



**Finance and Capital Committee**

**Action Item III-A**

**February 11, 2021**

**Amendment to FY2021 Capital Budget, FY2022  
Capital Budget Work Session, and  
Six-Year CFA and Capital Program Update**

Washington Metropolitan Area Transit Authority  
**Board Action/Information Summary**

☒ Action ☐ Information

MEAD Number:  
202250

Resolution:  
☒ Yes ☐ No

**TITLE:**

FY21 Capital Budget Amendment & FY22 Work Session

**PRESENTATION SUMMARY:**

Staff will recommend an amendment to the FY2021 Capital Budget and request authorization to negotiate or compete a bond issuance; present a summary of the FY2022 Capital Budget; and provide an update on progress towards completion of a six-year Capital Funding Agreement.

**PURPOSE:**

To provide an update on the FY2021 and FY2022 Capital Budgets and to increase to the FY2021 Capital Budget, primarily to accelerate station platform state of good repair projects and authorize the negotiation or competitive sale of a series of Dedicated Funding bonds.

**DESCRIPTION:**

The FY2021 Capital Budget amendment increases the FY2021 budget for certain projects in the Capital Improvement Program (CIP). The vendors associated with the projects receiving additional funding are:

<input type="checkbox"/>	Platform Rehab Program	AECOM-STV JV
<input type="checkbox"/>		Clark Construction Group, LLC
<input type="checkbox"/>		HNTB Corporation
<input type="checkbox"/>		Kiewit Infrastructure Company
<input type="checkbox"/>		North Carolina Granite Co
<input type="checkbox"/>		Parsons Transportation Group Inc
<input type="checkbox"/>		Summitville Tiles Inc
<input type="checkbox"/>		Transportation Management Service Inc
<input type="checkbox"/>		
<input type="checkbox"/>		
<input type="checkbox"/>	Potomac Yard Station	A. Morton Thomas and Associates, Inc.
<input type="checkbox"/>		AECOM, USA, INC.

	AECOM-STV JV
	Gannett Fleming Engineers and Architects
	Gannett Fleming-Parsons Joint Venture II
	LTK Engineering Services
	Mott MacDonald I&E, LLC
	P2D
	Potomac Yard Constructors
	STV/Systra
	WSP USA Inc.
COVID IT Equipment	Carahsoft Technology Corp
	Dell Marketing LP

### Key Highlights:

- Metro's Capital Improvement Program is focused on restoring and improving the safety, security, state of good repair, and reliability of the system.
- Recognizing the need to address overdue state of good repair needs as expeditiously as possible, Metro is accelerating the station platform rehabilitation program. Eleven platform reconstructions are complete and Metro will advance the replacement of 11 additional platforms over the next two years.
- Staff will request an amendment to increase the FY2021 Capital Budget by \$255 million to support these platform projects, a schedule update for the Potomac Yard station reimbursable project, and information technology equipment to support remote work and cyber security during the pandemic.
- Approval is requested to negotiate or competitively sell Dedicated Funding backed bonds.
- An update on the negotiations of a renewed Capital Funding Agreement is provided in advance of presenting the final agreement to the Board for adoption in April.

## Background and History:

On April 2, 2020, the Board approved capital investments in the amount of \$9.714 billion for the FY2021-2026 CIP and \$1.821 billion for the FY2021 Capital Budget. On May 28, 2020 and July 23, 2020, the Board amended the approved FY2021 budget resulting in a current FY2021 amended budget of \$1.832 billion. The program includes funding to move forward Bus and Paratransit, Rail, and Support projects. These projects improve safety, state of good repair, asset conditions, reliability and customer satisfaction moving Metro closer to its performance goals.

## Discussion:

WMATA continues to partner with the Jurisdictions to deliver safe, affordable and reliable public transportation. In this role, Metro has continued to leverage this period of low ridership to aggressively address overdue capital needs and deliver the capital program. By accelerating these projects and programs, Metro is working to efficiently and effectively deliver a capital program that improves safety, security, and the state of good repair. The action before the Board will increase the total budget by \$255 million and is anticipated, when combined with plans for dedicated funding-backed debt in the amount of approximately \$550 million (including unspent proceeds from the Series 2020A bonds) to result in a total FY2021 Capital Budget of \$2.087 billion.

Additionally, this request is to authorize negotiation or competitive sale of 2021A bonds in the amount of \$360 million excluding fees, cost of debt service reserve, cost of issuance and any premiums on the sale of bonds. The duration of the bonds is not to exceed past 25 years with the intent to reimburse for eligible expenses incurred before the issuance of bonds. Release of these bonds will allow continued support of the Capital Improvement Program to continue without disruption. Staff will return to the Board later this Fiscal Year for formal authorization to issue dedicated funding-backed debt.

## FUNDING IMPACT:

FY2021 Capital Budget will increase by \$255 million.

Platform Phase 3	\$176
Platform Phase 4	\$29
Potomac Yard	\$39
COVID Capital Expenses (New Project)	\$11
Total FY21 increase	\$255

(in millions)

## TIMELINE:

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<b>Previous Actions</b>	<p>April 2020- Approval of Fiscal Year 2021 Operating Budget and Capital Budget, Fare and Service Changes and Public Participation Report</p> <p>May 2020- Amendment of FY 2021 Operating and Capital Budget</p>
<b>Anticipated actions after presentation</b>	<p>Spring 2021 – Request Board Approval to Issue Dedicated Funding-Backed Debt</p> <p>Spring 2021 – Request Board Approval of the FY2022 Capital Budget and Six-Year Capital Improvement Program</p> <p>Spring 2021 – Request Board Approval of the FY2022 to FY 2027 Capital Funding Agreement and DC Local Capital Funding Agreement</p>

**RECOMMENDATION:**

Staff recommends approval of \$255 million increase to FY2021 Capital Budget to support accelerated platform state of good repair program, Potomac Yard reimbursable project, IT investments for remote work, and cyber security. Additionally, staff recommends approval to negotiate or competitively sell up to \$360 million in Dedicated Funding backed bonds.

