



**NVTC COMMISSION MEETING
THURSDAY, JULY 5, 2007
NVTC CONFERENCE ROOM
8:00 P.M.**

NOTE: A barbeque supper will be provided for attendees.

AGENDA

1. Minutes of the NVTC Meeting of June 7, 2007.

Recommended Action: Approval.

2. VRE Items.

- A. Report from the VRE Operations Board and VRE's Chief Executive Officer—Information Item.
- B. Approval of VRE Master Agreement Amendments—Action Item/Resolution #2069.
- C. Approval of New VRE Operations Board Members for 2007—Action Item/Resolution #2070.
- D. Renew Contract for Banking Services and Line of Credit—Action Item/Resolution #2071.

3. DRPT Grant Contracts for FY 2008.

NVTC will receive up to \$160.5 million during FY 2008 on behalf of WMATA, NVTC's jurisdictions and VRE.

Recommended Action: Authorize NVTC's executive director to execute standard grant contracts with DRPT.



4. NVTA Administrative Actions.

On July 12th NVTA is expected to authorize agreements with NVTC to help NVTA during its start-up phase.

Recommended Action: Authorize NVTC's executive director to execute a MOU with NVTA for NVTC to perform accounting services and with a tenant's agent to locate offices for NVTA.

5. I-95/I-395 HOT Lanes Project.

A draft letter to Secretary Homer is provided. It expresses concerns about the proposed schedule for public information meetings.

Recommended Action: Authorize Chairman Snyder to send the letter on behalf of the commission.

6. Presentation: DRPT's Strategic Initiatives by Matthew Tucker, DRPT Director.

Mr. Tucker will describe significant changes underway at DRPT following a strategic assessment.

Presentation and Discussion.

7. Regional Transportation Items.

A. NVTA Administrative Actions.

B. Urban Partnership Applications from the Commonwealth of Virginia and Fairfax County.

C. Communications from the Public.

D. VTA Awards.

Information Items.

8. WMATA Items.

A. FY 2008 Budget Approved.

B. Dulles Project Approvals.

Information Item.

9. NVTC Financial Reports for May, 2007.

Information Item.



Agenda Item #1

MINUTES
NVTDC COMMISSION MEETING – JUNE 7, 2007
NVTDC CONFERENCE ROOM – ARLINGTON, VIRGINIA

The meeting of the Northern Virginia Transportation Commission was called to order by Chairman Snyder at 8:10 P.M.

Members Present

David Albo
Sharon Bulova
Adam Ebbin
William D. Euille
Catherine M. Hudgins
Dana Kauffman
Elaine McConnell
Thomas Rust
Paul Smedberg
Scott Silverthorne
David F. Snyder
Matthew Tucker
Christopher Zimmerman

Members Absent

Gerald Connolly
Jay Fisette
Jeannemarie Devolites Davis
Paul Ferguson
Eugene Delgaudio
Joe May
Mary Margaret Whipple

Staff Present

Rhonda Gilchrest
Scott Kalkwarf
Adam McGavock
Steve MacIsaac (VRE)
Elizabeth Rodgers
Kala Quintana
Andre Ryder
Jennifer Straub (VRE)
Richard K. Taube
Dale Zehner (VRE)



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Minutes of NVTC's Meeting of May 3, 2007

On a motion by Mrs. Bulova and a second by Mr. Euille, the commission unanimously approved the minutes. The vote in favor was cast by commissioners Albo, Bulova, Euille, Hudgins, Kauffman, McConnell, Rust, Silverthorne, Smedberg, Snyder, Tucker and Zimmerman.

VRE Items

Report from VRE's Operations Board and Chief Executive Officer. Mrs. Bulova urged commissioners to read the minutes of the VRE Operations Board meeting of May 18, 2007. Mr. Zehner stated that on-time performance and ridership continue to improve.

Status of Governance Approvals. Mrs. Bulova reported that all of VRE's jurisdictions have approved the governance changes. Staff is now drafting changes to the Master Agreement to implement the changes. VRE is continuing talks with Fauquier County representatives about joining VRE so that only one round of Master Agreement approvals would be needed. Mrs. Bulova explained that NVTC will be asked at its July meeting to appoint new VRE Operations Board members, which will include two voting members and two alternates for Fairfax County and one voting member and one alternate each for the city of Alexandria and Arlington County. The newly constituted VRE Operations Board will convene on August 17, 2007.

Insurance Trust Fund Issues. Mrs. Bulova explained that VRE received a letter from Virginia's Division of Risk Management Director Don LeMond expressing his concern about the need for more funds in VRE's Insurance Trust Fund. VRE responded and pointed out that a substantial contribution is budgeted for July 1st, and a plan exists to provide more contributions in the future. Resolution #2063 would authorize VRE's CEO to earmark \$3 million of a \$5 million reserve fund for immediate use by the Virginia Division of Risk Management (DRM) to restore VRE's Insurance Trust Fund to a level approaching \$10 million.

Mr. Taube explained that a revised Resolution #2063 has a minor wording change recommended by VRE legal counsel: "incidents occurring after the date of this resolution."

Mrs. Bulova moved, with a second by Mrs. McConnell to approve the revised resolution.

In response to a question from Mr. Smedberg, Mr. Tucker explained that DRM has wanted for a long time to have the reserve fully restored to \$10 million. Mrs. Bulova reiterated that VRE has in place a plan to replenish the fund. VRE's budget goes into effect on July 1st and VRE is expecting to receive \$25 million annually from NVTA funds.

In response to a question from Delegate Rust, Mr. Zehner explained that VRE would be holding the \$3 million as encumbered funds and they would not be used for anything else. Mr. Tucker stated that he is uncomfortable with this and is concerned that VRE is not doing what DRM has requested. Mr. Zehner stated that this issue has been part of the budget process and he talked with Mr. LeMond today and he is fine with VRE's approach. Mr. Zimmerman suggested that VRE get this in writing.

In response to a question from Mr. Smedberg, Mr. Maclsaac gave a history of how the Insurance Trust Fund was established and how it works. The goal is to have \$10 million in the fund, but there is no statutory reason why it has to be \$10 million.

Chairman Snyder stated that since he works for the insurance industry, he will not vote on this action. He asked Vice Chairman Euille to sign the letter.

The commission then voted on the motion to approve the resolution and authorize Vice Chairman Euille to send a letter to the Division of Risk Management. The motion passed with the following commissioners voting in favor of the motion: Commissioners Albo, Bulova, Euille, Hudgins, Kauffman, McConnell, Rust, Silverthorne, Smedberg, Tucker and Zimmerman. Mr. Snyder abstained.

Extend Operating Agreement with CSXT. Mrs. Bulova stated that Resolution #2064 would extend VRE's existing operating/access agreement with CSXT to January 31, 2008. This will allow more time to negotiate the terms of a new permanent agreement. Mr. Zehner reported that the only outstanding issue is capping liability insurance. VRE staff is working with APTA staff to seek changes to the federal law.

Mrs. Bulova moved, with a second by Mrs. McConnell, to approve the resolution (copy attached).

Delegate Albo observed that two years ago he spent a lot of time working to pass legislation that established an insurance cap. He expressed his frustration that at that time CSX representatives said they were satisfied with the bill and it would solve all the insurance problems and now they are not acting "in good faith." Mr. Zehner stated that the legislation does not cover gross negligence. Mrs. Bulova observed that it would be helpful to include Delegate Albo in negotiations with the railroads.

The commission then voted on the resolution and it passed. The vote in favor was cast by commissioners Albo, Bulova, Euille, Hudgins, Kauffman, McConnell, Rust, Silverthorne, Smedberg, Snyder, Tucker and Zimmerman.

Extend Operating Agreement with Norfolk Southern. Mrs. Bulova explained that Resolution #2065 would extend VRE's existing operating/access agreement with Norfolk Southern to January 31, 2008. This will allow more time to negotiate the terms of the permanent agreement.

On a motion by Mrs. Bulova and a second by Mr. Smedberg, the commission unanimously approved the resolution (copy attached). The vote in favor was cast by commissioners Albo, Bulova, Euille, Hudgins, Kauffman, McConnell, Rust, Silverthorne, Smedberg, Snyder, Tucker and Zimmerman.

Option for Locomotive Fuel Supply at Broad Run Yard. Mrs. Bulova explained that Resolution #2066, which was recommended by the VRE Operations Board, would authorize VRE's CEO to exercise the third option year of a contract with Mifco Heating Oil of Manassas for the delivery of diesel fuel to VRE's fleet. The amount will not exceed \$1.6 million.

Mrs. Bulova moved, with a second by Mr. Smedberg, to approve the resolution. The vote in favor was cast by commissioners Albo, Bulova, Euille, Hudgins, Kauffman, McConnell, Rust, Silverthorne, Smedberg, Snyder, Tucker and Zimmerman.

Option for Locomotive Fuel Supply at Crossroads Yard. Mrs. Bulova explained that Resolution #2067, which was recommended by the VRE Operations Board, would authorize VRE's CEO to exercise the third option year of a contract with Quarles Petroleum of Fredericksburg for the delivery of diesel fuel to VRE's fleet. The amount will not exceed \$2.15 million.

Mrs. Bulova moved, with a second by Mr. Smedberg, to approve the resolution. The vote in favor was cast by commissioners Albo, Bulova, Euille, Hudgins, Kauffman, McConnell, Rust, Silverthorne, Smedberg, Snyder, Tucker and Zimmerman.

NVTC Comments on WMATA's FY 2008 Budget

Mr. Taube stated that the commission is asked to authorize Chairman Snyder to send a letter to the chair of the WMATA Board. A draft letter was provided for discussion.

Mr. Taube also announced that Shiva Pant, who has been WMATA's Government Relations Officer for Virginia, has been promoted to be Chief of Staff for General Manager John Catoe. Commissioners congratulated Mr. Pant.

Mr. Euille moved, with a second by Mr. Kauffman, to authorize Chairman Snyder to send the letter to the chair of the WMATA Board. The vote in favor was cast by commissioners Albo, Bulova, Euille, Hudgins, Kauffman, McConnell, Rust, Silverthorne, Smedberg, Snyder, Tucker and Zimmerman.

DRPT's Draft Six-Year Program

Mr. Taube stated that NVTC will receive increased funding even though most of the anticipated increases resulting from the 2007 General Assembly's actions will not materialize until FY 2009. Commissioners discussed a letter to be sent to Secretary Homer providing additional comments (beyond those contained in NVTC's May 23rd statement to the Commonwealth Transportation Board) about the FY 2008 program.

Mr. Zimmerman moved, with a second by Mr. Smedberg, to authorize Chairman Snyder to send the letter containing the commission's comments. The vote in favor was cast by commissioners Albo, Bulova, Euille, Hudgins, Kauffman, McConnell, Rust, Silverthorne, Smedberg, Snyder, Tucker and Zimmerman.

Arlington and Fairfax County Federal Section 5309 Grant Applications

Mr. Taube explained that staff asked NVTC to apply for additional federal transit funds for Arlington and Fairfax counties. Resolution #2068 would accomplish this.

Mr. Zimmerman moved, with a second by Mrs. Bulova, to approve Resolution #2068 (copy attached). The vote in favor was cast by commissioners Albo, Bulova, Euille, Hudgins, Kauffman, McConnell, Rust, Silverthorne, Smedberg, Snyder, Tucker and Zimmerman.

Legislative Items

Mr. Taube stated that Representative Moran has led the successful effort to amend the Defense Authorization Bill (HR 1585) to require the Department of Defense to certify important transportation projects are substantially completed before moving thousands of workers to Fort Belvoir. The commission is asked to authorize NVTC Chairman Snyder to send a letter to Senator Warner to urge him to add a similar amendment to the Senate's version of the Defense Authorization Bill. The amendment does not require the Army to pay for the transportation improvements, but it is reasonable to expect that this amendment will provide sufficient motivation for the Defense Department to identify federal funds to help complete the required projects. Mr. Euille reported that he recently met with Senator Warner to discuss BRAC issues and it was a productive discussion.

Mr. Smedberg moved, with a second by Mrs. Bulova, to authorize Chairman Snyder to send the letter.

Mr. Kauffman requested a minor wording change. Mr. Smedberg and Mrs. Bulova were agreeable to the amendment. The commission then voted on

the motion and it passed. The vote in favor was cast by commissioners Albo, Bulova, Euille, Hudgins, Kauffman, McConnell, Rust, Silverthorne, Smedberg, Snyder, Tucker and Zimmerman.

Contract and Grant Application Amendments for SmarTrip Farebox Installation in Northern Virginia

Mr. McGavock gave an update on the status of the farebox installations. He explained that the commission is asked to approve a change order for Cubic Transportation Systems, Inc. to complete pedestal and cashbox modifications for 34 fareboxes for Loudoun County Transit (LCT). These modifications (costing \$34,400 plus \$1,700 shipping) will allow LCT to meet its planned July 1st date for SmarTrip operations. The commission is also asked to authorize NVTC's executive director to submit to DRPT a line-item amendment to NVTC's FY 2008 state transit grant application to cover up to 80 percent of the costs of these modifications.

Mr. Zimmerman moved, with a second by Mrs. Bulova, to approve the change order and to authorize the executive director to submit a line-item amendment to NVTC's FY 2008 state transit grant application.

In response to a question from Chairman Snyder, Mr. McGavock explained that Loudoun County's changes are not the result of any safety-related deficiencies of the fareboxes. The buses need to be retrofitted because LCT buses have a unique problem with the height of the farebox.

The commission then voted on the motion and it passed unanimously. The vote in favor was cast by commissioners Albo, Bulova, Euille, Hudgins, Kauffman, McConnell, Rust, Silverthorne, Smedberg, Snyder, Tucker and Zimmerman.

Public Outreach Campaign for the Summer, 2007 Program of Free Bus Fares on Code Orange/Red Bad Air Days

Ms. Rodgers gave a presentation on the project including the public outreach campaign. DASH ridership reports show that the two recent Code Orange/Red days resulted in an eight percent ridership increase one day and 17 percent increase the other day.

Delegate Ebbin arrived at 9:00 P.M.

Regional Transportation Items

NVTA Administrative Plan. Mr. Zimmerman reported that on June 6th the Northern Virginia Transportation Authority met to consider recommendations of its five working groups (organization, legal, public information, project implementation, and finance). There is a public hearing scheduled for July 12th and a good turn out from citizens is anticipated. Chairman Snyder observed that in addition to this public input, individual jurisdictions are conducting their own public outreach efforts.

In response to a question from Delegate Albo, Mr. Zimmerman stated that a list is being developed of projects for bond issuance. Smaller projects will more likely be included to be able to show significant progress and results. He stated that it has been a complex process undertaken in a short period of time. Jurisdictional staff has contributed a tremendous amount of time, expertise and effort, especially Tom Biesiadny.

Urban Partnership Applications from the Commonwealth of Virginia and Fairfax County. Mr. Taube reported that these two regional applications were submitted to USDOT to meet the April 30, 2007 deadline. Corey Hill of DRPT stated that a total of 25 applications from across the country were submitted to USDOT, but only three or fewer applications will be chosen.

Communications from the Public. Mr. Taube stated that NVTC received a letter from a citizen regarding noise walls in the Tysons Corner area, as well as a letter from Mr. Tennyson providing more details about the Santa Clara light rail project that was mentioned at NVTC's May meeting. Chairman Snyder directed staff to send letters responding to these letters.

In response to a question from Mr. Kauffman, Mr. Tucker stated that there is funding in the six-year plan for congestion mitigation for the Dulles project, but much still needs to be defined. Mrs. McConnell stated that it is important to have elected officials involved in the process. She expressed her concern about timing as it relates to training officers for traffic mitigation issues. Mr. Tucker stated that the process envisions involvement of elected officials.

I-95/I-395 HOT Lanes Transit/TDM Study

Corey Hill introduced Jay Evans and several other consultants from Cambridge Systematics, Inc. Mr. Evans explained that the objective of the study is to develop a recommended plan for enhancing transit and transportation demand management (TDM) services as part of the I-95/I-395 HOT lanes project. The schedule includes submitting a draft final report in November 2007. Progress reports are also planned for NVTC's July, September and November meetings. Regular input from NVTC, PRTC and NVTA is included in the scope of the study. Mr. Evans explained that the principal activities include data

collection and assembly, stakeholder engagements, developing baseline and alternative scenarios with the Transit Advisory Committee (TAC), developing a financial framework and investment strategies, and documenting results/findings.

In response to a question from Delegate Albo, Mr. Hill stated that there will be revenues available from the HOT lanes project to invest in mass transit. There will be a tiered approach where various alternatives with different levels of investment will be analyzed, but there may be some alternatives that are too expensive; these may be considered for future alternatives.

Mr. Kauffman stated that when looking at options for placing mass transit on the HOT lanes, consultants should analyze the private sector running buses, since it would save a great deal of money if equipment does not need to be purchased. Mr. Hill stated that this will be discussed at the next TAC meeting.

Mr. Zimmerman stated that he hopes the timetable will reflect TPB approvals. It's important to model a lane as a transit lane. It is a concern that if all HOV lanes are converted to HOT lanes, mass transit may not be able to continue to function on the lanes. Mr. Hill stated that it is his understanding that Fluor Transurban is running this analysis. Mr. Zimmerman stated that the results of the analysis should be provided to the TAC.

Delegate Rust asked if there is any concern about accurate data collection during the summer months when many people are on vacation. Mr. Evans responded that the COG model data are being used and any additional market research being done this summer would only supplement that data. It is more data assembly versus collection.

Mr. Smedberg observed that public meetings are also scheduled during the summer. Mr. Hill explained that DRPT is working with VDOT to coordinate public meetings schedules. Mr. Smedberg asked if it was possible to have a meeting in early September. A Fluor Transurban representative, Tim Young, stated that there is a formal public hearing effort in early 2008 as well. Mr. Evans stated that there are also public outreach efforts available on the project website.

Chairman Snyder asked for another progress report at NVTC's July 5th meeting.

NVTC Financial Reports for April, 2007

Chairman Snyder observed that Falls Church numbers seem to be erratic and asked staff to investigate.

Other NVTC Business

Chairman Snyder asked that a future agenda include a presentation on light rail.

Adjournment

Mr. Zimmerman moved, with a second by Mr. Euille, to adjourn the meeting. Without objection, Chairman Snyder adjourned the meeting at 9:40 P.M.

Approved this 5th day of July, 2007.

David F. Snyder
Chairman

Christopher Zimmerman
Secretary-Treasurer

NVTC Northern Virginia Transportation Commission

RESOLUTION #2063

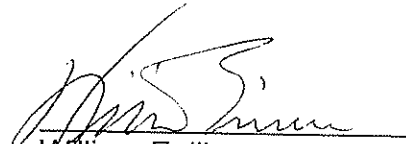
SUBJECT: VRE Insurance Trust Fund Earmark.

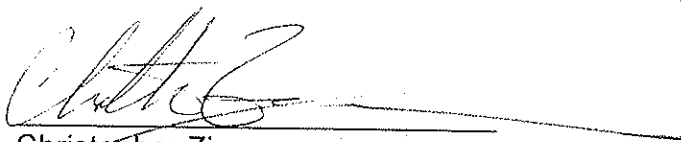
WHEREAS: VRE has budgeted a deposit of \$4.9 million on or about July 1, 2007 and has a plan in place to continue to build up the Insurance Trust Fund balance to \$10 million in accordance with the goal recommended by the Virginia Division of Risk Management, the fund administrator; and

WHEREAS: VRE has responded to DRM with several proposals to satisfy DRM's concerns, including earmarking up to \$3 million of a \$5 million VRE reserve.

NOW, THEREFORE, BE IT RESOLVED that the Potomac and Rappahannock Transportation Commission hereby authorizes VRE's CEO to earmark up to \$3 million of VRE's \$5 million operating reserve for immediate use by the Virginia Division of Risk Management to restore VRE's Insurance Trust Fund to a level approaching \$10 million, if DRM ultimately determines that course of action to be necessary due to incident(s) occurring after the date of this resolution.

Approved this 7th of June, 2007.


William Euille
Vice-Chairman


Christopher Zimmerman
Secretary-Treasurer



NVTC Northern Virginia Transportation Commission

RESOLUTION #2064

SUBJECT: Extend Operating Agreement with CSXT.

WHEREAS: The commissions currently have an amended Operating/Access Agreement with CSXT relating to VRE operations in the Fredericksburg to Washington corridor, with said agreement extension ending on July 31, 2007;

WHEREAS: Staff is currently engaged in discussions with CSXT concerning a new agreement and does not anticipate conclusion of these discussions prior to the expiration of the Amended Operating/Access Agreement;

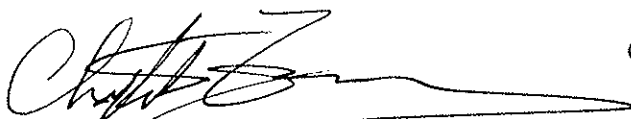
WHEREAS: A proposal to extend the existing agreement to January 31, 2008, without any changes, is expected from CSXT;

WHEREAS: The purpose of this extension is to allow time to negotiate and resolve the outstanding liability issues; and

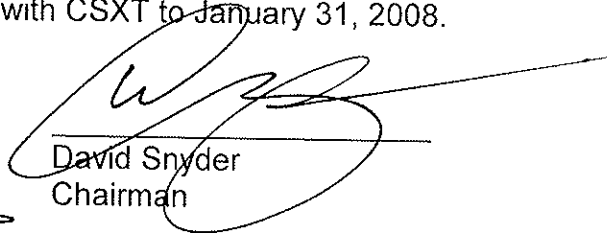
WHEREAS: Necessary funding has been incorporated into the FY 2007/FY 2008 budgets to allow VRE to continue its operations over CSXT tracks via this contract extension.

NOW, THEREFORE, BE IT RESOLVED that the Northern Virginia Transportation Commission authorizes the VRE Chief Executive Officer to execute an extension of the existing Amended Operating/Access Agreement with CSXT to January 31, 2008.

Approved this 7th day of June, 2007.



Christopher Zimmerman
Secretary-Treasurer



David Snyder
Chairman



NVTC Northern Virginia Transportation Commission

RESOLUTION #2065

SUBJECT: Extend Operating Agreement with Norfolk Southern.

WHEREAS: The commissions currently have an amended Operating/Access Agreement with Norfolk Southern related to VRE operations in the Manassas to Washington corridor, with said agreement extension ending on June 30, 2007;

WHEREAS: Staff has reached an agreement in principle on many substantive items relating to a new agreement following detailed negotiation sessions with Norfolk Southern representatives;

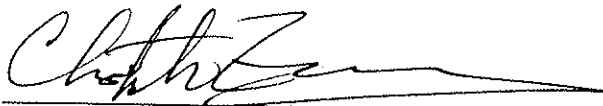
WHEREAS: A proposal to extend the existing agreement to January 31, 2008, without any changes, is expected from NS;

WHEREAS: The purpose of this extension is to allow time to negotiate and resolve the outstanding insurance issues relating to a new agreement; and

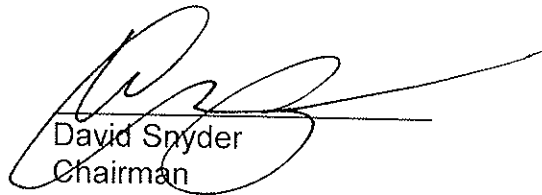
WHEREAS: Necessary funding has been incorporated into the FY 2007 and FY 2008 budgets to allow VRE to continue its operations over Norfolk Southern tracks via this contract extension.

NOW, THEREFORE, BE IT RESOLVED that the Northern Virginia Transportation Commission authorizes the VRE Chief Executive Officer to execute an extension of the Amended Operating/Access Agreement with Norfolk Southern through January 31, 2008.

Approved this 7th day of June, 2007.



Christopher Zimmerman
Secretary-Treasurer



David Snyder
Chairman



NVTC Northern Virginia Transportation Commission

RESOLUTION #2066

SUBJECT: Option for Locomotive Fuel Supply at Broad Run Yard.

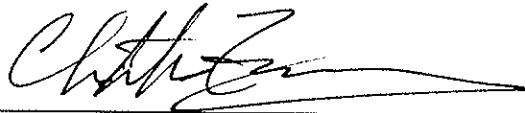
WHEREAS: VRE consumes approximately 630,000 gallons of fuel each year at the Broad Run Yard;

WHEREAS: VRE awarded a contract for the provision of fuel to Mifco Heating Oil of Manassas, Virginia in 2004, with option years previously exercised in 2005 and 2006; and

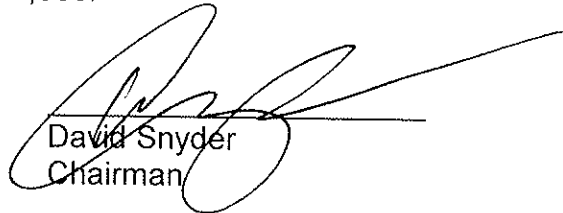
WHEREAS: The VRE Operations Board recommends the execution of a third option year.

NOW, THEREFORE, BE IT RESOLVED that the Northern Virginia Transportation Commission authorizes the VRE Chief Executive Officer to exercise the third option year with Mifco Heating Oil of Manassas, Virginia for the delivery of diesel fuel to the Broad Run Yard for VRE's locomotive fleet. The option is being requested in an amount not to exceed \$1,600,000.

Approved this 7th day of June, 2007.



Christopher Zimmerman
Secretary-Treasurer



David Snyder
Chairman



NVTC Northern Virginia Transportation Commission

RESOLUTION #2067

SUBJECT: Option for Locomotive Fuel Supply at Crossroads Yard.


WHEREAS: VRE consumes approximately 860,000 gallons of fuel each year at the Crossroads Yard.

WHEREAS: VRE awarded a contract for the provision of fuel to Quarles Petroleum of Fredericksburg, Virginia in 2004, with option years previously exercised in 2005 and 2006; and

WHEREAS: The VRE Operations Board recommends the execution of a third option year.

NOW, THEREFORE, BE IT RESOLVED that the Northern Virginia Transportation Commission authorizes the VRE Chief Executive Officer to exercise the third option year with Quarles Petroleum of Fredericksburg, Virginia for the delivery of diesel fuel to the Crossroads Yard for VRE's locomotive fleet. The option is being requested in an amount not to exceed \$2,150,000.

Approved this 7th day of June, 2007.



Christopher Zimmerman
Secretary-Treasurer



David Snyder
Chairman



NVTC Northern Virginia Transportation Commission

RESOLUTION #2068

SUBJECT: Authorization to Apply for Federal Grant Funds for the Counties of Arlington and Fairfax.

WHEREAS: The Northern Virginia Transportation Commission is eligible to apply for, receive and manage federal transit grants;

WHEREAS: NVTC, as a service to its member jurisdictions, can also apply for, receive and manage federal transit grants on behalf of those members;

WHEREAS: The Federal Transit Administration (FTA) requires grant recipients to comply with all grant requirements, including a certification from the Department of Labor regarding labor protection (Section 13(c)); and

WHEREAS: Staff of Arlington and Fairfax counties asked NVTC to apply for federal transit funds and indicated that each county is willing to protect NVTC against any and all 13(c) labor protection claims and related expenses using state transit assistance funds held in trust by NVTC.

NOW, THEREFORE, BE IT RESOLVED that the Northern Virginia Transportation Commission authorizes its executive director to apply to FTA for transit funding and complete all required certifications on behalf of Arlington County for two Section 5309 grants in the amounts of \$3,176,000 (including a \$635,200 local share from Arlington) and \$971,778 (including a \$194,356 local share from Arlington); on behalf of Arlington for one Regional Surface Transportation Program grant in the amount of \$1,512,500 (including a \$302,500 state share from DRPT); and on behalf of Fairfax County for two Section 5309 grants in the amounts of \$33,385,166 (including a \$6,677,033 local share from Fairfax County) and \$14,337,000 (including a \$2,867,400 local share from Fairfax County).

BE IT FURTHER RESOLVED that NVTC authorizes its staff to amend the commission's 2007 approved work program to include these grant applications; and



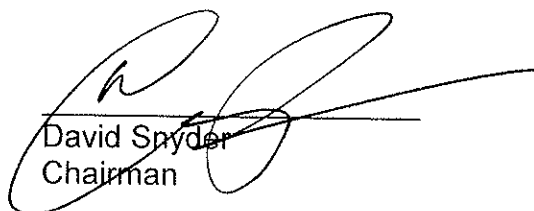
RESOLUTION #2068 cont'd

BE IT FURTHER RESOLVED that NVTC authorizes its executive director as trustee of state transit assistance received by Arlington and Fairfax counties at NVTC, to use funds from each of their accounts at NVTC and/or from future receipts of such funds, to pay any and all expenses arising from 13(c) labor protection claims and related costs (including legal fees) associated with each of their respective federal grants, after first informing Arlington and/or Fairfax County and providing appropriate documentation of the expenses.

Approved this 7th day of June, 2007.



Christopher Zimmerman
Secretary-Treasurer



David Snyder
Chairman



AGENDA ITEM #2

MEMORANDUM

TO: Chairman Snyder and NVTC Commissioners
FROM: Rick Taube
DATE: June 28, 2007
SUBJECT: VRE Items

- A. Report from the VRE Operations Board and VRE's Chief Executive Officer—Information Item.
- B. Approval of VRE Master Agreement Amendments—Action Item/Resolution #2069.
- C. Approval of New VRE Operations Board Members for 2007—Action Item/Resolution #2070.
- D. Renew Contract for Banking Services and Line of Credit—Action Item/Resolution #2071.



Report from the VRE Operations Board and VRE's CEO

Minutes are attached from VRE's June 15, 2007 meeting, together with VRE's CEO's report containing ridership and on-time performance information. Also attached is a response from Division of Risk Management Director Don LeMond to VRE's reply on the matter of the insurance trust fund balance.



CHIEF EXECUTIVE OFFICER'S REPORT

June 2007

MONTHLY DELAY SUMMARY

	Feb-07	Mar-07	April-07	May-07
System wide				
Total delays	61	109	73	56
Average length of delay (mins.)	19.5	19.8	26	21.6
Number over 30 minutes	13	18	28	11
On-Time Performance	88.50%	81.90%	88.10%	91.20%
Fredericksburg Line				
Total delays	37	74	36	32
Average length of delay (mins.)	34.3	20.2	26	25.6
Number over 30 minutes	11	11	10	7
On-Time Performance	84.30%	70.50%	87.20%	88.8%
Manassas Line				
Total delays	24	35	37	24
Average length of delay (mins.)	14.7	19.5	26	16.1
Number over 30 minutes	2	7	18	4
On-Time Performance	91.90%	90.10%	88.90%	93.2%

SYSTEM RIDERSHIP

On-time performance continues to increase, especially on the Fredericksburg Line following the completion of the Quantico Creek Bridge. In addition, delays over 30 minutes continue to remain low. Ridership, although below last year, continues to increase by about 200 to 300 riders per day, each month. As long as we can maintain the on-time performance, I expect the ridership to slowly continue to increase.

