

FY2020

# Dedicated Funding Report



Washington  
Metropolitan Area  
Transit Authority



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## EXECUTIVE SUMMARY

The Washington Metropolitan Area Transit Authority's (WMATA) transit system is operated and maintained through the substantial investment of public funds by the Federal Government and by the regional jurisdictional partners.



To provide a dedicated source of revenue each year, the Maryland General Assembly, Virginia Legislature, and District of Columbia City Council passed legislation to provide \$500 million annually for safety and state of good repair capital projects. This legislation precipitated Dedicated Capital Funding Agreements (Agreements) with each jurisdiction. Both the legislation and Agreements establish requirements that WMATA must follow in receiving and spending the funds.

This Dedicated Funding Report summarizes the receipts and uses of the dedicated funds and how WMATA has fulfilled its accounting and financial reporting requirements of the Agreements for the fiscal year (FY) ended June 30, 2020.

Further, RSM US LLP, an independent accounting firm, issued an opinion on management's assertions that WMATA complied with the requirements included in the Agreements in all material respects. The full Independent Accountant's Report is located



on pages 9-11 of this report.

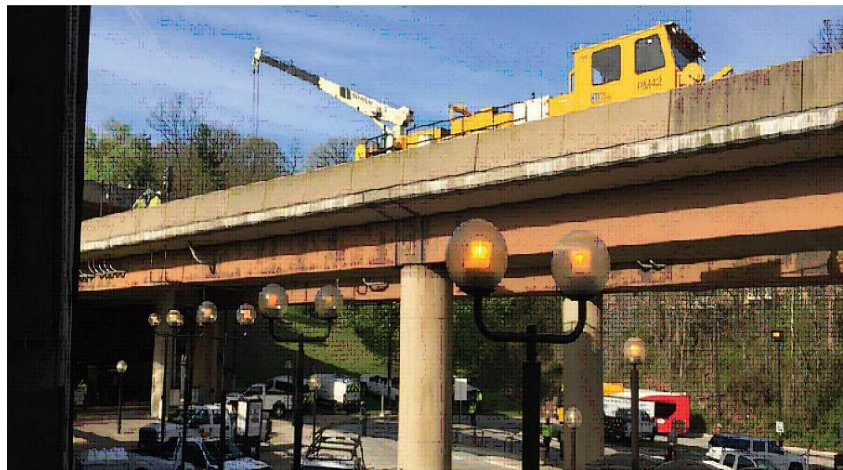


## FY2020 RECEIPTS AND EXPENDITURE SUMMARY

### Dedicated Funding Revenue Sources

#### Commonwealth of Virginia (VA)

VA passed dedicated funding legislation (2018 HB 1539/SB 856) in FY2018 establishing a new capital fund that is recorded on the books of the VA Comptroller that will accumulate the dedicated funding for WMATA. The WMATA capital fund includes a restricted and a non-restricted account. Balances in the WMATA capital fund are disbursed



monthly. Disbursements from the restricted account is available to WMATA for capital purposes other than the payment of or security for debt service on bonds or any other indebtedness of WMATA. Disbursements from the non-restricted account can be used for capital purposes or the payment of or security for debt service on bonds or other indebtedness of WMATA.

VA dedicated funding legislation requires Northern Virginia Transit Commission (NVTC) to annually certify that WMATA has provided various documents and reports to NVTC before any disbursement is to be made by the VA Comptroller.



The WMATA Capital Fund Restricted Account is funded from existing state recordation taxes passed through the NVTC in its Northern Virginia Transportation District Fund and motor vehicle rental tax revenues from VA.

The WMATA Capital Fund Non-Restricted Account is funded from existing grantors tax, transient occupancy tax (hotel tax) and local and floor on gas tax funding from NVTC jurisdictions.

### **State of Maryland (MD)**

MD passed dedicated funding legislation (2018 HB 372/SB 277) that mandated that the Maryland Department of Transportation, Transportation Trust Fund (TTF) provide an annual grant of at least \$167 million to the Washington Suburban Transit District.

The annual grants are disbursed to WMATA on a quarterly basis. Disbursements from this fund may be used by WMATA to fund capital costs. The TTF is funded by motor fuel taxes, vehicle excise taxes and fees, and federal aid. The amount is paid to WMATA on a quarterly basis.

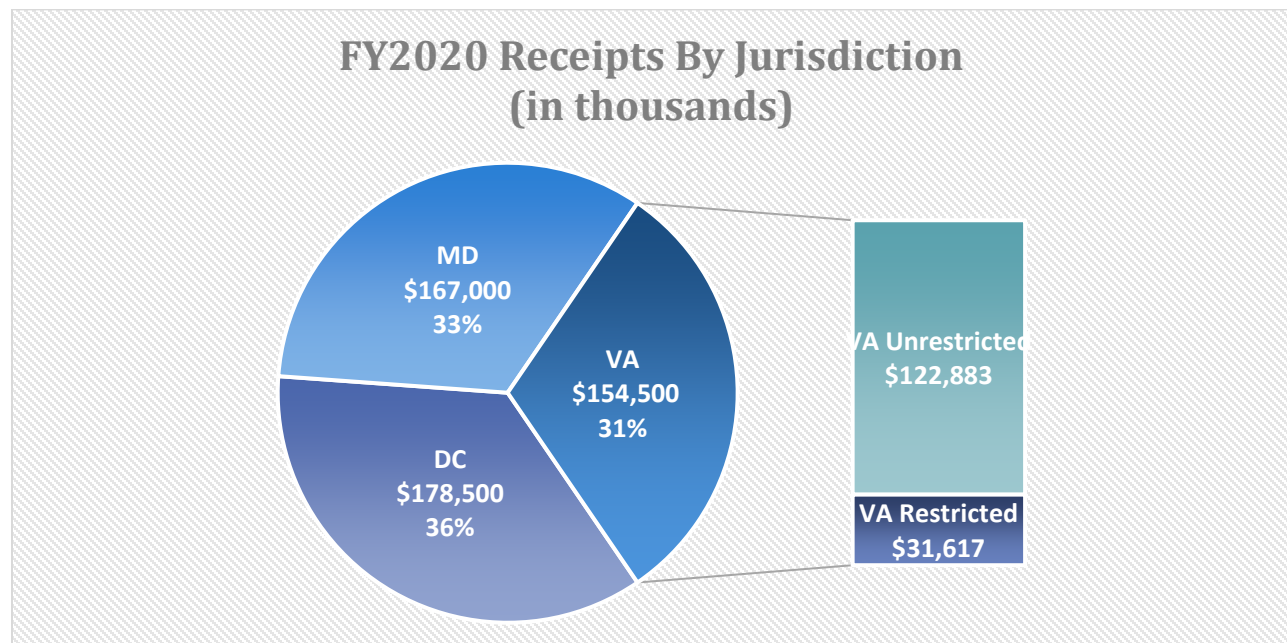
### **District of Columbia (DC)**

DC Law 22-168 §§ 6001-6002 established the WMATA Dedicated Financing Fund for the purpose of WMATA capital improvements, which includes debt service payments on borrowings for WMATA's capital improvements. The source of the funding is a dedicated portion of the general retail sales tax revenue. Subject to a grant agreement between WMATA and DC, the mayor shall annually distribute the funds in the WMATA Dedicated Financing Fund starting in FY2020. Disbursements are made on a semi-annual basis.

## **Dedicated Funding Receipts**

In FY2020, WMATA received a total of \$500 million in dedicated funding. VA, MD, and DC provided \$154.5 million, \$167.0 million, and \$178.5 million, respectively.

Of the \$154.5 million provided by VA during the fiscal year, \$31.6 million, or 20.5 percent, was received from the restricted account.



## Dedicated Funding Uses

The dedicated funding is used for state of good repair or safety capital projects in any of the following investment categories:



### **Railcar & Railcar Facilities:**

Replacement and purchase of new railcars, rehabilitation and maintenance of the railcar fleet and other railcar maintenance facilities.



### **Rail Systems:**

Ongoing state of good repair efforts critical to maintaining and improving Metrorail's propulsion power and signals and communications systems.



### **Track & Structures:**

Track includes steel running rail that guides the train cars, the crossties and fasteners, the ballast bed, and the third rail that provides power to the train. Structures include the retaining walls, concrete pads and the bridges.



### **Stations & Passenger Facilities:**

Facilities at the Authority's 91 Metrorail stations, including elevators, escalators, fare collection equipment, fire safety systems, bus loops, bus stops, parking garages, surface lots, access roads, bike racks, and bike lockers.



### **Bus, Bus Facilities, & Paratransit:**

Replacement and purchase of new buses and paratransit vehicles, rehabilitation and maintenance of these fleets and other maintenance and customer facilities.



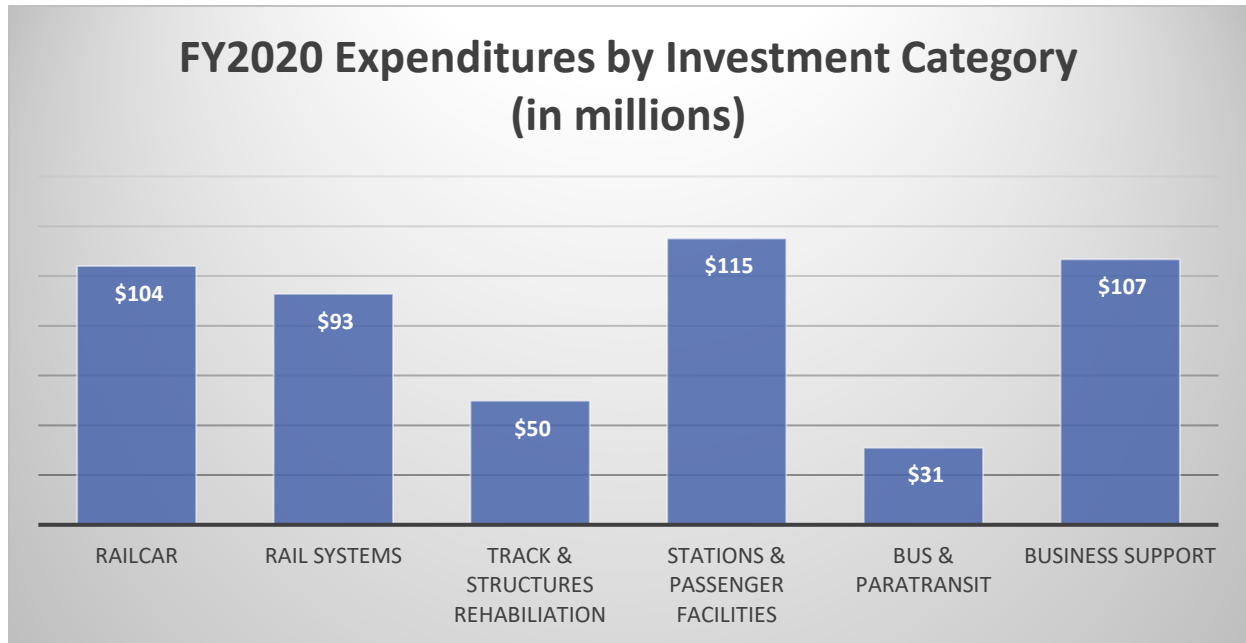
### **Business & Operations Support:**

Facilities for collecting and storing system data, network infrastructure and other IT assets, as well as support of Metro Transit Police facilities and equipment, and the non-revenue vehicle fleet.



## Expenditures by Investment Categories

WMATA expended \$500 million of dedicated funding in FY2020. The table below summarizes expenditures by investment category.



Additional information on how WMATA spent dedicated funding in FY2020 is provided in the reporting as described in the following FY2020 Compliance Summary section.

## FY2020 COMPLIANCE SUMMARY

### Reporting Requirements

The Agreements each include various reporting requirements. WMATA has provided the following reports to meet these requirements:

#### Quarterly Financial Reports

Each of the Agreements require WMATA to report quarterly on progress in use of funding for capital investments. These reports includes a summary of capital investment highlights through the most recent quarter and financial tables detailing capital expenditures, jurisdictional contributions, fund sources aligned to capital projects, changes to the current year capital budget, the status of projects and programs, and recent capital procurement awards. The FY2020 quarterly financial reports are located at [https://www.wmata.com/initiatives/capital-improvement-program/Capital-Program-Documents.cfm#CIP\\_Progress\\_Reports](https://www.wmata.com/initiatives/capital-improvement-program/Capital-Program-Documents.cfm#CIP_Progress_Reports).

## **Annual Reconciliation Report**

The DC Agreement requires that WMATA adhere to the annual budget reconciliation process required by the Capital Funding Agreement (CFA) which requires that WMATA provide an annual reconciliation of planned and actual expenditures by funding source. Additionally, the MD Agreement requires that WMATA provide an annual reconciliation of budget and expenditures at the project level. The FY2020 Annual Reconciliation Report presents the results of the reconciliation that has been performed to fulfill the requirements of the CFA and the Agreements. The FY2020 Annual Reconciliation Report is included as Attachment 1 of this report.



## **Indirect Cost Report**

The District of Columbia Agreement requires that WMATA provide an annual report on its indirect costs. The annual report must demonstrate that all indirect and overhead costs that WMATA recovered from the overall Capital Budget were subtracted from the operating subsidy for the recently completed fiscal year. Additionally, the report must show (a) the amount of indirect costs charged to each project during the fiscal year, and the aggregate of all projects, and (b) the aggregate amount by which the operating subsidy was reduced for the indirect costs charged to the capital program.

The report presents the results of WMATA's reconciliation of indirect costs applied to the capital program and deducted from operating expenditure. The reconciliation process involved a review of indirect cost rates, calculations, and fund transfers using information from the PeopleSoft General Ledger, PeopleSoft Funds Management module, and discussions with WMATA staff. The Indirect Cost Report is included as Attachment 2 of this report.

## **FY2020 Capital Budget and Six-Year Capital Improvement Program**

Each of the Agreements require that WMATA adopt an approved Capital Budget and Six-Year Capital Improvement Program. These documents provide a blueprint for planned capital projects and associated costs. The FY2020 Capital Budget and Six-Year Capital Improvement Program are included in the approved FY2020 Annual Budget, which may be accessed at [https://www.wmata.com/about/records/public\\_docs/upload/FY2020-Budget-Book-061219-FINAL-from-WEB-updated-20190828.pdf](https://www.wmata.com/about/records/public_docs/upload/FY2020-Budget-Book-061219-FINAL-from-WEB-updated-20190828.pdf).

## Legislative Compliance Requirements

WMATA tracks the status of specific deliverables required by each of the following Agreements and dedicated funding legislations. A detailed deliverables table demonstrating WMATA's compliance is included as Attachment 3 of this report.



### VA

- The Agreement between WMATA and VA, dated May 1, 2019, is located in Attachment 4 of this report.
- VA enacted the 2018 HB 1539/SB 856 which may be accessed at <https://lis.virginia.gov/cgi-bin/legp604.exe?181+sum+HB1539>.

### MD

- The Agreement between WMATA and MD, dated September 26, 2019, is located in Attachment 5 of this report.
- MD enacted the 2018 HB 372/SB 277, which may be accessed at <https://mgaleg.maryland.gov/2018RS/bills/sb/sb0277t.pdf>.

### DC

- The Agreement between WMATA and DC, dated February 14, 2020, is located in Attachment 6 of this report.
- DC enacted Law 22-168 §§ 6001-6002 which may be accessed at <https://code.dccouncil.us/dc/council/laws/22-168.html>.



## DEDICATED FUNDING EXAMINATION

WMATA engaged an independent accounting firm, RSM US LLP, to perform an examination to evaluate management's assertions that WMATA fulfilled the requirements established by the Agreements.

The examination concluded that WMATA complied with the asserted requirements in all material respects. The Independent Accountant's Report, detailing management's assertions, begins on the following page.





RSM US LLP

### Independent Accountant's Report

Mr. Paul Smedberg, Executive Committee Chair  
Mr. Geoffrey Cherrington, Inspector General  
Mr. Dennis Anosike, Executive Vice President & Chief Financial Officer  
Washington Metropolitan Area Transit Authority  
600 Fifth Street, NW  
Washington, DC 20001

We have examined management of Washington Metropolitan Area Transit Authority's (WMATA) assertions that WMATA complied with the requirements in the Dedicated Capital Funding Agreements (Agreements) between WMATA and the Commonwealth of Virginia, District of Columbia, and State of Maryland as listed in the accompanying Appendix A, during the fiscal year ended June 30, 2020. WMATA's management is responsible for its assertions. Our responsibility is to express an opinion about management's assertions about WMATA's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management's assertions about compliance with the specified requirements are fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about whether management's assertions are fairly stated, in all material respects. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of management's assertions, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on WMATA's compliance with the specified requirements.

In our opinion, management's assertions that WMATA complied with the requirements included in the Agreements, as listed in Appendix A, are fairly stated, in all material respects.

*RSM US LLP*

Washington, D.C.  
May 28, 2021

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## **Appendix A**

### **Maryland**

Washington Metropolitan Area Transit Authority (WMATA) is providing these assertions in connection with the Agreement between WMATA and the State of Maryland, acting by and through the Maryland Department of Transportation dated September 26, 2019, and the Capital Improvement Program (CIP) as adopted by WMATA for the period July 1, 2019 through June 30, 2025.

- a. In accordance with Section 4A of the Agreement, expenses funded by the Agreement for the period July 1, 2019 through June 30, 2020 were expended on items identified in the approved CIP.
- b. In accordance with Section 4F of the Agreement, WMATA has accurately presented costs expended under the Agreement for the period July 1, 2019 through June 30, 2020 in the FY2020 Annual Reconciliation Report.
- c. In accordance with Section 6A of the Agreement, WMATA has maintained financial records, which are consistent with Generally Accepted Accounting Principles (GAAP) and are in sufficient detail to determine the character and timing of expense transactions authorized by the Agreement.

### **District of Columbia**

WMATA is providing these assertion in connection with the grant agreement between WMATA and the District of Columbia entitled "WMATA Dedicated Funding Agreement" dated February 14, 2020 (Dedicated Funding Grant), and the CIP as adopted by WMATA for the period July 1, 2019 through June 30, 2025, included as Attachment 1 to the Dedicated Funding Grant.

- a. In accordance with Sections 1(e) of the Dedicated Funding Grant, expenses funded with the Dedicated Funding Grant for the period July 1, 2019 through June 30, 2020 were not used for system expansion projects or to fund WMATA's operating expenses.
- b. In accordance with Section 4 of the Dedicated Funding Grant, expenses funded with the Dedicated Funding Grant for the period July 1, 2019 through June 30, 2020 were for:
  - a. State of Good Repair Capital Projects and consistent with the current, approved CIP and Capital Budget; or
  - b. Debt service on WMATA borrowings for the State of Good Repair Capital Projects and were consistent with the approved CIP.
- c. In accordance with Section 6(a) of the Agreement, WMATA has accurately presented costs expended under the Agreement for the period July 1, 2019 through June 30, 2020 in the FY2020 Annual Reconciliation Report.
- d. In accordance with Section 6(b) of the Dedicated Funding Grant, unexpended carryover amounts reported in the FY2020 Annual Reconciliation Report were accurately calculated.
- e. In accordance with Section 10(a) of the Dedicated Funding Grant, WMATA has maintained financial records in sufficient detail to determine the character and timing of fund items and of expense transactions authorized by the Dedicated Funding Grant.

- f. In accordance with Section 10(a) of the dedicated Funding Grant, the indirect/overhead audit report accurately presented the indirect cost amounts charged to each capital project during the fiscal year and the aggregate amount by which the operating subsidy was reduced.
- g. In accordance with Section 11(a) of the Dedicated Funding Grant, unexpended funds were invested, and interest earnings were used on eligible Capital expenditures only.

