

**DULLES CORRIDOR ADVISORY COMMITTEE
MINUTES OF NOVEMBER 29, 2017
CENTER FOR INNOVATIVE TECHNOLOGY – HERNDON, VA
(APPROVED BY DCAC ON May 31, 2018)**

Principal Attendees:

Hon. Sharon Bulova, Chairman, Fairfax County Board of Supervisors
Mr. Bo Machayo representing Hon. Phyllis A. Randall, Chair, Loudoun County Board of Supervisors
Mr. Tim Hemstreet, Administrator, Loudoun County
Mr. Scott Kasprovicz, Commonwealth Transportation Board
Mr. Jack Potter, President/CEO, MWAA
Hon. Katherine K. Hanley, Metropolitan Washington Airports Authority Board of Directors

I. Call to Order and Welcome

DCAC Chair Hanley called the meeting to order at 9:35 a.m. and welcomed all attendees with opening comments.

II. Approval of 06-30-17 Agenda

The Agenda was approved as presented (Potter, Bulova).

III. Approval of Minutes from the June 30, 2017 meeting (Bulova/Potter)

The 6/30/17 Minutes were approved as presented (Bulova, Kasprovicz).

IV. Rail Project Update

Before the Rail Project Update began, Chair Hanley asked if all DCAC Principals were receiving timely Project notices and updates on road closures. All present confirmed receipt of Project notices and updates.

Mr. Charles Stark, Executive Project Director of the Dulles Corridor Metrorail Project provided an aerial overview of the Phase 2 and the following update:

- Phase 1 quarterly expenditures (May-October 2017) were \$12.7M with \$2.904B expended on Phase 1 overall as of 10/31/17. The forecast at final completion of Phase 1 remains at \$2.982 B.
- Mr. Stark reported on Closeout of VDOT Comprehensive Agreement including remediation of all remaining VDOT facility deficiency items and the Old Meadow Road intersection lane widening. Bechtel has agreed to perform a portion of pipe remediation & MWAA will remediate the remaining deficiencies and recoup costs from Bechtel.
- This Task Order contract status currently includes 34 issued task orders

issued with Notice to Proceed, including Old Meadow Road. Thirty-one (31) of these task orders have been completed.

- Old Meadow Road – Final design is nearing completion (90% design) for the realignment. VDOT has approved a curb radius design exception and Utility coordination (design) is required before achieving 100% design completion. Numerous utility facilities require minor relocation work but significant coordination with the eleven (11) utility agencies/companies involved is required for management, design and construction. Construction will begin in early 2018 with anticipated completion of construction by 2nd quarter, 2018.
- Mr. Stark reported that Phase 2 Package A is 74% complete and Package B is 61% complete.
- Phase 2 expenditures (May thru October, 2017) total \$338.5 M and total expenditures through October totaled \$1.482 B. Total Phase 2 budget and total forecast remains \$2.778 B.
- Mr. Stark continued his Phase 2 presentation with photos of Guideway & Stations design-build activities, an update on Pedestrian Bridges at Reston & Herndon North Stations, Structural Steel Roof framing at Loudoun Station, precast installation at Ashburn Station as well as progress occurring at the Dulles Airport Station, among other photos of Phase 2 progress.
- Mr. Stark concluded his presentation with photos of the ongoing work and WMATA Rail Yard & Maintenance Facility design-build activities. He also stated that, as reported during the previous DCAC meeting, WMATA has informed MWA that its Rail Yard Transportation Police building will not be occupied by WMATA public safety officers when the Rail Yard opens. The building will be used for other WMATA purposes.

Mr. Stark's presentation has been posted onto MWA website at:

http://www.dullestollroad.com/sites/default/files/rail_project_update_11-29-17.pdf

Comments and discussion following Mr. Stark's presentation

- Ms. Hanley noted that the activity ongoing at the Rail Yard is extensive & fascinating if ever anyone has the opportunity to visit.
- Mr. Kasproicz mentioned the low-altitude Dulles arrival flights coming over the Route 606/Loudoun Gateway Station offers a unique glimpse of the ongoing progress at the Rail Yard.
- Mr. Machayo asked if there will be no WMATA police occupying the Rail Yard police building, when and where will the WMATA Police locate? Mr. Stark responded that it is his understanding that WMATA is looking at locations that are closer to existing WMATA public safety functions.