As discussed at recent Operations Board meetings, VRE ridership declines are somewhat greater on the Manassas Line. For example, despite having ample parking, the Manassas station itself has seen one of the greatest declines over the last year. Because on-time performance on the Manassas line has been consistent, VRE began looking into other potential reasons for this decline such as demographics and changing work habits. The Manassas line has historically served older passengers and may be realizing the affects of baby-boomer retirement and reduced work schedules.

Information Item 10A provides a preview of some of the information we have collected to-date. Over the summer, we will continue to pursue this analysis with careful consideration being given to schedule modifications that would fit the changing work patterns of this area.

CUSTOMER SERVICE SURVEY

The annual customer survey was conducted the week of May 14. Results will be made available in late summer or early fall.

GRTC BUSES TO FREDERICKSBURG

GRTC started operating buses to bring Richmond area riders to the Fredericksburg VRE station on May 21, 2007. The service consists of two trips that meet Fredericksburg train #302 and Fredericksburg train #306. The buses then provide a reverse commute service for people in the Fredericksburg area wishing to travel to Richmond. In the evening, the buses meet Fredericksburg train #305 and #309.

During the first week of service, there were a total of 45 trips (including those using the reverse commute option). The second week saw an increase to 61 trips. At this time, we do not believe that there will be an influx of riders on Fredericksburg line trains given that many of these passengers were already riding VRE. We will continue to work with GRTC to help market this service to our current riders.

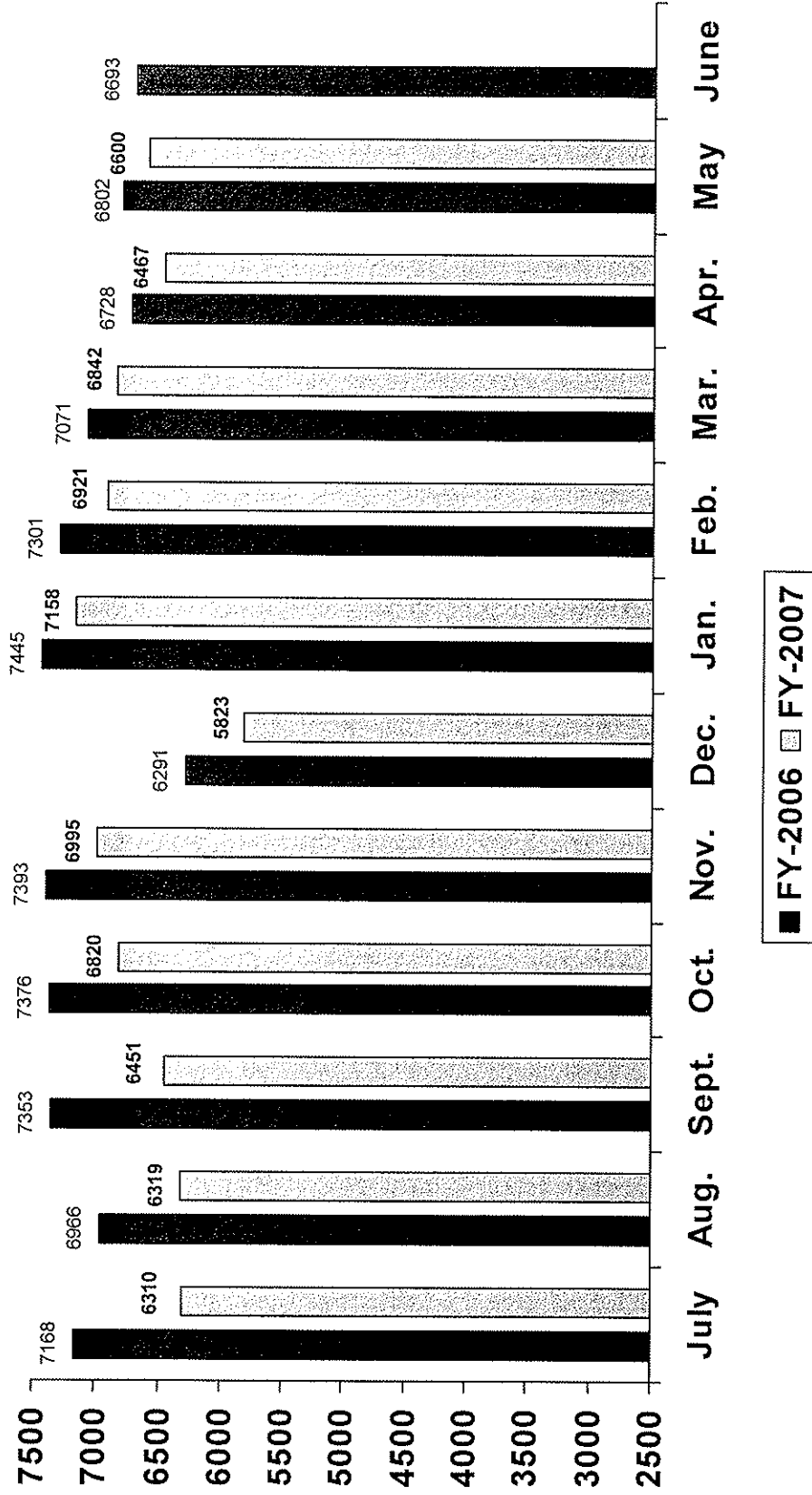
Chief Executive Officer's Ridership Report



JUNE 2007

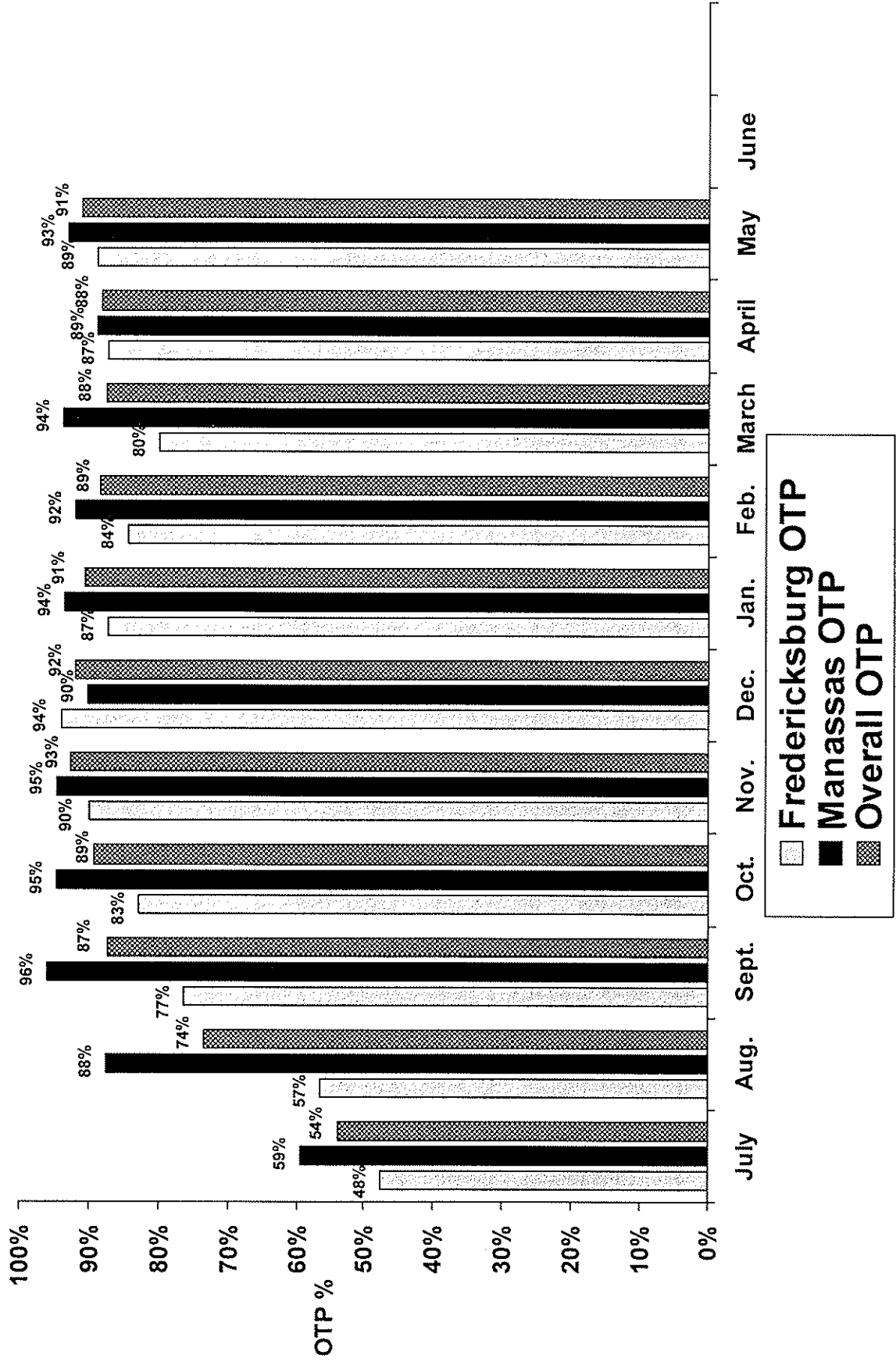
*As Reported to the VRE Operations Board
June 15, 2007*

VRE Average Daily Ridership Manassas Line



Average On-Time Performance

FY-2007





Virginia Railway Express Operations Board

1500 King Street • Suite 202 • Alexandria, Virginia 22314-2730 • (703) 684-1001 • FAX (703) 684-1313
Web Site: <http://www.vre.org> • E-Mail: gotrains@vre.org

AGENDA ITEM 10-A INFORMATION ITEM

TO: CHAIRMAN KAUFFMAN AND THE VRE OPERATIONS BOARD

FROM: DALE ZEHNER

DATE: JUNE 15, 2007

RE: RIDERSHIP TRENDS

As discussed at recent Operations Board meetings, VRE ridership has declined over the past year, with declines somewhat greater on the Manassas Line. Because on-time performance on the Manassas line has been consistent, VRE began looking into other potential reasons for this decline, such as demographics and changing work habits.

As VRE researched trends in employment patterns in the Washington, DC region, the following patterns were noted which may be affecting VRE ridership:

- More workers use a non-standard work schedule (e.g., compressed work schedule or flexible hours) which means they may commute outside VRE's service hours as well as when traffic is lighter.
 - 31% of workers in the MWCOG's 2004 "State of the Commute" survey work non-standard schedules.
 - The majority (82%) work flexible hours outside of traditional peak periods.
 - The number of employees working non-standard schedules is increasing.
- The number of workers telecommuting one or more days per week has increased.
 - In a 2006 survey of federal workers in the DC area, 41% teleworked, compared to 19% in 2005.
 - DC area workers telecommute an average of 1.3 days per week.
- Increased retirement rates as baby boomers reach retirement age.
 - OPM projects 18.5% of the federal workforce will retire from FY 2005-2010, compared to 14.7% from 2000-2004.



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AGENDA ITEM 10-C INFORMATION ITEM

TO: CHAIRMAN KAUFFMAN AND THE VRE OPERATIONS BOARD

FROM: DALE ZEHNER

DATE: JUNE 15, 2007

RE: FAUQUIER UPDATE

At the last Operations Board meeting, information regarding next steps with Fauquier County was requested.

On June 21, representatives from PRTC and VRE will be meeting with Fauquier County officials. This discussion follows a meeting in May with the full Fauquier Board in which Board members asked for additional information about the possible extension of rail service to Bealeton. While Fauquier Board members were advised that there are other, higher priority projects, such as Gainesville-Haymarket, which would need to be completed prior to initiating the Bealeton extension, they have requested additional information such as an updated cost estimate. The presentation planned for June 21 will address these questions. A further status report will be provided at the August VRE Operations Board meeting.



RECEIVED

JUN 08 2007

COMMONWEALTH of VIRGINIA

Department of the Treasury

J. BRAXTON POWELL
TREASURER OF VIRGINIA

DIVISION OF RISK MANAGEMENT
P. O. BOX 1879
RICHMOND, VIRGINIA 23218-1879
(804) 786-3152
ADMINISTRATION FAX (804) 371-8400
CLAIMS FAX (804) 371-2442

June 1, 2007

Dale Zehner
Chief Executive Officer
Virginia Railway Express
1500 King Street, Suite 202
Alexandria, Virginia 22314-7320

Dear Dale,

First, please thank the Operating Board and the Commissions for their time in addressing this issue. Their attention is appreciated.

I agree that we have been discussing the issue of needed funding for the commuter rail insurance trust fund for long time. I don't agree with the assertion that there has been any kind of realized funding plan. Your letter could lead a reader to believe that there had been some kind of final agreement.

Your discussion of the amounts to be provided the fund illustrates the tone of our negotiations over the last year and more. You report that VRE "intends" to pay into the fund, that money is "proposed to be reserved" and in the meantime there is a line of credit and a reserve that "could be" committed. I am not sure what this means.

I guess I am also surprised by your surprise. I think you agree we have kept to our script on inadequate funding. You will recall that in your July 17, 2006 letter, less than six months following the derailment, you were seeking to have us reduce the size of the fund permanently and we resisted.

The letter appears to disregard the long-standing agreements between the Commissions and the Commonwealth. These long-agreed-to documents do not equivocate. If there is disagreement or conflict they can be redrawn or amended at the Governor's and the Commissions' pleasure.

I am especially troubled with your inference that we are perhaps not properly addressing claims. I am not certain of your intent. Your example is faulty, however. You speak of Amtrak's loss from the derailment and that the Board is questioning the reserves. Of course, the Board is not told is that you are only mentioning one part of the law suit and

Dale Zehner
June 1, 2007
Page Two

its reserves--the FELA suit against Amtrak by their employee. You do not account for the multi-million dollar liability suit against CSX Transportation and the other smaller claims and suits. The Board is also evidently not aware that the Division of Risk Management is managing the FELA litigation, not Amtrak.

Our concern over the March 22 locomotive fire is that these actions can affect price, limits and deductibles. At the same time we are in the midst of settling the 2006 derailment property claim, and in the midst of negotiating the July 1 renewal of that property insurance, and, being asked by VRE to explore the possibility of higher policy limits, the insurers learn there are large claims and potential claims not being reported.

The January 2006 derailment intensified the funding situation. We came within an instant of many millions of dollars in claims and suits. We cannot plan on luck.

Sincerely,

Don W. LeMond
Director

cc: The Honorable Dana Kauffman, Chairman, VRE Operations Board
The Honorable Elaine McConnell, Secretary, VRE Operations Board
The Honorable Doug Waldron, Vice-Chairman, VRE Operations Board
The Honorable Paul Milde, Treasurer, VRE Operations Board
The Honorable Sharon Bulova, member, VRE Operations Board
The Honorable John Jenkins, Member, VRE Operations Board
Secretary of Finance, Jody Wagner
Secretary of Transportation, Pierce Homer
Treasurer of Virginia, J. Braxton Powell
Director DRPT, Matthew Tucker
D. W. Fries, Norfolk Southern Corporation
Doug Cook, National Railroad Passenger Corporation
Al Harf, PRTC
Rick Taube, NVTC ✓
Stephen A. MacIsaac, Esquire
Donna Boxer, VRE
Linda Lilly, Division of Risk Management



**VIRGINIA RAILWAY
EXPRESS**

**OPERATIONS BOARD
MEMBERS**

**DANA KAUFFMAN
CHAIRMAN**

**DOUG WALDRON
VICE CHAIRMAN**

**ELAINE MCCONNELL
SECRETARY**

**PAUL MILDE
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HILDA BARG

SHARON BULOVA

MAUREEN CADDIGAN

WALLY COVINGTON

ROBERT GIBBONS

JOHN D. JENKINS

MATTHEW KELLY

MATT TUCKER

**CHRISTOPHER
ZIMMERMAN**

**DALE ZEHNER
CHIEF EXECUTIVE
OFFICER**

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Alexandria, VA 22314-2730
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FAX: (703) 684 - 1313
Web Site: www.vre.org

MINUTES

**VRE OPERATIONS BOARD MEETING
PRTC HEADQUARTERS – PRINCE WILLIAM COUNTY, VIRGINIA
JUNE 15, 2007**

MEMBERS PRESENT	JURISDICTION
Sharon Bulova (NVTC)**	Fairfax County
John D. Jenkins (PRTC)	Prince William County
Dana Kauffman (NVTC)	Fairfax County
Paul Milde (PRTC)	Stafford County
Matthew Tucker	DRPT
Doug Waldron (PRTC)	City of Manassas

MEMBERS ABSENT	JURISDICTION
Elaine McConnell (NVTC)	Fairfax County

ALTERNATES PRESENT	JURISDICTION
Hilda Barg (PRTC)	Prince William County
Maureen Caddigan (PRTC)	Prince William County
Wally Covington (PRTC)**	Prince William County
Matthew Kelly (PRTC)	City of Fredericksburg
Christopher Zimmerman (NVTC)**	Arlington County

ALTERNATES ABSENT	JURISDICTION
Robert Gibbons (PRTC)	Stafford County
Matthew Kelly (PRTC)	City of Fredericksburg

STAFF AND GENERAL PUBLIC	
George Billmyer – VRE	Steve MacIsaac – VRE counsel
Alex Buchanan – VRE	Betsy Massie – PRTC staff
Donna Boxer – VRE	Sirel Mouchantaf – VRE
Anna Gotthardt – VRE	Dick Peacock – citizen
William Greenup – VHSRDC	Mark Roeber – VRE
Al Harf – PRTC staff	George Schwartz – Stafford County
Ann King – VRE	Brett Shorter – VRE
Eric Johnson – VRE	Jennifer Straub – VRE
Mike Lake – Fairfax County	Rick Taube – NVTC staff
Trinh Lam – VRE	Dale Zehner – VRE
Ryan Lange – VRE	
Bob Leibbrandt – Prince William County	

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

Chairman Kauffman called the meeting to order at 9:37 A.M. Following the Pledge of Allegiance, roll call was taken.

Approval of the Agenda – 3

Mr. Waldron moved, with a second by Mr. Milde, to approve the agenda. The vote in favor was cast by Board Members Jenkins, Kauffman, Milde, Tucker and Waldron.

Minutes of the May 18, 2007, VRE Operations Board Meeting – 4

Mr. Waldron moved, with a second by Mr. Jenkins, to approve the minutes. The vote in favor to approve the minutes was cast by Board Members Jenkins, Kauffman, Milde, Tucker and Waldron.

Chief Executive Officer Report -- 6

Mr. Zehner introduced several VRE staff members, including Eric Johnson, Alex Buchanan and Ryan Lange. He reported that ridership continues to climb. The completion of the Quantico Bridge project has had a significant impact on on-time performance on the Fredericksburg Line.

Mr. Zehner also stated that GRTC started operating buses on May 21, 2007 to bring Richmond area riders to the Fredericksburg station. The service consists of two trips that meet Fredericksburg trains #302 and #306. The buses then provide a reverse commute service for people in the Fredericksburg area wishing to travel to Richmond. In the evening, the buses meet Fredericksburg trains #305 and #309. During the first week of service, there were a total of 45 trips and the second week saw an increase to 61 trips.

VRE Riders' Comments – 7

Mr. Billmyer observed that telecommuting and flex-time schedules have an impact, but on-time performance and heat restrictions are the major problems impacting ridership. MARC is running standing room only trains on the Penn Line. He stated that CSX needs to learn how to install and maintain tracks. Also, it is his understanding that Amtrak may be looking at the Washington, D.C.-Richmond corridor.

[Ms. Bulova arrived at 9:40 A.M.]

Mr. Peacock stated that he met a woman on the train and she expressed her disappointment that VRE discontinued the mid-morning train on the Manassas Line. He stated that it is important to restore this train to encourage ridership, especially for those

with irregular work schedules. Ms. Bulova stated that the mid-morning train really did provide flexibility for riders. She asked VRE to revisit the issue at a future time.

Mr. Peacock also observed that the Broad Run Station parking lot is at capacity. He suggested renting some parking spaces at a nearby church and providing shuttle service to the station, similar to what is currently being done at the Burke Centre station. Also, Manassas Park parking is at 108 percent utilization. He suggested posting informational signs explaining how patrons can apply for free parking permits at Manassas City Hall to park in Manassas City parking lots, which is only at 82 percent utilization.

[Board Members Covington and Zimmerman arrived at 9:45 A.M.]

Chairman's Comments – 5

Chairman Kauffman stated that NVTA is conducting a public hearing on July 12th and he suggested VRE submit testimony. Unfortunately, he is unable to attend. Board Members agreed that VRE should submit testimony. Mr. Waldron stated that he will try to attend with Mr. Zehner.

Mr. Zimmerman announced that Chairman Kauffman recently received a Virginia Transit Association's award at VTA's annual meeting. Board Members congratulated Mr. Kauffman.

Consent Agenda – 8

Mr. Milde requested that Agenda Item #8B be removed from the Consent Agenda for discussion. Mr. Waldron moved, with a second by Ms. Bulova, the following Consent Agenda Items:

Resolution #8A-06-2007: Authorization to Solicit Request for Proposals for General Engineering Consulting Services.

Resolution #8C-06-2007: Authorization to Issue an Invitation for Bids for Mechanical Brake Components.

Resolution #8D-06-2007: Authorization to Issue a Task Order for Locomotive Repair Work.

The vote in favor was cast by Board Members Bulova, Jenkins, Kauffman, Milde, Tucker, Waldron and Zimmerman.

Authorization to Solicit Proposals to Sell Locomotives – 8B

Mr. Zehner stated that the VRE Operations Board is being asked to authorize him to solicit proposals for the sale of its locomotive fleet. VRE currently owns 17 locomotives and leases 2 additional units. Based on the Commonwealth's allocation of \$15 million for locomotives, permission to issue a procurement was granted by the Operation Board in April. Prior to issuing this procurement, a 20 percent local match, approximately \$3.75 million, must be identified to complete the funding for the base order. Local money must be used for this match and VRE is unable to incur any additional debt. This authorization would provide for the concept of allowing VRE to leverage the value of the old equipment for use as match. If sold, the locomotives would not be removed from VRE service until new locomotives began to be delivered, ensuring an adequate fleet was maintained.

In response to a question from Mr. Milde, Mr. Zehner explained that this action would be similar to the Mafersa sale in that if any entity is interested in purchasing the locomotives, the deal would be structured so that as VRE receives new locomotives then old ones could be released over a period of time.

Mr. Milde moved, with a second by Mr. Waldron, to approve Resolution #8B-06-2007. The vote in favor was cast by Board Members Bulova, Jenkins, Kauffman, Milde, Tucker, Waldron and Zimmerman.

FY 2009 Budget Guidelines – 9B

Mr. Zehner reported that in light of major funding considerations and changes to VRE governance, the FY 2009 budget process has been modified to focus more explicitly on substantive issues that have a continuing impact on service and subsidy levels and to present budget information in a program format. As part of this new process, the Budget Task Force met on May 30th to review the fleet management plan. Another meeting is scheduled for June 26th to discuss ridership projections, insurance costs and future NVTA funding. The goal is to permit the Budget Task Force to focus on material issues early in the budget process. Resolution #9A-06-2007 would direct staff in the development of the FY 2009 budget options for train operations and capital projects.

Mr. Zehner stated that budget forecasts need to ensure that the cost recovery ratio remains above 50 percent. Also, the train schedule is projected to increase from 30 trains to 34 trains, which will allow for two new round trips.

Mr. Zehner stated that dedicated annual local funding of \$25 million for VRE projects, via HB 3202, has been authorized as part of the state transportation package for Northern Virginia, subject to NVTA approval. The NVTA decision about these funds will have a material effect on both jurisdictional subsidy levels and the funding available for system improvements in FY 2009 as well as in the future. Because of the unknowns associated with this HB 3202 funding and the timing of collections by NVTA, two budget

alternatives will be produced for consideration. One alternative will show receipt of some or all of the NVTA funding and one alternative will show no availability of these additional funds.

Ms. Bulova stated that ridership has suffered because of VRE's difficulties with on-time performance and service reductions. It is important to take advantage of this additional funding to improve service. VRE marketing efforts should be undertaken to promote ridership growth.

Mr. Milde observed that the idea that VRE will receive additional funds from NVTA is not yet a reality and it is not clear yet how NVTA will distribute the funds. He expressed his opinion that VRE may be better off struggling alone without the \$25 million. Mr. Tucker stated that one issue will be the difficulty in gauging how operating costs will be calculated.

Chairman Kauffman asked for an update on the Insurance Trust Fund. Mr. Zehner stated that he talked with Mr. LeMond of the Division of Risk Management, as well as CSX and Norfolk Southern, and all three are comfortable with VRE's approach. VRE will work to bring the Trust Fund balance up to \$10 million. Mr. Tucker observed that DRM wants the \$10 million, but VRE is taking the stand that it doesn't have \$10 million. Ms. Bulova stated that VRE has earmarked sufficient funds so that as soon as DRM needs funds, VRE will provide them.

In response to a question from Mr. Harf, Mr. Zehner stated staff will work with NVTA on how funds would come to VRE. Mr. Milde asked what control NVTA will have over how the money is spent. Mr. Zehner responded that this issue needs to be determined. Mr. Zimmerman noted that NVTA will ultimately want to know what VRE's priorities are for funding. VRE will be able to make recommendations on how the funds will be used.

Ms. Bulova moved, with a second by Mr. Waldron, to approve the resolution. The vote in favor was cast by Board Members Bulova, Jenkins, Kauffman, Milde, Tucker, Waldron and Zimmerman.

Approval of Revision to Investment Policy – 9B

Mr. Zehner stated that the Board is being asked to approve Resolution #9B-06-2007, which would authorize a revision to the investment policy to increase the allowable percentage of the portfolio that can be invested in money market accounts. VRE's investment policy specifies a list of allowable investments with the maximum term and the percent of the portfolio that can be invested in each type of instrument. The 20 percent limitation is unusually restrictive compared to the policies of surrounding jurisdictions and the model policy of the Government Finance Officers Association (GFOA) and it presents some logistical difficulties, particularly in regards to bond principal and interest payments.

Chairman Kauffman suggested increasing the limitation over a two year period, so that it is a two-step process where the first year it would be increased to 40 percent and the second year to 60 percent.

Mr. Waldron moved, with a second by Ms. Bulova, to amend the resolution to include the two-tiered approach, as well as directing staff to return to the Operations Board after a year for an evaluation of the process. The Board then voted on the amended motion and it passed. The vote in favor was cast by Board Members Bulova, Jenkins, Kauffman, Milde, Tucker, Waldron and Zimmerman.

Authorization to Amend the VRE Master Agreement – 9C

Mr. Zehner stated that the VRE Operations Board is being asked to recommend that the Commissions adopt amendments to the VRE Master Agreement implementing the approved governance and formula changes and subsequently refer the amended Master Agreement to the jurisdictions for adoption. Resolution #9CF-06-2007 would accomplish this.

Mr. Waldron moved, with a second by Ms. Bulova, to approve the resolution.

Mr. Milde asked if this is a “done deal” and if the \$25 million of NVTA funds will affect the process. Mr. Zehner replied that all the jurisdictions have already approved the alternate budget and governance changes, but not the actual Master Agreement language. The Commissions will approve this language at their July 5th meetings, as well as appoint members to the Operations Board. Mr. Maclsaac provided an overview of the process.

Ms. Bulova asked if VRE should be more proactive when dealing with NVTA concerning the \$25 million and how it will be used. Without objection, the Board directed staff to develop an approach to be discussed at the August meeting.

Mr. Waldron expressed his respect for Mr. Milde’s concerns regarding NVTA’s impact on Stafford County. VRE should take these concerns into consideration as VRE develops a relationship with NVTA. It is important for jurisdictions to continue to work together.

The Board then voted on the motion and it passed. The vote in favor was cast by Board Members Bulova, Jenkins, Kauffman, Milde, Tucker, Waldron and Zimmerman.

Authorization to Issue a Task Order for Locomotive Turbo Charger Work – 9D

Mr. Zehner stated that Resolution #9D-06-2007 would authorize the CEO to issue a task order to Transportation Technology, Inc. (TTI) to perform up to eight programmed turbo charger change outs for an amount not to exceed \$400,000 for both parts and

labor. Over the past two years, VRE has experienced several catastrophic failures to turbo chargers on locomotives that were in service. As a result of this pattern of failure, VRE staff believes that it is a good idea to have this work done as a preventative measure.

Mr. Jenkins moved, with a second by Mr. Waldron, to approve the resolution. The vote in favor was cast by Board Members Bulova, Jenkins, Kauffman, Milde, Tucker, Waldron and Zimmerman.

Authorization to Issue a Task Order for Environmental and Design Work for a Parking Expansion at the Brooke VRE Station -- 9E

Mr. Zehner explained that Resolution #9E-06-2007 would authorize the CEO to authorize a task order to DMJM Harris for an environmental assessment and 30 percent design of a parking expansion at the Brooke VRE station. This task order is being requested in an amount not to exceed \$239,239, plus a 15 percent contingency of \$35,885, for a total amount not to exceed \$275,124.

Mr. Milde moved, with a second by Mr. Waldron, to approve the resolution. The vote in favor was cast by board members Board Members Bulova, Jenkins, Kauffman, Milde, Tucker, Waldron and Zimmerman.

Authorization to Award a Contract for a VHF Radio Communications System – 9F

Mr. Zehner explained that currently both VRE and Amtrak communicate with VRE trains in service via cell phone. As part of VRE's safety and security planning, a void in that communication process was identified given that cellular and hard wire telephone systems are easily overwhelmed during times of national crisis. In addition, VRE does not currently have the ability to monitor radio conversations between train crews and dispatchers. As a result, VRE issued a solicitation for a two-way radio communication system. Two proposals were received and following the solicitation process, BearCom has been recommended for award. Resolution #9F-06-2007 would authorize VRE's CEO to award a contract to BearCom of Chantilly, Virginia for the design and construction of a VHF two-way radio communications system for an amount of \$216,000, plus a 15 percent contingency of \$32,400, for a total amount not to exceed \$248,400.

Mr. Waldron asked if public safety officials will have the capability of communicating with the trains during a crisis. Mr. Zehner responded that he will look at the protocols and report back to the Board.

