



Austin-San Antonio Intermunicipal Commuter Rail District

Board Meeting

Friday, June 6, 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, June 6, 2008. Vice Chair Tullos Wells called the meeting to order at 10:14 a.m.

Participants:

Tullos Wells, Vice Chair

Gloria Arriaga

Hal Baldwin

Jeff Barton

Lisa Birkman

Mary Briseño

Mariano Camarillo

Will Conley

John Cowman

Gerald Daugherty

Debbie Ingalsbe

Carroll Schubert

John Thomaides

Jeff Wentworth

Pat Wiggins

Other participants included Ross Milloy, Bill Bingham, and Alison Schulze.

2. **Chairman and Member Comments**

Vice Chairman Wells noted that Chairman Covington is in New Mexico. Mr. Wells reported that due to the rising cost of gas, mass transit systems nationwide are breaking ridership records. He then introduced Tony Kimmey with Jacobs Carter Burgess, Clif Davis' replacement as Project Director of the Planning & Preliminary Engineering Team, and Mike Marler, Jacobs' Rail Group Manager.

Councilmember John Thomaides welcomed Board members to San Marcos and thanked local citizens for attending the Board meeting.

Commissioner Jeff Barton announced the Alliance for Public Transit in Austin is promoting mass transit and has expressed interest in passenger rail service between Austin and San Antonio.

Senator Jeff Wentworth reported that TxDOT annually tracks out-of-state tourist destinations in Texas and the top four destinations are in the Austin-San Antonio corridor: 1) the Alamo in San Antonio, 2) the Riverwalk in San Antonio, 3) the Outlet Mall in San Marcos, and 4) the State Capitol in Austin.

ASAICRD Board Meeting

June 6, 2008

Page 2

3. Consider Approval of March 7, 2008 Board Meeting Minutes

Upon a motion by Gloria Arriaga and second by Commissioner Debbie Inglasbe, the March 7 meeting minutes were unanimously approved.

Vice Chair Wells asked Ross Milloy to brief the Board on the background and current status of the passenger rail project, in advance of the remaining agenda items. Mr. Milloy reported that when the Rail District determined it would probably not qualify for the Federal New Starts Program, the District began to pursue two separate strategies: initiate interim passenger service from San Antonio to Georgetown (short-term strategy), and expand to full service once Union Pacific's through freight is relocated to a new corridor (long-term strategy). The Rail District's goal for starting service is 2011-2012. To implement interim service the Rail District began discussions with Amtrak, and Amtrak and TxDOT are currently negotiating a contract to conduct a feasibility study. The Rail District also met with Union Pacific (UP), which will be reported in greater detail in Agenda Item 9. Additionally, the Capital Area Metropolitan Planning Organization (CAMPO) recently awarded the Rail District \$10 million (which includes \$2 million from the Rail District as required matching funds) in fiscal years 2009 and 2010. The CAMPO award partially matches the \$20 million award from the San Antonio-Bexar County MPO for FY 2011 and FY 2012. When CAMPO funding for FY 2011 and FY 2012 becomes available, the Rail District will apply for an additional \$10 million.

The long-term freight relocation effort includes two studies on relocation of the UP's through freight. TxDOT's Phase 2 Freight Rail Study, to be issued in July, examines various alignments that may be suitable for UP and looks at the implications on a broader level. The Phase 3 Freight Rail Study will be discussed in detail under Agenda Item 7. Additionally, the Rail District has organized a statewide coalition to encourage the legislature to allocate at least \$200 million per year to finance a bond program that will fund rail relocation projects. TxDOT has identified \$18 billion statewide in rail chokepoints, including critical projects in Austin-San Antonio, Dallas, El Paso, and Houston. Mr. Milloy asked Board members to encourage their individual state senators and representatives to support financing the Rail Relocation Fund during the upcoming session.

4. Report on Status of Appointments to the Board

Bill Bingham reported the Rail District has 20 Board members, all 2008 Board appointments have been made and oaths have been executed, with the exception of the City of Austin which is scheduled to make a new appointment after the City Council runoff election on June 14.

5. Committee Reports

A. Executive Committee Meeting May 2, 2008

Mariano Camarillo, reporting on behalf of Executive Committee Chair Sid Covington, directed the Board's attention to the summary of the Executive Committee meeting included in the agenda packet. Mr. Camarillo reported on four key items discussed by the Committee:

- Request for Proposals (RFP) for Branding Services: The Public Information Committee recommended—and the Executive Committee unanimously approved—issuing an RFP for branding services. Discussion and Board action on the RFP will follow in Agenda Item 6.

