



Austin-San Antonio Intermunicipal Commuter Rail District

Board Meeting

Friday, September 5, 2008

10:00 a.m.

San Marcos Activity Center

501 E. Hopkins

San Marcos, Texas

1. Call to Order

Notice was duly posted and a meeting of the Austin-San Antonio Commuter Rail District was held on Friday, September 5, 2008. Chairman Sid Covington called the meeting to order at 10:13 a.m.

Participants:

Sid Covington, Chair

Tullos Wells, Vice Chair

Tommy Adkisson

Gloria Arriaga

Hal Baldwin

Jeff Barton

Mary Briseño

Mariano Camarillo

Sheryl Cole

Will Conley

John Cowman

Patty Eason

Debbie Ingalsbe

Carroll Schubert

John Thomaides

Jeff Wentworth

Pat Wiggins

Other participants included Ross Milloy, Bill Bingham, Alison Schulze, Jennifer Moczygema, Mike Marler and Don Karban.

2. Chairman and Member Comments

Chairman Covington welcomed new Board member Councilmember Sheryl Cole who was appointed July 24 to represent the City of Austin. Chairman Covington introduced State Representative Patrick Rose and Windcrest Mayor Jack Leonhardt and thanked them for their continued support of the Rail District.

Chairman Covington reported on his presentation to the El Paso Metropolitan Planning Organization on August 29. Chris Blewett, project director of the New Mexico Rail Runner commuter rail system, was also at the MPO meeting and provided an update on their system. The Rail Runner extension from Albuquerque to Santa Fe and is set to open by the end of 2008, on schedule and on budget at a cost of about \$7 million per mile. Ridership on all routes is exceeding expectations. The University of New Mexico will fund a station for special events with additional student-use stops planned in the near future.

3. Consider Approval of June 6, 2008 Board Meeting Minutes

Upon a motion by Gloria Arriaga and second by Commissioner Jeff Barton, the June 6 meeting minutes were unanimously approved. Councilmember Sheryl Cole abstained.

4. Committee Reports

A. Branding Proposal Evaluation Committee Meeting August 7, 2008

Committee Chair Mary Briseño reported on two key items discussed by the Committee:

- **Contract for Website Services:** The Committee unanimously recommended extending A3 Design's contract for website/printing services for 1 year to September 2009. The recommendation was forwarded to the Program Management Oversight Committee for consideration and action on August 15.
- **Branding Services Proposals:** The Rail District received 17 proposals in response to the Request for Proposals (RFP) for Branding Services. The Committee narrowed the field of 17 proposals to a list of 4 firms to be interviewed. Ms. Briseneno thanked the Committee and staff for their hard work.

B. Branding Proposal Evaluation Committee Meeting August 21, 2008

Committee Chair Mary Briseño reported that the Committee—Mayor Hal Baldwin; Commissioner Jeff Barton; Senator Jeff Wentworth; Councilmember Pat Wiggins, and herself—interviewed four firms for branding services: KGB Texas, Guerra DeBerry Coody, TateAustinHahn, and Sherry Matthews Advocacy Marketing. All four proposals were outstanding. Following the interviews the Committee voted unanimously to recommend the Board select TateAustinHahn as the lead firm, with KGB Texas added to the TateAustinHahn team as a subconsultant. Both firms subsequently agreed to the teaming arrangement. Discussion and Board action will follow under Agenda Item 11. Chairman Covington thanked the Committee for their good work.

C. Program Management Oversight Committee Meeting August 15, 2008

Committee Chair Mariano Camarillo directed the Board's attention to the meeting summary included in the agenda packet, and reported on the key items discussed by the Committee.

- **Bill Bingham** briefed the Committee on his July meeting with Union Pacific. Mr. Bingham will repeat his report under Agenda Item 9.
- **Contract for Website Services:** Upon the recommendation of the Public Information Committee, the Program Management Oversight Committee (PMOC) unanimously approved extending A3 Design's contract for website and printing services for an additional year to September 2009; there is no fee increase associated with the contract extension. The PMOC authorized Ross Milloy, Interim Executive Director, to execute the contract.
- **Contract for Program Management and Technical Services:** The PMOC voted unanimously to recommend the Board approve amendments to the Jacobs Cater Burgess Master Contract and Work Authorization. Discussion and Board action on the item will follow under Agenda Item 7.
- **FY09 Budget:** The PMOC voted unanimously to recommend approval of the draft FY09 budget to the Finance Committee. Discussion and Board action on this item will take place under Agenda Items 4D and 5.
- **SH130 Fatal Flaw Analysis:** Jacobs Carter Burgess presented the results of the analysis to the PMOC and will present their findings to the Board under Agenda Item 12.