Ms. Bulova moved, with a second by Mr. Jenkins, to approve the resolution. The vote in favor was cast by Board Members Bulova, Jenkins, Kauffman, Milde, Tucker, Waldron and Zimmerman.

Authorization to Renew Contract for Banking Services and Line of Credit –9G

Mr. Waldron moved, with a second by Ms. Bulova, to approve Resolution #9G-06-2007 that would recommend that the Commissions authorize a renewal of the banking and line of credit agreements with SunTrust Bank. The vote in favor was cast by Board Members Bulova, Jenkins, Kauffman, Milde, Tucker, Waldron and Zimmerman.

Ridership Trends – 10A

Mr. Zehner reported that as discussed at past Operations Board meetings, VRE ridership has declined over the past year, with declines somewhat greater on the Manassas Line. Because on-time performance on the Manassas Line has been consistent, VRE has looked into other potential reasons for this decline. VRE staff researched trends in employment patterns in the region, which may be affecting VRE ridership, including: more workers using a non-standard work schedule, which means they may commute outside of VRE's service hours; the number of workers telecommuting one or more days per week has increased; and retirement rates as baby boomers reach retirement age have increased.

Mr. Zimmerman noted that transit ridership across the country is on the rise, so VRE needs to focus on more analysis and VRE's response to the problem. Chairman Kauffman asked for citizen's comments since they are the ones that ride the trains. Mr. Peacock suggested reintroducing the mid-morning train on the Manassas Line, as well as providing shuttle service from Metro stations after VRE peak service times. Mr. Tucker asked when VRE last conducted a comprehensive operations analysis, which would look at market analysis, operating issues, needs and performance. Mr. Zehner responded that VRE did a Strategic Plan in 2004 and VRE conducts a passenger opinion survey every year. Mr. Waldron also observed that Manassas City has a large telework facility and the City's demographics are changing. He stated that it is important for VRE to develop strategies for improving ridership because of these changes.

FY 2008 Disadvantaged Business Enterprise (DBE) Goal – 10B

Mr. Zehner explained that as a grantee and in accordance with USDOT regulations, VRE, along with PRTC and NVTC, must have a DBE program. PRTC implements and manages this program on behalf of all three agencies. The regulations require that an overall annual goal for DBE participation in federally assisted contracts be established and implemented. For FY 2007, the goal was 7 percent for FTA-assisted contracts. The proposed FY 2008 goal is 7.5 percent, which would be for the Federal fiscal year which beginning October 1, 2007.

Fauquier Update –10C

Mr. Zehner reported that on June 21st, representatives from PRTC and VRE are scheduled to meet with Fauquier County officials. This discussion follows a meeting in May with the full Fauquier Board in which Board members asked for additional information about the possible extension of rail service to Bealeton. Fauquier Board members were advised that there are other higher priority projects, such as Gainesville-Haymarket, which would need to be completed prior to initiating the Bealeton extension. The June 21st meeting will address these issues.

Closed Session – 10

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

Pursuant to the Virginia Freedom of Information Act (Sections 2.2-3711A (1) of the Code of Virginia), the VRE Operations Board authorizes discussion in Closed Session regarding one personnel item.

The vote in favor was cast by Board Members Barg, Bulova, Kauffman, Milde, Tucker, Waldron and Zimmerman. The Board entered into Closed Session at 10:40 A.M. and returned to Open Session at 10:55 A.M.

Ms. Bulova moved, with a second by Mr. Waldron, 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, Kauffman, Milde, Tucker, Waldron and Zimmerman.

Ms. Bulova moved to approve the negotiations for compensation of VRE's Chief Executive Officer outlined in the Closed Session. Ms. Barg seconded the motion. The vote in favor was cast by Board Members Barg, Bulova, Kauffman, Milde, Tucker, Waldron and Zimmerman.

On behalf of the entire Operations Board, Chairman Kauffman recognized Mr. Zehner and his outstanding performance over the past year.

Adjournment

Chairman Kauffman adjourned the meeting at 10:58 A.M.

Approved this 17th day of August, 2007.

Dana Kauffman
Chairman

Elaine McConnell
Secretary

CERTIFICATION

This certification hereby acknowledges that the minutes for the June 15, 2007 Virginia Railway Express Operations Board Meeting have been recorded to the best of my ability.

Rhonda Gilchrest

Rhonda Gilchrest

Approval of VRE Master Agreement Amendments

In order to accomplish the new organizational structure of the VRE Operations Board and the associated improvements in the subsidy allocation process, the commissions and participating and contributing jurisdictions must execute amendments to the VRE Master Agreement. The recommended changes are highlighted on the attachment.

The VRE Operations Board recommends approval of Resolution #2069. This resolution authorizes NVTC's Chairman to execute the amended Master Agreement and authorizes staff to forward the amendments to Alexandria, Arlington County and Fairfax County to be executed by those jurisdictions as well.

NVTC
Northern Virginia Transportation Commission
NVTC

RESOLUTION #2069

SUBJECT: VRE Master Agreement Amendments.

WHEREAS: In February, 2006 the VRE Operations Board initiated analysis of alternate VRE governance structures and subsidy allocation formulas;

WHEREAS: A proposal to amend the Master Agreement to change the organizational structure of the VRE Operations Board and VRE's subsidy allocation process has been adopted by each VRE member jurisdiction; and

WHEREAS: Each commission and VRE member jurisdiction must, through the commissions, adopt these amendments.

NOW, THEREFORE, BE IT RESOLVED that the Northern Virginia Transportation Commission adopts the amendments to the VRE Master Agreement implementing the approved governance and formula changes and authorizes its chairman to execute the amended Master Agreement in the form recommended by legal counsel; and

BE IT FURTHER RESOLVED that the commission hereby refers the amended Master Agreement to its VRE member jurisdictions for adoption.

Approved this fifth day of July, 2007.

David Snyder
Chairman

Christopher Zimmerman
Secretary-Treasurer



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Virginia Railway Express Operations Board

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AGENDA ITEM 9-C ACTION ITEM

TO: CHAIRMAN KAUFFMAN AND THE VRE OPERATIONS BOARD

FROM: DALE ZEHNER

DATE: JUNE 15, 2007

RE: AUTHORIZATION TO AMEND THE VRE MASTER AGREEMENT

RECOMMENDATION:

The VRE Operations Board is being asked to recommend that the Commissions adopt amendments to the VRE Master Agreement implementing the approved governance and formula changes and subsequently refer the amended Master Agreement to the jurisdictions for adoption.

BACKGROUND:

Each jurisdiction has now adopted the governance proposal and jurisdictional staff have been provided a draft copy of the amended Master Agreement for review. These amendments implement both the change to the Operations Board governance structure as well as the subsidy allocation formula.

The VRE Operations Board is now being asked to formally adopt and forward to the Commissions the attached amendments to the Master Agreement. The Commissions would subsequently adopt and forward to each member jurisdiction the amended Master Agreement for action.

On July 5, 2007, the Commissions would appoint the new slate of members for installation at the August 17, 2007 VRE Operations Board meeting. On July 1, 2007 all jurisdictions would make the first subsidy payment as prescribed under the alternative FY 2008 budget.

FISCAL IMPACT:

There is no VRE fiscal impact associated with this resolution.

TO: CHAIRMAN KAUFFMAN AND THE VRE OPERATIONS BOARD
FROM: DALE ZEHNER
DATE: JUNE 15, 2007
RE: AUTHORIZATION TO AMEND THE VRE MASTER AGREEMENT

RESOLUTION
9C-06-2007
OF THE
VIRGINIA RAILWAY EXPRESS
OPERATIONS BOARD

WHEREAS, in February 2006, the VRE Operations Board initiated analysis of alternate VRE governance structures and subsidy allocation formulae; and,

WHEREAS, a proposal to amend the Master Agreement has been adopted by each member jurisdiction that would change the composition of and voting on the Operations Board; and,

WHEREAS, each member jurisdiction must, through the Commissions, adopt these amendments.

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board adopts the amendments to the VRE Master Agreement implementing the approved governance and formula changes; and,

BE IT FURTHER RESOLVED THAT, the VRE Operations Board recommends that the Commissions adopt and refer the amended Master Agreement to the jurisdictions for adoption.

Amended 6-8-07 MASTER AGREEMENT FOR PROVISION
OF COMMUTER RAIL SERVICES IN NORTHERN VIRGINIA
-ESTABLISHMENT OF THE VIRGINIA RAILWAY EXPRESS

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I. INTRODUCTION

A. PARTIES

This MASTER AGREEMENT is entered into between and among the Northern Virginia Transportation Commission, hereinafter referred to as "NVTC", the Potomac and Rappahannock Transportation Commission, hereinafter referred to as "PRTC", both of which shall collectively be referred to as "the COMMISSIONS," the jurisdictions of Fairfax County, the City of Manassas, Prince William County, Stafford County, the City of Manassas Park and the City of Fredericksburg, hereinafter referred to as the "PARTICIPATING JURISDICTIONS," and the jurisdictions of the City of Alexandria and Arlington County, hereinafter referred to as the "CONTRIBUTING JURISDICTIONS."

B. NAME OF THE COMMUTER RAIL SERVICE

The commuter rail service established hereby shall be known as the VIRGINIA RAILWAY EXPRESS.

C. PURPOSES

The purposes of this MASTER AGREEMENT are:

(1) to provide for the operation and maintenance of commuter rail service by acquiring the necessary capital equipment and financing therefor; to provide for the construction of necessary platforms, stations, parking areas, storage facilities, and all other facilities necessary for the operation of commuter rail service; to establish an adequate plan of insurance; and to pay for the operation and maintenance of a commuter rail service project consisting of trains making round trips on each of two lines originating in the Manassas area and the Fredericksburg area to Union Station in the District of Columbia, ("D.C. Service"), , or, as a contingency plan until the D.C. service can begin, to Crystal City, Virginia, ("Crystal City contingency plan"), according to formulae set forth herein;

(2) to agree and commit to a complete financial plan, and the procedure by which annual budgets shall be developed that are satisfactory to the PARTICIPATING and CONTRIBUTING JURISDICTIONS;

(3) to secure funding from state, federal and local sources for the capital and operating costs of the project and to allocate the costs thereof;

(4) to establish and organize responsibility for the administration and operation of commuter rail services and for the administration of contracts, leases and other agreements entered into by the COMMISSIONS for such service;

(5) to authorize the COMMISSIONS to execute all appropriate and necessary contracts with the National Railroad Passenger Service Corporation (Amtrak), the Richmond, Fredericksburg and Potomac Railroad Company (RF&P), the Southern Railway Company (Southern), the Consolidated Rail Corporation (Conrail), the Virginia Department of Transportation (VDOT), other appropriate federal agencies and agencies of the Commonwealth of Virginia, and such other parties as may be required for the provision of the services contemplated hereby;

(6) to provide for land acquisition, the construction of station sites, platforms and parking facilities at mutually agreed locations, and the maintenance of rolling stock; and

(7) such other purposes as are necessary for the efficient capitalization and operation of the Virginia Railway Express.

D. EFFECTIVE DATE AND TERM

(1) Effective Date -- This Agreement shall be effective upon a date certain established by the COMMISSIONS, not more than thirty (30) days following the adoption of the pre-revenue service budget, the initial annual budgets for the D.C. service and the Crystal City contingency plan and the initial six (6) year financial plans for the D.C. Service and the Crystal City contingency plan, each provided for herein, by resolution of each of the PARTICIPATING JURISDICTIONS.

(2) After the effective date of the MASTER AGREEMENT, at such time as the COMMISSIONS may deem appropriate, the COMMISSIONS may:

(a) complete the procurement of rail equipment and locomotive vendors and award and execute contracts with such vendors for manufacture of rail passenger equipment and locomotives, such contracts to provide for the acquisition of locomotives and equipment sufficient for the D.C. Service or, at such time as the COMMISSIONS may so determine, in the event revenue service into the District of Columbia cannot occur prior to the start of commuter rail service, then locomotives and equipment sufficient for the Crystal City contingency plan; and

(b) issue bonds or notes in the name of NVTC to finance the purchase of rail passenger equipment and locomotives, insurance costs, and other costs of the commuter rail service as provided for in budgets approved by the parties hereto.

(3) The issuance of bonds by the COMMISSIONS shall not occur until the following conditions precedent have been complied with:

(a) Final agreement has been reached on a contract document ready for execution by Amtrak and the COMMISSIONS for the operation of commuter rail passenger equipment, and for the right to use Amtrak's tracks and facilities for the operation of commuter rail service.

(b) Final agreement has been reached on a contract document ready for execution by the RF&P and the COMMISSIONS for the right to use the RF&P's tracks and facilities for the operation of commuter rail service.

(c) Final agreement has been reached on a contract document ready for execution by the Southern and the COMMISSIONS for the right to use the Southern's tracks and facilities for the operation of commuter rail service.

(d) Final agreement has been reached on a contract document ready for execution by Conrail and the COMMISSIONS for the right to use Conrail's tracks and facilities for the operation of revenue commuter rail service into the District of Columbia, or for non revenue service from Crystal City, Virginia, to the District of Columbia as part of the Crystal City contingency plan.

(e) Final agreement has been reached on an insurance plan, mutually acceptable to the aforesaid railroad companies, the Virginia Division of Risk Management, and the COMMISSIONS, to cover the liabilities arising out of the operation of commuter rail service.

(4) Term -- This Agreement shall continue indefinitely unless terminated sooner as provided herein.

E. CONDITIONS PRECEDENT TO START OF RAIL SERVICE

The COMMISSIONS shall establish the starting date of commuter rail service, and the number of trains to be operated initially on each line, in accordance with the provisions of this MASTER AGREEMENT. Commuter rail service may begin contemporaneously or successively on both rail lines, as soon as practical after the effective date of this MASTER AGREEMENT, provided that such service shall not start on a line until the COMMISSIONS are satisfied that:

the station facilities on the line on which service is to begin are substantially ready for commuter service and rail passenger equipment capacity is available to carry at least 75% of estimated initial ridership on that line. Estimated initial ridership for the D.C. Service and for the Crystal City contingency plan shall be based upon the studies entitled Patronage and Revenue Forecasts for the Virginia Railway Express (May 1987) by R.H. Pratt and the Supplemental Patronage and Revenue Forecasts for the VRE (September 13, 1989), attached as Appendices A1 and A2, respectively.

F. CRYSTAL CITY CONTINGENCY PLAN

Subsequent to the effective date of this Master Agreement, and prior to the start of commuter rail service, the COMMISSIONS shall determine whether revenue service into the District of Columbia can occur. In the event that the factors necessary to enable the D.C. Service are not, or will not be, in place prior to the start of rail service, including the execution of an agreement with CONRAIL for the use of that railroad's tracks and facilities, then the COMMISSIONS may implement the Crystal City contingency plan authorized hereunder. In such event, those budgets and financial plans contained herein applicable to the Crystal City contingency plan shall determine the costs and expenses of the commuter rail service as funded by the parties hereto.

G. DEFINITIONS

As used in this MASTER AGREEMENT, the following words and terms shall have the following meanings unless the context shall indicate another meaning or intent:

(1) "Cost of Commuter Rail Service" shall mean operating and capital costs.

(2) "Capital Costs" shall mean those costs to be paid by the COMMISSIONS for capital items (other than costs, if any, classified as operating costs), including debt service, with respect to capital or operating costs which are financed with borrowed money or other types of deferred payment instruments.

(3) "Operating Costs" or "Operating Expenses" shall mean the expenses or costs of operating and maintaining the Virginia Railway Express, including, without limitation (unless otherwise specifically provided herein), costs of insurance, as defined for the purposes of this Agreement in Section VIII.B.(1), and costs of the COMMISSIONS which are not paid from bond proceeds, including operating reserves.

II. ORGANIZATION

A. CO-ORDINATION BETWEEN NVTC AND PRTC

The COMMISSIONS shall enter into all agreements with third parties necessary to the establishment and operation of the Virginia Railway Express, and the Executive Directors thereof shall coordinate the presentation of all matters requiring the COMMISSIONS' consent so that decisions required to be reached by both may be made in an efficient and timely fashion.

B. ESTABLISHMENT OF THE OPERATIONS BOARD

(1) In order that the COMMISSIONS shall have an efficient mechanism for the formulation of operational policy and the execution of decisions required for the commuter rail service, the COMMISSIONS shall enter into an agreement setting forth the COMMISSIONS' relationship, duties and responsibilities regarding the commuter rail service, which agreement may be modified from time to time as the COMMISSIONS deem appropriate. The agreement shall establish a committee responsible to the COMMISSIONS which shall be known as the OPERATIONS BOARD to consist of the number of elected officials hereafter set forth from the governing bodies of each of the PARTICIPATING and CONTRIBUTING JURISDICTIONS selected by the COMMISSION of which the jurisdiction is a member from among its commissioners; and an ex officio representative of the Chairman of the Commonwealth Transportation Board selected as that Chairman shall determine. A copy of the aforesaid agreement, and any subsequent amendments thereto, shall be attached hereto and incorporated herein as Appendix B upon adoption by the COMMISSIONS.

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(a) The CONTRIBUTING JURISDICTIONS shall each have one member on the OPERATIONS BOARD, and each may have one alternate appointed from its governing body in the same manner as regular members.

(b) The PARTICIPATING JURISDICTIONS shall each have a number of members on the OPERATIONS BOARD proportionate to the ridership from the jurisdiction as determined in accordance with Section VIII.C. Such number shall be as follows:

- (1) PARTICIPATING JURISDICTIONS with 25% or more of the total system ridership shall have three (3) members on the OPERATIONS BOARD;
- (2) PARTICIPATING JURISDICTIONS with 15% to 24% of total system ridership shall have two (2) members on the OPERATIONS BOARD; and
- (3) PARTICIPATING JURISDICTIONS with less than 15% of total system ridership shall have one (1) member on the OPERATIONS BOARD.
- (4) Each PARTICIPATING JURISDICTION may also have one alternate for each of its regular members appointed from its governing body in the same manner as regular members.

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(2) The first members of the OPERATIONS BOARD shall be appointed not later than upon execution of this MASTER AGREEMENT, and shall continue as members until their successors shall have been selected, provided that under no circumstances, except in the case of the Chairman of the Commonwealth Transportation Board's representative, shall membership on the OPERATIONS BOARD continue after a member ceases to be both a member of a governing body from a PARTICIPATING or CONTRIBUTING JURISDICTION and a commissioner of his appointing transportation district commission.

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(3) The OPERATIONS BOARD shall elect from among its members a chairman and such other officers as it may deem essential each to serve for a term of one year or until a successor is elected. All officers shall be eligible for reelection.

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(4) The OPERATIONS BOARD shall endeavor to conduct its business by consensus to the extent possible. Nonetheless, each jurisdiction represented on the OPERATIONS BOARD shall be entitled to a vote with a weight proportionate to the jurisdiction's annual subsidy determined in accordance with Section VIII.A.(1) and (2) for the then current fiscal year, e.g., a jurisdiction paying 25% of the annual jurisdictional subsidy shall

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have a vote with a weight equal to 25% of the total. The members of the OPERATIONS BOARD from jurisdictions with more than one representative may each cast an individual vote with a weight based on an equal proportion of the jurisdiction's total voting weight. A quorum of the OPERATIONS BOARD shall consist of a majority of the members which shall include at least one member from a majority of the PARTICIPATING and CONTRIBUTING JURISDICTIONS. The presence of a quorum and a vote of the majority of members present, including at least one affirmative vote from a majority of the members from the PARTICIPATING and CONTRIBUTING JURISDICTIONS, which majority shall constitute not less than sixty percent (60%) of the total annual jurisdictional subsidy, shall be necessary for the OPERATIONS BOARD to take any action. The representative of the Chairman of the Commonwealth Transportation Board shall have one vote on the OPERATIONS BOARD.

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(5) The OPERATIONS BOARD shall hold regular meetings at such locations and times as the members may determine, which meetings shall be called and conducted in accordance with such by-laws of the OPERATIONS BOARD as may be adopted by the members thereof. Roberts' Rules of Order, Revised shall govern those procedural matters not set forth in the by-laws.

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C. FUNCTION OF OPERATIONS BOARD

The OPERATIONS BOARD shall serve as an advisory body to the COMMISSIONS and shall oversee the management, operation and control of operational decisions, functions, affairs and property of the commuter rail service on behalf of the COMMISSIONS, exercising such powers and authority as may be delegated to it by the COMMISSIONS.

(1) FINANCIAL MANAGEMENT -- The OPERATIONS BOARD shall oversee the management of all monies attributable to commuter rail service, including federal and state grant funds and local contributions, consistent with such terms and conditions as may be agreed upon for administration by the Virginia Division of Risk Management of a liability insurance plan. The financial management responsibilities of the OPERATIONS BOARD shall be specified by the COMMISSIONS in the agreement between them (Appendix B), and shall include supervision of funds collected from the sources identified in this MASTER AGREEMENT, maintenance of accounts, investments, and disbursement of funds in accordance with approved budgets.

(2) MAINTENANCE OF ACCOUNTS -- In order to ensure the proper management of the monies of the commuter rail service, for so long as the COMMISSIONS so determine, NVTC shall serve as the repository for all such monies, and shall perform all necessary accounting duties. NVTC shall disburse such funds only on direction of the OPERATIONS BOARD as authorized by the COMMISSIONS.

D. COMMUTER RAIL, CHIEF EXECUTIVE OFFICER

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At such time as the COMMISSIONS may direct, and in no event later than the start of service hereunder, the OPERATIONS BOARD shall recommend a CHIEF EXECUTIVE OFFICER for selection by the COMMISSIONS.

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(1) The CHIEF EXECUTIVE OFFICER shall report directly to, and shall act at the direction of, the OPERATIONS BOARD.

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(2) With the exception of matters expressly delegated by the COMMISSIONS or the OPERATIONS BOARD to the extent of its own authority, the CHIEF EXECUTIVE OFFICER shall act only upon the prior authorization of the OPERATIONS BOARD.

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(3) The OPERATIONS BOARD may direct the CHIEF EXECUTIVE OFFICER to act only to the extent authorized by the COMMISSIONS.

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(4) To the extent directed by the OPERATIONS BOARD, as authorized by the COMMISSIONS, the MANAGER shall be responsible for the proper administration of all day to day functions and affairs of commuter rail services, which responsibilities shall include but not be limited to:

(a) monthly reports to the COMMISSIONS regarding matters of administration and operation, including claims management and the financial condition of the commuter rail project;

(b) execution of annual budgets;

(c) day-to-day operational decisions incident to the provision of continuous commuter rail services, including those required in the event of emergency circumstances; and

(d) such other duties as may be delegated by the OPERATIONS BOARD and authorized by the COMMISSIONS.

(5) Until such time as the COMMISSIONS determine otherwise, the CHIEF EXECUTIVE OFFICER shall serve either as an employee of NVTC, paid by the COMMISSIONS as an operating expense, or an independent contractor similarly paid.

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E. STAFF AND OTHER COMMITTEES

Upon the request of the OPERATIONS BOARD, the COMMISSIONS may employ staff, or retain independent contractors, to serve as technical advisors, consultants and the like useful in discharging the responsibilities of the COMMISSIONS and the OPERATIONS BOARD under this MASTER AGREEMENT, and may establish committees for the purposes set forth herein.

III. FINANCIAL PLANS AND BUDGETS

A. PREPARATION OF SIX-YEAR FINANCIAL PLANS

Together with the annual budget, the preparation of which is provided for in Section III.C., the OPERATIONS BOARD shall annually prepare a revised six-year financial plan for approval by the COMMISSIONS as part of the budget approval process. The financial plan shall contain a six-year forecast and shall be the basis for annual budgets and requests by the COMMISSIONS for financial assistance from the PARTICIPATING JURISDICTIONS in accordance with the funding formulae set forth herein, as well as from the CONTRIBUTING JURISDICTIONS, and other funding sources. The initial six-year plans for service into the District of Columbia and for the Crystal City contingency plan are attached to this MASTER AGREEMENT as Appendices C1 and C2, respectively.

Formulation of the financial plan shall be guided by the following principles:

(1) Accurate and adequate estimates of the costs of operation shall be prepared for all aspects of the project operation, and a preliminary financial plan shall be formulated and presented by the OPERATIONS BOARD to the COMMISSIONS and transmitted to the PARTICIPATING and CONTRIBUTING JURISDICTIONS on or before September 30 of the preceding fiscal year for their review. A final recommended financial plan shall be presented to the COMMISSIONS on or before December 1 for approval by the COMMISSIONS. The COMMISSIONS shall act by February 1, and, thereafter, transmit to the PARTICIPATING

JURISDICTIONS the financial plan together with the budget for the next fiscal year and a request to budget and appropriate their share, as established herein, of the costs of commuter rail service determined pursuant to the formulae set forth in Section VIII.A.(2) for which commuter rail service revenues pledged to the payment thereof are estimated to be insufficient when calculated as provided in Section VIII. The COMMISSIONS shall simultaneously transmit to the CONTRIBUTING JURISDICTIONS a request to contribute to the costs of commuter rail service for the fiscal year.

(2) The COMMISSIONS shall utilize responsible debt financing to the extent that such is financially advantageous to the commuter rail project and is in the interests of the parties hereto. Provided, however, that in no event shall the COMMISSIONS issue a debt related to the commuter rail project, other than that initial debt necessary for the initial acquisition of equipment and facilities to begin service hereunder and the establishment of an insurance reserve, absent the unanimous consent of all parties hereto.

(3) With the exception of fares for the Crystal City contingency plan, fares shall be set to recover, initially, no less than 50% of the annual estimated operating costs unless otherwise agreed to unanimously by the PARTICIPATING JURISDICTIONS, and with the understanding that a shared objective of the COMMISSIONS and the PARTICIPATING JURISDICTIONS will be the periodic adjustment in the fare structure in order to achieve a minimum of 50 % recovery of operating costs from fare revenue.

(4) The costs of commuter rail service shall be borne by the PARTICIPATING JURISDICTIONS subject to, and in accordance with, the formula set forth in Section VIII.A.(2), below; however, the COMMISSIONS shall seek all state aid available to acquire rolling stock.

(5) Costs for parking lots, stations, and other capital costs as provided in Section IV. shall be the responsibility of the PARTICIPATING JURISDICTION in which the improvement is made; however, the COMMISSIONS shall seek financial assistance for these improvements from the Commonwealth's Mass Transit Fund and federal sources.

(6) The COMMISSIONS shall seek funds from the Commonwealth, and federal government, and apply such funds for the performance of the responsibilities contained herein in accordance with the provisions of Section IV.B. hereof; no general obligation of PARTICIPATING or CONTRIBUTING JURISDICTIONS shall be required, or established hereby.

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(7) Banking, investments, and accounting practices shall be governed by the requirements of state and federal grantor agencies, the terms of the agreement between the COMMISSIONS (Appendix B), operating contract(s), lease payments, and/or any indentures supporting borrowed funds.

(8) PARTICIPATING JURISDICTIONS may attempt to secure funds from private sources to off-set capital costs for which the PARTICIPATING JURISDICTION is responsible; however, securing such funds shall not serve to decrease the financial support which the PARTICIPATING JURISDICTION is otherwise entitled to receive under Section IV. herein.

(9) To the extent federal and state aid is available, the COMMISSIONS shall seek such to fund the costs of commuter rail service, and shall credit the PARTICIPATING JURISDICTIONS with their pro rata share of such aid based on the formula set forth in Section VIII.A.(2).

(10) Such other principles as may be agreed upon by the parties hereto.

B. INITIAL ANNUAL BUDGETS

(1) The FY 1990 and estimated 1991 pre-revenue capital and operating budgets for the provision of commuter rail services are attached hereto and incorporated herein as Appendices D 1 and D2, and set forth expenses to be incurred prior to, and in preparation for, the start of commuter rail service. The parties hereto understand that approval of this Master Agreement includes approval of the FY 1990 budget, and agree that, upon approval of this Master Agreement, appropriations shall be made in accordance with the FY 1990 budget and payments shall be made in accordance therewith as directed by the COMMISSIONS.

(2) The estimated FY 1992 capital and operating budgets for the provision of commuter rail services into the District of Columbia and for the Crystal City contingency plan are attached hereto and incorporated herein as Appendices E1 and E2, respectively, and set forth the costs of commuter rail service for the start of commuter rail service and its first year of operation.

C. PREPARATION OF SUBSEQUENT ANNUAL BUDGETS

Commencing with the budget for FY 1991, and consistent with the six-year financial plans (Appendices C 1 and C2) and subsequent revisions thereto, the OPERATIONS BOARD shall prepare a preliminary annual budget to cover the period from July 1 to June 30 of each fiscal year and submit it to the COMMISSIONS, the PARTICIPATING JURISDICTIONS, and the CONTRIBUTING JURISDICTIONS by September 30 of the preceding fiscal year for review and comment. The OPERATIONS BOARD shall receive all comment, written and oral. Thereafter, and upon consideration of the comments received, the OPERATIONS BOARD shall prepare a final recommended annual budget by December 1 for approval by the COMMISSIONS by February 1. Thereafter, the COMMISSIONS shall transmit to the PARTICIPATING JURISDICTIONS a request to budget and appropriate their respective shares of the cost of commuter rail service determined pursuant to the formulae set forth in Section VIII.A.(2) for which commuter rail service revenues pledged to the payment thereof are estimated to be insufficient when calculated as provided in Section VIII. The COMMISSIONS shall simultaneously transmit to the CONTRIBUTING JURISDICTIONS a request to budget and appropriate the funds identified for each in the final recommended annual budget. Once the PARTICIPATING and CONTRIBUTING JURISDICTIONS have budgeted and appropriated their respective shares, payment shall be made in accordance with the COMMISSIONS' directions.

In preparing the budget, and with the COMMISSIONS' authorization, the OPERATIONS BOARD may prepare and distribute all necessary requests for proposals or bid documents, and prepare requisite specifications, for all equipment, services, and supplies which may be required for the purposes hereof; and may request the COMMISSIONS to employ architects, engineers, consultants, and others as it may deem necessary to draft such specifications, to design structures, to estimate costs, or to advise with respect to insurance programs and the like.

D. SHORTFALLS IN BUDGETED FUNDS

In the event budgeted funds are insufficient to meet the financial obligations of the COMMISSIONS for the costs of commuter rail service during any fiscal year, the OPERATIONS BOARD shall so advise the COMMISSIONS which shall then seek additional funding therefor from the PARTICIPATING JURISDICTIONS beyond that which has heretofore been provided, and which is required for commuter rail services. To obtain such additional funding the COMMISSIONS shall direct the OPERATIONS BOARD to prepare a draft amended budget, which shall be transmitted by the OPERATIONS BOARD to the PARTICIPATING JURISDICTIONS for their review and comment. The OPERATIONS BOARD shall then submit a final amended budget to the COMMISSIONS for approval. Thereafter, the COMMISSIONS shall request the PARTICIPATING JURISDICTIONS to

budget and appropriate their respective proportionate shares to fund the amended budget, and to make payment in accordance therewith as directed by the COMMISSIONS.

