

LONE STAR RAIL DISTRICT

Board Meeting Summary

Friday, March 5, 2010

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 Lone Star Rail District Board was held on Friday, March 5, 2010. Board Chairman Sid Covington called the meeting to order at 10:15 a.m.

Participants:

Sid Covington, Chair
Tullos Wells, Vice Chair
Tommy Adkisson
Gloria Arriaga
Hal Baldwin

Jeff Barton
Mary Briseño
Will Conley
Patty Eason
Karen Huber

John Langmore
Carroll Schubert
John Thomaides
Mike Ybarra

Other participants included Ross Milloy, Bill Bingham, Alison Schulze, John Kulpa, Darwin Desen and Mike Marler.

2. Chairman and Member Comments

Chairman Covington welcomed new Board member John Langmore who represents Capital Metropolitan Transportation Authority. Mr. Langmore is a member of the Capital Metro Board of Directors and replaces Mayor John Cowman on the Rail District Board. Chairman Covington assigned Mr. Langmore to two Board committees: Program Management Oversight and Rules & Procedures.

Chairman Covington announced the Rail District's new brand received two awards: the Texas Public Relations Association Silver Spur Award for Corporate Identity, and the Austin Advertising Federation 2010 Silver Addy Award for the LSTAR logo. Chairman Covington commended Hahn, Texas for its outstanding work in creating the Rail District's new brand assets.

Vice Chairman Tullos Wells recognized Chairman Covington's energy, time and devotion to the Rail District and, on behalf of the Board, thanked the Chairman for his continued dedication.

3. Consider Approval of December 4, 2009 Board Meeting Summary

Upon a motion by Commissioner Jeff Barton and second by Vice Chairman Tullos Wells, the Board unanimously approved the December 4 meeting summary.

4. Consider Report on Status of 2010 Appointments to Board

Bill Bingham reported that all 2010 appointments have been made and all members have completed the oath of office documents. Chairman Covington reminded the Board that half of the Board's members are appointed each year to maintain continuity on the Board.

5. **Committee Report**

A. Program Management Oversight Committee Meeting December 8, 2009

Alison Schulze briefed the Board on the Committee meeting, on behalf of Committee Chair Mariano Camarillo. Ms. Schulze directed the Board's attention to the meeting summary included in the agenda packet, and reported on the Committee's discussion and action items:

- Lonnie Blaydes reported the findings and results of his analysis of the Jacobs' contract for environmental clearance and preliminary engineering on the passenger rail line. Mr. Blaydes reported on the contract negotiation process and stated the contract's scope, schedule, rates and budget are sufficient and reasonable for a project of this length. Mr. Blaydes also outlined the risks associated with the contract, specifically schedule and budget risks. The Committee consensus was to accept Mr. Blaydes' report and execute the contract. The contract was subsequently executed on December 24.
- Bill Bingham briefed the Committee on the interlocal agreement with the City of Austin for joint planning and financial analyses. Mr. Bingham will provide an updated report to the Board under agenda item 10.
- The Committee discussed the local funds budget for legislative and legal services. As Ross Milloy previously reported to the Board, additional services required on the Texas Rail Relocation and Improvement Fund exceeded the budget by \$50,000. Mr. Milloy identified three options for paying the overages, and recommended the option of using budget accruals. The Committee consensus was to approve Mr. Milloy's recommendation.
- Ross Milloy briefed the Committee on the status of hiring a Rail Operations Manager, and the Committee discussed the selection process. The Committee consensus was that the Board Chairman appoint an *ad hoc* selection committee to interview short-listed candidates and make a recommendation to the Board. Mr. Milloy will provide an updated status report to the Board under agenda item 11.

6. **Consider Report on High-Speed Intercity Passenger Rail Application for Federal Railroad Administration Funding**

Ross Milloy reported the Rail District submitted an application for federal high-speed intercity passenger rail (HSIPR) funding; although, as staff previously reported to the Board, there was little hope for success in the first round of funding as the project is not shovel-ready. The project was not selected to receive funds. The first round of \$8 billion in funding grants went primarily to Illinois, Florida and California. Federal transportation officials indicated Texas did not receive much funding because the State lacked a central vision for rail. To address that issue, TxDOT is updating the State Rail Plan. The Rail District has a solid project that is located in a federally designated corridor of national significance. There will be additional calls for projects in 2010, and the Rail District will continue to pursue HSIPR funds. Board discussion followed on positioning the Austin-San Antonio passenger rail project for future funding.

