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Minutes of the Gulf Coast Rail District Board Meeting – November 9, 2021

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A meeting of the Gulf Coast Rail District Board of Directors was held on Tuesday, November 9, 2021 at Houston TranStar and via video conference. In attendance at the meeting were Directors Ronald A. Beeson, Trey Duhon, Carol Abel Lewis, Bruce Mann, Richard L. Muller, Jr., Allen Owen, Tina Arias Peterman, Jim Robinson, Jeff E. Ross, and Dennis Winkler. Absent were Directors Michael Dyll, Abigail M. Gonzalez, and Christopher Lane. Written notices of the meeting including the date, hour, place and agenda for the meeting were posted with Harris County, with the Secretary of State, and at the Gulf Coast Rail District office located at Houston TranStar in accordance with the Texas Open Meetings Act. The inaudible portions of the recording were removed from these minutes.

Chairperson Lewis: It shows 2:00. So, we will go ahead and get started because we do have a quorum. And of course, we want to make best use of everyone's time. Let me go through our guidelines so that we all have them. We're going to call our meeting to order of Gulf Coast Rail District. Conditions that require us to be appropriate as we are in hybrid. We have the option to participate by videoconference or in person due to health and safety concerns still related to COVID-19. The meeting is open to the public. Restrictions require masks, allowable room capacity, and seating arrangements, which are in place. The public location is TranStar, 6922 Katy Road, Houston, Texas, Conference Room 120B.

Director Owen: 216.

Chairperson Lewis: Oh, I'm sorry. 216? Oh, right. Thank you. Start the sentence again. The public location is TranStar, 6922 Katy Road, Houston, Texas, Conference Room 216. I'm Dr. Carol Lewis, the presiding officer of Gulf Coast Rail District, and will read the names of those board members who are physically present. So, we have in the room Director Mann.

Director Mann: Yes.

Chairperson Lewis: Director Owen.

Director Owen: Yes. Yes.

Chairperson Lewis: Director Judge Duhon, Trey.

Director Duhon: Present.

Chairperson Lewis: And myself. We have online directors, and if you will be audible when I call your name, that would be great. Jeff Ross?

Director Ross: Present.

Chairperson Lewis: Tina Peterman.

Director Peterman: Here.

Chairperson Lewis: Dennis Winkler.

Director Winkler: Here.

Chairperson Lewis: Jim Robinson.

Director Owen: He said here. I read his lips.

Chairperson Lewis: We can see him.

Director Owen: I read his lips.

Chairperson Lewis: Ron Beeson.

Director Ron Beeson: Here.

Chairperson Lewis: Alright, perfect, thank you. We certify that we do have a quorum. I'll remind you that for every vote taken, your face has to show while we hear your audible to make that vote. So, I think that's our intro. Are there any questions? Okay, great. So, we want to certify a quorum. Director Winkler, please?

Director Winkler: Yes, Chair, we do have a quorum—more than seven are fully participating.

Chairperson Lewis: Perfect, thank you. I've already confirmed our posting in compliance with the Open Meeting Act. Let's go to discussion and possible actions for October 12th. Director Winkler, please?

Director Winkler: We have the minutes that have been sent out to us. I hope everyone has reviewed those. I will ask now if you have any changes please verbalize those. If not, I'll ask for a motion to approve.

Director Owen: So moved.

Director Mann: Second.

Chairperson Lewis: Motion and second. Any opposed? Okay.

Director Ross: Nope.

Chairperson Lewis: Okay. I think that was all in favor, so I think we're all in favor. Thank you. that vote carries.

Director Winkler: Thank you.

Director Ross: Aye.

Chairperson Lewis: Pardon me? Thank you, most appreciated.

Chairperson Lewis: We've been joined by Director Muller here in the room at TranStar.

Director Owen: Hooray.

Chairperson Lewis: The next item on our agenda is to get a report from Director Owen, please.

Director Owen: Madam Chairman, I would ask that Cory Booker...

Chairperson Lewis: Okay, that was a joke.

Director Owen: I would ask that Cory Burton give us a report.

Chairperson Lewis: I knew you did that on purpose.

Director Owen: I did.

Mr. Cory Burton: Alright, fair enough. Alright, guys. You should have a copy of our report there. If you flip past the cover page, you see your operating fund and checking account. Remember you have two in play right now. You have your BBVA, which will ultimately close, so no activity there on page two. Page three is your newer account with Central Bank and just some routine expenses there this month. Left you with a balance in your checking account of \$18,717.66. Your investments follow on the next page. No changes there from last month. Following that is your budget showing the detail for October as well as your fiscal year-to-date, and you all are doing fantastic compared to budget, most of it being routine items. Other than that, you have your grant status report and there have been no changes there in several months now. Pretty quiet this month. I'll be happy to answer any questions you have.

Chairperson Lewis: Okay.

Director Owen: Any questions? If not, I make a motion that Resolution 21-15 ratifying our payments be approved.

Director Duhon: Second.

Chairperson Lewis: Okay, motion...

Director Winkler: Second.

Chairperson Lewis: Owen and heard Duhon in the room first. Thank you all. All in favor?

Board: Aye.

Chairperson Lewis: Any opposed? Alright. Thank you for that.

Chairperson Lewis: Item 7, Public Comment, does anyone who is present, either in the room or on our web... would anyone like to have any comments? Alright. Let me say that we're going to have a presentation by Mr. Chad Coburn, Rail Planning and Program Section Director for TxDOT Rail Division. Delighted to have you with us today, Mr. Coburn. And I want to mention that Ms. Parker had an emergency this morning, which is why she is not with us right now. She offered to try to get on and I told her absolutely not unless she was sitting doing nothing and twiddling her thumbs, so that's where she is right now. So, if we could, Mr. Coburn, we would love to pass the baton to you and are happy to see what you are going to present to us today.