The governing bodies of each of the PARTICIPATING JURISDICTIONS hereby direct the County Executive, County Administrator, County or City Manager, or such other officer as may be charged with the responsibility for preparing the PARTICIPATING JURISDICTION'S budget, to submit a request to the governing body to budget and appropriate such additional proportionate share as the COMMISSIONS may deem necessary to fund an amended budget for commuter rail service.

E. LOCAL CONSIDERATION AND FUNDING

The adopted annual budget shall reflect, to the greatest extent practicable, the consensus of the PARTICIPATING JURISDICTIONS and the CONTRIBUTING JURISDICTIONS. Upon adoption of the budget by the COMMISSIONS, and in no event later than February 1 of each year, the COMMISSIONS shall transmit to the governing bodies of the PARTICIPATING JURISDICTIONS a request to budget and appropriate their respective proportionate shares of the cost of commuter rail service determined pursuant to the formulae set forth in Section VIII.A.(2) for which commuter rail service revenues pledged to the payment thereof are estimated to be insufficient when calculated as provided in Section VIII. The COMMISSION shall simultaneously transmit to the CONTRIBUTING JURISDICTIONS a request to budget and appropriate the funds identified for each in the adopted annual budget. In furtherance of the purposes of this MASTER AGREEMENT, the PARTICIPATING JURISDICTIONS hereby declare their intent to make sufficient annual appropriations to pay their share of the costs for commuter rail service determined pursuant to the formulae set forth in Section VIII.A.(2) for which commuter rail service revenues pledged to the payment thereof are estimated to be insufficient when calculated as provided in Section VIII, and to make payments pursuant to such appropriations as directed by the COMMISSIONS. Beyond the consideration of annual budgets, as such may be amended during the fiscal year, as provided for herein, it is not the intent of this MASTER AGREEMENT for the PARTICIPATING JURISDICTIONS to make a legally binding commitment beyond the fiscal year for which an appropriation is made, and the PARTICIPATING JURISDICTIONS' obligation to make such payments shall be subject to annual appropriations being made from time to time by the PARTICIPATING JURISDICTIONS for such purpose. No obligation for the expenditure of money by the PARTICIPATING JURISDICTIONS for the payment of Operating Costs, including insurance costs, and Capital Costs shall be incurred, except pursuant to legally enacted appropriations. Once such appropriations are made, the PARTICIPATING JURISDICTIONS shall make payments in accordance therewith and the COMMISSIONS shall be entitled to rely upon such payment being made.

The governing bodies of each of the PARTICIPATING JURISDICTIONS hereby direct the County Executive, County Administrator, County or City Manager, or such other officer as may be charged with the responsibility for preparing the PARTICIPATING JURISDICTION'S budget, to include in the budget for each fiscal year during which Operating Costs are incurred or debt for Capital Costs is outstanding, a request for an amount equal to that requested by the Commissions and sufficient to pay the costs of commuter rail service determined pursuant to the formulae set forth in Section VIII.A.(2) for which commuter rail service revenues pledged to the payment thereof are estimated to be insufficient when calculated as provided in Section VIII.

The CONTRIBUTING JURISDICTIONS shall be requested each fiscal year by the COMMISSIONS to budget and appropriate funds to assist in defraying the costs of commuter rail during the fiscal year. However, the CONTRIBUTING JURISDICTIONS shall not be obligated in any way to make an appropriation for any fiscal year, nor shall the CONTRIBUTING JURISDICTIONS be obligated to include such an appropriation in the

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proposed annual budget for consideration by the CONTRIBUTING JURISDICTIONS' governing bodies.

IV. STATION SITES AND CAPITAL GRANT FUNDING

A. Stations and/or platforms shall be located initially in the vicinity of the following sites:

RF&P Corridor	Southern Corridor
South Stafford	Manassas Airport* *
Brooke	Manassas
Quantico	Manassas Park****
Woodbridge	Burke Centre
Pohick/Lorton	Burke/Rolling Road
Franconia*	Backlick Road
	Joint Corridor
	Alexandria - Union Station
	Crystal City
	L'Enfant Plaza***
	Washington D.C. - Union Station***

* subject to agreement with the Washington Metropolitan Area Transit Authority

** subject to agreement between Manassas and Prince William County regarding cost sharing

*** provided the D.C. Service is implemented

**** the parties acknowledge and agree that, unless otherwise agreed, the City of Manassas Park shall be responsible for maintenance and control of the access road and parking lot at the Manassas Park station site. This responsibility shall not include maintenance of improvements within the railroad right-of-way.

B. Construction of stations, platforms, and parking lots shall be the responsibility of the PARTICIPATING JURISDICTIONS in which such are located, except as otherwise stated herein. The costs to construct stations, platforms, and parking lots shall be funded from a variety of sources, including federal and state grants and matching contributions from PARTICIPATING JURISDICTIONS. The foregoing funds shall be distributed to the PARTICIPATING JURISDICTION responsible for such costs in accordance with the formula set forth in Section VIII.A.(2). However, before distribution of federal and state grant monies to the PARTICIPATING JURISDICTIONS, such grant funds shall be applied by the COMMISSIONS to the costs listed below as follows:

Primary Facility Costs -- capital facility costs, specifically those required for the RF&P and Southern line storage facilities, the stations at Alexandria, Crystal City, L'Enfant Plaza, and Union Station, and platforms at all remaining stations. Construction of the aforesaid facilities, and the costs therefor, shall be the responsibility of the COMMISSIONS and not of the PARTICIPATING JURISDICTIONS in which located.

Remaining federal and state funds, if any, will be distributed for:

1st Priority -- costs for remaining stations and parking lots

2nd Priority -- remaining capital facility costs, e.g., land acquisition

(1) RF&P Line -- Upon meeting the primary facility costs described above, the sums remaining from federal, state and local sources for station and parking lot construction purposes shall be allocated to the PARTICIPATING JURISDICTIONS based on the formula in Section VIII.A.(2), and shall be applied to the costs for construction of stations and parking lots on the RF&P line meeting minimum design standards established by the OPERATIONS BOARD and adopted by the COMMISSIONS. Remaining capital facility costs associated with stations and parking, e.g., land acquisition, shall be the responsibility of the PARTICIPATING JURISDICTION in which such facilities are located.

(2) Southern Line -- Similarly, upon meeting the aforesaid primary facility costs, the sums remaining from federal, state and local sources for station and parking lot construction purposes shall be allocated to the PARTICIPATING JURISDICTIONS based on the formula in Section VIII.A.(2), and shall be applied to the costs for construction of stations and parking lots on the Southern line meeting minimum design standards established by the OPERATIONS BOARD and adopted by the COMMISSIONS. Manassas shall use its good offices to obtain the use of a station located within the City which is owned and operated by the Southern . Remaining capital facility costs for stations and parking, e.g., land acquisition, shall be the responsibility of the PARTICIPATING JURISDICTION in which such facilities are located.

(3) Federal funds -- NVTC has applied for federal capital grant funding from the Urban Mass Transportation Administration of \$750,000.00 for the capital facility costs located on the RF&P line, which, upon receipt, shall be earmarked for, and applied by the COMMISSIONS to, such costs.

(4) State funds -- A share of the costs for stations, platforms, and parking lots on both of the lines has been requested by the COMMISSIONS from the Virginia Department of Transportation. VDOT, by agreement, will provide a maximum of \$8 million through FY 1990, which shall be applied as provided in subparagraphs (1) and (2), above.

(5) Local funds -- The PARTICIPATING JURISDICTIONS shall pay their proportionate share of the remaining capital costs, according to the procedures set out in subparagraphs (1) and (2), above.

C. The COMMISSIONS shall enter into a formal agreement with VDOT satisfactory to VDOT, for VDOT to design, construct and/or maintain parking lots and ancillary station area improvements (other than those constructed or maintained by any PARTICIPATING JURISDICTION), excluding platforms. The COMMISSIONS, through the OPERATIONS BOARD, shall reimburse VDOT for the costs of design and construction from the funds identified in approved budgets. In separate formal agreements with the appropriate COMMISSIONS and/or PARTICIPATING JURISDICTIONS, satisfactory to VDOT, VDOT shall be provided with the right of entry upon and use of those parking lots for which VDOT accepts maintenance responsibility. The COMMISSIONS will be responsible for providing insurance for the parking lots, and will, to the extent possible, name the parties hereto as additional insureds on any property, casualty or liability policies obtained. In lieu of insurance policies, coverage by an insurance plan approved and/or operated by the Virginia Division of Risk Management or a self-insurance plan approved by the State Corporation Commission may be established.

D. With the exception of those cost items identified in Section IV.B. and C., each PARTICIPATING JURISDICTION in which a station site is located shall be responsible for the prompt construction of the station in accordance with minimum design standards established by the OPERATIONS BOARD and adopted by the COMMISSIONS, and for the costs thereof. The sites shall be constructed at or near the locations identified in Section IV.A. The COMMISSIONS shall be responsible for station improvements at L'Enfant Plaza and Union Station in the District of Columbia, and at Crystal City and Alexandria, as well as for capital costs for the RF&P and Southern line storage facilities. If all platforms cannot be in service on the first day of commuter rail service, level surfaces from which boarding can occur will be provided on a temporary basis, with permanent platforms provided as soon as possible.

E. All station sites and platforms shall be accessible to the handicapped.

F. Within the limits established in approved budgets, the COMMISSIONS may, based upon the OPERATIONS BOARD's recommendation, authorize contracts for custodial services, limited to trash pickup and snow removal, for all terminals, stations, platforms and parking lots except those areas maintained by Amtrak or VDOT. A condition of such contracts shall be the contractor's indemnification, through adequate insurance acceptable to the COMMISSIONS and evidenced by certificates of insurance, of the OPERATIONS BOARD, the COMMISSIONS, VDOT and the PARTICIPATING and CONTRIBUTING JURISDICTIONS against any claims, suits, judgments, or other legal proceedings arising out of the performance of contractual responsibilities by the contractor.

G. Upon the recommendation of the OPERATIONS BOARD, the COMMISSIONS may authorize contracts with vendors for vending operations such as newspaper and food sales at station sites. Such contracts shall contain the requirements stated above in Section IVY. Revenues from such sales shall be included in the annual budget to be applied to system costs, and shall not be returned directly to each PARTICIPATING JURISDICTION. Such vending operations shall be subject to all applicable state and local regulations.

H. Any of the PARTICIPATING JURISDICTIONS may provide for new or expanded stations, platforms, or parking lots at station sites within its territory, subject to approval by the COMMISSIONS. Financing for such shall be the sole responsibility of the PARTICIPATING JURISDICTION.

V. CONTRACT OPERATIONS

A. TRAIN OPERATION

(1) Subject to such requirements and limitations as may be set out in this MASTER AGREEMENT, upon the request of the OPERATIONS BOARD, the COMMISSIONS shall enter all appropriate agreements necessary to initiate and operate the commuter rail services, to provide associated parking facilities, and to provide an adequate insurance program as set forth in Section VII below.

(2) The contracts authorized hereby shall provide, at a minimum, three trains per line with the capacity to carry at least 75% of initial estimated ridership on a line each federal government workday, with an intended goal of four trains per line, on specified schedules. Such contracts shall further provide the option, to be approved by the COMMISSIONS, to add service and additional cars to each line within the agreed-upon financial limits set forth herein. Ridership estimates are provided in Appendices A1 and A2.

(3) The COMMISSIONS shall be responsible for obtaining necessary initial approvals by regulatory authorities for the commuter rail services, but each PARTICIPATING

JURISDICTION shall be responsible for all necessary local permits and approvals in connection with construction of platforms, stations, terminals, and parking lots in its jurisdiction.

B. ROLLING STOCK AND FACILITIES MAINTENANCE

The COMMISSIONS shall jointly enter into such agreements as they shall deem necessary and appropriate for the maintenance of the rolling stock and other equipment and facilities required for the commuter rail service.

VI. SERVICE PLAN

A. SCHEDULES

The OPERATIONS BOARD shall recommend, and the COMMISSIONS shall establish, initial schedules for commuter rail services into the District of Columbia and for the Crystal City contingency plan in consultation with the PARTICIPATING JURISDICTIONS, and appropriate means to amend the schedules as necessary.

The initial schedules shall establish the target level of service for each station, and for each line. The COMMISSIONS may adjust the schedules to accommodate day-to-day fluctuations in demand as such adjustments may be recommended by the OPERATIONS BOARD. However, the minimum level of service established as a target in the initial schedules shall not be reduced without the express consent of the affected jurisdictions.

B. FARES

The initial fare structures for the D.C. service and for the Crystal City contingency plan shall be established by the COMMISSIONS upon the recommendation of the OPERATIONS BOARD, in consultation with the PARTICIPATING JURISDICTIONS.

(1) The COMMISSIONS may agree to discount the fares of employees of those railroads with which they contract for services hereunder as an offset against fees and charges under those contracts, and may adopt other fare structures from time to time as they shall best determine during the operation of commuter rail services, including special promotional fares, V.L.P. free passes, and the like; however, except for such special promotions, no fare shall be lower than those established by the initial fare structure absent the express unanimous consent of the PARTICIPATING JURISDICTIONS.

(2) Any PARTICIPATING JURISDICTION may purchase tickets at the current price for resale at rates less than those set forth in the initial fare structure or any subsequent fare structure established by the COMMISSIONS.

VII. RISK MANAGEMENT

A. INSURANCE PLAN ADMINISTERED BY DIVISION OF RISK MANAGEMENT

(1) In order to provide adequate insurance coverage for liabilities associated with commuter rail service, the parties hereto hereby establish the following requirements for administering claims, and paying settlements, judgments, awards and legal and other expenses which may arise out of such operations. The obligation of the COMMISSIONS under this section, including the provision of insurance, and the limits thereof, shall apply collectively, and not severally, to commuter rail operations over the lines of the Southern Railway Company, Amtrak and Conrail between the Manassas, Virginia area, and Union Station in the District of

Columbia, and to commuter rail operations over the lines of the RF&P, Amtrak and Conrail between the Fredericksburg, Virginia area, and Union Station in the District of Columbia.

(2) The COMMISSIONS shall develop, fund, and maintain a liability insurance plan acceptable to, and administered by, the Virginia Division of Risk Management pursuant to Section 2.1-526.8:1 of the Code of Virginia, 1950, as amended, which provides insurance coverage in the annual aggregate sum of, at least, \$200,000,000.00. The insurance plan may include the use of a program of self-insurance, commercial insurance, or any other alternative insurance mechanism acceptable to the Division of Risk Management. Any portion of the insurance plan which is self-insured shall at all times be, as part of the Division of Risk Management's administration, acceptable to, and subject to continuing approval by, the Division of Risk Management.

(3) The COMMISSIONS' initial insurance plan is attached hereto and incorporated herein as Appendix F. Such plan shall provide coverage for all risks of loss or damage to persons or property which may be incurred by the COMMISSIONS, or by others and assumed by the COMMISSIONS under any contract, as a consequence of the operation of commuter rail services hereunder. The COMMISSIONS shall provide directly or by contract for defense or settlement of all claims, suits, causes, or actions to which they, or any insured as defined in Appendix F, may become subject, shall acquire or provide for such legal and other services as may be required for the purpose, and shall defend, indemnify, and hold harmless the PARTICIPATING JURISDICTIONS, the CONTRIBUTING JURISDICTIONS, and other non-participating member jurisdictions of the COMMISSIONS in the event any are named in a suit, cause, action, or claim arising from the provision of commuter rail services. The initial insurance plan may be amended by the COMMISSIONS from time to time, subject to the approval of the Division of Risk Management.

B. FUNDING OF INSURANCE PLAN

(1) In order for the COMMISSIONS to carry out these obligations and for no other purpose, the PARTICIPATING JURISDICTIONS hereby agree to provide in the manner and in the amounts set forth in the annual budget, sufficient monies to fund the costs of the foregoing insurance plan. Such costs shall include any and all costs associated with securing, maintaining, and administering the insurance plan, all costs for defense and settlement of claims, suits, causes or actions covered by the plan, and shall specifically include, but not be limited to, the costs to purchase commercial insurance, to participate in alternative insurance mechanisms, and to obtain the services of the Division of Risk Management as administrator of the insurance plan.

(2) Insurance Plan -- Subject to the provisions of Section X governing non-appropriation of funds, each PARTICIPATING JURISDICTION shall budget and appropriate its respective share of the costs to provide the insurance plan to include, in its initial formulation, (i) a self-insurance reserve satisfactory to the Virginia Division of Risk Management to cover liabilities of less than \$5 million per occurrence, and (ii) a combination of retained risk and insurance coverage obtained through commercial carriers and alternative insurance mechanisms, including captive insurance companies, sufficient to cover liabilities which exceed \$5 million per occurrence subject to an annual aggregate limit of liability of \$200 million. In accordance with the insurance plan, monies may be used to employ such lawyers, accountants, expert witnesses, and other services as may be required to defend any claim.

(3) Actuarial Evaluation -- At the end of the first year of commuter rail services, and periodically thereafter as the COMMISSIONS may determine, an actuarial evaluation of claims history will be undertaken to determine the adequacy of the insurance plan provided

hereby, and the OPERATIONS BOARD shall propose to the COMMISSIONS, as part of the annual budget process, a revised insurance plan and funding therefor, with revised proportionate contributions thereto, to be approved in accordance with the budget approval process set forth herein.

(4) Loans From Commonwealth -- In the event that claims or judgments or other insurance costs exceed the amount available in the budget, the COMMISSIONS, with the consent of the PARTICIPATING JURISDICTIONS, may request from the Governor payment of up to \$5 million from a contingent loan fund established for that purpose by the 1988 Regular Session of the General Assembly.

In any fiscal year in which any part of the Loan for Major Claims provided in Section 4-5.02(b) of the 1988-1990 Budget Bill of the Commonwealth of Virginia, Chapter 800, 1988 Va. Acts, at page 1588, is received from the State Treasury by the COMMISSIONS, on account of the operation of the commuter rail project, the PARTICIPATING JURISDICTIONS agree, subject to Section X governing non-appropriation of funds, to repay such loan amounts in the fiscal year next following the year in which the loan proceeds were received, in the same proportions as are set out in Section VIIIA.(2)(b) hereof, upon such terms as the State Treasurer may require.

C. CLAIMS ADMINISTRATION

Pursuant to the insurance plan, the COMMISSIONS shall contract with the Virginia Division of Risk Management to administer the insurance plan. The parties hereto further agree to accept the decision of the COMMISSIONS regarding settlement of claims and payment of judgments and awards. The COMMISSIONS will contract with Amtrak for the investigation and administration of claims, and for the settlement of or payment of any claim, judgment or award not in excess of \$10,000 without specific prior approval of the COMMISSIONS. The COMMISSIONS shall establish a policy with respect to the foregoing to be followed by Amtrak. Necessary risk management procedures shall be developed by a consultant and recommended by the OPERATIONS BOARD for consideration by the COMMISSIONS.

VIII. LOCAL SUBSIDIES AND OTHER PAYMENTS

A. SHARING OF COSTS AND REVENUES IN INITIAL YEARS

(1) The costs of commuter rail service shall be shared as follows:

(a) Alexandria shall contribute, prior to and in the first year of service, the fixed amounts indicated in Appendices D 1 and D2 and E 1 or E2, respectively. These monies will be considered a contribution and, therefore, Alexandria will not be subject to the formula payment defined in Section VIIIA.(2). Alexandria shall be requested to make subsequent annual contributions. However, the requested annual contributions shall not exceed the fixed amount indicated in Appendices E1 or E2, as adjusted upwards each year by a factor of 5%.

Deleted: lesser of the amount calculated for Alexandria pursuant to Sections VIIIA.(2) and (3), net of federal and State aid for operations, or the

(b) Arlington shall contribute, prior to and in the first year of service, the fixed amounts indicated in Appendices D 1 and D2 and E 1 or E2, respectively. These monies will be considered as a contribution and, therefore, Arlington County will not be subject to the formula payment defined in Section VIIIA.(2). Arlington shall be requested to make subsequent annual contributions. However, the requested annual contributions shall not exceed the fixed amount indicated in Appendices E1 or E2, as adjusted upwards each year by a factor of 5%.

Deleted: lesser of the amount calculated for Arlington pursuant to Sections VIIIA.(2) and (3), net of federal and State aid for operations, or the

(2) (a) Subject to the provisions of Section X governing non-appropriation of funds, Fairfax County, Manassas City, Prince William County, Manassas Park, Fredericksburg City, and Stafford County shall budget their entire shares of the costs of commuter rail service determined according to the formulae set forth in Section VIIIA.(2)(b)

below for which commuter rail service revenues pledged to the payment thereof are estimated to be insufficient when calculated as provided in Section VIII.

(b) The costs of commuter rail service, except those otherwise paid on some other specific basis, shall be apportioned among the PARTICIPATING JURISDICTIONS so that 90 percent of the total costs shall be determined by the number of the jurisdiction's residents riding commuter rail, and 10 percent of the costs shall be determined by the total population of each PARTICIPATING JURISDICTION, as follows:

(i) The costs of commuter rail service for the then current year, minus the net contributions of Arlington and Alexandria, shall be multiplied by 10%, and the resulting sum shall be apportioned among the PARTICIPATING JURISDICTIONS in the proportion their respective populations bear to the total population of all PARTICIPATING JURISDICTIONS as set forth in Section VIII.A.(4).

(ii) For the aforesaid year the remaining 90% of the costs of commuter rail service shall be apportioned among the PARTICIPATING JURISDICTIONS in accordance with the estimates of ridership set forth in Section VIII.A.(4)(b) and shown in Appendices A1 and A2 for years to and including the first year of commuter rail service, and in accordance with actual ridership for subsequent years as provided for in Section VIII.C.

(c) The above allocation formula shall be modified beginning with FY 2008, and phased in over the next three fiscal years in equal increments, to reduce the population component and increase the ridership component of the formula, such that by FY 2011, 100% of the costs of commuter rail service shall be apportioned among the PARTICIPATING JURISDICTIONS in accordance with actual ridership as provided for in Section VIII.C.

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(3) Revenues -- For the purpose of determining the cost of commuter rail service for which revenues pledged to the payment thereof are estimated to be insufficient, revenues shall be attributed to each PARTICIPATING JURISDICTION based on the number of residents from that jurisdiction who ride the service, multiplied by the fares charged from that jurisdiction. During the first year of commuter rail service, estimated ridership revenue as set forth in Section VIII.A.(4) shall be used to apportion revenues. In subsequent years, actual ridership from the most recent year available shall be used to allocate revenues. The OPERATIONS BOARD shall recommend, and the COMMISSIONS shall establish a rider survey procedure to determine the residences of riders.

(a) Revenues from riders residing outside the PARTICIPATING JURISDICTIONS, or whose residence cannot be determined, shall be considered "system" revenues, and shall be used to reduce overall costs of commuter rail service before allocation to the PARTICIPATING JURISDICTIONS.

(b) Public or private bus operators honoring commuter rail tickets shall be reimbursed by the COMMISSIONS from passenger revenues by attribution of the value thereof to the account of the jurisdiction of residence of the bus rider. For such bus passengers residing outside the PARTICIPATING JURISDICTIONS, system revenue shall be used to reimburse the bus operator.

(4) Population and Ridership Figures

(a) Population figures to the extent used in any year, shall be the provisional estimates of the Center for Public Service, available as of December 1 of year preceding the applicable fiscal year for which a budget is being prepared. In the first year of service, the population figures identified below shall be used.

Deleted: each

(b) Ridership figures shall be updated annually after the first year of service. Estimated ridership by jurisdiction for the first year of service are as follows:

JURISDICTION	D.C. SERVICE			
	1988 POP	POP %	RIDERSHIP	RIDERSHIP %
Fairfax County	759,300	71.4972%	3,052	41.0878%
Manassas	23,300	2.1940%	95	1.2924%
Prince William County	194,700	18.3333%	3,252	43.7803%
Stafford County	55,900	5.2637%	486	6.5428%
Manassas Park	7,300	0.6874%	98	1.3193%
Fredericksburg	21,500	2.0245%	96	1.2924%
Total	1,062,000	100.0000%	7,428	100.0000%

CRYSTAL CITY CONTINGENCY PLAN

JURISDICTION	1988 POP	POP %	RIDERSHIP	RIDERSHIP%
Fairfax County	759,300	71.4972%	1,512	26.9519%
Manassas	23,300	2.1940%	370	6.5955%
Prince William County	194,700	18.3333%	3,178	56.6488%
Stafford County	55,900	5.2637%	318	5.6684%
Manassas Park	7,300	0.6874%	112	1.9964%
Fredericksburg	21,500	2.0245%	120	2.1390%
Total	1,062,000	100.0000%	5,610	100.0000%

NOTE: The ridership estimates for the D.C. Service are taken from Exhibit 20 "1987 Passenger Trip Estimate by Jurisdiction of Residence" in Patronage and Revenue Forecasts for the Virginia Railway Express, May, 1987 (page 5-17). As indicated in Appendix A1, there are an additional 766 trips estimated to come from non-participating jurisdictions. These trips are not assigned to any PARTICIPATING JURISDICTION. The ridership estimates for the Crystal City contingency plan are taken from the Supplemental Patronage and Revenue Forecasts for the VRE (September 13, 1989).

(5) Totals

Total costs, revenues and subsidies, for each participating jurisdiction for the first year of commuter rail service, shall be in accordance with the initial annual budget as shown in Appendices E 1 or E2.

B. PAYMENT PROCEDURES FOR PARTICIPATING JURISDICTIONS

(1) After adoption of the annual budget as provided for in Section III.B. and C. and E., above, each PARTICIPATING JURISDICTION shall pay to the COMMISSIONS, on the first business day in July, one half of the amount owed as the share of the cost of commuter rail service determined pursuant to the formulae set forth in Section VIII.A.(2). for which commuter rail service revenues pledged to the payment thereof are estimated to be insufficient when calculated as provided in Section VIII. Six months thereafter, on the first business day in January, the PARTICIPATING JURISDICTION shall pay the remaining half of the aforesaid amount to the COMMISSIONS. The COMMISSIONS shall provide notice to each of the PARTICIPATING JURISDICTIONS, thirty (30) days prior to the date on which payment is due,

of the amount to be paid by the jurisdiction and the date when due. The amounts owed shall be paid on or before the due date specified by the COMMISSIONS. With the exception of funds for the insurance plan, all funds shall be accounted for by the COMMISSIONS as separate operating accounts for each PARTICIPATING JURISDICTION.

(2) The COMMISSIONS shall separately account for each PARTICIPATING JURISDICTION's payments for insurance, and the COMMISSIONS shall forward such funds to the Division of Risk Management. Payments for claims, judgments, awards and associated claims and adjusting expenses shall be paid from such funds by the Division of Risk Management in administering the self-insurance plan.

(3) After adoption of the annual budget, and the appropriation of the amount therein, the CONTRIBUTING JURISDICTIONS shall pay to the COMMISSIONS, on or before the first business day in July, the entire amount of their respective contributions, which sums shall be accounted for as system revenues and used to reduce overall costs.

(4) Upon receipt, passenger revenues shall be posted to each PARTICIPATING JURISDICTION's account, according to the agreed revenue allocation. If a payment is not made by a PARTICIPATING JURISDICTION, passenger revenues attributable to such PARTICIPATING JURISDICTION shall not be used to reduce the amount due by other PARTICIPATING JURISDICTIONS nor shall such failure to make payment result in an increase in the amount due by the other PARTICIPATING JURISDICTIONS. In instances where the actual revenues received and posted to a PARTICIPATING JURISDICTION are either greater or less than the revenues estimated to be received, the PARTICIPATING JURISDICTION shall be requested to pay any such deficit or the COMMISSIONS shall provide a credit against the PARTICIPATING JURISDICTION'S next year's payment.

(5) Any interest earned on unexpended balances attributed to each PARTICIPATING JURISDICTION's account shall be credited monthly to the account of the individual jurisdiction in proportion to the monthly totals of cash and fare revenues credited to the account of the jurisdiction.

(6) At the request of the OPERATIONS BOARD, the COMMISSIONS shall utilize the monies attributed to the PARTICIPATING JURISDICTIONS' accounts to make necessary operating cost payments consistent with the cost allocation formula contained in Section VIII.A.(2).

C. SHARING OF COSTS AND REVENUES FOR SUBSEQUENT YEARS

Payments for costs for each year after the initial year of commuter rail services shall be calculated as follows:

Actual ridership from the most recent year available shall be used to determine allocated costs and revenues for the next year, according to the allocation formulae set out in Sections VIII.A.(2) and (3). The OPERATIONS BOARD will review the data and advise the COMMISSIONS and the PARTICIPATING JURISDICTIONS of each jurisdiction's projected share of the costs of commuter rail for the next year in September as part of the preliminary budget submission set forth in Section III.C. above. Arlington and Alexandria shall not participate in the revised allocation, but shall make such contributions as may be agreed upon. After final approval of a budget each year, and upon its effective date, the PARTICIPATING JURISDICTIONS shall pay to the COMMISSIONS one half of the amount owed for the cost of commuter rail service determined pursuant to the formulae set forth in Section VIII.A.(2) for which commuter rail service revenues pledged to the payment thereof are estimated to be insufficient when calculated as provided in Section VIII. The CONTRIBUTING JURISDICTIONS shall pay to the COMMISSIONS the entire amount of their respective contributions. Six months thereafter the PARTICIPATING JURISDICTIONS shall pay the

remaining half of the aforesaid amount to the COMMISSIONS. Payments shall be made on the same basis as provided for in Section VIII.B.

D. ADDITIONAL CONSIDERATIONS

(1) Each PARTICIPATING JURISDICTION is encouraged to obtain contributions from developers and employers to offset the costs assigned to that PARTICIPATING JURISDICTION.

(2) An audit of accounts shall be conducted annually by the COMMISSIONS to establish any credit due to, or any payments owed by, PARTICIPATING JURISDICTIONS.

IX. MARKETING

The OPERATIONS BOARD shall prepare, annually, a marketing plan providing for programs of promotion, publicity and the pre-selling of passes through such means as direct mail, payroll deduction, banks and transportation management associations, for consideration and approval by the COMMISSIONS. The PARTICIPATING JURISDICTIONS shall share in the costs of the marketing plan according to the terms set forth in Section VIIIA.(2) of this MASTER AGREEMENT.