ASAICRD Board Meeting

September 5, 2008

Page 3

- **Station Location Policy:** The PMOC reviewed the current policy on locating stations along the preferred route, and discussed recent inquiries by Rail District members to locate stations on alternative rail lines—in particular, the Katy line which diverges from the preferred route in New Braunfels and runs through the east side of San Antonio. The PMOC directed staff to find funding partners to study the passenger rail route on San Antonio's east side (approximate cost: \$500,000), and to develop an internal process and policy for moving stations to different rail routes and bring it back to the Committee for further discussion.

D. Finance Committee Meeting August 28, 2008

Ross Milloy reported on the meeting on behalf of Committee Chair John Clamp. The Committee discussed three key items:

- **FY09 Budget:** Upon the recommendation of the PMOC, the Finance Committee voted unanimously to recommend the Board approve the draft FY09 budget. Board action will take place under Agenda Item 5.
- **Internal Audit:** The Committee reviewed the audit results, which found no exceptions, and directed staff to distribute the internal audit report to the full Board. Copies of the report were issued to members at the Board meeting.
- **Policy on Annual Dues for New Members:** Bill Bingham briefed the Board on the current dues policy, which is \$49,500 per year to fund the administrative operations of the Rail District. The Committee decided to make no changes to the policy at this time, but to continue to review the policy in the future as the Rail District moves toward revenue service.

5. Consider and Take Appropriate Action on FY09 Budget

Upon the recommendation of the Finance Committee, the Board voted unanimously to approve the FY09 budget.

6. Consider and Take Appropriate Action on Amendments to Rail District's Advanced Funding Agreement with Texas Department of Transportation

Alison Schulze directed the Board's attention to the Advanced Funding Agreement Amendment #3 in the agenda packet. TxDOT serves as the Rail District's fiscal agent for the District's federal funds. The Advanced Funding Agreement (AFA) sets out the terms and conditions for federal funds awarded to the Rail District. Amendment #3 identifies the \$1.98 million appropriated by Senator Hutchison for the Rail District in FY06, and states the Rail District will pay a portion (\$135,902 as approved by the Board in March 2008) of TxDOT's San Antonio Freight Study Phase 3.

Upon a motion by Commissioner Barton and second by Councilmember Pat Wiggins, the Board unanimously approved Amendment #3 to the AFA. Chairman Covington thanked TxDOT for their continued support and assistance.

7. Consider and Take Appropriate Action on Amendments to Jacobs Carter Burgess Master Contract and Work Authorization to Extend Program Management and Technical Services through September 2009

Alison Schulze briefed the Board on the Jacobs Carter Burgess (Jacobs) contract and proposed amendments. The Jacobs contract consists of two documents: a Master Contract that identifies the end date of the contract and the total contract amount, and a Work Authorization that identifies specific work tasks and assigns a dollar amount to each task. Both documents expire on September 30, 2008.

The amendment to the Master Contract extends the end date of the contract one year to September 30, 2009. No increase in the contract amount (\$2.5 million) is proposed. The amendment to the Work Authorization extends the end date of the contract one year to September 30, 2009, amends the amount carried forward from FY07 to FY08, and carries forward the remaining funds (approximately \$340,000) for technical services in FY09.

Board discussion ensued on the services and deliverables Jacobs Carter Burgess will provide in the coming year. Upon a motion by the PMO Committee, the Board unanimously approved the amendments to the Jacobs Cater Burgess Master Contract and Work Authorization.

8. Consider and Take Appropriate Action on Resolution of Support for the Texas Rail Relocation and Improvement Fund

Ross Milloy directed the Board's attention to a resolution in the agenda packet which asks the Texas Legislature to set aside \$200 million per year to finance the Texas Rail Relocation and Improvement Fund. The fund was created by the 2005 Legislature, but the 2007 Legislature failed to fund it. A statewide coalition has formed to ask the Legislature to act in the upcoming 2009 session. Staff is asking the Rail District as well as all local governments in the Austin-San Antonio Corridor to pass resolutions of support by the end of October. The resolutions will be forwarded as a package to the Legislature's leadership.

Board discussion followed on the statewide coalition supporting the Rail Relocation Fund and on the wording of the resolution. Board members asked that clauses be inserted in the resolution on benefits to the environment, to energy independence, and to air quality. Upon a motion by Commissioner Adkisson and second by Mayor Baldwin, with friendly amendments by Commissioner Conley and Councilmember Cole on wording to be added, the Board unanimously approved the resolution.

9. Consider and Discuss July Meeting with Union Pacific Railroad

Bill Bingham directed the Board's attention to a memo on the July 11 meeting included in the agenda packet, and summarized key points of the meeting with Union Pacific. Mr. Bingham noted that UP's key management and executive-level staff attended the meeting. The focus of the meeting was the rerouting of UP's through freight which is a large part of the train traffic on the Austin-San Antonio line. A small working group will be formed to continue discussions and to review TxDOT's freight studies as they are released.

