

**NVTC COMMISSION MEETING
THURSDAY, APRIL 1, 2004
7:15 P.M.**

**OLD TOWN HALL
3999 University Drive
Fairfax, VA 22030**

<p>NOTE: NVTC's 40th Anniversary Celebration will begin immediately after this brief NVTC business meeting.</p>

1. Minutes of the March 4, 2004 NVTC Meeting.

Recommended Action: Approval.

2. GEORGE Bus Operating Agreement.

The contract between WMATA, Falls Church and NVTC for the GEORGE clean fuel bus demonstration is ready for execution.

Recommended Action: Authorize NVTC's executive director to sign the agreement on behalf of the commission.

3. Legislative Items.

Staff and commissioners will review the outcome of the 2004 General Assembly session, particularly HB 1231 affecting NVTC's membership and quorum requirements.

Discussion Item.

4. WMATA Items.

- A. Metro Board Digest for March, 2004.
- B. Historical Metrorail Station Counts by Jurisdiction.
- C. Parking Policies

Information item.

5. NVTC Financial Report for February, 2004.

Information Item.

6. VRE Items.

- A. Report from the VRE Operations Board (including minutes of the meeting of March 19, 2004) and from the Acting VRE Chief Operating Officer -- Information Item.
- B. Status of VRE Chief Executive Officer Recruitment -- Information Item.
- C. FY 2003 Auditors' Management Letters -- Information Item.
- D. Agreement with Manassas for VRE Parking and Access Improvements -- Action Item/Resolution #1010.
- E. Task Order to RailPlan International for Gallery Railcar Re-Qualification -- Action Item/Resolution #1011.
- F. Contract Award for Wayside Power and Drip Pans in VRE Yards -- Action Item/Resolution #1012.

MINUTES
NVTC COMMISSION MEETING – MARCH 4, 2004
NVTC CONFERENCE ROOM - ARLINGTON, VIRGINIA

The meeting of the Northern Virginia Transportation Commission was called to order by Vice Chairman Ferguson at 8:09 P.M.

Members Present

Sharon Bulova
Gerald Connolly
Paul Ferguson
Jay Fiset
Catherine M. Hudgins
Dana Kauffman
Elaine McConnell
Karen Rae (DRPT)
Scott Silverthorne
David F. Snyder
Christopher Zimmerman

Members Absent

David Albo
William D. Euille
Ludwig Gaines
William C. Mims
Gary A. Reese
Mick Staton
Mary Margaret Whipple

Staff Present

Rhonda Gilchrest
Scott Kalkwarf
Jana Lynott
Stephen MacIsaac (VRE)
Adam McGavock
Mark Roeber (VRE)
Kala Quintana
Richard K. Taube
Dale Zehner (VRE)

Legislative Items

Status of Bills of Interest to NVTC. Mr. Taube reported that SB 458, which would have increased the motor fuels tax, cleared the Senate but was passed by indefinitely by a subcommittee of House Finance. Mr. Connolly asked if this legislation could be resurrected if there ends up being a Special Session. He stated that the Speaker of the House himself admitted that a gas tax might be acceptable as a user fee. Mrs. McConnell asked for a listing of who voted for and against this legislation.

Mr. Taube stated that HB 1231, which would add another member to NVTC from the House of Delegates, has passed the House of Delegates and the Senate Rules Committee will take it up on March 5, 2004. Mr. Taube stated that Senator Whipple is aware of NVTC's concerns about quorum requirements. Ms. Rae suggested that NVTC communicate these concerns with the governor's office. Mr. Taube explained that if a new member is added to NVTC, the commission could work to change the quorum requirements, which would need a statutory change.

Tom Biesiadny reported that the Dulles Corridor tax district bill continues to move along through the legislative process. Mr. Connolly reported on the status of several related bills. Ms. Rae stated that the Rail Authority Bill will be carried over until next year.

Transit Education Day. Ms. Quintana reported that on February 10, 2004 the second annual Transit Education Day was held in Richmond. Transit advocates from around the commonwealth met in Richmond to rally in support of more funding. The group provided Krispy Kreme donuts for legislators and their staffs and hand-carried packets of information to each legislator's office. They also heard presentations from several key legislators, including Senator Whipple, and were recognized on the floors of the House of Delegates and Senate.

Mr. Fisette arrived at 8:16 P.M.

Mr. Taube explained that a draft letter has been prepared to send to the House and Senate budget conferees that would urge them to come out of conference with a budget that is transit friendly. Vice Chairman Ferguson stated that NVTC's executive committee reviewed the letter and made some changes. There were no objections to sending the letter.

Minutes of NVTC's Meeting of February 5, 2004

On a motion by Mr. Zimmerman and a second by Mr. Connolly, the commission unanimously approved the minutes. The vote in favor was cast by commissioners Bulova, Connolly, Ferguson, Fiset, Kauffman, McConnell, Rae, Silverthorne, Snyder and Zimmerman.

Ms. Hudgins arrived at 8:21 P.M.

Federal Legislation

Mr. Taube reported that the TEA-21 reauthorization bill has been extended for two months to allow for further negotiations. Mark Roeber stated that the bill may be extended for another two years.

Contract Amendment for Air Quality Code Red Analysis

Mr. Taube stated that due to a lack of forecast air quality Code Red days last summer, the on-board survey of transit customers could not be completed. Instead, the survey will be done in Summer, 2004 and included in the project's final report. An additional \$20,000 in CMAQ funds is now available to be added to the consultant contract to cover the costs of retraining surveyors, administering the survey, analyzing the survey results and preparing the final report. The NVTA has approved the use of these funds for this purpose.

Mr. Connolly moved, with a second by Mrs. Bulova, to authorize staff to execute a contract amendment with BMI-SG to accomplish the revised scope for an additional amount not to exceed \$20,000 plus funds remaining from the first phase of approximately \$15,000. The vote in favor was cast by commissioners Bulova, Connolly, Ferguson, Fiset, Hudgins, Kauffman, McConnell, Rae, Silverthorne, Snyder and Zimmerman.

WMATA Items

WMATA FY 2005 Budget. Mr. Taube reported that the WMATA Board has agreed to take to public hearings proposals to increase rail and bus fares by up to 15-cents, the maximum rail fare by 45-cents, express bus fares by 50-cents and daily parking fees as much as \$2.30. Funds are needed to close a budget gap of \$20 to \$36 million. Another controversial issue for public comment is plans for \$740,000 of additional revenue through wrapped advertising on transit vehicles, commercial banners, animated display panels in tunnels and video monitors on trains.

Mr. Taube reported that there will be public hearings throughout Northern Virginia, including March 17th at the Fairfax County Government Center, March 18th in Falls Church, March 22nd in Arlington and March 25th in Alexandria.

Emergency Preparedness. In response to a question from Mr. Connolly, Mr. Taube stated that a letter was sent to WMATA inviting its staff to participate in NVTC's emergency preparedness planning sessions.

New WMATA Board Chairman. Mr. Zimmerman reported that WMATA's new Board Chairman, Robert Smith, has mentioned Maryland's interest in opening up Metro's allocation formula. Mr. Kauffman asked for data showing how long it took before there was a Metrorail station in Virginia, while Maryland had miles of track and stations. In response to a question from Mr. Fisette, Mr. Zimmerman speculated that it would probably not be to Maryland's advantage to reopen the allocation formula. Mr. Connolly reminded commissioners that WMATA has had committees look at the formula in the past. The Metro Compact is the single most successful enterprise in the history of this region and he expressed his concern that opening it up could have serious repercussions.

Regional Transportation Items

Telework Consortium: Estimating Highway Subsidies. Mr. Taube reported that this study by Dr. Anthony Yezer was designed to illustrate how much tax money is being spent on new highway construction, Metrorail extensions and toll roads in the Northern Virginia, in order to make the case that Telework offers a significant savings.

Mr. Connolly asked for a copy of the full report. He expressed his concern that the study basically is saying to readers that investments don't need to be made for these other transportation and transit projects because the best solution is telework. He stated that he is a champion of telework but realizes that it is not a substitute for other investments. Telework should work alongside other investments since there is no one magic solution to the region's congestion problems. Ms. Rae agreed and cited the example of the Springfield Mixing Bowl project where there has been no one solution but a combination of transit, rail, telework and vanpools to make the project a success. Mr. Connolly stated that telework should offer another choice, not be a substitute.

Federal Economic Index for Transportation. The new Transportation Services Index of the USDOT focuses on monthly freight and passenger movements by land, water and air in order to provide another measure of the strength of the overall US economy. Data will be weighed and seasonally adjusted by the Bureau of Transportation Statistics, with the first index to be

released in March, 2004. APTA and the National Transit Database will be the source of public transit ridership and passenger mile data for the index.

Transit Ridership Gains in Northern Virginia. Mr. Taube reported that NVTC issued a media release reporting the commission's compilation of the average weekday transit ridership in Northern Virginia for FY 2003. Overall weekday ridership grew to over 417,367 for an increase of over two percent and total annual ridership grew by almost four percent despite a tough economy that dampened ridership throughout the United States, where overall transit ridership declined slightly.

BRT Performance. Mr. Taube stated that at the request of the commission, Mr. Tennyson provided material about Bus Rapid Transit performance.

NVTC's 40th Anniversary Event

Ms. Quintana announced that invitations have been mailed for the anniversary event to be held on April 1st at the city of Fairfax's Old Town Hall. NVTC will conduct a very brief business meeting starting at 7:15 P.M. and the program will begin at 8:00 P.M., featuring recollections by former and current commissioners. Other historical memorabilia will also be on display. She encouraged all to attend. She thanked Mr. Silverthorne and the city of Fairfax for allowing NVTC to hold the event at the Old Town Hall.

Mr. Connolly suggested producing a commemorative poster, which could be used for educational opportunities.

NVTC Financial Reports for January, 2004

The financial reports were provided to commissioners and they had no comments.

VRE Items

Report from the VRE Operations Board. Ms. Bulova commended to commissioners the minutes of the February 20th VRE Operations Board meeting. She reported that VRE ridership continues to grow. During the first week in March, average daily ridership reached 15,300. Four of the new Gallery railcars have been placed into service on the Manassas Line and additional railcars will be added to the Fredericksburg Line in the near future. Favorable feedback has been received from riders about the railcars. A new parking lot has just opened in Rippon and is already one-third filled.

Status of VRE Chief Executive Officer Recruitment. Ms. Bulova reported that the deadline for applications was March 1st. Approximately 10 candidates will be interviewed by the Search Team by early April and the VRE Operations Board will interview the top three to five candidates in mid-April. A recommendation of the top candidate to the commissions may occur as early as the May 6th commission meetings.

Closed Session. Mrs. Bulova made, with a second by Mr. Zimmerman, the following motion to enter into closed session:

Pursuant to the Virginia Freedom of Information Act (Section 2.2-3711A.7 of the Code of Virginia), the Northern Virginia Transportation Commission authorizes a discussion in closed session concerning legal matters relating to the case of Anderson v. VRE and contract negotiations with Amtrak.

The vote in favor was cast by commissioners Bulova, Connolly, Ferguson, Fisette, Hudgins, Kauffman, McConnell, Rae, Silverthorne, Snyder and Zimmerman.

The commission entered into closed session at 8:45 P.M. and returned to open session at 9:15 P.M.

Mrs. Bulova moved, with a second by Mr. Zimmerman, to approve the following certification:

The Northern Virginia Transportation Commission certifies that, to the best of each member's knowledge and with no individual member dissenting, at the just concluded closed session:

1. Only public business matters lawfully exempted from open meeting requirements under the Freedom of Information Act were discussed; and
2. Only such public business matters as were identified in the motion by which the closed session was convened were heard, discussed or considered.

The vote in favor was cast by commissioners Bulova, Connolly, Ferguson, Fisette, Hudgins, Kauffman, McConnell, Rae, Silverthorne, Snyder and Zimmerman.

Mrs. Bulova moved, with a second by Mr. Zimmerman, to approve Resolution #1008. The motion also directed staff to draft language for federal legislation and a strategy for future negotiations with Amtrak.

The vote in favor was cast by commissioners Bulova, Connolly, Ferguson, Fisette, Hudgins, Kauffman, McConnell, Rae, Silverthorne, Snyder and Zimmerman.

Mrs. Bulova moved, with a second by Mr. Fisette, to approve Resolution #1009 concerning the settlement of Anderson v. VRE. Mr. Snyder observed that the legal costs could exceed the settlement costs. Mr. Connolly stated for the benefit of legal counsel that in the future, motions such as this resulting from closed sessions should be drafted with less detail and instead use more general language such as "pursuant to the discussion in closed session." The vote in favor was cast by commissioners Bulova, Connolly, Ferguson, Fisette, Hudgins, Kauffman, McConnell, Rae, Silverthorne, Snyder and Zimmerman.

Adjournment

Vice Chairman Ferguson adjourned the meeting at 9:20 P.M. There were no objections.

Approved this first day of April, 2004.

William D. Euille
Chairman

Gerald Connolly
Secretary-Treasurer

Northern Virginia Transportation Commission

March 4, 2004

MEETING SUMMARY

- Reviewed the status of legislation of interest in the 2004 General Assembly session and in Congress. Authorized the chairman to write to the nine budget conferees to support increased funding for transit. Discussed implications for NVTC's quorum if another member of the House of Delegates is added to NVTC per HB 1231.
- Authorized staff to execute a contract amendment with BMI-SG to conduct a survey of transit customers during forecast Air Quality Code Red days in Summer, 2004, using \$20,000 of additional CMAQ funding provided for that purpose.
- Authorized VRE's Acting Chief Operating Officer to execute an agreement with Amtrak through June, 2005 for access to Washington Union Terminal, subject to several conditions. Asked staff to return with language for federal legislation and a proposed bargaining strategy designed to guarantee long-term access for VRE on equitable terms.
- Authorized VRE's Acting Chief Operating Officer to settle a lawsuit on terms recommended by VRE's legal counsel, noting that anticipated legal costs of contesting the lawsuit would exceed the settlement costs.

RESOLUTION #1008

SUBJECT: Extension of Amtrak Operating/Access Agreement.

WHEREAS: The existing VRE agreement with Amtrak expired on June 30, 2003, and has been extended through March 15, 2004;

WHEREAS: Amtrak has proposed the terms of a further extension through June 30, 2005, to permit time to negotiate a new, long term Operating/Access Agreement, and VRE staff and the Operations Board recommend that those terms, as outlined below, be accepted by the Commissions; and

WHEREAS: VDRPT has indicated it can provide 80 percent of the additional access fees for Washington Union Terminal required under the terms of the proposed extension agreement.

NOW, THEREFORE BE IT RESOLVED that the Northern Virginia Transportation Commission authorizes the VRE Acting Chief Operating Officer to execute a contract extension with Amtrak through June 30, 2005, subject to approval by VRE legal counsel, containing the following provisions:

- 1) A revised Amtrak maintenance program that eliminates the dedicated work force for VRE equipment may be implemented on 120 days notice provided it is at no increase in cost to VRE and is no less efficient and reliable than the current program;
- 2) Elimination of any requirement for VRE to provide \$2 million in annual capital investment in VRE related projects in Washington Union Terminal during the extension period; and
- 3) Payment by VRE of \$1.5 million per year for access to Washington Union Terminal provided the following provisions are accepted by Amtrak:

Resolution #1008

- a) Access shall include VRE train access to station platforms, VRE passenger access to the station, and storage of VRE equipment in accordance with and to the levels of the current contract;
- b) VRE may pay the access fee to Amtrak using a monthly payment schedule that provides the full annualized amount over the life of the extension period without requiring equal monthly payments; and
- c) Both parties will work toward a contractual arrangement that will include a separate, long-term (15 years or more) agreement for VRE access to Washington Union Terminal.

BE IT FURTHER RESOLVED that the commission directs VRE staff to return soon with a strategy for future negotiations with Amtrak to achieve a long-term agreement for access to Washington Union Terminal; and

BE IT FURTHER RESOLVED that the commission directs VRE staff to return soon with draft federal legislation providing a process to guarantee access to Washington Union Terminal on fair and reasonable terms.

Approved this 4th day of March, 2004.

William D. Euille
Chairman

Gerald E. Connolly
Secretary-Treasurer

RESOLUTION #1009

SUBJECT: Settlement Authorization

WHEREAS: Whereas Brandy Anderson has asserted a claim against the Northern Virginia Transportation Commission and the Potomac and Rappahannock Transportation Commission based on events arising out of now ended litigation filed by Anderson against the commissions in Civil Action Number 03-316A;

WHEREAS: A settlement has been proposed in which NVTC and PRTC would cooperate with the Commonwealth's Division of Risk Management, to resolve all claims; and

WHEREAS: Legal counsel has advised the commission that the costs of this settlement are less than the legal fees likely to be incurred by disputing the claim.

NOW, THEREFORE BE IT RESOLVED that the Northern Virginia Transportation Commission hereby authorizes the VRE Acting Chief Operating Officer to enter into a settlement agreement on behalf of the commission with Brandy Anderson fully and finally ending all claims by her against the commission, on terms outlined in the settlement agreement.

Approved this 4th day of March, 2004.

William D. Euille
Chairman

Gerald E. Connolly
Secretary-Treasurer

MEMORANDUM

TO: Chairman Euille and NVTC Commissioners
FROM: Richard K. Taube and Adam McGavock
DATE: March 25, 2004
SUBJECT: GEORGE Bus Operating Agreement

GEORGE bus service operated by WMATA began in Falls Church in December, 2002. NVTC obtained the four buses and is paying the operating costs during the demonstration period using grant funds. Discussions about the operating agreement between NVTC, WMATA and Falls Church have been protracted but all parties now agree that the attached draft should be approved for execution.

Under the terms of the agreement, NVTC will continue to pay the operating costs until grant funds for that purpose are exhausted (anticipated to be by the end of this calendar year). When the grant funds are exhausted, NVTC will no longer be responsible for paying WMATA, even though the agreement with Falls Church and WMATA will automatically renew for four years. If WMATA no longer operates the service, the buses (which are now titled to WMATA) will be returned to NVTC.

The commission is asked to authorize its executive director to execute the attached agreement on behalf of NVTC, including any non-substantive changes that may be requested by the Falls Church City Council and/or WMATA.

This Agreement is effective as of December 15, 2002, and is among the Washington Metropolitan Area Transit Authority ("WMATA"), the City of Falls Church, Virginia and the Northern Virginia Transportation Commission ("NVTC").

WHEREAS, NVTC is interested in providing experimental transit service using clean diesel buses on a regularly scheduled basis in order to evaluate the usefulness of such buses in serving the transportation needs of Northern Virginia;

WHEREAS, The City of Falls Church wishes to provide bus service to its citizens using clean-fuel buses; and

WHEREAS, WMATA has experience providing safe, reliable and efficient bus service using conventional buses to the citizens of Northern Virginia and intends to provide equally safe, reliable and efficient service to the citizens of the City of Falls Church using clean-fuel; and

WHEREAS, NVTC and the City of Falls Church have asked WMATA to operate the experimental transit service using clean-fuel buses on behalf of NVTC and the City of Falls Church; and

WHEREAS, WMATA shall operate the experimental transit service and NVTC and the City of Falls Church shall fully fund the experimental transit service at no cost to WMATA.

NOW, THEREFORE, the parties agree as follows:

1. Term of Agreement. This Agreement shall be for an initial term commencing with the start of service, which began on December 15, 2002, and ending June 30, 2004. This agreement shall be renewed automatically on a yearly basis for up to four years, through June 30, 2008, subject to adjustments in the price for such service as provided in Section 6 hereunder, unless terminated earlier in accordance with the provisions in Section 13.
2. Procurement of Buses. NVTC shall purchase four clean-fuel buses for use in the service that shall meet the specifications provided in Exhibit 1 hereto. The buses shall be purchased solely at the expense of NVTC and shall be transferred for \$1.00 each to WMATA, which shall own the buses for the life of this Agreement or until service is discontinued. At the end of this Agreement, either by expiration of its terms or for any other reasons authorized herein, NVTC may repurchase any or all of the buses transferred to WMATA for consideration of \$1.00 each. During the course of this Agreement, title to the buses shall remain in WMATA. The City of Falls Church will have control over the logo and exterior graphics to be placed on the buses.

3. Liability. WMATA shall maintain insurance on such buses in an amount equal to the amount of insurance provided on its conventional buses, which complies with all applicable FTA or other legal requirements, with the costs of such insurance to be reimbursed to WMATA as provided in section 6 hereunder. The nature and extent of such coverage is described in Exhibit 2 attached hereto. WMATA shall be solely liable for any damages, whether arising in tort or contract, and whether caused by the negligent or intentional conduct of WMATA, its employees, or its agents, if WMATA would be liable for such damages under its Compact. WMATA shall not be liable for any damages for which it would not otherwise be liable under its Compact, including any liability for design defects or defective manufacture of the buses. WMATA will purchase insurance on behalf of NVTC or Falls Church to insure those parties against any damages for which they might remain liable at the expense of NVTC or the City of Falls Church if NVTC or the City of Falls Church so elect.
4. Sufficiency of Funds. All payments made by NVTC and/or the City of Falls Church to WMATA pursuant to this agreement shall be derived solely from funds available for the service contemplated in this agreement. To that end, at the beginning of each project year (no later than July 1 of each year), NVTC and/or the City of Falls Church (depending on which entity is funding the service for the project year) agree that either or both shall provide WMATA with a letter of commitment stating the amount of funds that are available for the service contemplated in the project year. WMATA agrees to provide to NVTC and/or the City of Falls Church, depending on which party is funding the service at the time, with the earliest possible notice when WMATA determines that it intends to incur previously unanticipated costs or adjust prices for providing service consistent with the terms of this agreement. All parties agree to cooperate to adjust service and/or fares if NVTC and/or the City of Falls Church determine(s) based on notice from WMATA that funds would otherwise be insufficient to pay WMATA's costs for future billing periods under the terms of this agreement. Adjustments for this purpose shall be effective no later than one month from the date of notice from NVTC and/or the City of Falls Church of the terms of such adjustment unless such adjustment in service and/or fares triggers a public hearing under the standards set out in WMATA Board Resolution # 96-51, as may be later amended or superceded, where the adjustment will become effective after such public hearing. If agreement is not reached, NVTC and/or the City of Falls Church has/have the right to terminate the agreement on terms described in Section 13. In any case, WMATA shall be reimbursed for all costs incurred, as specified in Section 6, and shall not be obligated to provide service in the absence of available funds.
5. Service; Fares. It is intended that the buses shall be operated by WMATA along the routes described in Exhibit 3 hereunder for the number of platform hours specified therein, during the hours of operation specified therein. However, the City of Falls Church may, after obtaining concurrence from WMATA and NVTC,

and upon one month's notice to WMATA after obtaining such concurrence, reduce, modify, or add service or reduce or increase fares, during the life of this Agreement; provided, however, that any proposed reduction in service which triggers a public hearing under the standards set out in WMATA Board Resolution # 96-51, as may be later amended or superceded, or any proposed increase in fare above \$1.20 per one-way trip or the maximum, regular bus fare per one-way trip established by the WMATA Tariff, whichever is higher, shall in addition, require the approval of the WMATA Board of Directors and a public hearing. Provided, further, that if platform hours of operation are reduced below 7.5 platform hours per operational day, WMATA may, with the concurrence of NVTC and the City of Falls Church, terminate this Agreement or may, in its sole discretion, require a renegotiation of the operating price hereunder to insure that all of WMATA's costs of providing service with the clean-fuel buses are fully reimbursed as required hereunder. WMATA will operate this service in a safe, reliable, professional, and efficient manner with emphasis on customer service. WMATA will attempt to monitor customer levels and service and to verify the collection of revenues in the same manner in which it monitors customer levels and service and verifies revenue in the normal course for other buses it operates on its own behalf.

