

Minutes of the Board Planning and Development Committee

Open Session - May 4, 2006

Mr. Zimmerman called the meeting to order at 9:20 A.M. Present were:

Committee Members:

Mr. Christopher Zimmerman (Chairman)
Mr. Charles Deegan
Mr. Jim Graham
Mr. Dana Kauffman
Mrs. Gladys W. Mack
Mr. Robert Smith
Ms. Catherine Hudgins
Mr. Gordon Linton

Other Board Members:

Mr. Marcell Solomon

I. APPROVAL OF MINUTES: Mr. Takis Salpeas noted that the March 2, 2006 minutes had been revised to better reflect statements made by the Planning and Development Committee, and the changes were shown in italics. The revised minutes were accepted and approved. The minutes of the April 6, 2006 Planning and Development Committee meeting were accepted and approved as presented.

II. ACTION ITEMS:

A. Bus Technologies for Multi-Year Procurement

Mr. Salpeas introduced the presentation by stating that the Committee had asked staff to evaluate the different bus technologies available to WMATA and brief the Committee on the findings.

Mr. Bob Golden and Mr. Dan Hanlon sought to obtain Committee concurrence and forwarding to the Board for approval to:

- Initiate and award a multi-year bus procurement of 100 hybrid electric buses annually (to maintain the average fleet age) for five years base, with options for an additional 100 buses each year for five years. The first 50 hybrid buses will fulfill the Maryland commitment.
- Conduct a bus industry review and present new bus design concepts to the Board.
- Review the new look design hybrid bus design with the Riders Advisory Council (RAC).
- Exercise existing contract options to procure 25 additional CNG buses for FY 2007 service needs utilizing Metro Matters Expansion Bus funding.
- Submit to FTA for participation in the Fuel Cell Program to provide up to eight demonstration buses operating under two fuel cell technologies (methanol and hydrogen).

Based on a staff assessment of current technologies (diesel, CNG, and hybrid) used by

WMATA, staff found that hybrid electric provides the best alternative for standard replacement technology when considering such factors as capital and operating costs for vehicles and facilities, reliability, fuel economy, and emissions. Since WMATA has been running hybrid buses, the hybrids have accumulated 339,441 miles with only 15 service interruptions for a Mean Distance Between Failure (MDBF) rate of 22,629 miles. This is the highest MDBF rate of any fleet WMATA has operated.

Next steps include:

- Submit to FTA for participation in the new Fuel Cell Bus Demonstration Program.
- Finalize action plan/create program for bus facilities:
 - < WMATA has undertaken intensive efforts for relocation of the Royal Street and Southeast Bus Facilities.
 - < Complete the West Ox Bus Facility by 2008.
 - < By 2010, due to new emission standards, 5 of the 10 existing garages will no longer support new buses due to height restrictions.
 - < WMATA has a limited capacity for fleet expansion and is nearing full capacity at existing facilities.

Mr. Kauffman asked how many of the five garages (that will no longer support new buses due to height restrictions) will be modified by 2010 under WMATA's existing capital program. Staff responded that currently there are plans to modify three bus facilities:

- West Ox.
- Southeast Bus Garage. It is anticipated the garage will be relocated in 6 months to a year.
- Royal Street Garage. WMATA is working with the City of Alexandria on relocating this garage.

Mr. Smith asked about the Metro Matters funding component. Staff responded that the Metro Matters program has \$12.3 million available in FY 2007 for bus expansion. Staff proposes to use this \$12.3 million for the 25 CNG buses. Mr. Smith asked about cash flow distribution and cash unspent. Mr. Tangherlini responded that this amount of \$12.3 million is consistent with prior cash flow information provided. The 25 CNG bus procurement does not increase or decrease the cash flow amounts previously provided. On the rail side, there have been changes because some rail facility and railcar projects have been delayed and some have not started yet. WMATA is undertaking a broader capital programming exercise to align going-forward estimates with actual experience under Metro Matters.

