

RHODE ISLAND PUBLIC RAIL CORPORATION
BOARD OF DIRECTORS MEETING

SPECIAL MEETING, JUNE 17, 2011

MINUTES OF MEETING

The RI Public Rail Corporation (“Rail Corp” or the “Corporation”) held a duly posted special board meeting on Friday, June 17, 2011 at 11:00 am at the RI Department of Transportation (“DOT”), Two Capitol Hill, Director’s Conference Room 210, Providence, RI.

This special board meeting was requested by the Rail Corp’s Executive Director, Robert A. Shawver on June 10, 2011 as permitted by Article IV, Section 1 pursuant to Rail Corp’s By-Laws; and duly posted with the Secretary of State forty-eight (48) hours in advance and physically posted at DOT and at the State House forty-eight (48) hours in advance of this meeting.

A quorum being present, the meeting was called to order at 11:05 am by Chairman, Michael P. Lewis.

In attendance were:

Board Members:

Director, Rhode Island Department of Transportation (“DOT”), Michael P. Lewis, Chairman
Director, Rhode Island Department of Administration (“DOA”), Richard A. Licht
Chairperson Designee, Rhode Island Public Transit Authority (“RIPTA”), Steve Durkee

Other representatives present on DOT or Rail Corp’s behalf:

Robert A. Shawver, PE (Executive Director, Rail Corp)
Robert V. Farley (Treasurer, Rail Corp)
Philip Kydd (Deputy Director, DOT)
Stephen A. Devine (Secretary, Rail Corp)
James Eng (Special Rail Engineer, Rail Corp)
Lisa M. Martinelli, Esq. (Executive Council, DOT)
Annette Jacques, Esq. (Senior Legal Counsel, DOT)
Kerrie Vizzacco (Clerk Secretary, DOT)
Caroline O’Connor (Intern, DOT)

The duly posted agenda for this meeting was as follows:

1. Approval of minutes of Special Board Meeting held on August 12, 2010
2. Election/Appointment of Officers
3. Execution of Conant Street Bridge Easements & Force Account Agreement
4. Third Party Claims Administration Contract
5. Letter of Credit Amendment
6. Adjournment

The first order of business was to approve the minutes of the Special Board meeting held on August 12, 2010. Since the current members of the Board were not in attendance at such meeting, Chairman Lewis presumed assent of the previous meeting minutes (unless a written dissent is submitted) and asked the Secretary to enter them as approved.

The second order of business was to elect officers of the Rail Corp for a year term pursuant to Article VI of Rail Corp's By-Laws. The term of the current officers expire on or about August 12, 2011. Chairman Lewis described the duties of the Executive Director as follows: The Executive Director must administer contracts on behalf of the Rail Corp; maintain Rail Corp's books and records; submit a proposed Rail Corp budget; file a written report with the Secretary of State; and has signatory authority to bind the Corporation. Upon nomination of Robert A. Shawver, PE, RIDOT's Administrator for Planning and Finance, by Chairman Lewis, seconded by Mr. Licht, it was unanimously.

- **VOTED:** To re-appoint Robert A. Shawver as Executive Director

Chairman Lewis went on to describe the duties of the Treasurer as follows: The Treasurer has the duties customarily appurtenant to his/her respective office and will perform such further duties as may from time to time be assigned to him/her by the Board of Directors. He/she may sign all checks, drafts, orders, notes and other obligations of Rail Corp for the payment of money, deeds, mortgages, leases, contracts, bonds, and other corporate instruments. Pursuant to Article VI Section 2 of Rail Corp's by-Laws, as amended in August 2010, the ex officio Treasurer of Rail Corp shall be the CFO of RIDOT. As such, Robert Farley shall continue his term as Treasurer.

Chairman Lewis next described the duties of Secretary as follows: The Secretary will have the duties customarily appurtenant to his/her respective office, and will perform such further duties as may from time to time be assigned by the Board of Directors. Upon nomination of Stephen A. Devine, RIDOT's Chief of Intermodal Planning, by Chairman Lewis, seconded by Mr. Licht, it was unanimously.

- **VOTED:** To re-appoint Stephen A. Devine as Secretary.

Chairman Lewis went on to nominate the re-appointment of James Eng, RIDOT's Project Manager for Wickford Junction Station to the office of Special Rail Engineer. Under Article VI Section 1 of the Rail Corp's By-Laws, the Board may appoint such offices as if may deem necessary. Upon second by Mr. Durkee, it was unanimously.