**Commonwealth of Virginia**

WMATA is providing these assertion in connection with the Agreement between WMATA and the Commonwealth of Virginia (the Commonwealth) acting by and through the Virginia Department of Rail and Public Transportation dated May 1, 2019, and the CIP as adopted by WMATA for the period July 1, 2019 through June 30, 2025.

- a. In accordance with Section 5A of the Agreement, expenses funded by the Agreement for the period July 1, 2019 through June 30, 2020 were for projects identified in the approved CIP.
- b. In accordance with Section 5B of the Agreement, expenses made from the restricted fund for the period July 1, 2019 through June 30, 2020 were not spent for debt service on bonds or other indebtedness of WMATA.
- c. In accordance with Section 5E of the Agreement, WMATA has accurately presented costs expended and rolled forward in the restricted and unrestricted funds account under the Agreement for the period July 1, 2019 through June 30, 2020 in the 4th Quarter Report.
- d. In accordance with Section 5F of the Agreement, all deposits made by the Commonwealth to WMATA for the period July 1, 2019 through June 30, 2020 accrued interest in accordance with WMATA's interest policy, until expended.
- e. In accordance with Section 7A of the Agreement, WMATA has maintained financial records in sufficient detail to determine the character and timing of fund items and of contract obligation and expense transactions authorized by the Agreement.



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[www.wmata.com](http://www.wmata.com)



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FY2020 Dedicated  
Funding Report

# ATTACHMENTS

Compliance Reports

Washington Metropolitan Area Transit Authority

# **ANNUAL RECONCILIATION REPORT**

For the Fiscal Year Ending June 30, 2020





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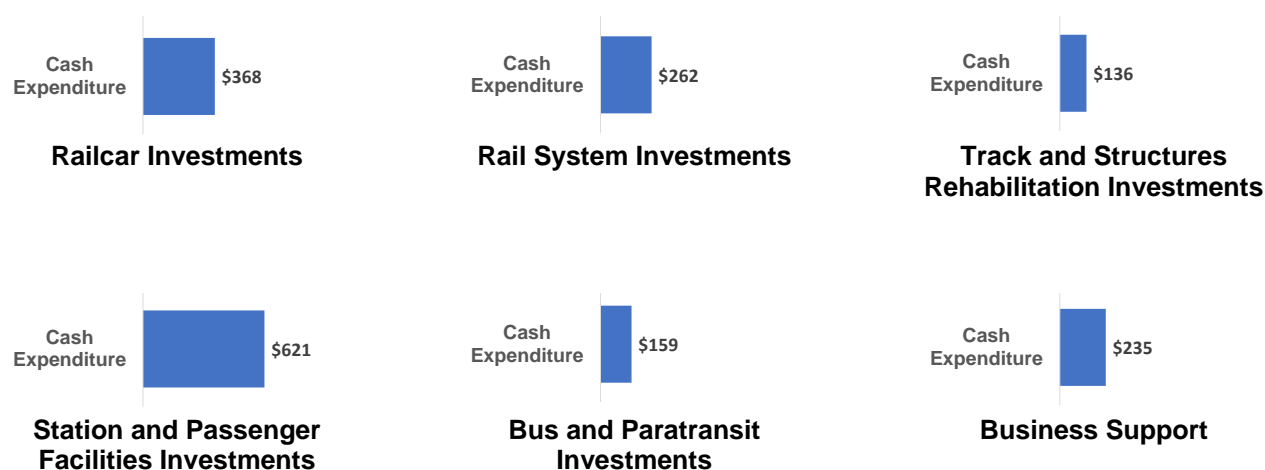
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## EXECUTIVE SUMMARY

The Washington Metropolitan Area Transit Authority's (WMATA or Metro) Fiscal Year (FY) 2020 Capital Budget and Six-Year Capital Improvement Program (collective called the "CIP") provides a blueprint for planned capital projects and associated costs. The CIP is supported by funds made available through the Capital Funding Agreement (CFA) and Dedicated Funding Agreements (DFA) between Metro and its state and local partners, federal grants, and other sources. The CFA, which was executed in 2010 and has been amended annually to extend the current term through the end of FY2021, requires that Metro provide an annual reconciliation of planned and actual expenditures by funding source. The District of Columbia Dedicated Funding Grant Agreement requires that Metro adhere to the annual budget reconciliation process required by the CFA. The State of Maryland DFA requires that Metro provide an annual reconciliation of budget and expenditure at the project level.

This report presents the results of the reconciliation that has been performed to fulfill the requirements of the CFA and DFAs. **It has been prepared on a cash expenditure basis** for consistency with the methodology used to prepare Metro's prior reconciliation reports. Metro's financial statements, which provide the primary basis for measuring expenditure compared to annual budget, are prepared on an accrual basis of accounting.

On a cash basis, Metro expended \$1,780.6 million during the fiscal year.<sup>1</sup> **Figure 1** presents cash expenditure by investment category.

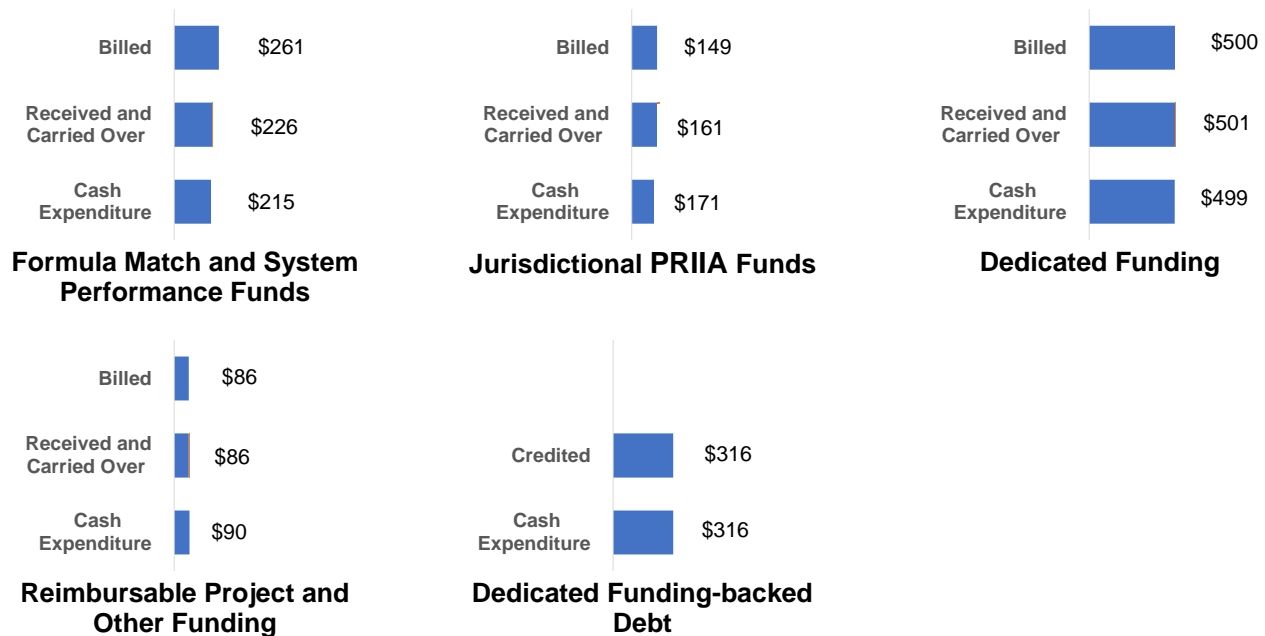


**Figure 1. FY2020 Cash Expenditure (Dollars in Millions)**

<sup>1</sup> On an accrual basis, Metro expended \$1,708.6 million or 98% of the \$1763.2 million amended capital budget.

The \$1,780.6 million expended on a cash basis was funded through multiple sources, including Federal grants, state and local contributions, and debt backed by the DFAs. The capital expenditures allocated to state and local sources totaled \$1,291 million.

Metro billed its jurisdictional partners \$995.0 million and received \$957.0 million from them. Metro also issued Series 2020A Dedicated Funding-backed bonds and \$316.4 million in proceeds was applied to FY2020. The balance for FY2020 reflected a need for additional contributions or debt of \$17.6 million. This figure was off-set by a \$21 million carry-over balance from FY2019, resulting in a surplus of \$3.5 million across the two-year period. **Figure 2** presents FY2019 carry-over and FY2020 billings, receipts, and cash expenditure by state and local funding sources.



**Figure 2. FY2019 Carry-over & FY2020 Billings, Receipts, and Expenditure (Dollars in Millions)**

A detailed reconciliation of FY2019 and FY2020 billings, receipts, and cash expenditure by funding source is provided in **Appendix C**.

## OVERVIEW

The Washington Metropolitan Area Transit Authority (WMATA or Metro) has prepared this Annual Reconciliation Report for Fiscal Year (FY) 2020 to fulfill the requirements of the Capital Funding Agreement (CFA) and the Dedicated Funding Agreements (DFAs). In 2010, Metro entered into the CFA with the State of Maryland; District of Columbia; Arlington County, Virginia; Fairfax County, Virginia; the City of Alexandria, Virginia; the City of Fairfax, VA; and the City of Falls Church, Virginia to provide secure and reliable funding for the Capital Improvement Plan (CIP). The CFA has been amended annually and is currently extended through the end of FY 2021. Per Section 5(a) of the CFA, Metro is required to complete an annual budget reconciliation report, including the following:

1. The actual expenditures for projects and activities under the current CIP to date, and for that fiscal year, as compared to the planned expenditures for such projects and activities for the same fiscal year;
2. The actual Annual Allocated Contribution of each Contributing Jurisdiction for the current CIP;
3. The projected Allocated Contributions for each Contributing Jurisdiction for the current CIP;
4. The actual amount of Federal grant funds received for the CIP, as compared to the budgeted or projected amount of federal grant funds for the same fiscal year;
5. The current forecast of expenditures;
6. The estimated cost to complete the remaining projects and activities in the current CIP and expected sources of funds.

In 2018, the Commonwealth of Virginia, the State of Maryland, and the District of Columbia approved a combined \$500 million per year in new dedicated capital funding for Metro to restore its assets to a state of good repair and to improve the safety and reliability of the transit system. The District of Columbia Dedicated Funding Grant Agreement requires that Metro adhere to the annual budget reconciliation process required by the CFA. The State of Maryland DFA requires that Metro submit, annually by December 31, for the most recently audited fiscal year to the Maryland Department of Transportation (MDOT) a reconciliation report that addresses expenditure made in excess of the one-year capital budget as follows:

1. For Capital Projects exceeding the approved one-year budget: (a) The amount by which costs exceed projected costs during the completed fiscal year; and (b) the total amount that has been expended for the project to date.
2. For new Capital Projects added during the fiscal year: (a) A purpose and need summary statement that includes: (i) a general description and summary that describes why the project is necessary and satisfies WMATA's safety, state of good repair, and financial accountability goals; (ii) the location of the project, including a map of the project limits, project area, or transportation corridor; (a) a summary of how the project meets the selection criteria for inclusion in the CIP; and (b) any other information that WMATA believes would be useful to MDOT and the Washington Suburban Transit District (WSTD).

## Reconciliation Methods and Scope

This report presents the results of the reconciliation of planned and actual expenditure and funding sources for FY2020. The reconciliation process involved a review and comparison of expenditure transactions captured in Metro's PeopleSoft General Ledger, funding source data from the PeopleSoft Funds Management module, and other data sources (e.g., the Federal Transit Administration's (FTA) Transit Award Management System (TrAMS)).

**This report has been prepared on a cash expenditure basis** for consistency with the methodology used to prepare Metro's prior reconciliation reports. In this report, any accrued expenditures or open obligations related to active projects during the CFA period are provided for information purposes only. All use of the terms "expenditures" or "expended" in this report refers to cash expenditure, except where stated otherwise. Metro's financial statements, which provide the primary basis for measuring budget and expenditure, continue to be prepared on an accrual basis of accounting and in conformance with Generally Accepted Accounting Principles (GAAP).

To compute jurisdictional allocations, Federal grant funding needs were first determined by applying all available funding sources to the FY2020 estimated expenditures and forecasts, such that Federal grants were used first on eligible projects. The State and Local match that would be needed to use a Federal source was then determined based on FTA requirements for each type of grant. System Performance funds were used to fund projects that were not included (or planned to be included) in the Federal grant applications and those that required funding in addition to allocated Federal sources. For the jurisdictional Passenger Rail Investment and Improvement Act (PRIIA) of 2008 (P.L. 110-432) (PRIIA) match, contributions were divided equally between the District of Columbia, State of Maryland and the Commonwealth of Virginia, as per the CFA.

Federal formula funding is based on WMATA's determination of grant requirements at the time this report was developed and may be changed by the grantor during the grant review or close-out process.

# PLANNED AND ACTUAL EXPENDITURE

## Budget, Amendments, and Adjustments

The WMATA Board of Directors adopted a capital budget of \$1.57 billion for FY2020 on March 28, 2019. An amendment to increase the capital budget to \$1.76 billion was approved by the Board on June 27, 2019.

In March 2020, Metro and the region began experiencing the initial impacts of Covid-19. In response to the pandemic, Metro adjusted the capital program to leverage low-ridership and station closures to accelerate necessary safety and state of good repair work; ensure that capital program activity would be implemented in accordance with Centers for Disease Control (CDC) guidelines and state and local public health directives; and acknowledge delays resulting from Covid-19-related personnel and material shortages. Metro staff made adjustments across several CIP investment categories to effect these changes. These adjustments involved moving budget between projects and programs and were intended to result in a net zero impact to the overall capital budget. **Table 1** presents the original budget, amendments, and adjustments.

**Table 1. Original Budget, Amendments, and Adjustments (Dollars in Millions)**

| Investment Category                | Original Budget   | Amendments <sup>2</sup> | Adjustments <sup>3</sup> | Amended Budget    |
|------------------------------------|-------------------|-------------------------|--------------------------|-------------------|
| Railcar                            | \$ 272.3          | \$ 87.3                 | \$ (15.1)                | \$ 344.6          |
| Rail Systems                       | 200.2             | 29.6                    | 13.9                     | 243.8             |
| Track & Structures Rehabilitation  | 166.5             | 11.5                    | (43.7)                   | 134.2             |
| Stations & Passenger Facilities    | 490.7             | 28.5                    | 125.8                    | 645.0             |
| Bus & Paratransit                  | 194.8             | (7.5)                   | (39.6)                   | 147.7             |
| Business Support                   | 225.3             | 40.6                    | (41.4)                   | 224.5             |
| <b>Subtotal</b>                    | <b>\$ 1,549.8</b> | <b>\$ 190.0</b>         | <b>\$ 0.0</b>            | <b>\$ 1,739.8</b> |
| Revenue Loss from Capital Projects | 23.4              | 0                       | 0                        | 23.4              |
| <b>Total</b>                       | <b>\$ 1,573.2</b> | <b>\$ 190.0</b>         | <b>\$ 0.0</b>            | <b>\$ 1,763.2</b> |

## Sources of Funds

Metro's FY2020 capital budget was funded through a variety of sources, including:

- **Federal Funding** consists of FTA formula grants and appropriated funds authorized under PRIIA, as well as other competitive grants. The amended budget was supported by \$361.5 million (21 percent) in Federal formula and other Federal grants and \$148.5 million in Federal PRIIA funding (8 percent).

<sup>2</sup> Amendments are any action by the WMATA Board of Directors to modify (increase or decrease) the approved capital budget.

<sup>3</sup> Adjustments are movements of budget between projects and programs for cash management and program efficiency with overall net zero impact to the CIP.



- State and local funds required as a Federal **Formula Match** and other Federal grants, as well as **System Performance** funds. The amended budget included Formula Match and System Performance funds totaling \$261.7 million (15 percent).
- **Jurisdictional PRIIA** funds, which are required to match Federal PRIIA funds and totaled \$148.5 million (8 percent).
- **Dedicated Funding** supports the restoration of the Metro system's assets to a state of good repair to improve the safety and reliability of the system. The FY2020 budget was supported by \$500.0 million (28%) in Dedicated Funding.
- **Reimbursable Project Funding**, which is used for projects completed at the request of the Contributing Jurisdictions. Funding for these projects comes from the sponsoring jurisdictions. In FY2020, active jurisdictional projects included the Silver Line extension, the new Potomac Yard Station (Alexandria, VA), the King Street Bus Loop (Alexandria, VA), the Purple Line (Maryland), and the jurisdictional project development program. The amended budget included \$58 million (3 percent) in funding for Reimbursable Projects.
- **Dedicated Funding-backed Debt** of \$285.0 million was included in the amended budget.<sup>4</sup>

## Expenditure by Investment Category and Funding Source

On a cash basis, Metro expended \$1,780.6 million through the capital program in FY2020.<sup>5</sup> **Table 2** summarizes expenditures by investment category.

**Table 2. Budget and Expenditure (Dollars in Millions)**

| Investment Category                             | Amended Budget    | Expended Cash     | Percent Expended | Expended Accrual  | Percent Expended |
|---|-------------------|-------------------|------------------|-------------------|------------------|
| Railcar   | \$ 344.6          | \$ 368.2          | 107%             | \$ 336.4          | 98%              |
| Rail Systems                                    | 243.8             | 261.8             | 107%             | 249.8             | 102%             |
| Track & Structures Rehabilitation               | 134.2             | 136.1             | 101%             | 127.7             | 95%              |
| Stations & Passenger Facilities                 | 645.0             | 621.3             | 96%              | 624.8             | 97%              |
| Bus & Paratransit                               | 147.7             | 158.5             | 107%             | 130.5             | 88%              |
| Business Support                                | 224.5             | 234.6             | 105%             | 239.4             | 107%             |
| <b>Subtotal</b>                                 | <b>\$ 1,739.8</b> | <b>\$ 1,780.6</b> | <b>102%</b>      | <b>\$ 1,708.6</b> | <b>98%</b>       |
| Revenue Loss from Capital Projects <sup>6</sup> | 23.4              | 0                 | 0%               | 0                 | 0%               |
| <b>Total</b>                                    | <b>\$ 1,763.2</b> | <b>\$ 1,780.6</b> | <b>102%</b>      | <b>\$ 1,708.6</b> | <b>98%</b>       |

Budget and expenditure information for the projects and programs in each investment category is provided in **Appendix A**.

<sup>4</sup> In April 2020, the WMATA Board of Directors authorized the issuance of Series 2020 Dedicated Revenue Bonds in an amount not to exceed \$545 million to support the capital program. Subsequently, Series 2020A Dedicated Funding-backed bonds were issued and proceeds were applied to the FY2020 and FY2021 budget. No debt service was due in FY2020.

<sup>5</sup> On an accrual basis, Metro expended \$1,708.6 million or 98% of the capital budget.

<sup>6</sup> Due to the impacts of Covid-19, the \$23.4 million set aside to support operating revenue losses resulting from planned service shutdowns was not expended in FY2020. These funds will be carried forward and expended in FY2021.

In accordance with the DFA requirements, **Appendix B** contains a life-to-date budget and expenditure summary for those projects with expenditures exceeding the baseline, FY2020 one-year budget.

Expenditures by funding source are provided in **Table 3**.