X. NON-APPROPRIATION OF FUNDS

The PARTICIPATING JURISDICTIONS pledge their best efforts to provide the funds necessary to support a successful, continuing program of commuter rail service in light of the long-term obligations to be incurred by the COMMISSIONS in order to initiate service. Notwithstanding any other provision of this MASTER AGREEMENT to the contrary, the obligations of a PARTICIPATING JURISDICTION under this MASTER AGREEMENT are expressly contingent upon the continuing appropriation of funds to its purposes by such PARTICIPATING JURISDICTION for each fiscal year. The failure of a PARTICIPATING or CONTRIBUTING JURISDICTION to make its payment shall not relieve the other jurisdictions of their obligations hereunder. The COMMISSIONS in their sole discretion may refuse to provide service to any PARTICIPATING JURISDICTION that fails to appropriate and pay its share of the cost of commuter rail service.

XI. WITHDRAWAL FROM MASTER AGREEMENT

A PARTICIPATING JURISDICTION or CONTRIBUTING JURISDICTION may terminate its involvement with commuter rail service and withdraw from the MASTER AGREEMENT upon terms and conditions, including those pertaining to outstanding third-party claims, mutually acceptable to all parties hereto. Unless so terminated, this MASTER AGREEMENT shall continue for any period while any bonds issued to finance the Virginia Railway Express are outstanding.

XII. CHANGES AND AMENDMENTS

Upon mutual consent of all signatories, and subject to the approval of the COMMISSIONS' bond insurers, this MASTER AGREEMENT may be amended.

XIII. SEVERABILITY

In the event any of the provisions of this MASTER AGREEMENT are determined to be in violation of any statute or rule of law to which this MASTER AGREEMENT is subject, then such provision(s) shall be deemed inoperative to the extent the provision(s) is contrary to the requirements of the law, and shall be deemed to be modified to conform with such statute or rule of law, or stricken entirely from this MASTER AGREEMENT.

XIV. AUTHORIZED SIGNATURES

The undersigned individuals have been duly authorized to commit their respective organizations and jurisdictions to the terms of the MASTER AGREEMENT.

IN WITNESS WHEREOF, the duly authorized representatives of the parties hereto have executed this Master Agreement on the dates and year hereafter written:

NORTHERN VIRGINIA
TRANSPORTATION COMMISSION

POTOMAC AND RAPPAHANNOCK
TRANSPORTATION COMMISSION

Chairman

Chairman

Signature

Signature

FAIRFAX COUNTY

Chairman, Board of County Supervisors

Signature

PRINCE WILLIAM COUNTY

Chairman, Board of County Supervisors

Signature

CITY OF MANASSAS
Mayor

Signature

STAFFORD COUNTY
Chairman, Board of County Supervisors

Signature

CITY OF ALEXANDRIA
Mayor

Signature

ARLINGTON COUNTY
Chairman, County Board

Signature

Deleted: of County Supervisors

CITY OF MANASSAS PARK
Mayor

Signature

CITY OF FREDERICKSBURG
Mayor

Signature

APPENDICES

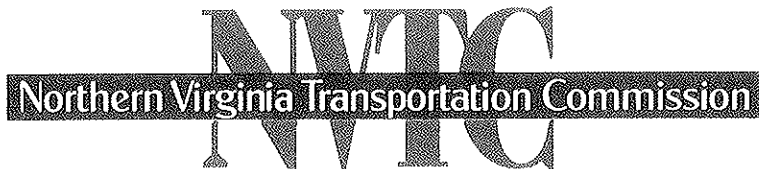
- A1. Patronage and Revenue Forecasts for the Virginia Railway Express, R. H. Pratt (May 1987)
- A2. Supplemental Patronage and Revenue Forecasts for the VRE (September 13, 1988)
- B. Agreement between NVTC and PRTC
- C1. Initial Six Year Financial Plan for D.C. Service
- C2. Initial Six Year Financial Plan for Crystal City Contingency Plan
- D1. FY 1990 Pre-Revenue Capital and Operating Budget
- D2. Estimated FY 1991 Pre-Revenue Capital and Operating Budget for D.C. Service and Crystal City Contingency Plan
- E1. Estimated FY 1992 Capital and Operating Budget for D.C. Service

E2. Estimated FY 1992 Capital and Operating Budget for Crystal City Contingency Plan

F. Liability Insurance Plan

Approval of New VRE Operations Board Members for 2007

The commission is asked to approve Resolution #2070. This resolution appoints new members of the VRE Operations Board for 2007, as listed in the resolution. This action is needed because of changes to the organizational structure of the VRE Operations Board contained in Master Agreement amendments. Action by the commission will allow the new board to convene at a meeting on August 17, 2007. The board members listed in the resolution have been designated by their respective jurisdictions.



RESOLUTION #2070

SUBJECT: New VRE Operations Board Members for 2007.

WHEREAS: Amendments to the VRE Master Agreement would introduce a new organizational structure for the VRE Operations Board and an associated change in the VRE subsidy allocation process;

WHEREAS: NVTC's jurisdictions that are members of VRE have designated proposed VRE board members in a manner consistent with the amended Master Agreement; and

WHEREAS: The amended Master Agreement requires NVTC to act formally to appoint the designees to the VRE Operations Board.

NOW, THEREFORE, BE IT RESOLVED that the Northern Virginia Transportation Commission hereby appoints the following individuals to the VRE Operations Board for the remainder of 2007:

<u>Jurisdiction</u>	<u>Principal</u>	<u>Alternate</u>
Alexandria		
Arlington		
Fairfax		

Approved this fifth day of July, 2007.

David Snyder
Chairman

Christopher Zimmerman
Secretary-Treasurer

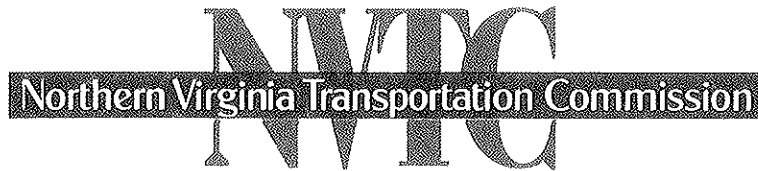


4350 N. Fairfax Drive • Suite 720 • Arlington, Virginia 22203
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Renew Contract for Banking Services and Line of Credit

The VRE Operations Board recommends approval of Resolution #2071. This resolution authorizes VRE staff to renew banking services and line of credit agreements with SunTrust Bank. This is the final option year of a multi-year agreement. VRE estimates costs for this agreement of \$12-15,000 annually, which is included in the FY 2008 approved budget.

The \$1 million line of credit is restricted by VRE policy for use during delays in receiving federal or state grants and similar situations.



RESOLUTION #2071

SUBJECT: Renew VRE Contract for Banking Services and Line of Credit.

WHEREAS: VRE contracted for banking services with SunTrust Bank in July, 2003;

WHEREAS: The banking services contract with SunTrust provides for a line of credit not to exceed \$1,000,000;

WHEREAS: The contract was for a period of three years, with options for two one-year extensions; and

WHEREAS: The line of credit must be renewed on an annual basis.

NOW, THEREFORE, BE IT RESOLVED that the Northern Virginia Transportation Commission authorizes VRE staff to renew the banking services and line of credit agreements with SunTrust Bank for one year.

Approved this fifth day of July, 2007.

David Snyder
Chairman

Christopher Zimmerman
Secretary-Treasurer



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Virginia Railway Express Operations Board

1500 King Street • Suite 202 • Alexandria, Virginia 22314-2730 • (703) 684-1001 • FAX (703) 684-1313
Web Site: <http://www.vre.org> • E-Mail: gotrains@vre.org

AGENDA ITEM 9-G ACTION ITEM

TO: CHAIRMAN KAUFFMAN AND THE VRE OPERATIONS BOARD

FROM: DALE ZEHNER

DATE: JUNE 15, 2007

**RE: AUTHORIZATION TO RENEW CONTRACT FOR BANKING SERVICES
AND LINE OF CREDIT**

RECOMMENDATION:

The VRE Operations Board is being asked to recommend that the Commissions authorize a renewal of the banking services and line of credit agreements with SunTrust Bank.

BACKGROUND:

In July 2003, the Commissions approved a banking services contract with SunTrust Bank, which included a provision for overdraft protection not to exceed \$1 million. The overall banking contract is for three years, with two possible one-year extensions. The line of credit, however, must be renewed annually to remain available for use. The last renewals for both the banking services contract and the line of credit were in August 2006. Staff recommends that the banking services contract be extended for the second option year and that the line of credit provision be renewed.

The line of credit is not used unless absolutely necessary. Along with VRE's own operating reserve, these funds can be used to act as a financial bridge during delays in receipt of federal or state grant funds or in specific instances such as the initial drawdown of funds from the recently approved RRIF loan. While individual Operations Board action is not sought for using the line of credit, each request for advance of funds must document the purpose for the advance and the source and timing of repayment, and is approved or disapproved by SunTrust based on this information. There is no extra cost to VRE for having this option available. Interest is based on the prevailing rates at the time of the advance.

FISCAL IMPACT:

VRE estimates spending between \$12,000 - \$15,000 over the course of a year on banking service fees. Funds are allocated in the FY 2008 budget for these costs. Administrative costs for exercising the line of credit are grant reimbursable.



AGENDA ITEM #3

MEMORANDUM

TO: Chairman Snyder and NVTC Commissioners
FROM: Rick Taube
DATE: June 28, 2007
SUBJECT: DRPT Grant Contracts for FY 2008

The commission is asked to authorize its executive director to execute standard grant contracts with DRPT for FY 2008 on behalf of NVTC's jurisdictions, WMATA and VRE. NVTC will receive up to \$160.5 million from DRPT during FY 2008.

Excerpts and summary tables of the FY 2008 program are attached for your information. NVTC will receive increased funding even though most of the anticipated increases resulting from the 2007 General Assembly's actions will not materialize until FY 2009.

A copy of NVTC's letter is attached that provides additional comments (beyond those contained in NVTC's May 23rd statement to the Commonwealth Transportation Board) to Secretary Pierce Homer and CTB members about the FY 2008 program.





NVTC

Northern Virginia Transportation Commission

Chairman
Hon. David F. Snyder

Vice Chairman
Hon. William D. Euille

Secretary/Treasurer
Hon. Christopher Zimmerman

Commissioners:
City of Alexandria
Hon. William D. Euille
Hon. Paul Smedberg

Arlington County
Hon. Paul Ferguson
Hon. Jay Fisetle
Hon. Christopher Zimmerman

Fairfax County
Hon. Sharon Bulova
Hon. Gerald E. Connolly
Hon. Catherine Hudgins
Hon. Dana Kauffman
Hon. Elaine McConnell

City of Fairfax
Hon. Scott Silverthorne

City of Falls Church
Hon. David F. Snyder

Loudoun County
Hon. Eugene Delgaudio

**Virginia Department of Rail
and Public Transportation**
Matthew O. Tucker

Virginia General Assembly
Sen. Jeannemarie Devoiltes Davis
Sen. Mary Margaret Whipple
Del. David B. Albo
Del. Adam P. Ebbin
Del. Joe T. May
Del. Thomas D. Rust

Executive Director
Richard K. Taube

June 8, 2007

The Honorable Pierce Homer
Secretary of Transportation
1111 East Broad Street, 3rd Fl, Rm 3054
Richmond, VA 23219

Dear Secretary Homer:

At its June 7th meeting, the Northern Virginia Transportation Commission authorized me to share the following comments on the Commonwealth's draft six-year transportation program.

Before listing our comments, however, we wish to thank you again for your success in obtaining significant increases in state and regional funding for public transit in the 2007 General Assembly session. We also want to commend the director and staff of the Department of Rail and Public Transportation for their sincere efforts to be fair in allocating statewide transit resources and for their willingness to be flexible in resolving special situations that confront our transit operators.

Our comments are:

1) NVTC provided testimony to the Commonwealth Transportation Board at a public hearing held in Northern Virginia on May 23rd. The commission appreciated the opportunity to be heard. We asked CTB for help in four primary areas:

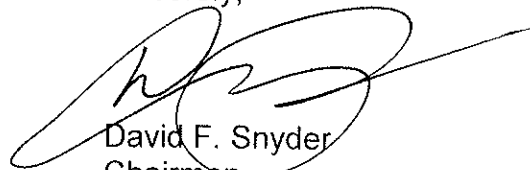
- Ensuring Northern Virginia receives its fare share of discretionary funding, including new state bonds and flexed federal funds;
- Facilitating prompt issuance of the state bonds (with a minimum of 20 percent for transit) and urging DRPT to make available newly authorized transit funding as quickly as possible;

- Continuing the statewide emphasis on multimodal planning, coordinated land use and transportation, telework (and other forms of transportation demand management), air quality and safety and security;
 - Helping Northern Virginia meet the challenge of serious funding shortfalls, even after significant progress in the 2007 General Assembly session.
- 2) NVTC appreciates the significant increase in state funding for transit contained in the draft six-year program. For FY 2008, NVTC's six jurisdictions (excluding VRE) will receive \$133 million, up from \$86 million in FY 2007, from all the sources of state transit assistance. Including VRE and PRTC, the respective totals for Northern Virginia are \$170 million in FY 2008 versus \$101 million in FY 2007.
 - 3) Despite the very favorable increases in total funding for Northern Virginia, it must be recognized that NVTC's share of the statewide total of public transit assistance has dropped to 57 percent in FY 2008 from 63 percent in FY 2007. Including VRE and PRTC, the respective shares are 72.5 percent in FY 2008 versus 74.5 percent in FY 2007. This is because statewide transit funding sources increased by 72 percent while NVTC's amounts increased by only 55 percent and Northern Virginia's allocations by 68 percent. Northern Virginia provides about 75 percent of statewide transit ridership and has a local level of effort in funding transit at least 10 times greater than any other district (as of FY 2005). The drop in this region's share of statewide funding should be reversed.
 - 4) Finally, the state is still failing to meet the statutory target for funding 95 percent of eligible transit operating and capital costs. For FY 2008, the major sources of state funding for transit operations and capital had state matching ratios as follows:
 - Mass Transit Trust Fund Capital: 52%
 - Mass Transit Trust Fund Operations: 42% statewide
 - Mass Transit Capital Fund (Bonds): 80%
 - Transportation Trust Fund (match federal funds): 100%
 - Special Appropriations: approximately 80%

The net result, as shown on the attachment, is an overall state matching ratio for NVTC and VRE of 54 percent. An additional \$120 million would be needed from the state to meet the 95 percent statutory target for NVTC and VRE.

In conclusion, we applaud the increased funding in the draft six-year program for NVTC's transit systems but ask you to continue to work with us to remove the disparities we have identified in the amounts and allocations of state funding for our region.

Sincerely,

A handwritten signature in black ink, appearing to read 'D. Snyder', with a long horizontal flourish extending to the right.

David F. Snyder
Chairman

cc: Northern Virginia CTB Members
Matthew Tucker, DRPT
Linda McMinimy, VTA
NVTC Commissioners

Commonwealth Transportation Board

FY 2008 Rail and Public Transportation Improvement Program

FY08 Mass Transit Trust Fund Appropriation and Adjustments

TTF Allocation of Revenue for Mass Transit Account:	131,838,909
TTF Allocation of Interest for Mass Transit Account:	5,481,000
Adjustment for Indirect Charges and Basis Points:	<u>(809,508)</u>
Total Mass Transit Trust Fund Allocation:	136,510,401
Adjustment for Paratransit Assistance Program:	(800,000)
Adjustment for FY03 Accelerated Tax Revenues:	3,463,789
Mass Transit Trust Fund Allocation Distributed to Subprograms:	139,174,190

Distribution of Mass Transit Trust Fund Allocation to Subprograms

Formula Allocations Subprogram (73.5%):	102,293,030
Capital Assistance Subprogram (25.0%):	34,793,548
Special Projects Subprogram (1.5%):	<u>2,087,613</u>
	139,174,191

Other Financial Assistance Distributed in the FY08 Program

State Funds

Special Appropriation for Capital Assistance Subprogram:	18,900,000
Special Appropriation for HRT NET Buses:	6,100,000
Paratransit Assistance Program (From MTF):	800,000
Special Appropriation for Rail Rolling Stock:	45,000,000
Transportation Efficiency Improvement Fund:	4,000,000
Mass Transit Capital Fund (Bond Funds):	20,000,000
Rail Enhancement Fund (Including Interest):	23,523,000
Special Appropriation for Rail Capital Projects:	65,000,000
Rail Bond Funds:	4,300,000
Rail Preservation Funds (Including Interest):	3,000,000

Federal Funds

Flexible STP Funds for Transit (7%):	13,668,692
Minimum Guarantee Funds for Transit (13%):	7,584,007
Federal Transit Act Section 5307 Program (Gov. Apport.) Appropriation (FY07):	9,280,295
Federal Transit Act Section 5311 & RTAP Program Appropriation (FY07):	11,082,521
Federal Transit Act Section 5303 Program Appropriation (FY07):	1,869,384
Federal Transit Act Section 5304 Program Appropriation (FY07):	396,362
Federal Transit Act Section 5310 Program Appropriation (FY07):	2,605,065
Federal Transit Jobs Access and Reverse Commute (JARC) Urban Program (FY07):	614,054
Federal Transit Jobs Access and Reverse Commute (JARC) Rural Program (FY07):	675,288
Federal Transit New Freedom Urban Appropriation (FY07):	370,909
Federal Transit New Freedom Rural Appropriation (FY07):	456,910

Six Year Projection of State Allocated Revenues for the Rail and Public Transportation Improvement Program

	<u>FY08</u>	<u>FY09</u>	<u>FY10</u>	<u>FY11</u>	<u>FY12</u>	<u>FY13</u>	<u>Total</u>
Mass Transit Trust Revenue:	131,838,909	137,717,532	143,758,602	148,889,038	153,711,562	156,666,797	872,582,440
Mass Transit Trust Interest:	5,481,000	6,404,000	6,498,000	6,555,000	6,979,000	7,429,000	39,346,000
Adjustments:	<u>(809,508)</u>	<u>(837,689)</u>	<u>(843,242)</u>	<u>(847,042)</u>	<u>(861,433)</u>	<u>(876,677)</u>	<u>(5,075,591)</u>
Total Mass Transit Trust Fund Allocation:	136,510,401	143,283,843	149,413,360	154,596,996	159,829,129	163,219,120	906,852,849
Recordation Tax for Transit Operating:	-	42,700,000	44,900,000	45,000,000	45,300,000	45,700,000	223,600,000
Transportation Efficiency Improvement Fund (TEIF):	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	24,000,000
WMATC Support:	261,200	268,400	275,800	283,400	291,200	299,200	1,679,200
State Match to Federal MPO Planning Funds:	233,673	241,852	250,317	259,078	268,146	277,531	1,530,597
FTA State Administered Program Funds:	27,350,788	28,445,000	29,583,000	30,766,000	31,997,000	33,277,000	181,418,788
FTA Funds for the Dulles Project:	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000	-	500,000,000
Dulles Toll Revenues for Transit:	38,059,000	38,916,000	43,959,000	48,221,000	49,863,000	-	219,018,000
VTA 2000 Funds for Rail and Public Transportation:	36,440,000	9,330,000	-	-	-	-	45,770,000
Rail Preservation Funds:	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	18,000,000
Mass Transit Capital Fund (Bond Funds):	20,000,000	60,000,000	60,000,000	40,000,000	60,000,000	60,000,000	300,000,000
Rail Enhancement Funds:	23,522,719	24,157,832	24,810,094	25,479,966	26,167,926	26,850,000	150,988,537
Rail Bond Funds:	4,300,000	12,900,000	12,900,000	12,900,000	12,900,000	12,900,000	68,800,000
Flexible STP Funds for Transit (7%):	13,668,692	13,669,626	13,949,473	14,235,049	14,526,472	14,823,861	84,873,174
Minimum Guarantee Funds for Transit (13%):	<u>7,584,007</u>	<u>9,244,023</u>	<u>9,433,268</u>	<u>9,626,388</u>	<u>9,823,461</u>	<u>10,024,569</u>	<u>55,735,517</u>
	414,930,480	490,156,576	496,474,313	488,367,878	517,966,335	374,371,281	2,782,266,862

**TENTATIVE FY 2008 STATE TRANSIT CAPITAL AND OPERATING
STATE ASSISTANCE THROUGH DRPT FOR NVTC SYSTEMS**
(in millions)

(Includes only funding from current year funds for current year budgeted expenditures)

	FY 2008						
	MTTF @ 52%(capital)	MTCF @ 80%	TTF @ 100%	Special Appr. @80%	Total	Effective State %	Shortfall
CAPITAL							
WMATA	\$ 27.8	\$ -	\$ -	\$ 20.0	\$ 47.8	61%	\$ (26.7)
Local	8.8	9.4	1.3	-	19.5	65%	(9.0)
Subtotal	36.6	9.4	1.3	20.0	67.3	62%	(35.7)
VRE	7.0			15.0	22.0	68%	(8.6)
Subtotal	43.6	9.4	1.3	35.0	89.2	63%	(44.3)
FTM/ADMIN							
WMATA/Local	63.2				63.2	45%	(69.5)
VRE	8.1				8.1	54%	(6.1)
Subtotal	71.2				71.2	46%	(75.6)
COMBINED CAPITAL / FTM/ADMIN							
WMATA/Local	99.8				130.5	53%	(105.3)
VRE	15.0				30.0	64%	(14.7)
TOTAL	\$ 114.8				\$ 160.5	54%	\$ (119.9)

Notes:

MTTF - Mass Transit Trust Fund. Funds are allocated by statute to the FTM/Admin Program (73.5%), the Capital Program (25%) and the Special Projects Program (1.5%). For FY08 a special appropriation of \$18.9 million is allocated directly to the Capital Program. The statutory target percentage for the Capital Program is 95% of non-federal costs, while the target percentage for the FTM/Admin (formula) Program is 95% of certain operating expenses. The actual capital percentage and FTM/Admin funding are products of the state-wide needs and funds available in the subprograms.

MTCF - Mass Transit Capital Fund. \$20 million state-wide bond funds for select capital categories, including buses, vans, safety / security, bus shelters, and bus related facilities partially funded with federal assistance.

TTF - Transportation Trust Fund. The required match to SAFETEA-LU, CMAQ and RSTP is funded at 100% from the TTF.

Special Appropriations for Rail Rolling Stock. State funds provided at 80% of project costs for WMATA railcars (\$20 million) and VRE locomotives (\$15 million).

**COMPARISON OF STATE FINANCIAL ASSISTANCE THROUGH DRPT
FOR THE FY 2007 AND FY 2008 PROGRAMS
(in millions)**

	FY07	FY08	Increase (Decrease)	
			\$	%
Available for State-wide Transit Allocations:				
FTM/Admin (Formula) Subprogram of MTTF	\$ 96.5	\$ 102.3	\$ 5.8	
Capital Assistance Subprogram of MTTF	32.8	34.8	2.0	
Special Appropriation for Capital Assistance Subprogram	-	18.9	18.9	
Mass Transit Capital Fund (Bond Funds)	-	20.0	20.0	
Paratransit Assistance Program	0.8	0.8	-	
Special Projects Subprogram of MTTF (Note A)	2.0	2.1	0.1	
Transportation Efficiency Improvement Fund (Note A)	4.0	4.0	-	
Total Available for State-wide Transit Allocation	136.1	182.9	46.8	34.4%
Special Project Appropriations for Transit				
Rail Rolling Stock - WMATA	-	20.0	20.0	
Rail Rolling Stock - VRE	-	15.0	15.0	
Rail Rolling Stock - HRT	-	10.0	10.0	
Buses - HRT	-	6.1	6.1	
Total Special Project Appropriations for Transit	-	51.1	51.1	-
Total Transit Assistance	136.1	234.0	97.9	71.9%
Other Financial Assistance				
Rail Enhancement Fund (Note B)	21.7	23.5	1.8	
VA Shortline Railway Preservation and Development Fund (Note C)	3.0	3.0	-	
Rail Bond Funds (Note C)	-	4.3	4.3	
Special Project Appropriations - Rail Capital			-	
Norfolk Southern - I-81/I66 Rail (Note D)	-	40.0	40.0	
CSX - Complete MOU projects & Richmond Improvements (Note E)	-	20.0	20.0	
Norfolk Southern / CSX - Contingency for above projects	-	5.0	5.0	
Total Other Financial Assistance	24.7	95.8	71.1	287.9%
Total State Financial Assistance Distributed Through DRPT	\$ 160.8	\$ 329.8	\$ 169.0	105.1%

Notes

- A. May include non-transit projects.
- B. FY 08 anticipated funding. FY08 programmed funds of \$11.9 million for projects in the Bristol, Salem and Hampton Roads Districts, leaving an Unobligated balance of \$16.9 million.
- C. Includes projects for Culpeper, Richmond, Lynchburg, Staunton and Hampton Roads Districts.
- D. NOVA and Staunton Districts
- E. Nova, Fredericksburg and Richmond Districts

**COMPARISON OF STATE FINANCIAL ASSISTANCE THROUGH DRPT
FOR THE FY 2007 AND FY 2008 PROGRAMS**
(in millions)

	FY07	FY08	Increase (Decrease)		NORTHERN VIRGINIA*			
					FY07		FY08	
			\$	%	\$	NOVA %	\$	NOVA %
Available for State-wide Transit Allocations:								
FTM/Admin (Formula) Subprogram of MTTF	\$ 96.5	\$102.3	\$ 5.8		\$ 71.4	74.0%	\$ 75.4	73.7%
Capital Assistance Subprogram of MTTF	32.8	34.8	2.0		27.6	84.2%	29.5	84.8%
Special Appropriation for Capital Assistance Subprogram	-	18.9	18.9		-		16.0	84.8%
Mass Transit Capital Fund (Bond Funds)	-	20.0	20.0		-		11.2	55.8%
Paratransit Assistance Program	0.8	0.8	-		-	0.0%	-	0.0%
Special Projects Subprogram of MTTF (Note A)	2.0	2.1	0.1		0.4	19.5%	0.3	15.1%
Transportation Efficiency Improvement Fund (Note A)	4.0	4.0	-		2.0	50.6%	2.2	54.1%
Total Available for State-wide Transit Allocation	136.1	182.9	46.8	34.4%	101.4	74.5%	134.6	73.6%
Special Project Appropriations for Transit								
Rail Rolling Stock - WMATA	-	20.0	20.0		-		20.0	100.0%
Rail Rolling Stock - VRE	-	15.0	15.0		-		15.0	100.0%
Rail Rolling Stock - HRT	-	10.0	10.0		-		-	0.0%
Buses - HRT	-	6.1	6.1		-		-	0.0%
Total Special Project Appropriations for Transit	-	51.1	51.1	-	-		35.0	68.5%
Total Transit Assistance	136.1	234.0	97.9	71.9%	101.4	74.5%	169.6	72.5%
Other Financial Assistance								
Rail Enhancement Fund (Note B)	21.7	23.5	1.8		-		-	0.0%
Railway Preservation Fund (Note C)	3.0	3.0	-		-		-	0.0%
Rail Bond Funds (Note C)	-	4.3	4.3		-		-	0.0%
Special Project Appropriations - Rail Capital	-	-	-		-		-	
Norfolk Southern - I-81/I66 Rail (Note D)	-	40.0	40.0		-		-	0.0%
CSX - Complete MOU projects & Richmond Impr. (Note E)	-	20.0	20.0		-		-	0.0%
Norfolk Southern / CSX - Contingency for above projects	-	5.0	5.0		-		-	0.0%
Total Other Financial Assistance	24.7	95.8	71.1	287.9%	-	0.0%	-	0.0%
Total State Financial Assistance Distributed Through DRPT	\$160.8	\$329.8	\$ 169.0	105.1%	\$101.4	63.1%	\$169.6	51.4%

- Notes**
- A. May include non-transit projects.
 - B. FY 08 anticipated funding. FY08 programmed funds of \$11.9 million for projects in the Bristol, Salem and Hampton Roads Districts, leaving an unobligated balance of \$16.9 million.
 - C. Includes projects for Culpeper, Richmond, Lynchburg, Staunton and Hampton Roads Districts.
 - D. NOVA and Staunton Districts
 - E. NOVA, Fredericksburg and Richmond Districts
 - * Northern Virginia includes NVTC, VRE & PRTC

**COMPARISON OF STATE FINANCIAL ASSISTANCE THROUGH DRPT
FOR THE FY 2007 AND FY 2008 PROGRAMS**
(in millions)

	NVTC							
	FY07	Increase (Decrease)		FY07		FY08		
		FY08	\$	%	\$	NOVA %	\$	NOVA %
Available for State-wide Transit Allocations:								
FTM/Admin (Formula) Subprogram of MTTF	\$ 96.5	\$ 102.3	\$ 5.8		\$ 60.3	62.5%	\$ 64.0	62.5%
Capital Assistance Subprogram of MTTF	32.8	34.8	2.0		23.5	71.6%	24.0	68.9%
Special Appropriation for Capital Assistance Subprogram	-	18.9	18.9		-		13.0	68.9%
Mass Transit Capital Fund (Bond Funds)	-	20.0	20.0		-		10.2	50.8%
Paratransit Assistance Program	0.8	0.8	-		-	0.0%	-	0.0%
Special Projects Subprogram of MTTF (Note A)	2.0	2.1	0.1		0.3	16.5%	0.3	13.3%
Transportation Efficiency Improvement Fund (Note A)	4.0	4.0	-		1.9	47.6%	2.0	50.3%
Total Available for State-wide Transit Allocation	136.1	182.9	46.8	34.4%	86.1	63.2%	113.4	62.0%
Special Project Appropriations for Transit								
Rail Rolling Stock - WMATA	-	20.0	20.0		-		20.0	100.0%
Rail Rolling Stock - VRE	-	15.0	15.0		-		-	0.0%
Rail Rolling Stock - HRT	-	10.0	10.0		-		-	0.0%
Buses - HRT	-	6.1	6.1		-		-	0.0%
Total Special Project Appropriations for Transit	-	51.1	51.1	-	-		20.0	39.1%
Total Transit Assistance	136.1	234.0	97.9	71.9%	86.1	63.2%	133.4	57.0%
Other Financial Assistance								
Rail Enhancement Fund (Note B)	21.7	23.5	1.8		-		-	0.0%
Railway Preservation Fund (Note C)	3.0	3.0	-		-		-	0.0%
Rail Bond Funds (Note C)	-	4.3	4.3		-		-	0.0%
Special Project Appropriations - Rail Capital	-	-	-		-		-	-
Norfolk Southern - I-81/I66 Rail (Note D)	-	40.0	40.0		-		-	0.0%
CSX - Complete MOU projects & Richmond Impr. (Note E)	-	20.0	20.0		-		-	0.0%
Norfolk Southern / CSX - Contingency for above projects	-	5.0	5.0		-		-	0.0%
Total Other Financial Assistance	24.7	95.8	71.1	287.9%	-	0.0%	-	0.0%
Total State Financial Assistance Distributed Through DRPT	\$160.8	\$329.8	\$169.0	105.1%	\$86.1	53.5%	\$133.4	40.5%

Notes

- A. May include non-transit projects.
- B. FY 08 anticipated funding. FY08 programmed funds of \$11.9 million for projects in the Bristol, Salem and Hampton Roads Districts, leaving an unobligated balance of \$16.9 million.
- C. Includes projects for Culpeper, Richmond, Lynchburg, Staunton and Hampton Roads Districts.
- D. NOVA and Staunton Districts
- E. NOVA, Fredericksburg and Richmond Districts



AGENDA ITEM #4

MEMORANDUM

TO: Chairman Snyder and NVTC Commissioners
FROM: Rick Taube
DATE: June 28, 2007
SUBJECT: NVTA Administrative Actions

On July 12th the Northern Virginia Transportation Authority (NVTA) will meet to consider several recommendations from its working groups. Several of these involve services to be provided by NVTC. Specifically, NVTC's commissioners are asked to authorize the commission's executive director to execute a memorandum of understanding (MOU) with NVTA for NVTC to provide accounting and related financial services during a start-up period. The MOU first will be approved by the NVTA's "Council of Counsels." There will be no impact on NVTC's budget and NVTA will not be charged for these services.

