

MINUTES OF THE REGULAR MEETING OF THE  
BOARD OF DIRECTORS

OF THE

ROCKY MOUNTAIN RAIL AUTHORITY Held: Friday,  
August 28, 2009, at 1:00 p.m. at the Jefferson County  
Administration Building, Lookout Mountain Room, 100  
Jefferson County Parkway, Golden, CO 80401.

Attendance:

A meeting of the Board of Directors of the Rocky Mountain  
Rail Authority was scheduled in compliance with the laws of  
the State of Colorado, with the following Board members in  
attendance;

Harry Dale, Chair, Clear Creek County (Commissioner)  
Doug Lehnen, Vice Chair, Town of Castle Rock (Council)  
Gail Drumm, Secretary, Town of Monument (Council)  
John Tangen, RFTA Controller, Fiscal Agent RMRA (via  
teleconference)  
Larry Brooks, Town of Avon (Staff)  
John Hoffman, Town of Carbondale (Council)  
Terry Carwile, City of Craig (Council) (via teleconference)  
Janice Finch, City and County of Denver (Council)  
Steven Koster, Douglas County (Staff)  
Greg Schroeder, Eagle County (Staff)  
Forrest Whitman, Gilpin County (Commissioner)  
Dave Sturgis, Glenwood Springs (Council) (via  
teleconference)  
Robert Bowland, Idaho Springs (Council)  
Kate Newman, Jefferson County (Staff)  
Harold Anderson, City of Lone Tree (Council)  
Wayne Williams, Pikes Peak Regional Transportation  
Authority (Commissioner)  
Bill Moore, Pueblo County (Staff)  
Bill Moore, City of Pueblo (Alternate)  
Diane Mitsch-Bush, Routt County (Commissioner)  
Diane Mitsch-Bush, Steamboat (Alternate)  
Diane Mitsch-Bush, Oak Creek (Alternate)  
Tom Rogalski, Hayden (Council) (via teleconference)  
Gene Putman, City of Thornton (Staff)  
Karen Tussey, Town of Yampa (Council) (via teleconference)  
Doug Rademacher, Weld County (Council) (via  
teleconference)  
Bob Briggs, Westminister (Council)  
Dorothea Farris, Pitkin County (Staff)  
Dave Menter, Colorado Springs (Staff) (Alternate)  
Lee Behrens, Georgetown (Council)  
Mark Gordon, Vail (Council) (via teleconference)

**Also present were:**

Ed Icenogle, Icenogle, Norton, Smith, Blieszner, Gilida & Pogue, P.C. (RMRA Attorney)

Mark Boggs, PBS&J (RMRA Project Director)

Tom Mauser, CDOT (Staff)

Bob Berwyn, Summit Daily (via teleconference)

Leo Wolcott, Freelance Reporter (via teleconference)

Identification of any Non-Board members on the Conference Call Line

Chair Dale asked for all non-board members on the conference call to identify themselves. Mr. Wolcott identified himself.

Call to Order

Chair Dale, upon the presence of quorum, called to order the meeting of the Board of Directors of the Rocky Mountain Rail Authority at 1:12 pm.

Public Comment Period

Chair Dale asked for any person wishing to come forward to address the RMRA Board with public comments. There were none.

Consideration of Approval of June 26, 2009 RMRA Board Meeting Minutes

Chair Dale referenced both the Board minutes from the July 24, 2009 Board meeting and the Executive Committee notes from July 30, 2009 in the Board's packet. He recommended a further discussion of the Executive Committee notes under the Freight Railroad Risk Assessment Option 1 agenda item. He asked if there were any corrections to the minutes of July 24, 2009.

There were no corrections.

Director Moore moved, Director Mitsch-Bush seconded, approval of the July 24, 2009 Minutes. Passed.