**Table 3. Expenditure by Funding Source (Dollars in Millions)**

| Investment Category               | Federal         | Formula Match, System Performance, PRIIA, Dedicated Funding | Reimbursable and Other | Debt            | Total             |
|-----------------------------------|-----------------|---|------------------------|-----------------|-------------------|
| Railcar                           | \$ 120.2        | \$ 213.9  | \$ 11.8                | \$ 22.3         | \$ 368.2          |
| Rail Systems                      | 96.0            | 145.0   | 9.0                    | 11.8            | 261.8             |
| Track & Structures Rehabilitation | 58.2            | 71.2  | 0.4                    | 6.3             | 136.1             |
| Stations & Passenger Facilities   | 126.7           | 213.7   | 65.8                   | 215.1           | 621.3             |
| Bus & Paratransit                 | 79.7            | 68.4  | 1.0                    | 9.4             | 158.5             |
| Business Support                  | 8.8             | 172.9   | 1.4                    | 51.5            | 234.6             |
| <b>Total</b>                      | <b>\$ 489.6</b> | <b>\$ 885.1</b>   | <b>\$ 89.5</b>         | <b>\$ 316.4</b> | <b>\$ 1,780.6</b> |

**Table 4** provides further detail on expenditure by federal and state and local sources.

**Table 4. Expenditure by Federal and Jurisdictional Sources (Dollars in Millions)**

| Investment Category               | Formula Match & System Performance | PRIIA           | Dedicated Funding | Other          | Debt            | Total             |
|-----------------------------------|------------------------------------|-----------------|-------------------|----------------|-----------------|-------------------|
| <b>Federal</b>                    |                                    |                 |                   |                |                 |                   |
| Railcar                           | \$ 42.4                            | \$ 76.0         | \$ -              | \$ 1.8         | \$ -            | \$ 120.2          |
| Rail Systems                      | 78.4                               | 17.6            | -                 | -              | -               | 96.0              |
| Track & Structures Rehabilitation | 58.2                               | -               | -                 | -              | -               | 58.2              |
| Stations & Passenger Facilities   | 49.4                               | 77.4            | -                 | -              | -               | 126.7             |
| Bus & Paratransit                 | 76.0                               | -               | -                 | 3.7            | -               | 79.7              |
| Business Support                  | 8.8                                | -               | -                 | -              | -               | 8.8               |
| <b>Subtotal – Federal</b>         | <b>313.2</b>                       | <b>170.9</b>    | <b>-</b>          | <b>5.5</b>     | <b>-</b>        | <b>489.6</b>      |
| <b>Jurisdiction</b>               |                                    |                 |                   |                |                 |                   |
| Railcar                           | \$ 33.9                            | \$ 76.0         | \$ 104.0          | \$ 11.8        | \$ 22.3         | \$ 248.0          |
| Rail Systems                      | 34.6                               | 17.6            | 92.8              | 9.0            | 11.8            | 165.8             |
| Track & Structures Rehabilitation | 21.4                               | -               | 49.8              | 0.4            | 6.3             | 77.9              |
| Stations & Passenger Facilities   | 21.2                               | 77.4            | 115.1             | 65.8           | 215.1           | 494.6             |
| Bus & Paratransit                 | 37.4                               | -               | 31.0              | 1.0            | 9.4             | 78.9              |
| Business Support                  | 66.2                               | -               | 106.7             | 1.4            | 51.5            | 225.8             |
| <b>Subtotal – Jurisdiction</b>    | <b>214.9</b>                       | <b>170.9</b>    | <b>499.3</b>      | <b>89.5</b>    | <b>316.4</b>    | <b>1,291.0</b>    |
| <b>Total</b>                      | <b>\$ 528.0</b>                    | <b>\$ 341.9</b> | <b>\$ 499.3</b>   | <b>\$ 94.9</b> | <b>\$ 316.4</b> | <b>\$ 1,780.6</b> |

# STATE AND LOCAL FUNDING

## Planned Contributions

**Table 5** presents the planned funding from each jurisdictional partner for both the original and amended budget. In the amended budget, funding from state and local sources and debt totaled \$1,256 million. Planned Formula Match, System Performance, and PRIIA funds from the District of Columbia were \$320.7 million (26 percent). Contributions from the State of Maryland and its jurisdictions totaled \$307.7 million (24 percent), while contributions from the Commonwealth of Virginia and its jurisdictions were \$280.7 (22 percent) million from these same sources. The remaining \$346.9 million (28 percent) was planned to come from other state and local sources and Dedicated Funding supported debt.

**Table 5. Planned State and Local Funding (Dollars in Millions)**

| Jurisdiction  | Original Budget   | Amended Budget    |
|---|-------------------|-------------------|
| <b>Formula Match &amp; System Performance</b>           |                   |                   |
| District of Columbia                                    | \$ 92.7           | \$ 92.7           |
| Montgomery County                                       | 46.1              | 46.1              |
| Prince Georges County                                   | 45.1              | 45.1              |
| City of Alexandria                                      | 12.3              | 12.3              |
| Arlington County  | 23.2              | 23.2              |
| City of Fairfax   | 0.7               | 0.7               |
| Fairfax County  | 39.8              | 39.8              |
| City of Falls Church                                    | 0.7               | 0.7               |
| <b>Subtotal: Formula Match &amp; System Performance</b> | <b>260.6</b>      | <b>260.6</b>      |
| District of Columbia – PRIIA                            | \$ 49.5           | \$ 49.5           |
| Maryland – PRIIA  | 49.5              | 49.5              |
| Virginia – PRIIA  | 49.5              | 49.5              |
| <b>Subtotal: PRIIA</b>                                  | <b>148.5</b>      | <b>148.5</b>      |
| <b>Dedicated Funding</b>                                |                   |                   |
| District of Columbia – DF                               | \$ 178.5          | \$ 178.5          |
| Maryland – DF   | 167.0             | 167.0             |
| Virginia – DF   | 154.5             | 154.5             |
| <b>Subtotal - Dedicated Funding</b>                     | <b>\$ 500.0</b>   | <b>\$ 500.0</b>   |
| <b>Other State and Local:</b>                           |                   |                   |
| Project Planning  | \$ 3.0            | \$ 3.0            |
| Commonwealth of VA (DRPT) - CMAQ                        | 0.9               | 0.9               |
| Rail & Power Upgrades (DC & MD)                         | -                 | -                 |
| Rail & Power Upgrades (VA)                              | -                 | -                 |
| Metro 2025  | -                 | -                 |
| <b>Subtotal - Other and Local</b>                       | <b>3.9</b>        | <b>3.9</b>        |
| <b>Additional Contribution or Debt</b>                  |                   |                   |
| MWAA and Other CRB                                      | \$ 67.6           | \$ 58.0           |
| Debt & Other Sources                                    | 91.9              | 285.0             |
| <b>Subtotal – Additional Contribution or Debt</b>       | <b>159.5</b>      | <b>343.0</b>      |
| <b>Total State and Local Funding</b>                    | <b>\$ 1,072.5</b> | <b>\$ 1,256.0</b> |

## Planned Contributions and Allocated Expenditures

The CFA requires that Metro reconcile state and local funding. **Table 6** summarizes billings, receipts, and allocated expenditures by jurisdiction for FY2020. Note that the “Expended Cash” column is the jurisdictionally allocated share of capital expenditures.

**Table 6. FY2020 State and Local Funding and Expenditures (Dollars in Millions)**

| Jurisdiction Contributions                        | Amended Budget    | Billed to Jurisdiction | Received from Jurisdiction | Expended Cash <sup>7,8</sup> | Variance         |
|---|-------------------|------------------------|----------------------------|------------------------------|------------------|
| <b>Formula + System Performance:</b>              |                   |                        |                            |                              |                  |
| District of Columbia                              | \$ 92.7           | \$ 92.7                | \$ 92.7                    | \$ 76.5                      | \$ 16.3          |
| Montgomery County <sup>9</sup>                    | 46.1              | 46.1                   | 26.9                       | 38.0                         | (11.1)           |
| Prince Georges County <sup>9</sup>                | 45.1              | 45.1                   | 26.3                       | 37.2                         | (10.9)           |
| City of Alexandria                                | 12.3              | 12.3                   | 12.3                       | 10.1                         | 2.2              |
| Arlington County                                  | 23.2              | 23.2                   | 23.2                       | 19.1                         | 4.1              |
| City of Fairfax                                   | 0.7               | 0.7                    | 0.7                        | 0.6                          | 0.1              |
| Fairfax County                                    | 39.8              | 39.8                   | 39.8                       | 32.8                         | 7.0              |
| City of Falls Church                              | 0.7               | 0.7                    | 0.7                        | 0.6                          | 0.1              |
| <b>Subtotal – Formula + SP</b>                    | <b>\$ 260.6</b>   | <b>\$ 260.6</b>        | <b>\$ 222.6</b>            | <b>\$ 214.9</b>              | <b>\$ 7.7</b>    |
| <b>PRIIA:</b>                                     |                   |                        |                            |                              |                  |
| District of Columbia – PRIIA                      | \$ 49.5           | \$ 49.5                | \$ 49.5                    | \$ 57.0                      | \$ (7.5)         |
| Maryland – PRIIA                                  | 49.5              | 49.5                   | 49.5                       | 57.0                         | (7.5)            |
| Virginia – PRIIA                                  | 49.5              | 49.5                   | 49.5                       | 57.0                         | (7.5)            |
| <b>Subtotal – PRIIA</b>                           | <b>\$ 148.5</b>   | <b>\$ 148.5</b>        | <b>\$ 148.5</b>            | <b>\$ 170.9</b>              | <b>\$ (22.4)</b> |
| <b>Dedicated Funding:</b>                         |                   |                        |                            |                              |                  |
| District of Columbia – DF                         | \$ 178.5          | \$ 178.5               | \$ 178.5                   | \$ 178.2                     | \$ 0.3           |
| Maryland – DF                                     | 167.0             | 167.0                  | 167.0                      | 166.8                        | 0.2              |
| Virginia – DF                                     | 154.5             | 154.5                  | 154.5                      | 154.3                        | 0.2              |
| <b>Subtotal - Dedicated Funding</b>               | <b>\$ 500.0</b>   | <b>\$ 500.0</b>        | <b>\$ 500.0</b>            | <b>\$ 499.3</b>              | <b>\$ 0.7</b>    |
| <b>Other State and Local:</b>                     |                   |                        |                            |                              |                  |
| Project Planning                                  | \$ 3.0            | \$ 3.0                 | \$ 3.0                     | \$ 1.3                       | \$ 1.7           |
| Commonwealth of VA – CMAQ                         | 0.9               | -                      | -                          | 0.9                          | (0.9)            |
| Rail & Power Upgrades (DC & MD)                   | -                 | -                      | -                          | -                            | -                |
| Rail & Power Upgrades (VA)                        | -                 | -                      | -                          | 4.5                          | (4.5)            |
| Metro 2025  | -                 | -                      | -                          | -                            | -                |
| <b>Subtotal - Other and Local</b>                 | <b>\$ 3.9</b>     | <b>\$ 3.0</b>          | <b>\$ 3.0</b>              | <b>\$ 6.6</b>                | <b>\$ (3.6)</b>  |
| <b>Subtotal - CFA Source</b>                      | <b>\$ 913.0</b>   | <b>\$ 912.1</b>        | <b>\$ 874.1</b>            | <b>\$ 891.7</b>              | <b>\$ (17.6)</b> |
| <b>Additional Contribution or Debt</b>            |                   |                        |                            |                              |                  |
| MWAA and Other CRB                                | \$ 58.0           | \$ 82.9                | \$ 82.9                    | \$ 82.9                      | \$ -             |
| Debt & Other Sources                              | 285.0             | -                      | 316.4                      | 316.4                        | -                |
| <b>Subtotal - Additional Contribution or Debt</b> | <b>\$ 343.0</b>   | <b>\$ 82.9</b>         | <b>\$ 399.3</b>            | <b>\$ 399.3</b>              | <b>\$ -</b>      |
| <b>Total</b>                                      | <b>\$ 1,256.0</b> | <b>\$ 995.0</b>        | <b>\$ 1,273.4</b>          | <b>\$ 1,291.0</b>            | <b>\$ (17.6)</b> |

<sup>7</sup> These expenditures were not yet audited at the time of this analysis.

<sup>8</sup> These expenditures are presented on a cash basis and do not include the following items: (1) a deduction of \$72 million for accrued expenses, (2) \$23.4 million set aside for revenue loss resulting from shutdowns due to capital projects, or (3) \$28 million set aside for future year project costs associated with federal interest in Metro's railcars. Additional information regarding the Federal interest on railcars can be found in the Disclosures section of this report.

<sup>9</sup> The Maryland jurisdictions have an unpaid balance of \$36.8 million, which includes \$35.6M in payments withheld in FY2020 and \$1.2M in payments withheld against FY2018. Additional information regarding Maryland's withholdings can be found in the Disclosures section of this report.

Metro billed its jurisdictional partners \$995.0 million and received \$957.0 million from them. Metro also issued Series 2020A Dedicated Funding-backed bonds and \$316.4 million in proceeds was applied to FY2020. Carry-over funding of \$21 million FY2019 funded the \$17.6 million of costs above current year funding. The year-end results a surplus of \$3.5 million across the two-year period. A detailed reconciliation of FY2019 and FY2020 billings, receipts, and cash expenditure by funding source is provided in **Appendix C**.

## FEDERAL GRANTS

The CFA requires that Metro reconcile the actual amount of Federal grant funds received as compared to projected amounts. Federal grants are presented by category in **Table 7**. Total Federal grant funds available include Federal awards carried forward from prior years and newly awarded or amended Federal grant funds. In total, \$661.6 million in Federal funds were available for CIP projects. During the year, \$509.9 million was drawn down, resulting in a balance of \$151.7 million. Note that the FY2020 ending balance does not include amounts required for incurred, accrued, or obligated expenditures that have not yet been drawn.

**Table 7. Federal Grant Funds (Dollars in Millions)**

| Grant Source of Funds               | Prior-Year's Carryover Balance | Awarded/ Amended | Total Available | Receipts          | Balance (Drawdown-Receipts) |
|-------------------------------------|--------------------------------|------------------|-----------------|-------------------|-----------------------------|
| Federal Formula Grants              | \$ 38.6                        | \$ 212.6         | \$ 251.2        | \$ (157)          | \$ 94.3                     |
| Fixed Guideway/State of Good Repair | 18.9                           | 156.6            | 175.5           | 149.3             | 26.2                        |
| Federal PRIIA                       | 195.3                          | (8.2)            | 187.1           | (171.3)           | 15.8                        |
| Other Federal Grants <sup>10</sup>  | 16.6                           | 31.3             | 47.9            | (32.4)            | 15.5                        |
| <b>Total</b>                        | <b>\$ 269.4</b>                | <b>\$ 392.3</b>  | <b>\$ 661.6</b> | <b>\$ (509.9)</b> | <b>\$ 151.7</b>             |

<sup>10</sup> "Other Federal Grants" include the FY18 Build Grant, Federal FY2019 Metro Access Fleet Replacement Vehicles Grant, and the Section 5307 CARES Act Grant, among others. This table only includes the capital portion of the CARES Act Grant.



# FORECASTED EXPENDITURE AND COST TO COMPLETE

The CFA requires a current forecast of expenditures and estimated cost to complete the remaining projects and activities in the CIP, as well as the expected sources of funds. The adopted FY2021 Capital Budget and Six-Year Capital Improvement Program (collectively the “CIP”) allows Metro to continue to rehabilitate and replace aging assets, address deferred capital needs, and improve safety. The FY2021-2026 CIP is provided by investment category in **Table 8**.

**Table 8. FY2021 Budget and Financial Plan by Investment Category (Dollars in Millions)**

|                                    | FY2021<br>Budget | FY2022<br>Plan   | FY2023<br>Plan   | FY2024<br>Plan   | FY2025<br>Plan   | FY2026<br>Plan   | Total             |
|------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|-------------------|
| Railcar                            | \$279.8          | \$257.3          | \$332.8          | \$346.6          | \$454.1          | \$565.2          | \$2,235.7         |
| Rail Systems                       | \$164.7          | \$131.2          | \$162.8          | \$153.3          | \$146.5          | \$132.4          | \$890.8           |
| Track and Structure Rehabilitation | \$148.1          | \$175.7          | \$166.4          | \$192.9          | \$160.9          | \$170.1          | \$1,014.0         |
| Stations and Passenger Facilities  | \$545.5          | \$550.6          | \$416.2          | \$252.0          | \$191.9          | \$179.2          | \$2,135.3         |
| Bus and Paratransit                | \$207.8          | \$225.4          | \$292.5          | \$313.2          | \$284.3          | \$215.7          | \$1,538.9         |
| Business Support                   | \$475.4          | \$550.2          | \$217.5          | \$235.5          | \$242.9          | \$227.3          | \$1,948.8         |
| <b>Subtotal</b>                    | <b>\$1,821.2</b> | <b>\$1,890.3</b> | <b>\$1,588.2</b> | <b>\$1,493.4</b> | <b>\$1,480.6</b> | <b>\$1,489.8</b> | <b>\$9,763.5</b>  |
| Revenue Loss from Capital Projects | \$17.0           | \$23.8           | \$24.5           | \$25.2           | \$26.0           | \$26.7           | \$143.2           |
| Debt Service - Dedicated Funding   | \$0.0            | \$11.8           | \$42.6           | \$87.7           | \$117.9          | \$138.1          | \$398.1           |
| <b>Total Capital Program Cost</b>  | <b>\$1,838.2</b> | <b>\$1,925.8</b> | <b>\$1,655.3</b> | <b>\$1,606.3</b> | <b>\$1,624.5</b> | <b>\$1,654.6</b> | <b>\$10,304.8</b> |

The FY2021-2026 CIP funding plan totals \$10.3 billion from the federal government, state and local government partners, and other sources for \$9.8 billion of capital investments, \$143.2 million for estimated revenue losses from service shutdowns for capital projects and approximately \$400 million for debt service.

Within the \$10.3 billion CIP, Metro is projecting:

- \$2.1 billion from federal grant funding, with the assumption that federal PRIIA funding will not be extended past FY2021;
- State and local contributions for matching of federal grants and system performance funds of \$2.6 billion, of which \$143.2 million is expected to fund revenue losses from long-term service shutdowns due to major capital projects;
- State dedicated funding of \$3.0 billion, of which \$261.3 million is projected to be used for debt service;
- Dedicated Funding-backed Debt of \$2.2 billion; and
- Other local sources, primarily Metropolitan Washington Airports Authority (MWAA) funding for the Silver Line extension and new rail cars, and the City of Alexandria for the new Potomac Yards station, totaling \$333 million.

