



MINUTES

1309th Meeting of the Board of Directors July 20, 2006

Mrs. Mack called the meeting to order at 11:13 a.m. Present were:

DIRECTORS

Mrs. Gladys Mack
Mr. Charles Deegan
Mr. Christopher Zimmerman
Mr. Jim Graham
Mr. Raymond Briscuso

ALTERNATE DIRECTORS

Mr. Gordon Linton
Mrs. Catherine Hudgins
Mr. William Euille

STAFF

Mr. Daniel Tangherlini
Mr. James Hughes
Ms. Carol O'Keeffe
Mr. Charles Woodruff
Mr. Steve Feil
Mr. Jack Requa
Mr. David Shaw

Mr. Emeka Moneme
Mr. Raymond Feldmann
Mr. James Haggins
Ms. Brender Gregory
Mr. Edward Thomas
Mr. Kevin Lyons
Ms. Debra Johnson

**Washington
Metropolitan Area
Transit Authority**

600 Fifth Street, NW
Washington, D.C. 20001
202/962-1234

*By Metrorail:
Judiciary Square-Red Line
Gallery Place-Chinatown
Red, Green and
Yellow Lines*

*A District of Columbia
Maryland and Virginia
Transit Partnership*

APPROVAL OF AGENDA:

Mrs. Mack noted that an administrative item for Approval to Implement Credit Card Readers at Parking Facilities had been added to the agenda. The Agenda was accepted with that addition, as item XI.A.13.

APPROVAL OF MINUTES:

The minutes of the June 15, 2006 and July 6, 2006 meetings were approved as submitted.

REPORT BY RIDERS' ADVISORY COUNCIL (RAC):

Mr. Jaffe was not present to discuss the Riders' Advisory Council. Mrs. Mack continued with the agenda.

PUBLIC COMMENT PERIOD:

Six people signed up to speak during the public comment period conducted at this meeting:

1. Ms. Betty Waldron, widow of Michael Waldron, requested approval of a memorial and scholarship fund to help further the education of the children of WMATA employees who are killed in the line of duty.
2. Dr. Jong P. Lee, brother of the late Jon Lee, a WMATA employee, requested approval of a memorial, monument and scholarship fund for children of employees who are killed in the line of duty.

Mrs. Mack referred the Board to Administrative Item XI.A.10, Approval of Resolution for Creation of Memorial and Scholarship Fund, reading the resolution in its entirety. The resolution creates a memorial to employees who die in the line of duty with the Authority and the "Metro Memorial Scholarship Fund."

Mrs. Mack moved, seconded by Mr. Deegan that the Board approve Creation of a Memorial and Scholarship Fund. This motion was unanimously approved.

Ayes: 6 - Mrs. Mack, Mr. Deegan, Mr. Zimmerman, Mr. Graham, Mr. Briscuso, and Mrs. Hudgins

A copy of the approved Resolution (2006-36) has been made a part of the official file.

REPORT BY RIDERS' ADVISORY COUNCIL (RAC):

Mrs. Mack acknowledged the presence of the Riders' Advisory Council (RAC) Chair and provided him with an opportunity to make a brief report.

Mr. Jaffe expressed sympathy to the family of employees who lost their lives in the course of their duties on behalf of the RAC and noted the RAC's support of the efforts to prevent workplace tragedies.

Mr. Jaffe also noted that the RAC met on July 5, 2006. On Tuesday, July 25, 2006, the RAC will host a budget briefing conducted by the Office of the Chief Financial Officer. Mr. Jaffe thanked the Board, and staff in participating in the FY 2008 budget process. The RAC is supportive of the process where the Board

provides the public the opportunity to examine, critique, support and propose alternatives to data provided by the Authority prior to when the Board gives guidance to the Authority.

PUBLIC COMMENT PERIOD:

The Public Comment Period resumed following the report by the Riders' Advisory Council.