- **VOTED:** To re-appoint James Eng as Special Rail Engineer.

The third order of business was the Conant Street Bridge easements and force account agreement. As background, Chairman Lewis explained that Amtrak has certain requirements for liability and indemnification that cannot be met by the State through RIDOT. Since no such restriction exists on the part of Rail Corp as to indemnification, Rail Corp was legislatively authorized to assume the indemnification of Amtrak as required under certain agreements. In accordance with RIGL § 42-64.2-5 (2)(4) Rail Corp is authorized to indemnify Amtrak for bridges that are on or above Amtrak's rail right-of-way. This legislation was necessary for RIDOT to continue to rehabilitate or construct bridges over Amtrak's right of way. RIDOT requires a temporary easement during construction and a permanent easement within Amtrak's right-of-way for the newly built bridge.

The agreements discussed were:

1. Conant Street Permanent and Temporary Easement between RIDOT, Rail Corp, and Amtrak
 - To provide access to Amtrak property during construction and after construction for the new Conant Street Bridge
2. Force Account Agreement
 - For the construction of improvements on Amtrak's rail right of way at Conant Street Bridge

Upon motion by Chairman Lewis to authorize the Executive Director to execute the two (2) easements and Force Account agreement, seconded by Mr. Licht, it was unanimously

- **VOTED:** To authorize the Executive Director to execute the Conant Street Bridge permanent easement, temporary easement and Force Account agreement with Amtrak.

The fourth order of business was the Third Party Claims Administration contract. As background, Chairman Lewis explained that as part of its obligations under the South County Rail Agreements with Amtrak, Rail Corp was required to obtain a \$200 million liability insurance policy, which contains a \$7.5 million self-insured retention. Per the terms of that insurance policy, a third party claims administrator is required permitting Rail Corp to use the same \$200 million insurance policy and \$7.5 million letter of credit to invoice any claims or damage arising out of this risk.

Chairman Lewis then turned the discussion over to Secretary Devine for a brief summary on the evaluation process used to select York Risk Services Inc. The Secretary went on to explain that a three (3) member evaluation committee consisting of Rail Corp, RIDOT, RIDOA representatives reviewed three (3) proposals submitted in response to a Request for Proposals issued by the RI Association of Insurance Agents in October 2010. The three firms were Alan Gray, Railway Claims Services and York Risk Services. Upon review of the proposals with the established evaluation criteria, the evaluation committee felt that York Risk Services had the most cost-effective proposal on a per claim basis, and provided the best claims management approach for Rail Corp.

Upon motion by Mr. Licht to authorize the Executive director to execute the Third Party Claims Administration Service Agreement, seconded by Mr. Durkee, it was unanimously

- **VOTED:** To authorize the Executive Director to execute the Third Party Claims Administration Services, Inc.

The fifth order of business is to amend Rail Corp's Letter of Credit required for its self-insured retention of \$7.5 million. Executive Director Shawver went on to explain that Amtrak is permitting Rail Corp to use the same \$200M insurance policy and \$7.5M letter of credit to insure any claims or damage out of the bridge indemnification provided under RIGL § 42-64.2-5 (2)(4). The General Assembly passed Kushner legislation in its 2010 Session permitting Rail Corp to amend the already existing \$7.5M letter of credit to cover claims arising under any new permanent easement or new interest in real estate between the Department, Rail Corp and Amtrak for construction or reconstruction of any road or bridge owned or used by the State or any municipality of the State located on or above Amtrak's railroad right-of-way.

Upon motion by Chairman Lewis to authorize the Executive Director or Treasurer to amend the \$7.5 million Letter of Credit to include language to cover Rail Corp's obligations under RIGL 42-64.2-5(2)(4), seconded by Mr. Licht, it was unanimously

- **VOTED:** To authorize the Executive Director or Treasurer to amend the \$7.5 million letter of credit to include language to cover Rail Corp's obligations for bridges on or above Amtrak's right-of-way when new permanent easement or new interest in real estate is required.

Chairman Lewis inquired whether the Board members had the opportunity to review the proposed Resolutions of the Board of Directors, dated June 17, 2011. Having received indications that the proposed Resolutions have been read, Mr. Durkee motioned to approve said Resolutions, seconded by Mr. Licht, it was unanimously

- **VOTED:** To approve the Resolution of the Board of Directors

There being no further business to come before the Board, a motion was made by Chairman Lewis and seconded by Mr. Durkee to adjourn the meeting. The motion passed unanimously and the meeting was adjourned at 11:48 am.