In response to Mr. Zimmerman's inquiry about the number of buses to be purchased, staff clarified that it was requesting authority to purchase up to 100 buses per year for up to 5 years (potentially a base of 500 buses) with options for up to an additional 100 buses per year for 5 years (another 500 buses). The options could be assignable. Mr. Tangherlini stated that the goal is have a continual fleet replacement cycle rather than buying big batches of buses and, going forward, to build a purchase of 100 buses per year into WMATA's budget. The base buses also could be assignable if it is not necessary for WMATA to maintain a fleet replacement cycle of 100 buses per year. It is anticipated that this type of regular cyclical procurement will attract more vendor interest due to having long-term consistent funding and WMATA will be better able to dictate to the market the type of buses it desires. WMATA will remain fuel neutral

and open to available technologies, but priority will be given to hybrid-electric buses.

Mr. Tangherlini stated that West Virginia University will be conducting emissions testing on the WMATA bus fleet with particular focus on hybrid buses to determine WMATA's revenue duty cycle emissions and will be looking at particulates and noxides. The study will provide data for making software adjustments on the vehicles and indicate what technology yields the best results from an emissions standpoint.

Mr. Linton asked whether discussions had been held with local transit companies (those in WMATA's service area) in piggybacking/buying from WMATA's bus contract, particularly in light of the upcoming bus summit. Staff responded that regional transit systems have made purchases from WMATA's diesel bus contracts and Montgomery County has made purchases from WMATA's CNG bus contract in the past. Montgomery County recently took delivery of hybrid-electric buses, and staff anticipates that they will have interest in buying hybrid buses from WMATA's contract. Although local transit service providers had not been asked about interest in piggybacking on the hybrid bus contract, the intent was to explore the interest of local transit service providers when developing the options for the future contract.

Mr. Linton encouraged a virtual regional bus system and engagement of local transit service providers in discussions because there may be commonalities which would make a major bus purchase even more viable. Mr. Zimmerman commented that ART and DASH don't use 40 foot buses (WMATA's standard). He noted that since this procurement also has 30 and 35 foot buses in the option, there would be more of an opportunity for other local transits to explore piggybacking.

In terms of fuel cell technology, staff is seeking approval to submit to FTA white papers looking at hydrogen as a primary fuel. There will be two white papers, one with WMATA as a team member to Georgetown University (with Georgetown University in the lead) and the second with WMATA in the lead. Georgetown University is in the third phase of its methanol fuel cell program. They are moving to a 40 foot bus, which is the WMATA standard bus. They already have a fueling facility for methanol. Georgetown University has invited WMATA to join their team and incorporate their concept of methanol fuel cell based bus operations into WMATA's standard operating processes and procedures as requested by FTA. This is a great opportunity for WMATA to explore methanol as a base fuel for future hybrid purchases.

Mr. Graham stated that representatives from the District of Columbia have a legal issue with staff's request to initiate and award a multi-year bus procurement for hybrid-electric buses. Under DC Act 15-594, section 7063, beginning in FY 2006, the Mayor or WMATA shall not submit a budget to the Council that funds diesel or diesel-electric (hybrid) buses. He recognizes that there are various complexities to this situation. WMATA is near capacity for CNG buses so it is difficult to add CNG buses without fueling stations and other supporting apparatus. Mr. Graham believes that this law, which is a clear expression by the legislature and the executive of the District of Columbia, requires the District of Columbia Committee members to vote "no" on this action, at this time. Mr. Graham had a conversation yesterday with District of Columbia Council members about how this law might be modified. As yet, the matter has not been resolved; the Council has no specific modifying language. Assuming that there will be a

resolution, it may occur in late June 2006. Mr. Tangherlini stated that with the purchase of the next 25 CNG buses, WMATA will be at capacity for CNG buses. The DC bus garages are not CNG-convertible and there are no funds in the budget to convert them to CNG. This will result in the District of Columbia having a bipolar bus fleet—the cleanest and the dirtiest buses. Mr. Tangherlini questioned whether WMATA could move forward in developing the specifications and the necessary work with other jurisdictions to put a procurement together while this issue is being further explored with the District of Columbia City Council. Mr. Graham stated that further discussion by the Council was needed to work out this situation in light of the various sensitivities and issues involved.

Mr. Linton clarified that non-CNG buses would be purchased starting in FY 2008. There was a discussion about whether the CNG and non-CNG bus purchases should be separated in an effort to keep the procurement going forward.

