

DULLES CORRIDOR ADVISORY COMMITTEE (DCAC)
MINUTES OF October 11, 2018
CENTER FOR INNOVATIVE TECHNOLOGY – HERNDON, VA
(APPROVED BY DCAC on September 27, 2019)

Principal Attendees:

Hon. Sharon Bulova, Chairman, Fairfax County Board of Supervisors
Mr. Bryan Hill, Fairfax County Executive
Hon. Phyllis A. Randall, Chair, Loudoun County Board of Supervisors
Mr. Tim Hemstreet, Administrator, Loudoun County
Hon. Jennifer Mitchell, Director, Department of Rail and Public Transit
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 2:37 p.m. and welcomed all attendees with opening comments.

II. Approval of 10-11-18 DCAC Meeting Agenda

The October 11, 2018 DCAC Meeting Agenda was approved as presented (Bulova, Potter). The meeting agenda is been posted at:

http://www.dullestollroad.com/sites/default/files/agenda_-_dulles_corridor_advisory_committee_meeting_-_oct_11_2018_final.pdf

III. Approval of Minutes from the May 31, 2018 DCAC meeting

The 05/31/18 DCAC Minutes were approved (Bulova, Potter) as presented. The meeting minutes have been posted at:

http://www.dullestollroad.com/sites/default/files/dcac_minutes_11-29-17_mtg_approved_5-31-18.pdf

IV. Rail Project Update

Mr. Charles Stark, Executive Project Director of the Dulles Corridor Metrorail Project provided the following Phase 1 Closeout and Phase 2 update:

- Phase 1 quarterly expenditures (May 2018 – August 2018) were \$1.2-M with \$2.91-B expended on Phase 1 overall as of April, 2018. The forecast at final completion of Phase 1 remains at \$2.982-B.

- Mr. Stark reported on Closeout of VDOT Comprehensive Agreement stating that there are two remaining categories of work that must be performed: remediation of all remaining VDOT facility deficiency items and the Old Meadow Road intersection lane widening.
- This Task Order contract status currently includes 44 issued task orders with Notice to Proceed, including Old Meadow Road design. Thirty two (32) of these task orders have been completed. Upcoming activities include Chain Bridge Road drainage, Americans With Disabilities Act sidewalk repair, underdrain remediation and Dulles Connector Road (DCR) left shoulder resolution. Manhole/structure repair work is underway. Bus turnout remediation is complete.
- Old Meadow Road – Final design is nearing completion for the realignment. Design is continuing from 90%. MWAA is finalizing the design with input from the utility companies.
- Utility issues - numerous utility facilities requiring minor relocation work, but significant coordination, time & effort is required for management, design and construction. Eleven (11) utility agencies/companies are involved.
- Plans moving forward - Task order contractor managing utility coordination. Traffic study is complete and under review. Study advises against full closure based on rush hour loading. Begin construction in the fall 2018 with an estimated completion in the 4th quarter of 2018. Mr. Stark concluded his Phase 1 update with pictures of progress underway in the vicinity of westbound Route 7, the McLean station and before/after photos of the bus turnouts at the Spring Hill station.
- Regarding Phase 2, Mr. Stark reported that Phase 2 Package A is 86% complete and Package B is 87% complete.
- Phase 2 expenditures (May 2018 thru August 2018) total \$116-M and total expenditures through August 31, 2018 totaled \$1.849-B. Total Phase 2 budget and total forecast remains \$2.778-B.
- Upcoming Guideway & Stations design-build activities – Electricians continue to install train control equipment and pull cable on the aerial guideway & east at-grade guideway following track installation. On the East Stations, continued ceiling and electrical/plumbing installation is ongoing. Herndon garage stair tower installation is continuing. At the West Stations, Loudoun Gateway and Ashburn elevator and escalator installation is underway.
- Track – all rail on the east has been installed up to the Phase 1 alignment and has been turned over to the electricians for systems installation. At-grade track has been installed west from the aerial guideway on the Greenway median through Loudoun

Gateway station and toward the Ashburn station.