**Table 9** presents the FY2021 CIP by funding source.

Table 9. FY2021 Budget and Financial Forecast (Dollars in Millions)

|  | FY2021<br>Budget | FY2022<br>Plan   | FY2023<br>Plan   | FY2024<br>Plan   | FY2025<br>Plan   | FY2026<br>Plan   | Total             |
|--|------------------|------------------|------------------|------------------|------------------|------------------|-------------------|
| <b>Federal Funding</b>   |                  |                  |                  |                  |                  |                  |                   |
| Federal Formula Programs   | \$ 321.1         | \$ 321.1         | \$ 321.1         | \$ 321.1         | \$ 321.1         | \$ 321.1         | \$1,926.6         |
| Federal PRIIA  | 148.5            | 0.0              | 0.0              | \$0.0            | 0.0              | 0.0              | \$148.5           |
| Other Federal Grants   | 20.0             | 4.4              | 2.8              | \$3.0            | 2.8              | 2.8              | \$35.8            |
| <b>Total – Federal Grants</b>  | <b>\$ 489.6</b>  | <b>\$ 325.5</b>  | <b>\$ 323.9</b>  | <b>\$324.1</b>   | <b>\$ 323.9</b>  | <b>\$ 323.9</b>  | <b>\$2,111.0</b>  |
| <b>State &amp; Local Funding Contributions</b>                       |                  |                  |                  |                  |                  |                  |                   |
| <b>District of Columbia (DC)</b>                                     |                  |                  |                  |                  |                  |                  |                   |
| Formula Match and SP   | \$ 95.1          | \$ 99.2          | \$ 101.4         | \$ 105.2         | \$ 107.4         | \$ 108.8         | \$617.1           |
| PRIIA  | 49.5             | 49.5             | 49.5             | 49.5             | 49.5             | 49.5             | \$297.0           |
| Dedicated Funding Pay-Go   | 178.5            | 178.5            | 178.5            | 178.5            | 178.5            | 178.5            | \$1,071.0         |
| <b>Subtotal – DC</b>   | <b>\$ 323.1</b>  | <b>\$ 327.2</b>  | <b>\$ 329.4</b>  | <b>\$ 333.2</b>  | <b>\$ 335.4</b>  | <b>\$ 336.8</b>  | <b>\$1,985.1</b>  |
| <b>State of Maryland</b>   |                  |                  |                  |                  |                  |                  |                   |
| Montgomery County  | \$ 45.0          | \$ 45.9          | \$ 47.6          | \$ 48.7          | \$ 50.5          | \$ 52.7          | \$290.4           |
| Prince George's County   | 45.2             | 46.9             | 48.2             | 49.9             | 51.1             | 52.0             | \$293.2           |
| PRIIA  | 49.5             | 49.5             | 49.5             | 49.5             | 49.5             | 49.5             | \$297.0           |
| Dedicated Funding Pay-Go   | 167.0            | 167.0            | 167.0            | 167.0            | 167.0            | 167.0            | \$1,002.0         |
| <b>Subtotal – Maryland</b>   | <b>\$ 306.7</b>  | <b>\$ 309.3</b>  | <b>\$ 312.2</b>  | <b>\$ 315.1</b>  | <b>\$ 318.1</b>  | <b>\$ 321.3</b>  | <b>\$1,882.6</b>  |
| <b>Commonwealth of Virginia</b>                                      |                  |                  |                  |                  |                  |                  |                   |
| City of Alexandria   | \$ 12.4          | \$ 12.8          | \$ 13.1          | \$ 13.5          | \$ 13.9          | \$ 14.4          | \$80.2            |
| Arlington County   | 22.6             | 23.0             | 23.9             | 24.4             | 25.4             | 26.6             | \$145.8           |
| City of Fairfax  | 0.7              | 0.7              | 0.8              | 0.8              | 0.8              | 0.9              | \$4.6             |
| Fairfax County   | 40.8             | 41.5             | 43.0             | 44.0             | 45.7             | 47.8             | \$262.8           |
| City of Falls Church   | 0.8              | 0.8              | 0.8              | 0.8              | 0.9              | 0.9              | \$4.9             |
| Loudoun County   | 5.8              | 5.6              | 6.0              | 6.0              | 6.4              | 7.1              | \$36.9            |
| PRIIA  | 49.5             | 49.5             | 49.5             | 49.5             | 49.5             | 49.5             | \$297.0           |
| Dedicated Funding Pay-Go   | 154.5            | 154.5            | 154.5            | 154.5            | 154.5            | 154.5            | \$927.0           |
| Congestion Mitigation and Air Quality (CMAQ)                         | 0.9              | 0.9              | 0.9              | 1.0              | 1.0              | 1.0              | \$5.7             |
| <b>Subtotal - Virginia</b>   | <b>\$ 288.0</b>  | <b>\$ 289.3</b>  | <b>\$ 292.6</b>  | <b>\$ 294.5</b>  | <b>\$ 298.0</b>  | <b>\$ 302.6</b>  | <b>\$1,764.9</b>  |
| <b>Jurisdictional Reimbursable</b>                                   |                  |                  |                  |                  |                  |                  |                   |
| Jurisdiction Planning Projects                                       | \$ 3.0           | \$ 3.0           | \$ 3.0           | \$ 3.0           | \$ 3.0           | \$ 3.0           | \$18.0            |
| Silver Line - Washington Metropolitan Area Airports Authority (MWAA) | 26.6             | 17.7             | 0.0              | 0.0              | 0.0              | 0.0              | \$44.3            |
| Potomac Yard (Alexandria)  | 59.1             | 113.9            | 58.9             | 38.6             | 0.0              | 0.0              | \$270.4           |
| Purple Line - Maryland Department of Transportation (MDOT)           | 0.1              | 0.2              | 0.0              | 0.0              | 0.0              | 0.0              | \$0.3             |
| <b>Subtotal - Jurisdictional Reimbursable</b>                        | <b>\$ 88.7</b>   | <b>\$ 134.8</b>  | <b>\$ 61.9</b>   | <b>\$ 41.6</b>   | <b>\$ 3.0</b>    | <b>\$ 3.0</b>    | <b>\$333.0</b>    |
| <b>Subtotal - State and Local</b>                                    | <b>\$1,006.4</b> | <b>\$1,060.7</b> | <b>\$ 996.0</b>  | <b>\$ 984.3</b>  | <b>\$ 954.5</b>  | <b>\$ 963.6</b>  | <b>\$5,965.6</b>  |
| <b>Debt</b>  | <b>\$ 342.2</b>  | <b>\$ 539.6</b>  | <b>\$ 335.3</b>  | <b>\$ 298.0</b>  | <b>\$ 346.0</b>  | <b>\$ 367.0</b>  | <b>\$2,228.1</b>  |
| <b>Grand Total Funding</b>   | <b>\$1,838.2</b> | <b>\$1,925.8</b> | <b>\$1,655.3</b> | <b>\$1,606.3</b> | <b>\$1,624.5</b> | <b>\$1,654.6</b> | <b>\$10,304.8</b> |

## ADDITIONAL DISCLOSURES

1. Metro notified the FTA of the disposition of 190 5000-Series railcars due to poor performance and reliability issues and determined that the portion of the remaining undepreciated book value that was paid for with Federal funds was \$88.8M. As such, Metro must show this \$88.8 million of value as FTA interest in new railcars when they are purchased. In accordance with an agreement with FTA, Metro set aside \$28 million in FY2020 System Performance funds to be applied toward future fiscal year 7000-Series railcar costs to address the remaining federal interest. Metro's records will be updated to reflect FTA's interest in these assets.
2. In FY2020, the State of Maryland withheld \$35.6 million in Formula Match and System Performance Funds. In FY2018, the State of Maryland withheld \$2.4 million in Formula Match and System Performance Funds due to audit issues that remain unresolved as of the date of this report.

# APPENDICES

## Appendix A : Budget and Expenditure by Project/Program

Metro's Fiscal Year 2020 CIP focus on system preservation and the attainment of the state of good repair goals outlined in Metro's 10-Year Capital Needs Forecast (CNF) for FY2019 - FY2028. The CIP also includes targeted investments to achieve safety objectives, enhance reliability, and improve the customer experience. The CIP is an expenditure-based plan organized according to six major investment categories and further subdivided into the 17 areas listed in **Table 10**.

**Table 10. Investment Categories**

| Railcar Investments  | Rail System Investments  | Track & Structures Rehabilitation Investments   |
|--|--|---|
| <ul style="list-style-type: none"> <li>Acquisition</li> <li>Maintenance/Overhaul</li> <li>Maintenance Facilities</li> </ul>            | <ul style="list-style-type: none"> <li>Signals &amp; Communications</li> <li>Propulsion</li> </ul>   | <ul style="list-style-type: none"> <li>Fixed Rail</li> <li>Structures</li> </ul>  |
| Stations & Passenger Facilities Investments  | Bus & Paratransit  | Business Support  |
| <ul style="list-style-type: none"> <li>Platforms &amp; Structures</li> <li>Vertical Transportation</li> <li>Station Systems</li> </ul> | <ul style="list-style-type: none"> <li>Acquisition</li> <li>Maintenance/Overhaul</li> <li>Maintenance Facilities</li> <li>Passenger Facilities/ Systems</li> </ul> | <ul style="list-style-type: none"> <li>Metro Transit Police Department</li> <li>Information Technology</li> <li>Support Equipment and Services</li> </ul> |

The Maryland DFA requires that Metro provide information on CIP expenditures at the project and program-level. Metro has compiled information on the one-year budget and expenditure (on both a cash and accrual basis) for every project and program in the FY2020 CIP. **Table 11** provides this information and shows the amount by which certain projects have exceeded the baseline FY2020 one-year expenditure budget.

**Table 11. Capital Project and Program Financials (Dollars in Thousands)**

| ID                                    | Description                                  | Amended Budget   | Expended (Cash)  | Variance          | Expended (Accrual) | Variance         |
|---------------------------------------|--|------------------|------------------|-------------------|--------------------|------------------|
| <b>Railcar Acquisition</b>            |  |                  |                  |                   |                    |                  |
| CIP0057                               | 1000 Series Rail Car Replacement             | (\$1)            | (\$1)            | (\$0)             | (\$1)              | (\$0)            |
| CIP0059                               | 8000 Series Railcars Procurement             | \$5,192          | \$5,344          | (\$152)           | \$5,152            | \$40             |
| CIP0071                               | Test Track & Communication Facility          | (\$32)           | \$4,167          | (\$4,199)         | (\$33)             | \$1              |
| CIP0256                               | 7000 Series Railcars Procurement             | \$126,855        | \$145,612        | (\$18,757)        | \$121,481          | \$5,374          |
| CRB0019_19                            | Silver Line Phase 1 Railcars                 | \$10,499         | \$10,501         | (\$2)             | \$10,499           | \$0              |
| CRB0020_01                            | Silver Line Phase 2 Railcars                 | \$2,389          | \$2,389          | \$0               | \$2,389            | \$0              |
|                                       | <b>Subtotal Railcar Acquisition</b>          | <b>\$144,901</b> | <b>\$168,011</b> | <b>(\$23,110)</b> | <b>\$139,486</b>   | <b>\$5,415</b>   |
| <b>Railcar Maintenance/Overhaul</b>   |  |                  |                  |                   |                    |                  |
| CIP0063                               | Railcar Rehabilitation Program               | \$54,384         | \$56,329         | (\$1,946)         | \$56,165           | (\$1,782)        |
| CIP0067                               | Rail Car Safety & Reliability Improvements   | \$1,912          | \$1,810          | \$102             | \$1,782            | \$130            |
| CIP0142                               | Railcar Preventive Maintenance               | \$59,000         | \$58,867         | \$133             | \$58,867           | \$133            |
|                                       | <b>Subtotal Railcar Maintenance/Overhaul</b> | <b>\$115,296</b> | <b>\$117,007</b> | <b>(\$1,711)</b>  | <b>\$116,815</b>   | <b>(\$1,519)</b> |
| <b>Railcar Maintenance Facilities</b> |  |                  |                  |                   |                    |                  |
| CIP0116                               | Rail Yard Facility Repairs                   | \$198            | \$209            | (\$11)            | \$80               | \$118            |
| CIP0145                               | Station and Yard Security Upgrades           | \$12,617         | \$12,227         | \$390             | \$12,246           | \$371            |
| CIP0204                               | Railcar Rooftop Access Platforms             | \$5,498          | \$5,140          | \$358             | \$4,895            | \$603            |

| ID                                  | Description   | Amended Budget   | Expended (Cash)  | Variance          | Expended (Accrual) | Variance         |
|-------------------------------------|---|------------------|------------------|-------------------|--------------------|------------------|
| CIP0225                             | Railcar Heavy Repair and Overhaul Facility                        | \$50,336         | \$50,718         | (\$382)           | \$50,836           | (\$500)          |
| CIP0231                             | Good Luck Road Facility Construction                              | \$2,935          | \$5,047          | (\$2,112)         | \$2,606            | \$329            |
| CIP0279                             | Huntington Station Joint Development                              | \$258            | \$200            | \$59              | \$200              | \$59             |
| CIP0283                             | Railcar Maintenance Facility SGR Program                          | \$1,541          | \$854            | \$686             | \$1,477            | \$63             |
| CIP0284                             | Yard Facility Rehabilitation                                      | \$9,530          | \$7,979          | \$1,551           | \$7,207            | \$2,323          |
| CIP8005                             | Development & Evaluation (D&E) Rail Yard Improvements             | \$1,459          | \$776            | \$683             | \$524              | \$936            |
| CIP8006                             | Future Rail Yard Major Projects                                   | \$0              | \$0              | \$0               | \$0                | \$0              |
|                                     | <b>Subtotal Railcar Maintenance Facilities</b>                    | <b>\$84,373</b>  | <b>\$83,152</b>  | <b>\$1,221</b>    | <b>\$80,072</b>    | <b>\$4,301</b>   |
|                                     | <b>Subtotal - Railcar Investments</b>                             | <b>\$344,570</b> | <b>\$368,170</b> | <b>(\$23,600)</b> | <b>\$336,373</b>   | <b>\$8,197</b>   |
| <b>Propulsion</b>                   |   |                  |                  |                   |                    |                  |
| CIP0076                             | Rail Power Infrastructure Upgrades                                | \$41,454         | \$45,066         | (\$3,611)         | \$40,125           | \$1,329          |
| CIP0252                             | Alternating Current (AC) Power Systems State of Good Repair       | \$24,711         | \$24,883         | (\$172)           | \$25,148           | (\$437)          |
| CIP0253                             | Traction Power State of Good Repair                               | \$46,838         | \$55,926         | (\$9,088)         | \$47,689           | (\$851)          |
| CIP8007                             | D&E Power Improvements  | \$1,499          | \$1,539          | (\$39)            | \$1,457            | \$42             |
|                                     | <b>Subtotal Propulsion</b>  | <b>\$114,502</b> | <b>\$127,413</b> | <b>(\$12,911)</b> | <b>\$114,418</b>   | <b>\$84</b>      |
| <b>Signals &amp; Communications</b> |   |                  |                  |                   |                    |                  |
| CIP0133                             | Wayside Warning Train Wash  | \$1,796          | \$1,286          | \$510             | \$1,333            | \$463            |
| CIP0136                             | Radio Infrastructure Replacement                                  | \$72,706         | \$76,899         | (\$4,193)         | \$77,326           | (\$4,619)        |
| CIP0139                             | National Transportation Safety Board Recommendations              | \$3,755          | \$3,914          | (\$160)           | \$3,632            | \$123            |
| CIP0251                             | Automatic Train Control State of Good Repair                      | \$47,593         | \$48,450         | (\$857)           | \$49,648           | (\$2,055)        |
| CIP0257                             | Emergency Trip Station Infrastructure                             | \$1,788          | \$1,831          | (\$42)            | \$1,798            | (\$10)           |
| CIP0260                             | Track Inspector Location Pilot                                    | \$1,411          | \$1,695          | (\$284)           | \$1,402            | \$9              |
| CIP0350                             | Remote Terminal Unit (RTU) Reliability Project                    | \$100            | \$0              | \$100             | \$0                | \$100            |
| CIP8009                             | D&E Automatic Train Control & Communications Improvements         | \$128            | \$324            | (\$196)           | \$279              | (\$150)          |
|                                     | <b>Subtotal Signals &amp; Communications</b>                      | <b>\$129,277</b> | <b>\$134,399</b> | <b>(\$5,121)</b>  | <b>\$135,418</b>   | <b>(\$6,141)</b> |
|                                     | <b>Subtotal - Rail Systems Investments</b>                        | <b>\$243,779</b> | <b>\$261,812</b> | <b>(\$18,032)</b> | <b>\$249,836</b>   | <b>(\$6,057)</b> |
| <b>Fixed Rail</b>                   |   |                  |                  |                   |                    |                  |
| CIP0024                             | Track and Structures Rehabilitation                               | \$97,880         | \$97,768         | \$112             | \$90,267           | \$7,612          |
| CIP0025                             | Track Maintenance Equipment                                       | \$3,883          | \$3,507          | \$376             | \$3,442            | \$441            |
| CIP0065                             | Track Geometry Vehicle  | \$400            | \$0              | \$400             | \$0                | \$400            |
| CIP0246                             | General Engineering Support                                       | \$5,707          | \$6,215          | (\$508)           | \$5,958            | (\$251)          |
| CIP0247                             | Emergency Construction Support                                    | \$3,253          | \$2,899          | \$354             | \$3,496            | (\$243)          |
| CIP0261                             | Tunnel Light Improvements   | \$2,650          | \$3,282          | (\$633)           | \$2,618            | \$32             |
| CIP0288                             | D&G Turnback  | \$0              | \$0              | \$0               | \$0                | \$0              |
| CIP0289                             | Third Rail Reconfiguration  | \$884            | \$782            | \$102             | \$742              | \$142            |
| CIP0290                             | Trash & Dust Vacuum Train   | \$0              | \$0              | \$0               | \$0                | \$0              |
| CIP8011                             | D&E Fixed Rail Improvements                                       | \$1,806          | \$1,682          | \$125             | \$1,546            | \$260            |
|                                     | <b>Subtotal Fixed Rail</b>  | <b>\$116,463</b> | <b>\$116,135</b> | <b>\$328</b>      | <b>\$108,069</b>   | <b>\$8,394</b>   |
| <b>Structures</b>                   |   |                  |                  |                   |                    |                  |
| CIP0022                             | Track Structural Rehabilitation                                   | \$1,711          | \$2,806          | (\$1,095)         | \$1,844            | (\$133)          |
| CIP0026                             | Station/Tunnel Leak Mitigation                                    | (\$2)            | (\$2)            | \$0               | (\$1)              | (\$0)            |
| CIP0205                             | Bush Hill Aerial Structure  | \$1,641          | \$2,524          | (\$883)           | \$1,554            | \$88             |
| CIP0262                             | Tunnel Water Leak Mitigation                                      | \$3,205          | \$3,250          | (\$44)            | \$3,092            | \$113            |
| CIP0267                             | Edmonston Bridge Project  | \$695            | \$1,005          | (\$311)           | \$695              | \$0              |
| CIP0291                             | Tunnel Ventilation  | \$4,221          | \$3,681          | \$540             | \$5,240            | (\$1,019)        |
| CIP0294                             | Bridge Rehabilitation   | \$491            | \$150            | \$341             | \$337              | \$154            |
| CIP8013                             | D&E Track Structures Improvements                                 | \$5,174          | \$6,138          | (\$964)           | \$6,331            | (\$1,157)        |
| CRB0134                             | Wheaton Parking Improvements                                      | \$625            | \$449            | \$175             | \$569              | \$56             |
|                                     | <b>Subtotal Structures</b>  | <b>\$17,762</b>  | <b>\$20,002</b>  | <b>(\$2,240)</b>  | <b>\$19,661</b>    | <b>(\$1,899)</b> |
|                                     | <b>Subtotal - Track and Structures Rehabilitation Investments</b> | <b>\$134,225</b> | <b>\$136,137</b> | <b>(\$1,912)</b>  | <b>\$127,730</b>   | <b>\$6,495</b>   |
| <b>Platforms &amp; Structures</b>   |   |                  |                  |                   |                    |                  |
| CIP0035                             | Bicycle & Pedestrian Facilities Improvements                      | \$1,871          | \$2,229          | (\$358)           | \$1,988            | (\$117)          |
| CIP0087                             | Station Rehabilitation Program                                    | \$10,106         | \$8,923          | \$1,182           | \$8,747            | \$1,359          |
| CIP0088                             | Station Entrance Canopies   | \$6,788          | \$5,741          | \$1,047           | \$5,352            | \$1,435          |
| CIP0108                             | Rhode Island Avenue Metrorail Station Platform Rehabilitation     | (\$2)            | (\$2)            | \$0               | (\$2)              | \$0              |
| CIP0110                             | Orange/Blue Line Rehabilitation- Phase 1                          | \$7              | \$64             | (\$57)            | (\$19)             | \$26             |
| CIP0152                             | Parking Garage and Lot Rehabilitation                             | \$15,148         | \$13,313         | \$1,836           | \$13,769           | \$1,379          |
| CIP0218                             | Station Upgrades  | \$3,944          | \$3,651          | \$294             | \$3,233            | \$711            |
| CIP0271                             | Metrorail Station Emergency Gates Replacement                     | \$2,168          | \$2,623          | (\$455)           | \$2,322            | (\$154)          |
| CIP0274                             | Grosvenor Parking Garage Joint Development                        | \$11,036         | \$9,379          | \$1,658           | \$9,151            | \$1,885          |