Mr. Chad Coburn: Okay. Thank you, Chairman Lewis. Good to see some of your faces. I know Rail Division has not been with you for a while. I just want to go over a couple things just real quick to give you some info about what we do at Rail Division in Austin, and then I'll cover some of the studies. I know that you had a chance to look at it preliminarily a while back on some of the grade crossing issues, and we shared some questions with you, so we'll go over some of the findings and see what's next.

I think it's a pretty exciting time. I'm sure you have seen the Infrastructure Bill is signed and there are quite a few things we could do. I want to set the table to say that what we do at Rail Division, I want to provide kind of a liaison link to the railroads, and kind of a menu of things that could be done. I'm not speaking for TxDOT Administration, but I really feel like any sort of grant project that we might undertake or seeking federal money would be a regionally-driven decision. So, any of the project ideas that I present to you today, it's something for you to chew on and work with H-GAC, and however you want to go about doing it, we can look and see if there are possibilities to work together going forward.

So, I'm Chad Coburn, I work for the Rail Division in Austin at TxDOT. About half our staff (about 15 of us) are actual railroad inspectors, so we're out in the field. There's a couple in Houston, and we enforce, regulate rail safety issues in the Federal Code of Regulations and work with FRA to do that. And then kind of the other half of us, we either work in rail highway programs for the at-grade crossings and improving safety there, and then we own the South Orient Railroad, so we have management of that. And then working with railroads and stakeholders like you, just looking at some long-range plans of what we could do.

So, let me try to share my screen. I've got a couple slides for us. I hope that you just treat this as an open conversation. If you have questions now or at any point, just chime in. I also have the study open, so I can pull some individual projects on the screen later if you want to look more closely at something. Okay, let's share the screen. Okay. Can you let me know, do you see the title page?

Chairperson Lewis: We are seeing it. Yes, thank you.

Mr. Chad Coburn: Okay, thanks. Yes, so I went over Rail Division and what we're doing, and I do think that some of these projects may be eligible for some of what we're seeing in the Infrastructure Bill. If any of you haven't heard, there is one billion dollars in CRISI grants which are primarily directed to railroads. I don't think the rules have been written yet for how that program would be administered in the next five or six years. But in the past, the Class I railroads could not apply, so it was more of a shortline-oriented program or for smaller projects across the country. So, that has gone from a \$300 million program that had about half of that for Amtrak-related stuff and trespasser avoidance, that sort of thing, to it's going to be a billion dollars a year. And then you've got \$600 million a year that's going to be for a grade separation program, so I think we're talking about bridges and underpasses over rail and that did not exist before. And then it does look like they're continuing, what Texas gets is about 20 million a year for what we call a Section 130. It's a grade crossing improvement program we often... lights and gates at places that don't have it and that sort of thing. Yes, that program is expected to continue.

So, I'll go on to the rest of the program, but just kind of keep that as a background of some of the things that we might be able to work with that we didn't have before. On the topics for today, this is a study that we just recently completed. We have it out as a draft and it's an update from a 2008 study that we did. The link is here so you can definitely... If you don't have that by email, I know Katherine has it, so we can get that to you. You can also just Google TxDOT Rail and you'll find it under Current Projects.

So, there are two main components we're talking about. It is an FHWA-funded study, so we have an at-grade crossing analysis which is focused on mobility over rail. The formula and methodology that we got to arrive at projects was where's the best case that we can get more cars

moving, really, or pedestrians and bikes over tracks. And sometimes that doesn't get—just the way of the formula and how block crossing issues change—it doesn't always address that, and it doesn't address humped crossings where we need replanks or new lights and gates and that sort of thing. So, it's really looking at where can we build a bridge. Are there any places left in the Houston area where it makes sense to put public dollars there. So that's one aspect. The other aspect was a whole series of railroad just capacity programs to get trains moving. Or to keep moving trains in the future, even as we consider how much more freight and commodities we expect the forecast to be moving in the next 20-30 years. So, that includes modeling, cost benefits, and looking at the public call to action next steps, and that next step is kind of where you come in.

So, this slide is just the study area, this model we use for the rail improvements. It's a pretty cool thing. It's not like highway modeling. It's called rail traffic controller modeling—it's an industry standard. So, we used data from UP and BNSF to some extent and went out to their crew change points, even outside these maps, to get the most realistic type of operations modeling we can. It gets kind of sketchy in yards, but it is what they have used for, I believe, decades now to program and try to experiment with what different projects might make freight flow better over the rail network.

There's a couple of studies that we've kind of done and have come to fruition. I think in the 2008 study that I mentioned, we probably built one or two of the grade separations out of that since then. And then there was a 2008, the Broadway Double Track Project is something that was built the last four or five years and saw some benefits. It got some H-GAC CMAQ Air Quality funding for that. Any questions so far?

Chairperson Lewis: I kind of have one.

Mr. Chad Coburn: Sure.

Chairperson Lewis: I do kind of have one, Mr. Coburn. When you talk about the model, is the model sort of geared to facilitating movement of freight and/or in bettering the interface between our roadway congestion and freight?

Mr. Chad Coburn: That's a good question. The RTC model is really looking at trains. Since the train always has the right-of-way, it's really programming where the bottlenecks are, where can you improve those bottlenecks. Like I said, it gets a little tough to model inside the yard, but it kind of programs how many trains are coming out of the yard and that sort of thing. I think we've built some into the model where we've built a grade separation into the scenario, if you will. Sometimes a grade separation does have rail operational benefits. You have to program all of your crew changes and all that kind of stuff into the model, and where trains are stopped. So, sometimes if you have a grade separation, it allows a train to stop there, and so that's basically when the grade separations come into play. But really it's not... it's entirely different than the travel demand forecast kind of thing or a microsimulation of cars moving around that H-GAC may use or TxDOT uses at a larger scale.