6. Price. It is the parties' intent that WMATA shall fully recover all costs, both direct and indirect, as defined in federal Office of Management and Budget Circular A-87, of operating this service. WMATA has determined that its direct and indirect costs of operating conventional bus service from December 15, 2002 to June 30, 2003 was \$62.77 per platform hour, which includes the cost of labor, maintenance, insurance, fuel and overhead. Initially, then, WMATA shall charge, and NVTC and/or the City of Falls Church shall pay, \$62.77 per platform hour for the service provided hereunder. Between July 1, 2003 and June 30, 2004, the rate shall be \$65.00 per platform hour, which is the rate for all new/reimbursable service estimates as approved by the WMATA Board for FY 2004. For each subsequent year, the new rate will be the amount per platform hour for reimbursable service approved by the WMATA Board for the applicable fiscal year.

Furthermore, because the clean-fuel buses that use Exhaust Gas Recirculation (EGR) technology are experimental, it is possible that maintenance and/or fuel costs on these vehicles may exceed the amount of fuel costs incurred and/or maintenance normally performed on a conventional bus. Therefore, WMATA will charge NVTC and/or the City of Falls Church for all documented fuel and maintenance costs incurred that are specifically attributable to the clean-fuel buses in excess of the maintenance and/or fuel costs that would have been required for a conventional bus. WMATA shall charge these additional costs to NVTC and/or the City of Falls Church on a quarterly basis and NVTC and/or the City of Falls Church shall fully reimburse WMATA for any and all additional documented maintenance costs as part of the quarterly reimbursement.

Provided, however, that based on its annual review of maintenance and fuel costs, WMATA may, upon 30 days notice to the parties, request a renegotiation of the price charged hereunder if WMATA determines that the price so charged does not fully reimburse it for the cost of operating the clean-fuel buses. In no event shall the amount paid by the parties to WMATA be less than the fully reimbursable cost of operating this service.

Thirty days before execution of this Agreement, WMATA will provide NVTC and the City of Falls Church with the bill for all costs that WMATA has incurred from the beginning of the Program up to the date of execution. This initial bill will include start-up costs as well as operational costs to date of execution. Such operational costs will be offset by farebox receipts collected to date of execution. At that time, WMATA shall also provide NVTC and the City of Falls Church with an estimated bill for allowed costs it expects to incur for the quarter (following the execution of the Agreement) offset by farebox receipts anticipated for the upcoming quarter. Subsequent invoices shall reflect any adjustments for actual costs and revenues for the previous quarter that may differ from the amounts estimated by WMATA in the previous invoice. On the date of execution, based on the bill WMATA provided to NVTC and the City of Falls Church for expenses incurred from the beginning of the Program up to the date of execution, NVTC and/or the City of Falls Church shall pay WMATA in full for all allowed expenses that WMATA incurred up to the date of execution. At that time, NVTC and/or the City of Falls Church, depending on which entity is funding the operation of the program for the following quarter, shall also provide WMATA with its matching non-federal funds for the upcoming quarter. If only non-federal funds are used, then NVTC and/or the City of Falls Church shall provide WMATA with all of the non-federal funds allocated for the program for the upcoming quarter.

From the date the Agreement is executed through the end of the Program, WMATA shall continue to provide NVTC and the City of Falls Church with an estimated bill for expenses to be incurred thirty (30) days in advance of each subsequent quarter. The bill will reflect WMATA's estimated allowed costs for the upcoming quarter offset by farebox receipts anticipated for the quarter. The estimated bills shall be either postmarked or hand-delivered within two business days of date of bill. Non-federal funds shall be provided to WMATA in advance of each subsequent quarter and Federal payments shall be made subsequent to the end of the quarter when costs have been incurred. NVTC and/or the City of Falls Church shall remit payment to WMATA within 30 days of date of bill from WMATA. Failure to pay a bill which is submitted consistent with the terms of this Agreement within 30 days shall require NVTC and/or the City of Falls Church to pay interest on the outstanding balance in an amount equal to that imposed by WMATA's interest policy attached hereto as Exhibit 4. Failure to pay within 90 days shall permit WMATA to terminate this Agreement and/or to take any and all

other legal action as may be necessary, with all costs of collection, including attorneys' fees and court costs, to be paid by NVTC and/or the City of Falls Church. All payments made hereunder, and all interest rates charged, as well as the right of WMATA to terminate this Agreement for non-payment shall be in accord with any policy for reimbursable projects adopted by WMATA's Board of Directors as amended from time to time. A copy of the current policy is attached hereto as Exhibit 5.

7. Records; Costs. WMATA shall maintain in good faith and make available to NVTC, the City of Falls Church, and such other persons, institutions, researchers or other persons if the parties agree, records showing:

- the maintenance and/or repair performed on the buses furnished hereunder, the cost of that maintenance and/or repair,
- parts used in maintaining or repairing the buses, and the costs of any of those parts,
- the costs of maintaining insurance required by this Agreement, the amount and the costs of diesel fuel for the buses, compared to that used by conventional buses
- records of periods when the buses are not available for regularly scheduled service, and the reasons therefore,
- the costs of labor for operation of the buses,
- such other records as the parties agree would be useful in determining the safety, efficiency, reliability, and performance characteristics of these buses,
- such records as may be necessary to maintain warranties on the buses, their parts or the equipment thereon in effect or to comply with any federal requirements, and
- passenger ridership and revenue data.

The records of maintenance and repair costs, fuel costs, and other direct costs maintained hereunder shall furnish the basis for calculating the direct costs of operation for purposes of the adjustments in price specified in section 6 above. WMATA's sole obligation shall be to maintain records in good faith using established procedures for the maintenance of those records, and WMATA does not warrant that the records are 100% accurate.

8. Substitute Buses. In the event the clean-fuel buses provided hereunder are unavailable in sufficient numbers to provide the regularly scheduled service, WMATA shall endeavor in good faith to substitute buses from its own fleet to provide the scheduled service. The cost for such substitute buses shall be \$100 per day in addition to the normal platform hour rate then in effect.

9. Annual Reconciliation and Payments. WMATA shall collect, fares on the service provided hereunder. WMATA shall maintain sufficient records of the fares recovered hereunder and all other information required by law or regulation to be maintained hereunder to permit the City of Falls Church or NVTC to verify the amount owing under this Agreement and such other information. At the end of the initial contract term, WMATA shall calculate, based on the amount agreed upon in section 6 of this agreement, whether WMATA owes any amounts to NVTC and/or the City of Falls Church where revenues exceed costs or whether NVTC and/or the City of Falls Church owes WMATA any amounts where costs exceed revenues. Any additional maintenance costs above normal that NVTC and/or the City of Falls Church will have to pay for will be included in this documentation regarding which entity owes money to the other. At the end of the initial contract term, if WMATA owes any amounts to NVTC and/or the City of Falls Church, WMATA shall pay NVTC and/or the City of Falls Church the amount outstanding within sixty (60) days of the date of a letter that WMATA will send indicating the calculated amount, subject to the availability of funds. WMATA shall also submit copies of the records of fares recovered for the Program as well as allowed costs incurred. If at the end of the Program, NVTC and/or the City of Falls Church owe(s) WMATA any amounts where allowed costs incurred have exceeded revenues, NVTC and/or the City of Falls Church shall pay WMATA the amount outstanding within sixty (60) days of the date of a letter that WMATA will send indicating the calculated amount, subject to the availability of funds. Failure to pay within 60 days shall require WMATA or NVTC and/or the City of Falls Church to pay interest on the outstanding balance in an amount equal to that imposed by WMATA's interest policy, attached hereto as Exhibit 4.

Payment to NVTC shall be made by ACH (Automated Clearinghouse) and only to:

Bank of America
ABA 0260-0959-3
For Credit to LGIP
Account #00000 2236801
FBO: Northern Virginia Transportation Commission
LGIP Fund Number: 6303218000

Payment to the City of Falls Church shall be made by check payable to the City of Falls Church and sent to:

Finance Department
City of Falls Church

300 Park Avenue
Falls Church, VA 22046

Payment to WMATA shall be made by ACH and only to:

Wachovia Bank
WMATA Revenue Funds
Account #: 002000035167097
ABA #: 054001220
McLean, Virginia

or by check made payable to WMATA, and sent to:

WMATA
Treasurer's Office
600 Fifth Street, NW
Washington, DC 20001

10. Federal Reporting. WMATA shall include all appropriate operating and cost information and data in any reports made to the National Transit Database maintained by the Federal Transit Administration.
11. Dispute Resolution: Any disputes between NVTC or the City of Falls Church and WMATA arising out of this Agreement may be disposed of by the parties by written agreement and/or amendment of this Agreement. If the parties cannot resolve the dispute, then the party seeking a resolution shall provide written notice of the nature of the dispute and the issue(s) to the other party. The other party may respond within thirty (30) days. If the dispute is not resolved within thirty (30) days following the response, the dispute will be resolved in accordance with Section 12.
12. Alternative Dispute Resolution ("ADR") and Court Jurisdiction.
 - (A) ADR: The parties agree to make their best good faith efforts to resolve any disputes which relate to or arise under this agreement. Absent resolution, the parties agree to pursue any type of alternative dispute resolution procedure which appears to have a likelihood of successfully resolving any dispute. Any party may propose and the parties may agree to any type of dispute resolution procedure, including, but not limited to, mediation, arbitration, mini-trial, etc.
 - (B) Court Jurisdiction. In the event the parties do not jointly elect to use the procedure set forth in subsection (A) of this section, any party may commence a civil action for resolution of the dispute in a court of competent jurisdiction.
13. Termination. This Agreement may be terminated by NVTC, the City of Falls

Church or WMATA at any time during the life of the Agreement, NVTC and the City of Falls Church may effect termination only after giving 90-days notice to WMATA of an intent to terminate to permit WMATA to hold a public hearing on the termination if one is deemed to be required.

WMATA may terminate this agreement after giving 90-days notice to NVTC and the City of Falls Church of an intent to terminate to permit WMATA to hold a public hearing on termination if one is deemed to be required.

Even if NVTC terminates its participation in the Program, the buses will remain with the Program and title with WMATA for as long as the bus service remains in effect. When the bus service terminates, title for the buses shall be transferred back to NVTC for consideration of one dollar (\$1.00) for each bus.

14. Governing Law. This Agreement shall be governed by the law of Virginia, except that when that law conflicts with the WMATA Compact, WMATA shall be bound by its Compact.
15. Federal and State Grant Provisions. The parties incorporate herein and agree to be bound by all applicable required provisions of the federal and state grants used to fund this contract.
16. Further Assurances. The parties shall use the utmost good faith in ensuring that this Agreement is carried out in accord with its intent.
17. Counterparts. This Agreement may be executed in counterparts, which shall have the full force and effect of an original document.
18. Notices. Notices required hereunder shall be sent to:

WMATA:

Chief Operating Officer, Bus Services
Washington Metropolitan Area Transit Authority
600 Fifth Street, Northwest
Washington, D.C. 20002

The City of Falls Church:

City Manager
City of Falls Church
300 Park Avenue
Falls Church, VA 22046

NVTC:

Executive Director
Northern Virginia Transportation Commission
4350 N. Fairfax Drive, Suite 720
Arlington, VA 22203

Washington Metropolitan Area Transit Authority
By: Richard A. White
Chief Executive Officer

Date: _____

Northern Virginia Transportation Commission
By: Richard Taube
Executive Director

Date:

City of Falls Church, Virginia
By: Daniel E. McKeever
City Manager

Date:

MEMORANDUM

TO: Chairman Euille and NVTC Commissioners
FROM: Rick Taube
DATE: March 25, 2004
SUBJECT: Legislative Items

Staff and commissioners will review the status of the 2004 General Assembly session. The status of federal TEA-21 reauthorization will also be reported.

HB 1231 was amended in the House/Senate Rules Committee conference to add one member of the House of Delegates to NVTC. The bill in this form has passed both the House and Senate. As a result, NVTC's quorum increases from 10 to 11 (a majority of the new total of 20 commissioners). However, when the General Assembly is in session, NVTC (and other transportation district commissions) need not count General assembly members in determining a quorum. Accordingly, during such General Assembly sessions, NVTC's quorum drops to eight (a majority of 20 minus six General Assembly members, or 14).

In addition, for a commission to take an action, in addition to a quorum, it now needs a vote from those present of at least "a majority of the members necessary to constitute a quorum of all the members appointed to the commission." For NVTC, this means a majority of 11, or six votes. The existing requirement remains that a majority of jurisdictions present must vote affirmatively.

Finally, in a major departure from existing law, during General Assembly sessions, members of the General Assembly who are members of transportation district commissions can participate in meetings electronically.

614 § 10.1-1325. Small Business Environmental Compliance Advisory Panel created; membership; terms;
615 compensation and expenses.

616 The Small Business Environmental Compliance Advisory Board Panel (the "Panel") is hereby
617 created established as an advisory panel in the executive branch of state government. It shall be
618 composed of seven members appointed for four years or until their successors have been appointed. Any
619 vacancy should be filled for the duration of the term. Vacancies occurring other than by expiration of a
620 term shall be filled for the unexpired term. Vacancies shall be filled in the same manner as the original
621 appointments. Appointments shall be made in compliance with the Clean Air Act pursuant to 42 U.S.C.
622 7661f, as amended, as follows:

623 1. Two members, who are not owners, or representatives of owners, of small business stationary
624 sources, appointed by the Governor to represent the general public;

625 2. Two members appointed by the House of Delegates who are owners, or who represent owners, of
626 small business stationary sources (one member each by the Speaker of the House of Delegates and
627 Minority Leader of the House of Delegates);

628 3. Two members appointed by the Senate who are owners, or who represent owners, of small
629 business stationary sources (one member each by the Majority and Minority Leaders of the Senate); and

630 4. One member appointed by the Executive Director.

631 Members of Panel shall receive no compensation for their service, but shall be entitled to
632 reimbursement for all reasonable and necessary expenses incurred in the performance of their duties as
633 provided in §§ 2.2-2813 and 2.2-2825. The costs of expenses of the members shall be paid from such
634 funds as may be available under Subchapter V (42 U.S.C. 7661 et seq.) of the Clean Air Act, as
635 amended.

636 § 15.2-4503.1. Northern Virginia Transportation District and Commission.

637 There is hereby created the Northern Virginia Transportation District comprised of the Counties of
638 Arlington, Fairfax, Loudoun, and the Cities of Alexandria, Falls Church, and Fairfax and such other
639 county or city contiguous to the District that agrees to join the District.

640 There is hereby established the Northern Virginia Transportation Commission (the "Commission") as
641 a transportation commission pursuant to this chapter. The Commission shall consist of five
642 nonlegislative citizen members from Fairfax County, three nonlegislative citizen members from Arlington
643 County; one nonlegislative citizen member from the County of Loudoun, two nonlegislative citizen
644 members from the City of Alexandria, one nonlegislative member from the City of Falls Church, one
645 nonlegislative citizen member from the City of Fairfax, and the Chairman of the Commonwealth
646 Transportation Board or his designee to serve ex officio with voting privileges. If a county or city
647 contiguous to the District agrees to join the District, such jurisdiction shall appoint one nonlegislative
648 citizen member to the Commission. Members from the respective counties and cities shall be appointed
649 from their governing bodies. The Commission shall also include four members of the House of
650 Delegates appointed by the Speaker of the House of Delegates for terms coincident with their terms of
651 office and two members of the Senate appointed by the Senate Committee on Rules for terms coincident
652 with their terms of office. Members may be reappointed for successive terms. All members shall be
653 citizens of the Commonwealth. Except for the Chairman of the Commonwealth Transportation Board or
654 his designee, all members of the Commission shall be residents of the localities comprising the
655 Transportation District. Vacancies occurring other than by expiration of a term shall be filled for the
656 unexpired term. Vacancies shall be filled in the same manner as the original appointments

657 § 15.2-4507. Members of transportation district commissions.

658 A. Any transportation district commission created shall consist of the number of members the
659 component governments shall from time to time agree upon, or as may otherwise be provided by law.
660 The governing body of each participating county and city shall appoint from among its members the
661 number of commissioners to which the county or city is entitled; however, for those commissions with
662 powers as set forth in subsection A of § 15.2-4515, the governing body of each participating county or
663 city is not limited to appointing commissioners from among its members. In addition, the governing
664 body may appoint from its number or otherwise, designated alternate members for those appointed to the
665 commission who shall be able to exercise all of the powers and duties of a commission member when
666 the regular member is absent from commission meetings. Each such appointee shall serve at the pleasure
667 of the appointing body; however, no appointee to a commission with powers as set forth in subsection B
668 of § 15.2-4515 may continue to serve when he is no longer a member of the appointing body. Each
669 governing body shall inform the commission of its appointments to and removals from the commission
670 by delivering to the commission a certified copy of the resolution making the appointment or causing
671 the removal.

672 In the case of a transportation district, commonly known as the Potomac and Rappahannock
673 Transportation Commission, which was established on or after July 1, 1986, and which includes more
674 than one jurisdiction located within the Washington, D.C., metropolitan area, the such commission shall

§ 15.2-4512. Quorum and action by commission.

A majority of the commission, which majority shall include at least one commissioner from a majority of the component governments, shall constitute a quorum. *Members of the commission who are members of the General Assembly shall not be counted in determining a quorum while the General Assembly is in session.* The Chairman of the Commonwealth Transportation Board or his designee may be included for the purposes of constituting a quorum. The presence of a quorum and a vote of the majority of the members ~~present, necessary to constitute a quorum of all the members appointed to the commission,~~ including an affirmative vote from a majority of the jurisdictions represented, shall be necessary to take any action. *Notwithstanding the provisions of § 2.2-3708, members of the General Assembly may participate in the meetings of the commission through electronic communications while the General Assembly is in session.*

8. Line 1923, engrossed, after House

insert

~~one each from of Delegates~~

Respectfully submitted,

Delegate H. Morgan Griffith

Delegate Leo C. Wardrup, Jr.

Delegate Vivian E. Watts

Conferees on the part of the House

Senator Mary Margaret Whipple

Senator William C. Mims

Senator Emmett W. Hanger, Jr.

Conferees on the part of the Senate

Legislative Information System

March 22, 2004

Dear Governor Warner:

As elected local leaders of Northern Virginia's Cities and Counties, we urge you to continue your Herculean efforts to forge a Virginia budget for the next biennium. At this time, there is an historic opportunity to adopt comprehensive tax reform. The reasons to act on this opportunity are compelling. The Commonwealth is at risk of losing its AAA bond rating, and the State pass-through for core services such as k-12 public education is at a bare minimum. Vulnerable Virginians will face severe cuts in human services. Local governments need a true partner in creating the quality of life that Virginians deserve.

Responsible governing dictates that you adopt a budget and comprehensive tax reform package in a timely fashion. Local officials develop budgets with the expectation of a State pass-through to fund k-12 public education, transportation, public safety and human services. It is critical for local leaders to know what that State transfer is before we adopt a budget and set a real-estate tax rate. Localities cannot make up the State funding gap. The General Assembly must adopt a budget before mid-April. Delayed action or supporting a referendum question on this important matter would be a gross abdication of responsibility, an abdication never seen in the history of the Commonwealth.

Now is the time for the Commonwealth to become a full partner in funding the services so critical to the quality of life Virginians enjoy. Homeowners for many years have paid more than their fair share of costs associated with k-12 public education. Yet, if a State budget is not passed, teachers will not receive raises, some teacher positions will not be filled, and children will be educated in larger classrooms. These impacts are catastrophic to Virginia families who dream of giving their children the best education possible. Lawmakers have repeatedly noted the value of an educated workforce and the importance of building a bright future. The State cannot continue to say it recognizes the value of something, yet not be willing to pay its fair share of k-12 public education. This charade must stop!

As you know, Northern Virginia is the economic engine of the Commonwealth. This region provides the Commonwealth with 44 percent of its revenues. We are not complaining about this transfer of funds to State coffers, but we are asking that the critical Northern Virginia need of adequate transportation funding be part of any budget and tax reform package that is ultimately adopted. Including transportation funding is a particularly helpful addition for Northern Virginia because localities in this part of the State do not receive as much education money as other regions in the Commonwealth. It is important to our voters to see a reasonable return for the tax dollars they send to the State.

We are willing to work with you to craft an acceptable compromise. It is our hope that you can meet us half-way.

Sincerely,

Gerald Connolly, Chairman
Fairfax County

William D. Euille, Mayor
City of Alexandria

Barbara A. Favola, Chairman
Arlington County

Daniel Gardner, Mayor
City of Falls Church

Rob Lederer, Mayor
City of Fairfax

William J. Treuting, Mayor
City of Manassas Park

Scott York, Chairman
Loudoun County

c: The Honorable Vincent Callahan
The Honorable John Chichester

MEMORANDUM

TO: Chairman Euille and NVTC Commissioners
FROM: Rick Taube
DATE: March 25, 2004
SUBJECT: WMATA Items

A. Metro Board Digest for March, 2004.

A copy is attached for your information.