3. Mr. Robert J. Smith, former WMATA Board member, urged the Board to review and modify its rules and procedures with respect to media events during Board meetings. He expressed his appreciation for those who have sent him messages of encouragement and support as relating to his removal from the WMATA Board of Directors.
4. Ms. Anita Teresa Cameron, Chair of the Elderly and Disabled Committee's Bus Subcommittee, addressed the Board regarding the 100% lift-equipped Metrobuses. She mentioned that there are still some buses with troublesome lifts, verbal annunciators that are not audible, and some operators that are in need of training. She proposed that there be a bus forum for persons with disabilities in the metropolitan area to make the bus system the best in the country.
5. Mr. John Witherspoon, a daily rider, addressed the Board regarding cleanliness of the system. He has witnessed defilement of system by those who eat and drink in the rail system. He suggested that signage should be improved that more explicitly prohibits eating and drinking.
6. Ms. Hannah Klein addressed the Board regarding reimbursements of fare cards that have not been processed.

REPORT BY CHAIRMAN:

Mrs. Mack thanked Congressman Davis for his vision, leadership and tenacity in securing passage of H.R. 3496 that authorizes an additional \$1.5 billion over 10 years for capital improvements to and maintenance of Metro. She acknowledged that Congress' action on Monday, July 17, 2006, demonstrates recognition of the importance of a healthy Metro to the workings of the federal government, both on an everyday basis and in an emergency.

A. Board Governance Initiative Task Force Update Advisory Council Members:

Mrs. Mack stated that one objective she had as Chair was to examine how the Board conducts business. Therefore, an outside contractor was brought in to assist in the process. This effort has resulted in the establishment of the Governance Task Force. Areas under consideration are the Board's governing role,

structure, and processes. More discussions are scheduled, the results of which will be brought before the entire Board.

REPORT BY GENERAL MANAGER:

Mr. Tangherlini expressed his appreciation to the Waldron and Lee families and those who came before them. He acknowledged Dr. Lee for working to establish the "Metro Memorial Scholarship Fund." Additionally, Mr. Tangherlini thanked the Board for approving the resolution, acknowledging that the employees are what make Metro possible.

Mr. Tangherlini also brought before the Board the first five Metro employee High-Five award recipients. The High-Five award is given to one employee per month for providing outstanding and exceptional service in the line of duty as nominated by a Metro customer. Each of the High-Five award recipients displayed a strong sense of duty, compassion for customers and willingness to take decisive action.

The June winner, Mr. Samuel King, Station Manager on the Blue Line, receives approximately 50 to 100 positive letters as he goes above and beyond to help customers, particularly lost or confused tourists daily. The May winner, Mr. Thomas Stanley, Station Manager on the Blue/Orange Lines, observed a customer experiencing a severe episode of insulin shock. Mr. Stanley acted quickly to assist the customer obtain some much needed food to restore his blood sugar.

The April winners, Ms. Dana Buckner and Ms. Cheryl Chaudry, Rail Station Managers on the Red Line, assisted a panicked family from Ohio whose daughter was running a fever, suffering severe abdominal pain and they had misplaced their cell phone. Ms. Buckner and Ms. Chaudry, used their personal cell phones to find a hospital that would accept the family's insurance and made arrangements for the family to get to the hospital using Metrorail and a hospital shuttle. The March winner, Mr. Donald Moore, Sr., a Bus Operator out of the Royal Street Division in Virginia, used his Metrobus to aid an automobile driver, who had a seizure while driving, by blocking other vehicles from hitting the car and assisting the driver until paramedics arrived.

Additionally, Mr. Tangherlini discussed significant issues for preparations for the FY08 budget and the beginning of FY07. He mentioned that Metro is beginning a year in which budget discussions demand increasing innovation in order to meet customer expectations. Metro customers value reliability, safety, access and convenience, and all budget and policy decisions should be guided by these priorities.