# Capital Improvement Program Work Session and FY2021 Capital Budget Amendment

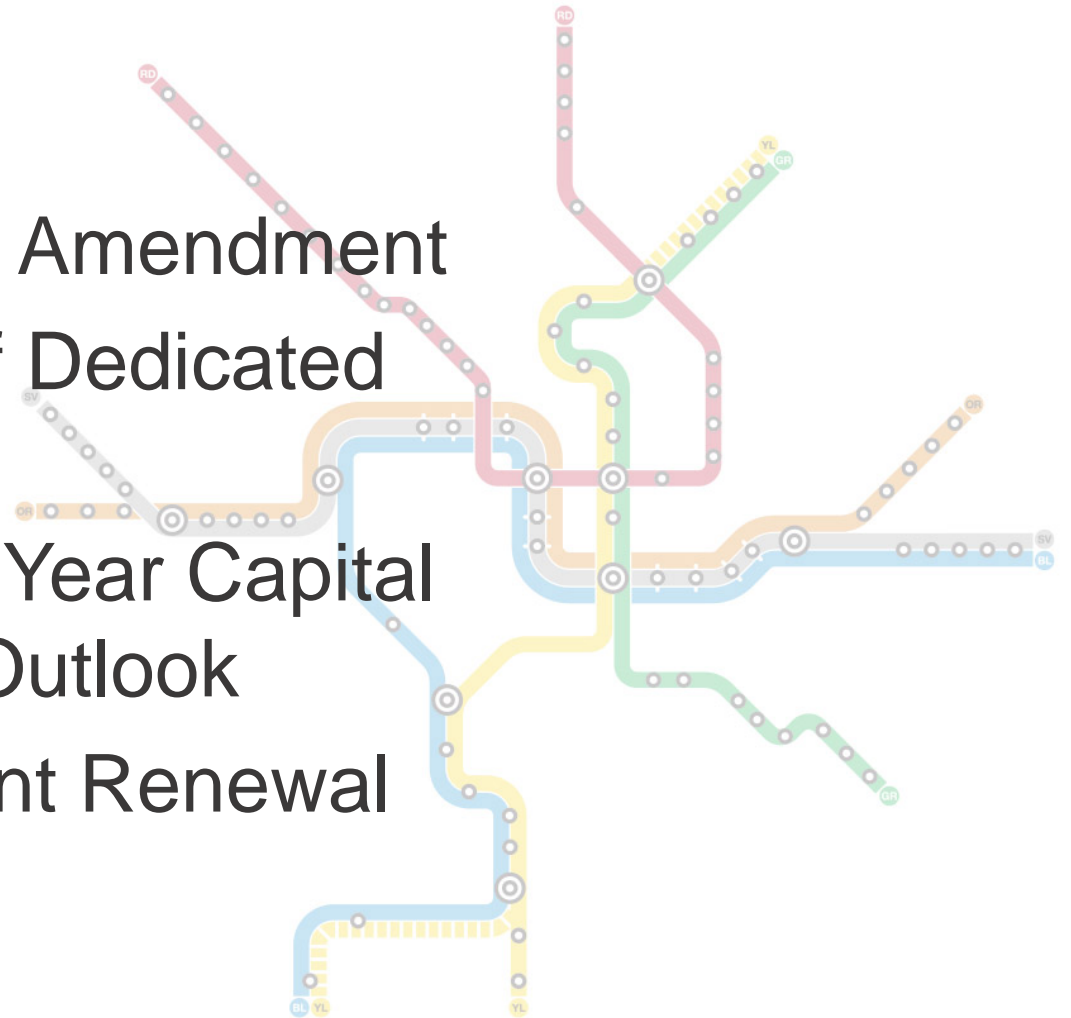
Finance & Capital Committee  
February 11, 2021





# Purpose

- Recommend FY2021 Capital Budget Amendment
- Recommend authorization for sale of Dedicated Funding backed bonds
- Discuss FY2022 Capital Budget, Six Year Capital Improvement Program and 10-year Outlook
- Update on Capital Funding Agreement Renewal



# FY2021 Capital Budget Update and Amendment



# FY2021 Major Capital Investments – Progress and Achievements

## Rail

- Platform Rehabilitation Program Phases 1 & 2 Now Complete
- 7000-Series Railcar
- Escalator Replacement
- Underground station lighting

## Bus & Paratransit

- 90 new replacement buses
- Awarded contract to rebuild and modernize Northern and Bladensburg Bus Garages
- Zero Emission Bus Program Underway

## Systemwide & Support

- New mobile fare payment
- Wireless service now available systemwide
- Construction of consolidated office buildings underway



# FY2021 Capital Budget, Forecast & YTD Actual

Program Investments (\$ in Millions)	FY2021 Current Budget	FY2021 Forecast Range	FY2021 Actual Through Q2
Railcar and Railcar Facilities	\$246	\$221 – 249	\$56
Rail Systems	\$207	\$223 – 259	\$108
Track & Structures Rehabilitation	\$129	\$122 – 138	\$52
Stations & Passenger Facilities	\$563	\$739 – 803	\$324
Bus, Bus Facilities & Paratransit	\$228	\$215 – 228	\$104
Business & Operations Support	\$459	\$402 – 479	\$163
<b>Total Capital Programs</b>	<b>\$1,832</b>	<b>\$1,921 – 2,154</b>	<b>\$807</b>

# FY2021 Capital Amendment – Platform Program Acceleration for Safety and SOGR

- Platform Program Phase 3 – Spring-Summer 2021
  - Arlington Cemetery, Addison Rd (Mid-Feb to Mid-May)
  - West Hyattsville, Prince George's Plaza, College Park, Greenbelt (Memorial-Labor Day)
  - Total estimated project cost - \$431M; FY2021 Forecast - \$280M
- Platform Program Phase 4 – Summer 2022
  - Orange Line East of Stadium Armory – New Carrollton, Landover, Cheverly (Station Rehabs); Deanwood, Minnesota Ave (Station Upgrades, Platforms already rehabilitated); Rehabilitation of Cheverly Bridge
  - Total estimated project cost - \$436M; FY2021 Forecast - \$29M
- Anticipated Funding Sources: PRIIA, Dedicated Funding & Debt
- Requires FY2021 Budget Amendment of \$205M – No increase in jurisdictional contributions

# FY2021 Capital Amendment – Potomac Yard Station and Information Technology

- New Potomac Yard Station
  - Construction underway and on schedule
  - Expenditure schedule update required; no increase in total project cost estimate
  - Fully funded through reimbursable agreement with City of Alexandria
  - Total estimated project cost - \$340M; FY2021 Forecast - \$97.5M
  - FY2021 recommended amendment to align schedule \$38.5M
- Information Technology Improvements for Pandemic & Remote Work
  - Equipment, device acquisition and network improvements for cyber security
  - \$11.4M of investment in FY2021 – amendment required

# FY2021 Capital Budget Amendment – Summary

<b>FY2021 Current Capital Budget</b>	<b>\$1,832.2</b>
Platform Program Acceleration	\$205.1
Potomac Yard Expenditure Schedule Update	\$38.5
IT Equipment and Cyber - Pandemic/Remote work	\$11.4
Recommended FY2021 Amendment	\$255.0
<b>Amended FY2021 Capital Budget</b>	<b>\$2,087.2</b>