Now, in some cases, we will go... Like, if we wanted to look at grade separations to take the next step of any of these that have come to the forefront to maybe see about funding for them, you can go into the microsimulation of cars and how that works around, and the train operations related to it. Does that answer your question?

Chairperson Lewis: Was that within that model? So, in other words, it's a subsection of the model you're doing? Yes? No?

Mr. Chad Coburn: So, the RTC model, it uses completely proprietary railroad data about their trains and what kind of trains they're moving and what their schedules are and all that kind of stuff. And so, we get the outputs of that, but we feel like it's a better way to forecast rail operations than anything the public sector could bring, but we don't get to play with the data behind it, it's just outputs. Our consultants, our team gets to vet what goes into it, but we don't publish the data. Anyway, point is that model... you can take the outputs of that and then play with what I might call microsimulation of car movements under a rail bridge or something like that.

Chairperson Lewis: Got you. Right, I understand now. I understand.

Mr. Chad Coburn: Okay. I know it's complicated.

Chairperson Lewis: No, I got it. You answered it. It was because when you take it out and want to do the examination with what's happening with your vehicles, you're using a different model, you're using a different tool. So, there are two different tools, and that was my question.

Mr. Chad Coburn: That's correct. I'm going to be careful, as I think mostly in this study, at this kind of concept level, that it's more like spreadsheet-level models for vehicles. Just the whole passenger car network, we haven't gone into... When you really advance a grade separation concept, you might go in and use one of those advanced models that H-GAC runs. You'll count the number of turns, different turns, and forecast that sort of thing. Our study didn't go that far.

Chairperson Lewis: Got you. Director Muller has a question also.

Director Muller: In your slide here, you say you have 59 crossings identified for grade separation. Is that the entire universe of crossings that could use a grade separation, or are those 59 that your model suggested were the most appropriate or most cost-effective for grade separation?

Mr. Chad Coburn: Yes, it's a good question. What our team found was there were 59 locations where just screening all the data. I forget how many crossings, as there are hundreds of crossings. But screening the data, there are 59 locations where either stakeholders have asked for it or there's a large number of traffic going over, there's a lot of trains, slow-moving trains, whatever have you, that you can make the case that we might want to build a bridge here. So, that's kind of screened down to 59. It basically recommended at least long term to think about it. I don't know if it was 20, may have been a little bit more than 20, but at least 20, we advanced those to conceptual engineering. That's kind of like 5% design. You'd have to spend another six months at least on a bigger study to get to where we call plans, specifications, and estimates, or 100% design, ready to go to construction. None of these are ready to go to construction.

Now, I should put an asterisk there saying we did not advance a couple of the big things that are going on in Houston, like Griggs/Long/Mykawa—places that other studies are already on. We're not going to be redundant and come up with different results. So, plus or minus 20 for what you might want to call near term. Now, I'd also just elaborate that it's hard to build a grade separation. You may have a neighborhood that maybe you'd rather have... the aesthetics of it is

where I'm going. Building bridges and taking right-of-way, that's not always the way to go. So, we believe we've screened down... We've looked at those constraints, and we've come up with 20 that you could make the case for thinking about advancing. We're taking it to you and taking it to the cities and seeing what you think. And then also the money for these, notwithstanding any sort of federal program that's just apparently on the horizon, they don't get built very often because a lot of the places where they were really needed, they've already been built. And then that cost-benefit formula... Do the benefits that accrue to the public over 20 years, are they worth the \$20, \$30, \$40 million it might cost to build it? A lot of times the answer is still no, so that plays into it.

Director Muller: This is Director Muller. If we wanted to identify 1 of those 20 to undertake as an organization, how would we go about doing that and what would be the process to get it from where it is today at 5% to a completed project?

Mr. Chad Coburn: Sure. Well, if one of those happened to be like your... was it 2012, the West Belt Study? I mean, you probably have already advanced it beyond what we've done here and so you might be a little bit of a head start. If you just took one of these that hadn't had any concepts before, that our team... By the way, I should thank HNTB; they did a lot of work. I think they went above and beyond what we usually do on these kinds of studies with the resources the Rail Division has, so I appreciate that. They're out of contract now, so I don't think they're probably here today, but they did do a lot of work. And then, of course, UP and BNSF have paid a lot of attention to this and helped us as well. Anyway.

To get to your question, I would say next step would be you as a board, and maybe getting a few regional partners together and saying, "This is something that we have to do." And then if it were in this study, you could look at what regional funding is there for it. We'd start talking to the railroad involved. Well, more than we have now. They typically are going to contribute 5% to a grade separation. It could be more if you can kind of program, add some sort of operational benefit. Who knows? That's case by case.

You start going more in depth. We've done first steps of environmental constraints, but you'd have to have a National Environmental Protection Act clearance. You'd go to full design and public outreach. It'd probably be a year-and-a-half and then I would say about six months from now maybe, maybe we'll have the first call for that big pot that I was talking about, that \$600 million grade separation grant.

I think Houston, if it's not already on the federal radar, we need to make the case that Houston is a place of freight rail growth, it's a place of freight rail, the externalities that exist around that. You know that a lot better than I do. But I think just nationwide, if Houston isn't highlighted through that program, then we probably didn't do our job. I mean, I think that Houston should get something out of this.