ASAICRD Board Meeting

June 6, 2008

Page 3

- Carter-Burgess proposal to conduct a fatal flaw analysis of the SH 130 corridor: On April 18 the Program Management Oversight Committee approved a contract with Carter-Burgess to conduct a fatal flaw analysis of SH 130; on May 2 the Executive Committee concurred. The analysis will look at the SH 130 corridor as a possible future passenger rail corridor—rail in SH 130 would not be in lieu of rail in the UP corridor. TxDOT suggested reviewing the route in light of enormous growth along SH 130. The contract was executed on May 14, and results are expected in August 2008.
- Amtrak Feasibility Study: Amtrak will begin studying the feasibility of improving intercity passenger rail service in the UP corridor. Preliminary study results are expected in October 2008. Bill Bingham noted the contract is under review at TxDOT and expected to be executed soon.
- TxDOT's San Antonio Freight Study, Phase 3: TxDOT has completed two phases of the freight study. Phase 3 will determine the feasibility of using the existing UP freight corridor for intercity passenger rail once UP through freight is relocated. The Rail District will fund a portion of the Phase 3 study due to TxDOT budget constraints. Discussion and action on the Phase 3 study will occur under Item 7.

B. Public Information Committee Meeting May 14, 2008

Committee Chair Mary Briseño directed the Board's attention to the meeting summary included in the agenda packet. The Committee approved an RFP for branding services and agreed on a process for evaluating RFPs and selecting a consultant. The RFP will be discussed further in Agenda Item 6.

6. Consider and Take Appropriate Action on Request for Proposals (RFP) for Branding Services

Mary Briseño stated the purpose of the RFP for Branding Services is to give the Rail District traction in terms of identity, establish a name that is easier to understand and will communicate the purpose and function of the Rail District, and create an image that increases public awareness. The Public Information Committee met March 28 and May 14 to develop the RFP and approved the final RFP for Branding Services on May 14. On May 20, Board Chair Covington appointed five Board members to the Proposal Evaluation and Selection Committee: Mary Briseño, Chair; Mayor Hal Baldwin; Commissioner Jeff Barton; Senator Jeff Wentworth; and Councilmember Pat Wiggins. On May 2, the Executive Committee voted unanimously to send an RFP for Branding Services to the Board for approval.

Upon Board approval, the RFP will be issued on June 11, and responses will be due on July 23. In August 2008, the Proposal Evaluation and Selection Committee will meet to review the proposals and interview shortlisted candidates. The results will be presented to the Board in September for selection of a branding consultant.

Upon the recommendation of the Public Information Committee and second by Commissioner Will Conley, the Board voted unanimously to approve issuing an RFP for Branding Services. Vice Chair Wells commended Ms. Briseño for her leadership on the branding effort.

7. Consider and Take Appropriate Action on TxDOT Freight Mobility Study, Phase 3

Bill Bingham briefed the Board on TxDOT's freight study, which is being conducted in three phases. The study analyzes the freight rail system and freight operations from south of San Antonio to Taylor, which includes the proposed route for most of the Austin-San Antonio intercity passenger rail system. Phase 1 is complete and includes an inventory of the freight rail system and freight operations. Phase 2 identifies alternative freight routes; the final draft is under review and expected to be released in July 2008. Phase 3 is directly applicable to the Austin-San Antonio system and will determine the feasibility of using the region's existing freight rail lines for passenger rail. Phase 3 was put on hold due to TxDOT's budget constraints; but, this phase is critical to the Rail District and it would be a worthwhile expenditure to contribute to the study in order to move it forward. The proposal before the Board is to contribute funds to the Phase 3 study, which will be conducted by TxDOT and its consultants. The Rail District will be engaged throughout the study.

Ross Milloy noted the Program Management Oversight Committee voted unanimously to participate in the Phase 3 study. The Rail District will contribute \$135,902; the total cost of the study is \$206,606. The Rail District will be an integral part of the study via input on the study parameters, participation in committee meetings, and reviewing results. Vice Chair Wells noted that in recent years the Rail District has become a leader in freight mobility and relocation issues, and will continue to play a leadership role in the Phase 3 study.

Upon a motion by the Program Management Oversight Committee and second by Mayor Hal Baldwin, the Board unanimously approved funding the Phase 3 Freight Mobility Study and authorizing the Executive Director to execute a contract with TxDOT.

8. Consider and Take Appropriate Action on Jacobs Carter Burgess Proposal to Prepare Texas Emissions Reduction Plan (TERP) Application

Ross Milloy reported that due to Senator Wentworth's leadership, the Texas legislature made certain rail projects eligible for funding through the Texas Emissions Reduction Plan (TERP) program—a program designed to improve air quality. On behalf of the City of San Marcos, the Rail District pursued funding from TERP to replace at-grade rail crossings with grade-separated crossings. TERP regulations require strict monitoring and reporting for 15 years, and repayment of the TERP funds if the air pollutants are not removed. Based on these findings, the City of San Marcos and the Rail District decided not to pursue TERP funding; but, to work with the Texas Commission on Environmental Quality (TCEQ) on application requirements, and to pursue a legislative approach during the 2009 session. As such the item requires no action at this time.