July 2009 Financial Report and approval of bills

John Tangen (RMRA Treasurer) reviewed the July Financial statement. Several areas of the report required additional explanation. Under the Accounts Payable section it was noted that the PBS&J invoices for April and June 2009 and the TEMS invoices for April and May 2009 had been approved last month and were paid by RMRA. The 80 percent reimbursements for these payments under the CDOT SB97-01 grant have not been received yet. Tom Mauser reported that there are still some challenges in processing the RMRA invoices at CDOT due to the March 31, 2009 expiration date of the of the CDOT SB97-01 grant contract with the RMRA. It had been hoped that all remaining invoices for the study could be collected and processed at once, but the likely extension of the study into September and possibly October will make this approach impractical. The RMRA Board would like CDOT to process the grant reimbursements for study payments made in June and July 2009 which would allow the Board to make its payments for study expenses incurred in July and beyond. Currently included in the

Accounts Payable section of the July 2009 Financial Report are the TEMS invoices for June and July 2009 and the PBS&J invoice for July 2009. Further, the RMRA Board expects to make additional grant reimbursement requests in September and October 2009 as it concludes its study. Tom has relayed the message internally at CDOT that RMRA will be submitting grant reimbursement requests up to the maximum allowed under the SB97-01 grant contract through October 2009.

RMRA's current cash balance after paying the bills approved at the June 2009 Board meeting is \$27,237. This balance allows the payment of the PBS&J July 2009 invoice (\$11,401) the Icenogle Norton July 2009 invoice (\$3,000) and Peer Review Panel expenses of \$4,232.

Director Farris moved, Director Hoffman seconded, approval of payment of the PBS&J July invoice (\$11,401) the Icenogle Norton July 2009 invoice (\$3,000) and Peer Review Panel expenses of \$4,232. Passed.

Director Moore moved, Director Williams seconded, approval of payment of the TEMS June and July 2009 invoices contingent on receiving the CDOT grant reimbursement for the RMRA June 2009 study payments. Passed.

Treasurer Tangen continued through the July 2009 Financial Report. Assuming CDOT grant reimbursements and RMRA payments of all current June and July 2009 bills, RMRA would be left with a \$104,777 cash balance which is on budget for study completion.

#### June 2009 RMRA Budget Amendment

Chair Dale pointed out that changes made to the RMRA budget and approved in the budget amendment passed at the June 2009 Board meeting were included in the Board's packet. Director Lehnen asked Treasurer Tangen if the Castle Rock contributions were current in the budget amendment detail. Treasurer Tangen noted that the Castle Rock contribution numbers would need to be updated.

#### Consideration of Approval of RMRA Audited 2007 and 2008 Financial Reports

Treasurer Tangen indicated that the RMRA Financial Reports for 2007 and 2008 had been completed and an audit by McHahan and Associates, LLC had also been completed. The audit found no significant difficulties in the RMRA 2007 and 2008 financial reports.

From the McHahan and Associates audit:

"Allowance for Doubtful Accounts: Management's estimate of the collectability of accounts receivable is reasonable in relation to the financial statements taken as a whole."

“ We encountered no significant difficulties in dealing with management in performing and completing our audit.”

“ Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. None of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.”

“ For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor’s report. We are pleased to report that no such disagreements arose during the course of our audit.”

Director Williams moved, Director Mitsch-Bush seconded approval of the 2007 and 2008 RMRA Financial Reports. Passed.

#### RMRA Study Schedule

Chair Dale referenced the RMRA schedule and remaining budget document in the Board’s packet. He reported that changes in the Study Final Report would be made during the month of September assuming all Peer Review Panel, Steering Committee and Board comments were received by Friday, September 4. It will take at least two weeks to address comments and make the appropriate changes. In addition, the freight railroad risk assessment and railroad meetings will need to be incorporated into the Final Report. The target date for the Steering Committee and Board review of the revised Final Report is September 25 (the regular RMRA meeting date). The only missing component of the Final Report on September 25 will be the Executive Summary. It is anticipated that it will be October before the Executive Summary can be finalized.

As a result, the September 25 RMRA Steering Committee and Board agendas will include review of the revised Final Report. The complete Final Report with Executive Summary will be scheduled for Board approval on October 23. RMRA dissolution documents along with any appropriate next steps would also be approved at the October 23 Board meeting.

Board members also discussed the elimination of a preferred option in the final report. The preferred option should be replaced with feasible options under FRA criteria and an

example implementation plan for a feasible alternative example. Since the RMRA study is simply a feasibility study, the Board felt it premature to be determining a preferred alternative. Language will need to be changed throughout the final report from “preferred” to “feasible” for options, routes, alternatives and implementation plans as a result.