B. Historical Metrorail Station Counts by Jurisdiction.

The attachment shows the progression of Metrorail station openings since 1976. This information was requested by commissioners at the March 4th NVTC meeting. Virginia now has 23 percent of the 86 stations, Maryland has 33 percent and the District of Columbia has 44 percent. In terms of mileage, Virginia has 29.5 of the 104 completed miles, Maryland has 36.3 and the District of Columbia has 38.3.

C. Parking Policies.

The WMATA Board has approved the attached resolution that will eliminate the use of cashiers at parking lots, expand hours of collection of parking lot fees and leverage the use of SmarTrip cards for parking.

①



March 18, 2004

MEMORANDUM FOR: Chairman and Members of the Board

SUBJECT: March Board Digest

Metro Seeks Public Input on Proposed Fare and Fee Increase and New Advertising Initiatives: Public Hearings in All Three Jurisdictions Taking Place This Month

WMATA held the first of nine public hearings last night at the South Fairfax County Government Center in Alexandria. Another hearing takes place tonight at Westgate Elementary School in Falls Church.

Prior to the 7 p.m. public hearings, Metro will host an open house and provide information on a wide range of Metro services. The forum also provides an opportunity for customers to talk with Metro employees in an informal setting.

Our communications efforts to get the word out to customers have been wide-ranging, including posting the public hearing schedule on our Web site, issuing news releases to the media, creating a Take One brochure and placing notices in rail cars and buses. In addition, the Notice of Public Hearing has been translated into Spanish and distributed to the Spanish-language media.

Public hearings will be held in each jurisdiction. The schedule for the remaining hearings follow.

Monday, March 22

Arlington County Board Office, Courthouse Metro Building, 2100 Clarendon Boulevard, third floor, Room 302, Arlington, VA

Malcolm X Elementary School in the cafeteria, 1351 Alabama Ave., SE, Washington, DC

**Washington
Metropolitan Area
Transit Authority**

600 Fifth Street, NW
Washington, DC 20001
202/962-2234

By Metrorail
L Judiciary Square-Red Line
G Gallery Place-Chinatown
R Red, Green and
Y Yellow Lines

A District of Columbia,
Maryland and Virginia
Transit Partnership

Tuesday, March 23

Montgomery County Executive Office Building in the auditorium, lobby level, 101 Monroe St., Rockville, MD

Wednesday, March 24

Prince George's Sports and Learning Complex, 8001 Sheriff Road, Landover, MD

Thursday, March 25

Metro headquarters in the Jackson Graham Building, lobby level, 600 Fifth St., NW, Washington, DC

Alexandria City Hall, 301 King Street, Alexandria, VA

Monday, March 29

Janney Elementary School in the cafeteria, 4130 Albermarle St., NW, Washington, DC

District Government Issues Combined ID and SmarTrip Card

The District of Columbia government plans to issue new identification cards that are not your run-of-the mill ID cards. They will let city government employees in and out of District buildings, but soon they will also let District employees board Metrorail and Metrobus.

Last month, the District government began the first phase of testing new cards that include two embedded chips: one for access to buildings and the second a SmarTrip chip. The next phase of testing is slated to begin soon. This test includes 700 employees from the Departments of Transportation, Property Protection and Human Resources. The second phase of testing is expected to take 30 to 60 days. Pending successful testing and executing a Memorandum of Understanding with WMATA, the District will issue the new cards to all of its 30,000 employees.

The District of Columbia sends its cards to WMATA's Office of the Treasurer to have the SmarTrip chips initialized. Metro returns the cards to the District so that it can personalize the cards with employees' photos and other graphics. The D.C. government pays for card initialization, and in the current of test of 700 cards, has placed \$10 on each card.

The D.C. government is also working toward providing the Metrochek pre-tax benefit to its employees and plans to use these new ID cards to distribute the transportation benefit.

Metrobus Promotes the 'Thirties' Route Along Wisconsin Avenue

On March 30, Metrobus will begin a month-long promotion on routes 30, 32, 34, 35 and 36 to build ridership. These routes, collectively known as the "thirties," run from Friendship Heights to Southeast D.C. and have capacity to carry more customers, particularly during off-peak hours, and on the western section of the routes.

"The Thirties are Going Your Way" promotion targets people who live and shop along Wisconsin Avenue. A brochure, available on these routes, offers discounts from select stores at The Shops At Georgetown Park and Borders Books & Music. WMATA representatives and Sierra Club volunteers will hand out the brochures at five outreach events in the Georgetown area. In addition, WASH FM (97.1) will mention the promotion on the air throughout the month and participate in a kickoff event at The Shops at Georgetown Park with a live broadcast on March 30 at 12:30 p.m.

The "Thirties" promotion is part of a strategy to build Metrobus ridership on the top 32 routes that generate 50 percent of bus ridership. Metro intends to replicate and customize this strategic model for a number of high-capacity routes throughout the region.

Metrobus Map Update

The long-anticipated distribution of free Metrobus system maps is slated to begin sometime next week. Customers can request the newly redesigned system maps by mail or pick them up at any WMATA Sales Offices. Customers also can continue to download the map from the Web site. By the end of the month, Metro plans to make the bus maps available at Metrorail stations.

Providing the free maps is part of a concerted effort to enhance communications with existing Metrobus customers and reach out to potential new customers. Metro secured paid advertising to offset the cost of producing the maps.

MTPD Officers and FTA Security Learn from Israeli Terrorism Experts

Terrorism experts from Israel shared their experiences and knowledge with MTPD officers, Federal Transit Administration (FTA) security personnel and other public transportation security officials during a week-long training course held in February. The Israeli contingent briefed their American counterparts on strategies and tactics for monitoring transit customers and identifying suspicious behaviors.

One of the training exercises took participants to the Union Station Metrorail station where actors played the role of customers acting in a manner consistent with terrorists. Participants then had to identify the suspicious behaviors and indicate the factors that most likely signal their potential as a terrorist.

The effort was undertaken to develop a methodology to monitor and interpret suspicious behavior in the transit environment, and to design and test it for use by transit law enforcement. "We sometimes have to look beyond our borders in order to enhance our knowledge of terrorism and its prevention," said MTPD Chief Pally Hanson.

Red Line Switch Replaced

Over the last two weekends of February, Metro replaced a switch near the Judiciary Square Metrorail Station. To complete the work, trains shared a single track between our Farragut North and Union Station. Delays in service were inevitable and the Authority launched a comprehensive public information campaign to let customers know to allow extra travel time. Also, to minimize crowding, Metro ran all six-car trains on the Red Line during both weekends.

The switch replacement work at Judiciary Square was part of the capital budget's Infrastructure Renewal Program to ensure safe, reliable transportation.

Additionally, portions of the Red Line between Union Station and Rhode Island Avenue will undergo major work during the spring and summer months as we prepare for the opening of the New York Ave-Florida Ave-Gallaudet U station.

Metro 2004 Student Poster Contest Underway

The Department of Communications sent more than 1,000 Metro 2004 Student Poster Contest booklets to teachers at area public, private, and parochial schools in the metropolitan area. All students in grades K through 12, even children of Metro employees and those who are home-schooled, can participate in this perennially popular contest. The deadline for students to send in their entries is Friday, April 23 at 6 p.m.

This year's theme is "Metro Matters to Me." In a cover letter accompanying the booklets to school principals and art teachers, teachers are asked to ask their students, "Why does Metro matter to you?" Metro looks forward to seeing the answers of area student-artists.

The best among the entries will win 1st, 2nd, and 3rd place prizes in the District of Columbia, Maryland, and Virginia. One grand prize will be awarded in each of the following categories: primary, elementary, junior, and senior high school divisions. Judging will take place in late April, and the winners will be announced on Friday, May 14, at Metro headquarters. Winning posters will be exhibited at Metro Center in the fall.

Police Chief Polly Hanson and Former Board Member Kate Hanley Honored

The Metropolitan Washington, DC Chapter of the Conference of Minority Transportation Officials (COMTO) held its 2004 Salute to Women in Transportation Luncheon on March 10. COMTO honored five women who have made outstanding contributions to the transportation industry. Included among the honorees were MTPD Chief Polly Hanson and former WMATA Board member Kate Hanley. Proceeds from the event benefit the Metropolitan Washington, DC Chapter Scholarship Fund for students who pursue careers in transportation.

Officers Steven L. Smith and Anthony L. Weaver Named 2003 Transit Police Officers of the Year

Officer Steven L. Smith responded to a robbery at our Glenmont station where victims said they had been beaten and robbed of a portable CD player by three male teenagers. The victims gave a description of the

their attackers. Meanwhile, Officer Anthony L. Weaver arrived on scene to assist. The officers sent a broadcast message regarding the incident and searched the area. Then they escorted the victims, who feared for their safety, to Wheaton.

When they got to Wheaton, the officers received a call about a fight near the bus bay at that station. They ran to the bus bay area and found three customers who had been beaten up. These victims said their assailants were in an adjacent bus shelter.

As the officers approached the suspects, the young men attempted to flee. Officers Smith and Weaver quickly caught two suspects after a brief struggle. Officer Smith nabbed the third person after a foot chase.

The victims from the earlier robbery at Glenmont confirmed that the three suspects in custody were the ones that had attacked them. The teens were charged with three counts of second degree assault and strong-armed robbery.

MTPD Chief Polly Hanson said, "Officers Smith and Weaver exemplify the type of commitment our officers have to following up and getting the job done."

Metro Gearing Up for Return of Tourists to the Washington Region

With a touch of spring in the air, Metro is gearing up for the annual return of tourists to the Washington, DC, metropolitan region. To accommodate the large crowds traveling to downtown Washington, D.C., to view the cherry blossoms and attend the National Cherry Blossom Festival, Metrorail will run more six-car trains throughout most of the system. Metrorail plans to run the longer trains during weekday off-peak hours (from opening until 8 p.m.) as well as on weekends.

The two-week festival, which begins March 27 and ends April 11, expects to draw thousands of visitors to the Tidal Basin and National Mall each day. Of special note are the festival parade on April 3 and a 10-mile run on April 4, for which Metrorail will open one hour early at 6 a.m.

As in years past, Metro will work with festival organizers, tourism bureaus, hotels and other organizations to encourage attendees to take

Metro to festival events and to plan their trips so that they don't occur during the morning and afternoon rush hours. In addition, we plan to issue a news release to the media with riding and safety tips, and the message that there is plenty of room on Metro during the middle part of the day and on weekends. Metro will closely monitor the system and place personnel strategically where extra staff may be needed to assist with the expected high volume of customers. In addition, Metrorail will work closely with MTPD in case officers are required at stations to assist with crowd flow.

Upcoming Events

March 23

Train the Travel Trainer Workshop hosted by the Office of Americans with Disabilities Act Programs. The workshop educates representatives of organizations which provide travel training about Metro's accessibility features and services to encourage greater use of Metrorail and Metrobus by people with disabilities. The interactive workshop will include a demonstration component where attendees will have an opportunity to visit two Metrorail stations and examine an accessible low-floor bus featuring the stop announcement voice annunciator system. Metro headquarters, 9 a.m. to 4:30 p.m.

March 26

District of Columbia fiscal year 2005 Budget Council Hearing.

MTPD Class #63 graduation; Metro headquarters, Room 5D-02; 10 a.m.

March 30

"The Thirties are Going Your Way" kick-off event to promote Metrobus ridership at The Shops at Georgetown Park, 3222 M Street NW, at 12:30 p.m.

March 31(tentative)

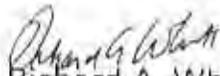
Tour of New York Ave-Florida Ave-Gallaudet U station with Americans for Transportation Mobility, 9:30 a.m. This national business and labor coalition is hosting a bus tour event to showcase the many important transportation projects currently underway in Washington, D.C. Invited guests include members of the U.S. Congress, transportation officials and members of the media.

Chairman and Members of the Board
Page 8

April 7

Department of System Safety and Risk Protection's Emergency Management Outreach with Metro Transit Police and the Department of Communications, Anacostia Metrorail station, 7:30 to 9 a.m.

If you have any questions, please let me know. Thank you.



Richard A. White

General Manager/Chief Executive Officer

(B)

Station Count by Jurisdiction, 1976 - 2003

Year	DC	Montgomery	Prince Geo	Arlington	Alexandria	Fairfax	Total
1976	5	0	0	0	0	0	5
1977	18	0	0	6	0	0	24
1978	23	1	3	6	0	0	33
1979	23	1	3	10	0	0	37
1980	24	1	5	10	0	0	40
1981	27	1	5	10	0	0	43
1982	27	1	5	10	0	0	43
1983	28	1	5	10	3	1	48
1984	29	9	5	10	3	1	57
1985	29	9	5	10	3	1	57
1986	29	9	5	11	3	4	61
1987	29	9	5	11	3	4	61
1988	29	9	5	11	3	4	61
1989	29	9	5	11	3	4	61
1990	29	11	5	11	3	4	63
1991	32	11	5	11	3*	5*	59
1992	32	11	5	11	3	5	67
1993	32	11	6	11	3	5	71
1994	32	11	9	11	3	5	71
1995	35	11	9	11	3	5	74
1996	35	11	9	11	3	5	74
1997	35	11	9	11	3	6	75
1998	35	12	9	11	3	6	76
1999	37	12	9	11	3	6	78
2000	37	12	9	11	3	6	78
2001	38	12	13	11	3	6	83
2002	38	12	16	11	3	6	86
2003	38	12	16	11	3	6	86
Average	29.8	7.9	6.7	10.0	2.2	3.3	

Source: Metro at 25. *A Capsule History of Metro* timeline (also available at <http://www.wmata.com/about/history.cfm>)

* Van Dorn Street is referred to in the WMATA history as an Alexandria Station. However, station maps show that Van Dorn Street Metrorail Station is located in Fairfax County. I have assigned the station to Fairfax County.

Percentage of Stations by Jurisdiction

Year	DC	Montgomery	Prince Geo	Arlington	Alexandria	Fairfax
1976	100%	0%	0%	0%	0%	0%
1977	75%	0%	0%	25%	0%	0%
1978	70%	3%	9%	18%	0%	0%
1979	62%	3%	8%	27%	0%	0%
1980	60%	3%	13%	25%	0%	0%
1981	63%	2%	12%	23%	0%	0%
1982	63%	2%	12%	23%	0%	0%
1983	58%	2%	10%	21%	6%	2%
1984	51%	16%	9%	18%	5%	2%
1985	51%	16%	9%	18%	5%	2%
1986	48%	15%	8%	18%	5%	7%
1987	48%	15%	8%	18%	5%	7%
1988	48%	15%	8%	18%	5%	7%
1989	48%	15%	8%	18%	5%	7%
1990	46%	17%	8%	17%	5%	6%
1991	54%	19%	8%	19%	3*	5*
1992	48%	16%	7%	16%	4%	7%
1993	45%	15%	13%	15%	4%	7%
1994	45%	15%	13%	15%	4%	7%
1995	47%	15%	12%	15%	4%	7%
1996	47%	15%	12%	15%	4%	7%
1997	47%	15%	12%	15%	4%	8%
1998	46%	16%	12%	14%	4%	8%
1999	47%	15%	12%	14%	4%	8%
2000	47%	15%	12%	14%	4%	8%
2001	46%	14%	16%	13%	4%	7%
2002	44%	14%	19%	13%	3%	7%
2003	44%	14%	19%	13%	3%	7%
Average	53%	12%	10%	17%	3%	5%

Source: Metro at 25, "A Capsule History of Metro" timeline (also available at <http://www.wmata.com/about/history.cfm>)

* Van Dorn Street is referred to in the WMATA history as an Alexandria Station. However, station maps show that Van Dorn Street Metrorail Station is located in Fairfax County. I have assigned the station to Fairfax County.

③

SUBJECT: Parking Lot Revenue Collection Recommendation

PROPOSED
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

WHEREAS, WMATA desires to remove cashiering from parking lot operations as soon as possible; and

WHEREAS, it is important to leverage our existing SmarTrip technology wherever possible as the preferred method for payment of services; and

WHEREAS, use of SmarTrip will enable WMATA to expand hours of parking lot collection thereby increasing revenue; now, therefore, be it.

RESOLVED that the WMATA Board of Directors approves the following:

1. A "cashierless" parking lot operation with payment on exit from 9:00 a.m. to closing, Monday through Friday, effective June 27, 2004 (a limited number of locations will continue to be managed with payment upon entry);
2. An increase in parking lot revenues of \$2,500,000 in the FY05 Operating Budget;
3. Deletion of \$2,763,000 in funding for current Parking Management and fee collection contract from the FY05 Budget;
4. Initiation and award or modification, on an expedited programmatic basis, of all contracts necessary to convert to a cashless operation including:
 - \$2,900,000 of FY05 Operating Funds for contract parking assistance representatives contract.

- \$1,200,000 of Capital Funds for signage, the acquisition and installation of SmarTrip vending machines, gate arm barrier alarms, and support vehicles, equipment and parts.
5. Approval of a \$1,245,000 increase in the FY05 Operating Budget to fund 18 additional WMATA positions and associated non-personnel costs to convert to and manage a "cashierless" parking lot collection program;
 6. The authorization of up to \$75,000 in FY04 start-up funding in the Department of Communications to be absorbed in the FY04 existing budget, for public information/sales campaign prior to conversion to cashless operation;
 7. The authorization of up to \$105,000 to advance hire FY05 positions required for conversion to cashless system in FY04; FY 04 costs to be absorbed in existing budgeted levels;
 8. The authorization of up to \$250,000 to incur contract costs in FY 04 for start-up activities for new contract parking assistance representatives contract; this is an unbudgeted expense which we will attempt to absorb within existing subsidy levels; and be it further

RESOLVED, that the WMATA Board approves \$75,000 in additional funding for the FY05 Operating Budget to expand the scope of the external audit contract, to further review any program identified as having a high financial or programmatic risk; and be it finally

RESOLVED, that this Resolution shall be effective immediately.

Reviewed as to Form and Legal Sufficiency


Cheryl C. Burke
General Counsel

MEMORANDUM

TO: Chairman Euille and NVTC Commissioners
FROM: Scott Kalkwarf and Colethia Turner
DATE: March 25, 2004
SUBJECT: NVTC Financial Reports for February, 2004

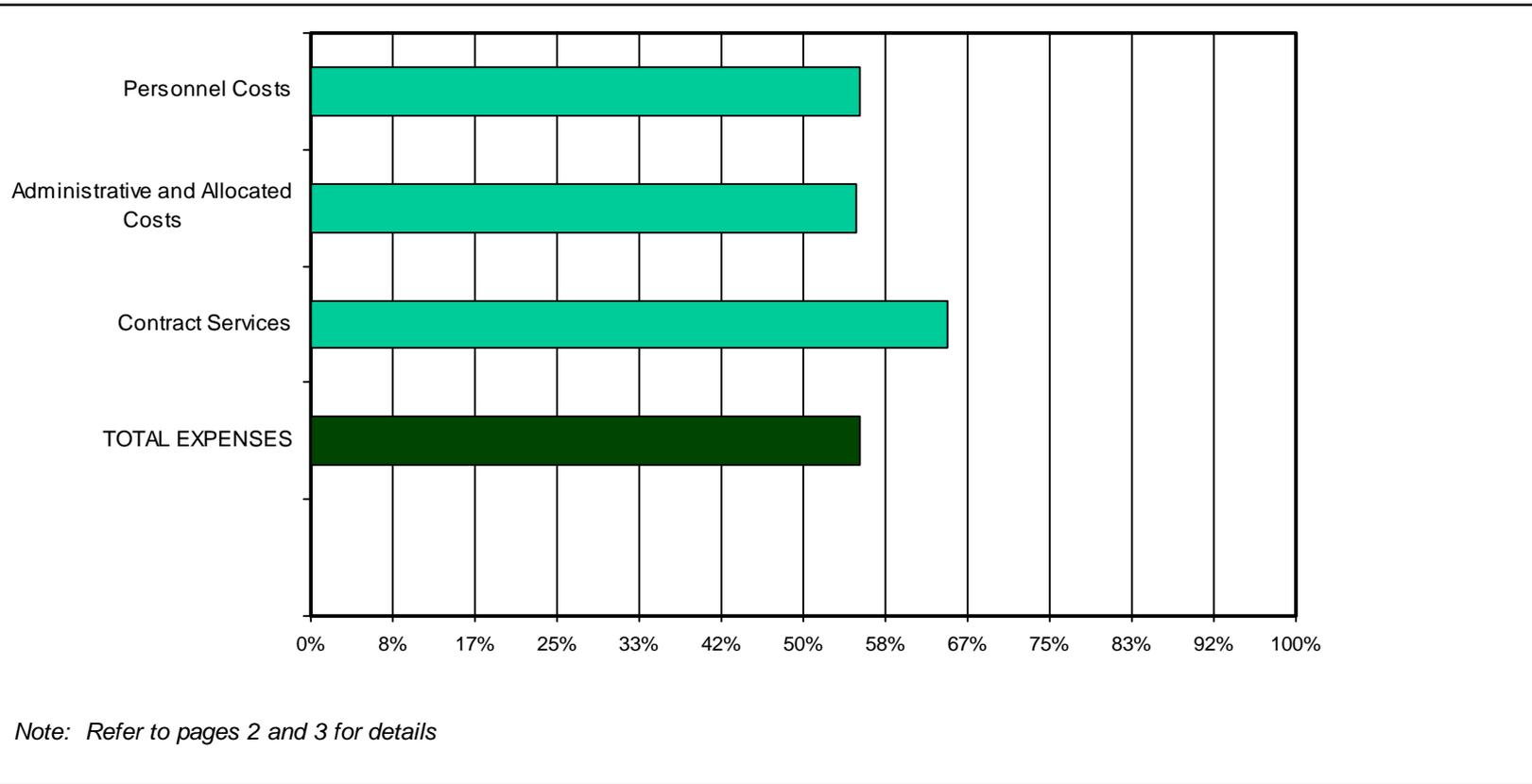
The February, 2004 financial reports are attached for your information.