Mr. Bingham reiterated that the Austin-San Antonio segment is a critical rail line for UP and vital to its business plan. It is very encouraging that UP is taking an active role in the rerouting discussions to develop solutions that will benefit all parties. The issues are immensely complex and discussions will be protracted. The Texas Rail Relocation Fund is vital to continued discussions.

Board discussion ensued. Chairman Covington noted that the meeting was a watershed event for the Rail District and commended Mr. Bingham's and Mr. Marler's efforts. Mr. Marler added that the Rail District's representatives understand UP's needs and speak their language, and the Rail Relocation Fund provides a mechanism that shows funding interest and commitment. Both of these factors will continue to keep UP engaged and moving forward.

10. Presentation on Results of Phase 2 San Antonio Region Freight Study

Jennifer Moczygamba, Director of TxDOT's Multimodal Section, presented the results of the Freight Study. The study looked at the existing freight system in the Austin-San Antonio region, located bottlenecks, and identified improvements to alleviate the bottlenecks. The study identified \$3.8 billion in needs, which include grade separations (\$1.2 billion), grade crossing closures (\$3.5 million), improvements to existing railroad infrastructure (\$183 million), and new rail corridors (\$1.4-\$2.4 billion). TxDOT also quantified the direct public benefit of each category of improvements.

The study identified existing freight customers, alternate locations for through-freight bypasses, and the impact of rerouting through freight on the existing train counts in the Austin-San Antonio corridor. The study also identified the public and private costs of each alternative.

Board discussion followed on the study results and clarification of the costs included in the calculation of "direct public benefit." Vice Chair Wells requested that Mr. Milloy draft a brief memo that puts the costs in context and send the memo to the full Board along with the TxDOT presentation.

11. Consider and Take Appropriate Action on Selection of Consultant for Branding Services

Mary Briseño, Chair of the Branding Proposal Evaluation Committee, reported that the Committee met on August 21 to hear presentations from the four finalists for branding services. TateAustinHahn and KGB Texas were the winning proposers and the two firms agreed to partner on the project for a strong representation of the entire corridor. Branding will communicate the public benefits of the rail project to its stakeholders. The scope of work includes stakeholder research throughout the corridor, interviews, development of a concept and communication plan, and an image for the Rail District. Results are expected in spring 2009. Ms. Briseño introduced Jeff Hahn of TateAustinHahn and Jeff Coyle of KGB Texas.

The Committee unanimously recommended the Board select TateAustinHahn as the lead firm, with KGB Texas added to the TateAustinHahn team as a subconsultant, and authorize staff to negotiate a contract. Upon the motion by the Committee, the Board unanimously approved the TateAustinHahn/KGB Texas team for branding services and authorized staff to negotiate the contract.

12. Consider and Take Appropriate Action on Fatal Flaw Analysis of SH 130 Corridor

Don Karban, Project Manager for the Jacobs Carter Burgess planning and engineering team, distributed the final report to Board members and presented the results of the high-level fatal flaw analysis of the SH 130 corridor as a possible future route for passenger rail service. The SH 130 corridor is 89 miles in length between Georgetown and Seguin. The corridor includes two separate toll road construction projects: Segments 1-4 (Georgetown to south Austin), which was completed in 2008, and Segments 5-6 (south Austin to Seguin) which is still in design and expected to be completed in 2012. To serve the City of San Antonio, rail service would also have to be implemented on existing freight lines between Seguin and south San Antonio, roughly 45 miles.

The analysis identified three alignment alternatives for passenger rail: inside the center median, outside the frontage road, and between the frontage road and mainlanes. Jacobs Carter Burgess identified constraints and fatal flaws in each alternative, and determined the only viable option is inside the center median. Segments 1-4 were designed to accommodate passenger rail, the median is clear and passenger rail is feasible. However, Segments 5-6 were not designed to accommodate passenger rail—for example, the vertical clearance at bridges is too low to accommodate rail cars, and obstructions under bridges would not allow rail. Segments 5 and 6 are still under design, but it is unlikely the two southern segments will accommodate passenger rail; thus, these two segments should be considered fatal flaws for rail service. In accordance with direction from the PMO Committee, staff sent a letter to TxDOT requesting that the design of Segments 5-6 be modified to make the segments rail compatible.

Committee discussion ensued on the design of Segments 5 and 6. The Rail District will wait on TxDOT's response on modifying the design of Segments 5 and 6 before proceeding with next steps.

13. Financial Report

Ross Milloy summarized two financial reports in the agenda packet: the third quarter statement for FY08 and the reconciliation report.

14. Legislative Update

Bill Bingham reported that he has drafted the legislation to amend the Rail District statute to allow new members to join the District. The legislation will be introduced in the 2009 session.

15. Other Business

There was no other business.

16. Public Comment

There were no public comments.

17. Adjourn

Chairman Covington reminded the Board the next Board meeting will be on December 5, 2008 at 10:00 a.m. at the Activity Center in San Marcos. There being no further items, the meeting adjourned at 12:25 p.m.