- No increase in jurisdictional contributions
- Increase funded by dedicated funding backed debt and reimbursable projects



## Updated FY2021 Capital Funding Plan

### Updated FY2021 Capital Budget Funding Sources

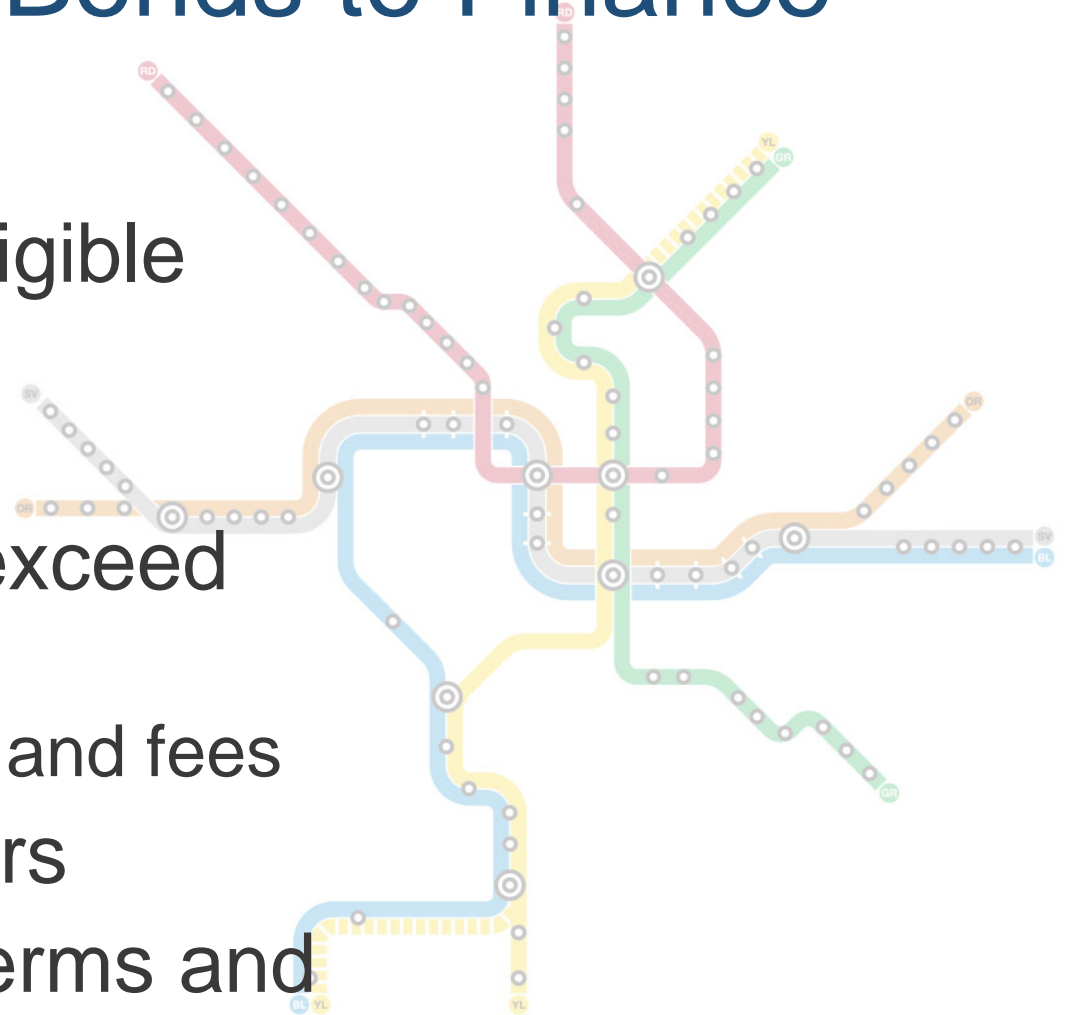
Funding Sources (\$M)	FY2021 Amended
<b>Federal Grants</b>	
Formula and Other Grants	\$342
PRIIA	\$149
<b>Subtotal Federal Grants</b>	<b>\$491</b>
<b>State and Local Contribution</b>	
District of Columbia	\$323
State of Maryland	\$307
Commonwealth of Virginia	\$288
<b>Subtotal State and Local</b>	<b>\$917</b>
Jurisdiction Reimbursable Projects	\$101
Metropolitan Washington Airports Authority	\$27
Debt and Other Fund Sources	\$551
<b>Grand Total</b>	<b>\$2.087</b>

### State and Local Contribution by Jurisdiction (No Change)

	FY2021 Approved
DC PRIIA	\$49,500,000
DC Dedicated Funding	\$178,500,000
DC Allocated Contribution	\$95,116,884
Montgomery County	\$45,005,174
Prince George's County	\$45,181,684
MD PRIIA	\$49,500,000
MD Dedicated Funding	\$167,000,000
City of Alexandria	\$12,401,646
Arlington County	\$22,641,546
City of Fairfax	\$715,612
Fairfax County	\$40,760,743
City of Falls Church	\$757,037
Loudoun County	\$5,797,066
VA PRIIA	\$49,500,000
VA Dedicated Funding	\$154,500,000
VA CMAQ	\$1,081,229
<b>Total</b>	<b>\$917,958,621</b>

# Planned Dedicated Funding Bonds to Finance Capital Improvements

- Expression of intent to reimburse eligible expenses
- Negotiated or competitive sale
- Aggregate principal amount not to exceed \$360 million
  - Excludes expenses, costs, premium, and fees
- Duration to be no more than 25 years
- Return to Board with final amount terms and conditions Spring 2021