Northern Virginia Transportation Commission

Financial Reports

February, 2004

Percentage of FY 2003 NVTC Administrative Budget Used
February, 2004
(Target 66.67% or less)



NORTHERN VIRGINIA TRANSPORTATION COMMISSION
G&A BUDGET VARIANCE REPORT
February, 2004

	<u>Current Month</u>	<u>Year To Date</u>	<u>Annual Budget</u>	<u>Balance Available</u>	<u>Balance %</u>
<u>Personnel Costs</u>					
Salaries	\$ 42,546.06	\$ 356,108.94	\$ 636,400.00	\$ 280,291.06	44.0%
Temporary Employee Services	-	-	1,000.00	1,000.00	100.0%
Total Personnel Costs	42,546.06	356,108.94	637,400.00	281,291.06	44.1%
<u>Benefits</u>					
Employer's Contributions:					
FICA	3,024.96	23,339.35	45,700.00	22,360.65	48.9%
Group Health Insurance	3,848.50	33,986.99	69,000.00	35,013.01	50.7%
Retirement	4,298.00	35,609.00	57,000.00	21,391.00	37.5%
Workmans & Unemployment Compensation	428.45	1,905.08	2,000.00	94.92	4.7%
Life Insurance	291.31	2,506.42	3,300.00	793.58	24.0%
Long Term Disability Insurance	227.11	1,820.24	3,450.00	1,629.76	47.2%
Total Benefit Costs	12,118.33	99,167.08	180,450.00	81,282.92	45.0%
<u>Administrative Costs</u>					
Commissioners Per Diem	1,050.00	8,100.00	15,500.00	7,400.00	47.7%
<i>Rents:</i>					
Office Rent	13,062.35	100,029.11	157,300.00	57,270.89	36.4%
Parking	11,882.35	93,622.76	145,300.00	51,677.24	35.6%
Parking	1,180.00	6,406.35	12,000.00	5,593.65	46.6%
<i>Insurance:</i>					
Public Official Bonds	25.70	2,689.60	3,700.00	1,010.40	27.3%
Liability and Property	-	1,413.00	2,000.00	587.00	29.4%
Liability and Property	25.70	1,276.60	1,700.00	423.40	24.9%
<i>Travel:</i>					
Conference Registration	1,768.98	9,404.17	26,500.00	17,095.83	64.5%
Conference Registration	250.00	250.00	3,000.00	2,750.00	91.7%
Conference Travel	523.74	1,399.10	7,000.00	5,600.90	80.0%
Local Meetings & Related Expenses	995.24	6,844.63	12,000.00	5,155.37	43.0%
Training & Professional Development	-	910.44	4,500.00	3,589.56	79.8%
<i>Communication:</i>					
Postage	411.22	5,890.29	13,950.00	8,059.71	57.8%
Postage	-	2,751.02	7,000.00	4,248.98	60.7%
Telephone - LD	87.66	502.57	1,950.00	1,447.43	74.2%
Telephone - Local	323.56	2,636.70	5,000.00	2,363.30	47.3%
<i>Publications & Supplies</i>					
Office Supplies	1,055.42	12,455.02	24,500.00	12,044.98	49.2%
Office Supplies	62.30	2,292.63	5,300.00	3,007.37	56.7%
Duplication	993.12	8,643.99	13,200.00	4,556.01	34.5%
Public Information	-	1,518.40	6,000.00	4,481.60	74.7%

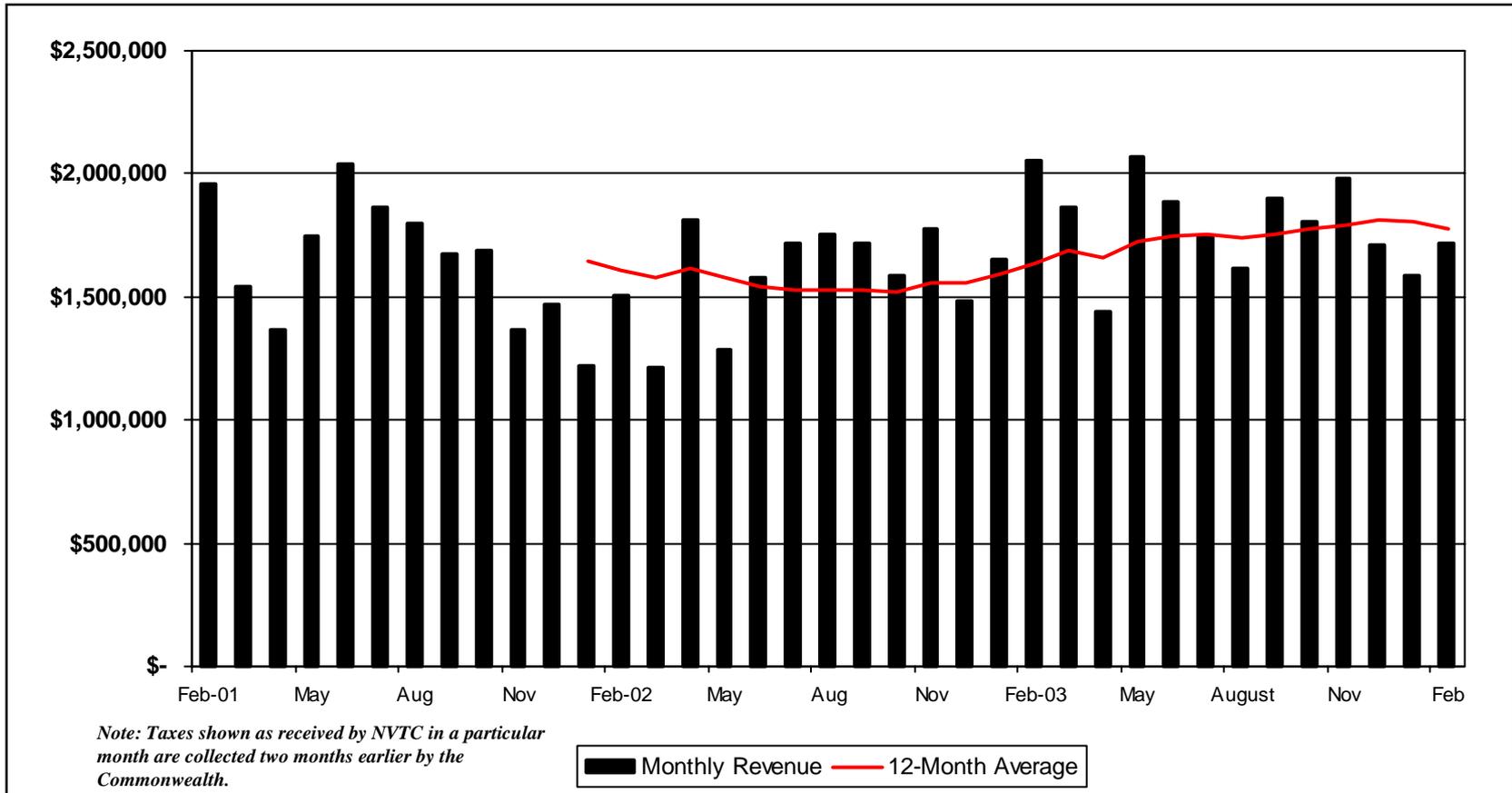
**NVTC
RECEIPTS and DISBURSEMENTS
February, 2004**

<u>Date</u>	<u>Payer/ Payee</u>	<u>Purpose</u>	<u>Wachovia (Checking)</u>	<u>Wachovia (Savings)</u>	<u>VA LGIP</u>	<u>VA SNAP</u>
RECEIPTS						
3	DRPT	Capital grants receipts			\$ 3,178,087.00	
3	VRE	Reimbursement for staff support		8,245.33		
3	Staff	Reimbursement of expenses		8.45		
10	FTA	SmarTrip grant receipt			1,177.00	
11	Dept. of Taxation	Motor vehicle fuels sales tax receipt			1,721,159.71	
20	DRPT	FTM/Admin grant receipt			4,267,394.00	
23	DRPT	SmarTrip grant receipt			280.00	
23	DRPT	Code Red grant receipt			5,005.00	
23	DRPT	Intern grant receipt			1,186.00	
29	Banks	February interest income		45.15	40,787.27	
			<u>-</u>	<u>8,298.93</u>	<u>9,215,075.98</u>	<u>-</u>
DISBURSEMENTS						
1-29	Various	NVTC project and administration	(56,185.26)			
9	City of Fairfax	Other operating			(104,269.50)	
9	IBI Group	SmarTrip consulting	(1,471.50)			
9	BMI Associates	Code Red consulting	(5,005.00)			
11	George Hoyt Assoc.	Bus Data consulting	(19,447.65)			
29	Banks	February service fees	(50.54)	(0.16)		
			<u>(82,159.95)</u>	<u>(0.16)</u>	<u>(104,269.50)</u>	<u>-</u>
TRANSFERS and Adjustments						
6	Transfer	From LGIP to checking	37,000.00		(37,000.00)	
11	Transfer	From LGIP to checking	19,448.00		(19,448.00)	
23	Transfer	From LGIP to checking	25,000.00		(25,000.00)	
			<u>81,448.00</u>	<u>-</u>	<u>(81,448.00)</u>	<u>-</u>
NET INCREASE (DECREASE) FOR MONTH			<u>\$ (711.95)</u>	<u>\$ 8,298.77</u>	<u>\$ 9,029,358.48</u>	<u>\$ -</u>

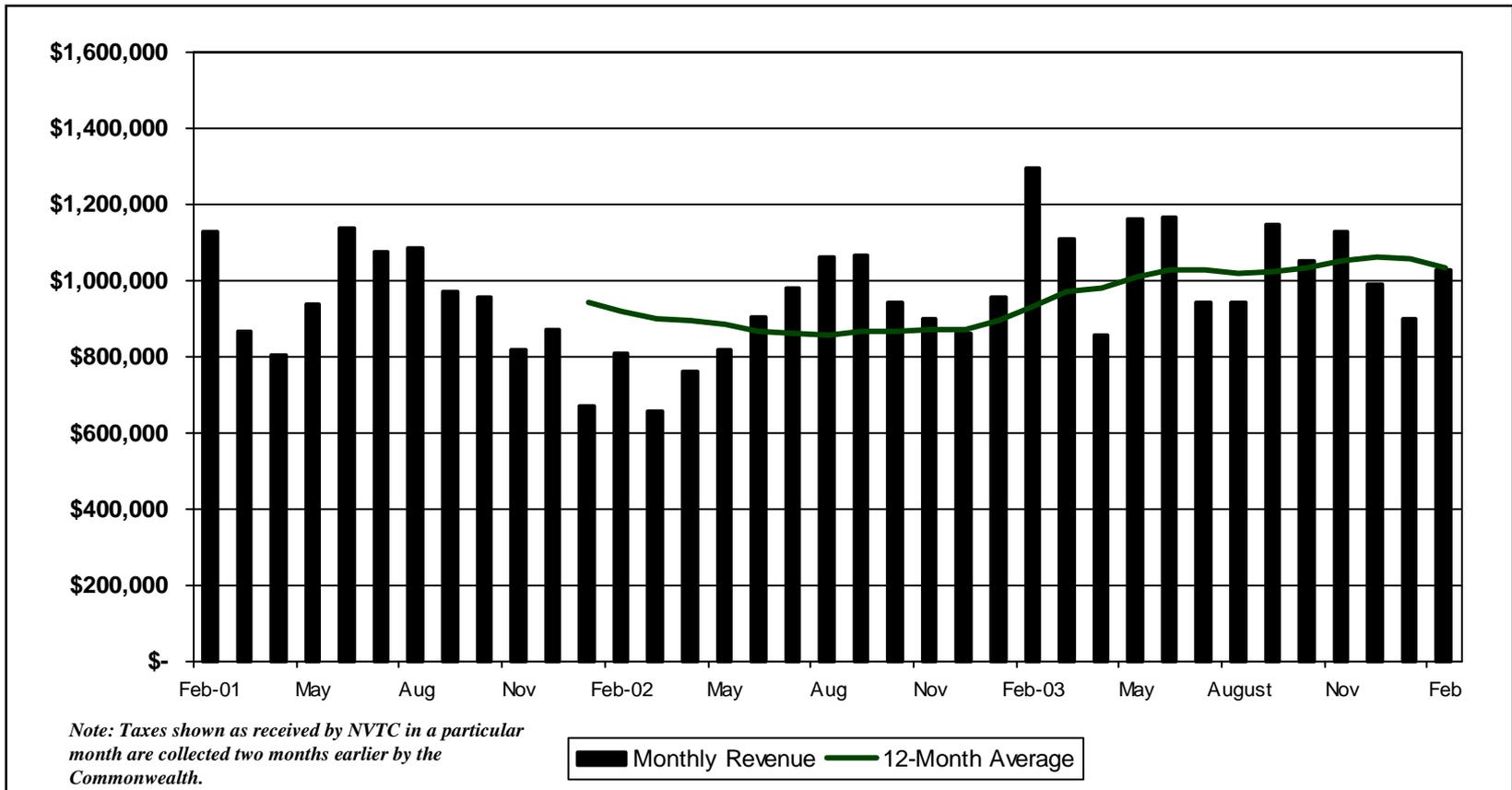
**NVTC
INVESTMENT REPORT
February, 2004**

<u>Type</u>	<u>Rate</u>	<u>Balance 1/31/04</u>	<u>Increase (Decrease)</u>	<u>Balance 2/28/04</u>	<u>NVTC G & A</u>	<u>Jurisdictions Trust Fund</u>	<u>Loudoun County</u>
<u>Cash Deposits</u>							
1st Union: NVTC Checking	N/A	\$ 6,580.49	\$ (711.95)	\$ 5,868.54	\$ 5,868.54	\$ -	\$ -
1st Union: NVTC Savings	0.28%	203,696.67	8,298.77	211,995.44	211,995.44	-	-
<u>Investments - State Pool</u>							
Nations Bank - LGIP	1.08%	42,114,354.34	9,029,358.48	51,143,712.82	329,936.25	34,614,769.30	16,199,007.27
		<u>\$ 42,324,631.50</u>	<u>\$ 9,036,945.30</u>	<u>\$ 51,361,576.80</u>	<u>\$ 547,800.23</u>	<u>\$ 34,614,769.30</u>	<u>\$ 16,199,007.27</u>