Mr. Tangherlini acknowledged employee commitment. He stated that the budget for FY08, and the implementation of the FY07 budget, will begin to address the need of the jurisdictions that fund Metro and the Board to see more efficiency, transparency, accountability, and a straightforward connection between resources

and outcomes. With the Authority's recent organizational realignment, all direct reports of the General Manager share responsibility for achieving goals. For example, operational and safety goals that had previously been the responsibility of only those who worked in our operations and safety clusters are now everyone's responsibility.

Mr. Tangherlini presented the challenge of workforce retirement eligibilities, as well as the opportunity to rethink the mix of skills necessary to meet performance objectives and to develop a workforce plan in the FY08 budget that manages to this reality. Additionally, development of the expertise and abilities necessary to manage a system in which the role of Metro in expansion is fundamentally different from what it was during construction of the original system is possible.

During the past five months, Metro has experienced seven of the top 10 ridership days in Metro's history, often with no causal event. Growing demand is a signal of the value of the system to the region while placing enormous strain on the system. Therefore, capacity must be optimized by having 800 rail cars in revenue operation every workday and expanding the bus fleet to meet growing demand and to offset lost capacity with our new, low floor buses. Both must be viewed as enterprise-wide goals that the entire management team, operators, engineers, planners and financial officers share responsibility for meeting in FY07 through efficiency improvements, and that will be budgeted for in FY08 through a consistent annual vehicle procurement schedule.

For Metro to provide its services every day is increasingly more expensive, from rising gas and energy prices to increased labor costs, reinforcing the need for Metro to become more efficient. Mr. Tangherlini discussed reducing costs without compromising service, doing more with less and closely examining the bottom line to ensure efficient and effective use of resources by strictly vetting expenditures based on how it will impact the values that underpin customer satisfaction: reliability, safety, convenience and access. The need to better communicate with the Board, jurisdictional partners and the public the outcome of spending on service and efficiency was also stressed.

The fare policy should be both common sense and rational, allowing customers to plan their own budgets. Additionally, the fare structure should responsibly address the total trip cost for our customers, recognizing that our customers have choices in transportation.

He acknowledged that the responsibility of funding Metro is not solely the responsibility of our funding partners and our customers. It is Metro's obligation to show – through sound management and prudent operations – that this investment is deserved and these funds spent efficiently and effectively.

Mr. Tangherlini will come back to the Board in the fall with budget proposals that address the complex issues confronting the system, and to continue

this dialogue so that a new course for Metro that places a premium on the efficient and effective management of the system, and ensures the safety, reliability, convenience and accessibility of the system for the next 30 years.

Mr. Zimmerman asked if discussions are in the works for a physical memorial to be erected in recognition of employees who have lost their lives in the line of duty for the benefit of other employees as well as the public, as discussed by Dr. Lee. Mr. Tangherlini responded that the memorial is part of what will be brought back to the Board within the 90 days mentioned in Resolution 2006-36. This physical memorial would be both a reminder to employees of the potential danger of the work conducted and a reminder to customers of those who put themselves at risk to provide transportation.

Mr. Zimmerman discussed Mr. Witherspoon's issue regarding eating and drinking in the rail system and the need for more explicit signage stating the rules with respect to consuming food and beverages. Mr. Tangherlini said that staff will revisit the signage issue, as well as work more closely with the police and incorporate announcements on the train. Mr. Linton and Mrs. Hudgins noted that it is important to help the public understand why we have the rules and why they are important. Mrs. Mack requested that Mr. Tangherlini set goals for improved signage. Mr. Tangherlini agreed to report back to the Board in the Fall and work to improve the signage in the interim.

REPORT BY CUSTOMER SERVICE OPERATIONS AND SAFETY COMMITTEE:

Mr. Briscuso requested that the report be made by Mr. Linton as Mr. Linton chaired the July 6, 2006 committee meeting.