Mr. Kauffman asked whether separating the initiation and award would affect the bid prices that WMATA receives. Mr. Tangherlini responded that the separation would not likely affect the price. The award would likely be brought to the Board six months after the initiation due to the size of the procurement and involving the RAC and jurisdictions. In the interest of moving this item forward and keeping in mind the District of Columbia situation, Mr. Kauffman moved to separate the initiation and award process and move the initiation to the full Board which meets in two weeks. In making the motion, Mr. Kauffman hopes that the District of Columbia Committee members could vote “yes” on the initiation at the Board meeting, and the period between initiation and award would allow time for resolution of the District of Columbia issue. Mr. Smith seconded.

Mrs. Mack commented that the Board members could make the separation of initiation and award at the Board meeting in two weeks. This would give the District of Columbia Committee members time to consult with the appropriate persons and determine the likelihood of success in resolving the issue.

Mr. Kaufmann withdrew his earlier motion and moved the staff recommendation (which is to initiate and award a multi-year bus procurement of 100 hybrid-electric buses annually for five years base, with options for an additional 100 buses each year). Mr. Smith seconded.

Mr. Deegan stated that he had just returned from the APTA Bus Conference where there were very good discussions on bus technologies, thanks to Jack Requa. He suggested that Mr. Graham talk to Jack Requa about the conference discussions. This information may benefit the District of Columbia in its talks about bus purchases. Mr. Deegan noted that hybrid buses have many economies, such as, hybrids can go 100,000 miles without a brake job and 30,000 miles without an oil change. He stated that much has changed in the past year and that there may be about 36 North American cities that have purchased hybrid buses compared to only a handful a year ago. Mr. Deegan heard glowing reviews on hybrid bus performance at the APTA conference.

Mr. Zimmerman questioned staff’s proposal to initiate and award now, when the bus summit will be held in September 2006. Mr. Tangherlini clarified that “initiate” means having discussions

with the RAC and jurisdictions and working through the specifications. The award would likely be in November 2006. The bus summit could be a culmination of the discussions, with bus bidders competing for WMATA's contract. Mr. Tangherlini also stated that WMATA is working with bus manufacturers (who are working with window manufacturers) to install the flush-style mount windows (which are on the vanpools) on the buses. Mr. Zimmerman wants to ensure that the specifications will include the features that customers want to encourage them to continue riding the buses.

Mr. Zimmerman pointed out that the words "new look" in the bullet "Review the new look design hybrid bus design with the Riders Advisory Council (RAC)" on page 4 of the presentation should be in quotes or trademark because it is one manufacturer's new look bus. It is not a generic specification. Mr. Golden replied that all three bus manufacturers (Gillig, New Flyer, and Orion) have restyles or next generation buses. They are all working to introduce their new look buses in this current year. WMATA will work with the RAC on issues and designs that directly impact riders to get rider buy-in.

The Committee voted on the motion to approve the staff recommendation. The motion passed 6 to 2, with Mrs. Mack and Mr. Graham dissenting. A request has been made to the District of Columbia City Council to modify its law to allow funding for hybrid electric buses. The Board vote will occur at June 15, 2006 Board meeting.

B. General Engineering Annual Work Program

Mr. Harry Lupia requested Planning and Development Committee concurrence and forwarding to the Board for approval the FY 2007 annual work program for four "on call" engineering services contracts. The contract areas cover architectural and engineering services; vehicle engineering consultant services; and planning, architectural, and engineering services for future 'New Starts' projects. Mr. Kauffman moved approval. Mr. Deegan seconded.

Mr. Smith asked what is entailed in "5000 Series Procurement Support" work since all of the 5000 series railcars have been delivered. Mr. Salpeas replied that 6 to 8 EMIs still have to be completed. Mr. Smith also asked whether the contract values were about the same last year. Staff responded that they are likely similar.

Mr. Smith asked whether all of last year's contract money had been spent. Staff responded that it had not all been spent yet, but it is anticipated that all will be spent in September/October 2006. This fiscal year ends June 30, 2006, but some tasks continue for another 60 to 90 days. If the money is not all spent, Mr. Woodruff will make the Board aware of that after his division completes the capital financial reconciliation. Mr. Tangherlini stated that a goal is to get a better sense of WMATA's rate of spending. Staff will look at actual spend rates over the last five years and compare that to what was estimated.