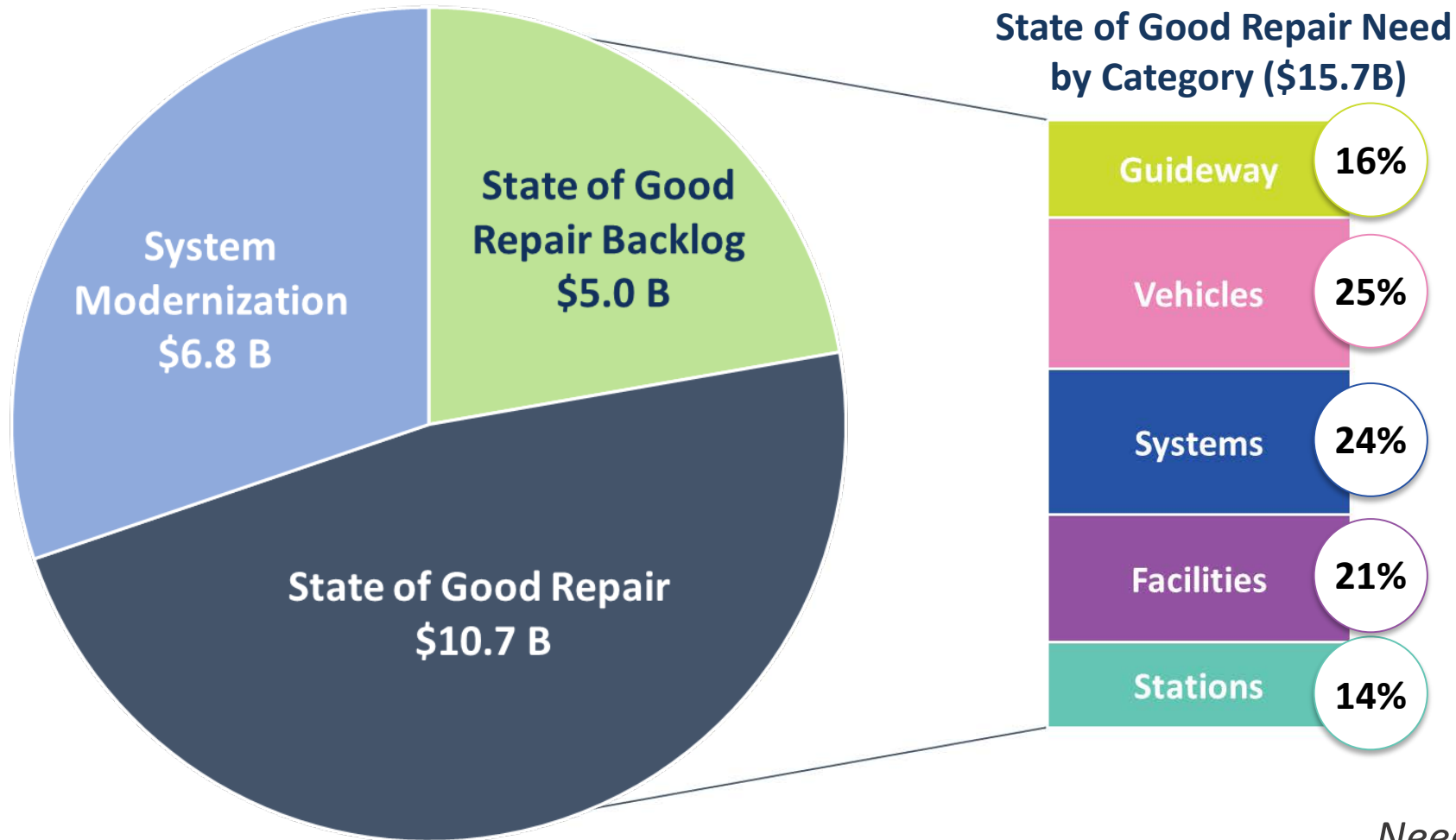
# FY2022 Capital Budget, Six Year Plan, and 10-year Outlook

Improving Safety, State of Good Repair, and Reliability

# \$12 Billion Safety and State of Good Repair CIP

- Improve system safety, state of good repair, and reliability
- Rehabilitate, replace, and modernize the system
- Integrate resilience and sustainability
- Accelerate delivery of projects to address critical, long-standing needs
- Maintain fiscal accountability
  - 3% aggregate cap on jurisdictional capital assistance
  - Dedicated funding supported debt

# Metro's 10-Year Unconstrained Capital Needs Total \$22.5B





# Regional and Federal Investment Addressing Overdue Needs and Supporting Programs to Sustain Safety and SOGR

### Addressing Overdue Capital Needs

#### Substantial Progress (Highlights)

- Replacement of Legacy Railcars with 7000 Series
- Track Rehab & SafeTrack
- Platform Program – 11 Stations Complete

#### More To Do to Catch Up (Priority Needs)

- Structures - Bridges, Platforms, Tunnels & Water Mitigation
- Systems - Train Control, Radio and Communications, Power
- Facilities - Bus Divisions, Rail Maintenance, Offices

### Ongoing Programs to Sustain Safety & SOGR

#### Recurring & Cyclical Maintenance, Rehabilitation & Replacement Programs

- |                        |                          |  |
|------------------------|--------------------------|--|
| ▪ Buses                | ▪ Elevators & Escalators | ▪ Cooling Systems                          |
| ▪ Railcars             | ▪ Mechanical Systems     | ▪ Bus Customer Facilities                  |
| ▪ Paratransit Vehicles | ▪ Traction Power         | ▪ Bus, Rail & Admin Maintenance Facilities |
| ▪ Service Vehicles     | ▪ Signal Systems         |  |
| ▪ Track                | ▪ Lighting Systems       |  |
| ▪ Parking Facilities   |                          |  |

# Capital Program Overview (\$B)

Capital Program Portfolio

\$22.0B  
10-Year Capital Plan

\$12.3B  
Six-Year CIP

\$2.6B  
FY2022 Capital Budget



- Investments Continuing Beyond the 10-Year Plan include:
- Continue Required State of Good Repair and Safety Investments
  - Zero Emission Bus Program
  - Next Generation Signal System
  - 8000 Series Railcar Acquisition
  - Complete 8-car Train Initiative
  - Tunnel Ventilation Improvements
  - Railyard Optimization
  - Station Improvements

10-Year Capital Plan

Six-Year Capital Improvement Program (CIP) Total Investment \$12.3B

Capital Budget Total 1-Year Investment \$2.6B

Total Investment \$22.0B

## Railcar and Railcar Facilities

### Vehicle Acquisition & Rehabilitation

- 8000 Series Railcar Acquisition • 7000 Series Railcar Acquisition
  - Railcar Preventive Maintenance Program • Railcar Scheduled Rehabilitation

### Railcar Facilities & Systems

- Railcar Heavy Repair & Overhaul Facility • Systemwide Railyard Rehabilitation • Public Address System
  - Intercom System • Greenbelt Railyard Rehabilitation • Railcar Wash Rehabilitation



### Proposed Program *Railcar and Railcar Facilities*

**\$2.6 B**

FY2022-FY2027  
Proposed  
Capital Program

**\$342 M**

FY2022  
Proposed  
Capital Budget

## Rail Systems

### Automatic Train Control

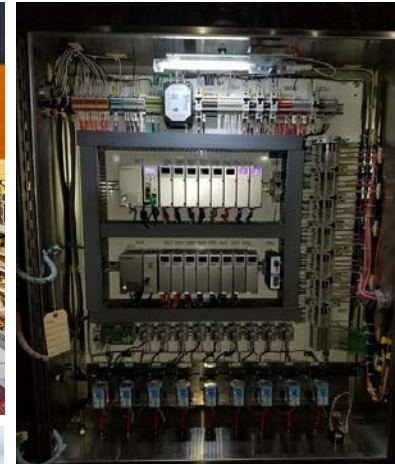
Automatic Train Control Room Rehabilitation • Track Circuit Cable Testing & Replacement • Switch Machine Replacement • Railyard ATC Rehabilitation • Next Generation Train Control