A. SmarTrip Only Aisles - Pilot Demonstration:

Mr. Linton referred the Board to the request for approval of the initiation of SmarTrip-only aisles in the rail system. Implementation of a number of faregate aisles that accept only SmarTrip cards, a concept similar to the EZ-Pass lanes on the highways is considered to improve customer service. Magnetic farecards will continue to be accepted at the other aisles in the station. The "Express Lanes" will accept only SmarTrip Cards and will improve the speed at which customers using SmarTrip Cards may move through the system. Policy guidance was provided to staff for consideration of configuration and identification of what stations are used to provide the pilot.

Mr. Linton moved, seconded by Mr. Zimmerman, that the Board approve the SmarTrip-Only Aisles - Pilot Demonstration. This motion was unanimously approved.

A copy of the approved Resolution (2006-37) has been made a part of the official file.

Ayes: 6 - Mrs. Mack, Mr. Deegan, Mr. Zimmerman, Mr. Graham, Mr. Linton, and Mrs. Hudgins

Mr. Linton reported staff briefed the Committee on the update on the primary Operations Control Center. Staff also briefed the Committee on expanding the Car Sharing program and the policy framework on the future direction of the Parking Program, including a review of current parking policies and practices.

REPORT BY BUDGET COMMITTEE:

A. Approval to Initiate and Award All Training & Development Program Procurements for FY07:

Mr. Graham referred the Board to the request to initiate and award contracts for training opportunities for WMATA employees. Funding is included in FY07 Operating Budget.

Mr. Graham moved, seconded by Mr. Deegan that the Board approve initiation and award of all training and development program procurements for FY07. This motion was unanimously approved.

Ayes: 6 - Mrs. Mack, Mr. Deegan, Mr. Zimmerman, Mr. Graham, Mr. Briscuso, and Mrs. Hudgins

B. Approval of Resolution for Georgia Avenue Rapid Bus Demonstration Project and Amend the FY07 Operating Budget:

Mr. Graham referred the Board to the request for approval to amend the FY07 operating budget to provide Georgia Avenue Rapid bus service on Metrobus Route 79 in the District. The project will generate \$1.3 million in costs, \$0.2 million in revenue and \$1.1 million in operating subsidy that will be paid entirely by the District of Columbia. An additional \$884,000 for capital expenditures will come from the capital program.

Mr. Graham moved, seconded by Mr. Deegan, that the Board approve the resolution for Georgia Avenue Rapid Bus Demonstration and Amend the FY07 Operating Budget. This motion was unanimously approved.

A copy of the approved Resolution (2006-38) has been made a part of the official file.

Ayes: 6 - Mrs. Mack, Mr. Deegan, Mr. Zimmerman, Mr. Graham, Mr. Briscuso, and Mrs. Hudgins

C. Approval to Amend FY07 CIP for Kronos Software:

Mr. Graham referred the Board to the request for approval to amend the FY 2007 Information Technology category of the IRP to implement KRONOS, a time

and attendance system. Funding of \$2.5 million will be made available from the reprogrammed funds.

Mr. Graham moved, seconded by Mr. Deegan, that the Board approve to amend the FY07 CIP to implement KRONOS Software. This motion was unanimously approved.

A copy of the approved Resolution (2006-39) has been made a part of the official file.

Ayes: 6 - Mrs. Mack, Mr. Deegan, Mr. Zimmerman, Mr. Graham, Mr. Briscuso, and Mrs. Hudgins

D. Approval of Resolution to Amend FY07 System Access Program for Dupont Circle Artwork

Mr. Graham referred the Board to the request for approval to amend and increase the Fiscal 2007 System Access/Capacity Program to provide \$112,000 for artwork at the Dupont Circle Metrorail station. The DC Arts Commission will reimburse the Authority for the costs of fabricating and installing the artwork.

Mr. Graham moved, seconded by Mr. Deegan, that the Board approve to amend the FY07 System Access Program for Dupont Circle Artwork. This motion was unanimously approved.

A copy of the approved Resolution (2006-40) has been made a part of the official file.