| ID                                      | Description   | Amended Budget   | Expended (Cash)  | Variance        | Expended (Accrual) | Variance        |
|---|---|------------------|------------------|-----------------|--------------------|-----------------|
| CIP0298                                 | Farragut North/West Passenger Circulation Improvement Study     | \$0              | \$0              | \$0             | \$0                | \$0             |
| CIP0300                                 | Gallery Place/Chinatown Passenger Circulation Improvement Study | \$450            | \$718            | (\$268)         | \$450              | (\$0)           |
| CIP0302                                 | Huntington Parking Garage                                       | \$208            | \$297            | (\$89)          | \$299              | (\$91)          |
| CIP0305                                 | Passenger Facility SOGR Program                                 | \$395            | \$447            | (\$53)          | \$390              | \$5             |
| CIP0306                                 | Stations Platform Rehabilitation - Phase 1                      | \$200,050        | \$240,121        | (\$40,071)      | \$200,382          | (\$332)         |
| CIP0307                                 | Stations Platform Rehabilitation - Phase 2                      | \$156,642        | \$102,475        | \$54,167        | \$149,835          | \$6,807         |
| CIP0308                                 | Stations Platform Rehabilitation - Phase 3                      | \$252            | \$251            | \$1             | \$262              | (\$10)          |
| CIP0309                                 | Huntington Metrorail Station Additional Entrance                | \$11,400         | \$11,400         | \$0             | \$13,305           | (\$1,905)       |
| CIP0345                                 | Shady Grove Stairway  | \$488            | \$325            | \$164           | \$349              | \$139           |
| CIP8015                                 | D&E Platform & Structures                                       | \$4,916          | \$5,570          | (\$654)         | \$4,477            | \$440           |
| CRB0013                                 | New Potomac Yard Metrorail Station                              | \$31,664         | \$33,091         | (\$1,427)       | \$31,505           | \$159           |
| CRB0019                                 | Silver Line Phase 1   | \$446            | \$107            | \$339           | \$133              | \$313           |
| CRB0020                                 | Silver Line Phase 2   | \$27,000         | \$27,625         | (\$625)         | \$27,259           | (\$259)         |
| CRB0127                                 | Purple Line   | \$6,663          | \$6,526          | \$136           | \$7,136            | (\$474)         |
| CRB0133                                 | Union Station Entrance Improvements                             | \$1              | \$1              | (\$0)           | \$1                | (\$0)           |
|   | <b>Subtotal Platforms &amp; Structures</b>                      | <b>\$491,642</b> | <b>\$474,876</b> | <b>\$16,765</b> | <b>\$480,325</b>   | <b>\$11,316</b> |
| <b>Vertical Transportation</b>          |   |                  |                  |                 |                    |                 |
| CIP0072                                 | Elevator Rehabilitation   | \$6,782          | \$6,355          | \$427           | \$5,401            | \$1,381         |
| CIP0073                                 | Escalator Rehabilitation  | \$3,035          | \$2,177          | \$858           | \$2,183            | \$853           |
| CIP0132                                 | Escalator and Elevator Overhaul                                 | \$11,219         | \$11,126         | \$93            | \$11,094           | \$125           |
| CIP0185                                 | Escalator Replacement   | \$10,000         | \$11,322         | (\$1,322)       | \$9,330            | \$670           |
|   | <b>Subtotal Vertical Transportation</b>                         | <b>\$31,036</b>  | <b>\$30,980</b>  | <b>\$56</b>     | <b>\$28,007</b>    | <b>\$3,029</b>  |
| <b>Station Systems</b>                  |   |                  |                  |                 |                    |                 |
| CIP0074                                 | Parking Access and Collection Equipment Maintenance             | \$711            | \$31             | \$679           | \$34               | \$677           |
| CIP0093                                 | Regional NextFare System  | \$52             | \$52             | (\$0)           | \$52               | \$0             |
| CIP0097                                 | NEPP Open Bankcard & AFC  | \$2              | \$106            | (\$105)         | \$2                | (\$0)           |
| CIP0150                                 | Non-Revenue Facility Fire Systems                               | \$5,373          | \$5,356          | \$17            | \$5,582            | (\$210)         |
| CIP0151                                 | Station Cooling Systems Upgrade                                 | \$21,868         | \$22,926         | (\$1,058)       | \$22,648           | (\$780)         |
| CIP0219                                 | Station Lighting Improvements                                   | \$33,976         | \$30,937         | \$3,039         | \$29,021           | \$4,955         |
| CIP0241                                 | Raising Vent Shafts   | \$599            | \$99             | \$500           | \$171              | \$428           |
| CIP0242                                 | Improving Drainage  | \$9,347          | \$8,405          | \$942           | \$9,904            | (\$557)         |
| CIP0255                                 | Fare Collection Modernization Program                           | \$37,289         | \$34,620         | \$2,669         | \$35,107           | \$2,182         |
| CIP0258                                 | Fire Alarm System Upgrade                                       | \$4,445          | \$4,388          | \$56            | \$3,808            | \$637           |
| CIP0341                                 | Standpipe Replacement Program                                   | \$8,504          | \$8,538          | (\$34)          | \$10,136           | (\$1,632)       |
| CIP8019                                 | D&E Station Systems   | \$200            | \$0              | \$200           | \$0                | \$200           |
|   | <b>Subtotal Station Systems</b>                                 | <b>\$122,364</b> | <b>\$115,458</b> | <b>\$6,906</b>  | <b>\$116,465</b>   | <b>\$5,899</b>  |
|   | <b>Subtotal - Stations and Passenger Facilities Investments</b> | <b>\$645,042</b> | <b>\$621,314</b> | <b>\$23,728</b> | <b>\$624,797</b>   | <b>\$20,245</b> |
| <b>Bus and Paratransit Acquisition</b>  |   |                  |                  |                 |                    |                 |
| CIP0006                                 | Bus Acquisition Program   | \$54,597         | \$54,480         | \$117           | \$53,767           | \$830           |
| CIP0015                                 | MetroAccess Fleet Acquisition                                   | \$8,000          | \$8,517          | (\$517)         | \$1,137            | \$6,862         |
| CIP8021                                 | D&E Bus and Paratransit   | \$0              | \$25             | (\$25)          | \$25               | (\$25)          |
|   | <b>Subtotal Bus and Paratransit Acquisition</b>                 | <b>\$62,597</b>  | <b>\$63,022</b>  | <b>(\$425)</b>  | <b>\$54,929</b>    | <b>\$7,667</b>  |
| <b>Bus Maintenance/Overhaul</b>         |   |                  |                  |                 |                    |                 |
| CIP0002                                 | Metrobus Onboard Equipment and Software Replacement             | \$338            | \$338            | \$0             | \$698              | (\$360)         |
| CIP0004                                 | Bus Repair Equipment  | \$1,405          | \$917            | \$487           | \$883              | \$522           |
| CIP0005                                 | Bus Rehabilitation Program                                      | \$47,367         | \$43,622         | \$3,744         | \$42,335           | \$5,032         |
| CIP0007                                 | Metrobus Closed-Circuit Television (CCTV) Replacement           | (\$163)          | \$2,048          | (\$2,212)       | (\$95)             | (\$69)          |
| CIP0143                                 | Bus Preventive Maintenance Program                              | \$1,000          | \$1,039          | (\$39)          | \$1,039            | (\$39)          |
| CIP0240                                 | Bladensburg Bus Facility Replace                                | \$0              | \$0              | \$0             | \$0                | \$0             |
| CIP8023                                 | D&E Bus Maintenance and Overhaul                                | \$550            | \$475            | \$75            | \$475              | \$75            |
|   | <b>Subtotal Bus Maintenance/Overhaul</b>                        | <b>\$50,496</b>  | <b>\$48,440</b>  | <b>\$2,056</b>  | <b>\$45,335</b>    | <b>\$5,161</b>  |
| <b>Bus Maintenance Facilities</b>       |   |                  |                  |                 |                    |                 |
| CIP0078                                 | Bladensburg Shop Reconfigure                                    | \$0              | \$0              | \$0             | \$0                | \$0             |
| CIP0084                                 | Andrews Federal Bus Facility                                    | \$939            | \$8,981          | (\$8,042)       | \$922              | \$17            |
| CIP0085                                 | Cinder Bed Road Bus Facility                                    | (\$6,468)        | \$1,220          | (\$7,688)       | (\$6,511)          | \$43            |
| CIP0086                                 | Shepherd Parkway Bus Facility                                   | \$9              | \$10             | (\$0)           | \$9                | (\$0)           |
| CIP0311                                 | Bus Garage Replacement- Bladensburg                             | \$13,086         | \$11,072         | \$2,014         | \$11,687           | \$1,399         |
| CIP0312                                 | Four Mile Run Service Lane Rehabilitation                       | \$0              | \$0              | \$0             | \$0                | \$0             |
| CIP0315                                 | Bus Garage Replacement - Northern                               | \$19,599         | \$18,405         | \$1,193         | \$19,480           | \$119           |
| CIP8025                                 | D&E Bus Maintenance Facilities                                  | \$450            | \$505            | (\$55)          | \$467              | (\$17)          |
| <b>Bus Passenger Facilities/Systems</b> |   |                  |                  |                 |                    |                 |
| CIP0037                                 | Bus Priority Corridor Network                                   | \$131            | \$131            | \$0             | \$131              | \$0             |
| CIP0153                                 | Accessible Station Signage                                      | \$1              | \$0              | \$1             | \$0                | \$1             |
| CIP0220                                 | Metrobus Planning Program                                       | \$806            | \$755            | \$52            | \$912              | (\$106)         |



| ID  | Description   | Amended Budget   | Expended (Cash)  | Variance          | Expended (Accrual) | Variance        |
|---|---|------------------|------------------|-------------------|--------------------|-----------------|
| CIP0221                                       | Bus Customer Facility Improvements                                    | \$3,091          | \$2,426          | \$665             | \$2,319            | \$772           |
| CIP0254                                       | Traffic Signal Prioritization   | \$893            | \$841            | \$52              | \$863              | \$30            |
| CIP0266                                       | Historic Bus Terminal Rehabilitation                                  | \$84             | \$118            | (\$34)            | \$119              | (\$34)          |
| CIP0275                                       | New Carrollton Bus Bays Joint Development                             | \$715            | \$1,504          | (\$790)           | (\$1,069)          | \$1,784         |
| CIP0322                                       | Bus Passenger Facilities/Systems Future Major Projects                | \$0              | \$0              | \$0               | \$0                | \$0             |
| CIP8027                                       | D&E Bus Passenger Facilities/Systems                                  | \$1,152          | \$953            | \$199             | \$780              | \$372           |
| CRB0012                                       | King Street Station Bus Loop  | \$137            | \$142            | (\$5)             | \$123              | \$14            |
| CRB0132                                       | Chevy Chase Bus Station   | \$1              | \$1              | \$0               | \$1                | \$0             |
|   | <b>Subtotal Bus Passenger Facilities/Systems</b>                      | <b>\$7,010</b>   | <b>\$6,870</b>   | <b>\$141</b>      | <b>\$4,177</b>     | <b>\$2,834</b>  |
|   | <b>Subtotal - Bus and Paratransit Investments</b>                     | <b>\$147,718</b> | <b>\$158,526</b> | <b>(\$10,808)</b> | <b>\$130,495</b>   | <b>\$17,223</b> |
| <b>Information Technology</b>                 |   |                  |                  |                   |                    |                 |
| CIP0042                                       | Product Lifecycle Software Decommissioning                            | \$51             | \$480            | (\$430)           | \$51               | \$0             |
| CIP0043                                       | Bus Operations Support Software                                       | \$1,078          | \$1,026          | \$51              | \$980              | \$98            |
| CIP0044                                       | IT Capital Program Business Process Reengineering and Program Support | \$33             | \$194            | (\$161)           | \$27               | \$7             |
| CIP0045                                       | Data Centers and Infrastructures                                      | \$0              | (\$2,078)        | \$2,078           | (\$2,432)          | \$2,432         |
| CIP0046                                       | Document Management System  | \$10             | \$42             | (\$32)            | \$10               | \$0             |
| CIP0047                                       | Enterprise Geographic Information System                              | \$65             | \$181            | (\$116)           | \$65               | \$0             |
| CIP0048                                       | Sensitive Data Protection Technology                                  | \$42             | \$46             | (\$4)             | \$42               | \$0             |
| CIP0049                                       | Management Support Software   | \$11,304         | \$11,761         | (\$457)           | \$9,988            | \$1,316         |
| CIP0051                                       | Police Dispatch and Records Management                                | \$1,000          | \$1,073          | (\$73)            | \$991              | \$9             |
| CIP0052                                       | Network and Communications  | \$1,320          | \$1,700          | (\$380)           | \$1,298            | \$23            |
| CIP0054                                       | Customer Electronic Communications & Outreach                         | \$2,945          | \$3,032          | (\$87)            | \$2,981            | (\$36)          |
| CIP0056                                       | Rail Operations Support Software                                      | \$2,736          | \$2,798          | (\$62)            | \$2,770            | (\$34)          |
| CIP0128                                       | Data Governance and Business Intelligence                             | \$230            | \$260            | (\$30)            | \$203              | \$27            |
| CIP0196                                       | Safety Measurement System   | \$36             | \$265            | (\$229)           | \$36               | \$0             |
| CIP0215                                       | Rail Scheduling System Upgrade  | \$243            | \$39             | \$204             | \$38               | \$205           |
| CIP0230                                       | Wireless Communication Infrastructure                                 | \$4              | \$4              | \$0               | \$4                | \$0             |
| CIP0259                                       | Timecard Software Integration and Analysis                            | \$6,900          | \$7,651          | (\$751)           | \$7,473            | (\$573)         |
| CIP0269                                       | Enterprise Asset Management Systems                                   | \$2,266          | \$1,941          | \$326             | \$4,720            | (\$2,453)       |
| CIP0330                                       | New Data Center IT Infrastructure and Equipment                       | \$513            | \$548            | (\$35)            | \$469              | \$44            |
| CIP0331                                       | Enterprise Resource Planning (ERP) Replacement                        | \$816            | \$742            | \$74              | \$793              | \$22            |
| CIP0332                                       | Fiber Installation  | \$2,529          | \$2,893          | (\$365)           | \$3,103            | (\$574)         |
| CIP0342                                       | IT Hardware Replacement Program                                       | \$7,518          | \$7,762          | (\$244)           | \$7,951            | (\$433)         |
| CIP0343                                       | Operating and Maintenance Applications                                | \$22,476         | \$17,988         | \$4,488           | \$20,529           | \$1,948         |
| CIP0344                                       | IT Program Management and Quality Assurance                           | \$958            | \$592            | \$366             | \$742              | \$216           |
| CIP0351                                       | OIG IT Security   | \$500            | \$307            | \$193             | \$307              | \$193           |
| CIP8029                                       | D&E IT  | \$3,041          | \$3,499          | (\$458)           | \$2,916            | \$125           |
|   | <b>Subtotal Information Technology</b>                                | <b>\$68,612</b>  | <b>\$64,745</b>  | <b>\$3,867</b>    | <b>\$66,051</b>    | <b>\$2,562</b>  |
| <b>Metro Transit Police Department (MTPD)</b> |   |                  |                  |                   |                    |                 |
| CIP0102                                       | MTPD District III Substation Construction                             | \$102            | \$159            | (\$57)            | \$96               | \$7             |
| CIP0106                                       | Special Operations Division Facility                                  | \$1,566          | \$832            | \$734             | \$973              | \$594           |
| CIP0127                                       | Support Equipment - MTPD  | \$521            | \$217            | \$303             | \$217              | \$303           |
| CIP8031                                       | D&E MTPD  | \$204            | \$214            | (\$10)            | \$204              | \$0             |
| CIP8032                                       | Future MTPD Major Projects  | \$0              | \$0              | \$0               | \$0                | \$0             |
|   | <b>Subtotal MTPD</b>  | <b>\$2,393</b>   | <b>\$1,422</b>   | <b>\$971</b>      | <b>\$1,489</b>     | <b>\$904</b>    |
| <b>Support Equipment/Services</b>             |   |                  |                  |                   |                    |                 |
| CIP0009                                       | Service Vehicle Replacement Program                                   | \$1,700          | \$1,569          | \$131             | \$12               | \$1,688         |
| CIP0010                                       | Environmental Compliance Program                                      | \$3,876          | \$3,317          | \$559             | \$3,744            | \$133           |
| CIP0011                                       | Underground Storage Tank Replacement                                  | \$694            | \$727            | (\$33)            | \$694              | \$0             |
| CIP0028                                       | Materials Handling Equipment  | \$259            | \$219            | \$40              | \$219              | \$40            |
| CIP0029                                       | Warehouse Vertical Store Unit   | \$200            | \$0              | \$200             | \$0                | \$200           |
| CIP0033                                       | Revenue Facility Equipment  | \$960            | \$318            | \$642             | \$318              | \$642           |
| CIP0034                                       | Revenue Collection Facility   | \$234            | \$34             | \$200             | \$419              | (\$185)         |
| CIP0036                                       | Procurement Program Support   | \$1,033          | \$988            | \$45              | \$1,007            | \$27            |
| CIP0039                                       | Core & System Development Program                                     | \$1,079          | \$3,314          | (\$2,235)         | \$1,241            | (\$162)         |
| CIP0080                                       | Building Infrastructure & Systems Renewal                             | \$30             | \$30             | (\$0)             | \$30               | (\$0)           |
| CIP0099                                       | Joint Development   | \$159            | \$171            | (\$12)            | \$315              | (\$156)         |
| CIP0101                                       | Internal Compliance Capital Management                                | \$122            | \$6              | \$116             | \$33               | \$89            |
| CIP0131                                       | Capital Program Financing   | \$1,557          | \$1,066          | \$492             | \$1,066            | \$492           |
| CIP0149                                       | Transit Asset Management System                                       | \$239            | \$368            | (\$129)           | \$5                | \$234           |
| CIP0170                                       | Roof Rehabilitation and Replacement                                   | \$29,805         | \$28,027         | \$1,777           | \$28,723           | \$1,082         |

| ID           | Description                                    | Amended Budget     | Expended (Cash)    | Variance          | Expended (Accrual) | Variance          |
|--------------|--|--------------------|--------------------|-------------------|--------------------|-------------------|
| CIP0197      | Rehabilitation of Non-Revenue Facilities       | (\$2)              | \$34               | (\$36)            | (\$1)              | (\$0)             |
| CIP0212      | Environmental Sustainability Lab               | \$1,242            | \$1,329            | (\$87)            | \$1,359            | (\$117)           |
| CIP0213      | Capital Program Development Support            | \$4,056            | \$3,685            | \$371             | \$3,712            | \$345             |
| CIP0224      | IT Capital Management                          | \$220              | \$10               | \$211             | \$76               | \$145             |
| CIP0270      | Capital Delivery Program Support               | \$17,328           | \$26,402           | (\$9,074)         | \$20,155           | (\$2,826)         |
| CIP0272      | Station Commercialization Project              | \$7,738            | \$10,524           | (\$2,786)         | \$10,198           | (\$2,460)         |
| CIP0273      | Facility Improvements                          | \$8,883            | \$8,459            | \$423             | \$8,915            | (\$32)            |
| CIP0276      | Station Commercialization Plan                 | \$1,351            | \$1,556            | (\$205)           | \$1,376            | (\$25)            |
| CIP0277      | Supply Chain Modernization                     | \$1,479            | \$1,433            | \$45              | \$1,433            | \$45              |
| CIP0324      | Capital Program Financial Support              | \$1,490            | \$1,303            | \$188             | \$1,303            | \$188             |
| CIP0335      | Headquarters - District of Columbia            | \$29,055           | \$27,619           | \$1,436           | \$32,433           | (\$3,379)         |
| CIP0336      | Energy Management Upgrades                     | \$293              | \$286              | \$7               | \$304              | (\$11)            |
| CIP0337      | Headquarters - Virginia                        | \$20,000           | \$16,109           | \$3,891           | \$18,609           | \$1,391           |
| CIP0338      | Headquarters - Maryland                        | \$14,710           | \$11,848           | \$2,862           | \$11,853           | \$2,856           |
| CIP0339      | First Responders Signs Updates                 | \$130              | \$0                | \$130             | \$0                | \$130             |
| CIP0347      | Accounting Capital Program Support             | \$749              | \$739              | \$10              | \$752              | (\$3)             |
| CIP8033      | D&E Support Equipment/Services                 | \$1,118            | \$909              | \$210             | \$1,068            | \$50              |
| CRB0005      | Planning Support for DC                        | \$748              | \$315              | \$433             | \$249              | \$499             |
| CRB0009      | Planning Support for MD                        | \$696              | \$643              | \$53              | \$604              | \$92              |
| CRB0018      | Planning Support for VA                        | \$243              | \$305              | (\$62)            | \$247              | (\$5)             |
| SCOV19-19_01 | Infrastructure Maintenance                     | \$0                | (\$35)             | \$35              | (\$35)             | \$35              |
| SCOV19-19_06 | IT Equipment and Services                      | \$0                | \$14,822           | (\$14,822)        | \$19,430           | (\$19,430)        |
|              | <b>Subtotal Support Equipment/Services</b>     | <b>\$153,475</b>   | <b>\$168,448</b>   | <b>(\$14,974)</b> | <b>\$171,862</b>   | <b>(\$18,387)</b> |
|              | <b>Subtotal - Business Support Investments</b> | <b>\$224,480</b>   | <b>\$234,616</b>   | <b>(\$10,135)</b> | <b>\$239,402</b>   | <b>(\$14,922)</b> |
|              | <b>Total</b>                                   | <b>\$1,739,815</b> | <b>\$1,780,574</b> | <b>(\$40,759)</b> | <b>\$1,708,633</b> | <b>\$31,182</b>   |

## Appendix B : Project Life-to-Date Budget and Expenditure

For those CIP projects that exceeded their FY2020 one-year baseline expenditure budget, **Table 12** presents life-to-date (LTD) budget and expenditure information, as required by the Maryland DFA.