- Mr. Stark continued his presentation with pictures of progress underway at Reston station, Traction Power Substation #13, Herndon station south stair to Fairfax County garage and the Herndon north pedestrian bridge installation as well as progress underway at the Dulles station, installation of rail in the Greenway median and setting of rail at the Ashburn station. As well as additional electrical work progress at the Horsepen Crossover and Tie Breaker Station #7.
- Mr. Stark then discussed the ongoing work related to WMATA Rail Yard & Maintenance Facility design-build activities. Current construction includes continuing installation of plumbing, electrical and HVAC throughout the Service and Inspection Building (SIB), Maintenance of Way Building (MWB), Transportation Building and Warehouse Building. Finishes (Painting, tiling and ceiling work) are ongoing in the SIB & MWB office areas. Installation of signals, switches and insulated joints for track construction continues as well as train control and traction power installation and testing.
- Mr. Stark continued with a discussion of other, ongoing WMATA Rail Yard & Maintenance Facility non-construction activities: VDOT has completed Route 606 work, including a new site entrance at Commerce Court. Columbia Gas' contractor has begun installing the natural gas line under Route 606. Hensel-Phelps continues to develop plans for final testing and acceptance. Additionally, inspection and testing is ongoing. Mr. Stark concluded with pictures of progress at the SIB and the Storage Yard.
- At this point, Mr. Stark began addressing the precast concrete issue. Precast concrete fabrication issues are located at the Herndon, Reston, Innovation, Loudoun and Ashburn stations. Precast concrete products were manufactured by Universal Concrete in Stowe, PA. Air entrainment is out of specification. Water/cement ratio is out of specification. Potential alkali-silica reactions for aggregates (ASR) are a concern.
- Study results – Latest petrographic test results from MWAA and Capital Rail Constructors (CRC) do not indicate evidence of ASR. Further, silane sealer adds additional ASR protections. Silane sealer application will occur every 10 years and will resolve air entrainment and water/cement ratio issues.
- Proposed solution – Silane solution to be applied every 10 years for 100-year durability, funded by CRC. (Proposed solution prevents water intrusion and will resolve air entrainment issues, water/cement ratio deficiencies and will prevent alkali-silica reactions.)

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

http://www.dullestollroad.com/sites/default/files/dcac_rail_project_update_phases_1_2_for_10.11.18_mtg_final.pdf

- Comments followed after Mr. Stark's presentation after it was observed that Washington Metropolitan Area Transit Authority (WMATA) assigned an independent Inspector General (I/G) to review the precast concrete issue. Mr. Stark informed the DCAC that all information has been passed onward to the WMATA I/G and the Project will remain available to the I/G to answer any questions.
- Ms. Bulova, Mr. Hill and Fairfax County staff then discussed a different matter regarding the Fairfax County garage which is experiencing some settlement. Ms. Bulova led the discussion that put to rest some misconceptions that had been floating about in public discourse and in the media regarding this issue and, upon a request from Ms. Randall, Ms. Bulova proposed to assemble some information on the matter that speaks to facts about the garage and the settlement issue.

V. Dulles Corridor Enterprise Financial Update

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

- Discussion covers developments since the May 2018 DCAC meeting, allocation of capital costs and the status of committed funding as well as a Dulles Toll Road (DTR) Update on DTR toll revenue and transactions.
- Mr. Rountree began by noting a positive development since the May 2018 DCAC meeting which occurred on June 29, 2018, when Standard & Poor's (S&P) Global Ratings affirmed the existing long-term and underlying ratings for the Dulles Toll Road (DTR) Revenue Bonds. Mr. Rountree provided detail on the existing DTR liens, the S&P rating for each lien and the amount outstanding for each lien as of October 1, 2018.
- A second, positive development involves the Virginia Department of Rail & Public Transit (DRPT), Fairfax County and the Airports Authority securing receipt of a federal, \$11-M Congestion Mitigation and Air Quality Improvement (CMAQ) Grant to fund eligible costs associated with the Innovation Station. The federal share of the grant is 80% and DRPT is providing the required 20% match for the combined total of \$11-M. Pursuant to the Local Funding Agreement between the Airports Authority and Fairfax and Loudoun Counties, the funding allocations for each funding partner were modified (downward) to reflect the positive addition of the \$11-M CMAQ grant.
- Mr. Rountree then reported on the Allocation of Rail Project Capital Costs and showed Project funding detail supporting the assertion that existing funding commitments are sufficient to complete the Project.. The one change related to Project costs being allocated in accordance with funding agreements that has occurred since May, 2018, is integration of the 11-M CMAQ grant into the Commonwealth of Virginia – Federal Funds line item, which effectively decreases the Fairfax County, Loudoun County and MWAA share of Project costs and additionally decreases the share of Project costs for Dulles Toll Road users.
- Mr. Rountree also provided an update on Dulles Toll Road Traffic & Revenue, stating that DTR revenues have been consistent with projections and transactions have also performed in line with expectations.