V. Dulles Corridor Enterprise Financial Update

Mr. Andy Rountree, MWAA Vice President and Chief Financial Officer provided the following Dulles Toll Road Financial update:

- Developments since the June 2017 DCAC meeting include a Toll Collection System Upgrade and preparations for an updated Traffic and Revenue Study for the Dulles Toll Road (DTR).
- Mr. Rountree highlighted that the existing DTR toll collection system was acquired by VDOT in 1996. Through a competitive procurement process, MWAA has selected TransCore, a wholly-owned subsidiary of Roper Technologies, to design, build and maintain a new toll collection system that will be operational in 2019.
- MWAA has additionally issued a task order for CDM Smith, Inc., to prepare an updated, comprehensive DTR T&R study in 2018. The scope of work is comparable to the previous, 2014 scope of work undertaken for the investment grade study that supported the financing of the Phase 2. The updated T&R model that will be developed as part of the study will facilitate the analysis of future toll rate adjustments and new tolling policies that may be considered given the capabilities of the new DTR toll collection system.
- Mr. Rountree then reported on the Allocation of Rail Project Capital Costs. No change has occurred since June, 2017, related to Project costs being allocated in accordance with funding agreements. He showed Project funding detail supporting the assertion that existing funding commitments are sufficient to complete the Project.
- Mr. Rountree also provided an update on Dulles Toll Road Traffic & Revenue. He stated that DTR revenues have been consistent with projections and transactions that have also performed in line with expectations. Mr. Rountree concluded with a chart showing that tolls are expected to stay at current levels through 2018.
- In closing, Mr. Rountree outlined for DCAC Principals MWAA's anticipated, 2018 regulatory process for future toll rate adjustments which are expected to occur by 2019. Mr. Rountree began with the reminder that MWAA has exclusive right to establish, charge and collect tolls and other fees associated with the DTR. However, prior to adjusting toll rates (which have not been increased since 2014), MWAA must follow its regular processes for promulgating regulations, including convening one or more public hearings in the Dulles Corridor, to provide members of the public and others with an opportunity to become informed about and express their views on any proposed toll rate changes. MWAA also consults with the Dulles Corridor Advisory Committee (DCAC) with respect to any toll rate adjustments, although DCAC consent or approval of toll rate adjustments is not required under agreements with the Commonwealth.

Mr. Rountree's presentation has been posted onto MWAA at:

http://www.dullestollroad.com/sites/default/files/financial_update_11-29-17_0.pdf

Comments and Questions following Mr. Rountree's presentation

- Mr. Kasprowicz inquired about the completion date for the T&R study. Mr. Rountree responded that completion will occur in 2018 and the first draft of the study is due to MWAA by the end of the first quarter of 2018.
- Ms. Hanley noted that the new DTR T&R study will occur after implementation of VDOT's toll rates for I-66 inside and outside the beltway (effective December 4, 2017) and asked if the effect of these new I-66 tolls on the DTR will be taken into account. Mr. Rountree responded that the T&R study takes I-66 tolls into consideration when determining the effects on DTR usage.
- Ms. Bulova inquired how the federal TIFIA loan affect toll rates and whether the TIFIA loan will continue to affect toll rates in the future. Mr. Rountree replied by affirming that the TIFIA loan is the lowest cost of funding available for the Project and the positive effects of the TIFIA on tolls is being fully realized and absorbed through 2018. (MWAA's drawing down the TIFIA loan as well as the Commonwealth of Virginia's contributions to lower tolls and are directly responsible for MWAA maintaining level toll rates through 2018.) Debt service escalation without TIFIA begins in 2019.
- Mr. Potter affirmed that funding from the Commonwealth and the TIFIA loan helped MWAA delay toll rate increases for five years. Ms. Bulova expressed that the TIFIA and Virginia's funding has done a "good job".
- Before closing the discussion, Ms. Hanley asked Mr. Rountree whether he could present at the next DCAC meeting what are the effects of the emerging, federal tax legislation and in particular the effects of federal legislative treatment for Private Activity Bonds has on the Rail Project. Mr Rountree replied he will also discuss the tax bills' treatment of Build America Bonds.

VI. Other Items

No other items were presented to the DCAC.

VII. Adjournment

There being no other business, Ms. Hanley adjourned the meeting at 10:13 AM. The next DCAC meeting will occur in 2018 (Date TBD).