



MEMO

To: NCRA Board of Directors

From: Executive Director Mitch Stogner

Date: March 11, 2009

Subject: **Agenda Item - F.2 – Discussion and Possible Action Regarding Transfer of Operator Committee Responsibilities**

Brief History of Creation and Responsibilities of Ad- Hoc Operator Committee and Standing Operator Committee

The Ad-Hoc Operator Committee, comprised of 3 Board Directors, was created in May 2003 to review and make recommendations to the full Board of Directors regarding the Standstill Agreement then applicable to NCRA's contract operator, NWPY.

The Standstill Agreement with NWPY was terminated in 2005. With the termination of the Standstill Agreement and the corresponding contractual relationship with NWPY, the Board of Directors turned its attention to selection of a new contract operator. The Board of Directors delegated responsibility for the RFP process - applicant interviews, evaluations and recommendations - to the Ad Hoc Operator Committee, which conducted interviews and made recommendations that were considered by the Board of Directors at regularly scheduled meetings of the Board in 2006. This process resulted in the selection of the new contract operator in 2006, NWP Company. In September 2006 the Board of Directors approved the operations lease agreement with NWP Co.

In 2007, then Director Woolley suggested and legal counsel agreed that the Ad-Hoc Operator Committee should become a Standing Committee to generally address issues related to train operations. The Board concurred and the Operator Committee became a standing committee, comprised of 4 Board Directors, in September 2007. With the September 28, 2007 lawsuit filed by Novato threatening to terminate repairs and train operations, Chairman Hemphill suggested that all issues related to the lawsuit be handled by the Operator Committee. The Operator Committee met in 2007 and 2008 to discuss legal strategy and issue reports to the Board which lead to Board approval of a Settlement Agreement in October 08. The Marin Superior Court approved the Settlement Agreement on November 3, 2008.

Staff Recommendation: With Board adoption of the lease Agreement with NWP Co. and settlement of the Novato lawsuit, the Board and staff have given top priority to completing repairs on the first phase of operations (Lombard – Windsor), FRA certification for NWP Co. to commence operation in October 2009, continuing the repair effort northward from Windsor to

Willits, and a collaborative and mutually beneficial relationship with SMART as we collectively endeavor to restart North Coast train service in 2009 and beyond. These threshold issues will require immediate attention and action by the full Board of Directors. Accordingly, staff recommends that all issues under the jurisdiction of the Operator Committee become the primary jurisdiction of the full Board of Directors, eliminating the need to schedule separate meetings of the Operator Committee.