

SUMMARY MINUTES
DULLES CORRIDOR COMMITTEE
MEETING OF JULY 17, 2013

Mr. Davis chaired the July 17 Dulles Corridor Committee Meeting, calling it to order at 8:30 a.m. Mr. Adams, Mr. Conner, Mr. Gates, Mr. Griffin, Mr. McDermott, Mr. Session, Ms. Wells, Mr. Williams and Mr. Curto, *ex officio*, were present. Ms. Lang was also present.

Dulles Corridor Metrorail Project Phase 1 Monthly Cost Summary and Project Update. Frank Holly, Vice President for Engineering, was joined by Sam Carnaggio, Project Director, and Larry Melton, Project Executive Director, Dulles Transit Partners, LLC (DTP), who would make presentations later in the day's meeting. Mr. Holly reported that \$40 million had been spent in May 2013, bringing the total expenditures up to \$2.454 billion. The total project budget forecast remained the same at \$2.905 billion.

He also reported that \$397.2 million in contingency funds had been used through April 2013; approximately \$1.3 million in contingency funds had been used in May 2013. Contingency used or obligated through May 2013 totaled \$398.5 million, with \$63.8 million unobligated. Mr. Holly reported that the substantial completion date for Phase 1 is September 2013.

Mr. Davis inquired whether adequate contingency funds existed to complete the Project. Mr. Holly responded that based on the most recent forecast, funds are available. Mr. Davis then inquired whether the forecast had been shared with Bechtel, to which Mr. Holly responded that the contractor is paid for the services it provides. Once the contractor performed the work, the Authority paid the fees.

Dulles Corridor Metrorail Project Quarterly Update on Phase 1 and Phase 2 – Second Quarter. Mr. Holly reviewed the status of the Project. He reported that construction is 94 percent complete, and that the Project is now in its testing phase, having reached 98 percent total completion. Mr. Holly noted that the project staff is discussing a proposal from DTP to extend the date of substantial completion, which represents the date the Authority will turn over the Project to the Washington Metropolitan Area Transit Authority (WMATA) to make preparation for revenue services, which could occur within 90 days after the turnover date. He said that these discussions require the review of a large amount of detailed

scope and schedule information. Any potential schedule adjustments will need to be verified. Mr. Melton would address the schedule issue and provide additional information during his presentation.

Mr. Holly reviewed the contract requirements for substantial completion: provide certification for tests; complete all base contract work; provide as-built drawings; complete vendor-provided training; provide operations and maintenance manuals; and document safety certification. Some of the activities that WMATA will complete after substantial completion are: train personnel; install fare collection equipment; procure maintenance vehicles; conduct first responder safety training; install artwork; verify safety certification; simulate passenger service; accept title to real property; and establish revenue service date.

In reference to package A for the Phase 2 project, the contract had been awarded to Capital Rail Constructors in May, and the Notice to Proceed had been issued in July. Mr. Holly reported that staff had met with the contractors, who had provided a preliminary schedule of anticipated activities, which complied with the proposal submission. He stated that visible construction would begin in 2014. Mr. Davis inquired whether staff was confident that a number of bidders would respond to the upcoming proposal, and Mr. Holly responded affirmatively.

Dulles Corridor Metrorail Project Quarterly Update on Phase 1 - Second Quarter. Mr. Melton reported that the Project has no environmental issues, and the lost time and recordable rates remain significantly lower than the industry standards. He reviewed the current focus areas, including energized rail; safe rail operations; and performance of subcontractors.

With regards to the design build schedule, as Mr. Holly had reported, Mr. Melton stated that DTP staff had been asked to evaluate whether additional scope items would be included as part of the contract. He noted that DTP staff is reviewing those items and working to assess their impact on the date of substantial completion. Mr. Melton stated that it may be possible to complete some of the additional scope items after substantial completion. Once the details were confirmed, DTP would be prepared to make adjustments to the forecasted substantial completion date, if necessary. Mr. Melton reviewed other components of the design build schedule, noting that start up and testing activities are progressing and initial acceptance walk downs of the stations and pavilions are underway.