Mrs. Mack asked for an explanation of "System Access Capacity (SAP) Program Procurement Support". Using the 5000 Series as an example of procurement support, Mr. Salpeas explained that WMATA has about 1% more work to do which represents about 4 or 5 punch list items or change orders. In order to do the change orders, WMATA needs engineering support

which it is buying from engineering firms. The dollars shown are estimates. As task orders are developed, a more precise estimate will be done of the dollars needed. WMATA will compare the estimates to what was actually spent at the end of the year. As it specifically relates to Mrs. Mack's question, the \$1.2 million for SAP 6000 Series Procurement Support represents money from the Largo project for rail car engineering work (e.g., inspections) that has to be done. "Procurement Support" means engineering services that support the 6000 Series railcar procurement. WMATA pays Inspectors to ensure product quality. The contractors perform quality assurance to ensure that the railcars meet WMATA's standards. The motion carried unanimously.

III. Information Item:

A. Joint Development and Adjacent Construction Status Update

Mr. Tom Robinson and Mr. Dave Couch briefed the Planning and Development Committee on the adjacent construction and engineering services WMATA provides the jurisdictions and developers when they work around WMATA's railroad. The Joint Development and Adjacent Construction (JDAC) office coordinates and implements design, safety, functional, and operational requirements in compliance with WMATA standards. This office acts as WMATA's permitting office for plan reviews and approvals. The office also coordinates onsite activities such as maintenance of traffic plans and system access support, and accepts work constructed by others for WMATA. They are actively engaged with over 50 adjacent construction projects; 23 joint development sites in stages of proposal, selection, evaluation or concept development; and 11 sites actively in design and construction. These projects are represented on all operating segments and within all jurisdictions.

Mr. Robinson stated that there is no regulatory or contractual relationship between developers and WMATA. WMATA's interests are not addressed by the jurisdictions' permit reviews. Potential solutions can include WMATA as a reviewer on projects within the compact area in the permitting process or continue to have WMATA as an independent reviewer of development within 500 feet of our system, and require the developer to provide proof of WMATA plan approval to the jurisdictions.

The JDAC office is restructuring and consolidating staff to better support customer needs. They have established a direct email box and phone line to assist in response, and they are assessing existing internal controls for tracking submittals and the time it takes to process them. They have also updated the Adjacent Construction Design Manual using input from developers and evaluation of current practices. They are proposing an expedited review process to reduce the time from the standard 30 working day review period to 15 working days. Staff explained the fee recovery scale for project development, engineering support, operations support, and operations impact activities. These fees are charged to the jurisdictions and developers for WMATA reviews and project support. The fee structure is based on historical thresholds required for WMATA involvement in the projects and is a progressive scale based on invasiveness to the system, from the least invasive (project development) to the most invasive (those having operations impact).

Mr. Salpeas stated that the purpose of the presentation is to give the Committee information on the fee structure, the review timeframe, and type of projects reviewed. Also, staff is interested in whether the Committee would like changes made, e.g., changes in the fee structure. Prior to now, this issue hasn't been touched since the mid-1980s.

Mr. Zimmerman asked about the extent (how far away from the station) of WMATA's control. Staff replied that WMATA tries to ensure its involvement within 500 feet of any tunnel location. However, WMATA is not part of a regulatory permit process and is not part of the jurisdictional approval process.

Mr. Zimmerman asked how far WMATA's easement extends. Mr. Couch responded that it depends; in some cases, WMATA only has an underground easement (the area of the tunnels themselves). For rail stations constructed on city streets, the area above the tunnel is owned by the city or county, and WMATA has no easement. Mr. Tangherlini stated development close to WMATA structures is somewhat self-regulated because of liability issues. If a developer did something that affected a WMATA structure or service, the developer would be liable under their insurance.

Mr. Tangherlini stated a desire to formalize the review process, ensure the fees recover the costs, and explore offering a guarantee on turnaround time for a premium fee.

Mr. Smith talked about staffing implications and the possible use of overtime by reviewers when guaranteeing a turnaround time. He asked how the fee ranges were developed and stated that costs can differ from adjacent construction for underground tunnels in the city and for above ground stations in the suburbs. Mr. Couch stated that the ranges represent historical costs over the past 3 to 5 years depending on the type of project, support WMATA provided, and length of the project. There are a lot of ways to put a framework around the fee structure. One possibility is to absorb fees within the current budget if the review is minimal and takes less than a couple of days. Currently, the fees are structured as a reimbursable item.