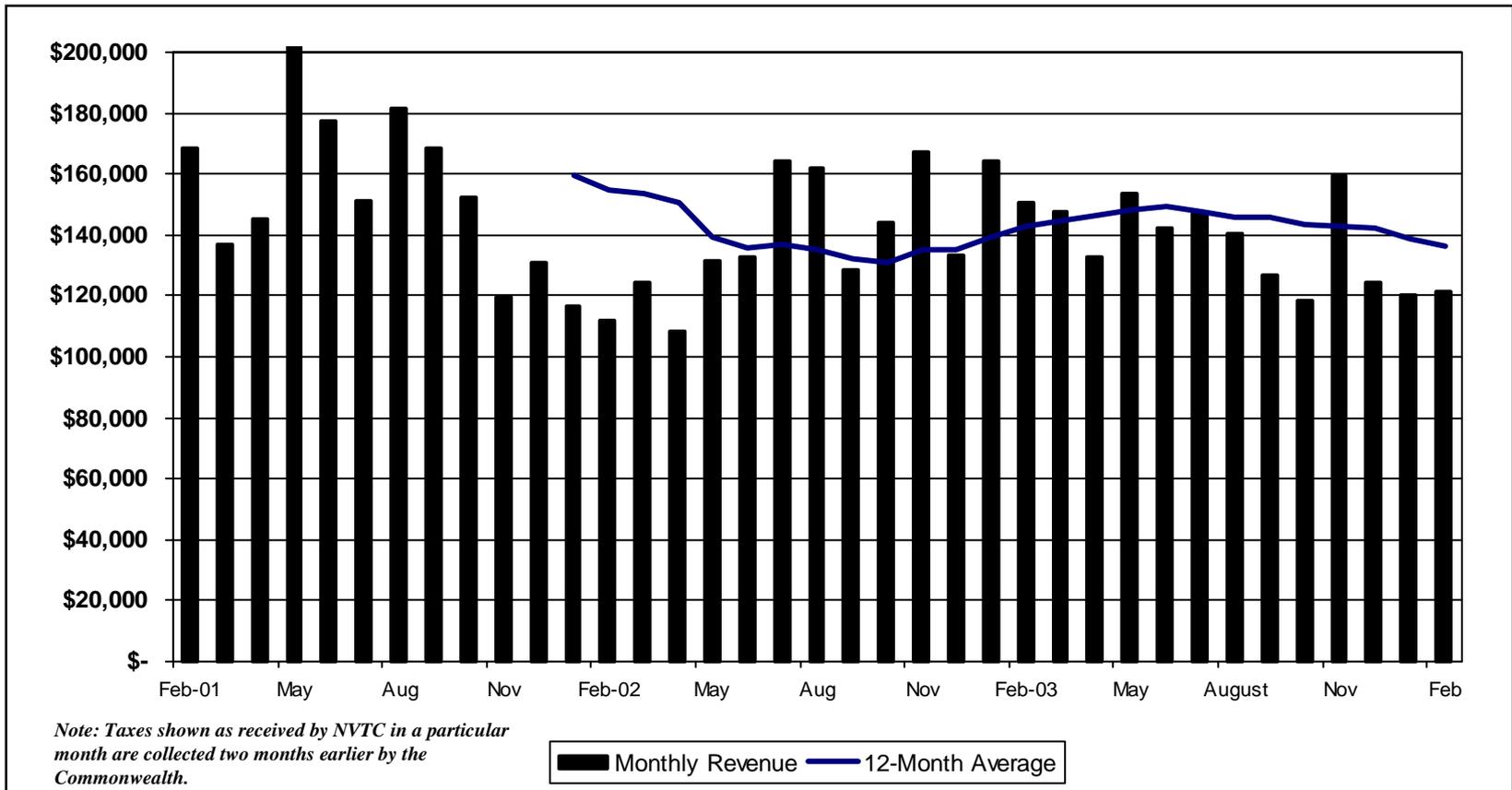
NVTC MONTHLY GAS TAX REVENUE ALL JURISDICTIONS FISCAL YEARS 2001-2004



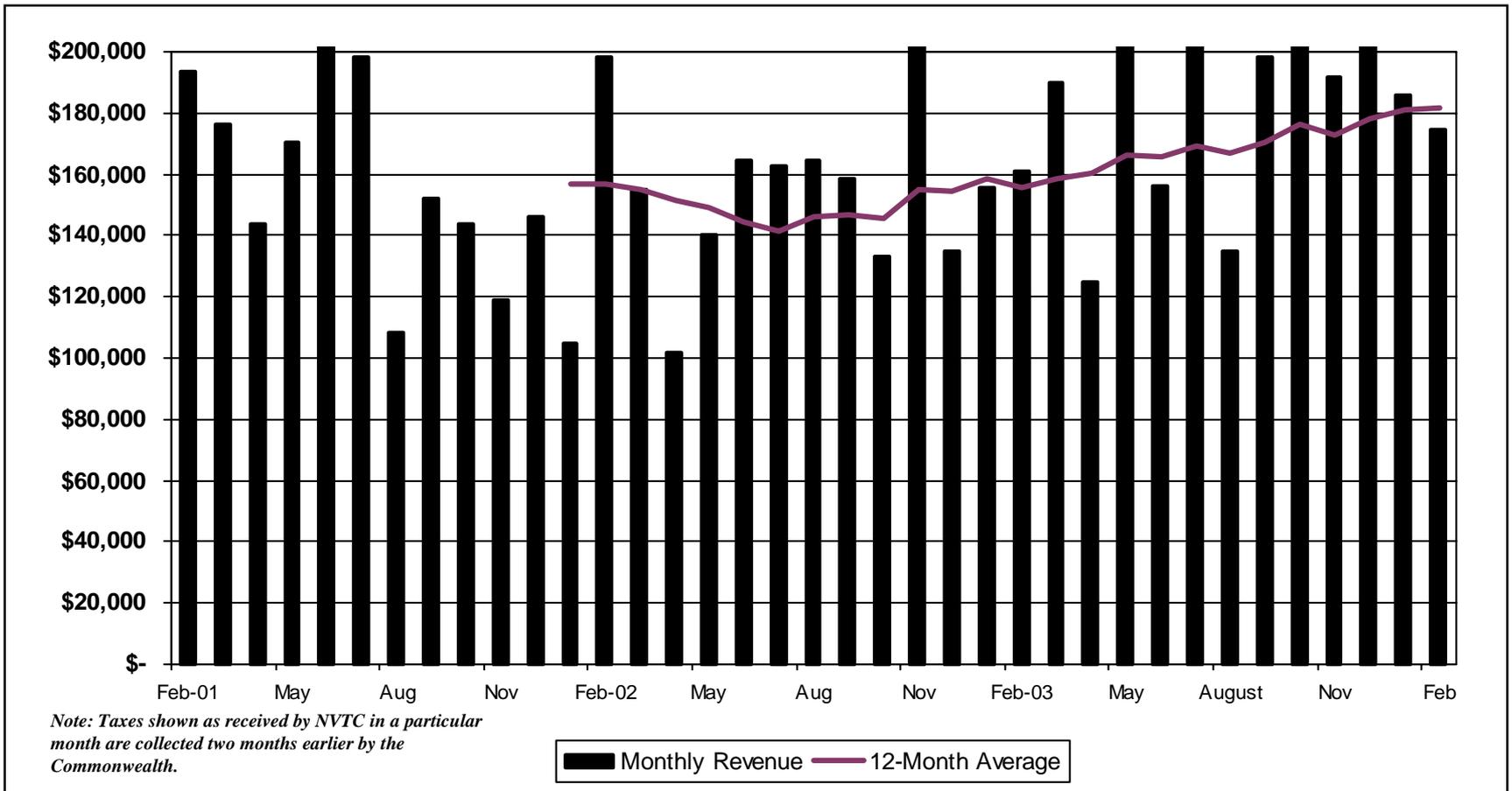
NVTC MONTHLY GAS TAX REVENUE FAIRFAX COUNTY FISCAL YEARS 2001-2004



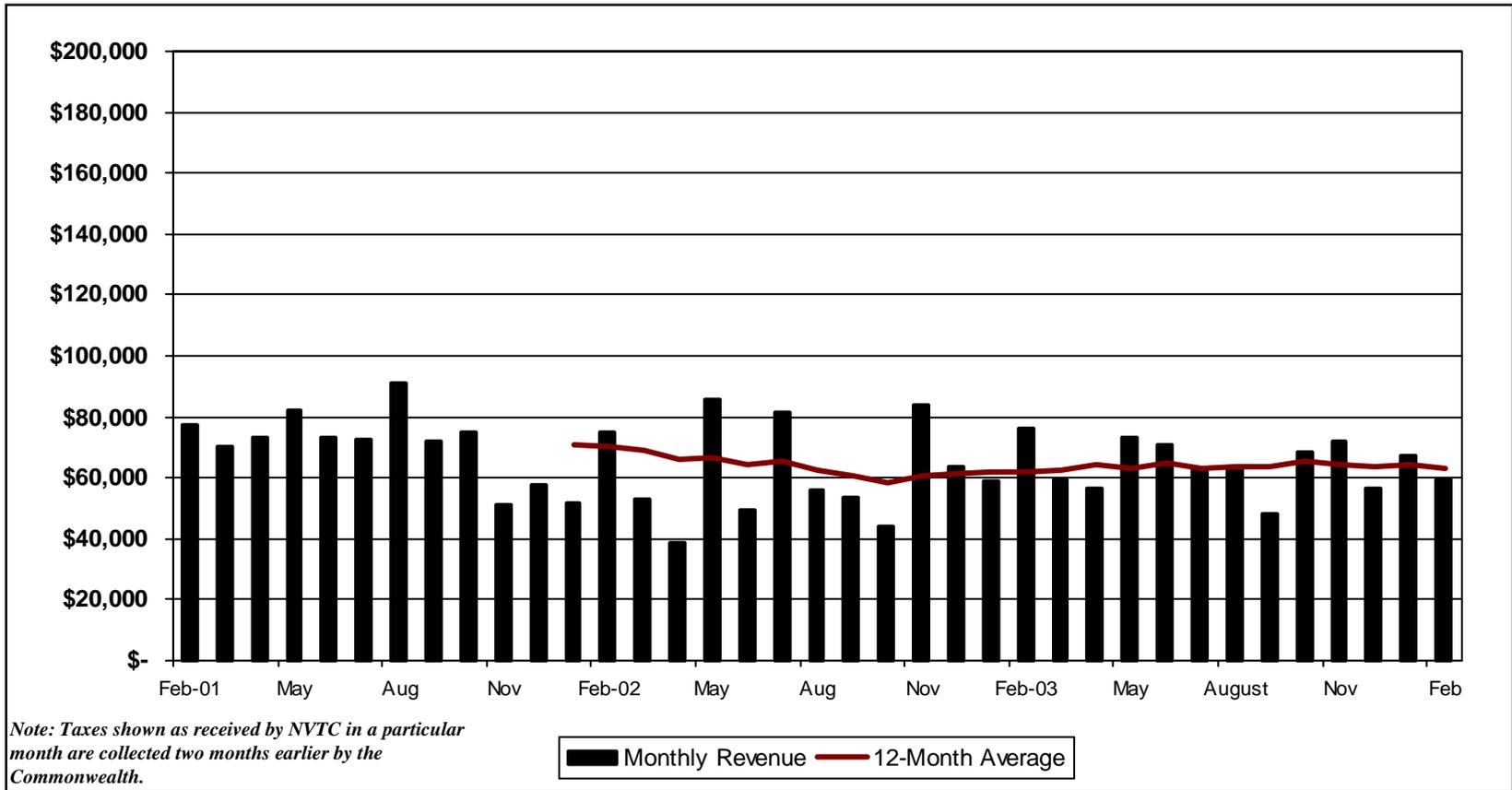
NVTC MONTHLY GAS TAX REVENUE CITY OF ALEXANDRIA FISCAL YEARS 2001-2004



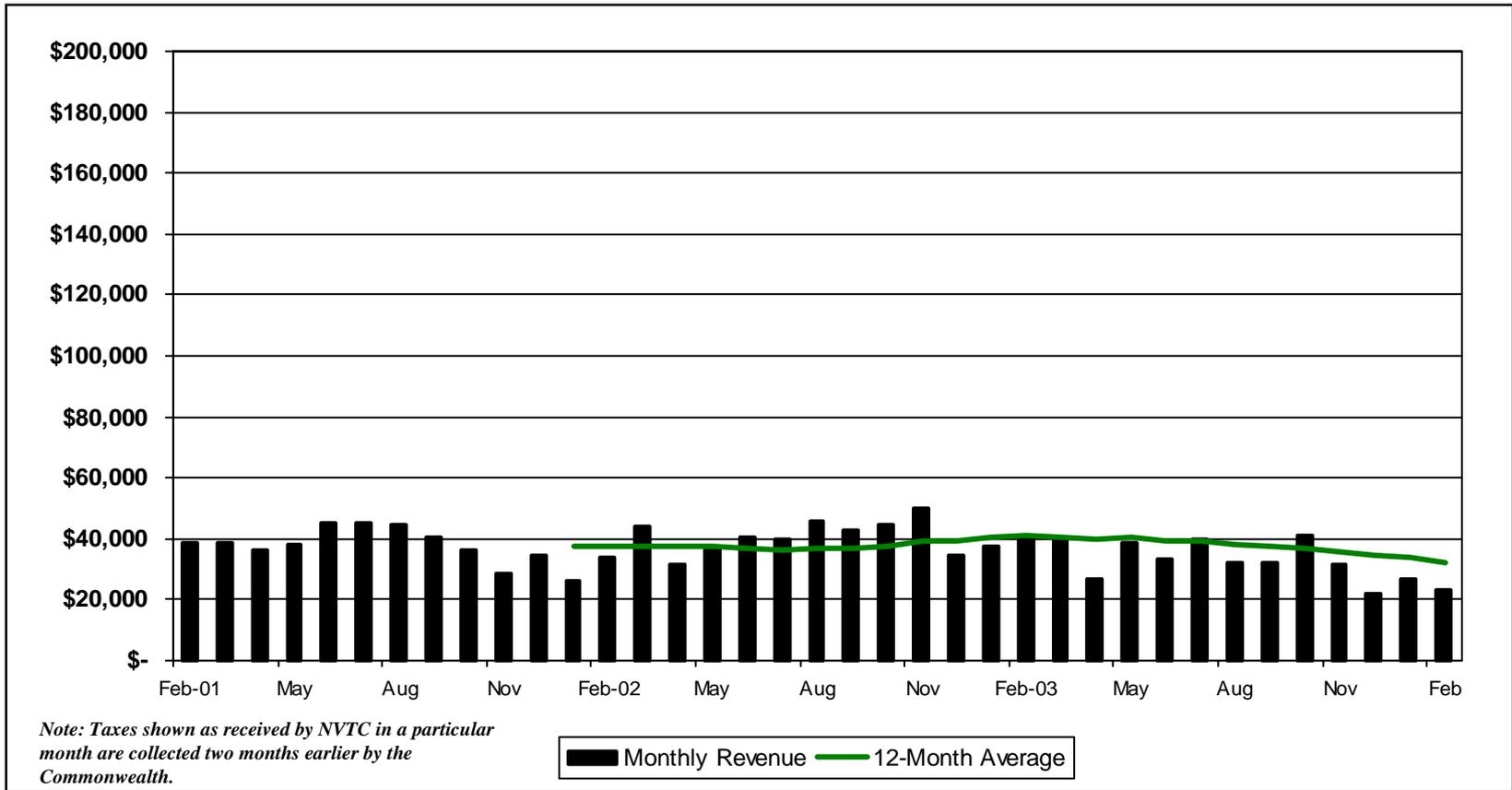
NVTC MONTHLY GAS TAX REVENUE ARLINGTON COUNTY FISCAL YEARS 2001-2004



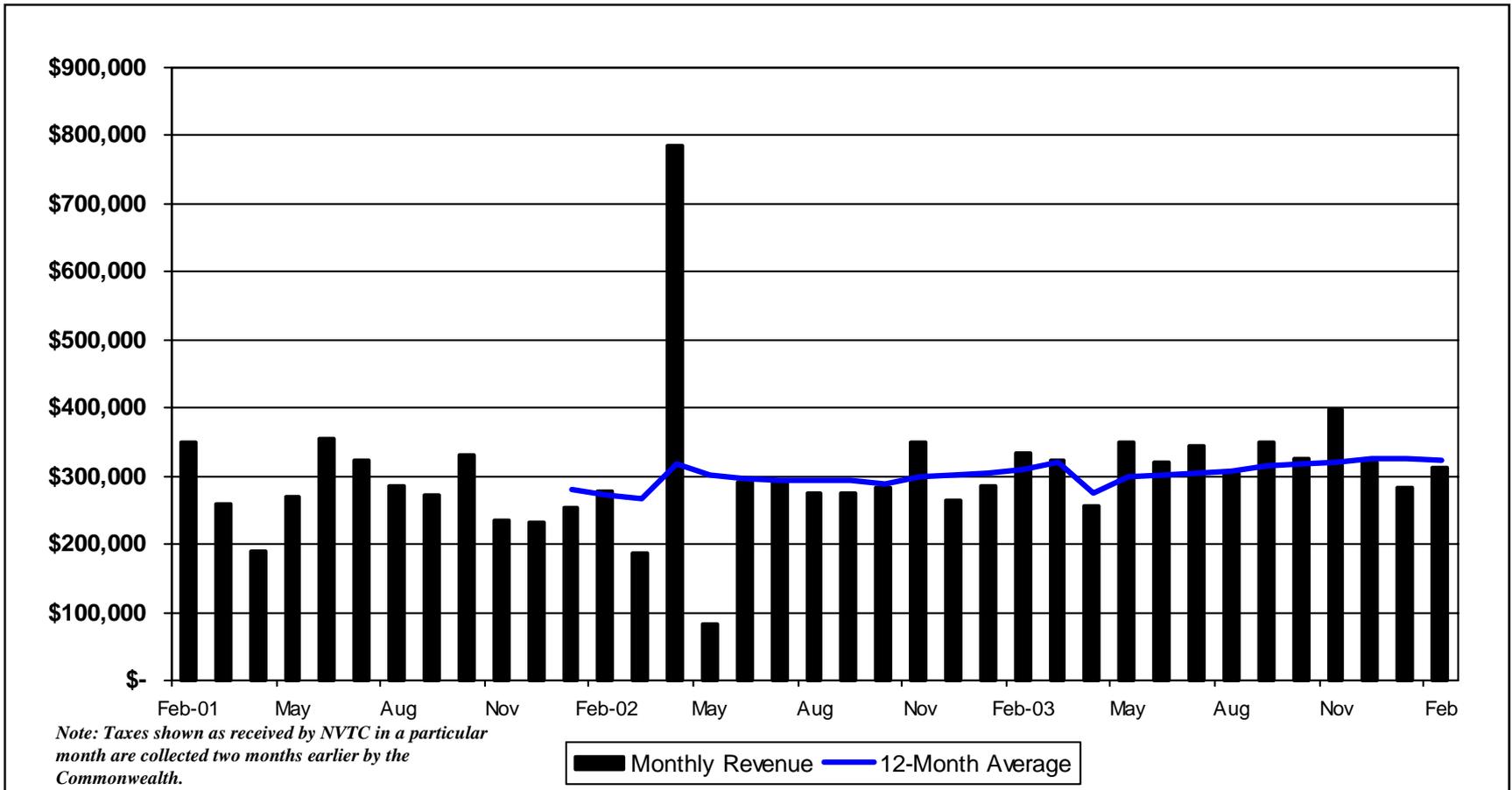
NVTC MONTHLY GAS TAX REVENUE CITY OF FAIRFAX FISCAL YEARS 2001-2004



NVTC MONTHLY GAS TAX REVENUE CITY OF FALLS CHURCH FISCAL YEARS 2001-2004



NVTC MONTHLY GAS TAX REVENUE LOUDOUN COUNTY FISCAL YEARS 2001-2004



MEMORANDUM

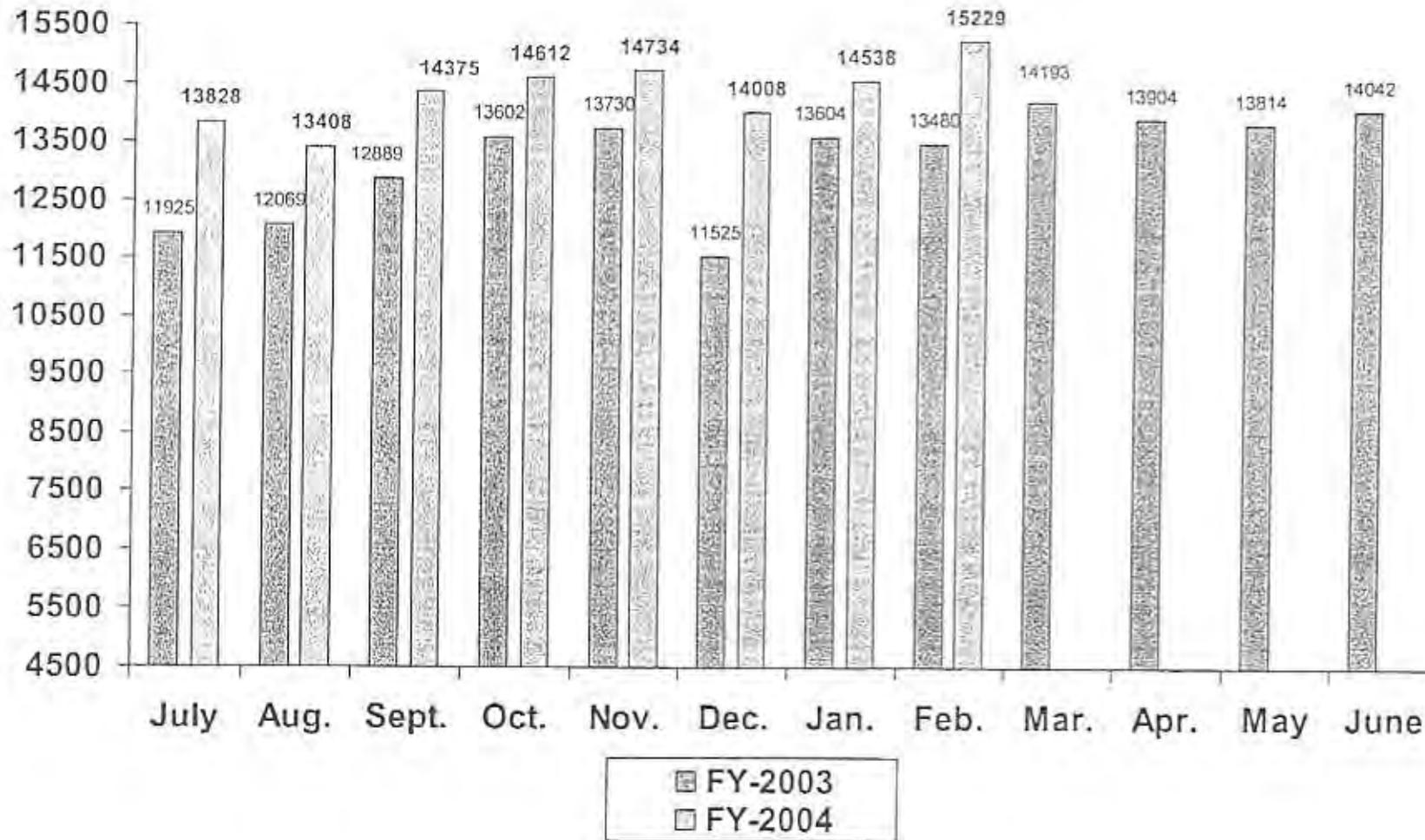
TO: Chairman Euille and NVTC Commissioners
FROM: Rick Taube
DATE: March 25, 2004
SUBJECT: VRE Items

- A. Report from the VRE Operations Board (including minutes of the meeting of March 19, 2004) and from the Acting VRE Chief Operating Officer -- Information Item.
- B. Status of VRE Chief Executive Officer Recruitment -- Information Item.
- C. FY 2003 Auditors' Management Letters -- Information Item.
- D. Agreement with Manassas for VRE Parking and Access Improvements -- Action Item/Resolution #1010.
- E. Task Order to RailPlan International for Gallery Railcar Re-Qualification -- Action Item/Resolution #1011.
- F. Contract Award for Wayside Power and Drip Pans in VRE Yards -- Action Item/Resolution #1012.

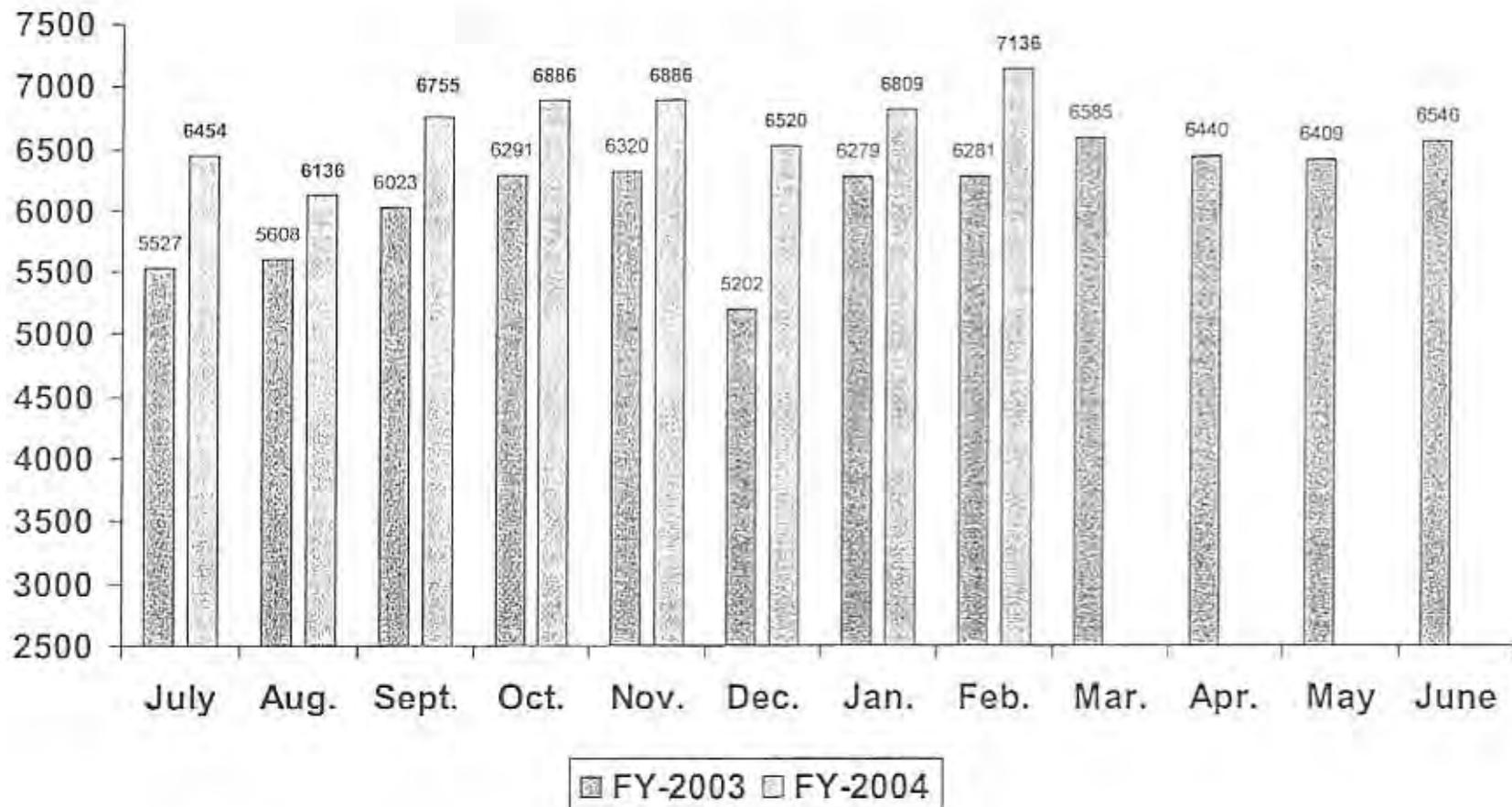
Report from the VRE Operations Board and Acting VRE Chief Operating Officer.

Minutes are attached from the March 19th board meeting together with excerpts from the report of the Acting Chief Operating Officer.