Now, there's a whole other issue with rail capacity improvement projects. The federal government has basically decided, I guess, that when the state government never really did, the connection between the benefits to the public of purely freight rail improvement projects and sidings and stuff. But it looks like the federal government has decided that that's something that taxpayer money's going to go into, so we could also talk about some of those. But for grade separations, I really think we should probably advance something. And whether it's the Rail Division contributing to getting you to final design, or if you want to take a completely regional

or city approach and fund it, fund the study, advance the study yourself, and get to design and construction. I believe that you as a political subdivision are probably eligible to apply for these kinds of grants. It's a little bit questionable, yes, because I don't think the FRA has actually written the program goal.

Director Muller: Yes, I mean, that's kind of the idea.

Mr. Chad Coburn: Anyway, sorry for the really long answer.

Director Muller: Yes. The reason I asked is they've got the \$600 million-a-year grade separation program that they haven't written rules for. It'll take them a year to write the rules. How do we...

Mr. Chad Coburn: I would guess six months, but yes.

Director Muller: Alright, six months. How do we position ourselves so the day the rules are finalized, we file our first application?

Director Mann: Well, I think Tyson, who's with UP Railroad... Tyson and I have talked a lot about this study, and he and I have tried to guide this in a certain way. What we probably need to take out of this is the same thing that Chicago did. Chicago created the CREATE Program, which is... here's a prioritized list of bottlenecks. They have commuter rail, which complicates this a little bit more, but they went and prioritized... here's the projects. They went and created a program for it, went and got the cost-share, and then went and got federal funding. So, we probably need to do the same thing, which is take a subset of these projects and say here are the highest priority... eight, five, two, three, whatever projects. Figure out who benefits from them, go get cost-share for them, start that now. And then when it gets released, we would be the applying agency, right? And we'd kind of shepherd. Because the railroads, in large part, aren't going to give more than their 5% because they don't want to set a precedent. There's an issue there. So, we've got to find 15 or 20%.

Chairperson Lewis: So... Finish your sentence.

Director Mann: We've got to find 15 to 20% of the project cost to hit that cost-share, right?

Director Muller: And so, do we know... Oh, I'm sorry.

Chairperson Lewis: Well, what I was going to say is if we can kind of do a circle. We've got a couple other hands up of folks who are onscreen, so just to make sure that everybody kind of gets a chance in. Director Ross has had a hand up and somebody else did, but I don't see it anymore.

Director Mann: Allie. Allie did, Isbell.

Chairperson Lewis: Yes, okay. Director Ross?

Ms. Allie Isbell: I took my hand down...

Director Ross: Yes, Allie's getting into that same question about timing here... Because you're showing 20 near-term and I don't know what near-term means in the world of TxDOT, but you

mentioned before that you'd all done two projects since 2008 and that means two in 13 years. Does that mean 20 of them are going to take us 130 years? Because I have no sense at all about how quickly you move. And I'm a little surprised you only have a staff of 30 people out of all of TxDOT looking at rail issues.

Mr. Chad Coburn: Well, there are a lot more people at TxDOT looking at rail issues at the district level, they have railroad coordinators, but yes, that's our staff in Austin. Actually, it's not in Austin, most of those guys are actually in the field across the state. Near-term is what we're calling... There are 20 projects that we think there's a pretty good justification to get after it. Now, do I think there's enough money to go around or ability to build all those or will? No, I doubt it. We're probably talking about picking up a few. And then back to the... I have slides later on where I was kind of going to get into the match and who's committing what.

So, for one thing, the state RRIF program was never appropriated with any money, so there's not a state match. You'll read some rail advocates that think we're up a creek because there's not the state money to put in for a match on these. Typically, the CRISI match has been 50% to be competitive. But I think there's a difference between the grade separation that doesn't usually bring a whole lot of private railroad benefit, the benefits there are 70% the time saved by drivers getting across. So, the match is going to have to be a lot of public money on grade separations. But we may be able to combine some scenarios. I think Bruce is... at this. The plan has nine different scenarios of different rail subdivisions. They're rail capacity improvements that I think probably we could get more railroad commitment. Of course, I don't think Tyson or anybody's on this call today, but I know they have their ideas about what they would really like to do. And some of those grade separations could be a part of that project and we could have some big projects put together.

Chairperson Lewis: Allie, do go ahead, please.

Ms. Allie Isbell: Sure. Yes, you kind of talked about this so that's kind of why I lowered my hand, but I was just going to ask if there was any prioritization involved with the 59 projects identified. We're about to update our Regional Transportation Plan at H-GAC, so definitely coordinating with getting some information. Whether or not all of them are included or not, I don't know. And then we have our TIP selection criteria being developed right now as well. And I know in the past, there have been grade separations included in that TIP funding category. So just to mention.

Chairperson Lewis: So, Allie, let me also just say right quick. I asked Craig Raborn to look at that list and to help. I'm kind of putting on my other hat now. But TAG is updating this... map.

Ms. Allie Isbell: Okay, yes. Yes.

Chairperson Lewis: And so, I had talked to Craig, so I just wanted to make sure you all were aligned with that request to try to help set priorities.

Ms. Allie Isbell: Okay. Yes, I'll follow up with him.

Director Mann: I think part of the challenge is rail projects, generally speaking, don't compete very well against the road projects in the call for projects.

Ms. Allie Isbell: No.

Chairperson Lewis: Right.

Ms. Allie Isbell: Yes, the capacity.