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

http://www.dullestollroad.com/sites/default/files/dcac_financial_update_for_10.11.18_mtg_-_final.pdf

- Mr. Phil Sunderland, Vice President and General Counsel for the Airports Authority, then presented a report on the DTR Rate Adjustment Process. Mr. Sunderland outlined the purpose of the briefing which is to: (i) review the reasons for periodic adjustments to DTR toll rates; (ii) summarize the Airports Authority's regulatory process for adjusting DTR rates; (iii) provide an overview of public comments on the proposed toll rate increase at the DTR ramp and mainline toll plazas; (iv) describe public input on potential toll collection options and DTR operations improvements; and, (v.) outline a proposed action plan developed by Airports Authority staff and advisors.
- As background, Mr. Sunderland shared that the Airports Authority must implement periodic toll adjustments to operate and maintain the DTR, to pay DTR debt service obligations and to comply with bond rate covenants. A projected toll rate schedule was initially made public in 2009 when the first DTR revenue bonds were issued. The schedule was modified in 2012 after the Airports Authority amended its toll rate regulations to provide for toll rate increases in the years 2013 and 2014, but not in 2015 and 2016, as anticipated. The schedule for projected toll rates has not changed since 2014. Mr. Sunderland then shared a chart showing the Cost of Full Trip at the Mainline and Ramps (Slide 4 of Mr. Sunderland's presentation) that the DCAC had seen many times before and which has been posted on the MWAA website as well as having been published in the Comprehensive Traffic and Revenue Study, 2014 Update. This chart shows the current disclosure and investor expectations regarding future toll rates through 2047, including an assumed toll increase in calendar year 2019.
- Ms. Hanley noted that today's proposal is the same as what we anticipated in 2009 and it has not changed. Ms. Randall inquired why weren't efforts that helped lower the tolls in 2012 still not available at this time. (Answer = The Airports Authority and all Project partners have stretched the help that was available from Virginia and the effects of the TIFIA loan as far as we can; that said, we would do it again if additional help from Richmond or any other source was made available.)
- Mr. Sunderland's presentation then continued with two slides (Slides 5 & 6 of Mr. Sunderland's presentation) showing Projected Net Toll Revenue and Debt Service Coverage based on preliminary estimates from the Comprehensive Traffic and Revenue Study, 2018 Update and assuming future toll rates as published through 2047, including the assumed toll increase in calendar year 2019, and Projected Net Toll Revenue and Debt Service Coverage with No Toll Increase. The two slides clearly showed that absent the 2019 assumed toll increase there is simply no ability to adequately pay DTR debt service obligations and to comply with bond rate covenants. (Ms. Hanley commented that these two slides also answer the questions about where is the money to fund the financing and construction of the Project going and what is the money being used for? Answer = 'Revenues collected are being used to fund the construction and financing of the Silver Line and to fund DTR / Dulles Corridor transportation improvements.')
- Mr. Sunderland then reviewed the results of the Airports Authority's recently

concluded Regulatory Process for DTR rate adjustments. He began with notice for three public hearings published on June 25, 2018, when the public was invited to submit written comments between July 2, 2018 and August 3, 2018 either at any of the three public hearings taking place within the Dulles Corridor (July 11th in McLean; July 17th in Reston and July 19th in Ashburn), on the Airports Authority's website, or via email and regular, U.S. mail. The notice included that the Airports Authority proposed to amend its regulation that establishes the toll rates for the DTR and the proposed amendment, if adopted, would increase the DTR toll rates in the advertised manner effective January 1, 2019. Additionally the notice advertised that the Airports Authority would provide additional information to the public on the DTR and the Dulles Corridor Metrorail Project (Project) to include DTR Operations and the VDOT E-Z Pass program, Dulles Corridor improvements, the Project and the Finance Plan for the Project and other financial information relating to funding the operations of and improvements to the DTR and construction of the Project. This information was provided in a series of board relating to each subject area with Airports Authority staff members assigned to each area to answer questions. Mr. Sunderland reported that copies of the public hearing brochure, information exhibits, traffic study and Q&A are available on the MWA website at: <http://www.dullestollroad.com/toll/toll-setting-process>

