



Austin-San Antonio Intermunicipal Commuter Rail District

Board Meeting

Friday, September 7, 2007

10:00 a.m.

Alamo Area Council of Governments (AACOG)

8700 Tesoro

San Antonio, 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 7, 2007. Chairman Covington called the meeting to order at approximately 10:22 a.m.

Participants:

Sid Covington, Chair

Tullos Wells, Vice Chair

Jeff Barton

Lisa Birkman

Mary Briseño

Mariano Camarillo

Patty Eason

Jennifer Kim

Dave Marsh

Carroll Schubert

John Thomaidis

Pat Wiggins

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

2. Chairman and Member Comments

Chairman Covington welcomed Council Member Pat Wiggins, representing the City of New Braunfels, as the newest member of the Rail District Board. Mr. Covington noted Hays County, Capital Metro and the City of San Antonio appointments to the Board are still pending.

Chairman Covington recognized outgoing Board member Dave Marsh, who represents CARTS, for his outstanding service to the Rail District and presented him with a certificate of appreciation. Vice Chair Wells thanked Mr. Marsh for his valuable contributions to the Board. Mr. Covington noted that when all Board vacancies have been filled, Board committees will be re-formed. He encouraged Board members to volunteer for their preferred committees.

Council Member Patty Eason distributed announcements of a public workshop on Transit-Oriented Development to be held in Georgetown on September 12-14. Consultants will conduct planning sessions and prepare zoning codes for the SE Inner Loop/Maple Street area in Georgetown, which is the location of the proposed commuter rail station.

3. Consider Approval of May 4, 2007 Board Meeting Minutes

Upon a motion by Tullos Wells and second by Commissioner Jeff Barton, the May 4, 2007 meeting minutes were unanimously approved.

4. Consider and Take Appropriate Action on Status of Appointments to Board and Administration of Oath of Office to Newly Appointed Board Members

Bill Bingham noted that New Braunfels Council Member Pat Wiggins was appointed to the Board on August 27, and has taken the oath of office. Mr. Bingham confirmed there are presently 17 named Board members; upon completion of all appointments and replacements, the Board will have 19 members. Pending appointments and replacements include Hays County, Capital Metro, City of San Antonio, and CARTS.

Mr. Bingham reported that the amended State statute allows staggered terms for Board members. When the full Board is in place, members will conduct a drawing to determine 1-year or 2-year terms. The drawing should take place by January 2008.

5. Committee Reports:

A. Public Information Committee Meeting May 14, 2007

Committee Chair Dave Marsh directed the Board's attention to the written summary of the meeting included in the agenda packet. The committee reviewed and discussed the baseline video presented by Carter & Burgess, but decided to postpone action on the video in order to incorporate the video as part of a comprehensive public information campaign. Mr. Marsh noted the committee also postponed action on a general public information brochure for the same reason.

The PI Committee approved updating the visual design of the website. Finally, the PI Committee recommended issuing a request for proposals for a comprehensive public outreach campaign and directed staff to draft an RFP.

B. Public Information Committee Meeting June 27, 2007

Committee Chair Dave Marsh directed the Board's attention to the written summary of the meeting included in the agenda packet. The committee approved functional improvements to the website. The committee also approved converting the 1998 VHS video, *We Are All Connected*, to DVD and making 20 copies for distribution.

Mr. Marsh noted that, after much discussion, the committee postponed action on issuing an RFP for a public information campaign. The committee instead recommended a phased approach to the comprehensive outreach campaign starting with a market study and a public strategy. The committee directed staff to draft a scope of work and develop a cost estimate for a market study.

C. Public Information Committee Meeting August 20, 2007

Committee Chair Dave Marsh directed the Board's attention to the written summary of the meeting included in the agenda packet. The PI Committee approved extending the website maintenance contract for one year, and endorsed a legislative strategy for a 2-year statewide campaign to fund the Rail Relocation Fund. The committee postponed action on a market study pending guidance from the Board on an overall strategy for engaging the public.

Board discussion ensued. Commissioner Birkman commented that residents in the north end of the corridor are not aware of the Rail District's project, and the public confuses the Austin-San Antonio passenger rail project with Capital Metro's rail project in Austin. The Board discussed the need to engage the public, the timeline for moving forward with a public information campaign, managing public expectations, and avoiding duplicating efforts on the public outreach process. Chairman Covington noted that a presentation on engaging stakeholders would follow under agenda item 9.

D. Program Management Oversight Committee Meeting August 23, 2007

Committee Chair Mariano Camarillo directed the Board's attention to the written summary of the PMO Committee meeting included in the agenda packet. The committee unanimously recommended approval of a one-year extension of the Carter & Burgess contracts, which the Board will act on in agenda item 8. The PMO Committee also unanimously concurred with the PI Committee's action to extend the contract for website maintenance for one year. In addition, the PMO Committee endorsed the legislative strategy of leading a 2-year statewide campaign to fund the Rail Relocation Fund in 2009, and also endorsed increasing funds for legal services in the FY08 budget for local funds.

E. Finance Committee Meeting August 23, 2007

Committee Chair Mariano Camarillo directed the Board's attention to the written summary of the meeting included in the agenda packet. The Finance Committee reviewed and discussed the draft FY08 budget, which includes increases in local funds for legislative assistance and legal services. Mr. Camarillo reported the Finance Committee unanimously recommended approval of the FY08 budget, and noted the Board will take formal action on the budget under agenda item 7.