Chairperson Lewis: This is just a sidebar, Chad, but that Mykawa/Long grade separation was number one when this was done back in 2010, and then it dropped to something like seven or eight. And so, one of the challenges, I think, for this whole process and the way the benefits are calculated is that, I think, a part of the calculation of benefits is the number of vehicles. And so, when residents of an area realize that they're going to be stopped by a train, they don't go that way anymore. And so that's why you see Mykawa/Long drop from one in 2010. And so, we've got the same problem with some of the grade separations we're pursuing now, that the benefit-cost, it is over one, but it's so barely over one. And like the point Director Mann is making, that when you put it in a pot and compete with other projects, it doesn't have a BC of 5, right? Because people are making other decisions. So, I honestly—you can tell by my questions—I kind of do models and I'm into them. I'm sort of wondering if there's not a way to really calculate what the travel volume would be if the grade separation were there, and do the BC on that, not on what the current level is. That's a sidebar nerd comment.

Mr. Chad Coburn: Well...

Chairperson Lewis: Go ahead.

Mr. Chad Coburn: I've probably been looking at these for three or four years now. There's one in particular in San Antonio that we've advanced. Now, it just so happened that there was a major shipper that was kind of behind it and that's not really behind it anymore, so I don't know where it's going, but we advanced some concepts on it. We were able to take our first glance at this level of study, like what we've done here, was... BCA was like .6 or something, and just factoring in block crossing times... Well, the problem was the model just... the trains moved pretty fast there. Everything is a one-off deal. But the point is if you really... I don't know if this is really fair or not. But if you really get some good BCA economic and rail consultants in on it, they can kind of come up with a better formula than you might have otherwise thought you could get. It depends... We all know the rail operations have changed a lot in different places over the last five years, right? So, even your data can be old, so it's just a matter of really looking. If you're interested in something, really digging into it, I think.

Chairperson Lewis: Alright, thank you.

Mr. Chad Coburn: One other point. I talked to Katherine about this, and I don't know that anything in Houston applies. But statewide, we don't build too many of these, but I know of one place where there's \$15 million that's going into it from a major industrial facility. They're tired... It's a capital improvement project for them to get their trucks through. Again, I don't know if that applies to Houston or not at all, and I've certainly never heard anybody raise their hand to contribute. But it's a thing that does happen every once in a while, so just keep that in mind.

Chairperson Lewis: Okay.

Mr. Chad Coburn: Shall I advance a couple slides?

Chairperson Lewis: Yes, please.

Mr. Chad Coburn: We talked about some of the concepts that we do. The resolution isn't great here, but this is Rankin and UP. It's a... plan and profile drawings are basically what we have, with some environmental constraint maps in part of the study. And then this is just a depiction of... Well, these are all the rail sidings and capital improvements, either for staging, processing.

Again, we kind of grouped projects into nine scenarios. When you're looking at cost-benefit on these, almost all of them were positive. I think I have a slide later on that kind of breaks down some of those benefit categories. But we were able to find projects that you play around with the modeling, and you get trains moving and you're able to prove it, and we could prove the benefits in a federal grant application, so that was kind of the point. So, this is UP, this goes by Navigation. This is a grouping of projects here. I believe this was scenario one or two or something that I know UP is interested in double-tracking some bridges, extending yard tracks. I'd say we have about an equal proportional mix between UP and BNSF of projects, so this is one on their network. I was going to have them, if anybody was at the meeting with them, they could kind of go into more detail. Because honestly, I don't know... I don't know if Bruce knows, but I don't know all the operational benefits of all these, but I've got some maps and it's all in the study.

And then this is what I was talking about, some bullets of benefits. Now, some of these, you would say accrue to private rail more than the public, right? I want us to think about—forget grade separations and just the rail capacity improvements. It is one transportation network, it happens to be that this segment of our studying is owned by private entities, so it's a different dynamic that you know better than I do. But there are certain benefits to improving the overall transportation network that work for all the public. And then, like I said, looks like the federal government thinks that to the tune of about a billion dollars a year in CRISI grants. So, I would ask that you go and look at some of these and see if we want to talk to UP and BNSF about if there's something that we want to advance. The study's kind of a menu of scenarios that we think might be valuable.

Chairperson Lewis: I do have kind of a sidebar question about that as you say that. So, this billion dollars a year, I'm most familiar with how the transit side works. So, the transit side pulls its documentation together, and then, as I say, Houston goes in competing against LA. Is this the same way? And if it is, what occurs to me is then UP and BNSF, are they then going to be competing against themselves with a project that they want in Michigan compared to one that they want in Texas? Goes in and they're then competitively looked at vis-à-vis their data when it gets to DC?

Mr. Chad Coburn: It's a good question and some of your directors may have a more inside tracked answer on that than I do. But I would say that just the nation, economy-wise, freight rail improvements in Houston is like number one. I guess I might be biased but I think... I'm seeing priority lists from the railroads, and these are at the top. And DFW for BNSF too. And UP as well, actually. So, I'd kind of be a little surprised if we hear that UP is going to go in another direction. If we came to the table and saying, "We're willing to put some skin in the game on some of these projects," I think that they would be there. I don't think that was always the case

historically, but I feel like we might be there today. I don't know if anybody else wants to expand on that.

Director Mann: I think what you'll probably see is a bigger issue is a Harris County submission versus a Fort Bend County submission because in the end, politics.

Chairperson Lewis: ... Okay.

Director Mann: So, a blue county is going to fare better than a red county. Because in the end...

Director Muller: Well, both of those are blue now.

Chairperson Lewis: Both of these are blue.

Director Mann: Well, that's true. Well, yes.

Director Owen: Yes, they are.

Director Mann: Now they are. If you're competing blue and red...

Director Muller: It's better to be a blue county than a red county right now, for sure.

Director Mann: Yes.

Chairperson Lewis: Alright. So, basically we'll see.

Director Mann: Yes.

Chairperson Lewis: Yes, alright.