**Table 12. Project Life-to-Date Budget and Expenditure (Dollars in Thousands)<sup>11</sup>**

| CIP ID  | CIP Name   | LTD Budget through<br>06/30/20 | LTD Cash Expenditure<br>through 06/30/20 |
|---------|--|--------------------------------|--|
| CIP0011 | Underground Storage Tank Replacement                 | \$ 17,908                      | \$ 17,392                                |
| CIP0035 | Bicycle & Pedestrian Facilities Improvements         | \$ 12,462                      | \$ 12,840                                |
| CIP0046 | Document Management System                           | \$ 14,475                      | \$ 14,459                                |
| CIP0047 | Enterprise Geographic Information System             | \$ 9,164                       | \$ 9,187                                 |
| CIP0049 | Management Support Software                          | \$ 130,176                     | \$ 122,543                               |
| CIP0051 | Police Dispatch and Records Management               | \$ 16,166                      | \$ 15,561                                |
| CIP0052 | Network and Communications                           | \$ 51,330                      | \$ 50,103                                |
| CIP0054 | Customer Electronic Communications & Outreach        | \$ 20,075                      | \$ 19,596                                |
| CIP0059 | 8000 Series Railcars Procurement                     | \$ 10,729                      | \$ 8,595                                 |
| CIP0071 | Test Track & Communication Facility                  | \$ 108,203                     | \$ 103,883                               |
| CIP0076 | Rail Power Infrastructure Upgrades                   | \$ 153,937                     | \$ 146,565                               |
| CIP0080 | Building Infrastructure & Systems Renewal            | \$ 22,374                      | \$ 22,306                                |
| CIP0084 | Andrews Federal Bus Facility                         | \$ 202,463                     | \$ 192,320                               |
| CIP0085 | Cinder Bed Road Bus Facility                         | \$ 93,103                      | \$ 92,168                                |
| CIP0086 | Shepherd Parkway Bus Facility                        | \$ 2,331                       | \$ 2,165                                 |
| CIP0093 | Regional NextFare System                             | \$ 25,235                      | \$ 25,123                                |
| CIP0099 | Joint Development                                    | \$ 2,057                       | \$ 2,068                                 |
| CIP0102 | MTPD District III Substation Construction            | \$ 1,199                       | \$ 1,041                                 |
| CIP0110 | Orange/Blue Line Rehabilitation- Phase 1             | \$ 418,788                     | \$ 410,856                               |
| CIP0116 | Rail Yard Facility Repairs                           | \$ 178,023                     | \$ 176,657                               |
| CIP0136 | Radio Infrastructure Replacement                     | \$ 249,294                     | \$ 246,980                               |
| CIP0139 | National Transportation Safety Board Recommendations | \$ 236,965                     | \$ 232,974                               |
| CIP0149 | Transit Asset Management System                      | \$ 15,985                      | \$ 13,848                                |
| CIP0196 | Safety Measurement System                            | \$ 15,791                      | \$ 16,124                                |
| CIP0197 | Rehabilitation of Non-Revenue Facilities             | \$ 2,625                       | \$ 2,630                                 |
| CIP0205 | Bush Hill Aerial Structure                           | \$ 5,650                       | \$ 5,355                                 |
| CIP0225 | Railcar Heavy Repair and Overhaul Facility           | \$ 51,448                      | \$ 51,835                                |
| CIP0231 | Good Luck Road Facility Construction                 | \$ 28,494                      | \$ 24,742                                |
| CIP0256 | 7000 Series Railcars Procurement                     | \$ 762,688                     | \$ 568,480                               |
| CIP0257 | Emergency Trip Station Infrastructure                | \$ 3,960                       | \$ 3,780                                 |
| CIP0259 | Timecard Software Integration and Analysis           | \$ 18,712                      | \$ 18,707                                |
| CIP0260 | Track Inspector Location Pilot                       | \$ 9,847                       | \$ 10,746                                |
| CIP0266 | Historic Bus Terminal Rehabilitation                 | \$ 184                         | \$ 118                                   |
| CIP0267 | Edmonston Bridge Project                             | \$ 1,048                       | \$ 1,047                                 |
| CIP0271 | Metrorail Station Emergency Gates Replacement        | \$ 7,262                       | \$ 8,798                                 |
| CIP0272 | Station Commercialization Project                    | \$ 18,338                      | \$ 15,850                                |
| CIP0275 | New Carrollton Bus Bays Joint Development            | \$ 1,567                       | \$ 1,569                                 |
| CIP0276 | Station Commercialization Plan                       | \$ 3,661                       | \$ 3,871                                 |

<sup>11</sup> Table 11 contains life-to-date budget and expenditure information for CIP projects only and does not include CIP programs. CIP projects have defined start and end dates, whereas CIP programs recur annually.

| CIP ID     | CIP Name  | LTD Budget through<br>06/30/20 | LTD Cash Expenditure<br>through 06/30/20 |
|------------|---|--------------------------------|--|
| CIP0300    | Gallery Place/Chinatown Passenger Circulation Improvement Study | \$ 509                         | \$ 889                                   |
| CIP0302    | Huntington Parking Garage                                       | \$ 1,193                       | \$ 1,224                                 |
| CIP0306    | Stations Platform Rehabilitation - Phase 1                      | \$ 346,562                     | \$ 315,778                               |
| CIP0330    | New Data Center IT Infrastructure and Equipment                 | \$ 813                         | \$ 548                                   |
| CIP0332    | Fiber Installation  | \$ 3,363                       | \$ 3,727                                 |
| CIP8015    | D&E Platform & Structures                                       | \$ 17,674                      | \$ 17,534                                |
| CIP8021    | D&E Bus and Paratransit   | \$ -                           | \$ 25                                    |
| CIP8025    | D&E Bus Maintenance Facilities                                  | \$ 1,224                       | \$ 1,527                                 |
| CIP8029    | D&E IT  | \$ 8,563                       | \$ 8,665                                 |
| CIP8031    | D&E MTPD  | \$ 268                         | \$ 314                                   |
| CRB0012    | King Street Station Bus Loop                                    | \$ 1,520                       | \$ 1,970                                 |
| CRB0013    | New Potomac Yard Metrorail Station                              | \$ 75,952                      | \$ 69,706                                |
| CRB0019_19 | Silver Line Phase 1 Railcars                                    | \$ 10,498                      | \$ 10,499                                |
| CRB0020    | Silver Line Phase 2   | \$ 91,888                      | \$ 79,179                                |
| CRB0133    | Union Station Entrance Improvements                             | \$ (73)                        | \$ 12                                    |

## Appendix C : State and Local Funding Sources

Table 13. FY2019 &amp; FY2020 Allocated Contributions by Jurisdiction (Dollars in Millions)

|  | Fiscal Year 2019           |               |          | Fiscal Year 2020           |               |           |                            |
|--|----------------------------|---------------|----------|----------------------------|---------------|-----------|----------------------------|
| Jurisdiction Contributions               | Received from Jurisdiction | Expended Cash | Variance | Received from Jurisdiction | Expended Cash | Variance  | FY 2019 – FY 2020 Variance |
| Formula Match + System Performance (SP): |                            |               |          |                            |               |           |                            |
| District of Columbia                     | \$ 75.2                    | \$ 74.1       | \$ 1.2   | \$ 92.7                    | \$ 76.5       | \$ 16.3   | \$ 17.4                    |
| Montgomery County                        | 55.6                       | 54.7          | 0.9      | 26.9                       | 38.0          | (11.1)    | (10.3)                     |
| Prince Georges County                    | 53.2                       | 52.4          | 0.8      | 26.3                       | 37.2          | (10.9)    | (10.1)                     |
| City of Alexandria                       | 11.0                       | 10.8          | 0.2      | 12.3                       | 10.1          | 2.2       | 2.3                        |
| Arlington County                         | 21.2                       | 20.9          | 0.3      | 23.2                       | 19.1          | 4.1       | 4.4                        |
| City of Fairfax                          | 0.7                        | 0.7           | 0.0      | 0.7                        | 0.6           | 0.1       | 0.1                        |
| Fairfax County                           | 35.4                       | 34.9          | 0.6      | 39.8                       | 32.8          | 7.0       | 7.5                        |
| City of Falls Church                     | 0.7                        | 0.7           | -        | 0.7                        | 0.6           | 0.1       | 0.1                        |
| Subtotal – Formula Match + SP            | 253.0                      | 249.1         | 3.9      | 222.6                      | 214.9         | 7.7       | 11.7                       |
| PRIIA:                                   |                            |               |          |                            |               |           |                            |
| District of Columbia - PRIIA             | \$ 49.5                    | \$ 45.2       | \$ 4.3   | \$ 49.5                    | \$ 57.0       | \$ (7.5)  | \$ (3.2)                   |
| Maryland - PRIIA                         | 49.5                       | 45.2          | 4.3      | 49.5                       | 57.0          | (7.5)     | (3.2)                      |
| Virginia - PRIIA                         | 49.5                       | 45.2          | 4.3      | 49.5                       | 57.0          | (7.5)     | (3.2)                      |
| Subtotal – PRIIA                         | 148.5                      | 135.7         | 12.8     | 148.5                      | 170.9         | (22.4)    | (9.6)                      |
| Dedicated Funding:                       |                            |               |          |                            |               |           |                            |
| District of Columbia - DF                | \$ -                       | \$ -          | \$ -     | \$ 178.5                   | \$ 178.3      | \$ 0.3    | \$ 0.3                     |
| Maryland - DF                            | -                          | -             | -        | 167.0                      | 166.8         | 0.2       | 0.2                        |
| Virginia - DF                            | 121.3                      | 120.5         | 0.8      | 154.5                      | 154.3         | 0.2       | 1.0                        |
| Subtotal – Dedicated Funding             | \$ 121.3                   | \$ 120.5      | \$ 0.8   | \$ 500.0                   | \$ 499.3      | \$ 0.7    | 1.5                        |
| Other State and Local:                   |                            |               |          |                            |               |           |                            |
| Project Planning                         | \$ 3.0                     | \$ 1.8        | \$ 1.2   | \$ 3.0                     | \$ 1.3        | \$ 1.7    | \$ 2.9                     |
| Commonwealth of VA - CMAQ                | 1.4                        | 2.8           | (1.4)    | -                          | 0.9           | (0.9)     | (2.3)                      |
| Rail & Power Upgrades (DC & MD)          | 0.1                        | 0.5           | (0.4)    | -                          | -             | -         | (0.4)                      |
| Rail & Power Upgrades (VA)               | (1.2)                      | 5.2           | (6.4)    | -                          | 4.5           | (4.5)     | (10.9)                     |
| Metro 2025                               | 15.6                       | 5.1           | 10.5     | -                          | -             | -         | 10.5                       |
| Subtotal – Other and Local               | 18.9                       | 15.4          | 3.5      | 3.0                        | 6.6           | (3.6)     | (0.1)                      |
| Subtotal – CFA Source                    | \$ 541.7                   | \$ 520.7      | \$ 21.0  | \$ 874.1                   | \$ 891.7      | \$ (17.6) | \$ 3.5                     |
| Additional Contribution or Debt          |                            |               |          |                            |               |           |                            |
| MWAA and Other CRB                       | \$ 53.8                    | \$ 53.8       | \$ -     | \$ 82.9                    | \$ 82.9       | \$ -      | -                          |
| Debt                                     | 367.8                      | 367.8         | -        | 316.4                      | 316.4         | -         | -                          |
| Subtotal - Debt and Other                | 421.6                      | 421.6         | -        | 399.3                      | 399.3         | -         | -                          |
| Total                                    | \$ 963.3                   | \$ 942.3      | \$ 21.0  | \$ 1,273.4                 | \$ 1,291.0    | \$ (17.6) | \$ 3.5                     |

## Appendix D : FY2020 Federal Grants Crosswalk

Table 14. FY2020 Federal Grants Crosswalk

| Federal Formula Grants  | Federal Formula Grants | Carryover Balance | Awarded/De-obligations | Total Available | Receipts        | Remaining Balance |
|---|------------------------|-------------------|------------------------|-----------------|-----------------|-------------------|
| FFY2018 5307/5340 Formula Funding                                     | DC-2018-011            | \$ 34.3           | \$ -                   | \$ 34.3         | \$ 25.9         | \$ 8.5            |
| FFY2019 5307/5340 Formula Funding                                     | DC-2019-010            | -                 | 191.4                  | 191.4           | 126.8           | 64.6              |
| FFY2018 5339 Bus Program  | DC-2019-008            | -                 | 10.2                   | 10.2            | -               | 10.2              |
| FFY2019 5339b Bus Program   | DC-2019-005            | 4.3               | -                      | 4.3             | 4.3             | -                 |
| FFY2018 5339 Bus Program  | DC-2020-002            | -                 | 11.0                   | 11.0            | -               | 11.0              |
| <b>Total – Federal Formula Grants</b>                                 |                        | <b>\$ 38.6</b>    | <b>\$ 212.6</b>        | <b>\$ 251.2</b> | <b>\$ 157.0</b> | <b>\$ 94.3</b>    |
| Fixed Guideway/State of Good Repair                                   | Fixed Guideway         | Carryover Balance | Awarded/De-obligations | Total Available | Receipts        | Remaining Balance |
| FFY2018 5337 State of Good Repair                                     | DC-2018-006            | \$ 18.9           | \$ -                   | \$ 18.9         | \$ 18.9         | \$ -              |
| FFY2019 5337 State of Good Repair                                     | DC-2019-009            | -                 | 156.6                  | 156.6           | 130.4           | 26.2              |
| <b>Total – Fixed Guideway/State of Good Repair</b>                    |                        | <b>\$ 18.9</b>    | <b>\$ 156.6</b>        | <b>\$ 175.5</b> | <b>\$ 149.3</b> | <b>\$ 26.2</b>    |
| PRIIA Grant Fund  | PRIIA Grant Fund       | Carryover Balance | Awarded/De-obligations | Total Available | Receipts        | Remaining Balance |
| FFY2016 PRIIA Appropriation   | DC-2016-010            | \$ 1.1            | \$ (1.1)               | \$ -            | \$ -            | \$ -              |
| FFY2017 PRIIA Appropriation   | DC-2017-006            | 7.1               | (7.1)                  | -               | -               | -                 |
| FFY2018 PRIIA Appropriation   | DC-2018-007            | 38.6              | -                      | 38.6            | 37.6            | 1.0               |
| FFY2019 PRIIA Appropriation   | DC-2019-006            | 148.5             | -                      | 148.5           | 133.7           | 14.8              |
| <b>Total – PRIIA Grant Fund</b>                                       | <b>Total</b>           | <b>\$ 195.3</b>   | <b>\$ (8.2)</b>        | <b>\$ 187.1</b> | <b>\$ 171.3</b> | <b>\$ 15.8</b>    |
| Other FTA Grant Funds   | Other FTA Grant Funds  | Carryover Balance | Awarded/De-obligations | Total Available | Receipts        | Remaining Balance |
| FFY2013 Hurricane Sandy Resilience                                    | DC-44-X001             | \$ 12.2           | \$ -                   | \$ 12.2         | \$ 5.5          | 6.7               |
| FFY2018 Bus Shelters Replacement                                      | DC-2018-012            | 3.6               | -                      | 3.6             | -               | 3.6               |
| FFY2018 VA CMAQ/RSTP Replacement Buses                                | DC-2019-003            | 0.2               | -                      | 0.2             | 0.2             | -                 |
| FFY2019 VA CMAQ/RSTP Replacement Buses                                | DC-2020-001            | -                 | 3.4                    | 3.4             | 3.2             | 0.2               |
| FFY2017 Track Inspector Location Awareness                            | DC-2017-011            | -                 | -                      | -               | -               | -                 |
| Section 5307 CARES Act Operational Response to COVID-19 <sup>12</sup> | DC-2020-005            | -                 | 7.0                    | 7.0             | 2.9             | 4.1               |

<sup>12</sup> This table only includes the capital portion of the CARES Act grant.



| Other FTA Grant Funds  | Other FTA Grant Funds | Carryover Balance | Awarded/De-obligations | Total Available | Receipts        | Remaining Balance |
|--|-----------------------|-------------------|------------------------|-----------------|-----------------|-------------------|
| FY18 BUILD - Metrorail Station Platform Reconstruction – Phase 1 | DC-2020-006           | -                 | 20.0                   | 20.0            | 20.0            | -                 |
| FFY2019 Metro Access Fleet Replacement Vehicles 5310             | DC-2020-007           | -                 | 0.9                    | 0.9             | -               | 0.9               |
| NEW FREEDOM - Bus Stop Improvements                              | DC-57-X007            | 0.6               | -                      | 0.6             | 0.6             | -                 |
| <b>Total – Other FTA Grants</b>                                  |                       | <b>\$ 16.6</b>    | <b>\$ 31.3</b>         | <b>\$ 47.9</b>  | <b>\$ 32.4</b>  | <b>\$ 15.5</b>    |
|  |                       |                   |                        |                 |                 |                   |
| <b>Grand Total</b>   |                       | <b>\$ 269.4</b>   | <b>\$ 392.3</b>        | <b>\$ 661.6</b> | <b>\$ 509.9</b> | <b>\$ 151.7</b>   |

## Appendix E : Summary of CIP Accomplishments

In FY2020, Metro continued the aggressive delivery of the CIP to improve the reliability, safety, and sustainability of the transit system. Metro's capital program is organized into the following six investment categories. FY2020 accomplishments for each of these categories are briefly discussed below.