Also, NVTA is expected on July 12th to ask NVTC's executive director to execute an agreement with a tenant's agent on behalf of NVTA to locate office space for an initial one-year lease. The proposed agreement with the tenant's agent has been reviewed by the Council of Counsels. NVTC is asked to authorize its executive director to execute the agreement when asked to do so by NVTA. Again there is no impact on NVTC's budget and NVTA will incur no expenses for this agreement.

Finally, for your information, Kala Quintana (NVTC's Director of Public Outreach) has been serving as NVTA's interim Public Information Officer at the request of NVTA's Chairman, Chris Zimmerman, and its Vice-Chairman, Martin Nohe.



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E-mail nvtc@nvtc.org • Website www.thinkoutsidethecar.org



AGENDA ITEM #5

MEMORANDUM

TO: Chairman Snyder and NVTC Commissioners
FROM: Richard K. Taube
DATE: June 28, 2007
SUBJECT: I-95/395 HOT Lanes Project

Commissioners and staff have identified serious concerns with proposed schedules for public information meetings on the project. As explained in the attached letter, meetings would be held in late July which coincides with vacations for many people. Of greater importance, it is likely that answers to many questions contained in earlier letters from NVTC and NVTA will not be available at that time.

The commission is asked to authorize Chairman Snyder to send the attached letter to Secretary Homer requesting additional public information meetings later in the year designed to incorporate meaningful public comment.



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I-95/395 HOV/BUS/HOT LANES CITIZEN INFORMATION MEETINGS

PROVIDE INPUT ON THE I-95/395 HIGH OCCUPANCY TOLL / HOV / BUS LANES PROJECT

The Virginia Department of Transportation (VDOT) and the Virginia Department of Rail and Public Transportation (DRPT) want your feedback about public transportation, carpooling/HOV, and highway portions of the proposed 56-mile I-95/395 High Occupancy Toll (HOT) lanes project between the Pentagon and Massaponax.

Find out more information about HOT lanes and hear updates on:

- The northern portion of the project currently under environmental review between Eads Street (near the Pentagon) and Garrisonville Road (Route 610) in Stafford County
- The proposed southern portion of the project between Dumfries and Massaponax
- Ongoing activities to review proposed transit improvements in the corridor
- The I-95/395 Transit/Transportation Demand Management (TDM) Study

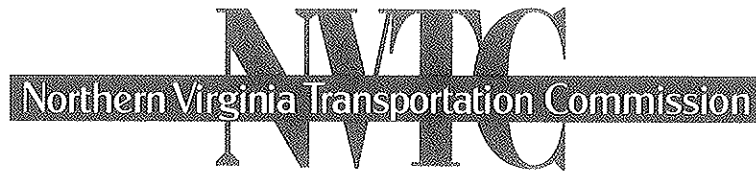
Your input is needed as part of the environmental review process for the northern portion of this proposed project. Comments are also welcome on the developing southern segment and the I-95/395 Transit/TDM Study in this corridor.

Five meetings will be held in the project corridor. Doors open at 7 p.m. with presentations at 7:30 p.m. and again at 8:30 p.m. Information stations will be available all evening for you to collect information and ask questions of project staff. **Please attend the meeting that is most convenient for you.**

Monday, July 23, 2007 Edison High School 5801 Franconia Road Alexandria, VA	Tuesday, July 24, 2007 Wakefield High School 4901 South Chesterfield Road Arlington, VA	Wednesday, July 25, 2007 Forest Park High School 15721 Spriggs Road Woodbridge, VA	Thursday, July 26, 2007 Wingate Inn Mary Washington Pavilion East 20 Sanford Drive Fredericksburg, VA	Monday, July 30, 2007 Spotsylvania County School Administrative Services 8020 River Stone Drive Spotsylvania, VA
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*If you can not attend a meeting, you may send your comments to: Public Affairs, VA Dept of Transportation, 1401 East Broad St., Richmond, VA 23219 or to hotlanes@vdot.virginia.gov through Aug. 10, 2007. Or to Public Information Office, VA Dept. of Rail and Public Transportation, 1313 East Main St., Suite 300, Richmond, VA 23218-0590 or drptpr@DRPT.Virginia.gov.

VDOT and DRPT ensure nondiscrimination and equal employment in all programs and activities in accordance with Title VI and Title VII of the Civil Rights Act of 1964. If you need more information or special assistance for persons with disabilities or limited English proficiency, call 1-866-835-6070 (TTY users, call 711).



Chairman
Hon. David F. Snyder

July 6, 2007

Vice Chairman
Hon. William D. Euille

Secretary/Treasurer
Hon. Christopher Zimmerman

The Honorable Pierce Homer
Secretary of Transportation
1111 East Broad Street, 3rd Fl, Rm 3054
Richmond, VA 23219

Commissioners:

City of Alexandria
Hon. William D. Euille
Hon. Paul Smedberg

Dear Secretary Homer:

Arlington County
Hon. Paul Ferguson
Hon. Jay Fisetle
Hon. Christopher Zimmerman

At its meeting of July 5, 2007, the Northern Virginia Transportation Commission authorized me to contact you to express our continuing concern with the schedule of public information meetings for the Fluor Transurban HOT Lanes project in the I-95/I-395 corridor. As explained below, we believe additional public meetings must be scheduled later in the year.

Fairfax County
Hon. Sharon Bulova
Hon. Gerald E. Connolly
Hon. Catherine Hudgins
Hon. Dana Kauffman
Hon. Elaine McConnell

You will recall that NVTC and NVTA had earlier addressed our concerns with several aspects of the project to you and you responded by creating a Transit Advisory Committee to help guide a transit/TDM study in the corridor. We appreciate that helpful and timely action.

City of Fairfax
Hon. Scott Silverthorne

City of Falls Church
Hon. David F. Snyder

We understand that VDOT and Fluor Transurban have scheduled public information meetings (called "Citizen Information Meetings") for later this month. As you know, this is the height of vacation season and our commission is concerned that many individuals who would otherwise participate may be excluded. Also, the format for the scheduled meetings does not encourage public comment. We have consistently urged public entities to use more innovative and effective means to inform the public and receive feedback in addition to traditional public information meetings.

Loudoun County
Hon. Eugene Delgaudio

**Virginia Department of Rail
and Public Transportation**
Matthew O. Tucker

Virginia General Assembly
Sen. Jeannemarie Devolites Davis
Sen. Mary Margaret Whipple
Del. David B. Albo
Del. Adam P. Ebbin
Del. Joe T. May
Del. Thomas D. Rust

Executive Director
Richard K. Taube

Finally, and of paramount concern, we understand that many crucial answers to questions posed about the project are not likely to be available at the July public meetings, including safety issues such as shoulder and lane widths, the results of an examination of a bus-only lane, and transit/TDM forecasts. Since we understand that these are intended to be the only public information meetings necessary to fulfill the Federal Highway Administration's (FHWA) conditions for a National Environmental Policy Act categorical exclusion for the northern segment of the project, in effect the public

is being asked to form opinions and comment on the project lacking many of the necessary facts.

Because we believe the FHWA "public review" condition is intended to afford the public the opportunity to comment on all facets of the project, with answers to all the questions posed available for public inspection, we urge you to direct VDOT and Fluor Transurban to convene additional public information meetings later in the year and, if necessary, defer the request for an unconditional categorical exclusion until after the public has the opportunity to review responses to all of NVTC's and NVTA's questions and VDOT has considered the public's comments. By doing so, you would be assured that the project scope that VDOT and Fluor Transurban will be using to finalize a comprehensive agreement would account for all of the issues and all of the points of view.

Please feel free to contact me with any questions about our request.

Sincerely,

David F. Snyder
Chairman

cc: NVTC Commissioners
NVTA Chairman Zimmerman
Transit Advisory Committee members



AGENDA ITEM #6

MEMORANDUM

TO: Chairman Snyder and NVTC Commissioners
FROM: Rick Taube
DATE: June 28, 2007
SUBJECT: Presentation: DRPT's Strategic Initiatives

Matthew Tucker, DRPT Director, will describe significant changes underway in his department. Background material is attached for your information.




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DRPT Business Plan

Virginia Transit Association
Annual Meeting


June 12, 2007
Wintergreen, VA


Virginia Department of Rail and Public Transportation
For a Better Tomorrow, Building a Better Future

www.drpt.virginia.gov

Agenda

- DRPT's Current Business Climate
 - Mission and Vision
 - Agency Strategic Plan
 - Key Objectives and Performance Measures
 - Executive Order 37
 - HB3202 Core Principles
- DRPT Strategic Assessment and Results
- DRPT Business Plan



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DRPT's Mission and Vision

Mission: The Virginia Department of Rail and Public Transportation exists to improve mobility and expand transportation choices in the Commonwealth.


Vision: Every resident, visitor and business in Virginia will have attractive transportation choices.


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DRPT's Agency Strategic Plan

- DRPT maintains an Agency Strategic Plan as required by the Department of Planning and Budget (DPB)
- 6 agency goals support statewide goals defined by The Council on Virginia's Future in addition to DRPT's Mission and Vision
- Details are available online at:
www.vaperforms.virginia.gov




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DRPT Agency Goals (1)

Agency Strategic Plan 2006

- Goal 1: Assist in managing the growth in congestion on Virginia's highways
- Goal 2: Improve access for the general public and businesses to alternative transportation (public transit, carpools, vanpools, human service transportation, passenger rail, freight rail) and telecommuting.
- Goal 3: Provide access and improvements to VA's railways to encourage economic development and reduce truck traffic on VA's highways.




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6/12/07

DRPT Agency Goals (2)

Agency Strategic Plan 2006

- Goal 4: Seek the highest possible return on investment to maximize limited funding.
- Goal 5: Increase communications to the general public, businesses and community decision makers on alternative transportation choices and telecommuting
- Goal 6: Implement best practice management tools and techniques to improve customer service and accountability




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Key Objectives and Performance Measures

Key Objectives	Performance Measures
Help Manage Traffic Congestion	Increase in transit ridership Increase in volume of freight shipped by rail
Deliver Economic Benefits	Number of jobs created and maintained through transit initiatives Number of jobs created and maintained through rail initiatives
Deliver Social Benefits	Increase in transit ridership for elderly, disabled and low income citizens




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Transportation Accountability Commission

- Established by Executive Order 37 in October 2006
- Directed to:
 - Review existing methods used to measure transportation system and agency performance and accountability
 - Recommend improvements to ensure that the transportation system delivers the maximum value to taxpayers and transportation agencies are held accountable for their performance
- 21 members comprised of diverse leaders from business, associations and local governments
- All transportation agencies are being evaluated by the Commission




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HB 3202 Core Principles

- Accountability
 - Chapter 42: Joint Commission on Transportation Accountability
- Land Use Reform
- Funding
 - Six Year-Improvement Plan FY08-13 increases funding for transit and rail by 45%



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**Joint Commission on
Transportation Accountability (1)**

☐ **Members:**

- Six members of the House of Delegates appointed by the Speaker, four members of the Senate appointed by Senate Committee on Rules, and the Auditor of Public Accounts

☐ **Powers and Duties:**

- To make performance reviews of operations of transportation agencies to ensure that funding is expended for purposes intended and to evaluate the effectiveness of programs in accomplishing legislative intent
- To continuously study the operations, practices and duties of transportation agencies as they relate to efficiency in use of space, personnel, equipment and facilities
- To evaluate financial and project management of transportation agencies
- To make special studies of and reports on the operations and functions of transportation agencies as it deems appropriate and as may be requested by the General Assembly


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**Joint Commission on
Transportation Accountability (2)**

☐ **Responsibilities of Transportation agencies:**

- All agencies, their staff and employees shall provide the Commission with necessary information for the performance of its duties and afford the Commission's staff ample opportunity to observe agency operations

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DRPT Strategic Assessment

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DRPT Responsibilities by Category Code of Virginia 33.1-391.5

Category	Responsibility
Economic & Financial Analysis Capabilities	Present future needs and economic feasibility
	Develop uniform financial & operating data & evaluation criteria for agency programs
Accountability	Evaluate and monitor the performance of agency programs and rail/transit operations in VA
Planning and Programming	Formulate and implement plans and programs
	Improve mobility and promote safety
	Provide training and technical support
Coordination	With VDOT, local/federal agencies, task forces, other entities

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Overall Assessment

Adequate Performance:

- Allocation and disbursement of existing grant funds
- Rail programs and use of public benefit analysis are industry leaders

Needs Improvement:

- Needs assessments: required to help inform decision-making
- Planning: lack of ability to conduct proactive planning and participate actively in key planning processes throughout VA
- Policy-making: DRPT under-represented in most major decision-making institutions and processes
- Accountability: limited accountability requirements for DRPT and its grantees
- Evaluating performance: DRPT does not evaluate the performance of its programs based on public benefit criteria including congestion management, social and economic benefits

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No longer just an ATM


Strategies for Improvement

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Division of Rail and Transit

DRPT's Organizational Structure

- ❑ DRPT's prior internal structure limited the agency's ability to achieve the mandates set forth by the Code of Virginia
- ❑ Strategic changes are underway to:
 - Improve program management and project delivery:
 - Example: Specific program management and planning functions within business areas
 - Improve program oversight:
 - Example: new audit function
 - Improve DRPT's participation at the local, regional and statewide levels:
 - Example: increased focus on planning, policy development and technical assistance
 - Increase checks and balances:
 - Example: Separation of grants management and program development functions



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Watz w/ CDX - Don't be so trusting / dependent on Gen. Ass. added need for action on heat restrictions, etc.

Increasing Expertise Within DRPT

- ❑ DRPT must increase the level of expertise across its business areas in order to meet the demands of the agency's mandate and the agency's diverse customer base
- ❑ DRPT must develop and implement additional high level, strategic functions to better manage the agency's business activities
- ❑ The new organization includes a balance of staff and consultant support to provide sufficient levels of expertise in areas such as:
 - Rail
 - Transit
 - Congestion management
 - Finance and compliance
 - Strategic planning
 - Policy and communication




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Summary of New Benefits for Transit

- ❑ Enhanced technical assistance:
 - Dedicated technical assistance staff with more time to focus on grantee needs
 - DRPT has reduced the amount of administrative demands on our technical assistance staff to allow for more time with grantees
 - Developing a stronger regional presence in four key regions: Northern VA, Richmond, Roanoke and Hampton Roads
 - DRPT will provide more localized support
 - Providing more construction support for transit facilities
- ❑ New planning tools:
 - Asset management system to help track and budget for capital needs
- ❑ Better communication on the benefits of transit:
 - Public benefit programs will provide real-world information about the benefits of transit, such as:
 - Gallons of fuel saved
 - Pollution reduced
 - Number of vehicles removed from highways
 - Better facts demonstrate the results achieved through your transit operation




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Current Work in Progress

- Improved financial controls:
 - Audit program implementation
 - Separation of grants management and program development
 - Balanced budget program
- Development of Key RFPs:
 - Program Management Consultant Team
 - Public Benefit Model Enhancements
 - Statewide Planning Documents
- Organizational Realignment
- DRPT's Business Plan


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Statewide Transit Plan

DRPT Business Plan


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DRPT's Business Plan

- The first business plan in the history of DRPT, created as a state agency in 1992, is now under development
- To guide progress toward meeting goals and achieving results
- To identify key issues and develop executable strategies to address them
 - Strategies will include both short term (during the year) and long term (multi-year) actions


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Business Plan Schedule


- Development of this year's Business Plan is now underway
- Completion: August 2007
- Gradual implementation of major systems and programs
- Subsequent years:
 - The Business Plan will be issued annually in June, together with DRPT's Annual Budget



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Questions?




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Virginia Department of Rail and Public Transportation
The Smartest Distance Between Two Points



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**Transit Update
Where Do We Go From Here?**

Virginia Transit Association
Annual Meeting
June 12, 2007
Wintergreen, VA

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Department of Rail and Public Transportation

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Agenda

- Update on Key Initiatives
- Asset Management
- Accountability and Performance Evaluation
- Planning and Policy Development
- Universal Access Program

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Summary of Current Key Initiatives

- Needs Assessment:
 - Public benefit model for all programs
 - Asset Management Plan
- Planning:
 - DRPT Strategic Planning function
 - Statewide Policy and Strategic Investment Plans
 - Local and regional planning participation (MPO's, etc.)
 - Rail Fixed Guideway safety oversight program
- Accountability:
 - DRPT triennial review program for transit performance and financial compliance
 - Virginia Transit Performance System
 - DRPT Dashboard
- Additional resources required to staff these activities:
 - Program Management Consultant team

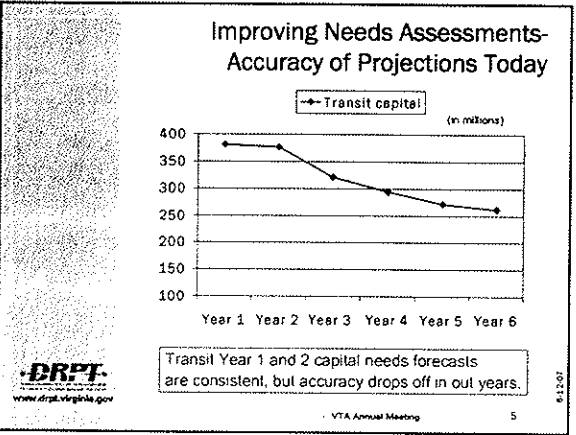
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Asset Management Program

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- ## Asset Management Program
- Develop Asset Management Program to budget and forecast transit capital replacement needs
 - Inventory existing vehicles, facilities, other capital assets for all transit systems:
 - Age
 - Condition
 - Remaining Useful Life
 - Technology utilized
 - Develop asset management policy goals such as:
 - Prioritization process to fund capital needs
 - Standard replacement cycle for vehicles
 - Technology priorities and standards
 - Security priorities and standards
 - Develop ability to run resource allocation scenarios and analyze trade-offs associated with different choices
- VTA Annual Meeting 6

Asset Management Program Update

- Program is now under development
- Survey issued to all DRPT transit and human service transportation grantees to gather an inventory of:
 - Fleet information and replacement cycles
 - Performance measures that are in place today
 - Information about which systems report to the National Transit Database today
 - Suggestions to improve DRPT's transit capital grants program
- Next steps:
 - Program development to be completed this summer/fall 2007
 - Program implementation: 2007/2008

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Accountability and Performance Evaluation

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Improving Accountability and Performance Evaluation


- Expand public benefits analyses for all DRPT programs
- Develop annual reports documenting performance of programs and grantees through a Virginia Transit Performance System
- Implement triennial financial and performance review program
- Develop DRPT Dashboard

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Benefits to Be Achieved

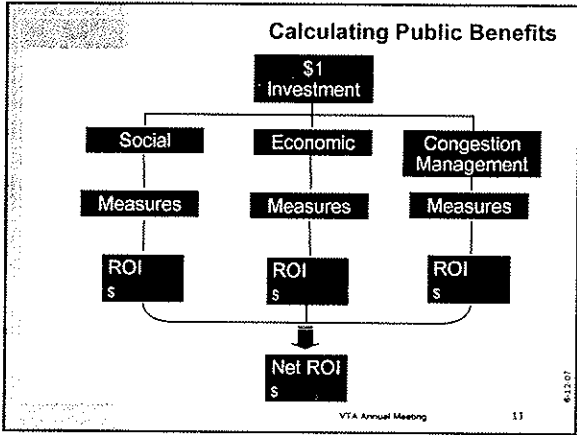
- DRPT Dashboard- Measuring Success: (examples)
 - Transit ridership
 - Number of cars/trucks off Virginia roads
 - Gallons of fuel saved
 - Pollution reduced
- Triennial Review Program Information:
 - Identify performance standards for each transit operation
 - Report on progress toward meeting performance goals
 - Identify specific needs
 - Provide a pathway for future improvements



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DRPT Key Objectives and Sample Performance Measures


Key Objectives	Sample Measures	Source Data
Help Manage Traffic Congestion	Increase in transit ridership	National Transit Database
	Increase in volume of freight shipped by rail	DRPT Public Benefit Analysis
Deliver Economic Benefits	Number of jobs created and maintained through transit initiatives	DRPT Public Benefit Analysis
	Number of jobs created and maintained through rail initiatives	DRPT Public Benefit Analysis
Deliver Social Benefits	Increase in transit ridership for elderly, disabled and low income citizens	National Transit Database

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DRPT Public Benefit Analysis

- ❑ DRPT first initiated a public benefit analysis program for the Rail Enhancement Fund
- ❑ This analysis program is being expanded to include all of DRPT's programs, including rail, transit and congestion management initiatives
- ❑ Public benefit criteria, scoring and calculations will be program-specific but will support DRPT's three key objectives




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Reporting on Virginia's Transit Performance

- ❑ Based on the National Transit Database
 - Federal Transit Administration's database of transit statistics for US transit operators
- ❑ Examples of information available through the NTD on individual transit operators:
 - Ridership
 - Operating costs
 - Service statistics for elderly, disabled and low income riders
- ❑ DRPT is developing a similar system based on the NTD for all Virginia transit systems
 - Some operators already report to NTD
 - Virginia's system will allow all operators to report performance information
 - Working to ensure that there are no duplicative reporting requirements




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Performance System Development

- ⌋ Development of the new performance system is now underway as part of the Asset Management Program
- ⌋ Includes the development of standardized definitions for performance indicators so that information reported in the system is consistent
- ⌋ The types of information collected will be similar to the NTD
- ⌋ Transit operators will be provided with the resources to use the new system, in addition to training and technical support if needed



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Triennial Review Program

- Triennial Financial and Performance Review Program is now under development
- Transit systems will be reviewed every three years
- Review will include:
 - An assessment of each transit operator's financial relationship with DRPT and the resulting progress on completing state-funded projects
 - Transit system performance, including a review of achievements against the transit system's own established performance goals

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Implementation Schedule for Accountability and Performance Systems

- Public Benefit Analysis: completed for Rail Enhancement Fund, expansion to other DRPT programs completed in fall 2007
- Virginia Transit Performance System: development underway, implementation in fall 2007
- Triennial Financial and Performance Review Program: development underway, implementation fall 2007
- Full Reporting and Performance Information Systems Completed: summer 2008

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Planning and Policy Development

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Improving Planning and Policy Development

- Develop a more active role in shaping transportation policy and outcomes derived through the planning process:
 - Add a strategic planning function within DRPT
 - Improve planning capabilities for transit, rail and congestion management activities
 - Actively participate in key planning forums (e.g. MPO's)
 - Major focus on key corridors such as I-95 and I-81
 - Develop Statewide Transportation Plans: (examples)
 - Transit Sustainability Policy Document for all modes
 - Strategic Rail Investment Plan
 - Strategic Transit Investment Plan
 - Fully develop Congestion Management program


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Overview of DRPT Planning Efforts

- Existing DRPT Planning Documents (published in 2004):
 - Virginia State Rail Plan
 - Rail, Transit and TDM Needs Assessment
- Summary of Results:
 - Documented the status of rail, transit and TDM in Virginia
 - Identified needs
 - Left strategic investment planning for a later discussion
- Other DRPT Studies/Plans:
 - Reactive to General Assembly or stakeholder requests
 - Often unfunded mandates
 - Typically in tight time-frames
 - Limited resources
 - Have little or no connectivity to a wider strategic vision
- DRPT has no long range strategic plan to advance rail, transit and congestion management in Virginia


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Achieving a Strategic Vision DRPT's Challenge

- DRPT will proactively answer the "big picture" questions...
 - Where will strategic investments be made?
 - When will these investments be made and by whom?
 - What will be the outcomes and benefits?
 - How will these investments be implemented, used, and monitored?


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DRPT's Approach to the Challenge

- Develop for rail, transit and congestion management:
 - policy documents
 - strategic investment plans
- Develop a DRPT policy and strategic investment plan

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Guiding Principle for DRPT Planning Initiatives

- All planning documents will recommend initiatives that provide:
 - Public benefits as a result of the investment, such as:
 - Pollution benefits
 - Energy savings
 - Trucks and cars off of the road
 - Socio-economic benefits to the community
 - Jobs created
 - Private industrial and commercial developments
 - Accessibility

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Summary of Rail Planning Documents

- Passenger Rail Plan and Policy Document
- Strategic Rail Investment Plan

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Transit Sustainability Policy Document

- ▣ Policy guide for the development of sustainable transit services
- ▣ For development of transit systems, including passenger rail, or new services that make best use of the investment of public funds
- ▣ New transit systems or new services must be sustainable and work within and contribute to an overall transportation network
- ▣ Include baseline identification and prioritization of transit corridors
- ▣ Establish a benchmark standard for the evaluation and methodology on how to estimate ridership, revenue, and expenditures for new or expanded transit services
- ▣ Develop a process to establish the governance structure necessary to fund, build, and operate the service and necessary capital improvements prior to the investment of public funds - shared risks and benefits

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Transit Strategic Investment Plan

- ▣ The Transit Strategic Investment Plan for Virginia will be the guide to lead the Commonwealth in transit development and strategy for the next 20 years
 - Build on the Transit Sustainability Policy Document, Statewide Passenger Rail Plan and Policy Document, and DRPT Asset Management Plan
 - Incorporate all transit needs updated from the 2004 Needs Assessment, VTRANS, DRPT and local/regional transportation plans
 - Prioritize discretionary funding and strategic transit investments based on long term investment principles and funding streams requiring shared risk and shared benefit

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Congestion Management Plan and Policy Document


- ▣ Policy guide for the development of congestion management initiatives
- ▣ Congestion management programs and services that make best use of the investment of public funds
- ▣ New congestion management systems or new services must be sustainable and work within and contribute to an overall transportation network

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Congestion Management Strategic Investment Plan

- ┐ The Congestion Management Strategic Investment Plan for Virginia will be the guide to lead the Commonwealth in Congestion Management Program development and strategy for the next 20 years
 - Build on the Transit Sustainability Policy Document, Statewide Passenger Rail Plan and Policy Document, and Rail and Transit Strategic Investment Plans
 - Incorporate all transit and passenger needs updated from the 2004 Needs Assessment, VTRANS, DRPT and local/regional transportation plans
 - Prioritize discretionary funding and strategic congestion management investments based on long term investment principles and funding streams requiring shared risk and shared benefit




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6-11-07

DRPT Policy and Strategic Investment Plan Document

- ┐ The DRPT Policy and Strategic Investment Plan Document for Virginia will be the guide to lead the Commonwealth in Rail, Transit, and Congestion Management development and strategy for the next 20 years
 - Build on all policy documents developed
 - Incorporate all needs assessments
 - Prioritize all corridors and strategic investments based on long term investment principles and funding streams requiring shared risk and shared benefits




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Strategic Planning Document Schedule

- ┐ The production schedule for each individual planning document is currently under development
- ┐ Public and stakeholder involvement will be key components of each study schedule
- ┐ All planning documents are scheduled for completion no later than 2009




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Universal Access Program


- ❑ Item 437 F. of the Budget Bill states that:
 - The Director of DRPT shall work with local transit systems to implement by June 30, 2008 a streamlined universal access system for riders eligible for paratransit services.
- ❑ Today, riders are certified by locality only. With Universal Access, riders can be certified statewide, meaning that they can have access to paratransit service anywhere in Virginia
- ❑ DRPT is developing the program parameters now
- ❑ We will need to work cooperatively with transit operators to make this program successful



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Conclusion

- ❑ What will all of these improvements do for transit in Virginia?
 - Provide accurate cost information to support future initiatives
 - Provide a long range plan and vision
 - Enable the strategic expansion of transit service
 - Help people understand the benefits of transit

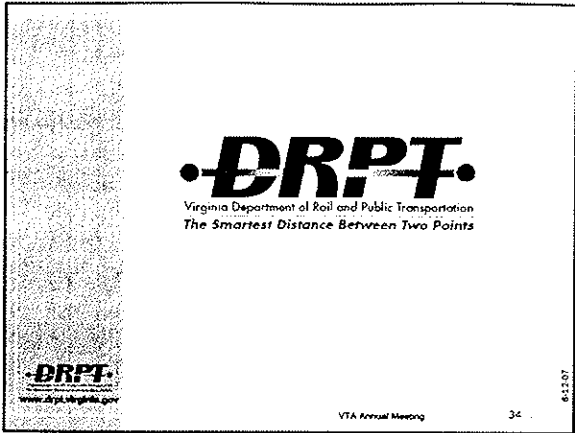


VTA Annual Meeting 32

Questions?



VTA Annual Meeting 33



DRPT
Virginia Department of Rail and Public Transportation
The Smartest Distance Between Two Points

DRPT
www.drpt.virginia.gov

VTA Annual Meeting 34

61107

MEMORANDUM

TO: Chairman Snyder and NVTC Commissioners
FROM: Rick Taube
DATE: June 28, 2007
SUBJECT: Regional Transportation Items

A. NVTA Administrative Plan.

On July 12, 2007, the Northern Virginia Transportation Authority will meet to hear from the public and consider implementing regional taxes, among other actions. A progress report will be presented.