Mr. Melton reported that staffing levels had continued to decrease. Professional staff, comprised of mostly engineers and construction supervisors, totaled about 160 employees. The vast majority of the total 750 craft employees are working in the stations and preparing for the walk downs. Mr. Melton noted that a diverse workforce was represented on the Project.

He stated that the Project had exceeded its Disadvantaged Business Enterprise (DBE) participation goal, as represented by the \$208 million paid by DTP. Mr. Melton reported that DTP's current focus was to continue to work towards reaching the \$248 million committed value.

Mr. Melton reported on the progress made at each of the stations associated with Phase 1 of the Project. He noted that the West Falls Church Yard consisted of two primary elements – the Services and Inspection (S&I) Building and the sound cover box. The S&I Building had been erected and should be completely enclosed by the end of the month. Staff is continuing to work on erecting the steel box that would cover the tracks. The projected date for completion of the West Falls Church Yard is January 2014. Mr. Melton reported that the McLean Station is almost complete, with the exception of the punch-list items. He noted that staff is preparing for the walk down of the Tysons Corner Station in August. With respect to the Cut and Cover Tunnel, Mr. Melton reported that the safe braking testing had been completed and that control line testing would soon begin. The Greensboro Station would be ready for the walk down within two weeks. Mr. Melton spoke about the dramatic changes that would soon occur on Route 7, as well as the adjacent development underway in the vicinity of the final station in Tysons Corner, the Spring Hill Station. The walk down on the last station of Phase 1, Wiehle Station, had been completed. Mr. Melton reported that the station is governed by the Authority and staff would conduct the inspection and apply for the Certificate of Occupancy.

Mr. Davis inquired whether DTP staff is confident that the September substantial completion date could be achieved. Mr. Melton responded that once staff can establish tasks that need to be done prior to the turnover date versus what can be done after turnover, DTP would be comfortable in providing a date. Mr. Davis asked whether the September date could be extended by a couple months, to which Mr. Melton responded that the turnover date may need to be extended depending on whether additional scope items were added.

Mr. Potter reported that based on the activities that needed to occur prior to the substantial completion and recent discussions with DTP, substantial completion would be delayed by eight weeks. He reviewed the initial plan to have the Project substantially completed in early September. Mr. Potter explained that substantial completion did not refer to riders on the train, but to when the Authority would turn the rail over to WMATA for it to finalize its responsibilities before passenger service would begin. Since the estimate timeframe for these responsibilities to occur has always been 90 days, revenue service was anticipated to begin in late December. Mr. Potter reported that the Authority would work closely with DTP and WMATA regarding the progress that is occurring and that staff would provide a report and the estimated substantial completion date at the September meeting.

Mr. Davis stated that the Board had just been officially notified of the potential delay. Mr. Melton said that DTP had been working with staff for the last several months to determine what actions needed to be completed prior to substantial completion and those that could be potentially completed after substantial completion. He also said that DTP had been working with the team for the past couple months to evaluate if there is a requirement for an extension.

Mr. Curto recalled a recent letter from Federal Transportation Administrator Rogoff and inquired about issues that were associated with the tracking control system. Mr. Melton explained that three phases, design, installation, and testing, comprised the systems work. He stated that when tests are conducted, it may necessary to make adjustments in your installation or design. The Automatic Train Control (ATC) subcontractor is allowed to make red-line revisions to its test procedures, but the intent is for them to be administrative-type revisions. All other revisions are required to go through the change management process, which allow the Authority and DTP to review and approve them. In regards to the letter, the ATC subcontractor believed that it was within its purview to make changes, and DTP disagreed. The Authority also agreed that a review process was required. As a result, Mr. Melton said that four test procedures had to be reviewed and approved. Because DTP and the Authority believed that the correct process had not been followed, the subcontractor was required to conduct a re-testing of all of the tests associated with those four test procedures, to which the subcontractor had agreed. Mr. Melton explained that in order to mitigate any impact to the schedule, DTP had directed the subcontractor to mobilize a separate group of testers to work exclusively on that testing so that the other baseline testing

could continue. He reported that the testing had been completed several weeks ago. As the subcontractor had predicted, no issues had been identified. Mr. Melton stated that there is no correlation between the required retesting and the delayed schedule. He reported that at DTP's request, the subcontractor had mobilized a separate test crew to conduct the retesting concurrently with other testing.