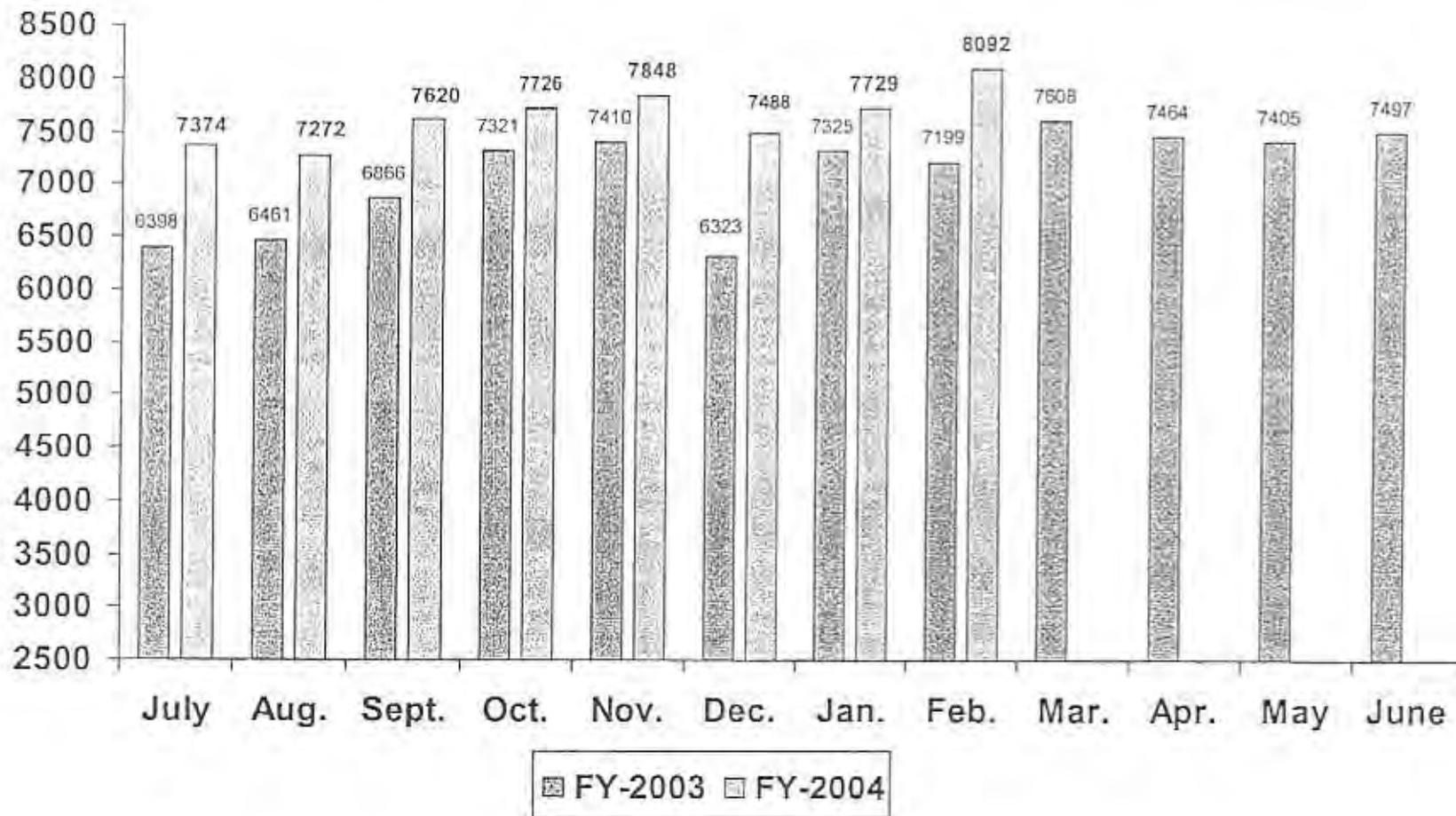
VRE Total Average Daily Ridership



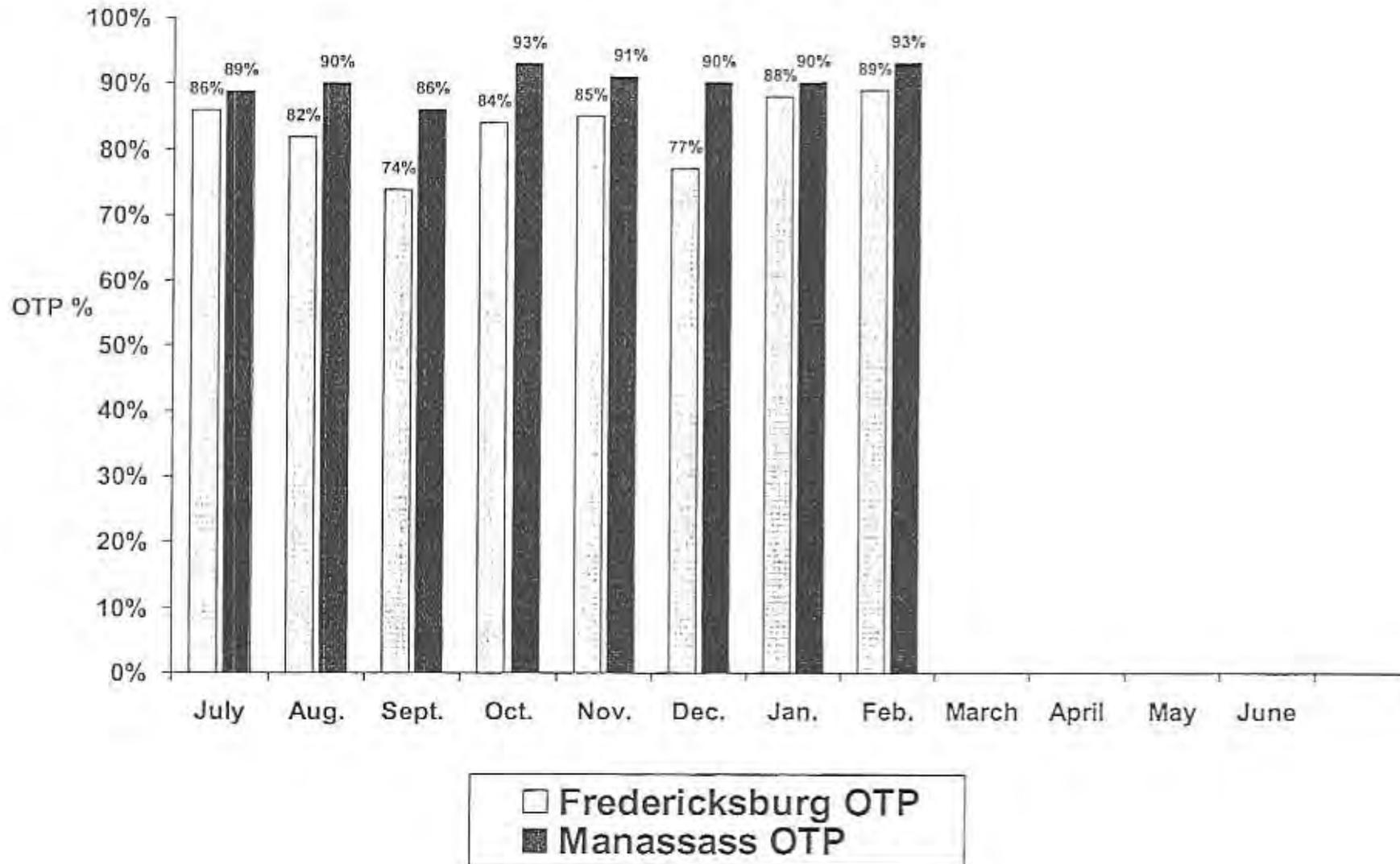
VRE Average Daily Ridership Manassas Line



VRE Average Daily Ridership Fredericksburg Line



Average On-Time Performance FY-2004





CHIEF OPERATING OFFICER'S REPORT

March 2004

VRE SHATTERS 15,000

For months now, VRE ridership has been dramatically increasing and during February 2004 ridership eclipsed a monthly daily average of 15,000 for the first time ever. Monthly ridership for February, with only 19 service days, averaged 15,229. This number is reflective of what I have been telling the Board. Clearly, every time we add seats or parking to the system, we attract more riders.

As validation of the ever-increasing ridership, one needs only examine the growth from February 2003 to February 2004, where daily ridership increased by more than 1,749 riders.

MONTHLY REVIEW OF RIDERSHIP	AVERAGE DAILY RIDERS
VRE February 2004 Average Daily Riders	15,229
VRE February 2003 Average Daily Riders	13,480
PERCENTAGE INCREASE	13%

The real issue now will be how quickly we ramp up to 16,000, since we have been on that cusp several times. Only a few short months ago the high watermark for us was eclipsing 15,000 daily riders; now it is becoming more of the norm. During February, we exceeded 15,000 average daily passenger trips fifteen times during the month.

ON-TIME PERFORMANCE

I am happy to report that February saw a significant reduction in delays as compared to the previous year. In February, we encountered a total of only 51 delays for the month.

The problem that must be worked through now is that the delays that we are encountering significantly impact service when they occur. For instance, locomotive failures and slow orders during the month greatly impacted operations during an entire commute period, whether it was in the morning or evening, reducing our overall on-time performance.

Though nearly 91% on-time performance is a very respectable monthly average, it is my goal to continue to press forward with initiatives that can get this number back up in the 94% range.

MONTHLY ON-TIME PERFORMANCE	ON-TIME PERCENTAGE
VRE February 2004 Fredericksburg OTP Average	88.5%
VRE February 2004 Manassas OTP Average	92.5%
VRE FEB 2004 OVERALL ON-TIME PERFORMANCE	90.5%

A review of delays shows that we continue to have residual problems in three primary areas - train interference, signal problems, and mechanical issues. We must continue to push to improve in all areas if overall on-time performance is to see an increase to levels to which we had become accustomed. On a positive note, our cumulative delays for 2004 (year-to-date) are about 7% less than the delays we experienced in 2003 (year-to-date).

November 2003 Train Delays	REASON	TOTALS	PERCENT
	Signal/Switch Failure	7	14%
	Slow Orders	10	20%
	M/W	0	0%
	Train Interference	19	37%
	AMTRAK	6	12%
	Freight	6	12%
	VRE	6	12%
	Mechanical Failure	5	10%
	Late Turn	6	12%
	PAX Handling	1	2%
	Weather	0	0%
	Crew Related	2	4%
	Other	1	2%
TOTAL	51	100%	

VRE CONDUCTS "PASSENGER TRAIN INCIDENT" TRAINING

On Monday, March 8, 2004, VRE conducted a commuter rail familiarization course for the two Alexandria Police Department Special Operations Teams. These Special Operations Teams (also referred to as SWAT) were provided with two hours of classroom training on how to communicate with the railroads and the trains, how to stop a train, and how to secure a train.

This was followed by nearly 2 hours of hands-on instruction in locomotive and passenger coach nomenclature and access. The day concluded with 3.5 hours of tactical exercises that provided the opportunity for the teams to practice techniques in handling incidents on board VRE trains.

In light of the recent events in Spain, this training session was extremely timely, as VRE's greatest threat from terrorist activity is thought to be in the Alexandria to Washington corridor, where train density and passenger loads are at their highest.

VRE "TRAIN TALK" A FAVORITE OF NON-RIDERS

It appears that VRE "Train Talk" is gaining in popularity not only with our ridership, but also with the general public as well.

The other day we received this email from a relative of one of our riders (who happens to reside in Europe). He was so impressed with our customer communications that he stopped to email us the following:

I'm not one of your VRE riders but I'm a fan of your "Train Talk" e-mails. My sister, who is a rider, sends them on to me in Europe where I live.

When someone who lives thousands of miles away reads the news about what went wrong on a commuter rail line, that's a sign of really good writing. It's also a sign of really great customer service when people pass on your messages with a note "you've got to read this". It can't be easy having to focus mainly on the bad news, but you do it very well. If I were one of your passengers I'd feel I was being well looked after. As it is, I'm enjoying your notes. They're a great example of good communications. Congratulations.

Best regards,
Andrew Blank
The Hague
Netherlands

I think this speaks volumes of the efforts that we take to make sure that our customers always come first and are always in the know as to what VRE is doing to make their commute a more enjoyable experience, and certainly a far more informed one. I have always believed that this is one of the hallmarks of VRE, and I will continue to actively work to strengthen the relationship that we enjoy with our riders.

"TELL MY WHY" CUSTOMER EDUCATION CAMPAIGN

VRE is this week kicking off a new customer education program, appropriately dubbed "Tell Me Why," that aims to answer 15 of the most commonly asked questions.

The multi-faceted program, which will run for 15 weeks, will share questions and answers via posters at the stations, on VRE's Web site, in Commuter Weekly and Train Talk. Topics to be discussed include questions on budget, crowded trains, crowded parking lots, and fare

restructure questions. This campaign is also flexible - if a topic comes up that should be addressed we can insert it into the rotation with minimal impact to the schedule.

Staff will also focus on the Tell Me Why answers during our annual "Meet the Management" series. "Meet the Management" is slated to begin April 7th.

QUANTICO STATION

Recently we completed the environmental remediation at the station. Since that time we have met on-site with Quantico Mayor Raftelis and Supervisor Caddigan to show them the facility.

The project will now move to the design phase, which will be complete by May. This will allow us to keep the project on its target date of December for completion.

VRE has been canvassing the community and working with various base officials, as well as the Mayor and Supervisor Caddigan, to determine interest in utilization of the facility. I have directed staff to develop a Solicitation of Interest for the two potential rental units within the Station.

GALLERY RAILCAR III UPDATE

We started running the first of the Metra Gallery high capacity railcars on February 18th when we put four of the coaches into revenue service.

Ridership reaction to these Gallery railcars has been very good. As a matter of fact, to date the only email we have received on the new Gallery railcars was supportive.

Dear VRE Staff:

The new Gallery cars introduced this week on No. 327,...What a pleasant surprise! They are very comfortable, quiet and the seating except for the end of each car, is really nice.

Quite a difference from the older Gallery cars we have had, but in my book, a pleasant surprise, and a fantastic upgrade!!

It seems that you folks only hear the negative, but this is my opportunity to say to the VRE, "Hat's off" for a fine job on the new coaches.

Signed,
A Manassas Rider!

We continue to work to get the next six Metra Gallery railcars into service, and I am hopeful that by the end of this month all of these coaches will be in revenue service, adding more seats to the VRE fleet.

FARE COLLECTIONS

This month we are working with Scheidt & Bachmann to implement a software patch to correct an error that creates mischarges. This is one of the last major action items remaining on the contract. We will monitor the effects of the patch for 30-60 days to ensure that it resolves the problem and does not create any new errors. Provided this goes well, the vendor will address the few remaining punch list items, and we anticipate wrapping up the initial part of the contract in May.

TEA 21 EXTENDED AGAIN

Late last week, Congress approved another extension of the federal surface transportation law ("TEA-21"), averting a shutdown of key federal transportation agencies and any potential disruption to state and local transportation project sponsors that would have occurred beginning March 1.

The legislation (H.R. 3850), which extends TEA-21 for two months through April 30, was immediately signed by President Bush and is now Public Law 108-202.

This is the second time Congress has extended the six-year TEA-21 law, which expired September 30. The first extension law (P.L. 108-88), enacted in late September, kept TEA-21 in effect for five months through February 29.

This extension effort was weighed down with more controversy as the Senate and House transportation leaders disagreed over the length of the extension period, with the House shrinking their original proposal from four months to two months. The Senate, which passed the measure just minutes before adjourning before the law was due to expire, had to satisfy two Senators on the duration of the 9/11 Commission in order to secure unanimous consent to vote on the two-month extension bill.

Another disagreement between the House and Senate arose over funding flexibility provisions contained in the 5-month extension law that allowed states to use available highway funds for any program purpose. The House version of the extension sought to protect funding for the Congestion Mitigation and Air Quality (CMAQ), Transportation Enhancements, Safety and STP urbanized area funds (MPOs of 200,000 or more) programs, provisions that were strongly supported by STPP and its many partner organizations. Senate transportation leaders originally did not want these protections. In the end members of the House Transportation and Infrastructure Committee prevailed, and these protections were included in the final legislation.

AMERICAN COMMUTE TIME CREEPING UPWARD

The U.S. Census Bureau released new figures on commute times last week, finding that the average American worker spends 24.4 minutes traveling to work. These figures are part of the ongoing American Community Survey (ACS), which provides an annual update of socio-economic data otherwise available only through the decennial Census.

The ACS provides data at the state, county, and city level, ranking each according to the longest commute times. Unfortunately, the available data does not permit an analysis of commute times by mode, which we believe would highlight the significant difference between driving in your car and using public transportation. As such, it is difficult to fairly compare places with higher walking, bicycling, and transit use to auto-oriented places. A more useful analysis would look at commute times in a given place over time.

Already the data show that commutes in spread-out cities with fewer transportation choices are growing faster than those in more compact cities. For example, from 2000 to 2002, commute times in Riverside, CA grew by nearly a minute, moving Riverside up in the ranking from 8th to 4th. Even more dramatic, commutes in Atlanta, GA grew almost 3 minutes, moving Atlanta up 16 places in the ranking to 14th. This pattern will likely continue as more data becomes available in the future.

STUDY FINDS BUILDING MORE LANES DOES NOT REDUCE CONGESTION

A report released this week by the U.S. EPA, "Characteristics and Performance of Regional Transportation Systems" finds that "lane additions and low-density growth do not by themselves prevent worsening congestion." Rather, the report concludes that smart growth transportation characteristics such as transit availability, pedestrian-friendliness, and street connectivity are more likely to improve transportation system performance, and therefore reduce environmental impacts.

The EPA study examines transportation systems in 13 metro areas (in 5 different size categories) to see if characteristics of those systems had an impact on transportation and environmental performance. EPA found that in all but the smallest size category, metro areas with greater transit availability, better pedestrian environments, and more route choices (smart growth transportation areas) had less car travel per person, shorter average car trips, less congestion, higher transit use, and lower air pollution emissions than more auto-dependent metro areas of similar size.

HOUSE AGREES TO A LOWER FIGURE FOR REAUTHORIZATION

Sources on the Hill have said that Speaker J. Dennis Hastert has informed President Bush that the House will soon move to a \$275 billion transportation reauthorization bill that would dictate highway and mass transit policy for the next six years.

The reauthorization process has been stalled in the House for four months, because no one could agree on what the appropriate level of spending on roads, bridges, and public transportation should be for the rest of this decade. In all cases, the figures were more than the White House said it would allow.

Lobbyists from all walks of transportation have been pushing hard for this bill — hailing it as an election-year jobs creation measure. Thus, with Hastert breaking the impasse this should lead to the Transportation and Infrastructure Committee markup by the end of this month.

Even so, Hill staffers say that Transportation Committee Chairman Don Young, R-Alaska, has not fully agreed to any funding figure, as was previously reported this week.

The proposal offered by Hastert is 7% above what the White House had set as its ceiling, \$256 billion over six years. But his figure is 14% below what we'd like to see as our bottom line — \$318 billion, which is the amount that would be authorized under the transportation reauthorization bill (S 1072) the Senate passed last month.

Hastert's announcement is perceived as the final nail in the coffin of the expansive \$375 billion bill advanced by Young (HR 3550) last November, which was titled TEA-LU. It also jeopardizes a number of new programs that would have been authorized under that legislation. Aides were working Thursday to determine what might be in a final version of the bill, given the emerging ceiling on the price tag.

Also left to be resolved is how the bill will divide funds among the states, particularly in light of unrest among "donor" states that send more money to the Highway Trust Fund than they receive for road projects in their states.

Ungaro, Lezlie

From: Lemieux, Wendy
Sent: Monday, March 15, 2004 3:49 PM
To: Train Talk List
Subject: Train Talk, March 15, 2004 3:45p

Train Talk
March 15, 2004 3:45p

VRE and Train Security

As many of you may have noticed, VRE, along with other transit companies in the US have increased security as a result of recent events overseas. While no threat has been directed against VRE, the stepped up security presence at our platforms and yards is a reminder that we must remain ever vigilant during our commutes.

What has VRE Done to Make my Commute More Secure?

Recently, we have implemented many programs to ensure your safe commute. Below are a few of the steps that are in place to keep your trains safe:

- * Over 130 non-uniformed law enforcement officers have joined VRE's "undercover" program, where transportation is provided daily. The officers travel armed and respond to felonies in progress or to a conductor's request for immediate assistance.
- * VRE has contracted for armed security since December 1, 2003, to protect our equipment layover yards. This is to prevent the placement of undetected devices on trains before they begin the morning run to Washington. Inspection of each train is accomplished before the first train leaves.
- * Contracted, and local law enforcement officers are deployed to suburban stations when conditions require.
- * VRE has trained and participated in emergency drills with various Special Operations, SWAT, bomb sniffing dogs and Hostage Response Teams specifically focusing on the nuances of commuter rail operations and equipment.

What, as a passenger, can I or should I do?

- * Take time to know your seatmate.
- * Observe what others bring on the train
- * Observe where packages and objects are placed.
- * If a passenger leaves something behind when he/she gets up to depart; immediately call it to their attention.
- * Observe persons unknown as "regulars" that are not relaxed or that appear uncomfortable; persons with furtive glances.
- * Be alert for suspicious vehicles idling proximate to station entrances and stairways.

Given where we live, VRE'ers are some of the most aware, educated and sensitive transit passengers in the United States. You are the eyes and ears of our system. If in the course of your commute you experience something that "isn't quite right," please notify your conductor immediately. He or she is the authority on the train and is in the best position to deal with issues on board the train. If your concern involves a platform or parking lot, notify the police or personnel at the VRE office.

Lost & Found and Security

One of the biggest challenges that our crews face is determining when something is "lost" versus when something may have been left intentionally. Last week alone, we had more than a handful of cases where passengers left their large bags, luggage pieces or other valuable items on board. Once an item like this is identified, it is left to our crews to determine if this is simply a lost item (which it is 99.99% of the time) or a potentially

dangerous situation. You can help our crews to avoid these decisions. PLEASE keep track of your belongings on the train and remember to take them with you when you deboard. Not only will this solve a security problem, it will save you time and effort later as you try to retrieve it.

If you do lose something you may report it online at <http://www.vre.org/feedback/lostitems.html>.

Your safety is always our #1 priority. Thank you for helping us keep your commute safe.

For the latest information, don't forget to check out the VRE web site at: <http://www.vre.org> . If you would like to unsubscribe yourself from this message service simply go to the VRE website under "Train Talk" and follow the directions.



**VIRGINIA RAILWAY
EXPRESS**

**OPERATIONS BOARD
MEMBERS**

JOHN D. JENKINS
CHAIRMAN

ELAINE MCCONNELL
VICE CHAIRMAN

JOHN GRZEJKA
SECRETARY

DANA KAUFFMAN
TREASURER

HILDA BARG

SHARON BULOVA

**MAUREEN S.
CADDIGAN**

ROBERT GIBBONS

WILLIAM GREENUP

KAREN RAE

**CHRISTOPHER
ZIMMERMAN**

DALE ZEHNER
ACTING CHIEF
OPERATING OFFICER

MINUTES

VRE OPERATIONS BOARD MEETING PRTC HEADQUARTERS – ALEXANDRIA, VIRGINIA

March 19, 2004

MEMBERS PRESENT	JURISDICTION
Sharon Bulova (NVTC)	Fairfax County
Robert Gibbons (PRTC)**	Stafford County
John D. Jenkins (PRTC)	Prince William County
Dana Kauffman (NVTC)	Fairfax County
Karen Rae	VDRPT

MEMBERS ABSENT	JURISDICTION
John Grzejka (PRTC)	City of Manassas
Elaine McConnell (NVTC)	Fairfax County

ALTERNATES PRESENT	JURISDICTION
Hilda Barg (PRTC)	Prince William County
Maureen Caddigan (PRTC)	Prince William County
William Greenup (PRTC)**	City of Fredericksburg/VHSRDC
Christopher Zimmerman (NVTC)**	Arlington County

STAFF AND GENERAL PUBLIC	
Tamara Ashby – VRE	Steve MacIsaac – Attorney for Arlington County and VRE
George Billmyer – citizen	
Don Chism – VRE	April Maguigad – VRE
David Ewing- Connex	Betsy Massie – PRTC staff
Anna Gotthardt – VRE	Renee McKessor – CTS
Alfred Harf – PRTC staff	Ian Newberg - Cubic
Ann King - VRE	Mark Roeber - VRE
Mike Lake – Fairfax County DOT	Dave Snyder – VRE
Dennis Larson - VRE	Jennifer Straub – VRE
Bob Liebbrandt – Prince William County	Rick Taube – NVTC staff
Wendy Lemieux – VRE	John Tuohy – VRE
Jana Lynott - NVTC	Dale Zehner – VRE

**Delineates arrival following the commencement of the Board meeting. Notation of exact arrival time is included in the body of the minutes.

