

RECORD OF PROCEEDINGS

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS

OF THE

ROCKY MOUNTAIN RAIL AUTHORITY Held: Friday,
May 22, 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) (via teleconference)

John Tangen, RFTA Controller, Fiscal Agent RMRA (via teleconference)

Larry Brooks, Town of Avon (Staff)

John Hoffman, Town of Carbondale (Council)

Ray Beck, City of Craig (Council) (via teleconference)

Rick Garcia, City and County of Denver (Council)

Steven Koster, Douglas County (Staff) (via teleconference)

Greg Schroeder, Eagle County (Staff)

Michael Penny, Town of Frisco (Staff) (via teleconference)

Tresi Houpt, Garfield County (Council)(via teleconference)

Lee Behrens, Georgetown (Council)

Forrest Whitman, Gilpin County (Commissioner) (via teleconference)

Robert Bowland, Idaho Springs (Council)

Kate Newman, Jefferson County (Staff)

Harold Anderson, City of Lone Tree (Council)

Bill Moore, Pueblo County (Staff) (Alternate) (via teleconference)

Bill Moore, City of Pueblo (via teleconference)

Dorothea Farris, RFTA/Pitkin County (representative) (via teleconference)

Lee Kemp, RTD (Board) (via teleconference)

Diane Mitsch-Bush, Routt County (Commissioner) (via teleconference)

Diane Mitsch-Bush, Town of Steamboat Springs (Alternate) (via teleconference)

Diane Mitsch-Bush, Town of Oak Creek (Alternate) (via teleconference)

Diane Mitsch-Bush, Town of Hayden (Alternate) (via teleconference)

Bob French, Summit County (Council) (via teleconference)

RECORD OF PROCEEDINGS

Gene Putman, City of Thornton (Staff)
Robert Larson, City of Thornton (Staff)
Mark Gordon, Town of Vail, (Council)
David Downing, City of Westminster (Council)
Karen Tussey, Town of Yampa (Council) (via teleconference)

Also present were:

Ed Icenogle - Icenogle, Norton, Smith, Blieszner, Gilida & Pogue, P.C. (RMRA Attorney)
Scott Meszaros- Town of Monument (Staff)

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. None identified.

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 1:09 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 May 1, 2009 RMRA Board Meeting Minutes

Chair Dale asked if there are any corrections to the minutes of May 1, 2009.

Director Mitsch-Bush moved, Director Gordon seconded, approval of the May 1, 2009 Minutes as presented. Passed.

Study Consultant Update

1. Workshop Delay Expenses
2. Government Relations Proposal
3. Follow up on Alternative Analysis for Colorado HSR System option that does not require Freight Railroad ROW and R2C2 and allows Non FRA buff strength compliant vehicles to run on the entire truncated system
 - a. Tems Additional Option Proposal
 - b. Executive Committee Discussion, May 12, 2009
 - c. CDOT Meeting Discussion, May 14, 2009
 - d. TEMS Revised Proposal
4. Ridership/Modeling Peer Review Panel Session scheduled for June 3, 2009

Chair Dale discussed Tasks 1 through 3, Feasibility Study Extra Work performed by the TEMS Team. These tasks included the additional TEMS Team work performed in preparation of the delayed Alternatives Analysis Workshop which was finally held on April 24. The cancellations of the Alternatives Analysis Workshop resulted in a five week delay for the Feasibility Study due to the need for the Steering Committee to be briefed on the Alternative Analysis (4 weeks delayed from the initial date of March 27/28 to April 24) and make a subsequent decision regarding the preferred high speed rail alternative which did not occur until the Steering Committee and Board meetings on May 1 (one week after the completed workshop). TEMS Tasks 1 through 3 included additional Project Management and Public Involvement work performed by the consultant to adjust various aspects of the Feasibility Study including the rescheduling of work items and deliverables, updates and revisions to presentation materials and rebooking of travel plans. Additional

RECORD OF PROCEEDINGS

services were required to develop revised alternatives including multimodal, truncated and mix and match alternative options including the revision of ridership and revenue demand models, revision of operating plans and costs, and adjusting capital costs. Using the revised framework, eleven new alternatives were assessed by the Consultant in order to provide both operating cost ratios and cost benefit measures.

RMRA funds needed to pay TEMS for Tasks 1 through 3 (\$47,771) would come from the overall member contribution surplus which is projected to be close to \$90,000.

(Later in Meeting) Chair Dale asked for a motion to approve the Task 1 through 3 items and payment to TEMS for \$47,771 out of the RMRA member contribution surplus with the understanding that this motion will require a budget revision/amendment to be approved by the RMRA Board in 2009 showing this additional expenditure, Director Lehnen moved, Director Gordon seconded motion. Passed.