Mr. Melton explained that the safe braking tests involve train speeds up to 75 miles per hour and braking exercises. As a result of these tests, an extreme amount of "wear and tear" occurs on the test trains. Due to issues with the test trains' availability, the testing had to be extended beyond the original date. He noted that WMATA had provided additional test trains to recover some of the time lost during the safe braking tests. These test trains had been increased to six-train sets and the tests would be conducted using 10-hour shifts six days per week. Mr. Melton reported that control line testing, which requires less instrumentation and wear and tear on the trains, would soon begin.

Mr. Davis inquired about DTP's access to the WMATA trains. Mr. Melton said that WMATA had committed to six-train sets, and noted that a newer series car had been provided, which should increase the reliability in the current testing phase.

Mr. Potter inquired whether DTP is comfortable with the approximate eight-week delay. Mr. Melton responded that his comfort is based upon the improved availability of the test trains and determining the scope of remaining items. He said that providing DTP has no additional changes to consider that interferes with resources to complete the Project, DTP is comfortable with the eight-week timeframe.

Mr. Curto inquired whether Mr. Melton was aware or envisioned any other factors that may add time to the scheduled completion date. Mr. Melton said he was not, noting that some changes are being contemplated. Once DTP receives direction about which changes have to occur prior to the turnover and others that could be done after, Mr. Melton said that DTP would be more comfortable in establishing a substantial completion date. If no additional issues arise, Mr. Melton said that he felt comfortable with the eight-week delay.

Mr. Davis emphasized that safety cannot be compromised. He said it is imperative that everything is tested appropriately and it is a safe system

when it is delivered to WMATA, even if ensuring the safety results in a one or two-month delay.

For clarity purposes, Mr. Adams inquired whether the additional testing that needed to occur had contributed to the potential delay. Mr. Melton responded that the ATC testing had always been a part of DTP's scope, noting that it had to be completed before the system was turned over to WMATA. He said that staff is working to determine how many, if any, of the nine tests that have been identified need to be performed prior to the turnover.

Mr. Potter reported that some of the original tests would still be underway after the original date. Some of the tests that were part of the contract would be conducted after September 9. Mr. Adams asked whether that is normal procedure, to which Mr. Potter responded negatively. He said staff had planned to conduct all the contractually-required tests prior to September 9. Mr. Potter stated that he believed that Mr. Melton had accurately described the events involved with one element of the adjustments that had been made to the ATC system. The changes had been made by the subcontractor, and a delay had resulted because the Authority and DTP had to document and approve those previously made changes. The retesting had caused an extension beyond the timeframe that had been originally allotted to conduct the ATC testing.

Since Board and Committee Meetings would not be held in August, Mr. Davis requested that Mr. Melton provide an interim update to the Board.

Recommendation for the Grant of an Easement to the Washington Metropolitan Area Transit Authority Authorizing the Phase 1 Silver Line Rail Facilities on Airports Authority Property. Phil Sunderland, Vice President and General Counsel introduced Michael Crehan, Associate General Counsel, who had replaced Johnna Spera at the Rail Office. Mr. Sunderland stated that he would be presenting two items related to the rail project. He reported that the first presentation would be to convey a real estate interest in the form of an easement to WMATA, which is one of the elements needed to conclude Phase 1 of the Project. The second would address the beginning of Phase 2 dealing with cooperative agreements with partner jurisdictions. Mr. Sunderland referred to the map distributed that day. He outlined the geographical areas that represented Phase 1 as the Dulles Connector Roadway (DCR), Tyson's Corner and the Dulles International Airport Access Highway (DIAAH). For the purpose of conveying real estate interest to WMATA, one of the conditions required

by WMATA for accepting Phase 1 is to receive sufficient property interests from the Authority and other funding parties. Mr. Sunderland noted that the requested easement is within WMATA's real estate rights once Phase 1 is turned over to WMATA and it begins revenue service of the rail line. The Authority's responsibility is to convey a sufficient real estate interest to WMATA within the DCR and the DIAAH. Mr. Sunderland further explained that the land where the rail is operated is owned by the Commonwealth of Virginia and Fairfax County, who will convey the requisite real estate interest to WMATA for the Phase 1 facilities within the Tyson's Corner area.