B. Urban Partnership Applications from the Commonwealth of Virginia and Fairfax County.

The U.S. Department of Transportation did not select either application for consideration as a semi-finalist. Copies of the applications were provided to commissioners at last month's NVTC meeting.

C. Communications from the Public.

Correspondence is attached for your information.

D. VTA Awards.

Several Northern Virginia transit systems were honored with awards from the Virginia Transit Association at its spring meeting. Alexandria's DASH won the outstanding public transportation marketing award for a smaller system with an honorable mention for Loudoun County Transit. PRTC won the award for large transit systems with WMATA receiving an honorable mention. DASH also won the Innovative Transit Award. Details are attached.



Dana Kauffman was selected for the award for outstanding contribution by a local official. He will receive his award at NVTC's September meeting.



NVTC

Northern Virginia Transportation Commission

Chairman
Hon. David F. Snyder

Vice Chairman
Hon. William D. Euille

Secretary/Treasurer
Hon. Christopher Zimmerman

Commissioners:
City of Alexandria
Hon. William D. Euille
Hon. Paul Smedberg

Arlington County
Hon. Paul Ferguson
Hon. Jay Fisette
Hon. Christopher Zimmerman

Fairfax County
Hon. Sharon Bulova
Hon. Gerald E. Connolly
Hon. Catherine Hudgins
Hon. Dana Kauffman
Hon. Elaine McConnell

City of Fairfax
Hon. Scott Silverthorne

City of Falls Church
Hon. David F. Snyder

Loudoun County
Hon. Eugene Delgaudio

**Virginia Department of Rail
and Public Transportation**
Matthew O. Tucker

Virginia General Assembly
Sen. Jeannemarie Devolites Davis
Sen. Mary Margaret Whipple
Del. David B. Albo
Del. Adam P. Ebbin
Del. Joe T. May
Del. Thomas D. Rust

Executive Director
Richard K. Taube

June 8, 2007

The Honorable John Warner
United States Senate
225 Russell Senate Office Building
Washington, DC 20510-4601

Dear Senator Warner:

The Northern Virginia Transportation Commission has authorized me to write to you to request that you add an amendment to the Defense Authorization Bill that would require the Department of Defense to certify important transportation projects are substantially completed before moving thousands of workers to Fort Belvoir.

As you know, the House of Representatives has already approved this amendment (copy attached). While NVTC is supportive of the mission of the Army, federal help is necessary to pay for improved public transit and roads to accommodate the sudden influx of at least 22,000 new workers by 2011. Relying entirely on state and local funding for necessary transportation improvements is not fair and will not result in completed projects before the forecast deluge of traffic chokes the area.

The amendment does not require the Army to pay for the transportation improvements, but it is reasonable to expect that this amendment will provide sufficient motivation for the Defense Department to identify federal funds to help complete the required transportation improvements.

The House bill also transfers a warehouse site near the Joe Alexander Transportation Center to the Army from the General Services Administration. This also will help alleviate traffic problems as up to 9,000 new employees could work at this transit-accessible site.

We urge you to examine this amendment carefully and act to attach it to the Senate version of the bill.

NVTC appreciates your continuing efforts to promote improved transportation in Northern Virginia. Please feel free to contact me with any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "D. Snyder", written over a circular stamp or watermark.

David F. Snyder
Chairman

cc: Senator James Webb
Representative James Moran
Representative Tom Davis
Representative Frank Wolf

AMENDMENT TO H.R. 1585, AS REPORTED

OFFERED BY MR. MORAN OF VIRGINIA

At the end of subtitle C of title XXVIII, add the following new section:

1 SEC. 2822. CONDITIONS ON TRANSFER OF MILITARY PER-
2 SONNEL AND CIVILIAN EMPLOYEES TO FORT
3 BELVOIR, VIRGINIA, AS PART OF REALIGN-
4 MENT OF THE INSTALLATION.

5 Notwithstanding section 2904(a)(5) of the Defense
6 Base Closure and Realignment Act of 1990 (part A of title
7 XXIX of Public Law 101-510; 10 U.S.C. 2687 note),
8 members of the Armed Forces and civilian employees of
9 the Department of Defense who are scheduled to be relo-
10 cated to Fort Belvoir, Virginia, as a result of the closure
11 of leased-office space in Arlington, Virginia, pursuant to
12 the recommendations contained in the report transmitted
13 to Congress on September 15, 2005, under section
14 2903(e) of such Act may not be relocated to Fort Belvoir,
15 until—

16 (1) the Secretary of the Army submits to Con-
17 gress written certification that the necessary trans-
18 portation infrastructure, as identified by the environ-
19 mental impact statement prepared by the Depart-

1 ment of the Army for the Fort Belvoir realignment,
2 to accommodate the total number of members and
3 civilian employees to be assigned to Fort Belvoir and
4 their dependents, is substantially completed; and

5 (2) the 60-day period beginning on the date on
6 which the certification is submitted under paragraph
7 (1) expires.

Innovative Transit Award
Alexandria Transit Company (DASH)
For the Operator Weekend Scheduling Program

The rotating weekend shift schedule lets DASH bus drivers sign up for an assignment that gives them every other weekend off. This has resolved a longstanding driver reliability problem, resulting in a 25% reduction in drivers reporting off for weekends, reduced overtime and increased morale. It also has been helpful in driver recruitment as well as new driver retention, since most operators have had the choice to select one of these work assignments within their first year of employment. This is a win-win program for employees and management. It could easily be replicated by other transit systems.

Outstanding Public Transportation Marketing Award
(Large System)
Potomac Rappahannock Transportation Commission
For the "PRTC 20th Anniversary Celebration" Campaign.

This comprehensive and multi-faceted 20th anniversary celebration, "20 Years of Moving Forward," celebrated the growth, service and value of Omniride and Omnilinks to the community and recognized the collective efforts of elected leaders, PRTC staff and the strong and growing support of citizens and riders. The campaign included one day special fares "20 for 20" - that's 20 cents fare for 20 years of service, a Children's book drive, a 15 minute video in cooperation with Prince William counties government cable TV channel, bus advertising, newspaper ads, website features, a PRTC staff ice cream social as well as a Founders, Stakeholders and Dignitaries dinner. This was an extensive, highly successful and largely staff produced campaign, the components could easily be adapted to other transit systems.

Honorable Mention
Washington Metropolitan Area Transit Authority
For the "Go Green on the Metro" Campaign

With gas prices over \$3 per gallon and rising concerns about air quality and traffic congestion, WMATA's GO GREEN campaign drove home the value of Metrobus/Metrorail service, which saves two kinds of green - money and the environment. This clever and timely campaign, which is still going strong is shifting the way people view riding the bus. As awareness of the need to protect the environment grows and more people are willing to make an effort to reduce green house gas emissions, this campaign highlights for D.C. area motorists the many benefits of riding a bus or train instead of driving alone.

**Outstanding Public Transportation Marketing Award
(Small System)**

Alexandria Transit Company (DASH)

For “The Sweetest Ride” and “Dashing through Alexandria” Campaigns

A good book, a great day of shopping and an ice cream treat to finish the day. Alexandria Transit Company gave its DASH transit riders all three, and it did so with more than a dash of style and flair. DASH’s “Sweetest Ride in Alexandria” campaign offered DASH riders a free frozen custard at the Fairy Godmother frozen custard shop in exchange for showing a valid bus transfer. The October campaign was so successful that nearly 40 local businesses signed on for the “DASHing through Alexandria” holiday shopping promotion by offering gifts or discounts to anyone who showed a DASH bus transfer. “DASHing through Alexandria” was a smashing success as the campaign helped alleviate holiday traffic and parking problems. Strong relations were formed between DASH and the retail business community, and shoppers cashed in without even lifting a car key.

To complement the campaigns, DASH published a user friendly DASH Ride Guide. A cumbersome, large sheet format was ditched for a multi-sheet mini-magazine featuring maps of each route.

Honorable Mention

Loudoun County Transit

For the “Holiday Special” marketing campaign

The campaign promoted a new seasonal mid-morning bus run from Loudon to Washington D.C. from Dec. 26-30 was marketed with a theme of “It’s the Most Wonderful Time of the Year for Museums, Monuments and Memories.” Loudoun effectively created and promoted a service that adapts to rider and family needs as they change with the season.



AGENDA ITEM #8

MEMORANDUM

TO: Chairman Snyder and NVTC Commissioners
FROM: Rick Taube
DATE: June 28, 2007
SUBJECT: WMATA Items

A. FY 2008 Budget Approved.

A copy of a letter is attached containing NVTC's comments on WMATA's FY 2008 budget. The Metro Board acted to approve the budget. Excerpts are attached.

B. Dulles Project Approvals.

Following actions by the Fairfax and Loudoun County Boards, the WMATA Board authorized Metro's financial plan for participating in the project. Details are provided in the attachment.



4350 N. Fairfax Drive • Suite 720 • Arlington, Virginia 22203
Tel (703) 524-3322 • Fax (703) 524-1756 • TDD (800) 828-1120 • VA Relay Service
E-mail nvtc@nvtc.org • Website www.thinkoutsidethecar.org



NVTC

Northern Virginia Transportation Commission

Chairman
Hon. David F. Snyder

June 8, 2007

Vice Chairman
Hon. William D. Euille

Secretary/Treasurer
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Commissioners:
City of Alexandria
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**Virginia Department of Rail
and Public Transportation**
Matthew O. Tucker

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Sen. Jeannemarie Devolites Davis
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Del. Adam P. Ebbin
Del. Joe T. May
Del. Thomas D. Rust

Executive Director
Richard K. Taube

Ms. Elizabeth Hewlett
Chairman
Washington Metropolitan Area Transit Authority
600 Fifth Street, N.W.
Washington, DC 20001-2693

Dear Ms. Hewlett:

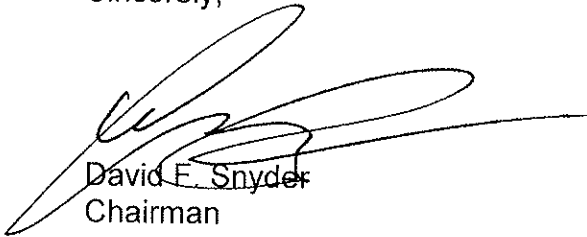
At its June 7th meeting the Northern Virginia Transportation Commission authorized me to provide the following comments on the proposed FY 2008 WMATA budget:

- 1) The WMATA Board and General Manager John Catoe deserve praise for careful cost-cutting to produce a FY 2008 budget that maintains reasonable local subsidy increases without a fare increase.
- 2) NVTC recognizes that the financial picture for FY 2009 and beyond is bleak and that measures such as regular fare increases to match inflation will have to be seriously considered.
- 3) NVTC is heartened that the Virginia General Assembly and Governor Kaine agreed to offer the commission's local governments the opportunity to obtain \$50 million in annual guaranteed revenue. This new funding will assist NVTC's member jurisdictions in meeting their obligations to WMATA and, we hope, will encourage Congress to provide a steady stream of funding of at least \$150 million annually.
- 4) With WMATA sharply reducing its construction and project management staff, inevitably more of that work will now devolve to WMATA's local jurisdictions. NVTC urges WMATA to work closely with its jurisdictions during the transition to help avoid sudden and sharp budget impacts at the local level.

- 5) NVTC opposes efforts to reprogram \$35 million in the Metro Matters funding agreement from a Virginia bus garage to other projects in other jurisdictions. For example, if a new regional Transit Police Training Facility is to be funded, Homeland Security grants would be an appropriate funding source.
- 6) At NVTC's May 3rd commission meeting, General Manager John Catoe reported that he had not received a written proposal to sell WMATA's existing headquarters building and shift Metro's headquarters to another D.C. location. He pledged to review any such proposal completely and objectively before providing a recommendation to the Board. NVTC expresses its strong desire that the WMATA Board, if it is called upon to evaluate such a proposal, will also do so objectively and collegially. Among the potential issues to be evaluated will be costs and risks of moving WMATA's Operations Control Center and the incidence of costs relative to development benefits that may accrue to all of the Authority's members.

We thank you for considering our comments. Please feel free to contact me with any questions.

Sincerely,



David F. Snyder
Chairman

cc: NVTC WMATA Board Members
General Manager John Catoe
NVTC Members Chief Administrative Officers
NVTC Commissioners

**Washington Metropolitan Area Transit Authority
Fiscal 2008 Operating Budget**

\$ Millions	Total	Metrorail	Metrobus	MetroAccess
Revenues:				
Passenger	\$ 534	\$ 422	\$ 108	\$ 3
Other Passenger	5	2	3	-
Parking	40	40	-	-
Charter	2	-	2	-
Advertising	38	13	25	-
Joint Development	7	7	-	-
Other	13	9	4	-
Employee Parking	0	0	0	-
Interest	5	2	3	-
Fiber Optics	10	10	-	-
Total Revenues	\$ 654	\$ 505	\$ 145	\$ 3
Expenses:				
Personnel	\$ 882	\$ 499	\$ 380	\$ 3
Services	125	47	18	60
Materials & Supplies	74	41	33	0
Fuel & Propulsion Power	81	46	35	-
Utilities	37	29	8	0
Casualty & Liability	18	12	6	0
Leases & Rentals	6	3	2	1
Miscellaneous	(7)	(4)	(4)	-
Preventive Maintenance	(61)	(36)	(24)	(1)
Total Expense	\$ 1,154	\$ 638	\$ 453	\$ 63
Total Subsidy	\$ 500	\$ 133	\$ 307	\$ 59
Cost Recovery Ratio	57%	79%	32%	5%

**Washington Metropolitan Area Transit Authority
Operating Budget**

\$ Millions	Fiscal 2005 (actual)	Fiscal 2006 (actual)	Fiscal 2007 (budget)	Fiscal 2008 (budget)
Revenues:				
Metrorail	\$ 440	\$ 477	\$ 500	\$ 505
Metrobus	129	136	140	145
MetroAccess	<u>3</u>	<u>3</u>	<u>4</u>	<u>3</u>
Total Revenue	\$ 571	\$ 617	\$ 644	\$ 654
Expenses:				
Metrorail	\$ 545	\$ 598	\$ 621	\$ 638
Metrobus	369	399	428	453
MetroAccess	<u>42</u>	<u>52</u>	<u>56</u>	<u>63</u>
Total Expense	\$ 957	\$ 1,049	\$ 1,105	\$ 1,154
Subsidy:				
Metrorail	\$ 105	\$ 120	\$ 121	\$ 133
Metrobus	241	263	288	307
MetroAccess	<u>39</u>	<u>49</u>	<u>53</u>	<u>59</u>
Total Subsidy	<u>\$ 385</u>	<u>\$ 432</u>	<u>\$ 461</u>	<u>\$ 500</u>
Cost Recovery Ratio				
Metrorail	81%	80%	81%	79%
Metrobus	35%	34%	33%	32%
MetroAccess	7%	6%	6%	5%
Total System	60%	59%	58%	57%

DULLES-ADOPT FINANCIAL PLAN FOR FULL FUNDING GRANT AGREEMENT INCLUDING METRO'S FINANCIAL CAPACITY

Presented to the Board of Directors:

**Finance, Administration and Oversight
Committee**

June 14, 2007



Dulles Corridor Metrorail Financial Plan

- **The request to proceed with Final Design for Phase 1 (to Wiehle Ave.) is pending before the FTA**
- **CFO has updated financial plan**
- **Conclusion – Operating Budget:**
 - Metro’s budget will increase 3 percent, or \$46 million, in fiscal 2012 (the first full year of operation) for the operating and maintenance costs of this rail extension.
 - The resulting regional subsidy contribution to Metro will increase by less than 2 percent, or \$9 million, at that time.



Dulles Corridor Metrorail Financial Plan

- **Conclusion – Capital Budget:**
 - The extension will increase Metro’s capital budget by 6 percent, or \$36 million, in fiscal 2019 (the first year that the extension would have an impact on Metro’s infrastructure renewal program, which is 7 years after the opening of the extension).
 - The resulting regional subsidy contribution to Metro will increase by 27 percent, or \$36 million, in fiscal 2019 for this extension (the assumed cost recovery for the extension is found in the operating budget only).



Dulles Corridor Metrorail Financial Plan

Operating

Allocation of Estimated Operating Subsidy in Fiscal 2012 for Dulles Phase 1 Extension

	(in millions)
District of Columbia	\$ 0.5
Maryland:	
Montgomery Co.	0.5
Prince Georges Co.	0.3
Subtotal	\$ 0.8
Virginia:	
Alexandria	0.0 *
Arlington Co.	0.0 *
Fairfax City	0.0 *
Fairfax Co.	7.5
Falls Church	0.1
<u>Sutotal</u>	<u>\$ 7.7</u>
Total	\$ 9.0

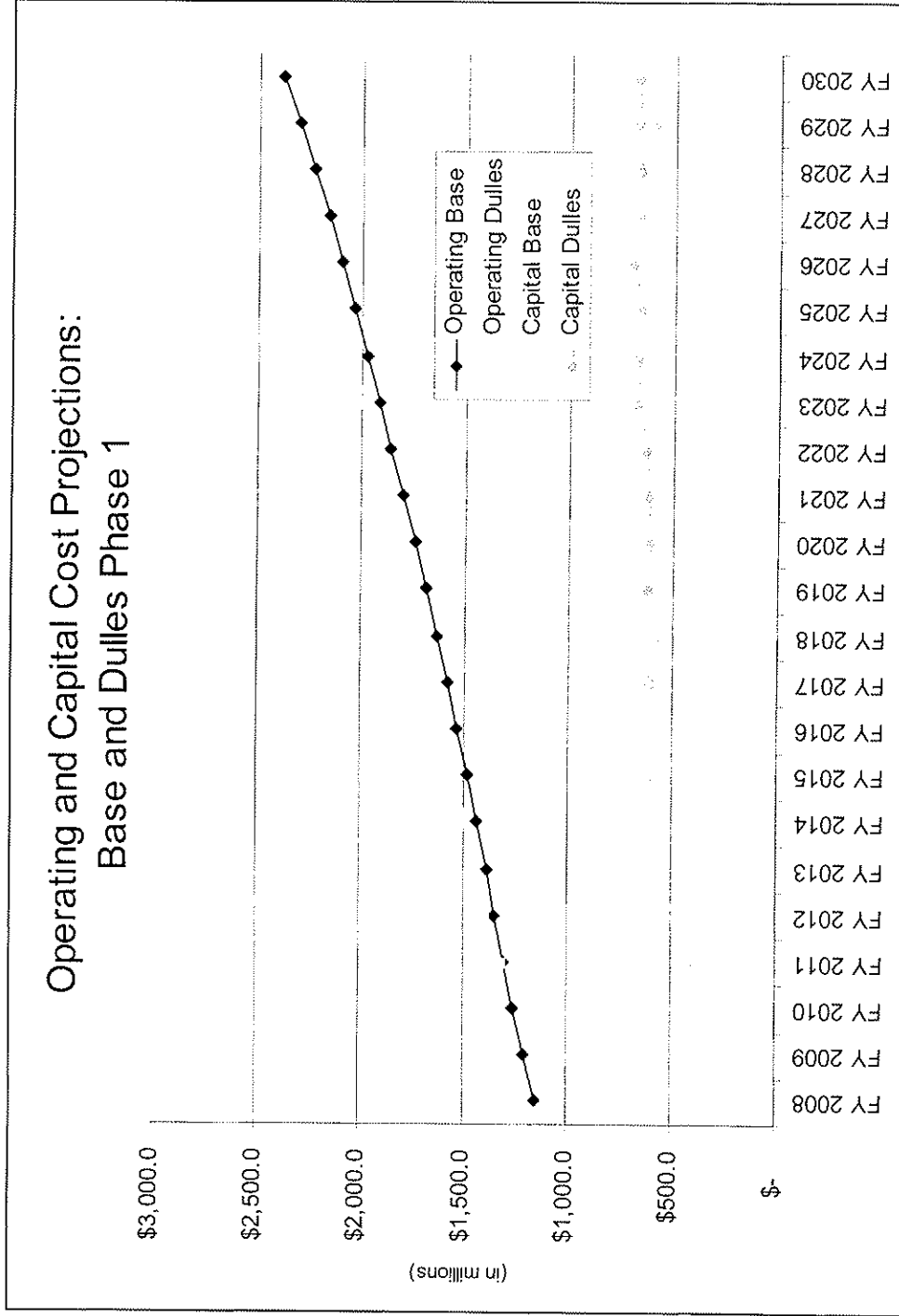
Allocation of Estimated Capital Subsidy in Fiscal 2019 for Dulles Phase 1 Extension

	(in millions)
District of Columbia	\$ 13.2
Maryland:	
Montgomery Co.	6.1
Prince Georges Co.	6.8
Subtotal	\$ 12.9
Virginia:	
Alexandria	1.6
Arlington Co.	3.1
Fairfax City	0.1
Fairfax Co.	5.0
Falls Church	0.1
<u>Sutotal</u>	<u>\$ 9.9</u>
Total	\$ 36.0

* less than \$50,000

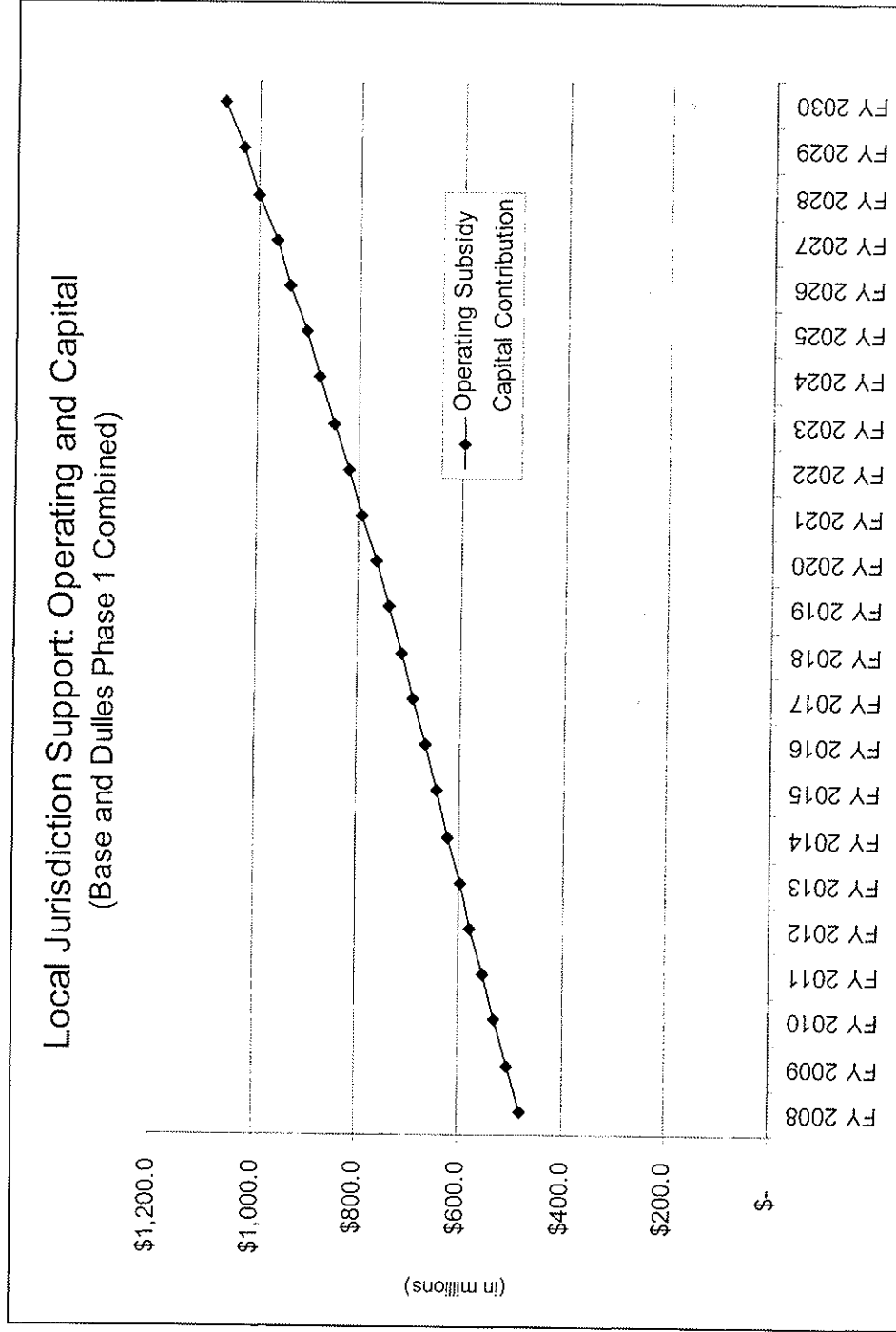


Dulles Corridor Metrorail Financial Plan





Dulles Corridor Metrorail Financial Plan





AGENDA ITEM #9

MEMORANDUM

TO: Chairman Snyder and NVTC Commissioners
FROM: Scott Kalkwarf and Colethia Quarles
DATE: June 28, 2007
SUBJECT: NVTC Financial Reports for May, 2007

The NVTC financial reports for May, 2007 are attached for your information.



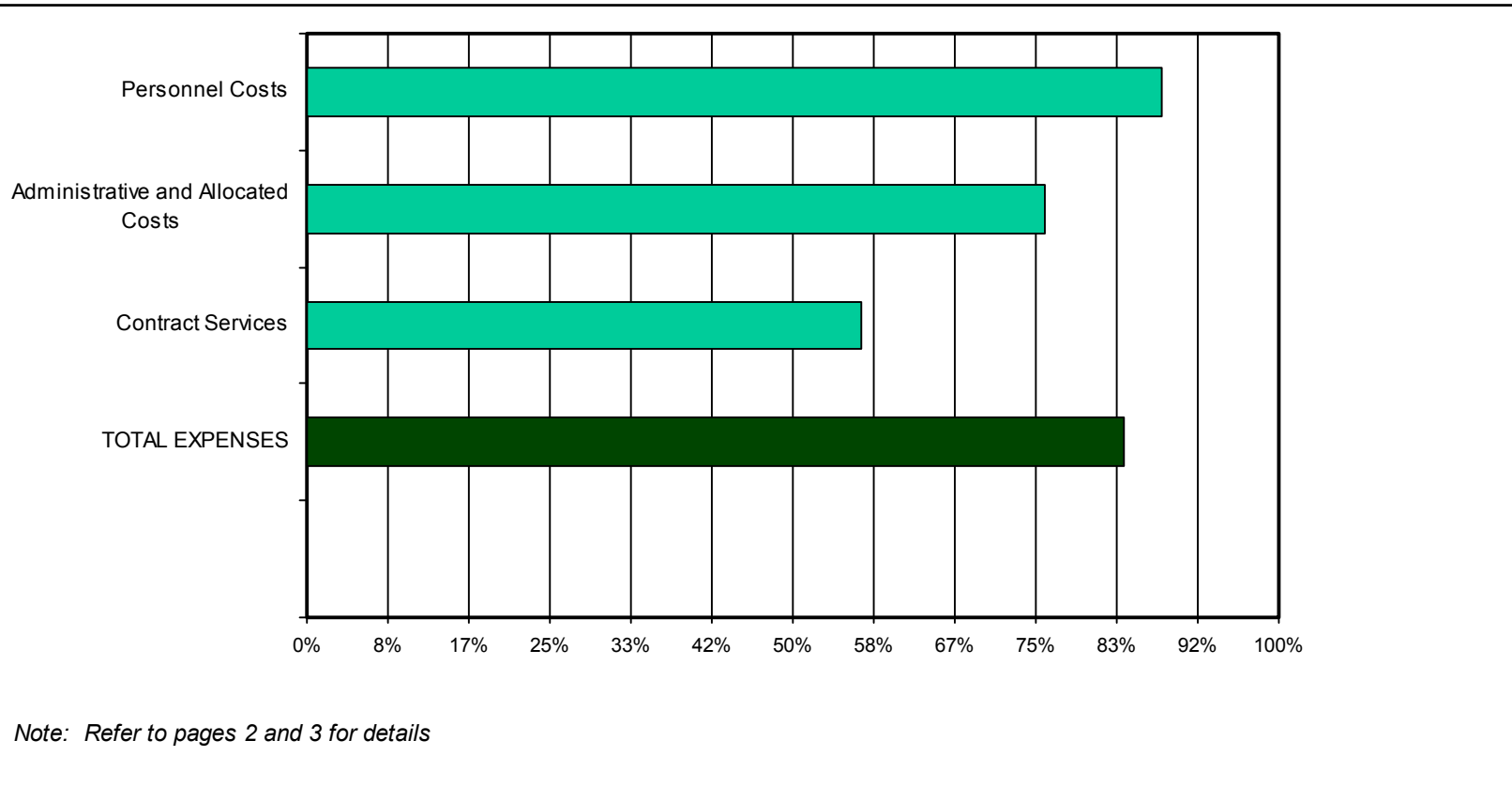
4350 N. Fairfax Drive • Suite 720 • Arlington, Virginia 22203
Tel (703) 524-3322 • Fax (703) 524-1756 • TDD (800) 828-1120 • VA Relay Service
E-mail nvtc@nvtc.org • Website www.thinkoutsidethecar.org

Northern Virginia Transportation Commission

Financial Reports

May, 2007

Percentage of FY 2007 NVTC Administrative Budget Used
May, 2007
(Target 91.66% or less)