Chair Dale discussed item #2 (Government Relations Proposal, Task 4). He stated that the work is primarily to develop and implement a government relations strategy targeting Colorado's congressional delegation, the governor's office and key state legislators. "GBSM" would subcontract and prepare the information as part of the TEMS Consultant Team. They would provide background on the RMRA Study and present the information to each group as well as provide the presentations and supporting materials to RMRA Board members who will share this information with their State Legislators.

The cost of the Task 4 work to be performed is \$19,762 and would be paid from the overall RMRA member contribution surplus similar to Tasks 1 through 3.

Director Mitsch-Bush commented that this seems a logical step.

The issue of presenting to the State representatives was brought up. Chair Dale responded that member jurisdictions would likely address their representatives with GBSM prepared information.

Director Hoffman commented that perhaps the presentation to the Governor and his delegates could be videotaped and that video could be reproduced and used to present to local

RECORD OF PROCEEDINGS

representatives.

Ed Icenogle, RMRA Attorney commented that it appears GBSM does not have a direct contract with RMRA and this task and invoice should go directly through TEMS.

Director Garcia brought up the issue of compliance with Amendment 54.

Mr. Icenogle stated that he would further investigate all compliance with Amendment 54 and if it is non-compliant he will return with language for the contract amendment at the next meeting with appropriate contracts which do.

Director Mitsch-Bush moved, Director Anderson seconded approval of RMRA Attorney to ensure compliance with Amendment 54 relating to TEMS subcontract with GBSM for Task 4 related scope of services. Passed.

Director Gordon moved, Director Moore seconded approval of Task 4 additional contract scope of work to be paid to TEMS for the Government Relations Proposal and appropriation of \$19,762, with the understanding that this motion will require a budget revision/amendment to be approved by the RMRA Board in 2009 showing this additional expenditure. Passed.

Chair Dale provided a background on the May 12th Executive Committee Meeting which addressed the TEMS Proposal to perform additional alternative analysis on the three options proposed by the TEMS Team to eliminate the need for the use of Freight Railroad Right of Way, eliminate the need for the construction of an Eastern Freight Rail Bypass and eliminate the need to use FRA buff strength compliant vehicles. These concerns were raised through the current feasibility study process and requested to be addressed by the TEMS Team by the RMRA Board at the May 1st Board Meeting.

It was assumed that only one of the three options would be selected for additional analysis based on assumed available RMRA funding and a cost of approximately \$100,000 per alternative option for additional evaluation.

The Executive Committee convened via conference call on May 12 and discussed further examination of the risks associated with a freight railroad route through Metro Denver. The committee wanted a risk analysis performed by TEMS to identify the range of problems and associated risks with assuming the use of the freight railroad right-of-way and the construction of an Eastern Freight Rail Bypass as part of the preferred high speed rail alternative for the RMRA passenger rail implementation plan. The additional alternative analysis

RECORD OF PROCEEDINGS

would assume an option to using the Brush Line and Consolidated Joint Line through Metro Denver as well as options to the use of freight railroad rights of way in Colorado Springs, Pueblo and Pando-to-Eagle County Airport. A Qualitative format of risk with empirical estimates would be done and the development of a risk profile. Items to be assessed would include; ridership/revenue, equipment cost, operating cost, capital cost, and land use impacts. The additional scope would assess the potential risk to the viability of the project posed by the use of freight railroad rights of way.

TEMS broke out the three (3) alternative options and had developed cost estimates for each of the options. For all three options there would need to be horizontal and/or vertical separation considerations for any Freight Railroad ROW initially assumed by TEMS for use in the preferred alternative network including Colorado Springs, Pueblo and the western areas around US 24, Tennessee Pass and I-70 west from Pando/Camp Hale to Eagle County Airport. The place where the options differed was in the Metro Denver area.

Option 1

This option assumed the same general alignment as was initially evaluated by the TEMS Team and reported on during the Alternative Analysis Workshop for the truncated version of the 7 percent grade capable High Speed Tilting EMU technology. The change in this option would be to consider a minimal horizontal and/or vertical separation in the Joint Line and Brush Line through Metro Denver so that Non FRA buff strength compliant vehicles could be used. This option may or may not use freight railroad right of way through Metro Denver and could include at least portions of the US 85/Santa Fe highway corridor. This option evaluation estimate was \$118,470.