- Mr. Sunderland continued that the Airports Authority's Regulatory Process solicited public input on potential toll collection options and operational improvements to assist with ongoing planning efforts for the DTR. The Airports Authority invited public input on the following topics: (1.) Whether the proposed increase of \$1.25 in the cost of a DTR typical trip should be allocated as proposed between the mainline toll plaza and ramps (i.e., a \$0.75 increase at the mainline toll plaza and a \$0.50 increase at the tolled ramps) or should be allocated in a different manner between the mainline plaza and the ramps; and, (2.) Whether at a future date to be determined, that DTR's mainline toll plaza lanes that allow customers to pay in cash should be converted to "E-Z Pass only" (or open road tolling), similar to newer toll facilities; and, (3.) Whether, at a future date to be determined, credit cards should be accepted in certain DTR toll lanes, similar to the Dulles greenway and other toll facilities; and, (4.) Whether any other operational improvements should be made to the DTR.
- Discussion then turned to the Report on Public Comments received during the public hearing process. In summary (*), a total of 52 individuals attended the three public hearings. During the public comment period, 181 individuals and 3 organizations submitted a total of 190 comments. The 190 comments conveyed a total of 363 views, positions and recommendations on the proposed toll rates (187) and on the four questions posed during the process (176). Ms. Randall inquired of Mr. Sunderland whether anyone commenting represented larger organizations (Answer = 'Yes; people entered comments on behalf of larger organizations; three such comments were received and are highlighted in Exhibit B of the DTR Proposed Toll Rate Increases Report on Public Comments. Each organization counted as one comment.')
- Comments on the proposed toll increase can be grouped in the following general categories (*):
 - A toll rate increase will make the toll road unaffordable and divert traffic to local streets (109 comments received)

- Alternative sources of funding for the Silver Line should be pursued to reduce or eliminate the toll increases (28 comments received)
 - Increasing DTR toll rates to fund the Silver Line is not fair (23 comments received)
 - Do not increase toll rates (20 comments received)
 - General support for the toll increases as proposed (7 comments received)
- With respect to these general comments, Ms. Randall asked Mr. Sunderland whether it was clear to the public that this process was not a discussion on whether tolls would increase but, rather, how the increase is going to look? (Answer = ‘Yes.’)
 - Regarding Question # 1 (“Should the proposed increase of \$1.25 in the cost of a typical DTR trip be allocated as proposed between the mainline toll plaza and ramps or allocated in a different manner?”) Comments by general category (*) are as follows:
 - Increase the ramp toll rate as proposed at all or at certain ramps; no increase or a smaller increase than proposed at the mainline toll plaza (26 comments received)
 - Increase rates at the mainline and the ramps to rates other than the proposed rates (13 comments received)
 - Allocate the toll increase between ramps and the mainline plaza as proposed (7 comments received)
 - Do not increase current toll rates (7 comments received)
 - Increase the mainline toll rate as proposed; no increase or a smaller increase than proposed at the ramp toll plazas (2 comments received)
 - Regarding Question # 2 (“Should the DTR toll plaza lanes that now allow customers to pay in cash be converted, at some point in the future, to E-Z Pass only lanes (or open road tolling)? Comments by general category (*) are as follows:
 - Full conversion of cash to E-Z Pass (19 comments received)
 - Partial conversion (leave one cash lane at each location) (13 comments received)
 - No conversion of cash to E-Z Pass (12 comments received)
 - Regarding Question # 3 (“Should credit cards be accepted in certain DTR toll plaza lanes at some point in the future?”) Comments by general category (*) are as follows:
 - Accept credit cards; eliminate cash option (20 comments received)
 - Accept credit cards; retain at least one cash lane (11 comments received)
 - Do not accept credit cards (7 comments received)

▪ Regarding Question # 4 (“Should any *other operational improvements* be made to the DTR?”) Comments by general category (*) are as follows:

- Miscellaneous suggestions involving repaving or restriping the road, improving certain exit ramps, adding another HOV lane, allowing HOV to travel toll-free, and tolling in one direction only (14 comments received)
- Mitigate toll-related incentives for traffic to use local streets to avoid the mainline toll plaza and to use local streets instead (11 comments received)
- Implement distance-based tolling (7 comments received)
- No operational improvements necessary (7 comments received)

(*) - N. B. This summary data is not intended to be a substitute for the information provided in the Report on Public Comments prepared for the Airports Authority. The complete DTR Proposed Toll Rate Increases Report on Public Comments is available on the MWAA website at:

http://www.dullestollroad.com/sites/default/files/dulles_toll_road_proposed_toll_increase_2019_-_summary_report_on_public_comments_final.pdf