### Power Improvements

Traction Power State of Good Repair • Rail Power Infrastructure Upgrades • Rail Power System Rehabilitation • AC Power Room Rehabilitation

### Other Rail Systems Investments

Radio Infrastructure Replacement & Band Relocation • Emergency Trip Station System Replacement • Braking Energy Recovery Installation



### Proposed Program Rail Systems

# \$1.6 B

FY2022-FY2027  
Proposed  
Capital Program

# \$273 M

FY2022  
Proposed  
Capital Budget



# Track & Structures Rehabilitation

## Track Equipment & Infrastructure

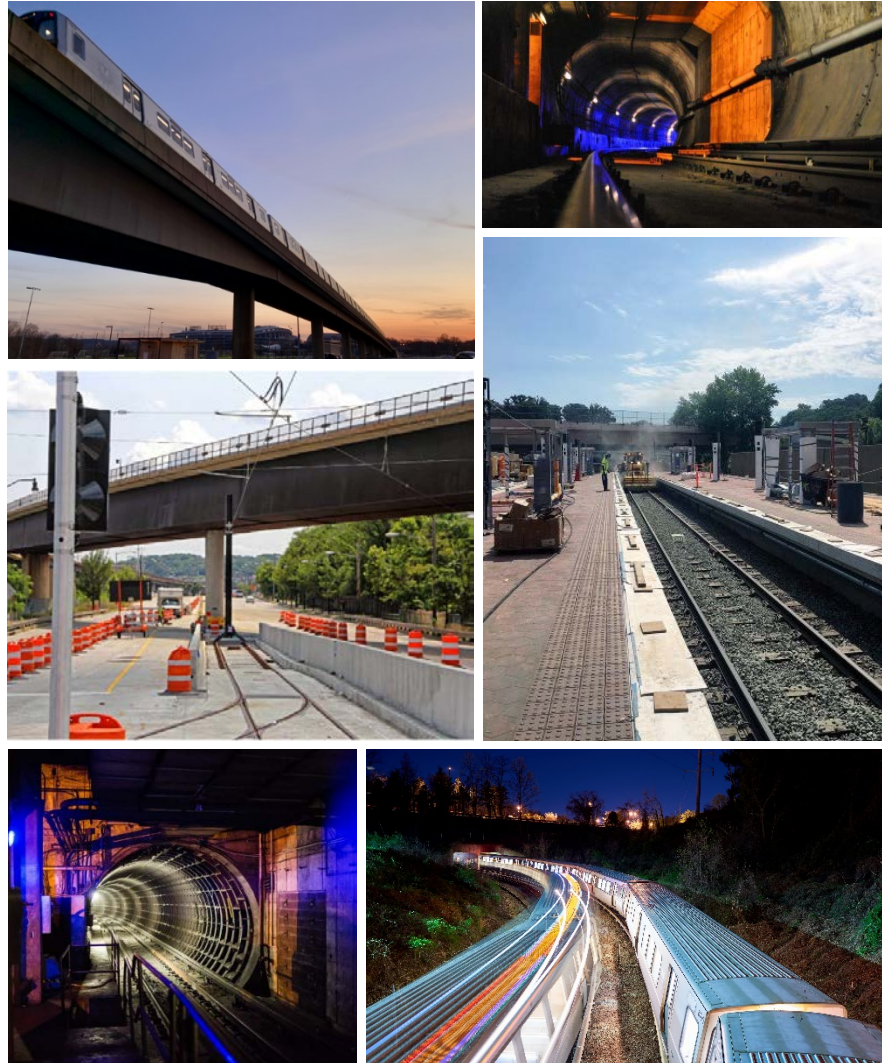
Track Rehabilitation • Track Maintenance  
Equipment Replacement

## Tunnel Investments

Yellow Line Portal Tunnel Remediation • Water Leak  
Mitigation • Tunnel Ventilation Improvements • Tunnel  
Shaft Rehabilitation

## Bridges & Aerials

Structural Rehabilitation Phase 1 (Rockville Canopy + ~9  
High Priority Bridges) • Structural Rehabilitation Phase 2  
(~7 High Priority Bridges) • Structural Rehabilitation Phase 3  
(~7 Additional Priority Bridges)



## Proposed Program Track & Structures Rehabilitation

**\$1.8 B**

FY2022-FY2027  
Proposed  
Capital Program

**\$343 M**

FY2022  
Proposed  
Capital Budget



## Stations & Passenger Facilities

### Fire Life Safety Improvements

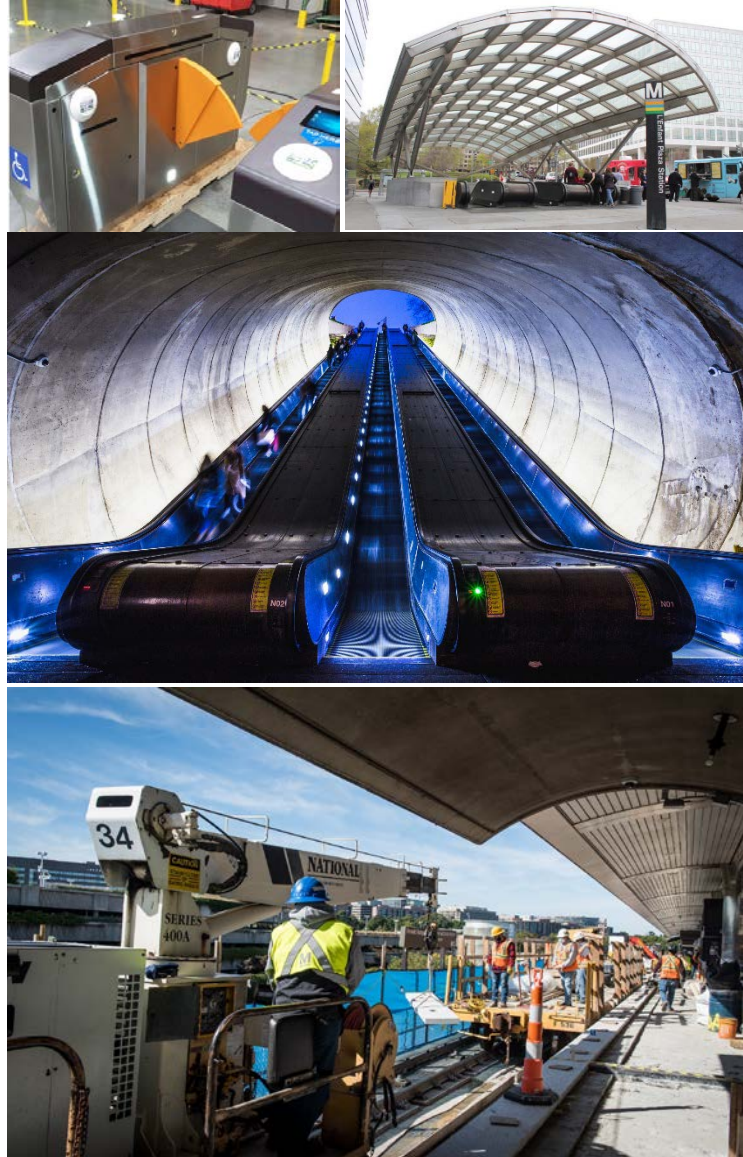
Station Fire Control Infrastructure • Standpipe Systems •  
Tunnel Smoke Detection System Implementation