Option 2

This option completely eliminates the use of the Joint Line and Brush Line Through Metro Denver. Instead an E-470 eastern alignment around Metro Denver would be used to connect I-25 south in Lone Tree to DIA. DIA would also be connected to I-25 north with E-470. A highway alignment would also be required from Downtown Denver to DIA to avoid the Brush Line). For Option 2 TEMS quoted \$127,000 which upon further negotiation was reduced to the price of \$117,000.

Option 3

This option is exactly the same as Option 2, but includes (in addition to Option 2) a C-470 alignment from Lone Tree to Golden around the western portion of the Metro Denver area.

RECORD OF PROCEEDINGS

For Option 3 TEMS initial estimate quote of \$135,000 was negotiated to \$120,000 which was “the very best they could do” price wise.

Option 1 & 2

TEMS had also provided cost estimates for completing the evaluation work described in both Options 1 and 2 which was around \$200,000.

Option 1 & 3

TEMS had also provided cost estimates for completing the evaluation work described in of both Options 1 and 3 which was also around \$200,000.

The Executive Committee recommended evaluating and proceeding with Option 2 as the preference of all options being considered for additional evaluation based on the cost estimates provided by TEMS and because this option eliminated completely the need for the use of freight railroad right of way and would not require high speed passenger rail in Colorado to construct an Eastern freight railroad bypass and it would be less expensive to build overall than Option 3. Travel times to DIA across the entire network might also be improved. It seemed that the evaluation for the feasibility of such an alternative would give us the most beneficial information for the feasibility study. This analysis would include a fairly detailed study of alternative option 2. The downside was that it would still require in excess of \$117,000 to complete.

The Executive Committee recommended a meeting with CDOT officials to discuss the additional study options, their funding and to seek advice in general on the freight railroad question.

As a result, Doug Lehnert and Harry Dale met with CDOT staff (Jennifer Finch, Sandi Kohrs and Tammy Lang) on May 14. Upon inquiring about the availability for additional funds to offset the additional RMRA study expenses, CDOT staff noted that CDOT is experiencing a significant budget crunch like everyone else and that SB97-01 transit dollars would not be available. They believed that with some work and approval by the Transportation Commission, \$20,000 to \$30,000 could be available on a fifty percent match basis. CDOT staff advised against a complete and costly alternative analysis and recommended a simple risk assessment in its place, since so much work had already been completed in alternative evaluation and analysis. They believed that \$50,000 to \$60,000 would seem like plenty of money to perform a risk assessment of the freight railroad questions and Chair Dale and Vice Chair Lehnert agreed. The intent of the additional

RECORD OF PROCEEDINGS

study was not to look for the technical analysis of a completely new alternative option; but the desire to know if feasibility of the implementation plan for the 7 percent grade capable EMU technology from Fort Collins to Pueblo and from DIA to Eagle County Airport hinges upon freight railroad right-of-way use.

Subsequent to the May 14 meeting with CDOT, Chair Dale requested that the TEMS Team provide to him an estimate for the type of risk assessment as determined at the meeting with CDOT staff in regard to a risk assessment of the freight railroad questions. The TEMS Team put together Task 5 in response to Chair Dale's request for the cost of \$55,875.

Task 5 – Freight Rail Route Risk Analysis

The purpose of the Task 5 Additional Services is identification of the range of risk associated with assuming the use of the freight rail right-of-way as part of the preferred alternative for the passenger rail implementation plan. The risk analysis shall highlight the similarities and differences between FASTRACKS (commuter rail) as opposed to intercity rail experience in developing a new passenger system and sharing freight rail right-of-way. In addition, the risk analysis shall consider the positions of the freight railroads (BNSF and UP) regarding the development of the passenger rail system.

The risk analysis shall consider, in a qualitative written format, the potential risks, and benefits, associated with the use of freight rail rights-of-way versus the use of other public or greenfield rights-of-way. The analysis will assess one of four options provided earlier in the day at the May 22 RMRA Steering Committee meeting for Metro Denver along with non-freight rail rights-of-way in Colorado Springs, Pueblo, and the Tennessee Pass. For the Metro Denver option, the Consultant will identify how the route will likely impact the ridership, revenue, operating cost, and capital infrastructure and equipment costs associated with implementing the RMRA system. The analysis will identify possible ranges of risk for each component providing a best and worst case assessment of potential outcomes. The ranges will not necessarily reflect a constant statistical error value nor will the absolute value necessarily be fully captured in the analysis. Instead, the ranges will reflect an empirical assessment of the potential scale and magnitude of variance in each component. This will ensure that the size and scale of risk associated with each component can be identified as part of the analysis.