Ayes: 6 - Mrs. Mack, Mr. Deegan, Mr. Zimmerman, Mr. Graham, Mr. Briscuso, and Mrs. Hudgins

E. Approval to Amend FY07 System Expansion Program for Anacostia Streetcar Project

Mr. Graham referred the Board to the request for approval to amend and increase the Fiscal 2007 SEP to provide \$3.9 million to expedite construction of the track to provide streetcar service in the Anacostia corridor. The \$3.9 million for this project will be provided by the District of Columbia.

Mr. Graham moved, seconded by Mr. Zimmerman, that the Board approve to amend the FY07 System Expansion Program for the Anacostia Streetcar Project. This motion was unanimously approved.

A copy of the approved Resolution (2006-41) has been made a part of the official file.

Ayes: 6 - Mrs. Mack, Mr. Deegan, Mr. Zimmerman, Mr. Graham, Mr. Briscuso, and Mrs. Hudgins

Mr. Graham noted that two Action Items that were deferred in Committee: 1) modification of the purchase card policy, and 2) contract awards for FY2007.

REPORT BY REAL ESTATE COMMITTEE:

A. Approval of FY 2007 Joint Development Work Program:

Mr. Deegan referred the Board to the request for approval of the FY 2007 Joint Development Program. Four parcels will be offered in the summer solicitation: Air rights over the Navy Yard Station East Entrance; parcel at ½ and L Streets, Northwest, Capitol Heights and Backlick Road. In addition the Royal Street Bus Garage and the Shaw-Howard parcels were authorized for possible offering during the coming year.

Mr. Deegan moved, seconded by Mr. Zimmerman, that the Board approve the FY 2007 Joint Development Work Program. This motion was unanimously approved.

Ayes: 6 - Mrs. Mack, Mr. Deegan, Mr. Zimmerman, Mr. Graham, Mr. Briscuso, and Mrs. Hudgins

B. Approval of the Selection of Developer and Approval of Term sheet Extension for Grosvenor North Joint Development Site FY 2007 Joint Development Work Program

Mr. Deegan referred the Board to the request for approval of the Selection of Trammell Crow Residential as the developer for the Grosvenor North Joint Development Site, and approval of a term sheet to lease the property to Trammell Crow. The developer offered two alternate lease terms, and the Committee voted to defer deciding which to select until its next meeting. Staff would be authorized to enter into discussions with Trammell Crow Residential for a binding agreement.

Mr. Deegan moved, seconded by Mr. Briscuso, that the Board approve the Selection of Developer and Approval of Term sheet Extension for Grosvenor North Joint Development Site FY 2007 Joint Development Work Program. This motion was unanimously approved.

Ayes: 6 - Mrs. Mack, Mr. Deegan, Mr. Zimmerman, Mr. Graham, Mr. Briscuso, and Mrs. Hudgins

ADMINISTRATIVE ACTIONS:

OTHER ITEMS:

Mrs. Mack referred the Board to the 12 Administrative Actions, noting that Administrative Item XI.A.10 had been considered, and that an additional item had been added to the agenda, XI.A.13.

1. Approval of Resolution to Revise Indemnification Policy:

Approval is requested to Revise the Indemnification Policy to permit the provision of legal services during the investigatory phase of administrative proceedings where appropriate criteria have been met and where it is in the Authority's best interest to provide such legal representation.

A copy of the approved Resolution (2006-32) has been made a part of the official file.

2. Approval of Settlement in Condemnation Proceedings for WMATA Parcel MG146/G004:

Approval is requested of a proposed settlement in condemnation for the acquisition of real property owned by the New Life Assembly of God Church required for construction and operation of a portion of the Metrorail Blue Line Extension to Largo Town Center.

3. Approval to Initiate and Award Car Sharing Services Contracts:

Approval is requested to initiate a Request for Proposals and award a contract to one or more companies for sharing services at Metrorail stations.

4. Approval to Initiate and Award Car Wash Facilities Contract:

Approval is requested to initiate and award a competitive contract for the Rehabilitation of Car Wash Facilities at two locations: Alexandria and West Falls Church with four other car wash facilities included as options to be exercised when funding is available. The four option facilities are: Branch Avenue, Glenmont, Greenbelt and Shady Grove.