### Station Infrastructure Improvements

Escalator Rehabilitation & Replacement • Station Platform  
Rehabilitation • New Potomac Yard Metrorail Station •  
Elevator Rehabilitation • Station Entrance Escalator  
Canopies • Parking Garage & Surface Lot  
Rehabilitation • Station Platform Canopy Rehabilitation

### Station Systems Improvements

Passenger Information Displays • Lighting •  
Station Cooling Systems • Drainage Pumping Stations  
Rehabilitation • Sewage Ejector Replacement •  
Faregate Replacement • Fare Vending Machine Replacement



### Proposed Program Stations & Passenger Facilities

# \$2.5 B

FY2022-FY2027  
Proposed  
Capital Program

# \$792 M

FY2022  
Proposed  
Capital Budget

## Bus, Bus Facilities & Paratransit

### Vehicle Acquisition & Rehabilitation

Bus Acquisition Program • Bus Rehabilitation Program •  
Electric Bus Acquisition, Test & Evaluation • MetroAccess Fleet  
Acquisition Program

### Bus Garage Rehabilitation & Replacement

Northern & Bladensburg Bus Garage Replacement •  
Montgomery & Four Mile Run Bus Garage Rehabilitation

### Bus Station & Terminal Improvements

Metrobus Shelter Replacement • Bus Stop Accessibility •  
Metrobus Closed Circuit Television • Customer Information  
Electronic Display Signs • Historic Bus Terminals Rehabilitation •  
Bus Priority Program



**Proposed Program**  
***Bus, Bus Facilities***  
***& Paratransit***

**\$1.9 B**

FY2022-FY2027  
Proposed  
Capital Program

**\$294 M**

FY2022  
Proposed  
Capital Budget



## Business & Operations Support

### Facility Improvements

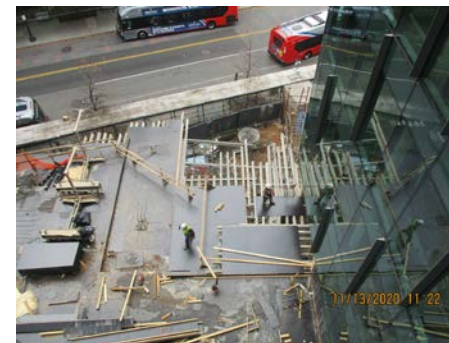
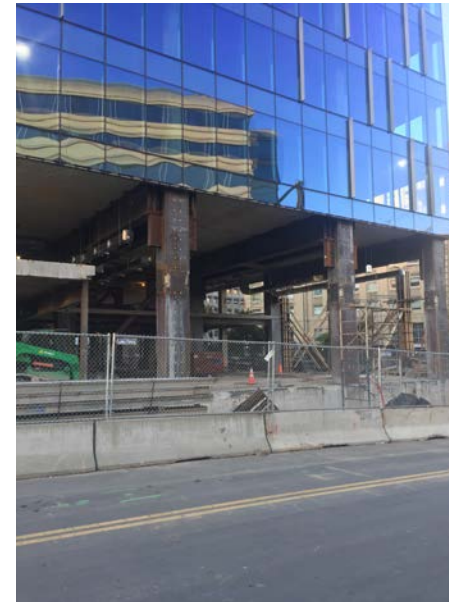
Office Consolidation: DC, MD & VA Construction •  
Replacement Data Center

### Hardware & Software Investments

Enterprise Resource Planning (ERP) System Replacement  
• Device Replacement • Enterprise IT  
Infrastructure State of Good Repair

### Other Support Investments

Service Vehicle Replacement • Roof Rehabilitation &  
Replacement • Fiber Optic Cable Installation •  
Environmental Compliance Program



