station expansions
• VRE continues to collaborate with all stakeholders to finalize project designs and sequencing (track and stations)

Infrastructure Improvements

• Base - 2024
• Phase 1 - 2026
• Phase 2 - 2030
Planned Additional Service

- As the Planned Improvements are completed, VRE will be permitted additional train slots as determined by VPRA
- Finalizing service/operating plans
  - Operating plans/schedules for Phase 1 and beyond are subject to further agreement
- Finalizing process for handling train slots not used by VRE once planned improvements are completed

Service Improvements

- Post Acquisition (1 FBG RT/1 MSS RT)
- Phase 1 (2 FBG RT/3 MSS RT)
  - Weekend Service (2 RT both lines)
  - Phase 2 (2 FBG RT)

RT = Round Trip
VPRA Agreements

Passenger Rail Improvements and Funding Agreement - *Funding Agreement*
Commuter Rail Operating and Capital (C-ROC) Fund

• Created in 2018 and can be used for operating, capital, or as backing for a debt issuance
• Currently funded at $15 million/year from NVTC and PRTC regional fuel taxes
• Operations Board has committed FY19-21 funds totaling $45 million to Crystal City and L’Enfant station projects
• No commitments yet for FY 2022 and beyond
Proposed VRE Funding Contribution to the Program

- In December 2019, Operations Board gave staff approval to continue discussions with DRPT on a contribution to the Program using CROC
- Initial discussions contemplated a mix of:
  - Upfront contribution of proceeds from a long-term debt issuance backed by CROC
  - Ongoing ("PAYGO") contribution of CROC during ten-year period
- Overall structure – dedication of $15 million per year for ten years plus debt service for the remaining term – has remained the same, now working through details
Proposed VRE Funding Contribution to the Program (cont.)

• CROC-backed debt issuance based on $7.5 million annual debt service (50% of CROC)
  o VPRA expects to use VRE funds on initial milestone payment for purchase of CSXT right-of-way
  o Would expect to leverage more than $100 million in proceeds but will be dependent on market conditions
  o Will be a long-term commitment – using 30-year term in discussions now
  o Will explore options such as RRIF and TIFIA in addition to direct issuance by Commissions
Proposed VRE Funding Contribution to the Program (cont.)

- PAYGO contribution of remaining $7.5 million of CROC each year for ten years
  - Could be used by VPRA on a range of projects in the Program
  - Funds would “return” to VRE about when Long Bridge opens and be available to support expanded service
Debt Issuance Process

- If Commissions approve funding agreement, debt issuance process will start immediately, including:
  - Fully engage financial advisor and bond counsel (already providing limited advice now)
  - Operations Board to approve updated Financial & Debt Management Policies
  - Initial credit assessment of CROC-backed debt
  - Analysis of alternative options (RRIF, TIFIA, etc.), due diligence for potential tax-exempt issuance
- VRE and VPRA working cooperatively with goal of debt proceeds to VPRA by November 2021
Next Steps

• Continue to collaborate with DRPT staff and others to finalize agreements
  • Additional work on Default and Termination Clauses
• Continue discussions with Executive Committee and other Operations Board members
• Operations Board make recommendation to Commissions at the November 20th Operations Board meeting
• Authorization to Execute Agreements at December 3rd Commission Meetings
Draft 2021 VRE Legislative Agenda

Prior to the start of the General Assembly session, the Operations Board formulates, and recommends to its two parent commissions for approval, its priorities to communicate with and influence the actions of the Governor’s administration and the General Assembly. This Legislative Agenda will serve as general guidance for staff and contracted legislative liaisons during the legislative session but does not preclude engaging on other issues as they arise.

The Legislative Agenda includes federal legislative and regulatory issues that are relevant to transit and commuter rail in the U.S. and to VRE specifically. Throughout the year, staff and our contracted federal relations consultant will work with the U.S. Department of Transportation and its agencies, our U.S. congressional delegation, relevant U.S. congressional committees, and others to educate them on these issues and their potential impacts to VRE.

The VRE Operations Board will be asked to recommend the Legislative Agenda to the commissions at its November 2020 meeting, with the commissions acting on their own legislative priorities as well as VRE’s at their December meetings.
Draft 2021 VRE Legislative Agenda

State Funding and Legislative Issues

- COVID-19 Pandemic Response
- State Capital Funding
- Virginia Passenger Rail Authority
- Meetings Held Through Electronic Communication Means
- Northern Virginia Transportation Authority Funding
- Virginia Transit Association
- Transportation Authorities
Draft 2021 VRE Legislative Agenda

Federal Funding, Legislative and Regulatory Issues

• Surface Transportation Reauthorization
• Surface Transportation Board (STB) Authority
• Amtrak On-Time Performance
• Federal Grant Programs
• U.S. DOT Rulemaking
• Liability Insurance Reform
• COVID-19 Relief
Fiscal Year 2022 Budget Update

There have not been any major developments over the past month that would affect the assumptions and projections included in the preliminary FY 2022 budget. Current ridership and passenger revenue remain at approximately the same levels, and staff continues to evaluate departmental budgets – both in the current year and in the FY 2022 budget – for deferrals and other cost reductions in order to extend the availability of federal CARES Act funding into FY 2022 and beyond.

VRE staff also continues to coordinate with staff from the Virginia Department of Rail and Public Transportation on the impacts of the Transforming Rail in Virginia program to VRE’s Capital Improvement Program (CIP), particularly the planned station expansion projects on the Fredericksburg Line. As scopes and schedules are adjusted, and funding is reallocated to allow timely initiation of the early projects in the program, these changes will be reflected in the final CIP for Operations Board approval in December.
Spending Authority Report

On September 18, 2020, the VRE Operations Board approved increasing 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.

There were no purchases or contract awards in the month of September under the new authority (i.e., specifically in the range of $100,000 to $200,000). However, the following reflects an expenditure under the previous authorization.

On September 1, 2020, VRE issued a task order in the amount of $60,000 to PFM Financial Advisors LLC under the financial advisory services contract for a one-year subscription to allow for continued use of the Synario Financial Modeling Platform to support long-term financial planning efforts.
Board Member Comment

Walter Alcorn
Fairfax County

Preston Banks
Manassas Park

Elizabeth Bennett-Parker
Alexandria

Meg Bohmke
Stafford County

Katie Cristol
Arlington County

Margaret Franklin
Prince William County

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Virginia DRPT

Cindy Shelton
Stafford County

Gary Skinner
Spotsylvania County

Ralph Smith
Manassas

Dan Storck
Fairfax County

James Walkinshaw
Fairfax County
The meeting has adjourned.