7. **Consider Report on Status of Rail Relocation and Improvement Fund**

Ross Milloy reported that in 2009 the legislature approved a rider of \$182 million for the Texas Rail Relocation and Improvement Fund. The rider was contingent on certification by the State Comptroller. The Comptroller has not yet certified the rider and is seeking an opinion from the Attorney General. The Rail District is working closely with TxDOT on a solution. Resolution of the issue is anticipated by May 2010.

8. Consider Report on Status of Discussions and Agreements with Freight Railroads

Bill Bingham briefed the Board on the February 24th meeting between the Rail District and Union Pacific. UP's leadership and decision-makers attended the meeting and the relationship with UP is very positive. The Rail District presented a proposal to use a planning tool developed by Jacobs Engineering that would speed up planning work on the freight bypass route; UP was very receptive. The Rail District also briefed UP on the environmental and engineering work underway on the passenger rail project.

UP's leadership supports the project and agreed to make its support known in public statements. UP suggested the next step is to develop a memorandum of understanding (MOU) that would identify the project development issues on both the existing freight mainline and the freight bypass. A first draft of the MOU is under review.

Board discussion followed on the freight bypass route, cost sharing for development of the bypass, the timeline and elements of the MOU, maintaining local freight service, future dispatch rights on the existing mainline, and funding sources for the freight bypass planning, engineering and construction. Chairman Covington commended Bill Bingham, Kathryn Pett and Mike Marler for their significant progress with UP.

9. Consider Report on Status of Environmental Clearance and Engineering on Passenger Rail Line

John Kulpa, Darwin Desen, and Mike Marler of Jacobs Engineering briefed the Board on the progress of environmental and engineering work on the passenger rail line. The contract was executed on December 24, and the project was initiated in January. Dr. Kulpa emphasized that Jacobs and the Rail District are committed to moving the project forward as quickly and efficiently as possible.

Dr. Kulpa described each of the project's three major tasks: environmental impact statement (EIS), preliminary engineering, and public involvement. He showed the steps involved in the EIS process, and noted the Rail District will meet with key federal agencies on March 15 to identify the lead agency for the environmental process. Jacobs has initiated the early steps of the EIS process, data collection, meetings with local and member jurisdictions, financial planning, and drafting the public involvement plan and agency coordination plan.

Dr. Kulpa presented the key steps and milestones for both the passenger rail project and the freight relocation project. Jacobs will continue to update the Board on the key steps and milestones throughout the project.

Board discussion followed on the timeline for the freight relocation studies, the scope of the freight studies, the interrelationship of the passenger rail and freight rail studies, the shelf life of EISs, and the elements of the public involvement process.

10. Consider and Take Appropriate Action on Interlocal Agreement with City of Austin for Joint Planning and Financial Analyses

Bill Bingham noted the Board had previously approved proceeding with an interlocal agreement with the City of Austin. The agreement is expected to be on the City Council agenda in the next few weeks. The agreement states the Rail District will provide some of its consultant services to the City and the City will pay as needed, and the Rail District and the City will cooperate on planning where the Rail District interfaces with the City's proposed circulator system.

11. Consider Report on Status of Search for Rail Operations Manager

Ross Milloy briefed the Board on the search for a Rail Operations Manager, which is needed to bring rail expertise on staff. The Rail District contracted with an executive search firm, who contacted 150 people with rail expertise, narrowed the field to 12, and ultimately recommended 5 candidates. Board Chairman Covington appointed a selection committee to review the recommended résumés and interview the short-listed candidates. Chairman Covington appointed himself, Vice Chairman Wells, and Board members Mariano Camarillo and Mary Briseño to the selection committee.

12. Financial Report

Ross Milloy directed the Board's attention to the FY10 1st quarter financial statement for local funds included in the agenda packet. Overall the Rail District's local funds are under budget for the year, although the line item for legal services is over budget due to work on certification of the Rail Relocation Fund. Board discussion followed.

13. Legislative Update

Ross Milloy stated the Rail District filed an FY11 federal appropriations request for \$1.7 million. Bill Bingham noted the Rail District has started very preliminary discussions on what the Rail District might ask for in the upcoming 2011 state legislative session.

14. Concluding Board Member Comments (no action taken)

Board member John Langmore reported that Capital Metro is expecting federal approval in the next day or two to start service on the urban rail line in Austin. Board member Mike Ybarra reported that New Braunfels' City Council is moving forward with an 8-acre site in the center of downtown New Braunfels that might provide a unique opportunity for a rail station.

15. Public Comment

There were no public comments.

16. Adjourn

Chairman Covington adjourned the meeting at 11:30 a.m.