5. Approval to Initiate and Award Ultra Low Sulphur Diesel Fuel Contract:

Approval is requested to competitively advertise and award a requirements contract for the procurement of an estimated annual 13,000 gallons of ultra low sulphur diesel fuel (ULSD) for WMATA vehicles. This contract will cover a one-year base period with four additional one-year options. Total cost of this contract is estimated at \$145,000,000 over the five year period.

6. Approval to Award the Fort Totten Police Substation Construction Contract:

Approval is requested to award the construction contract for the Fort Totten MTPD substation.

7. Approval to Modify Contract FN5008 for Repair of Rail Car Lifts at Greenbelt Yard:

Approval is requested to obtain approval from the Board of Directors for a modification to Contract FN5008 in an amount not-to-exceed \$2,500,000 to repair the lifts at the Greenbelt Yard Rail Car Maintenance Facility.

8. Approval to Modify Contract 1D0018 for New Carrollton Yard Improvements and Shop Expansion, New Carrollton Parking Structure and College Park Parking Structure:

Approval is requested for the issuance of three modifications for Contract 1D0118 - New Carrollton Yard Improvements and Shop Expansion, New Carrollton Parking Structure and College Park Parking Structure. The modifications are for: 1) the settlement of the last four change orders that were issued as the contract was being prosecuted and totals \$1,237,786; 2) a revision to the traction power system in the shop that arose as part of the acceptance of the new facility for a not-to-exceed amount of \$550,000; and 3) repairs to the original shop building for a not-to-exceed amount of \$450,000.

9. Approval of Resolution for FY07 Overall Disadvantaged Business Enterprise Goal:

Approval is requested to adopt a final DBE annual goal of 16% for Federal Fiscal Year 2007 for implementation of the FTA regulations for federally-funded contracts, recognizing that the overall goal will be achieved through 15% race-conscious and 1% race-neutral measures and be established on a contract-by-contract basis.

A copy of the approved Resolution (2006-42) has been made a part of the official file.

10. Approval of Resolution for Creation of Memorial and Scholarship Fund:

Approved during public comment period.

11. Approval to Execute Standard International Swaps and Derivatives Association (ISDA) Agreements and Schedules In Support of Commodity Swap Program:

Approval is requested to execute the Standard International Swaps and Derivatives Association (ISDA) agreements and Schedules and indemnification of

swap Counterparties for expenses and legal fees in the event of a default by the Authority.

12. Approval to Expand Options to Procure 25 CNG Buses

Approval is requested to expand the options available to procure 25 CNG buses for the pending service adjustments for FY07.

13. Approval to Implement Credit Card Readers at Parking Facilities

Approval is requested to: 1) initiate and award one or more contracts for the purchase of necessary equipment; 2) modify contract number C05136 to develop software to accept credit cards for payment of parking fees at the WMATA parking facilities, 3) add one full time technician position to maintain the equipment.

Mr. Zimmerman moved, seconded by Mr. Graham, that the Board approve, en bloc, Administrative Items XI.A numbered 1 through 9, 11, 12 and the additional item (13). This motion was unanimously approved.

Ayes: 6 - Mrs. Mack, Mr. Deegan, Mr. Zimmerman, Mr. Graham, Mr. Briscuso, and Mrs. Hudgins

REPORT BY D.C.: No report given.

REPORT BY WSTC: No report given.

REPORT BY NVTC: No report given.

ADJOURNMENT:

Mrs. Mack moved, seconded by Mr. Deegan, that the Board meet in Executive Session immediately following this meeting to discuss personnel matters. This motion was unanimously approved.

Ayes: 6 - Mrs. Mack, Mr. Deegan, Mr. Zimmerman, Mr. Graham, Mr. Briscuso, and Mrs. Hudgins

This meeting was adjourned at 12:13 p.m.


Debra A. Johnson, Board Secretary