A key issue will be to ensure that the analysis focuses on downside risks that are of sufficient magnitude to undermine the financial and economic feasibility of the project, and thereby prevent the ability of passenger rail to be successfully

RECORD OF PROCEEDINGS

implemented in Colorado.

Chair Dale asked for input on which Metro Denver Route Option to proceed with in the Task 5 work. Chair Dale added that he has talked with Clear Creek County who is willing to contribute additional dollars for the Task 5 work and believes that the RMRA along with a 50 percent CDOT contribution can afford the additional approximately \$56,000 expense. He asked for any additional members to contribute even \$500 to help pay for the additional work. He asked for input on which Option to proceed with.

Director Houpt proposed discussing right-of-way issues first with the freight railroads. At the Steering Committee meeting earlier in the day, it was suggested that a meeting with both the UPRR and BNSF be included in the scope of work for Task 5. Director Houpt suggested that a RMRA Executive Committee member be included in these two meetings in an effort to keep the Consultant Team honest in their assessment of the expected cooperation from the freight railroads for high speed passenger rail service in Colorado.

Chair Dale responded that TEMS representatives and a member of the Executive Committee need to be at such a meeting for a number of reasons. One is to assure there is no bias in favor of freight railroad cooperation that might not actually exist (as has been the experience in Colorado to date) and to have the technical expertise to answer any possible questions regarding the RMRA organization and the study itself. A meeting with the Union Pacific and Burlington Northern Railroads should probably be mandated prior to proceeding.

Director Putman commented that he supports Option 2 as it does not threaten RTD Fastracks and the connectivity with RTD in both the North and South Suburban Station locations helps the alternative.

Chair Dale stated that the Executive Committee leaned towards recommending Option 2 as well. He explained that this option of the four is likely the most economically feasible and if it were to fail, the others most definitely would also fail.

Director Lehnen moved, Director Hoffman seconded to proceed with Task 5, to approach the Railroads with Option 2 being the alternative analyzed. Passed.

Director Putman moved, Director Lehnen seconded to approve Task 5, additional contract scope of work to be paid to TEMS for the Freight Rail Route Risk Analysis and appropriation of \$55,890, with the understanding that this motion will require a

RECORD OF PROCEEDINGS

budget revision/amendment to be approved by the RMRA Board in 2009 showing this additional expenditure. A diagram amended to include areas of RTD and Connectivity for North/and South Suburban Stations (Lone Tree and Thornton areas) and to include a cost range/per mile. Passed.

Note: Director Lehnen stated that the motion is subject to CDOT funding obligations and additional RMRA member funds to pay for the \$55,890.

(Results will be documented in the Business Plan as a supplemental analysis that specifically addresses risk to the freight rail assumptions embedded in the Business Plan. The format will be that of a risk profile assessment suitability qualified to reflect the level of information used in the analysis). There will be a four week timeline for this assessment.

April 2009 Financial Report & Approval of Bills

Director Tangen, RMRA Controller, detailed the Balance Sheet/ Statement of Net Assets as provided in the packet “unaudited” he specified through April 2009. He stated that the authority is up to date and current on all billings. He detailed the Accounts Receivable/Accounts Payable. He stated that the Audit has been completed and should be ready for presentation at the July meeting (prior to the July 31st deadline). The Account Payables were detailed and a request for \$7,030 to pay the March PBS&J and April Attorney fees was requested by Director Tangen.

Director Mitsch-Bush moved, Director Hoffman seconded approval of paying bills as presented in the Accounts Payable. Passed.

Director Moore commented that the City of Pueblo should be sending in their contribution (dues) within a week. He stated that there was a prior error in the receivables that it had been paid. The invoice is on the City Manager’s desk and should be forthcoming.

Director Brooks apologized for the delay in due payments for Avon and stated that he will obligate an additional \$500 contribution.

Update on Expression of Interest to the FRA in Implementing a High-Speed Intercity Passenger Rail Corridor & Local FRA High-Speed and Intercity Passenger Rail Workshop

Chair Dale discussed the memo stating the interest in FRA funds which was submitted following the last meeting. He stated they also spoke with CDOT. FRA is doing rule making sessions for future grants, he asked if there is any interest in a member attending one of the sessions. Following discussion, the Board directed Chair Dale to contact CDOT to inquire if they would send a representative (now that the Governor has

RECORD OF PROCEEDINGS

signed the bill authorizing the CDOT rail division).

Next RMRA Board Meeting

Chair Dale stated that the next Board meeting will be held on June 26th at 1:00pm, Jefferson County Courthouse, Lookout Mountain Room.

Adjournment

In that there were no further items of business to discuss, the meeting stood adjourned at 3:02 p.m.

Secretary of the Meeting