

September 21, 2009

Beverley Miller, Executive Director
Minnesota Valley Transit Association
100 East Highway 13
Burnsville, MN 55337

Dear Beverley:

The Council will not have a draft agreement for the Lakeville Cedar Avenue BRT Express Service to you for the MVTA Board's consideration at its September 23, 2009 meeting. We intend to have a draft to you in October in anticipation of the Counties Transit Improvement Board (CTIB) approving the 2009 operating agreement at its October 21 Board meeting. The CTIB/Council agreement needs to be finalized prior to finalizing the Council/MVTA agreement.

Because MVTA started incurring operating costs effective September 14 in providing this new service, this letter serves to summarize the general terms that Council and MVTA staff have discussed and agreed to over the last several months, and will be incorporated into the agreement. Following is our understanding:

- Route 477V will provide five trips each weekday morning and evening to Lakeville with four trips being extensions of existing Apple Valley Transit Station (AVTS) trips and one being a new trip serving Lakeville, AVTS and downtown Minneapolis.
- The new trip started Monday, September 14 serving AVTS only.
- All five trips will serve Lakeville starting Monday, September 28.
- The Council has provided MVTA with two new coach buses to provide the expanded service.
- MVTA will provide routine maintenance to the Council-owned park-and-ride facility.
- The contract term will be from September 14, 2009 through December 31, 2011 with a one year option.
- The new service will be funded 50% each by the Council and CTIB.
- MVTA will invoice the Council monthly using actual values for fuel and fares. An annual reconciliation, based on audited financial statements, will be conducted.
- Fare revenue will initially be based on a manual sampling methodology approved by the Council. The sampling will be automated following the implementation of AVL/APCs.

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MVTA may submit an invoice to Bruce Dreier for the September work so that the Council can process it upon execution of the agreement in October.

I hope this information is helpful for the MVTA Board at its September 23, 2009 meeting in the absence of a draft agreement. If you have any questions or a different understanding of the scope of work, please contact me.

Sincerely,

A handwritten signature in cursive script that reads "Arlene McCarthy".

Arlene McCarthy
Director, Metropolitan Transportation Services

c: Dave Theisen, Deputy General Counsel
Bruce Dreier, Project Administrator