9. Presentation on Engaging Stakeholders

Chairman Covington took item 9 out of order to provide a context for the subsequent discussion on the Rail District's strategy for moving forward. Ross Milloy reported that the Public Information Committee directed staff to ask a public strategies firm to address the Board and present ideas on engaging stakeholders. Mr. Milloy introduced Chris Shields, a lobbyist who represents cities, counties, and transit authorities in the legislature.

Mr. Shields spoke on translating public support for the project to legislative support, and the legislative and economic issues of transportation. Transportation has become the leading issue of controversy in the Texas legislature, in part because transportation encompasses numerous sub-issues such as quality of life, economic development, scarce funding resources, and the environment. Mr. Shields stated that the Dallas/Fort Worth metroplex has done the best job of building community

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consensus for rail projects. He recommended the Rail District join forces with the metroplex on common transportation and legislative issues, such as a local option sales tax. A regional sales tax is the best solution for funding regional rail projects, and the metroplex model is the best in the State for building coalitions to support legislation. Mr. Shields suggested the Rail District develop a community process that results in recognition and buy-in by the community for a regional solution. The Rail District has to position its project as the economic and viable alternative supported by community consensus.

Chairman Covington thanked Mr. Shields for his insight and noted that funding and mobility crises are evident in Texas and across the country. A lengthy discussion ensued on the local option sales tax, quality of life issues, mobility issues, building community awareness, and the metroplex's consensus building process. Board members requested additional information and education on the Dallas/Fort Worth model.

6. Discuss Development Strategy

Ross Milloy and Bill Bingham presented a strategy for moving forward in 2008. Topics included:

- Milestones and accomplishments to date
- Near-term goals and activities
- Implementation strategies
- Union Pacific issues
- Rail relocation scenarios
- Public finance approaches
- Funding strategies
- Private sector development options
- Immediate next steps

Board discussion ensued on private sector involvement and the experience of other commuter rail systems in the U.S., discussions with Union Pacific, current freight operations and customers in the Austin-San Antonio Corridor, the legislative strategy of leading a 2-year statewide campaign to fund the Rail Relocation Fund in 2009, and the upcoming sunset review of TxDOT.

7. Consider and Take Appropriate Action on FY08 Budget

Ross Milloy directed the Board's attention to the proposed FY08 budget document included in the agenda packet. The budget consolidates the Rail District's local and federal funds. Under locally funded expenses, Mr. Milloy noted increases in legal services and legislative consultants in FY08, which decrease the reserve in local funds. The remaining federal funds will be used to continue current consultant services and contracts. Chairman Covington noted that legal services is a broad category that also includes strategic planning and general counsel by Bill Bingham. Upon a motion by the Finance Committee, the Board unanimously approved the FY08 Budget.

8. Consider and Take Appropriate Action on Carter & Burgess Master Contract and Work Authorization for Planning & Preliminary Engineering (P&PE-1)

Alison Schulze directed the Board's attention to the memo and attachments in the agenda packet. The proposed contract amendments would extend Carter & Burgess' services for one year and would

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not increase the fee in either the master contract or the work authorization. Unspent funds in the current work authorization would be redirected to cover the work to be performed in the upcoming year. The amendments would provide the following.

- Extend the end dates of both the mater contract and the work authorization one year to September 30, 2008
- Allow Carter & Burgess and Public Financial Management (PFM) to continue providing basic program management and on-call technical and financial support services for one year for a fee not to exceed \$250,000

Upon a motion by the Program Management Oversight Committee, the Board unanimously approved the amendments to the Carter & Burgess master contract and work authorization for Planning & Preliminary Engineering (P&PE-1).

10. Consider and Take Appropriate Action on 2008 Board Meeting Calendar

Alison Schulze directed the Board's attention to the proposed 2008 Board Meeting Calendar. Ms. Schulze noted the meetings will rotate between San Antonio, San Marcos and Austin, with one meeting in Round Rock per Commissioner Birkman's request. Ms. Schulze further noted that the calendar would allow the Executive Committee to meet in place of the full Board where appropriate and in accordance with the Rail District's bylaws. Upon a motion by Tullos Wells and second by Dave Marsh, the 2008 Board Meeting Calendar was approved.

Council Member Jennifer Kim suggested that the Austin meetings be held at a more convenient location than the Ruiz Library and stated she would work with staff to find a suitable location. Chairman Covington stated that he reserves the right to cancel Board meetings when there are no items that require Board action.

11. Financial Report

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

12. Legislative Update

There were no additional legislative issues to report.

13. Other Business

Dave Marsh commented on his service on the Board, and stated that although he's no longer on the Board he remains on the team. Mr. Marsh noted the CARTS Board will appoint Hays County Commissioner Debbie Ingalsbe as his replacement, and that Commissioner Ingalsbe will join the Rail District Board once her appointment is ratified by Travis County.

14. Public Comment

Jennifer Moczygemba, TxDOT, stated that House Bill 2510 set a precedent by providing taxing authority within the 2¢ cap for the newly formed Border Commuter Rail District. Wilda Won, TxDOT, noted that the new Houston Freight District also has the option of operating commuter rail.

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15. Adjourn

Chairman Covington announced that the next Board meeting is scheduled for October 5 at the TxDOT headquarters complex in Austin. Mr. Covington thanked Board members and the audience for their attendance and participation. There being no further items, the meeting adjourned at 12:16 p.m.