Director Mann: But I think, to his point, the railroads have spent a lot of their capex in Texas because it's where the growth is.

Chairperson Lewis: Right. Alright, Alright. Thank you, Mr. Coburn. If you want to continue, that's great.

Mr. Chad Coburn: I appreciate your time. I think it's really good. I haven't really gotten out much with the message on this to others, so thank Katherine for inviting me. I guess just let us know how we can work with you next.

Chairperson Lewis: Alright. So, do any of the directors have any questions about this, because then I do have sort of a sidebar question?

Director Mann: So, on the top projects, did you guys do the public benefits?

Mr. Chad Coburn: The benefit, as I understand it from the economic guys that were on this, was that the benefits are considered public in the calculations that are in the plans. So, if you see a 4.5 to 1 ratio, that that's called public. But it also goes in... there's different benefit categories and there are just qualitative notes about how that's more of an operational rail benefit. So, I'll be

honest with you, I was expecting that we could get a little bit more into... If you applied for a grant, then the public sector should be in this by a set 28%. But it didn't go there, so we didn't go there. I guess my answer is unfortunately no, but there are some kind of qualitative answers there, and it's basically just going to be kind of a working with the railroads and negotiating this if we're going to take it forward.

Director Owen: Do we have a list of those 59 and 20?

Chairperson Lewis: They'll be in the document that they have.

Director Muller: In that report.

Director Owen: Okay.

Director Muller: I'll send it to you.

Director Mann: I think Jeff has his hand up.

Chairperson Lewis: Jeff? Yes, Jeff, go ahead. Director Ross, go ahead.

Director Ross: Yes. You've talked a lot about these existing conflicts, and I think they're really important. Can you tell us what TxDOT's doing about commuter rail, bus rapid transit systems, because this organization has just gotten the legislature to allow us to do bus rapid transit as a way to solve the more intense problem of how do you get people around this city. So, tell us what's going on there?

Mr. Chad Coburn: I wish I knew more. I can get back to you. The Rail Division is 50% focused on regulating safety, and then we have freight rail interests. Our Public Transit Division in Austin is right on it. I wouldn't want to speak for them, but can I just write you back or give you a call some of those answers?

Chairperson Lewis: So, I think we would say certainly, right?

Director Ross: Appreciate it.

Chairperson Lewis: Right. I think we'd say certainly. We'd appreciate that.

Mr. Chad Coburn: Okay.

Director Ross: Sure would.

Director Muller: What is the average cost of one of these grade separations? 10 million? 12 million? 25 million?

Mr. Chad Coburn: Yes.

Chairperson Lewis: So, the ones that we have, Commerce and Navigation, are each in the neighborhood of 24 million or so, something like that.

Director Muller: And so, the local match on that would need to be 5 million roughly, 20%?

Director Mann: It depends.

Chairperson Lewis: It depends on if it's 50/50. It depends on how the guidance is written; we'll have to see how they write the guidance.

Mr. Chad Coburn: That's correct. The only thing we really know... I think it's in past rules that the railroads will contribute 5%. Other than that...

Chairperson Lewis: So, I want to, in a kind way, say that what we've learned is that they might consider their 5% in land donation as opposed to cash. So...

Mr. Chad Coburn: Yes, well...

Director Mann: So, where you start to see the railroad go above their 5% is if you combine with something that's an operational improvement for them, and you put a couple of projects together. That's where you'll see you'll get them above a land donation, and actually do cash, right?

Director Muller: What does that look like? An operational improvement?

Director Mann: Extending tracks at their yard or something to do with their asset, not a road crossing. Some of them are close enough together that you could put it together and say that this is one project. And then they'll kick in, because they're not improving the grade crossing, they're improving their asset.

Director Muller: Yes, okay.

Chairperson Lewis: So, they're not here to speak for themselves. Go ahead. I was just going to say is they're not here to speak for themselves but what we've heard in the past is really exactly what Director Mann was referring to. That they've said to us that basically, in order to gain an operational improvement, they need to see something that takes them about seven miles. A single grade separation isn't enough singularly to do it. So, if you do two that are together, you might be getting close to the seven miles, I guess, depending upon how close they are together. That's kind of put your thumb in the air, rule of thumb kind of thing that we have heard kind of historically.

Director Muller: Thank you.

Director Mann: Yes.

Chairperson Lewis: Go ahead, Mr. Coburn, you were going to say something additional?

Mr. Chad Coburn: I didn't have exactly what you're saying, but that's along the same lines, yes. It's easier in rural areas, of course, because you build one and... If you build a grade separation, that gives them the distance between the next crossing, and they need... Well, nowadays, trains might be 15,000 feet, so you need a long way for them to get any operational advantage. But the point is, yes, they need places to stop the train and do what they need to do, brake checks or

whatever, so that bridge over that can be a benefit to them. In Houston, it's harder to do, we're probably talking about corridors.

Chairperson Lewis: Right. So, anyone else? Alright. Going once, going twice? Alright, now my sidebar. In one of my other hats, someone called me and said that this infrastructure bill might actually include something for FRA to do with automated freight vehicles and was curious as to whether Gulf Coast Rail District might be interested in looking at that option for just a demonstration down here somewhere. Obviously, this was Friday, so I haven't looked at it to see if that actually made it in. But I guess as a question, would TxDOT be interested in pursuing something like that? Of course, the Port of Houston would have to be interested. But for us to look at something sort of demo, really shortline in terms of testing an automated freight line.

Director Muller: Are we talking about rail or are we talking about self-driving trucks or what are we...?

Chairperson Lewis: We're talking about a self-driving train.

Director Mann: Right.

Director Muller: Self-driving train.

Chairperson Lewis: Yes.