Chairman Jenkins called the meeting to order at 9:35 A.M. Following the Pledge of Allegiance, roll call was taken.

Agenda

Mr. Zehner stated that a Closed Session is recommended to discuss a contractual matter.

On a motion by Ms. Caddigan and a second by Ms. Barg, the Board unanimously approved the amended agenda. The vote in favor was cast by Board Members Barg, Caddigan, Bulova, Jenkins, Kauffman and Rae.

Minutes of the February 20, 2004 VRE Operations Board Meeting

Ms. Barg moved, with a second by Ms. Rae, to approve the minutes. The vote in favor was cast by Board Members Barg, Bulova, Jenkins, Kauffman and Rae. Ms. Caddigan abstained.

[Mr. Gibbons arrived at 9:38 A.M.]

Chairman's Report

Chairman Jenkins talked about security concerns for commuter rail in light of the recent rail bombings in Spain. He stated that some of VRE's jurisdictions have sent uniformed officers to the platforms in their jurisdictions. He has had numerous requests from riders for a greater security presence at the VRE stations and platforms. He encouraged Board members to go to their jurisdictions and request police to have a greater physical presence at the stations. VRE has a substantial security infrastructure already in place, but if the jurisdictions were to increase the uniformed presence at the stations, it may help to relieve passenger apprehension and fears. He asked staff to prepare a letter for his signature to request the jurisdictions to provide additional uniform patrols at the VRE train stations. There were no objections.

Mr. Gibbons stated that the telephone numbers at the Quantico and Brooke Stations are not accurate and he asked staff to make sure they are corrected. Ms. Barg asked if it is possible for the National Guard to be involved. Mr. Gibbons stated that Spotsylvania County requested National Guard assistance last year and although it was not available they will again request it this year.

[Mr. Greenup arrived at 9:40 A.M.]

Mr. Zehner stated that he sent letters to jurisdictional and state police, police, and sheriff offices asking for their assistance for additional presence at the stations. He commented that a letter from the Chairman would also be a good idea.

Chief Operating Officer's Report – 6

Mr. Zehner reported that VRE ridership averaged 15,225 daily passengers during the month of February. On-time performance for February was 91 percent.

Mr. Zehner announced that the four Gallery railcars are in service on the Manassas Line and the other six railcars are going through the inspection process. In response to a question from Chairman Jenkins, Mr. Zehner stated that it is anticipated that all 10 Gallery railcars will be in revenue service by the end of next week. An additional 20 railcars are expected to be in service by October 2004. The Rippon parking lot is open and nearly 120 cars are already using the lot, which makes it close to one-third occupied already.

Mr. Zehner thanked Chairman Jenkins and Ms. Barg for setting up a meeting with PRTC, Prince William County and VRE regarding the National Museum of Military History that wants to locate near the VRE Broad Run Station.

Mr. Zehner stated that it is anticipated that sometime in May 2004, VRE will have its 25 millionth rider. VRE is looking for a sponsor to celebrate this event. Staff will provide more details to the Board at its next meeting.

Mr. Zehner reminded Board Members that the "Tell Me Why" Campaign is a 15-week customer education campaign designed to answer many of the questions that riders have. The campaign will run during the fare restructuring/public comment period. The campaign is intended to proactively get information to the riders and to educate them on changes to the service. Ms. Bulova complimented VRE staff for their work on this campaign.

In response to a question from Ms. Caddigan, Mr. Zehner outlined the parking expansion projects that are underway and for the future. Ms. Caddigan stated that eastern Prince William County needs more parking. Chairman Jenkins noted that 150 more parking spaces will be added to the Woodbridge Station later this summer. Mr. Zehner reminded Board members that there are still spaces at the new leased Rippon lot. Chairman Jenkins stated that the jurisdictions need to address these parking concerns, especially for the buses. Ms. Bulova stated that Fairfax County applied for state funding for the EZ Bus.

[Mr. Zimmerman arrived at 9:50 A.M.]

In response to a question from Chairman Jenkins, Mr. Zehner announced that "Meet the Management" will begin on April 7th at Union Station. CSX representatives will be at

Crystal City and Norfolk Southern representatives will be at L'Enfant. Public hearings for the fare increase begin the week of March 22nd. On March 31st VRE will hold a web-based discussion online.

VRE Riders' Comments – 7

George Billmyer stated that he rode VRE train #322 with the new Gallery railcars, commented that he found the railcars very comfortable and a smooth ride. He stated that the flip type seat is great. He stated that VRE is going to need more railcars after all the Gallery railcars are placed into service because ridership will just continue to keep growing. He stated that the two-by-two seating, flip type seats and wide aisles are a good guideline for future railcar purchases. Ridership demand will continue to grow with all the construction around the stations. Mr. Billmyer commented that a news article stated that Norfolk Southern has expressed interest in running commuter rail service. This would create some competition with Amtrak.

Closed Session – 7A

Ms. Bulova moved, with a second by Ms. Barg, the following motion:

Pursuant to the Virginia Freedom of Information Act (Section 2.2-3711A.7 of the Code of Virginia), the VRE Operations Board authorizes discussion in Closed Session concerning legal matters relating to contract negotiations in the sale of equipment to the Connecticut Department of Transportation.

The vote in favor was cast by Board Members Barg, Bulova, Gibbons, Jenkins, Kauffman, Rae and Zimmerman.

The Board entered into Closed Session at 10:02 A.M. and returned to Open Session at 10:20 A.M. On a motion made by Ms. Bulova, and a second by Ms. Barg, the Board unanimously approved the following certification:

The VRE Operations Board certifies that, to the best of each member's knowledge and with no individual member dissenting, at the just concluded Closed Session:

1. Only public business matters lawfully exempted from open meeting requirements under the Freedom of Information Act were discussed; and,
2. Only such public business matters as were identified in the motion by which the Closed Session was convened were heard, discussed or considered.

The vote in favor was cast by Board Members Barg, Bulova, Gibbons, Jenkins, Kauffman, Rae and Zimmerman.

Chairman Jenkins stated that the Acting Chief Operating Officer is authorized to send a letter of intent to a potential customer regarding the sale of railcars.

Authorization to Establish a VRE Operations Board Audit and Finance Committee – 8A

Mr. Zehner explained that with the completion of the FY 2003 audit, VRE's independent auditors made the recommendation that VRE establish an audit committee. Although there are no requirements for such a committee, it is clear that internal control is strengthened by its presence. It is recommended that the new committee be combined with the Finance Committee. In addition to the current responsibilities of the Finance Committee, the Audit and Finance Committee would be charged with receiving the annual audited financial statements and recommending their acceptance to the Operations Board and Commissions; receiving the auditors' management letter and reviewing the findings and recommendations with management; monitoring management's actions to address management letter issues; act on behalf of the Board, if directed by the Board, on audit or investigation regulated matters; and conferring with VRE's independent auditors as needed.

Ms. Bulova moved, with a second by Ms. Barg, to approve Resolution #8A-03-2004, which would designate the Finance Committee to be the Operations Board Audit and Finance Committee. The vote in favor was cast by Board members Barg, Bulova, Gibbons, Jenkins, Kauffman, Rae and Zimmerman.

Authorization to Solicit Proposals for Available Lease Space at the Quantico VRE Station – 8B

Mr. Zehner explained that Resolution #8B-03-2004 would authorize the Acting Chief Operating Officer to solicit proposals for the lease of two independent spaces inside the Quantico VRE station currently being renovated. Ms. Caddigan thanked Mr. Zehner, Ms. Straub and Mr. Roeber for working on this.

Ms. Caddigan moved, with a second by Ms. Barg, to approve Resolution #8B-03-2004. The vote in favor was cast by Board Members Barg, Bulova, Gibbons, Jenkins, Kauffman, Rae and Zimmerman.

Mr. Gibbons asked for an update on who owns the property on the other side of the track at the Quantico Station. Mr. Zehner stated that this remains to be determined and has since learned that there is a potential for the third track for the Quantico Bridge to be laid across the property in question. He stated that he will provide all this information to Mr. Gibbons as soon as the answers became available. Ms. Rae stated that she would also like information about the third track.

Mr. Gibbons requested staff provide him with information about the Quantico platform and the status of switching. He asked Ms. Rae to provide him with information about the 460 Corridor rail plan.

Authorization to Enter into an Agreement with the City of Manassas for Parking and Access Improvements – 8C

Mr. Zehner stated that Resolution #8C-03-2004 would recommend that the Commissions authorize the Acting Chief Operating Officer to enter into an agreement between VRE and the City of Manassas, following approval from VRE legal counsel, for parking and access improvements in an amount not to exceed \$246,430, plus a ten percent contingency of \$24,643, for a total value of \$271,073.

Mr. Zehner further explained that VRE was awarded funding this past year through the Governor's Congestion Relief Program to complete parking expansion projects and access improvements in Manassas and Broad Run. As part of this project, three initiatives are within the City of Manassas and proposed to be completed by City staff. These initiatives include a 24-space expansion of Parking Lot D, the resurfacing and restriping of the entire Parking Lot D and the resurfacing of Parking Lot F and completing access improvements (shoulder widening, resurfacing, restriping and relocation of street lighting) to Wakeman Drive and Observation Road. The agreement would also make provisions for the City to maintain the ABC Photo lot once expanded, on behalf of VRE.

[Mr. Kauffman left the room briefly at 10:27 A.M. and was not present for the vote.]

On a motion by Ms. Barg and a second by Ms. Caddigan, the Board unanimously approved the resolution. The vote in favor was cast by Board Members Barg, Bulova, Gibbons, Jenkins, Rae and Zimmerman.

Authorization to Award a Task Order Under MEC II to RailPlan International for Project Management and Oversight Services for the Re-Qualification of Up to 30 Gallery III Railcars -- 8D

Mr. Zehner explained that VRE staff will require additional technical and support services from RailPlan during the RFP review process, as well as the oversight and management of the re-qualification at the contractor's plant facility, and warranty execution. Resolution #8D-03-2004 would recommend this action for Commission approval. The amount would not exceed \$618,000. Funds are available from the VTA 2000 state grant with no local match required.

[Mr. Kauffman rejoined the discussion at 10:28 A.M.]

In response to a question from Mr. Gibbons, Mr. Zehner stated that Norfolk Southern could submit a bid.

Ms. Barg moved, with a second by Ms. Bulova, to approve the resolution. The vote in favor was cast by Board Members Barg, Bulova, Gibbons, Jenkins, Kauffman, Rae and Zimmerman.

[Mr. Zimmerman left the room at 10:29 A.M. for a conference call.]

Authorization for the Acting Chief Operating Officer to Pursue Procurement of Express Recharge Machines with Handhelds in Order to Integrate VRE's System with the Regional SmarTrip System – 8E

Mr. Zehner stated that the VRE Operations Board is being asked to authorize him to pursue the procurement for SmarTrip-compatible Express Recharge Machines with Handheld units in order to integrate VRE's system with the Regional SmarTrip System. Resolution #8E-03-2004 would accomplish this.

Tamara Ashby gave a presentation to the Board on the staff analysis that was done to narrow VRE's options for SmarTrip integration. Based on the analysis, staff concluded that Express Recharge Machines with Handheld Units offered the most desirable features, while minimizing cost and risk. She explained that this option is also the same option selected by the Maryland Transportation Administration for the MARC commuter train service. Much of the testing and troubleshooting will be done during the MARC installation, making VRE's transition easier.

In response to a question from Chairman Jenkins, Mr. Zehner stated that the handhelds will also provide the added feature of being able to track conductor ticket validations. This will allow ticket checking to be monitored and VRE can adjust its policies and procedures if necessary. Mr. Taube expressed his support for this option and stated the two key reasons that this option is favorable are that customers would not need a separate ticket and that MARC has chosen this option, which would provide continuity between the two systems. He asked for a definition of "pursue the procurement" in the resolution. Mr. Zehner stated that there is still a question about how to do this procurement. Potentially it could be a sole source, RFP or an add onto another solicitation. Once staff knows how it can be accomplished, they will return back to the Board and recommend an approach.

Mr. Kaufman stated that this SmarTrip option provides an opportunity to insure and account for the collection of revenue. In response to a question from Mr. Harf, Ms. Ashby stated that it is anticipated that once VRE goes to an integrated SmarTrip card, the use of the existing TVM's will be reduced, although VRE will probably use them through their useful life.

In response to a question from Chairman Jenkins, Mr. Zehner stated that it is staffs' intention to return to the Board with a recommended proposal to proceed.

Ms. Bulova moved, with a second by Mr. Kauffman, to approve the resolution. The vote in favor was cast by Board Members Barg, Bulova, Gibbons, Jenkins, Kauffman and Rae.

Authorization to Award a Contract for Installation of Additional Wayside Power and Drip Pan Systems – 8F

Mr. Zehner explained that Resolution #8F-03-2004 would recommend that the Commissions authorize the Acting Chief Operating Officer to award a contract to NV Enterprises, Inc. for the installation of additional wayside power and a drip pan system at the Broad Run Yard and a drip pan system at the Crossroads Yard. The contract would be for an amount not to exceed \$690,920, which includes a 15 percent contingency. In response to a question from Chairman Jenkins, Mr. Zehner stated that funds for this are available from FY 2002 and FY 2003 federal grants.

In response to a question from Mr. Gibbons, Mr. Zehner explained that with additional wayside power, VRE locomotives won't have to idle which cuts down on emissions and the wear and tear of the equipment.

On a motion by Ms. Barg, and a second by Ms. Bulova, the Board unanimously approved the resolution. The vote in favor was cast by Board Members Barg, Bulova, Gibbons, Jenkins, Kauffman and Rae.

Forwarding of the FY 2003 Management Letter and Audit Action Plan to the Commissions as Information – 8G

Mr. Zehner stated that with the completion of the FY 2003 audit, VRE's independent auditors provided a management letter with a number of recommendations and observations. VRE staff and the Finance Committee developed an action plan to address the items in the management letter. Chairman Jenkins explained that the Finance Committee went over it thoroughly and he is satisfied that staff is responding to the recommendations. Ms. Bulova stated that the management letter is being taken very seriously and the process has been very constructive. Chairman Jenkins observed that it is an opportunity for staff to talk with the auditors on an ongoing basis. Ms. Rae stated that she applauds the ethics issue and system improvements that she read in the document. She stated that for the record, the AF interlocking issue still needs to be resolved. Mr. Zehner stated that Resolution #8G-03-2004 would direct the Acting Chief Operating Officer to forward the management letter and audit action plan to the Commissions as an information item.

Ms. Bulova moved, with a second by Ms. Caddigan, to approve the resolution. The vote in favor was cast by Board Members Barg, Bulova, Gibbons, Jenkins, Kauffman and Rae.

Lorton Ridership – 9A

Mr. Zehner reminded Board Members that last month Mr. Kauffman requested that staff examine ridership trends at the VRE Lorton Station. In January 2004, the parking lot at the Lorton Station was 41 percent full. The station is also served by several buses. He stated that the decline in ridership at this station is a direct result of the trains being full. Since many trains on the Fredericksburg Line are reaching capacity well before Lorton, VRE becomes less attractive when a seat is not assured.

Mr. Zehner stated that there is planned construction of higher density condos and multi-family units around the station, which should increase ridership despite the crowded conditions. Mr. Kauffman stated that this is another good reason behind the need for more railcars.

Ms. Barg asked about what liability VRE has for people standing on railcars. Mr. MacIsaac stated that there is some liability, although the seats have hand holds on their backs.

EZ Bus Update – 9B

Mr. Zehner reported that the EZ Bus began in December 2003, with a grant from the Governor's Congestion Relief Initiative. Ms. Bulova stated that before the EZ Bus, parking at the Burke Centre lot was at 130 percent capacity. Mr. Zehner stated that service is currently exceeding the expectations of the Fairfax County/VRE team. EZ Bus is carrying more than 100 people daily. Boardings at this station have also increased by more than 40 people per day. Ms. Bulova stated that while the bus looks like a VRE bus, it is funded by Fairfax County through a state grant. She encouraged other jurisdictions to apply for it too.

Mr. Harf reminded the Board that this was a stop-gap measure until the parking expansion is completed. He stated that it would be useful to do an analysis of what the economics of continued EZ Bus service is in contrast to the cost of parking expansion in order to establish what the threshold beyond which parking costs get to a level where EZ Bus solutions are considered a permanent solution rather than a stop-gap measure. Ms. Bulova stated that the difficulty is that there are operational costs for this type of bus service. Chairman Jenkins stated that jurisdictions need to accept that there will need to be high-rise parking at the stations to accommodate ridership growth. Mr. Kauffman observed that if ridership continues to increase, VRE will probably have to have both bus service and high-rise parking structures.

[Mr. Zimmerman rejoined the meeting at 10:58 A.M.]

Other VRE Business

Ms. Rae announced that CSX has hired a new Chief Operating Officer, Anthony Ingram, formally from Norfolk Southern. She also stated that the draft statewide rail plan, which includes freight and commuter rail, has been sent out for comment. She stated that there isn't much funding available, but the Commonwealth can go ahead and define criteria and communications strategies.

In response to a question from Chairman Jenkins, Mr. Zehner reported that comments from the strategic plan workshop have been incorporated into the report. It will be sent to the jurisdictional staff and the Commissions for final review.

Adjournment

Ms. Bulova moved, with a second by Ms. Caddigan, to adjourn the meeting. The vote in favor was cast by Board Members Barg, Bulova, Gibbons, Jenkins, Kauffman, Rae and Zimmerman. Chairman Jenkins adjourned the meeting at 11:00 A.M.

Approved this 16th day of April, 2004.

John Jenkins
Chairman

John Grzejka
Secretary

CERTIFICATION
<p>This certification hereby acknowledges that the minutes for the March 19, 2004, Virginia Railway Express Operations Board Meeting have been recorded to the best of my ability.</p> <p style="text-align: right;"><i>Rhonda Gilchrest</i> _____ Rhonda Gilchrest</p>

Status of VRE Chief Executive Officer Recruitment

The deadline for applications was March 1, 2004. Screening by the Search Team of 250 expressions of interest has occurred and interviews of the top candidates have been held. The VRE Operations Board will interview the best of these candidates in mid-April and a ranking of these candidates will be provided to the commissions as early as the May 6th commission meeting.

FY 2003 Auditors' Management Letters

The VRE Operations Board and its Audit and Finance Committee have been reviewing the auditors' letters to management and the VRE staff's responses to each recommendation. The attached report is provided for your information. NVTC staff recommends that commissioners examine these materials carefully. Additional material has been requested from VRE staff to facilitate that examination.

Given the limited time available for discussion at NVTC's April 1st meeting, staff recommends deferring this discussion until the May 6th commission meeting. In the meantime, the VRE Operations Board and VRE staff are actively working on many of the changes set forth in the attachment.