#### Remaining Budget

Chair Dale went through a budget projection for carrying the study into October. In Chair Dale’s projections, it was assumed that the work in the TEMS supplemental agreement, \$123,408 along with the additional \$20,016 for the TEMS option 1 freight railroad risk assessment work was included. PBS&J and TEMS may have additional budget expenses for work in September in October and those expenses must be held to \$15,000 or less. Including \$20,016 for the Option 1 freight railroad risk assessment, \$15,000 in TEMS and PBS&J additional fees, \$9,000 in Attorney fees, railroad meeting travel reimbursements of \$1,000, Peer Panel expenses of \$30,000 and a final audit, the final budget projection for RMRA would be around \$14,000.

The Board discussed additional work for both PBS&J and TEMS in September and October. PBS&J had submitted and was approved for a contract amendment of \$12,700 for work in July and August. Mark Boggs reported that there is only \$1,500 remaining on the contract amendment and that an addition of \$8,500 may be needed for project management work to be completed in September and October as comments are collected and the final report is edited. The Board instructed Mark and the RMRA Attorney to bring a second PBS&J contract amendment for up to \$8,500 to the September 25 meeting. TEMS was also requesting additional dollars for the Executive Summary. It is now expected that the Executive Summary will be written to frame the study findings and present the feasible options in a friendly and easily understood manner which may be beyond the original scope of work in providing a summary based strictly on FRA feasibility criteria. The Board was reluctant to approve any additional dollars for the TEMS Executive Summary work and would rather see a portion of the \$19,762 which had been allocated for government relations work in task 4 of the TEMS contract amendment used instead. The Board indicated that the Executive Summary could be used as the government relations document and requested that Mark Boggs relay this message to the TEMS team.

#### FRA Letter and Resolution of Support

The Board discussed a letter to be submitted to the FRA in October to request high speed rail corridor designation along with a copy of the RMRA Final Report. A sample letter and a sample resolution for RMRA member jurisdictions as well as other jurisdictions to consider in support of the RMRA study

findings and high speed rail corridor designation will be reviewed at the September meeting. It was also suggested that the RMRA name the CDOT Division of Transit and Rail as the successor to the RMRA for the pursuit of high speed rail corridor designation and future communication with the FRA. Mark Boggs and Doug Lehnen agreed to meet with CDOT officials to begin working on the letter to the FRA. The Board asked Ed Icenogle to prepare a sample resolution of support for member jurisdictions to consider.

#### Consideration of Freight Railroad Risk Assessment Option 1

Chair Dale explained the Executive Committee email discussions on July 30 relative to the consideration of an option 1 freight railroad risk assessment. This effort would consider an option to minimize freight railroad involvement in high speed rail implementation in Colorado and avoid their right of way. The Option 1 route would parallel the Joint Line through Metro Denver and the Brush Line northeast of downtown Denver.

With a better understanding of the California true High Speed Rail approach, the Option 1 route freight railroad risk analysis in task 5 would seem to be the most likely to produce the best ridership results. The Option 1 analysis assumes the same general route as the original alternatives in the RMRA study, but with significant distance from the freight tracks so that non FRA buff strength compliant vehicles may be used (assuming the FRA would grant a waiver) and the eastern freight rail bypass as contemplated in the recent Rail Relocation for Colorado Communities study (R2C2) may not be necessary. This route through Metro Denver on, over or parallel to the Joint Line and Brush Line appeared to be optimal in terms of ridership of the general route concepts explored in the study.

The Option 1 work performed by TEMS would provide a high level cost estimation for accomplishing this kind of California HSR program separation from the freight railroad tracks in the US85 corridor through Metro Denver. This new option would provide enough horizontal and/or vertical separation from the Joint Line and Brush Line so that non compliant high speed trains could be operated in these corridors. If done correctly it would also not eat up any railroad right of way that the freight railroads may need for additional future capacity, so there would not be mandate an eastern freight rail bypass to be built on behalf of high speed passenger rail in Colorado. Originally, the TEMS team had provided RMRA with a \$117,000 number for the Option 1 analysis. Today, that number is \$20,016.

Based on RMRA's current financial position, this option 1 analysis is affordable and will augment the current risk assessment that TEMS is proceeding with and will provide an

outstanding and comprehensive freight railroad risk assessment.

Chairman Dale polled the Executive Committee on including the Option 1 route in the freight railroad risk assessment in addition to the Option 2 route analysis currently underway and the vote was 6 to 1 in favor.

The complete risk assessment work would be included in the revised final report available for the RMRA Board and Steering Committee to review at the September 25 meetings. A PowerPoint presentation relating to that work was provided to the Steering Committee earlier in the day by the TEMS team.