Director Mann: Yes, I think that's...

Chairperson Lewis: That's carrying freight.

Director Owen: Like we saw the last meeting.

Director Mann: I think you've got to get out of the urban core for that.

Chairperson Lewis: You think you have to get out of the urban core?

Director Mann: Yes. I mean, you look at where they're testing autonomous trains today, it's Australia, it's coal country.

Chairperson Lewis: It's not where you...

Director Mann: It's not where you got 7 million people.

Chairperson Lewis: Yes. So, I guess I was really wondering, Director Mann, about on Port Houston property. Just right there, from maybe the shipyard to a trucking lane.

Director Mann: No. No. The only thing that you envision is like a freight shuttle, but that's considered a highway project, not a rail project.

Chairperson Lewis: Okay.

Director Mann: Because the FAST Act defined freight shuttle and technology like that as a highway project.

Chairperson Lewis: As a highway... Okay, alright. So, just Judge Duhon, you all have some rural areas out there, just kind of as you're kind of driving around Waller, saying, "Hmm, this might be an interesting place for an automated freight demonstration."

Director Muller: What about that new facility off of 290?

Director Duhon: Which one?

Director Muller: The one just north of Hempstead. Isn't that a big...

Director Duhon: The RCR rail park?

Director Muller: Yes.

Director Duhon: I mean, it could definitely be a possibility. They've got some infrastructure issues right now, trying to get utilities. But last I understood, the City of Hempstead was looking at... they actually just got some funds from GLO that I think they were going to try to get utilities under 290. But that could be a possibility.

Director Muller: I'm just thinking about if we're talking about—I say free money—we're talking about grant money to demo some technology, and so it doesn't cost them anything and that's in a pretty rural area, maybe they'd be interested in it.

Chairperson Lewis: Exactly.

Director Duhon: Yes, they could be.

Director Mann: I think... Having worked for the railroad, I think they're going to want to demonstrate long-haul capability for autonomous trains, right? They don't care about...

Chairperson Lewis: A shortline.

Director Mann: ...a shortline or within a 20-mile. They want to run an autonomous train from outside of Houston to LA, right?

Director Muller: Yes, LA to Dallas.

Chairperson Lewis: Although the truth is, when you do the demo to test the technology, you're not going to do that. You're going to test the technology on something that's fairly short just to see if it works.

Director Mann: Well, they're already doing that in Australia. They have autonomous trains in Australia.

Chairperson Lewis: Yes, but they're not doing it here. If FRA is going to do a demo, it's going to be a short demo, I would think, right? It's not going to be a...

Director Mann: Well, I mean, the technology works because they're doing it. It's a demonstration project in the US and they're going to want to do something long-distance rural. They're not going to want to mess around with it in an urban area, generally speaking. And they're going to want to do a longer distance.

Chairperson Lewis: Alright. Let me ask another question there, Mr. Coburn. Is the freight shuttle under you or is it under a different division of TxDOT?

Mr. Chad Coburn: Our division has paid attention in the past, but I think Mr. Mann was correct that it's going to move into a highway or TxDOT district project, is that right?

Director Mann: Yes.

Chairperson Lewis: So, it's going to be a district project, not out of Austin?

Director Mann: Well, so here's the issue with freight shuttle. The governor said he wouldn't spend any money on it.

Chairperson Lewis: Oh, he did?

Director Mann: Yes.

Chairperson Lewis: Oh, that's interesting.

Director Mann: So, you've got to overcome that.

Chairperson Lewis: Yes. Okay, alright. Let me just say... How do they say that? Never mind.

Director Mann: But that doesn't mean you couldn't try to change his mind.

Director Ross: I'd say it's November 2022.

Director Mann: Well, alright. That was when they had the groundbreaking at Bryan/College Station. So, you know, things have changed since then.

Chairperson Lewis: Times change, times change. Alright. Okay. Anything else for Mr. Coburn?

Mr. Chad Coburn: I don't have any other, thank you.

Chairperson Lewis: Oh, okay. Tina, I think I just was helped with seeing your... So, here's what to know, and Lisa can help me with this. So, the box is yellow, then it flashes blue for some reason.

Ms. Lisa Patke: Blue is when they're speaking.

Chairperson Lewis: Oh, okay. Alright. Director Peterman, please.

Director Peterman: Yes. So, my question is a follow-on to what we were just talking about. Is the freight shuttle the same technology as... So, the FSX stuff that we heard about last meeting, is that the same technology that you were talking about just now on the demo?

Chairperson Lewis: No, no. That would be different. That would be a regular train, just like you see crossing Houston all the time, that's automated. And so that automation, I haven't looked at it and I'm sure Director Mann has, but the way it works with a bus is that you've got LiDAR sensors that are keeping the vehicle in its place, so it's a different technology. But I would say that I think a lot of us around the table are extremely interested in the opportunity to pursue these advanced technologies. They offer so many potential benefits to us. But great question because we're all going to be learning about this simultaneously.

Director Muller: Yes, just on the advanced technology stuff, I'm in favor of us at least listening to anything that has to do with technology or new technology. One thing Texas has shown it's good at is recruiting pretty good companies lately. And so, if it's a chance to couple a new technology demo or something with recruiting a company to the state of Texas, we should be open to that, in my opinion.

Chairperson Lewis: I appreciate that. Alright. Any other things for Mr. Coburn or anything else? We'll close him out, then we'll go back to our agenda. Anything else for Mr. Coburn? Thank you extremely much. We will hope to be back in touch and see other ways and places and opportunities for us to link and pursue our share of what's in the infrastructure dollars. Alright, thank you.