FY 2004 Audit Action Plan

Completed items:

Recommendation	Status
The door to the computer room was not always locked. It is important to stress proper security access controls to VRE's information technology personnel.	The policy has been reemphasized and is being followed.
The debt service reserve required is one third (33%) of budgeted operating expenses. Management should closely monitor the percentages throughout the year.	<p>This is being recomputed quarterly</p> <p>At the end of the 2nd quarter of FY 2004 the reserve was 41% of budgeted expenses.</p> <p>The formulation of future budgets will include provisions for a managed reserve account. The parameters under which this will be established will be formulated in consultation with the CAO Task Force.</p>
Director of Finance should review the accounts payable listing and spot check certain transactions to ensure the list is accurate and complete.	This is being done on at least a weekly basis
In order to prevent credit card abuse, we suggest management remind employees of VRE's credit card policy and ensure the credit card policy is strictly enforced.	<p>The credit card policy was reissued in February of 2004, clarifying employees' responsibilities under the policy</p> <p>The Finance Department reviews all charges using VRE credit cards at the time the bills are submitted for payment. The Finance Director spot checks the charges, as well.</p>
A checklist of account reconcilements, monthly closing of the books and distribution of reports should be developed. This should include personnel responsible, due date and sign-off.	This procedure was put in place with the closing of the month of January 2004.
Personnel should be held accountable for timely and accurate completion of the financial statement reporting processes for which they are held responsible.	<p>This observation was shared with the Finance staff.</p> <p>This will be incorporated into individual evaluations at the employees' annual reviews.</p>

Items in process with staff:

Recommendation	Status
<p>VRE should purchase capital asset software to maintain the subsidiary ledger of capital assets and calculate depreciation and gains and losses on disposals of individual assets.</p>	<p>An RFP for an integrated financial system has been developed and referred to the VRE Counsel for comment on February 20.</p> <p>The RFP is anticipated to be released mid-March. Implementation is expected to be completed in the 4th quarter of 2004.</p> <p>Excel spreadsheets are being developed to track individual assets instead of the previous group method. These will be available for use with for the FY2004 audit as of June 30, 2004.</p>
<p>VRE should purchase capital asset software to maintain the subsidiary ledger of capital assets and calculate depreciation and gains and losses on disposals of property and equipment. Management should determine a method of allocating these additional costs.</p>	<p>An RFP for an integrated financial system has been developed and referred to the VRE Counsel for comment on February 20.</p> <p>The RFP is anticipated to be released mid-March. Implementation is expected to be completed in the 4th quarter of 2004.</p> <p>Management has determined that, absent any specific allocation, additional costs will be allocated evenly over all like-kind assets.</p>
<p>The accounting department should educate the project managers about identifying and accounting for capital assets so that the department receives the information it needs from the project managers. When capital expenses are incurred, a copy of the approved invoice should be routed to the individual in charge of capital assets in the accounting department in order for records to be updated in a timely manner.</p>	<p>Accounts payable will route invoices related to construction and equipment to the staff person responsible for fixed assets. As part of the monthly reconciliation process, all expenditures are reviewed to ensure adherence to expense vs. capitalization policies. The integrated finance system will allow project managers to begin the capitalization process at the creation of the purchase order as opposed to waiting for payment of invoices.</p>

<p>During fieldwork, we were informed that VRE was disputing two large accounts payable invoices. We encourage management to resolve these matters and bring them to a resolution.</p>	<p>VRE staff continues to work with Amtrak to have them comply with FTA requirements before any further invoices can be paid.</p> <p>The CSX invoice for additional work on the AF interlocker is not a VRE responsibility. Staff will continue to work with CSX and the State to have these amounts written off or paid out of non-VRE funds if at all appropriate.</p>
<p>Determine where areas of financial statement preparation can be automated.</p>	<p>An RFP for an integrated financial system has been developed and referred to the VRE Counsel for comment on February 20.</p> <p>The RFP is anticipated to be released mid-March. Implementation is expected to be completed in the 4th quarter of 2004.</p> <p>Finance staff will continue to analyze other areas where automated systems can be applied to financial operations and statement preparation</p>
<p>Prepare timeline in connection with the annual audit for release of draft financial statements, review of statements and release of final statements.</p>	<p>A meeting to determine the timeline and the responsibilities of the VRE staff and audit staff will be held after April 15. The timeline will be available for use with the FY2004 audit as of June 30, 2004.</p>

Items in process with Operations Board:

Recommendation	Status
<p>A Board resolution approved in December 1999 lists certain expenses that are eliminated from operating costs in performing the calculation of the farebox recovery ratio. We suggest that the Board consider adopting an additional resolution that clarifies what costs are excludable in making this calculation.</p>	<p>A resolution clarifying the original resolution will be presented to the Finance Committee on March 9th for comment</p> <p>The resolution will be presented to the Operations Board upon recommendation of the Board Finance Committee.</p>

<p>We recommend that the Commissions discuss the benefits of creating an audit committee, or discuss its involvement in the responsibilities listed above. Procedures and controls can exist that are the functional equivalent of an audit committee. Although there are no requirements for an audit committee, it is clear that internal control is strengthened by its presence.</p>	<p>A resolution designating the Finance Committee to act as the Audit Committee will be presented to the Operations Board at the meeting of March 19.</p> <p>Staff will work with the Finance/Audit Committee to define the responsibilities of the Audit Committee.</p>
<p>VRE should consider adopting an official fraud policy statement. This would be applicable to violations of controls and misuse of resources.</p>	<p>A draft fraud policy will be presented to the Finance Committee for comment on March 9th.</p> <p>A final policy will be presented to the Operations Board at the April 16 meeting upon the recommendation of the Finance Committee.</p>



Virginia Railway Express

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AGENDA ITEM 8-G ACTION ITEM

TO: CHAIRMAN JENKINS AND THE VRE OPERATIONS BOARD
FROM: DALE ZEHNER
DATE: MARCH 19, 2004
RE: FORWARDING OF THE FY 2003 MANAGEMENT LETTER AND
AUDIT ACTION PLAN TO THE COMMISSIONS AS
INFORMATION

RECOMMENDATION:

The VRE Operations Board is being asked to direct the VRE Acting Chief Operating Officer to forward the FY 2003 management letter and audit action plan to the Commissions for their information.

BACKGROUND:

With the completion of the FY 2003 audit, PBGH, VRE's independent auditors provided a management letter with a number of recommendations and observations. VRE staff and the Operations Board Finance Committee developed an action plan to address the items in the management letter. Copies of the management letter and action plan are attached. The Finance Committee recommended that the Operations Board forward both documents to the Commissions as an information item. VRE staff will continue to provide progress updates on the action plan to the Finance Committee.

FISCAL IMPACT:

This has no fiscal impact.

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Woodbridge, Virginia 22192
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TO: CHAIRMAN JENKINS AND THE VRE OPERATIONS BOARD
FROM: DALE ZEHNER
DATE: MARCH 19, 2004
RE: FORWARDING OF THE FY 2003 MANAGEMENT LETTER AND
AUDIT ACTION PLAN TO THE COMMISSIONS AS
INFORMATION

RESOLUTION
8G-03-2004
OF THE
VIRGINIA RAILWAY EXPRESS
OPERATIONS BOARD

WHEREAS, VRE's independent audit firm has provided a management letter;
and,

WHEREAS, the Operations Board finance Committee and VRE staff have
developed an action plan to address the items set forth in the management letter;
and,

WHEREAS, the Operations Board Finance Committee recommends that the
management letter and action plan be forwarded to the Commissions as an
information item,

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board
directs the VRE Acting Chief Operating Office forward the FY 2003 management
letter and audit action plan to the Commissions as an information item.

Independent Auditors' Management Letter – FY 2003

To the Commissioners
The Northern Virginia Transportation Commission
The Potomac and Rappahannock Transportation Commission

In connection with our audit of the financial statements of Virginia Railway Express (VRE) for the year ended June 30, 2003, we have the following comments and suggestions for your consideration.

Capital Asset Records

VRE currently maintains its property and equipment records and related depreciation on an Excel spreadsheet. VRE uses the group depreciation method to calculate depreciation because detail schedules of property and equipment are not available. Since property and equipment comprise the most significant portion of VRE's total assets, we encourage management to research historical cost data on capital purchases and establish a detailed subsidiary ledger that agrees to the general ledger. Another procedure that would assist in developing such a ledger is taking a physical inventory of all property and equipment. An inventory tag or identification marker placed on each movable asset can provide a continuing cross-reference to the subsidiary ledger. We also recommend VRE purchase capital asset software to maintain the subsidiary ledger of capital assets and calculate depreciation and gains and losses on disposals of property and equipment. This will provide better internal control over existing assets as well as future acquisitions and disposals and eliminate the time it takes to manually calculate depreciation.

During our audit of capital assets and construction in progress, we found that improvements to certain assets were not being allocated to individual assets when placed in service. Management should determine a method of allocating these additional costs. Another benefit to purchasing specialized capital asset software is the ease in assigning additions to existing assets after the allocation has been calculated. When an asset is disposed, the total cost of the asset will be easily identified in the software and an accurate gain or loss can be recorded.

Indentures of Trust

Under the indentures of trust for the \$23,000,000 Commuter Rail Revenue Bonds Series 1997, VRE must maintain an operating reserve equal to one-third of the budgeted operation and maintenance expenses excluding payments made for self-insurance. The debt service reserves were approximately 34% and 35% in fiscal years 2003 and 2002, respectively. Since VRE barely met the reserve threshold, we suggest management closely monitor the percentages throughout the year. VRE has purchased a bond to guarantee the payment of each of the bond series.

Construction In Progress

We noted several projects on the schedule of construction in progress provided to us that had no activity during the current year. It appeared these projects were substantially complete and should have been transferred to the proper capital asset class and depreciation started. We were informed that project managers generally only communicate the status of capital projects to the accounting department quarterly. Some project managers only consider capital assets to be assets that are federally funded, therefore increasing the risk of capital assets being expensed instead of capitalized. The accounting department should educate the project managers about identifying and accounting for capital assets so that the department receives the information it needs from the project managers. When capital expenses are incurred, a copy of the approved invoice should be routed to the individual in charge of capital assets in the accounting department in order for records to be updated in a timely manner.

Computer Server Room Security

While documenting the physical access controls over VRE's computer system, we were informed the computer server room is locked when no one is in the room. We noticed this was not always the case during the day. Should the wrong person gain access to the servers, there could be physical damage imposed that could result in problems for VRE; therefore, it is important to stress proper security access controls to VRE's information technology personnel.

Accounts Payable

There were numerous adjustments to accounts payable as a result of our audit, including capital lease principal payments and several fiscal year 2004 expenses that were improperly accrued. Also, there were several items, which were not accrued but should have been. We suggest the Director of Finance review the accounts payable listing and spot check certain transactions to ensure the list is accurate and complete.

During fieldwork, we were informed that VRE was disputing two large accounts payable invoices. We encourage management to resolve these matters and bring them to a resolution.

Fare Revenue

According to the Master Agreement, "fares shall be set to cover, initially, no less than 50% of annual estimated operating costs unless otherwise agreed to unanimously by the participating jurisdictions." A Board resolution approved in December 1999 lists certain expenses that are eliminated from operating costs in performing the calculation. Currently, the internal method of calculating the ratio has differed from the literal wording of the resolution. We believe that the method of calculation should be consistent with the Board's intention. Accordingly, we suggest that the Board consider adopting an additional resolution that clarifies what costs are excludable in making this calculation. Under either calculation scenario, VRE exceeded the 50% standard for 2003.

Consider Developing a Formal Fraud Policy

Recent fraud and scandals have increased public awareness of fraud. VRE should consider adopting an official fraud policy statement. This statement should identify VRE's policy on detection of fraud as well as the treatment of any incidents that may occur. This statement should be distributed to all individuals who handle VRE's funds, as well as those who approve and request expenditure of those funds. According to the Association of Certified Fraud Examiners, the most effective fraud deterrent is the fear of being caught. By distributing an official fraud policy statement, VRE will be taking an important step toward preventing future misappropriations and will have an established procedure for dealing with any instances of fraud that occur. We recommend management establish policies and procedures to allow staff members the ability to come forward and report possible violations of controls without the concern of retribution.

Credit Card Transactions

While testing accounts payable disbursements, we observed situations where requests for payment for credit card purchases were turned into the accounting department without adequate supporting documentation. For instance, the only documentation for a meal was a credit card statement and a brief description. A sufficient description would include the attendees and purpose of the meal. VRE's credit card policy requires receipts to be kept for all purchases and turned in with credit card statements; however, we noted certain transactions where this did not occur. Another disbursement we tested was for personal use, which was reimbursed by the individual, but is in violation of VRE's credit card policy. According to the policy, "personal use of a VRE credit card will result in cancellation of credit card privileges and such adverse personnel actions as deemed appropriate by management." In order to prevent credit card abuse, we suggest management remind employees of VRE's credit card policy and ensure the credit card policy is strictly enforced.

Audit/Finance Committee

Attention is being given by a number of regulatory and professional bodies to establishing an audit committee. Although audit committees have received increased emphasis, they are not required for VRE, nor are their specific duties and activities prescribed. Although some variations in responsibility and duties are necessary and appropriate, certain characteristics and functions generally are common to all effective audit committees. Management is responsible for the reliability of the financial statements, but an effective audit committee plays an important role. The audit committee is in a unique position. It has the authority to question top management regarding how it is carrying out its financial reporting responsibilities, and it has the authority to ensure that corrective action is taken. The audit committee is often in the best position within an entity to identify and act

in instances where top management overrides internal controls or otherwise seeks to misrepresent reported financial results. Thus, there are instances where an audit committee must carry its oversight role to the point of directly addressing serious events or conditions.

There are general guidelines which deal with committee size and terms of appointment, meeting schedules and participants, full Board reporting, members' knowledge of VRE's operations, reviewing plans of internal and external auditors, adoption of new accounting principles, significant estimates, reserves, contingencies and variances between years, to name a few.

We recommend that the Commissions discuss the benefits of creating an audit committee, or discuss its involvement in the responsibilities listed above. Procedures and controls can exist that are the functional equivalent of an audit committee. Although there are no requirements for an audit committee, it is clear that internal control is strengthened by its presence.

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This report is intended solely for the information and use of management, members, and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.

If you have any questions concerning any of these items, or if we can be of further assistance, please contact us. We thank you for the opportunity to conduct your audit for the year ended June 30, 2003 and express our appreciation to everyone for their cooperation during this engagement.

Harrisonburg, Virginia
October 21, 2003

Agreement with Manassas for VRE Parking and Access Improvements

The VRE Operations Board recommends Resolution #1010. This resolution authorizes VRE's Acting Chief Operating Officer to execute an agreement with the city of Manassas for parking and access improvements. The authorized amount of funding from state grants (Governor Warner's Congestion Relief Program) and local matching funds for this project included in VRE's approved Capital Improvement Program (CIP) is not to exceed \$271,073, which includes a 10 percent contingency.

The recommended improvements are described in the attached memorandum. The agreement is being drafted by VRE's legal counsel.

RESOLUTION #1010

SUBJECT: Agreement with Manassas for VRE Parking and Access Improvements.

WHEREAS: VRE received funding from Governor Warner's Congestion Relief Program to complete parking expansion projects and access improvements in Manassas and Broad Run;

WHEREAS: The city of Manassas has the ability to complete three of these initiatives with its own forces; and,

WHEREAS: Design has been completed for these projects.

NOW, THEREFORE BE IT RESOLVED that the Northern Virginia Transportation Commission authorizes the VRE Acting Chief Operating Officer to enter into an agreement between VRE and the city of Manassas for parking and access improvements in an amount not to exceed \$246,430, plus a contingency of \$24,643, for a total value of \$271,073 of available grant funds, with the agreement to be provided by VRE legal counsel.

Approved this 1st day of April, 2004.

William D. Euille
Chairman

Gerald E. Connolly
Secretary-Treasurer



Virginia Railway Express Operations Board

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AGENDA ITEM 8-C ACTION ITEM

TO: CHAIRMAN JENKINS AND THE VRE OPERATIONS BOARD

FROM: DALE ZEHNER

DATE: MARCH 19, 2004

RE: AUTHORIZATION TO ENTER INTO AN AGREEMENT WITH THE CITY OF MANASSAS FOR PARKING AND ACCESS IMPROVEMENTS

RECOMMENDATION:

The VRE Operations Board is being asked to recommend that the Commissions authorize the Acting Chief Operating Officer to enter into an agreement between VRE and the City of Manassas, following approval from VRE legal counsel, for parking and access improvements in an amount not to exceed \$246,430, plus a 10% contingency (\$24,643), for a total value of \$271,073.

BACKGROUND:

VRE was awarded funding this past year through the Governor's Congestion Relief Program to complete parking expansion projects and access improvements in Manassas and Broad Run. As part of this project, three initiatives are within the City of Manassas and proposed to be completed by City public works personnel. These initiatives include a 24-space expansion of Parking Lot D, the resurfacing, and restriping of the entire VRE Parking Lot D; and the resurfacing VRE Parking Lot F; and completing access improvements (shoulder widening, resurfacing, restriping and relocation of street lighting) to Wakeman Drive and Observation Road. The agreement will also make provisions for the City to maintain the ABC Photo lot, once expanded, on behalf of VRE.

Design of these projects has been completed and this MOU will allow the City to initiate construction. Work is expected to be completed by the end of the year.

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FISCAL IMPACT:

Funds for the project are included in VRE's Capital Improvement Program (CIP) as part of the projects included in the Governor's Congestion Relief Program. Funding for this project is from state grants and local funds.

Task Order to RailPlan International for Gallery Railcar Re-Qualification

The VRE Operations Board recommends approval of Resolution #1011. This resolution authorizes VRE's Acting Chief Operating Officer to issue a task order under VRE's existing Mechanical Engineering Contract (MEC II) to RailPlan International for project management services, contractor oversight and warranty administration related to re-qualifying up to 30 VRE Gallery railcars. The amount is not to exceed \$618,000 of funding from the Virginia Transportation Act of 2000. This project is in VRE's approved CIP.

RESOLUTION #1011

SUBJECT: Task Order to RailPlan International for Gallery Railcar Re-
Qualification.

WHEREAS: VRE staff requires the technical and expert services of VRE's
Mechanical Engineering Consultant (MEC) for the review of
proposals submitted for the re-qualification of up to 30 Gallery III
railcars;

WHEREAS: The scope of work also includes FTA-required oversight of the work
performed at the contractor's plant throughout the re-qualification
process;

WHEREAS: The MEC will ensure the full execution of the warranty program
associated with the re-qualification;

WHEREAS: This task order provides for such project management services,
associated engineering services, resident inspector services,
commissioning services and warranty services; and

WHEREAS: This task order provides for such services during the entire re-
qualification process, which may last up to two years.

NOW, THEREFORE BE IT RESOLVED that the Northern Virginia Transportation
Commission authorizes the VRE Acting Chief Operating Officer to
issue a task order under the Mechanical Engineering Contract II to
RailPlan International for project management services, contractor
oversight, and warranty administration related to the re-qualification
of up to 30 Gallery III railcars in an amount not to exceed \$618,000.

Approved this 1st day of April, 2004.

William D. Euille
Chairman

Gerald E. Connolly
Secretary-Treasurer



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AGENDA ITEM 8-D ACTION ITEM

TO: CHAIRMAN JENKINS AND THE VRE OPERATIONS BOARD

FROM: DALE ZEHNER

DATE: MARCH 19, 2004

RE: AUTHORIZATION TO AWARD A TASK ORDER UNDER MEC II TO RAILPLAN INTERNATIONAL FOR PROJECT MANAGEMENT AND OVERSIGHT SERVICES FOR THE RE-QUALIFICATION OF UP TO 30 GALLERY III RAILCARS

RECOMMENDATION:

The VRE Operations Board is being asked to recommend that the Commissions authorize the Acting Chief Operating Officer to award a task order under the Mechanical Engineering Contract (MEC) II to RailPlan International for project management services, contractor oversight, and warranty administration in conjunction with the re-qualification of up to 30 Gallery III cars in an amount not to exceed \$618,000.

BACKGROUND:

On September 4, 2003, the Operations Board authorized the Acting Chief Operating Officer to purchase 35 railcars from Metra in Chicago, and re-qualify 30 Gallery cars (Gallery III) for use within the existing VRE fleet.

VRE staff will require additional technical and support services from its contracted mechanical engineer, RailPlan International, during the RFP review process, as well as the oversight and management of the re-qualification at the contractor's plant facility (an on-site inspector is a requirement of the FTA), and warranty execution.

This cost is the equivalent of approximately 17.7% of the contractor costs. Previous projects of similar nature were the rebuild of five gallery cars by Northern Rail Car wherein the engineering oversight was equivalent to 28.4% of the contractor costs and the rebuild of ten more Gallery cars by Transportation Transit Associates with engineering costs approximately 18.9% of the contractor costs.

The cost for this task order is based upon a 12-month contract period for the entire re-qualification process and a one-year warranty period.

FISCAL IMPACT:

Funds for this task order are included in VRE's CIP as part of the Gallery III project. Funding for this project is from the VTA 2000 state grant. No local match is required.

Contract Award for Wayside Power and Drip Pans in VRE Yards

The VRE Operations Board recommends approval of Resolution #1012. This resolution authorizes the VRE Acting Chief Operating Officer to award a contract to NV Enterprises, Inc. for the installation of additional wayside power and a drip pan system at the Broad Run VRE Yard and a drip pan system at the Crossroads VRE Yard. NV Enterprises was selected in a competitive procurement. The contract value is not to exceed \$690,920 (including a 10 percent contingency) of federal grant funds for this project, which is included in VRE's approved CIP.

RESOLUTION #1012

SUBJECT: Contract Award for Wayside Power and Drip Pans.

WHEREAS: The introduction of more railcars has required VRE to seek additional wayside power and drip pans for its yard facilities at Broad Run and Crossroads;

WHEREAS: These facilities will allow improved maintenance as well as operating flexibility;

WHEREAS: Inefficient practices such as using an idling locomotive to provide power can be eliminated with the installation of this equipment; and,

WHEREAS: A competitive procurement has been completed.

NOW, THEREFORE BE IT RESOLVED that the Northern Virginia Transportation Commission authorizes the VRE Acting Chief Operating Officer to award a contract to NV Enterprises, Inc. for the installation of additional wayside power at the Broad Run Yard and drip pan systems at both Broad Run and Crossroads yards in an amount not to exceed \$600,800 plus a contingency of \$90,120, for a total value of \$690,920.

Approved this 1st day of April, 2004.

William D. Euille
Chairman

Gerald E. Connolly
Secretary-Treasurer



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AGENDA ITEM 8-F ACTION ITEM

TO: CHAIRMAN JENKINS AND THE VRE OPERATIONS BOARD

FROM: DALE ZEHNER

DATE: MARCH 19, 2004

**RE: AUTHORIZATION TO AWARD A CONTRACT FOR
INSTALLATION OF ADDITIONAL WAYSIDE POWER AND DRIP
PAN SYSTEMS**

RECOMMENDATION:

The VRE Operations Board is being asked to recommend that the Commissions authorize the Acting VRE Chief Operating Officer to award a contract to NV Enterprises, Inc. for the installation of additional wayside power and a drip pan system at the Broad Run Yard and a drip pan system at the Crossroads Yard. The contract value is recommended in an amount not to exceed \$600,800, plus a 15% contingency (\$90,120) for a total value of \$690,920.

BACKGROUND:

As additional railcars are introduced and the downtown maintenance facilities continue to experience overcrowding, VRE has increased its exploration of performing independent maintenance work at its outlying yards. In order to perform this work, the current yard facilities need to be upgraded and enhanced with sufficient wayside power and drip pan systems.

The provision of adequate wayside power not only increases maintenance flexibility, but it also discourages the current practice of using locomotives to provide electricity to cars that are being stored or maintained. VRE desires to eliminate this practice as it accentuates wear and tear on the equipment as well as contributes to air, ground and noise pollution. In March of 2003, VRE

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successfully installed wayside power at Crossroads and has experienced much improved operational and maintenance flexibility.

In addition to the installation of wayside power at Broad Run, this procurement also included installation of drip pan systems at both yards. These drip pans collect petroleum products from locomotives being serviced and prevent any leakage into the yard.

Bids were due to VRE on February 20, 2004, and two bids were received. Staff recommends award to NV Enterprises as the lowest responsive and responsible bidder. Once the contract has been executed, work is expected to take 12 months.

FISCAL IMPACT:

Funding for this project is available in VRE's Capital Improvement Program (CIP) as part of the Wayside Power project. Funding for this project is from FY 2002 and FY 2003 federal grants. The local match is provided for using state and local funds.