

June 29, 2017

Denver Metropolitan Region Community Stakeholders

Re: RTD General Manager and CEO Quarterly Update

Dear Community Stakeholder,

Thank you for this opportunity to provide you an update from RTD. I personally want to let you know our latest information. In a fourteen-month span beginning in January 2016, RTD delivered an unprecedented four major transit corridor projects: the Flatiron Flyer Bus Rapid Transit Line; the University of Colorado A Line; the B Line; and the R Line. In 2016, RTD safely and reliably provided more than 100 million passenger trips across the entire RTD system.

The University of Colorado A Line, the B Line and the G Line continue to generate interest and questions. These three lines are all part of a 34-year public private partnership concession agreement with Denver Transit Partners (DTP). The scope of the concession is to design, build, operate, maintain and partially finance these three lines, a new commuter rail maintenance facility, and the train cars. The University of Colorado A Line and the B Line are in service, and the G Line is in testing. Ridership on the University of Colorado A Line is at an all-time high since opening, at an average weekday ridership of 19,154 for May 2017. The B Line is exceeding ridership expectations, at an average weekday ridership of 1,353 for May 2017. Regarding reliability and performance, both these commuter rail lines continue to improve over the start-up year of 2016. The University of Colorado A Line's year to date on-time performance is 92.5%, which is over 5% higher than last year and above the RTD Board adopted goal of 90%. June is on track to be the highest on-time performance month at approximately 96.5%. The B Line is also performing very well at 97.9% year to date on time performance.

I also receive questions about our commuter rail grade crossings and the use of grade crossing attendants. Grade crossings are locations where rail lines cross streets at grade rather than over bridges or through tunnels, and are protected with warning signals and gates. We are currently operating under a waiver from the Federal Railroad Administration (FRA) for the A and B Lines. The FRA waiver requires the use of grade crossing attendants, as do the orders from the Colorado Public Utilities Commission (CPUC), until we complete the final certification of the grade crossings from both regulatory agencies. These crossings utilize new wireless technology in combination with positive train control (a newly mandated safety system) to minimize the amount of time that automobile, bicycle and pedestrian traffic is impacted by closed crossing gates and allow efficient train movement and travel times. The good news is that we have made significant progress in improving the grade crossing activation time, meaning the closing of the crossing gates followed by the arrival of the train occurs very close to the design time. We are currently working through the verification process with the FRA as they have accepted our design, and soon we will be filing amendments with the CPUC to work through their process. After we complete the certification process with both agencies, we will be able to help communities to seek authority for quiet zones.

Regarding the G Line, we also have good news. We recently received permission from the FRA and the CPUC to continue testing on the G Line. The testing is going well and we will need further permission from the FRA and CPUC to test the wireless crossing technology at a later date. There is still much process (completing CPUC amendments for the A Line and G Line) for us to work through to gain

final testing approvals for the G Line, and we are in the process of identifying our remaining tasks to develop a schedule toward an opening date. When we complete the comprehensive schedule, we will be able to communicate our anticipated timing for the opening of the G Line.

You may also be aware that we received a notice or claim from our concessionaire, DTP, regarding the time it is taking to obtain grade crossing approvals. This notice is simply a contractual process to protect their commercial position. Likewise, RTD respectfully denied DTP's claim to protect RTD's commercial position, and the parties will discuss these issues further. Both teams, RTD and DTP, remain committed and in fact we are charging hard together to complete our work and obtain the necessary approvals from the FRA and the CPUC. As I stated earlier, we have made very good progress with the FRA and have verification testing scheduled with the FRA in the next few weeks.

The last two rail corridor-related projects I want to update you about are the N Line (North Metro project), and the E, F, and R Lines (Southeast Rail Extension project). The N Line is a commuter rail extension from Denver Union Station to 124th. Our design-build contractor, Regional Rail Partners (RRP) – a joint venture of Graham Contracting Ltd. and Balfour Beatty, Inc. – is behind schedule, and we recently verified that and notified our stakeholders. We are in dispute resolution proceedings with RRP, but we also continue to work closely with RRP to reach a resolution regarding the project schedule, and work continues on this important corridor. The E, F, and R Lines extension is progressing well according to schedule. This is also a design-build project being done by Balfour Beatty, Inc.

Regarding a few other topics around the District, we continue to invest in all areas of the Denver metropolitan region. Civic Center Station is undergoing a complete renovation and will open with a similar look and feel as Denver Union Station. We also recently purchased 36 all electric, air conditioned buses to replace the aging 16th Street Mall shuttles that have been operating for 16 years – well over their designed life span – for which we can thank our outstanding Bus Maintenance employees. We commissioned a Pass Program Working Group of community leaders to review all of RTD's pass programs and make consensus-based recommendations. And last but definitely not least, we rolled out a stored value smart card that patrons may purchase either on-line or through one of RTD's sales outlets. The stored value smart card can be loaded with up to \$200 of fare value through use of RTD's online portal, at RTD's sales outlets, and at Safeway stores and soon King Soopers stores throughout metro Denver. Perhaps the best thing about the stored value card is a twenty-five cent discount off of the normal price fare each time the card is used.

Thank you for taking time to read this update. It is truly a pleasure and honor for our team to serve the Denver metropolitan area communities. Please know that all of us at RTD are steadfast in our commitment to serve our customers, the public and our community stakeholders like you – and to deliver safe and reliable service.

Best Regards,



David A. Genova
General Manager & CEO