Alright, board, back to our agenda. Ms. Parker is not here. So, for my announcements, I will make these announcements for us. Next month, we have a short agenda. We will not have an information item next month, so we will only have the essence of items 1 through 6 in September. So, we'll just do that. I'm figuring I will be here, but I doubt that anyone else will choose to drive in for that. But if you would like to, I'm happy to have company. But I think according to the law, I'm the only one that must be here, and I will be. So that'll be the December meeting. What we want to... Ms. Peterman, are you making a statement?

So, what we'd like to use our time for the rest of November and into December is to try to make sure we get with all of our member entities to get the ratification of our SB 1990. So, we have to have each member entity ratify that and so that's how we want to spend our time. We've learned that the Harris County... No, not the Harris County. sorry, Director Winkler. The Fort Bend Mayors don't meet until January, so we know we won't get a 2021 on that, but trustfully, we'll be able to get there the beginning of 2022. So, just everybody have that on your kind of list to make sure that you help with your member entity and us getting that scheduled. I think Ms. Parker has sent sort of template documents, I think, to everyone. Maybe not to you, Director Muller, because I think she's trying to schedule that herself. But I think Director Winkler, you have your template document, correct?

Director Muller: If she can send it to me, I'll try to get it in front of the judge, and I don't think it will be an issue.

Chairperson Lewis: Okay, Alright. Well, I'll have her go ahead and get that over there.

Director Muller: Okay.

Chairperson Lewis: I know Judge Duhon has his.

Director Muller: Do you know the judge you can get that done?

Director Duhon: Maybe.

Chairperson Lewis: We've got a meeting with Mayor Turner on Monday, so we'll take it with us, and we're trying to set up our meeting with Mayor Hidalgo.

Director Mann: Judge.

Chairperson Lewis: I'm sorry, Judge Hidalgo, thank you. So, we'll get those done too. That's what we'll do the rest of the year. The other thing I wanted to mention is that in December, we'll also have on the agenda affirming our committee structure. So, I don't think anything changes, but we'll just affirm that again in December, so everybody knows who the committees and the chairs. I want to ask again if you all would try to meet in January for things like just what we talked about.

So, Roadway/Railway, we'd want to be very focused on what we want to pursue, and I would say spend money on. In my head, because I just found out about this gubernatorial statement, but in my head, we would have been thinking about whether we wanted to actually spend some money doing some due diligence on freight shuttle. And so there will be things to talk about with grade separation. And maybe something else will come up for Roadway/Railway between now and sort of that time period when we actually focus on that.

For Passenger Rail, we know that those folks will be talking about 90A and also about Fort Bend extending. METRO has their BRT; they've already hired the consultant. I first heard it, Director Robinson called the backwards L. But METRO hired the consultant for the BRT that goes from essentially Lockwood and 610 South, and then heads west along sort of Cleburne/Richmond-ish out to the Hillcroft Transit Center. So, we really want to talk about whether we have the opportunity to extend it into Fort Bend all the way into Fulshear. That's in Westpark. And so, we'll want to talk about that as to something that we want to have conversation about. So, those are the two sort of low-hanging conversation items for Passenger Rail, I think. And then we might want to talk to TxDOT about 290 also, at least have conversations so that we've got everything sort of pulsing.

And then Legislative and Funding, the Infrastructure Bill got passed. Also Prop 2 passed in the State of Texas, which gives counties for the first time the opportunity to do these transportation reinvestment zones. So, we really want Legislative and Funding to start talking about that to see what our opportunities are. And then we can talk with our counties once we have our act together about that piece.

Director Muller: That's a big deal for being able to come up with that match that we were talking about.

Chairperson Lewis: No kidding. Absolutely.

Director Muller: Big deal.

Chairperson Lewis: Absolutely. Alright. So, those are things that we want to have on our platform as we talk about kind of from now until end of January. So, from what I understand, the construction going on downstairs is scheduled through February, so we won't get back into the regular meeting room until March. I'm thinking that we won't actually meet in January because we want the committees to be really energized. And then February, we will come back for one more meeting in this room. And then trustfully, we'll be able to go back into the room downstairs in March, construction moving along at the scheduled pace. So, that's all I have. Any parting questions or thoughts from anyone?

Director Owen: Are we going to try to go see the FSX demo?

Chairperson Lewis: That would be fun, right?

Director Owen: We talked about it.

Chairperson Lewis: Yes, we did. I would be happy for us to try to do that. So, we'll talk to Ms. Parker and Ms. Patke about it and see about maybe trying to get it scheduled.

Director Owen: Yes. I think it'd be good for us to at least see it.

Chairperson Lewis: But probably I'm thinking February, March, honestly, not in between now and February. I think we all are going to have our hands kind of full for a couple minutes. March too. Okay, so I don't want to be real Texan here, but if we do March the bluebonnets might be blooming.

Director Owen: You got rodeo too.

Chairperson Lewis: Yes. That would be fun. I've seen the most beautiful... I used to have fake bluebonnets in my house, I love them so much. So, I'm going to adjourn the meeting and people don't have to sit and listen to me, my bluebonnet stories. So, that'll be it for today. Thanks, everyone, for your attendance and participation. I'll look forward to continuing with all we've got on our plate. Thank you, Ms. Patke, for getting everything set up for us here. And it worked very well and very smoothly, so thank you very much. Alright,. and Ms. Parker in her absence. Alright. So, with that, we are adjourned (3:06 p.m.).

ATTEST:

DocuSigned by:  
*Dennis Winkler*  
74AA3473699F440...  
Dennis Winkler, Secretary  
Trey Duhon, Vice Secretary  
Gulf Coast Rail District

Transcription services provided by Transcription Panda.

The disruption of normal business due to the COVID-19 prompted the use of electronic signatures.