Chair Dale made the request of the RMRA Board to approve the expenditure of \$20,016 for the option 1 freight railroad risk assessment.

Director Williams moved, Director Farris seconded approval of the expenditure of \$20,016 for the option 1 freight railroad risk assessment. Passed.

#### Freight Railroad Risk Assessment Summary

Chair Dale also provided a summary of the Freight Railroad Risk Assessment work to date based on the TEMS presentation earlier in the day to the Steering Committee. Both the Option 1 and Option 2 routes showed promising results for feasibility.

#### Option 1

The Option 1 route required significant and costly structuring to avoid the freight railroad lines in the Santa Fe/US 85 corridor. This additional capital cost would likely result in a drop in the cost to benefit ratio for alternatives using this alignment by .1 to .3. While not insignificant, the most viable alternative would still exceed the cost to benefit threshold of 1.0, by 20 to 30 percent (ratios ranging from 1.21 to 1.34).

#### Option 2

The Option 2 route provided even better results than Option 1 if a 90 mph average speed could be obtained in the E-470 corridor from Lone Tree to Thornton. Since a detailed analysis of alignment geometry was not performed, two scenarios were developed to represent the range of options for an E-470 alignment. The two scenarios were a 60 mph average speed option and a 90 mph average speed option. The Option 2 route also benefited from a potential station in Aurora (Peoria Street/Smith Road). The results for the 90 mph version of Option 2 demonstrated superior ridership numbers to all previous alternatives. The 60 mph average speed option dropped ridership by only 5 percent. Both options also provide better access to DIA from I-25 north and I-25 south than all other alternatives. As with Option 1, there

were additional capital costs associated the E-470 route over and above the previous alternatives which could have an impact on the cost to benefit ratio for alternatives using this alignment. Although the Option 2 analysis was limited, the TEMS team believes the potential for 90 mph or better average speed is much more likely than 60 mph average speed. The complete range of cost to benefit ratio for this alignment using the most viable alternative was 1.14 to 1.4. The broad range was due to the additional capital cost and the inclusion of the 60 mph average speed option.

Both Option 1 and Option 2 made some changes in the alignment in both Colorado Springs and the Tennessee Pass area, however these changes did not appear to have a significant impact on feasibility. The Steering Committee was pleased with the results.

#### Railroad Meeting Report

Vice Chair Lehnen provided a summary of the meetings with BNSF and UPRR which he attended earlier in the month along with TEMS representatives. It appears that exploring route options that would minimize the freight railroad involvement in the implementation of high speed rail in Colorado, avoid railroad right of way and not require the construction of a controversial eastern plains freight rail bypass was helpful. Vice Chair Lehnen reported both railroads seemed willing to work with Colorado officials in the pursuit of high speed passenger rail in Colorado. BNSF supports the eastern plains freight rail bypass, appeared cooperative in potentially sharing the Littleton trench and even expressed interest in future operation of high speed passenger trains in Colorado. Overall the meetings produced a very positive message for future HSR discussions with the Freight Railroads.

#### Peer Review Panel

Mark Boggs briefly reviewed the Peer Panel discussions from the Peer Review Panel meetings earlier this week. The panel found that the final report contains some number of inconsistencies and/or possible miscalculations in terms of ridership and cost estimates and evaluation of study alternatives, which, in turn, may filter through into other forecasted numbers and study conclusions/recommendations in the report. In addition, the peer reviewers have struggled to find supporting documentation to allow them to ascertain how the calculations were performed (and thus to verify them or to express any confidence in the reported numbers). These items have been captured and Mark will be working with the TEMS team to respond to the Peer Panel.

#### CDOT Applications to the FRA

Tom Mauser provided an update on the recent CDOT applications for FRA funding through ARRA. CDOT has applied for 50 percent matching funds to complete a FRA sanctioned State Rail Plan which is a prerequisite for any FRA



funding. They also applied for a 50 percent grant for a follow on to the RMRA study that would look at synergy and connectivity with the RTD FasTracks network. CDOT also supported New Mexico's application for a multi-state high speed rail feasibility study to connect Albuquerque to El Paso and Denver.

Next RMRA Board Meeting

Chair Dale stated that the next RMRA Board meeting will be held on September 25<sup>th</sup> at 1:00 pm, Jefferson County Courthouse, Lookout Mountain Room.

Adjournment

In that there were no further items of business to discuss, the meeting stood adjourned at 3:10 p.m.

---

Secretary of the Meeting