**Proposed Program  
Business & Operations  
Support**

**\$1.9 B**

FY2022-FY2027  
Proposed  
Capital Program

**\$546 M**

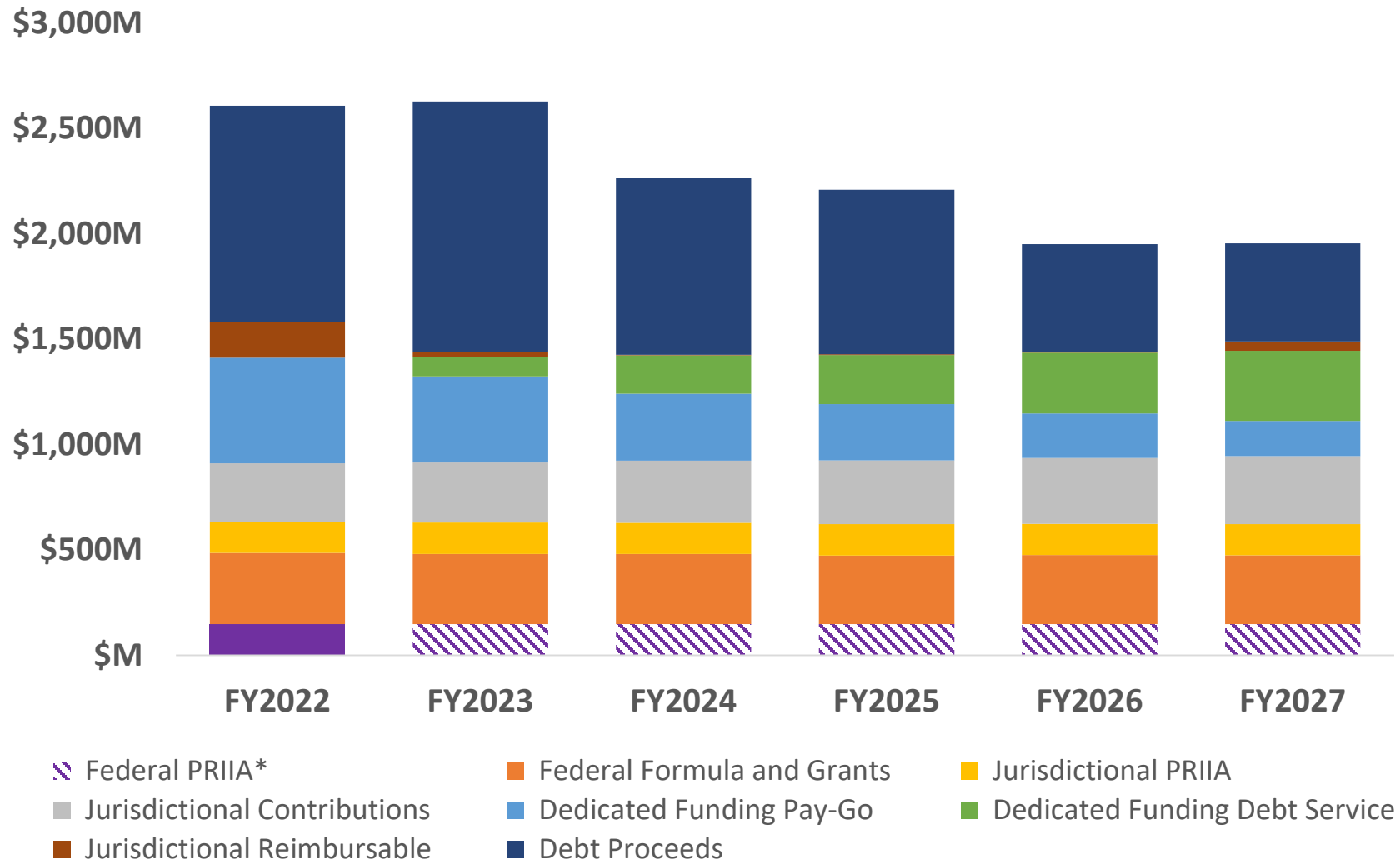
FY2022  
Proposed  
Capital Budget

## Financial Plan by Investment Category

Capital Investment Categories (\$M)	FY2022 Budget	FY2023 Plan	FY2024 Plan	FY2025 Plan	FY2026 Plan	FY2027 Plan	6-Year Total
Railcar and Railcar Facilities	\$342	\$346	\$437	\$530	\$517	\$422	<b>\$2,595</b>
Rail Systems	\$273	\$337	\$308	\$256	\$203	\$213	<b>\$1,591</b>
Track and Structure Rehabilitation	\$343	\$456	\$259	\$236	\$237	\$267	<b>\$1,798</b>
Stations and Passenger Facilities	\$792	\$530	\$354	\$302	\$268	\$272	<b>\$2,519</b>
Bus, Bus Facilities and Paratransit	\$294	\$388	\$467	\$418	\$184	\$196	<b>\$1,947</b>
Business and Operations Support	\$546	\$468	\$239	\$206	\$220	\$207	<b>\$1,887</b>
<b>Total Capital Investments</b>	<b>\$2,591</b>	<b>\$2,526</b>	<b>\$2,064</b>	<b>\$1,949</b>	<b>\$1,628</b>	<b>\$1,578</b>	<b>\$12,336</b>
Revenue Loss from Capital Projects	\$17	\$10	\$10	\$10	\$10	\$10	<b>\$67</b>
Debt Service - Dedicated Funding <sup>1</sup>	\$0	\$91	\$190	\$250	\$311	\$362	<b>\$1,204</b>
<b>Total Capital Program Cost</b>	<b>\$2,608</b>	<b>\$2,627</b>	<b>\$2,264</b>	<b>\$2,208</b>	<b>\$1,950</b>	<b>\$1,951</b>	<b>\$13,607</b>

<sup>1</sup> Projections subject to change based on actual debt requirements and terms of future debt issuance

## FY2022-FY2027 Forecast



### Capital Funding Forecast

#### Key Assumptions:

- Dedicated Funding-backed debt funds vital safety and state of good repair projects
- No change to jurisdictional contribution forecast
- Federal PRIIA not yet reauthorized

*\*Note: Anticipated PRIIA shown in FY23 – FY27 not yet authorized or appropriated*



## FY2022 Jurisdictional Capital Funding – Preliminary Allocation

### FY2022 Proposed Capital Budget Funding Sources

Funding Sources (\$M)	FY2022 Proposed Budget
<b>Federal Grants</b>	
Formula and Other Grants	\$337
PRIIA	\$149
<b>Subtotal Federal Grants</b>	<b>\$486</b>
<b>State and Local Contribution</b>	
District of Columbia	\$327
State of Maryland	\$310
Commonwealth of Virginia	\$289
<b>Subtotal State and Local</b>	<b>\$926</b>
Jurisdiction Reimbursable Projects	\$157
Metropolitan Washington Airports Authority	\$13
Debt and Other Fund Sources	\$1,027
<b>Grand Total</b>	<b>\$2,608</b>

### State and Local Contribution by Jurisdiction (Preliminary)

	FY2022 Proposed
DC PRIIA	\$49,500,000
DC Dedicated Funding	\$178,500,000
DC Allocated Contribution	\$99,002,710
Montgomery County	\$46,228,117
Prince George's County	\$47,458,445
MD PRIIA	\$49,500,000
MD Dedicated Funding	\$167,000,000
City of Alexandria	\$12,632,066
Arlington County	\$22,990,157
City of Fairfax	\$716,441
Fairfax County	\$41,047,223
City of Falls Church	\$762,818
Loudoun County	\$5,590,737
VA PRIIA	\$49,500,000
VA Dedicated Funding	\$154,500,000
VA CMAQ	\$1,081,229
<b>Total</b>	<b>\$926,035,847</b>