Mr. Smith asked about the vehicle for community involvement in updating the Adjacent Construction Design Manual. Input was received from developers, contractors, and engineering firms, working on active and on-going projects, about their experience with the review process. Mr. Salpeas stated that WMATA did not go out into the community. Mr. Smith hears complaints that WMATA puts a heavy burden on developers in terms of specification requirements and construction engineering requirements particularly under the TOD program. Mr. Tangherlini stated that WMATA is working to correct whatever is underlying the perception that WMATA is an impediment to these development activities.

Mr. Zimmerman stated that his jurisdiction (Arlington County) performs reviews on a cost recovery basis and that it is hard to keep up with the incredible pace of development. Arlington County had to expand their service and hired six additional Inspectors to keep up with the pace. Mr. Zimmerman encouraged staff to look at whether WMATA has appropriate cost recovery, the pros/cons of a premium fee, and whether the process works. He also stated that the program should be reviewed with the local jurisdictions, and it might be useful to find ways to parallel what the jurisdictions are doing. He further stated that staff should talk to people in the

private sector who pay the fees and it make clear as to when they need to call WMATA. Mr. Tangherlini expressed interest in formalizing and routinizing the process.

Other Item

Mr. Graham stated that he had received a memorandum dated April 19, 2006 on significant Board actions related to the Dulles extension. He further stated that while the memorandum was a helpful recitation of prior Board actions, he wanted a better understanding of the Board's role. In particular, he requested additional information regarding what actions require future Board approval. Staff replied that the future implementation of the Dulles extension is subject to the Board approval of a final financial plan and indemnification provisions. Mr. Tangherlini stated that, to some extent, what may have to be approved may change as the project changes. Who is going to implement the project and how it will be implemented could be overtaken by events. The Board still must approve agreements with whoever will build the Dulles extension including the role WMATA will play as a technical manager/advisor. WMATA is awaiting outcomes of discussions in the state of Virginia. Mr. Tangherlini stated that in July 2006 the Board will be asked to approve the supplemental public hearing staff report for the Dulles Corridor Wiehle Avenue extension and will be updated on the EIS process.

Mr. Graham asked if there had been a formal action by the Board assuming the operational costs once the Dulles extension is constructed. In 2002, the Adopted Regional System (ARS) was amended for Dulles. Along the way, WMATA has added the Dulles extension in the plan map. After successful project completion, it is assumed WMATA will operate it. In Resolution 2002-54, the Board selected the locally preferred alternative and amended the ARS contingent on the fulfillment of conditions necessary to accept the Dulles extension into the ARS. Mr. Tangherlini noted that Resolution 2000-35 stated that any extension will be allocated according to the existing formula and Resolution 2002-54 adopts the Dulles Corridor project into the ARS with contingencies. There are still contingencies on who will be building the Dulles extension and how it will be built.

Mrs. Mack commented on the issue of operating costs. She stated that the District of Columbia Board members expressed concerns at the time Resolution 2002-54 was adopted about the huge increase in operating costs and caused a computation to be done of what the operating costs would likely be. She noted that there may be another need to look at the allocation formula to see if there are implications for changes. The additional 23 miles reshuffles the dollar amounts of the allocations. Because this is such a large project, is so complex, and is changing so much, she thinks a regular update should be put on the agenda. Mr. Linton would support a quantified update. He thinks the Committee should define their interests and that updates should be done when decisions might need to be made by the Board. Ms. Hudgins stated that decision items (as listed in the April 19, 2006 memorandum) and major actions affecting the Board have been brought forthrightly to the Committee and the Board, and she expects that to continue.

Mr. Kauffman and Mr. Tangherlini think the allocation will become about 1/3, 1/3, 1/3 for DC, MD, and VA with the Dulles integration in the system. Mrs. Mack suggested that maybe another allocation would be more appropriate.

Mr. Graham would like information on past analyses of the projected increase in operating costs due to the Dulles extension and the formula. Mr. Zimmerman directed staff to provide the Committee with past analyses on the projected increase in operating costs associated with the Dulles project and the subsidy allocation formula at the next meeting.

Meeting adjourned at 10:50 A.M.