▪ Mr. Rountree then took over the presentation and turned to discuss a Proposed Action Plan. Mr. Rountree presented two actions: (1.) Implement the proposed toll rate increase as presented to the public and reserve an option to modify toll rates at specific ramp locations in calendar year 202; and, (2.) Work with VDOT, Fairfax County and Loudoun County to identify and evaluate potential strategies for enhancing mobility in the Dulles Corridor. Regarding Action Plan #1, Mr. Rountree explained that the same toll rate is charged at all tolled ramp locations currently and there are some ramp locations that are currently not tolled. It may be possible to address potential traffic diversion issues along the eastern end of the DTR corridor by reducing the toll rate at the Spring Hill Road ramp locations or by imposing tolls at the Route 7 ramp locations that are currently not tolled. The potential ramp tolling options would have to be evaluated based on the technical feasibility of collecting different tolls with existing or new technology, the estimated implementation costs and potential impacts on safety, traffic flow and toll revenue. This action would enable the Airports Authority to meet its financial obligations while evaluating ramp tolling options. Regarding Action Plan #2 Mr. Rountree explained that, in addition to evaluating potential ramp toll rate options, the Airports Authority would work with VDOT and the Counties to identify other potential opportunities to address traffic issue along the DTR corridor. Any mobility strategies that are developed would be advanced through appropriate transportation planning and project approval processes.

▪ Mr. Rountree concluded the presentation with a map showing the DTR Mainline plaza and Ramp locations and a timeline / schedule for Airports Authority Board of Directors action predicated upon a DCAC recommendation and proposed action plan being approved and forwarded to the MWAA Board for consideration. The schedule showed action by the Airports Authority Board on the proposed action plan occurring November 14, 2018 and an effective date of proposed DTR toll rate adjustments of January 1, 2019.

- Mr. Kasprowicz inquired whether (or how) questions raised in public comments related to toll collection methods (credit cards, etc.) going to be answered / resolved? Mr. Rountree replied that the purpose of gathering comments at this time was for future planning purposes and the low number of responses in this area informs the Airports Authority that we are generally on the right track for evaluating and considering appropriate methods for toll collection consistent with the DTR's configuration. Ms. Margaret McKeough, MWAA Executive Vice President and Chief Operations Officer, added that the Airports Authority shared that a project to include new technologies for toll collection will be underway in the first half of 2019. Mr. Kasprowicz asked how much of the existing DTR toll revenue is cash-based? (Answer = "10%"; we're at 905 electronic based revenue collections.') Mr. Potter stated that there is a value to move toward Open Road Tolling versus supporting the current system in place, but analysis is ongoing.

Mr. Rountree & Mr. Sunderland's joint presentation is posted on the MWAA website at:

http://www.dullestollroad.com/sites/default/files/dtr_rate_adjustments_presentation_for_dcac_10.11.18_mtg_-_final.pdf

- Discussion following the presentation ensued. After some consideration it was agreed that both items # 1 and # 2 of the Proposed Action Plan that Mr. Rountree previously presented [i.e., (1.) Implement the proposed toll rate increase as presented to the public and reserve an option to modify toll rates at specific ramp locations in calendar year 202; and, (2.) Work with VDOT, Fairfax County and Loudoun County to identify and evaluate potential strategies for enhancing mobility in the Dulles Corridor.] be accepted and forwarded as is; however an item #3 should also be added that the efforts supporting Item #2 should have adequate funding attached to them and (upon the suggestion provided by Ms. Randall and related to gathering a regional and multi-modal perspective) the Airports Authority should include Northern Virginia Transportation Authority to the list of entities we could work with toward improving mobility in the Dulles Corridor. A fourth item was also added to the Proposed Action Plan that requests the Airports Authority and all Project partners continue their ongoing efforts to individually and collectively pursue whatever new funding sources that could become available that might support the construction of the Silver Line and/or lower Project financing costs, which could also help mitigate future DTR toll increases.
- The DCAC agreed without objection and by unanimous consent to forward this proposed, four-part action plan to the Airports Authority Board of Directors for consideration at the November 14, 2108 Board meeting. Without objection, Ms. Hanley confirmed the DCAC's advisory recommendation and is so ordered to advance for further consideration by the Airports Authority's Board.

VI. Other Items

No other items were presented to the DCAC.

VII. Adjournment

There being no other business, upon a motion (Hill/Kasprowicz) Ms. Hanley adjourned the meeting at 3:50 PM. The next DCAC meeting will occur in the Spring of 2019 (Date TBD).

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