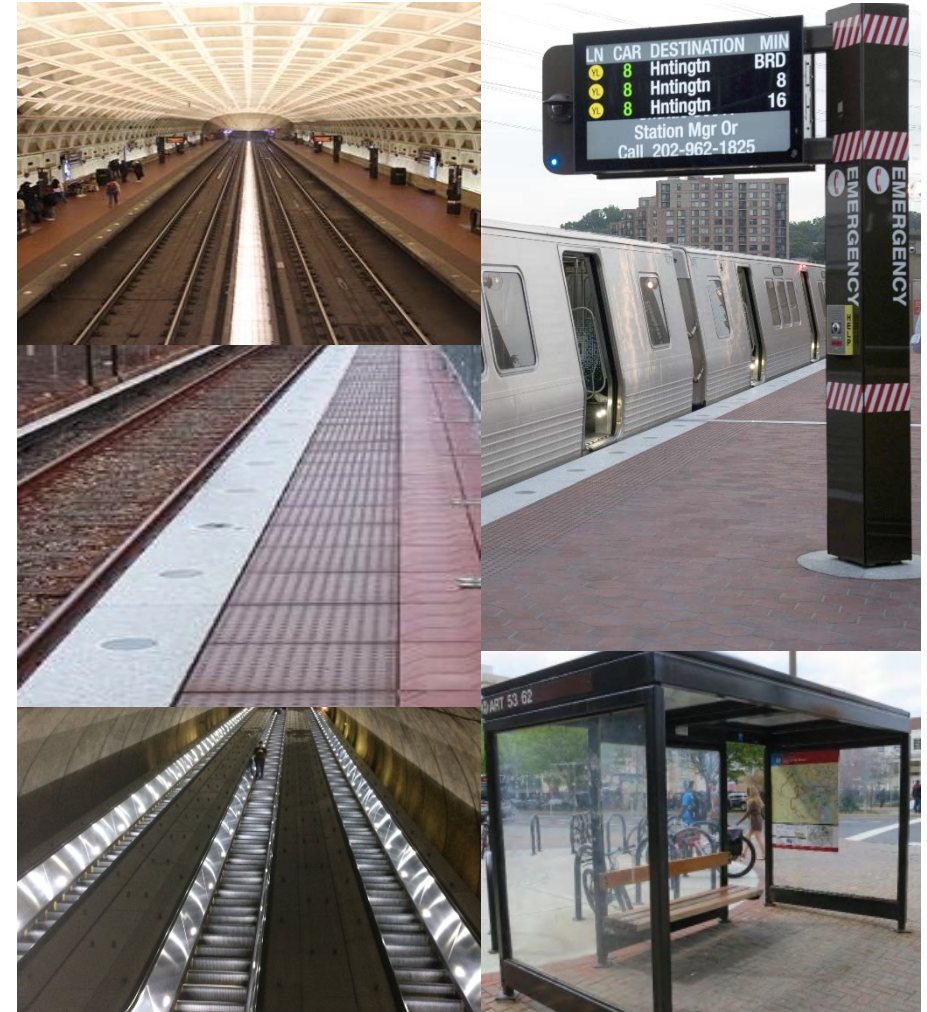
# Jurisdictional Capital Funding Agreement

# Capital Funding Agreement Update

- Existing Capital Funding Agreement (CFA) expires June 30, 2021
- WMATA and jurisdictions seeking consensus on new six-year agreement
- CFA establishes/confirms:
  - Management of capital program on expenditure basis
  - Schedule for capital program process to align with jurisdiction needs
  - Roles and responsibilities including reporting, reconciliation and audit requirements
  - Allocated contribution funding from jurisdictions: federal grant match and system performance funding (does not include PRIIA or dedicated funding)
  - Proposed allocated contributions total \$276.4 million in FY2022; 3% more than FY2021
- Staff will recommend Board approval of new CFA concurrent with budget approval in April

# Recommendation and Next Steps

- Recommend approval of \$255 million increase to FY2021 Capital Budget to support:
  - accelerated platform state of good repair program,
  - Potomac Yard reimbursable project
  - IT investments for remote work and cyber security
- Recommend approval to sell up to \$360 million in Dedicated Funding backed bonds
- Staff will return in Spring 2021 for final approval of terms for bond issuance





SUBJECT: AMEND FISCAL YEAR 2021 CAPITAL BUDGET AND AUTHORIZE THE NEGOTIATION OR COMPETITIVE SALE OF THE SERIES 2021A DEDICATED FUNDING BONDS

RESOLUTION  
OF THE  
BOARD OF DIRECTORS  
OF THE  
WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

WHEREAS, Resolution 2011-30, as amended, requires Board of Directors approval for changes to total expense authorization of the Annual Capital Budget; and

WHEREAS, On July 23, 2020, the Board adopted the fiscal year (FY) 2021 Capital Budget as amended (Resolutions 2020-09 and 2020-28); and

WHEREAS, That in order to maintain a balanced Capital Budget, additional funding is anticipated to be provided through the issuance of dedicated funding debt and an increase in the Potomac Yard Reimbursable project funding provided by the City of Alexandria; and

WHEREAS, On February 27, 2020, the Board adopted the Debt Management Policy, which requires that negotiation or competitive sale of a series of bonds, such as contemplated by the FY 2021 Capital Budget, be authorized by the Board (Resolution 2020-04); and

WHEREAS, WMATA intends to reimburse itself for eligible expenses incurred before the issuance of the bonds covered in this resolution to the extent permitted by the Internal Revenue Code of 1986 and regulations issued under such Code;

NOW, THEREFORE, be it

*RESOLVED*, That the fiscal year 2021 Capital Budget is amended by increasing the total expense authorization by \$255 million; and be it further

*RESOLVED*, That the Board of Directors authorizes the General Manager/Chief Executive Officer and the Chief Financial Officer, and each of them individually, to obtain the underwriting, Trustee, printing, and other services necessary to negotiate or competitively sell and issue the bonds; and be it further

*RESOLVED*, That the long-term bonds, if issued, shall have the following terms: duration to be no more than 25 years; an aggregate amount not to exceed \$360 million in principal, excluding any required debt service reserve, the costs of issuance (including but not

limited to underwriters' fees, financial advisory fees, printing costs, legal fees, and such other fees which the General Manager/Chief Executive Officer or the Chief Financial Officer deem necessary to complete the sale of such bonds), and any premium on the sale of the bonds; all of such expenses, costs, premium, and fees being authorized by the Board of Directors to be included in the bond issuance in addition to the aggregate principal amount listed above; and be it further

*RESOLVED*, That an indicative average interest rate and the method of sale will be established by the Board of Directors prior to final issuance; and be it further

*RESOLVED*, That staff shall bring to the Board of Directors the total amount of the proposed issuance (principal, any anticipated premium, plus anticipated costs) and terms of the proposed issuance for final review and approval before bonds may be issued; and be it finally

*RESOLVED*, That to prevent interruption of the fiscal year 2021 Capital Program and the timely issuance of the bonds, this Resolution shall be effective immediately.

Reviewed as to form and legal sufficiency,

/s/ Patricia Y. Lee

Patricia Y. Lee

Executive Vice President and General Counsel

WMATA File Structure Nos.:

4.1 Bonds

4.2.2. Fiscal Year budgets