**Railcar Investments**



**Rail System Investments**



**T**rack and Structures  
Rehabilitation Investments



**S**tation and Passenger Facilities  
Investments



**B**us and Paratransit Investments



**B**usiness Support

### Railcar Investments

#### *Acquisition*

In May 2020, Metro conditionally accepted its 748<sup>th</sup> and final 7000-Series railcar. Metro continued to work with the manufacturer to refine railcar software and complete training for maintenance personnel. The reliability of the 7000-Series railcars has resulted in fewer rail disruptions and offloads, which is detailed in [Metro's Performance Report](#). Metro also continued to advance the procurement for the 8000 Series railcars. The 8000-Series railcars will eventually replace legacy 2000/3000 Series fleet.

#### *Maintenance Facilities*

During FY2020, Metro advanced construction of the Good Luck Road facility in Glen Dale, MD. This facility will be used for storage and will allow Metro to consolidate functions and free up needed warehouse and equipment storage space in rail yards.

The FY2020 CIP included support for an extension of the Alexandria Rail Yard Service and Inspection (S/I) Shop. The design of non-metallic handrails for the shop was completed in FY2020; fabrication and installation commenced and will continue in FY2021.

### ***Maintenance/Overhaul***

Metro's Railcar Rehabilitation Program supports the Scheduled Maintenance Service (SMS) of railcars. In FY2020, Metro completed 74 of 90 (82%) scheduled rehabilitations for the 2000/3000-Series and 84 of the 104 (81%) planned rehabilitations for the 6000-Series. Completed work was less than planned due to Covid-19 and the necessary implementation of alternating work schedules and social distancing.

### **Rail System Investments**

#### ***Signals and Communications***

The Radio Infrastructure Replacement project involves replacing the existing Comprehensive Radio Communications System (CRCS), which operates in 450-490 MHz frequency band (also referred to as T-Band) with a new system operating in the 700 MHz band, as required by the Federal Communications Commission (FCC). The project also involves the installation of wireless signal communications throughout the tunnel system, which will enhance both customer and employee communication and safety. In FY2020, Metro extended cell phone coverage to the rail tunnel segments of the Green Line and most of the Yellow Line. Remaining segments on the Red, Yellow, and Silver Lines are expected to be completed in FY2021.

#### ***Propulsion***

In the 8-Car Train Power Upgrade project, Metro completed installation of Tie Breaker Station equipment at Van Dorn Street and King Street, while continuing equipment installation at West Hyattsville, College Park and Silver Spring. Metro also began installation of Traction Power Substation (TPSS) equipment at Pentagon City and a transformer at the Cameron Run TPSS in Quarter 4 (Q4). Design and submittal reviews for the second large-scale TPSS and Tie Breaker Station equipment supply and installment contract, as well as receipt of equipment for the West Fall Church Yard, are expected in FY2021.

AC Switchgear replacements continue at Silver Spring, Gallery Place, and Deanwood. Replacement at East Falls Church and Vienna will be complete in FY2021 after the conclusion of Phase 2 of the Platform Rehabilitation Program. Metro is preparing a solicitation for AC Switchgear replacement at nine additional locations.

### **Track and Structures Rehabilitation Investments**

The Track and Structures Rehabilitation Program involves the comprehensive inspection, maintenance and rehabilitation of tracks, guideways, and structures. **Table 15** provides a summary of FY2020 accomplishments for this investment category.

**Table 15. Track and Structures Rehabilitation Program Performance**

| Asset                               | Unit        | FY2020 Plan | FY2020 Progress | Percentage |
|-------------------------------------|-------------|-------------|-----------------|------------|
| Concrete Restoration                | Square Feet | 2,200       | 11,843          | 538%       |
| Crossties Replaced*                 | Unit        | 9,000       | 6,352           | 71%        |
| Deck Joint Replacement              | Linear Feet | 1,000       | 3,130           | 313%       |
| Direct Fixation Fasteners Replaced* | Number      | 42,000      | 32,369          | 77%        |
| Drain Rodding*                      | Linear Feet | 140,000     | 135,756         | 97%        |
| Grout Pad Rehabilitation*           | Linear Feet | 40,000      | 25,226          | 63%        |
| Joint Elimination*                  | Number      | 1,000       | 644             | 64%        |
| Leak Mitigation                     | Unit        | 2,700       | 4,659           | 173%       |
| Running Rail Renewal*               | Miles       | 15          | 8.1             | 54%        |
| Third Rail Insulator Replacement*   | Unit        | 9,000       | 2,681           | 30%        |
| Third Rail Rehabilitation           | Miles       | 2.5         | 0.54            | 22%        |
| Track Bed Cleaning                  | Linear Feet | 800,000     | 874,371         | 109%       |
| Track Signage Replaced              | Unit        | 2,500       | 2,542           | 102%       |
| Track Stabilization                 | Linear Feet | 200         | 730             | 365%       |
| Track Tamping*                      | Miles       | 35          | 18.2            | 52%        |
| Turnouts Rehabilitated*             | Unit        | 23          | 3               | 13%        |

\*Note: Work in these categories was delayed due to Covid-19.

## Station and Passenger Facilities Investments

### Platforms & Structures

The Platform Rehabilitation Program addresses rehabilitation of platform concrete, pavers, and granite edges, as well as other station systems (e.g., lighting, fire systems, etc.). In FY2020, Metro awarded a contract to begin design and construction for Phase 2 of the Platform Rehabilitation Program (at East Falls Church, West Falls Church, Dunn Loring, and Vienna). Work on this phase continued through the end of Q4 and the affected stations were reopened in Q1 of FY2021.

### Vertical Transportation

In FY2020, Metro rehabilitated 10 elevators and replaced 8 escalators, concluding a \$176 million multi-year investment. Metro also received bids for a contract to replace 127 escalators at or approaching the end of useful life. Information on elevator and escalator availability in relation to Metro's performance targets can be found in [Metro's Performance Report](#).

### Station Systems

As part of the Fare Collection Program, Metro finalized the conceptual design for the faregates that will be deployed throughout the system. In addition, Metro completed software development and testing for a new mobile payment application that allows customers to use their smartphones for fares in lieu of a SmartTrip card. The new application was released for Apple devices in early FY2021 and is anticipated to be released for Android devices later in the fiscal year. Finally, Metro continued its Station Lighting Improvements Program to replace lighting at mezzanines, lower level platforms, and track beds to provide enhanced illumination for customers and reduce energy use.



## Bus and Paratransit Investments

### ***Bus and Paratransit Acquisition***

Orders and fulfillment for buses are summarized in **Table 16**. These vehicles will enable Metro to achieve emissions reductions and greater reliability as they replace buses that have reached the end of their useful life.

**Table 16. Bus Acquisition**

| Bus Type             | FY2020 Order | FY2020 Order Fulfillment | FY2021 Order |
|----------------------|--------------|--------------------------|--------------|
| Clean Diesel, 40 ft. | 25           | 25                       | 100          |
| Clean Diesel, 60 ft. | 10           | 1                        | 22           |
| CNG, 50 ft.          | 75           | 63                       | 0            |

### ***Bus Maintenance Facilities***

The Northern Bus Garage Replacement Project will transform the current facility, which was built in 1906 as a streetcar storage facility, into a modern one that can accommodate parking for up to 150 buses. During FY2020, Metro initiated pre-construction activities in preparation for demolition and construction at the site.

In FY2020, Metro awarded a Design-Build contract for the replacement of the Bladensburg Bus Maintenance and Operations facility. The Bladensburg project includes the construction of a garage for up to 300 buses, separate entrances for buses and employee vehicles, and on-site employee parking. To facilitate the construction of the new Bladensburg Bus Garage Facility, an off-site bus parking lot is currently being built.

### ***Bus Passenger Facilities***

During FY2020, Metro installed 130 Customer Information Electronic Display Signs (CIEDS) at Metrobus stops for real-time bus arrivals.

### ***Bus Maintenance and Overhaul***

Metro's bus maintenance and overhaul investments focus on maintaining reliability and safety and maximizing the useful life of assets. In FY2020, 80 buses were rehabilitated. This work included the rebuilding of engine assemblies, transmissions, and fare boxes. These investments are critical to meeting Metro's MDBF target for the bus fleet and providing customers with reliable service. More information on Metro's MDBF performance can be found in [Metro's Performance Report](#).

## Business Support Investments

### ***Information Technology (IT)***

Metro's IT investments improve internal operations and the customer experience. Metro is completing the Passenger Information Display Systems (PIDS) 2020 Summer Station Rehabilitation and is currently formulating an implementation plan for new stations as part of the Rail Operations Support Software



Program. This program is focused on ensuring real time train information is accurate and available to customers.

As part of the office consolidation initiative, Metro is constructing a new data center to replace the existing one at the Jackson Graham building. During FY2020, Metro completed an end-of-life and maintenance assessment for the IT equipment at the Jackson Graham building and the Carmen Turner Facility. Additionally, the space and power requirements, as well as a high-level design concept, have been developed. An RFP for construction of the new data center is in development and is expected to be released by the end of FY2021

### ***Support Equipment and Services***





Construction on the future DC and VA Metro office buildings began in FY2020. Metro expects to complete designs for all office building locations in Q2 of FY2021 and to finalize the Guaranteed Maximum Price (GMP) for each project in FY2021. These projects are part of Metro's Office Consolidation Strategy.

As part of the Roof Rehabilitation Program, work advanced at the Shady Grove S&I Shop and the Western Bus Division. In addition, Metro released an RFP for the New Hampshire Ave. Chiller Water Treatment Facility and continued the replacement of the underground storage tank at the Alexandria Railyard.

## Appendix F : New Projects

The Maryland DFA requires that Metro provide information on the scope, purpose, and need of new CIP projects initiated during FY2020. Three CIP projects were initiated during FY2020 and details for these projects are provided in **Table 17**.

**Table 17. Projects Initiated During FY2020**

| CIP ID and CIP Name   | Description and Location  | Strategic Objectives Supported   |
|---|---|--|
| CIP 0279 –<br>Huntington Station Joint Development                        | This joint development initiative was designed to assess and determine possible future investment at Huntington Station and adjacent properties. The work is intended to result in a Master Plan for the station area.                                  | <br>Reliability   |
| CIP 0283 –<br>Railcar Maintenance Facility State of Good Repair Program   | This project is for the replacement and/or renovation of railcar maintenance facilities, equipment, and systems to achieve a state of good repair of railyards including Greenbelt, New Carrollton, West Falls Church, Alexandria, and the Shady Grove. |  <br>Reliability      Safety |
| CIP 0351 –<br>Office of Inspector General Information Technology Security | This project was created during the fiscal year to acquire technology hardware for the Office of Inspector General. The technology will be used system-wide.  | <br>Reliability   |

# Fiscal Year 2020 Indirect Cost Report

## Overview

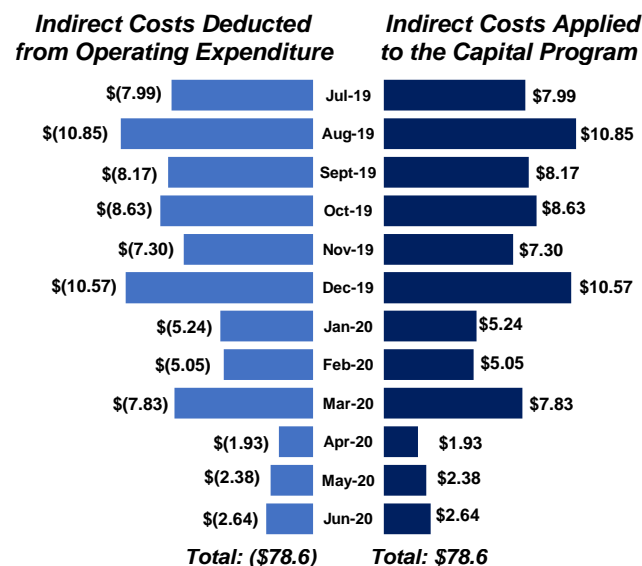
Washington Metropolitan Area Transit Authority's (WMATA or Metro) Fiscal Year (FY) 2020 Capital Budget and Six-Year Capital Improvement Program (collectively called the "CIP") provides a blueprint for planned capital projects and associated costs. The CIP focuses capital investments on projects that enhance the efficiency, reliability, and safety of the transit system. Funding for the CIP comes from multiple federal, state, and local sources, including funds made available through the Dedicated Funding Grant Agreement (Agreement) executed between WMATA and the District of Columbia on February 14, 2020.

This Agreement requires that WMATA provide an annual report on its indirect costs. The annual report must demonstrate that all indirect and overhead costs that WMATA recovered from the overall Capital Budget were subtracted from the operating subsidy for the recently completed fiscal year. Additionally, the report must show (a) the amount of indirect costs charged to each project during the fiscal year, and the aggregate of all projects, and (b) the aggregate amount by which the operating subsidy was reduced for the indirect costs charged to the capital program.

This document is the Indirect Cost Report for Fiscal Year 2020. It presents the results of WMATA's reconciliation of indirect costs applied to the capital program and deducted from operating expenditure. The reconciliation process involved a review of indirect cost rates, calculations, and

fund transfers using information from the PeopleSoft General Ledger, PeopleSoft Funds Management module, and discussions with Metro staff. All expenditures in this report are based on audited figures and are presented on a cash basis.

As described in this report, in FY2020, \$78.6 million in indirect costs were applied to capital projects, excluding capital expenses for Covid-19 and reimbursable projects, and \$78.6 million in indirect costs were deducted from operating expenditure.



**Figure 1. FY2020 Indirect Cost Reconciliation (Millions)**



## About Metro's Indirect Cost Rate

Metro uses a set of indirect cost rates approved by the Federal Transit Administration (FTA) to apply the indirect costs of supporting and delivering the capital program. It is Metro's financial management policy and a standard industry practice to apply a consistent set of indirect cost rates to all projects, including those funded by other sources such as jurisdictional contributions and dedicated funding.

On June 7, 2019, the FTA authorized Metro to apply its approved FY2019 indirect cost rates provisionally for FY2020, pending submission of Metro's FY2020 Indirect Cost Rate Proposal (ICRP) to FTA for review. These rates are presented in **Table 1** and are expressed as a percentage of Metro's direct labor costs. These rates were developed for various departments using FY2017 audited cost data and were used to prepare an estimate of the indirect costs included in Metro's FY2020 Capital Budget.

On November 27, 2019, the FTA informed Metro that because the FTA had not conducted a formal review of Metro's FY2020 ICRP, the most recent rate set that should be considered "approved" shall remain the rates in Table 1. As such, Metro applied these department/area rates to FY2020 CIP projects. It is important to note that the overall indirect cost rate of 43.54% is a summary rate for budgeting purposes, not the actual rate charged to projects. Only the department/area rates are applied to direct labor costs; as such, the overall indirect cost rate

calculated based on actual cost may differ from the summary rate displayed for budgeting purposes.

**Table 1. FTA-Approved Indirect Costs Rates Budgeted for FY2020**

| Department/Area  | Indirect Cost Rate |
|--|--------------------|
| Access Services, Mode 10 – Paratransit                 | 380.09%            |
| Bus Services - Transportation, Mode 01 (BTRA)          | 28.98%             |
| Bus Services - Vehicle Maintenance, Mode 01 (BMNT)     | 37.91%             |
| Rail Transportation Administration, Mode 02 (RTRA)     | 81.87%             |
| Rail Maintenance, Mode 02 (CMNT)                       | 44.88%             |
| Rail Infrastructure and Facilities, Mode 02 (INFR)     | 40.11%             |
| Metro Transit Police Department (MTPD)                 | 68.77%             |
| Blended Rate for Other Departments – new projects      | 33.95%             |
| Blended Rate for Other Departments – existing projects | 44.15%             |
| <b>Overall Budgeted Indirect Cost Rate</b>             | <b>43.54%</b>      |

## Carry-forward Methodology

Metro's indirect cost rate is applied using a "carry-forward" methodology. As part of the budget process, Metro uses its indirect cost rates to calculate an estimate of direct and indirect costs for the upcoming fiscal year. After the end of the fiscal year, Metro compares the estimated indirect costs calculated using the FTA-approved rate set to actual indirect costs incurred for each capital project and program. Any indirect costs that are under-recovered or over-recovered are "carried forward" in the calculation of the indirect cost rates for the next fiscal year. This approach allows for the amount of indirect costs recovered to equal the amount of indirect costs incurred over time.

## Actual Indirect Costs Applied to the Capital Program

The WMATA Board of Directors adopted an FY2020 Capital Budget of \$1.57 billion on March 28, 2019. An amendment to increase the Capital Budget to \$1.76 billion was approved by the Board on June 27, 2019.

During FY2020, Metro expended \$1.63 billion through the capital program on a cash basis, excluding capital costs related to Covid-19 and reimbursable projects.<sup>1</sup> Direct labor costs totaled \$159.3 million and indirect costs applied to capital projects/programs was \$78.6 million, on

a cash basis, excluding capital costs related to Covid-19 and reimbursable projects (**Figure 2**).

**Table 2** presents direct labor and indirect costs for each project and program in the FY2020 capital budget.



**Figure 2. FY2020 Actual Direct and Indirect Labor Costs**

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<sup>1</sup> Including Covid-19-related capital expenditure and reimbursable projects, Metro expended \$1.71 billion, on an accrual basis, through the capital program in FY2020.