9. Report on Status of Potential Intercity Passenger Rail Opportunities

Ross Milloy directed the Board's attention to a memo in the agenda packet that summarizes the Rail District's May 7 meeting with Union Pacific and TxDOT. Union Pacific is anxious to move out of its existing corridor and wants to form a working group with TxDOT, Rail District and Union Pacific staff to discuss relocation phasing and costs. Mr. Milloy noted that regardless of the amount spent to upgrade the existing rail corridor to add capacity for interim passenger service, the public will realize a benefit in the long run when the Rail District eventually takes control of the rail line and

ASAICRD Board Meeting

June 6, 2008

Page 5

implements full passenger service. Additionally, the improvements can be fully funded through the Railroad Rehabilitation and Improvement Financing (RRIF) Program, a federal loan program.

Bill Bingham noted that the Rail District's ability to operate passenger rail service in the UP corridor is fundamentally tied to the UP relocation effort—one can't be done without the other. UP owns the rail corridor and passenger rail would interfere with its business of moving freight; however, there are substantial public safety and economic benefits to moving UP's through freight out of the city centers along the corridor. In the past few years UP has not been willing to discuss the Rail District's proposal, but the recent meetings have been productive, key staff are engaged, and parameters are being established for meaningful discussions. All of the key stakeholders are encouraged.

Vice Chair Wells reiterated that relocating UP's through freight is critical for passenger service, but UP's local freight service will remain in the corridor; thus a key issue will be dispatch rights—that is, control of train departures and schedules.

Board discussion followed on the benefit of relocation to UP and why UP would consider moving its through freight to a new corridor. Ross Milloy stated the benefits to UP are increased capacity, greater efficiency, and less liability. Mr. Milloy highlighted several difficult issues for UP in the existing corridor:

- **Capacity:** There are 136 problematic grade crossings between San Antonio and Round Rock. UP's capacity is constrained in several places by tight curves and steep slopes that require UP to add locomotives to navigate steep grades north of the Colorado River. Finally, UP anticipates a dramatic increase in NAFTA trade in the coming decades.
- **Efficiency:** UP currently travels at 17 mph in the existing corridor; relocation to a grade-separated corridor could increase speeds to 79 mph, which creates efficiency and cost savings.
- **Liability:** The number of at-grade crossings and safety issues regarding transportation of hazardous materials through densely populated areas increase UP's liability.

Board discussion ensued on the public benefits (congestion relief, safety issues, rerouting hazardous materials) and the private benefits (increased speeds equal increased capacity and a competitive advantage with truck trade; safer and more efficient routes in less populated areas) of relocating UP. Commissioner Gerald Daugherty requested data on the number of at-grade crossings in each city along the proposed route, which Alison Schulze agreed to send. The Board also requested cost data on UP relocation as it becomes available. Councilmember John Thomaides reported local freight impacts in San Marcos: 2 overpasses over the rail line cost \$15 million each, 5 freight cars carrying hazardous material recently derailed raising safety issues, 10,000-15,000 students commute daily to Texas State University, and noise issues are affecting quality of life.

10. Financial Report

Ross Milloy directed the Board's attention to two financial reports in the agenda packet: the second quarter statement for FY08 and the reconciliation report. Mr. Milloy noted the District's finances remain on budget.

ASAICRD Board Meeting

June 6, 2008

Page 6

11. Legislative Update

Ross Milloy reported on preparations being made for the 2009 legislative session: Bexar County Judge Nelson Wolfe has agreed to chair the statewide rail relocation coalition; and a finance working group is reviewing state revenue sources and collaborating on funding of the relocation effort.

12. Other Business

Alison Schulze directed the Board's attention to the agenda packet and the May 16 letter from Jacobs Carter Burgess regarding staff changes. Tony Kimmey, located in Dallas, is the new Project Director for the Planning & Preliminary Engineering Team. Don Karban, located in Austin, replaces Tom Shelton as Project Manager. Mike Marler, Jacobs' Rail Group Manager, will be a key member of the team.

13. Public Comment

Jennifer Moczygemba, Director of TxDOT's Multimodal Division, reported on several items:

- Amtrak Feasibility Study: The contract between TxDOT and Amtrak is currently under review by Amtrak's legal department.
- Land use impacts of Union Pacific relocation: UT's Center for Transportation Research just completed a rail corridor preservation study.
- Cost of UP relocation: Cost estimates are included in TxDOT's Phase 2 Freight Study. The study is complete and under review by the railroads. Upon completion, TxDOT will make the information available.

14. Adjourn

Vice Chairman Wells announced the next Board meeting will be on September 5 at 10:00 a.m. at the Activity Center in San Marcos. There being no further items, the meeting adjourned at 11:29 a.m.