Lastly, Mr. Sunderland stated that the easement from the Authority will convey to WMATA the appropriate rights for the rail facilities to continue to operate within the DCR and the DIAAH. He provided a detailed explanation of the manner in which the easement will define the areas that the Authority will convey to WMATA.

Mr. Davis stated that the easement would be required so that WMATA could operate the rail. Mr. Sunderland agreed and noted that the proposed easement is a condition of acceptance. He reported that the Authority had negotiated the definitions of the property rights and WMATA's acceptance of the forum of the property rights is a condition of the ultimate WMATA acceptance.

Mr. Curto noted that the materials distributed for the day's Meeting referenced the Board's approval would relate to the easement substantially in the form of the document. He then suggested that any substantive changes be reported to either he or Mr. Davis before Mr. Potter executed the document, to which staff agreed. The Committee unanimously approved the recommendation, which the Board would consider later in the day's Meeting.

Approval of Phase 2 Cooperative Agreements with the Airports Authority and the Washington Metropolitan Area Transit Authority, Loudoun County and Toll Road Investors Limited Partnership II, L.P. Mr. Sunderland reported that similar to Phase 1, a number of cooperative agreements would be required in Phase 2. He presented the agreements with WMATA and two entities that were not involved in Phase 1: Loudoun County and Toll Road Investors Partnership II, L.P. (TRIP II), the owner of the Dulles Greenway. Mr. Sunderland reviewed the slide presentations outlining the locations of each jurisdiction as it relates to Phase 2. He stated that the cooperative agreements define the roles of the cooperating

jurisdictions and the activities they will perform within each role. Mr. Sunderland explained that the role of each jurisdiction is to assist in the design, regulatory approvals, and serve as liaison between the partner agencies outlining different tasks for which they would participate. He reported that a sizeable budget totaling more than \$305 million is part of the Cooperative Agreement with WMATA. He reported that 75 percent of the costs relate to capital items (e.g., 64 railcars cost \$205 million, as well as other non-revenue vehicles and fare collection equipment that must be acquired by WMATA). Mr. Sunderland stated that the remaining balance of the budget is for costs that WMATA will incur for staff technical support over the next five years.

Mr. Sunderland reported that TRIP II has a budget of approximately \$2 million that has not been finalized; however, it will be used to reimburse for costs incurred in performing its activities under the agreement.

Mr. Davis inquired about the type of costs TRIP II would incur. Mr. Sunderland stated that TRIP II would incur design review costs, noting that it would review design plans for the Greenway, inspect construction and assist with required regulatory approvals. Mr. Davis suggested, as with the prior recommendation, that any substantive changes be reported to either he or Mr. Curto prior to the execution of the document. The Committee unanimously approved the recommendation, which the Board would consider later in the day's Meeting

July 2013 Financial Report – Dulles Corridor Enterprise. At halfway through the year, Mark Adams, Deputy Chief Financial Officer, reported that year-to-date Toll Road revenues had been \$62.7 million, which had reflected an increase of 22.4 percent increase from the same period in 2012. Year-to-date Toll Road transactions for June had decreased 2.3 percent from the same period in 2012. Mr. Adams noted that the 49.1 million toll transactions had decreased 2.3 percent for the same period, but are 2.7 percent higher than the amount forecasted for 2013; electronic toll collections had increased 5 percent for a total of 81.1 percent.

Mr. Adams reported that Toll Road expenditures of \$12.5 million year-to-date had decreased 2.1 percent from the year before.

Mr. Davis inquired whether any changes had occurred in the number of Toll Road violations. Mr. Adams stated that he would review statistics and respond to the inquiry at the September Committee Meeting. He

noted that the amount of revenue collected for Toll Road violations had decreased.

The meeting was thereupon adjourned at 9:29 a.m.