NORTHERN VIRGINIA TRANSPORTATION COMMISSION
G&A BUDGET VARIANCE REPORT
May, 2007

	<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	\$ 50,181.68	\$ 591,852.13	\$ 649,150.00	\$ 57,297.87	8.8%
Temporary Employee Services	-	-	1,000.00	1,000.00	100.0%
Total Personnel Costs	50,181.68	591,852.13	650,150.00	58,297.87	9.0%
<u>Benefits</u>					
Employer's Contributions:					
FICA	3,047.10	40,965.10	45,700.00	4,734.90	10.4%
Group Health Insurance	2,146.13	40,325.50	70,500.00	30,174.50	42.8%
Retirement	4,285.06	45,999.56	49,500.00	3,500.44	7.1%
Workmans & Unemployment Compensation	63.24	3,587.13	4,250.00	662.87	15.6%
Life Insurance	273.72	3,114.27	3,500.00	385.73	11.0%
Long Term Disability Insurance	176.37	2,951.46	4,400.00	1,448.54	32.9%
Total Benefit Costs	9,991.62	136,943.02	177,850.00	40,906.98	23.0%
<u>Administrative Costs</u>					
Commissioners Per Diem	1,550.00	14,050.00	21,700.00	7,650.00	35.3%
<i>Rents:</i>					
Office Rent	11,932.97	156,791.51	174,400.00	17,608.49	10.1%
Parking	10,720.97	146,076.61	162,900.00	16,823.39	10.3%
Parking	1,212.00	10,714.90	11,500.00	785.10	6.8%
<i>Insurance:</i>					
Public Official Bonds	-	3,285.00	4,900.00	1,615.00	33.0%
Liability and Property	-	1,550.00	3,200.00	1,650.00	51.6%
Liability and Property	-	1,735.00	1,700.00	(35.00)	-2.1%
<i>Travel:</i>					
Conference Registration	976.04	10,134.51	22,950.00	12,815.49	55.8%
Conference Registration	320.00	2,060.00	2,000.00	(60.00)	-3.0%
Conference Travel	147.45	4,085.53	5,000.00	914.47	18.3%
Local Meetings & Related Expenses	508.59	3,529.70	12,200.00	8,670.30	71.1%
Training & Professional Development	-	459.28	3,750.00	3,290.72	87.8%
<i>Communication:</i>					
Postage	1,207.71	11,381.51	10,600.00	(781.51)	-7.4%
Telephone - LD	356.30	4,373.26	4,600.00	226.74	4.9%
Telephone - Local	194.22	1,265.38	1,300.00	34.62	2.7%
Telephone - Local	657.19	5,742.87	4,700.00	(1,042.87)	-22.2%
<i>Publications & Supplies</i>					
Office Supplies	591.47	10,741.79	29,800.00	19,058.21	64.0%
Duplication	27.45	2,370.76	4,300.00	1,929.24	44.9%
Public Information	564.02	7,871.03	15,500.00	7,628.97	49.2%
Public Information	-	500.00	10,000.00	9,500.00	95.0%

NORTHERN VIRGINIA TRANSPORTATION COMMISSION
G&A BUDGET VARIANCE REPORT
May, 2007

	<u>Current Month</u>	<u>Year To Date</u>	<u>Annual Budget</u>	<u>Balance Available</u>	<u>Balance %</u>
<i>Operations:</i>	780.45	11,129.46	23,800.00	12,670.54	53.2%
Furniture and Equipment	-	151.19	7,800.00	7,648.81	98.1%
Repairs and Maintenance	13.50	6,584.21	1,000.00	(5,584.21)	-558.4%
Computers	766.95	4,394.06	15,000.00	10,605.94	70.7%
<i>Other General and Administrative</i>	2,513.77	6,848.98	6,400.00	(448.98)	-7.0%
Subscriptions	-	169.00	400.00	231.00	57.8%
Memberships	300.00	1,783.00	1,400.00	(383.00)	-27.4%
Fees and Miscellaneous	303.77	2,591.34	2,800.00	208.66	7.5%
Advertising (Personnel/Procurement)	1,910.00	2,305.64	1,800.00	(505.64)	-28.1%
40th Anniversary	-	-	-	-	0
Total Administrative Costs	<u>19,552.41</u>	<u>224,362.76</u>	<u>294,550.00</u>	<u>70,187.24</u>	<u>23.8%</u>
<u>Contracting Services</u>					
Auditing	-	10,525.00	16,200.00	5,675.00	35.0%
Consultants - Technical	-	-	1,000.00	1,000.00	100.0%
Legal	-	-	1,000.00	1,000.00	100.0%
Total Contract Services	<u>-</u>	<u>10,525.00</u>	<u>18,200.00</u>	<u>7,675.00</u>	<u>42.2%</u>
 Total Gross G&A Expenses	 <u>\$ 79,725.71</u>	 <u>\$ 963,682.91</u>	 <u>\$ 1,140,750.00</u>	 <u>\$ 177,067.09</u>	 <u>15.5%</u>

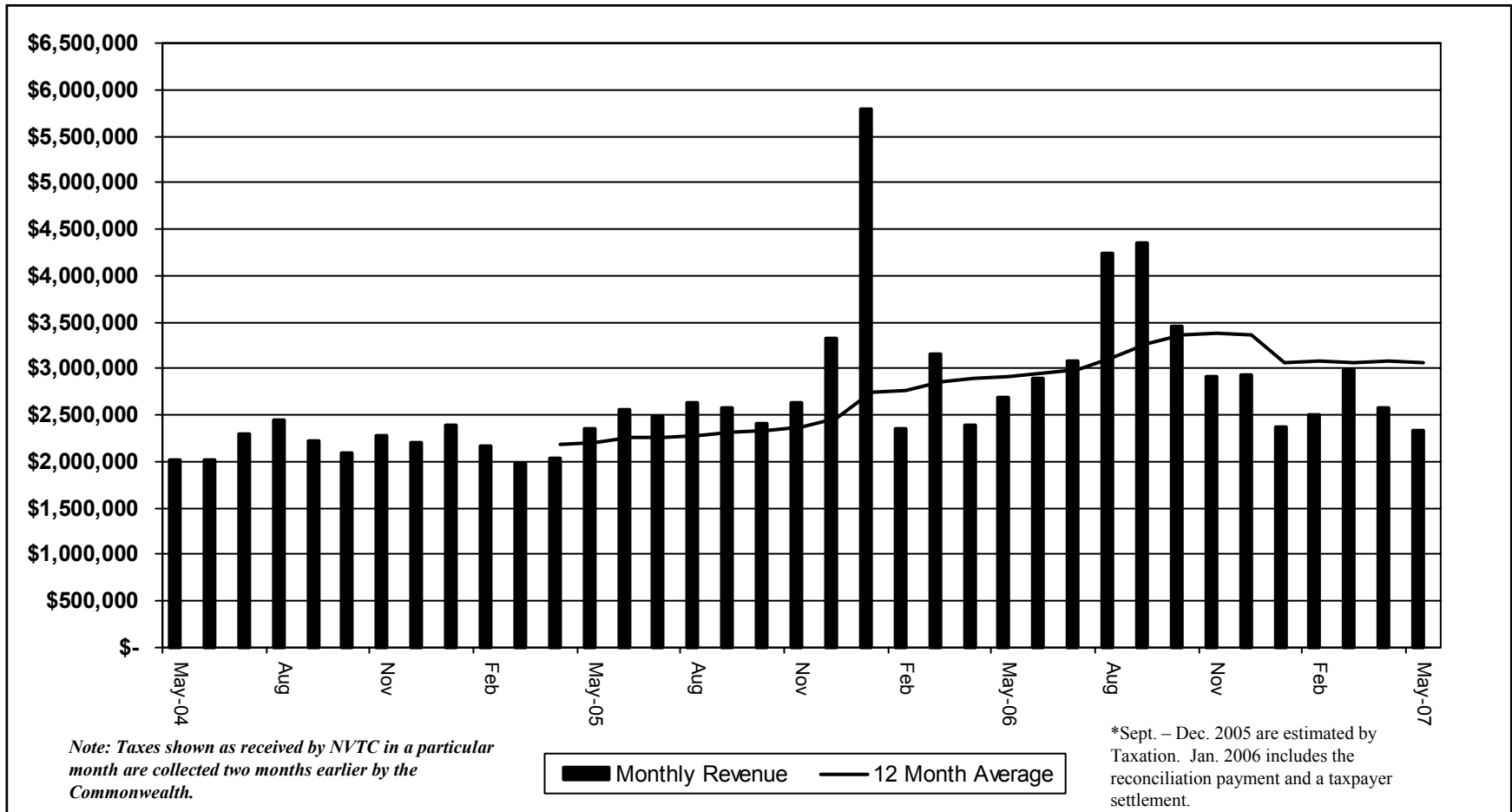
**NVTC
RECEIPTS and DISBURSEMENTS
May, 2007**

<u>Date</u>	<u>Payer/ Payee</u>	<u>Purpose</u>	<u>Wachovia (Checking)</u>	<u>Wachovia (Savings)</u>	<u>VA LGIP</u>	
					<u>G&A / Project</u>	<u>Trusts</u>
RECEIPTS						
1	DRPT	SmarTrip grant receipt			\$ 4,895.00	
1	DRPT	Capital grant receipt				2,595,303.00
10	DRPT	Code Red grant receipt			6,589.00	
11	VRE	Reimbursement for staff support		7,733.80		
11	Staff	Reimbursement of expenses		20.29		
16	Dept. of Taxation	Motor Vehicle Fuels Sales tax				2,336,902.69
17	DRPT	FTM/Admin grant receipt				4,934,301.00
23	DRPT	TransAction 2030 update grant receipt			40,036.00	
29	DRPT	SmarTrip grant receipt			2,804.00	
29	DRPT	Code Red grant receipt			5,263.00	
31	Banks	May interest		490.95	2,741.37	353,625.00
			<u>-</u>	<u>8,245.04</u>	<u>62,328.37</u>	<u>10,220,131.69</u>
DISBURSEMENTS						
1-31	Various	NVTC project and administration	(107,197.67)			
2	IBI Group	SmarTrip consulting	(4,895.07)			
11	MCV	Code Red consulting	(6,589.20)			
17	City of Fairfax	Other operating			(125,893.73)	
22	VHB	TransAction 2030 update consulting	(36,971.71)			
31	IBI Group	SmarTrip consulting	(2,803.88)			
31	Wachovia Bank	May service fees	(27.46)			
			<u>(158,484.99)</u>	<u>-</u>	<u>(125,893.73)</u>	<u>-</u>
TRANSFERS						
2	Transfer		15,000.00	(15,000.00)		
11	Transfer		50,000.00		(50,000.00)	
22	Transfer		60,000.00		(60,000.00)	
			<u>125,000.00</u>	<u>(15,000.00)</u>	<u>(110,000.00)</u>	<u>-</u>
NET INCREASE (DECREASE) FOR MONTH			<u>\$ (33,484.99)</u>	<u>\$ (6,754.96)</u>	<u>\$ (173,565.36)</u>	<u>\$ 10,220,131.69</u>

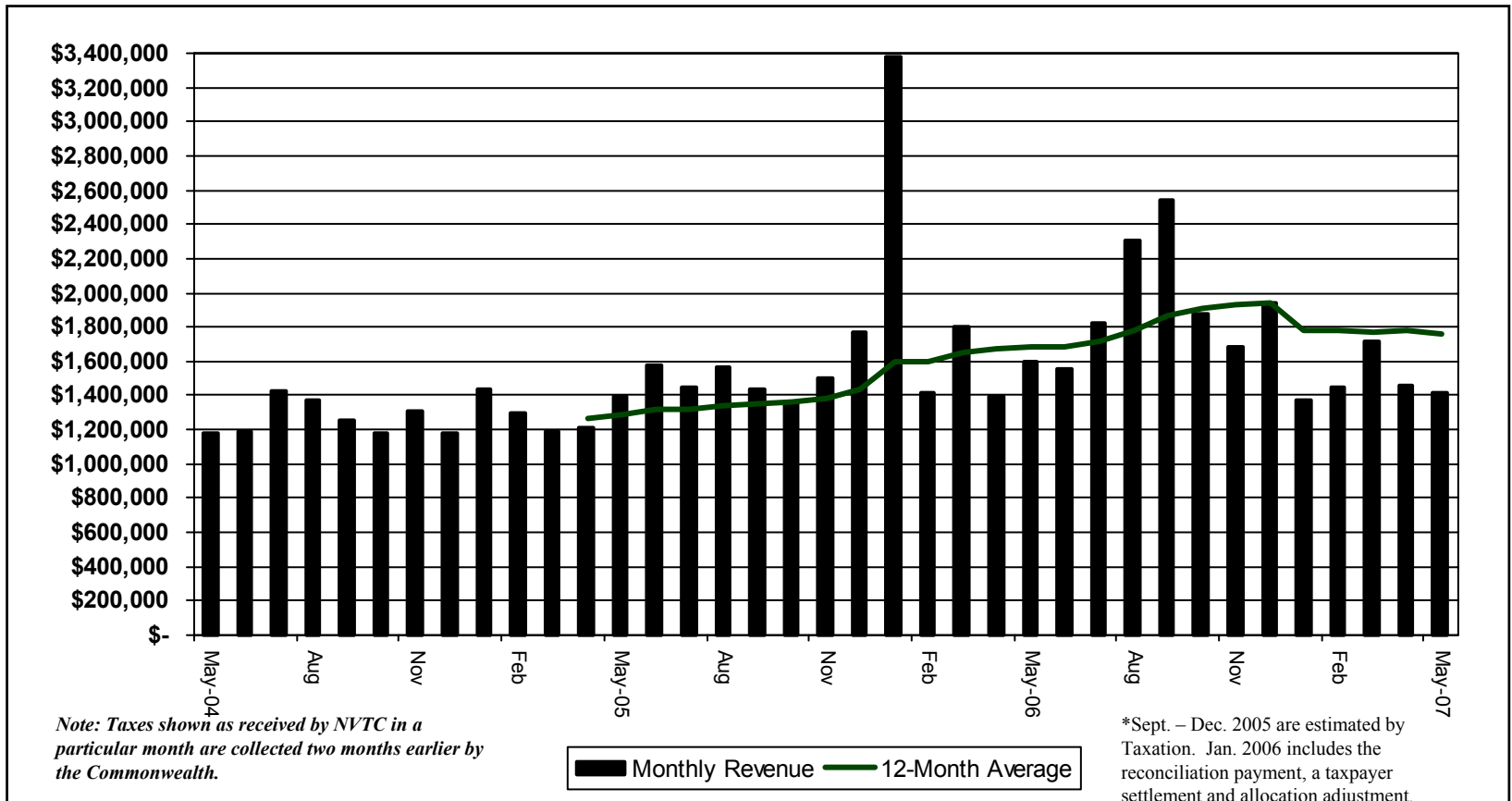
**NVTC
INVESTMENT REPORT
May, 2007**

<u>Type</u>	<u>Rate</u>	<u>Balance 4/30/2007</u>	<u>Increase (Decrease)</u>	<u>Balance 5/31/2007</u>	<u>NVTC G&A/Project</u>	<u>Jurisdictions Trust Fund</u>	<u>Loudoun Trust Fund</u>
<u>Cash Deposits</u>							
Wachovia: NVTC Checking	N/A	\$ 38,805.87	\$ (33,484.99)	\$ 5,320.88	\$ 5,320.88	\$ -	\$ -
Wachovia: NVTC Savings	4.49%	141,455.17	(6,754.96)	134,700.21	134,700.21	-	-
<u>Investments - State Pool</u>							
Nations Bank - LGIP	5.29%	73,138,600.55	10,046,566.33	83,185,166.88	586,511.42	56,967,523.55	25,631,131.91
		<u>\$ 84,107,484.21</u>	<u>\$ 9,832,761.02</u>	<u>\$ 83,325,187.97</u>	<u>\$ 726,532.51</u>	<u>\$ 56,967,523.55</u>	<u>\$ 25,631,131.91</u>

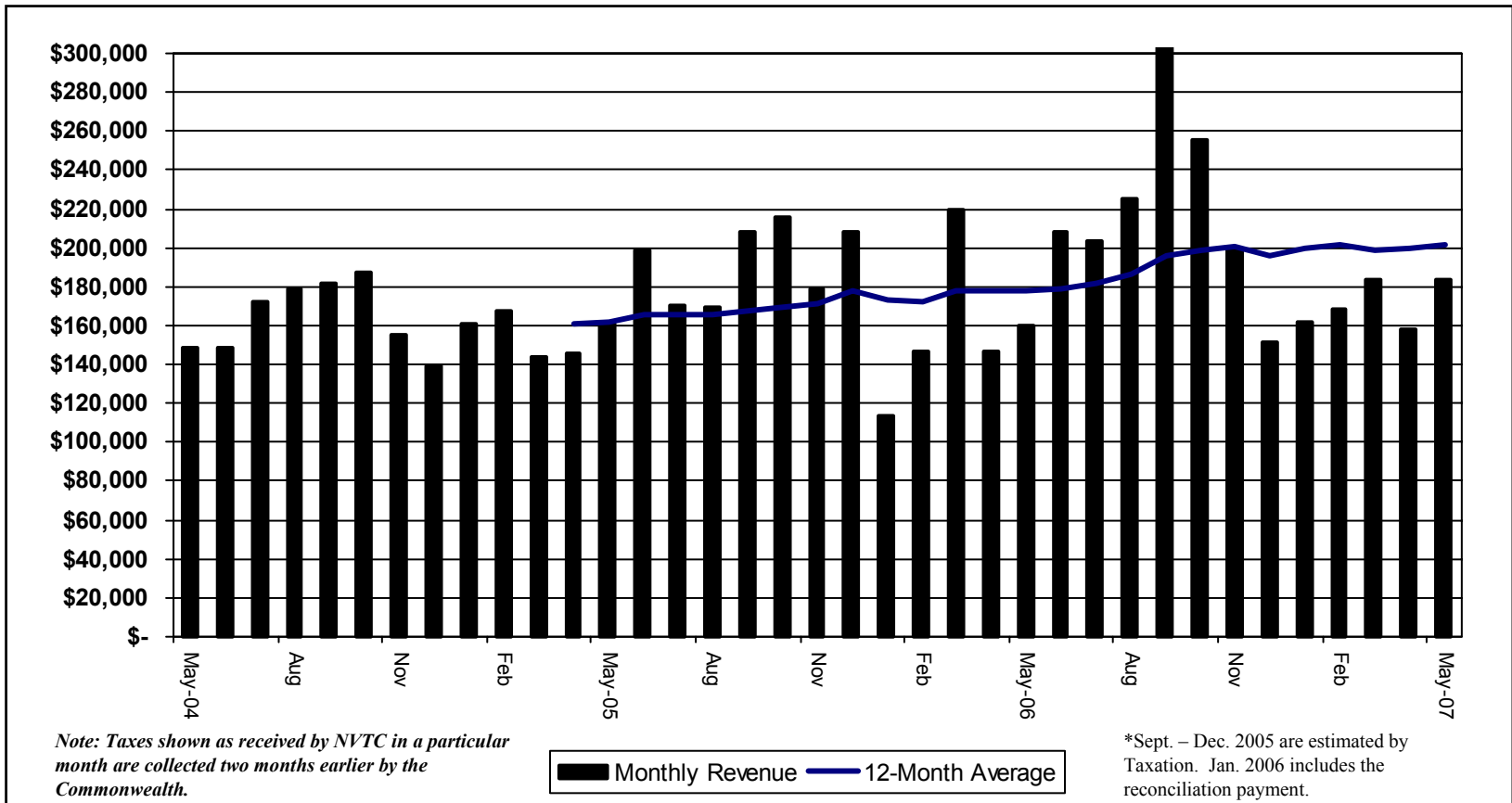
NVTC MONTHLY GAS TAX REVENUE ALL JURISDICTIONS FISCAL YEARS 2004-2007



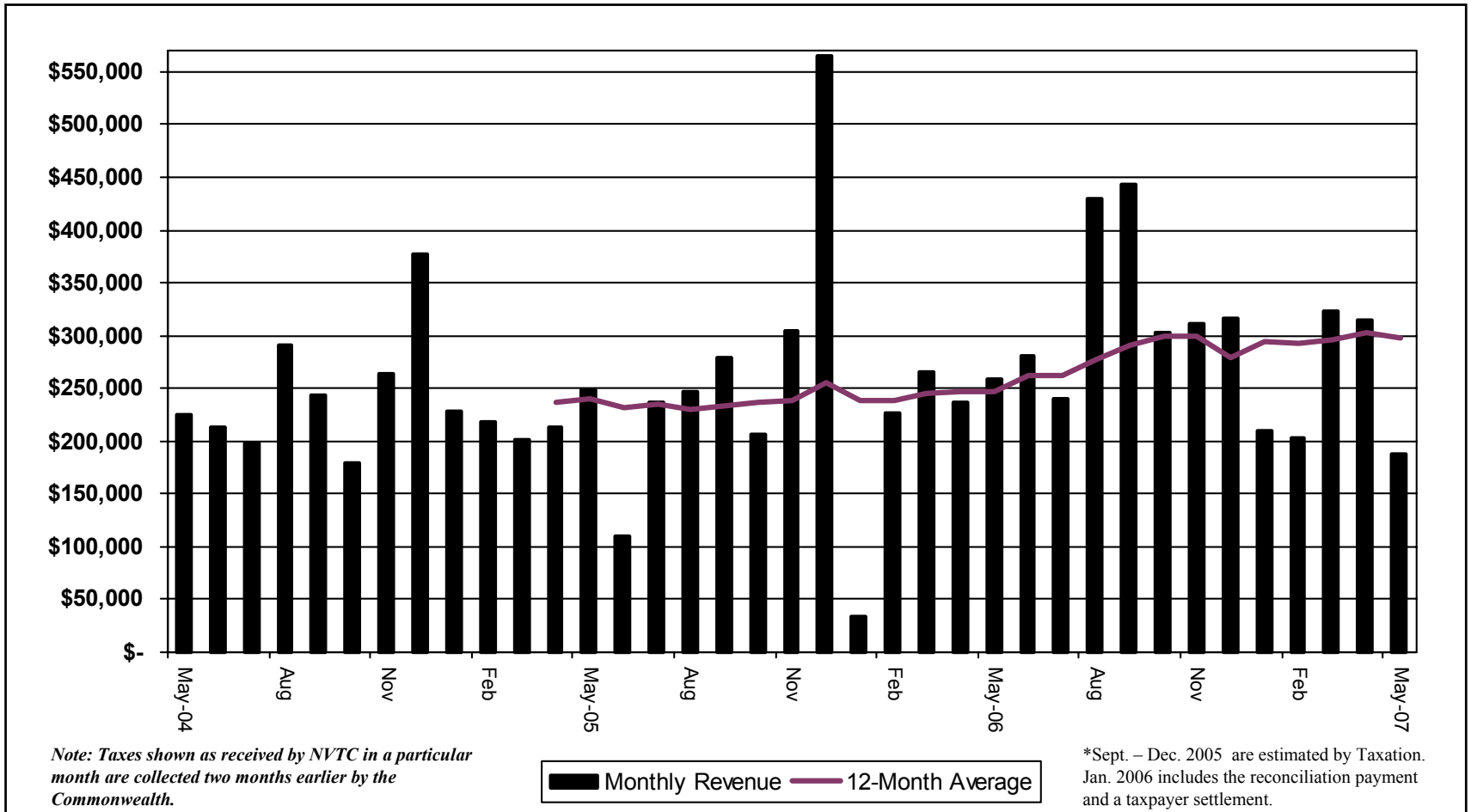
NVTC MONTHLY GAS TAX REVENUE FAIRFAX COUNTY FISCAL YEARS 2004-2007



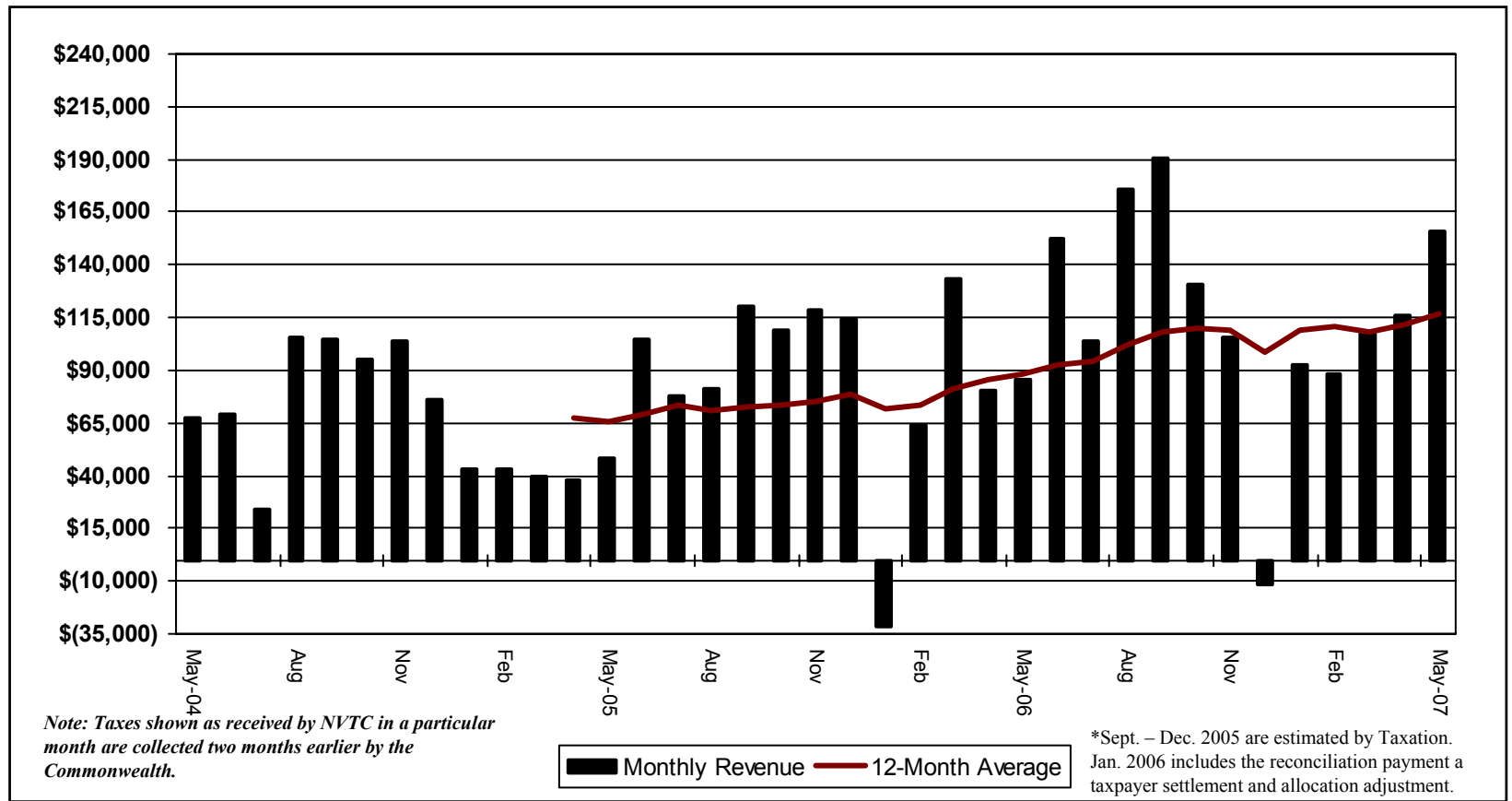
NVTC MONTHLY GAS TAX REVENUE CITY OF ALEXANDRIA FISCAL YEARS 2004-2007



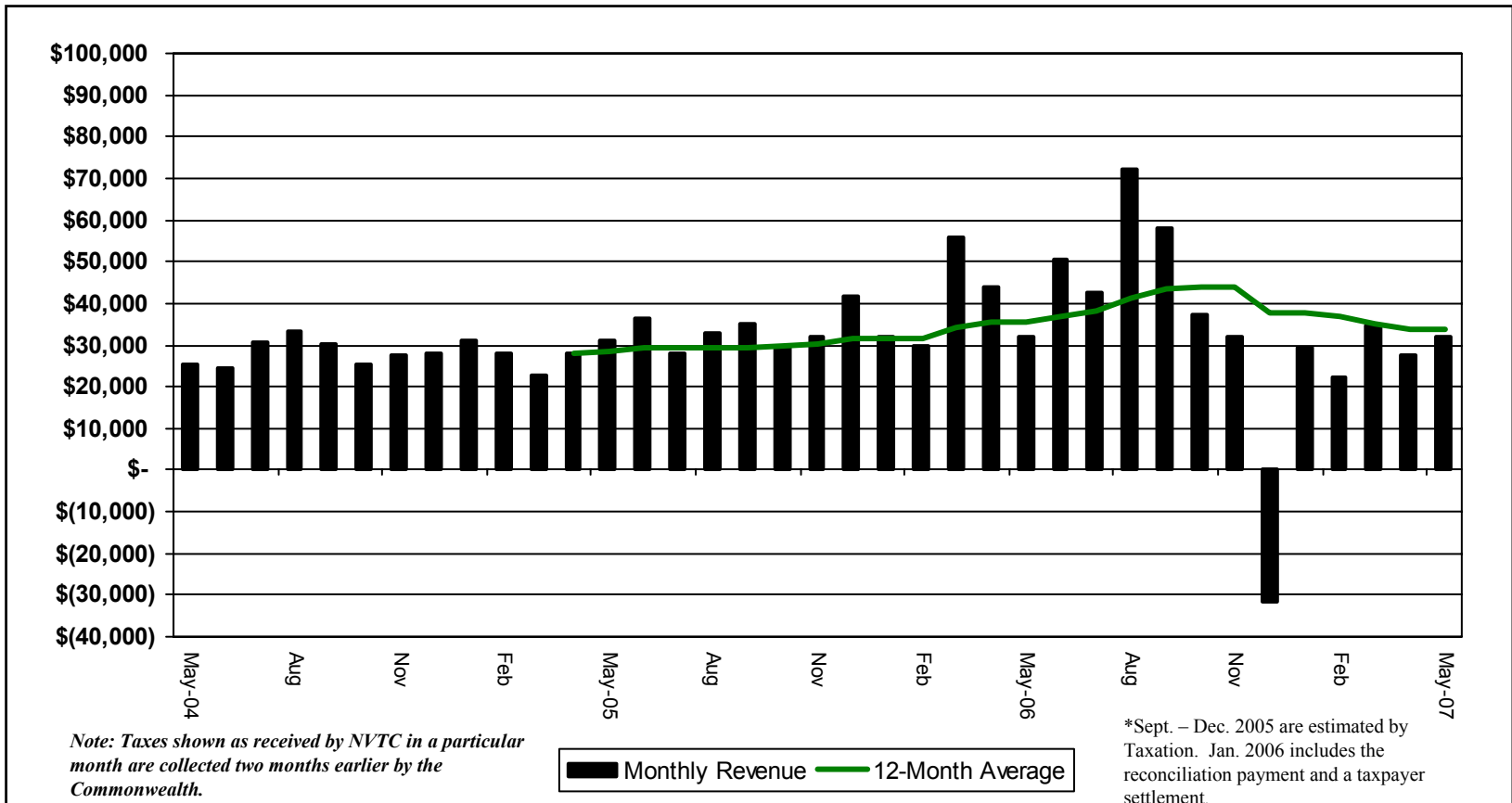
NVTC MONTHLY GAS TAX REVENUE ARLINGTON COUNTY FISCAL YEARS 2004-2007



NVTC MONTHLY GAS TAX REVENUE CITY OF FAIRFAX FISCAL YEARS 2004-2007



NVTC MONTHLY GAS TAX REVENUE CITY OF FALLS CHURCH FISCAL YEARS 2004-2007



NVTC MONTHLY GAS TAX REVENUE LOUDOUN COUNTY FISCAL YEARS 2004-2007