**Table 2. Actual Direct and Indirect Costs by Project/Program**

| ID                                  | Description   | Direct Labor Cost    | Indirect Cost        | Indirect Cost Rate |
|-------------------------------------|---|----------------------|----------------------|--------------------|
| <b>Railcar Acquisition</b>          |   |                      |                      |                    |
| CIP0057                             | 1000 Series Rail Car Replacement                            | \$ (557)             | \$ (246)             | 44.15%             |
| CIP0059                             | 8000 Series Railcars Procurement                            | 796,635              | 652,207              | 81.87%             |
| CIP0071                             | Test Track & Communication Facility                         | 298                  | 132                  | 44.15%             |
| CIP0256                             | 7000 Series Railcars Procurement                            | 1,911,766            | 1,565,164            | 81.87%             |
| CIP0256_01                          | 7000 Series Railcars Procurement                            | 7,014                | 3,148                | 44.88%             |
| CIP8001                             | Development & Evaluation (D&E) Rail Car Replacement         | -                    | -                    |                    |
|                                     | <b>Subtotal Railcar Acquisition</b>                         | <b>\$ 2,715,156</b>  | <b>\$ 2,220,404</b>  | <b>81.78%</b>      |
| <b>Railcar Maintenance/Overhaul</b> |   |                      |                      |                    |
| CIP0063                             | Railcar Rehabilitation Program                              | \$ 20,868,531        | \$ 9,365,795         | 44.88%             |
| CIP0067                             | Rail Car Safety & Reliability Improvements                  | 368,316              | 165,299              | 44.88%             |
| CIP0142                             | Railcar Preventive Maintenance                              | 23,264,965           | 19,047,060           | 81.87%             |
|                                     | <b>Subtotal Railcar Maintenance/Overhaul</b>                | <b>\$ 44,501,811</b> | <b>\$ 28,578,155</b> | <b>64.22%</b>      |
| CIP0116                             | Rail Yard Facility Repairs                                  | \$ 15,137            | \$ 6,683             | 44.15%             |
| CIP0145                             | Station and Yard Security Upgrades                          | 1,854,953            | 744,022              | 40.11%             |
| CIP0204                             | Railcar Rooftop Access Platforms                            | 36,856               | 30,174               | 81.87%             |
| CIP0225                             | Railcar Heavy Repair and Overhaul Facility                  | 146                  | 64                   | 44.15%             |
| CIP0231                             | Good Luck Road Facility Construction                        | 315,949              | 126,726              | 40.11%             |
| CIP0231_02                          | Good Luck Road Facility Construction                        | 4,532                | 2,001                | 44.15%             |
| CIP0279                             | Huntington Station Joint Development                        | -                    | -                    |                    |
| CIP0283                             | Railcar Maintenance Facility SGR Program                    | 7,553                | 3,335                | 44.15%             |
| CIP0284                             | Yard Facility Rehabilitation                                | 510,555              | 225,410              | 44.15%             |
| CIP8005                             | Development & Evaluation (D&E) Rail Yard Improvements       | 25,105               | 11,084               | 44.15%             |
| CIP8006                             | Future Rail Yard Major Projects                             | -                    | -                    |                    |
|                                     | <b>Subtotal Railcar Maintenance Facilities</b>              | <b>\$ 2,770,786</b>  | <b>\$ 1,149,499</b>  | <b>41.49%</b>      |
|                                     | <b>Subtotal Railcar Investments</b>                         | <b>\$ 49,987,753</b> | <b>\$ 31,948,058</b> | <b>63.91%</b>      |
| <b>Propulsion</b>                   |   |                      |                      |                    |
| CIP0076                             | Rail Power Infrastructure Upgrades                          | \$ 2,873,199         | \$ 1,152,438         | 40.11%             |
| CIP0252                             | Alternating Current (AC) Power Systems State of Good Repair | 2,360,625            | 946,846              | 40.11%             |
| CIP0252_99                          | AC Power Systems State of Good Repair                       | 10,430               | 4,605                | 44.15%             |
| CIP0253                             | Traction Power State of Good Repair                         | 4,632,113            | 1,857,944            | 40.11%             |
| CIP0253_01                          | Traction Power State of Good Repair                         | 239,589              | 96,099               | 40.11%             |
| CIP0253_02                          | Traction Power State of Good Repair                         | 670,736              | 269,031              | 40.11%             |
| CIP0253_99                          | Traction Power State of Good Repair                         | 61,662               | 27,224               | 44.15%             |

| ID                                  | Description  | Direct Labor Cost    | Indirect Cost        | Indirect Cost Rate |
|-------------------------------------|--|----------------------|----------------------|--------------------|
| CIP8007_03                          | D&E Power Improvements <sup>2</sup>                                    | 94,210               | 40,618               | 43.11%             |
|                                     | <b>Subtotal Propulsion</b>   | <b>\$ 10,942,564</b> | <b>\$ 4,394,804</b>  | <b>40.16%</b>      |
| <b>Signals &amp; Communications</b> |  |                      |                      |                    |
| CIP0133                             | Wayside Warning Train Wash   | \$ 22,405            | \$ 54,935            | 44.88%             |
| CIP0136                             | Radio Infrastructure Replacement                                       | 4,742,473            | 1,902,372            | 40.11%             |
| CIP0139                             | National Transportation Safety Board Recommendations                   | 1,013,690            | 447,548              | 44.15%             |
| CIP0251                             | Automatic Train Control State of Good Repair                           | 1,135,297            | 455,370              | 40.11%             |
| CIP0251_01                          | Automatic Train Control State of Good Repair                           | 7,123                | 2,857                | 40.11%             |
| CIP0251_02                          | Automatic Train Control State of Good Repair                           | 88,168               | 35,364               | 40.11%             |
| CIP0251_03                          | Automatic Train Control State of Good Repair                           | 303,496              | 121,733              | 40.11%             |
| CIP0251_04                          | Automatic Train Control State of Good Repair                           | 2,150                | 862                  | 40.11%             |
| CIP0251_05                          | Automatic Train Control State of Good Repair                           | 1,306,247            | 523,824              | 40.10%             |
| CIP0251_06                          | Automatic Train Control State of Good Repair                           | 19,650               | 7,881                | 40.11%             |
| CIP0251_07                          | Automatic Train Control State of Good Repair                           | 5,318                | 2,133                | 40.11%             |
| CIP0251_14                          | Automatic Train Control State of Good Repair                           | 1,788                | 790                  | 44.15%             |
| CIP0251_18                          | Automatic Train Control State of Good Repair                           | 4,868,009            | 2,149,225            | 44.15%             |
| CIP0251_19                          | Automatic Train Control State of Good Repair                           | -                    | -                    |                    |
| CIP0251_99                          | Automatic Train Control State of Good Repair                           | 3,941                | 1,740                | 44.15%             |
| CIP0257                             | Emergency Trip Station Infrastructure <sup>3</sup>                     | 461,630              | 204,354              | 44.27%             |
| CIP0260                             | Track Inspector Location Pilot   | 433,982              | 194,772              | 44.88%             |
| CIP0350                             | Remote Terminal Unit (RTU) Reliability Project                         | -                    | -                    |                    |
| CIP8009                             | D&E Automatic Train Control & Communications Improvements <sup>4</sup> | 43,957               | 17,216               | 39.17%             |
| CIP8009_01                          | D&E Automatic Train Control & Communications Improvements              | 16,214               | 7,159                | 44.15%             |
|                                     | <b>Subtotal Signals &amp; Communications</b>                           | <b>\$ 14,575,538</b> | <b>\$ 6,130,135</b>  | <b>42.06%</b>      |
|                                     | <b>Subtotal Rail Systems Investments</b>                               | <b>\$ 25,518,102</b> | <b>\$ 10,524,939</b> | <b>41.24%</b>      |
| <b>Fixed Rail</b>                   |  |                      |                      |                    |
| CIP0024                             | Track and Structures Rehabilitation <sup>5</sup>                       | \$ 30,441,842        | \$ 13,279,669        | 43.62%             |
| CIP0025                             | Track Maintenance Equipment  | 525,212              | 235,713              | 44.88%             |
| CIP0065                             | Track Geometry Vehicle   | -                    | -                    |                    |
| CIP0246                             | General Engineering Support  | 1,903,488            | 763,493              | 40.11%             |
| CIP0247                             | Emergency Construction Support   | 36,966               | 14,827               | 40.11%             |
| CIP0261                             | Tunnel Light Improvements  | 241,637              | 96,921               | 40.11%             |

<sup>2</sup> Due to the volume of rate adjustments, the indirect cost rate for this project/program was updated shortly after the start of the FY2020 and reflects a blend of the FY2020 indirect cost rate and the rate applied the previous year.

<sup>3</sup> Ibid.

<sup>4</sup> Ibid.

<sup>5</sup> Ibid.

## ATTACHMENT 2

| ID                                | Description   | Direct Labor Cost    | Indirect Cost        | Indirect Cost Rate |
|-----------------------------------|---|----------------------|----------------------|--------------------|
| CIP0288                           | D&G Turnback  | -                    | -                    |                    |
| CIP0289                           | Third Rail Reconfiguration                                      | 501                  | 221                  | 44.15%             |
| CIP0290                           | Trash & Dust Vacuum Train                                       | -                    | -                    |                    |
| CIP8011                           | D&E Fixed Rail Improvements                                     | 3,075                | 1,233                | 40.11%             |
|                                   | <b>Subtotal Fixed Rail</b>                                      | <b>\$ 33,152,721</b> | <b>\$ 14,392,077</b> | <b>43.41%</b>      |
| <b>Structures</b>                 |   |                      |                      |                    |
| CIP0022                           | Track Structural Rehabilitation                                 | \$ 77,599            | \$ 31,125            | 40.11%             |
| CIP0022_01                        | Track Structural Rehabilitation                                 | 9,002                | 3,611                | 40.11%             |
| CIP0022_02                        | Track Structural Rehabilitation                                 | 379,563              | 152,269              | 40.12%             |
| CIP0022_03                        | Track Structural Rehabilitation                                 | 111,182              | 44,926               | 40.41%             |
| CIP0026                           | Station/Tunnel Leak Mitigation                                  | (716)                | (316)                | 44.15%             |
| CIP0205                           | Bush Hill Aerial Structure                                      | 76,242               | 30,581               | 40.11%             |
| CIP0262                           | Tunnel Water Leak Mitigation                                    | 248,805              | 99,796               | 40.11%             |
| CIP0267                           | Edmonston Bridge Project  | -                    | -                    |                    |
| CIP0291                           | Tunnel Ventilation  | 131,345              | 52,682               | 40.11%             |
| CIP0294                           | Bridge Rehabilitation   | 28,834               | 11,565               | 40.11%             |
| CIP0348                           | Minnesota Avenue Aerial Rehabilitation                          | -                    | -                    |                    |
| CIP8013                           | D&E Track Structures Improvements                               | 2,753                | 1,215                | 44.15%             |
|                                   | <b>Subtotal Structures</b>                                      | <b>\$ 1,064,608</b>  | <b>\$ 427,454</b>    | <b>40.15%</b>      |
|                                   | <b>Subtotal Track and Structures Rehabilitation Investments</b> | <b>\$ 34,217,329</b> | <b>\$ 14,819,531</b> | <b>43.31%</b>      |
| <b>Platforms &amp; Structures</b> |   |                      |                      |                    |
| CIP0035                           | Bicycle & Pedestrian Facilities Improvements                    | \$ 29,339            | \$ 12,953            | 44.15%             |
| CIP0087                           | Station Rehabilitation Program                                  | 3,715,179            | 1,490,148            | 40.11%             |
| CIP0087_02                        | Station Rehabilitation Program                                  | 84,577               | 37,341               | 44.15%             |
| CIP0087_99                        | Station Rehabilitation Program                                  | 12,184               | 5,379                | 44.15%             |
| CIP0088                           | Station Entrance Canopies                                       | 546,887              | 219,357              | 40.11%             |
| CIP0108                           | Rhode Island Avenue Metrorail Station Platform Rehabilitation   | (722)                | (289)                | 40.11%             |
| CIP0110                           | Orange/Blue Line Rehabilitation- Phase 1                        | (8,352)              | (3,687)              | 44.15%             |
| CIP0152                           | Parking Garage and Lot Rehabilitation                           | 726,965              | 320,954              | 44.15%             |
| CIP0218                           | Station Upgrades  | 34,402               | 15,188               | 44.15%             |
| CIP0271                           | Metrorail Station Emergency Gates Replacement                   | 109,410              | 49,103               | 44.88%             |
| CIP0274                           | Grosvenor Parking Garage Joint Development                      | 27,648               | 12,207               | 44.15%             |
| CIP0298                           | Farragut North/West Passenger Circulation Improvement Study     | -                    | -                    |                    |
| CIP0300                           | Gallery Place/Chinatown Passenger Circulation Improvement Study | 12,889               | 10,552               | 81.87%             |
| CIP0302                           | Huntington Parking Garage                                       | 3,068                | 1,231                | 40.11%             |
| CIP0305                           | Passenger Facility SOGR Program                                 | 12,991               | 5,736                | 44.15%             |
| CIP0306                           | Stations Platform Rehabilitation - Phase 1                      | 10,311,987           | 4,136,176            | 40.11%             |

## ATTACHMENT 2

| ID         | Description   | Direct Labor Cost    | Indirect Cost       | Indirect Cost Rate |
|------------|---|----------------------|---------------------|--------------------|
| CIP0307    | Stations Platform Rehabilitation - Phase 2 <sup>6</sup> | 2,124,495            | 696,345             | 32.78%             |
| CIP0308    | Stations Platform Rehabilitation - Phase 3              | 45,255               | 19,980              | 44.15%             |
| CIP0309    | Huntington Metrorail Station Additional Entrance        | -                    | -                   |                    |
| CIP0345    | Shady Grove Stairway                                    | 24,869               | 9,975               | 40.11%             |
| CIP8015    | D&E Platform & Structures                               | 198,016              | 79,424              | 40.11%             |
| CIP8015_04 | D&E Platform & Structures                               | 49,881               | 20,007              | 40.11%             |
| CIP8015_05 | D&E Platform & Structures                               | 35,740               | 15,779              | 44.15%             |
| CIP8015_08 | D&E Platform & Structures                               | 30,158               | 13,314              | 44.15%             |
| CIP8015_09 | D&E Platform & Structures                               | 11,614               | 5,128               | 44.15%             |
| CIP8015_11 | D&E Platform & Structures                               | 44,676               | 19,724              | 44.15%             |
| CIP8015_12 | D&E Platform & Structures                               | 38,681               | 17,077              | 44.15%             |
| CIP8015_13 | D&E Platform & Structures                               | 23,491               | 10,371              | 44.15%             |
| CIP8015_14 | D&E Platform & Structures                               | 25,547               | 11,279              | 44.15%             |
| CIP8015_15 | D&E Platform & Structures                               | 14,591               | 6,442               | 44.15%             |
|            | <b>Subtotal Platforms &amp; Structures</b>              | <b>\$ 18,285,465</b> | <b>\$ 7,237,194</b> | <b>39.58%</b>      |
|            | <b>Vertical Transportation</b>                          |                      |                     |                    |
| CIP0072    | Elevator Rehabilitation                                 | \$ 615,166           | \$ 246,741          | 40.11%             |
| CIP0073    | Escalator Rehabilitation                                | 214,053              | 85,857              | 40.11%             |
| CIP0073_99 | Escalator Rehabilitation                                | 516                  | 228                 | 44.15%             |
| CIP0132    | Escalator and Elevator Overhaul                         | 2,087,914            | 837,459             | 40.11%             |
| CIP0185    | Escalator Replacement                                   | 696,636              | 307,563             | 44.15%             |
|            | <b>Subtotal Vertical Transportation</b>                 | <b>\$ 3,614,285</b>  | <b>\$ 1,477,848</b> | <b>40.89%</b>      |
|            | <b>Station Systems</b>                                  |                      |                     |                    |
| CIP0074    | Parking Access and Collection Equipment Maintenance     | \$ 14,485            | \$ 6,395            | 44.15%             |
| CIP0093    | Regional NextFare System                                | 1,634                | 721                 | 44.15%             |
| CIP0097    | NEPP Open Bankcard & AFC                                | -                    | -                   |                    |
| CIP0150    | Non-Revenue Facility Fire Systems                       | 680,993              | 557,528             | 81.87%             |
| CIP0151    | Station Cooling Systems Upgrade                         | 1,596,185            | 1,306,799           | 81.87%             |
| CIP0219    | Station Lighting Improvements                           | 3,361,587            | 1,348,338           | 40.11%             |
| CIP0241    | Raising Vent Shafts                                     | 34,843               | 13,976              | 40.11%             |
| CIP0242    | Improving Drainage <sup>7</sup>                         | 1,675,376            | 670,601             | 40.03%             |
| CIP0255    | Fare Collection Modernization Program                   | 427,960              | 171,657             | 40.11%             |
| CIP0255_01 | Fare Collection Modernization Program                   | 131,758              | 52,848              | 40.11%             |
| CIP0255_02 | Fare Collection Modernization Program                   | 29,387               | 12,975              | 44.15%             |
| CIP0255_03 | Fare Collection Modernization Program                   | 184,960              | 74,187              | 40.11%             |
| CIP0255_04 | Fare Collection Modernization Program                   | 96,081               | 38,538              | 40.11%             |

<sup>6</sup> Ibid.

<sup>7</sup> Ibid.

## ATTACHMENT 2

| ID                                      | Description   | Direct Labor Cost    | Indirect Cost        | Indirect Cost Rate |
|---|---|----------------------|----------------------|--------------------|
| CIP0255_05                              | Fare Collection Modernization Program                         | 79,489               | 31,883               | 40.11%             |
| CIP0255_08                              | Fare Collection Modernization Program                         | 143,261              | 57,462               | 40.11%             |
| CIP0255_11                              | Fare Collection Modernization Program                         | 1,665                | 668                  | 40.11%             |
| CIP0258                                 | Fire Alarm System Upgrade                                     | 153,817              | 67,910               | 44.15%             |
| CIP0341                                 | Standpipe Replacement Program                                 | 1,205,690            | 483,602              | 40.11%             |
| CIP8019                                 | D&E Station Systems   | -                    | -                    |                    |
|   | <b>Subtotal Station Systems</b>                               | <b>\$ 9,819,171</b>  | <b>\$ 4,896,087</b>  | <b>49.86%</b>      |
|   | <b>Subtotal Stations and Passenger Facilities Investments</b> | <b>\$ 31,718,921</b> | <b>\$ 13,611,130</b> | <b>42.91%</b>      |
| <b>Bus and Paratransit Acquisition</b>  |   |                      |                      |                    |
| CIP0006                                 | Bus Acquisition Program                                       | \$ 228,283           | \$ 66,156            | 28.98%             |
| CIP0015                                 | MetroAccess Fleet Acquisition                                 | 176,936              | 672,517              | 380.09%            |
| CIP8021                                 | D&E Bus and Paratransit                                       | -                    | -                    |                    |
|   | <b>Subtotal Bus and Paratransit Acquisition</b>               | <b>\$ 405,219</b>    | <b>\$ 738,673</b>    | <b>182.29%</b>     |
| <b>Bus Maintenance/Overhaul</b>         |   |                      |                      |                    |
| CIP0002                                 | Metrobus Onboard Equipment and Software Replacement           | \$ -                 | \$ -                 |                    |
| CIP0004                                 | Bus Repair Equipment  | 47,492               | 18,004               | 37.91%             |
| CIP0005                                 | Bus Rehabilitation Program                                    | 10,042,489           | 3,814,230            | 37.98%             |
| CIP0007                                 | Metrobus Closed-Circuit Television (CCTV) Replacement         | -                    | -                    |                    |
| CIP0143                                 | Bus Preventive Maintenance Program                            | 497,128              | 188,462              | 37.91%             |
| CIP0240                                 | Bladensburg Bus Facility Replace                              | -                    | -                    |                    |
| CIP8023                                 | D&E Bus Maintenance and Overhaul                              | -                    | -                    |                    |
|   | <b>Subtotal Bus Maintenance/Overhaul</b>                      | <b>\$ 10,587,109</b> | <b>\$ 4,020,696</b>  | <b>37.98%</b>      |
| <b>Bus Maintenance Facilities</b>       |   |                      |                      |                    |
| CIP0078                                 | Bladensburg Shop Reconfigure                                  | \$ -                 | \$ -                 |                    |
| CIP0084                                 | Andrews Federal Bus Facility                                  | 271,317              | 119,787              | 44.15%             |
| CIP0085                                 | Cinder Bed Road Bus Facility                                  | 13,079               | 5,775                | 44.15%             |
| CIP0086                                 | Shepherd Parkway Bus Facility                                 | 4,759                | 1,804                | 37.91%             |
| CIP0311                                 | Bus Garage Replacement- Bladensburg                           | 296,079              | 112,244              | 37.91%             |
| CIP0312                                 | Four Mile Run Service Lane Rehabilitation                     | -                    | -                    |                    |
| CIP0315                                 | Bus Garage Replacement - Northern                             | 238,429              | 69,096               | 28.98%             |
| CIP0316                                 | Shepherd Parkway Bus Division - CNG Refueling Station         | -                    | -                    |                    |
| CIP0319                                 | Bus Maintenance Facility SOGR                                 | -                    | -                    |                    |
| CIP8025                                 | D&E Bus Maintenance Facilities                                | 103,358              | 39,183               | 37.91%             |
|   | <b>Subtotal Bus Maintenance Facilities</b>                    | <b>\$ 927,021</b>    | <b>\$ 347,889</b>    | <b>37.53%</b>      |
| <b>Bus Passenger Facilities/Systems</b> |   |                      |                      |                    |
| CIP0037                                 | Bus Priority Corridor Network                                 | \$ 4,519             | \$ 1,995             | 44.15%             |
| CIP0153                                 | Accessible Station Signage                                    | -                    | -                    |                    |
| CIP0220                                 | Metrobus Planning Program                                     | -                    | -                    |                    |
| CIP0221                                 | Bus Customer Facility Improvements                            | 32,762               | 12,420               | 37.91%             |
| CIP0254                                 | Traffic Signal Prioritization                                 | -                    | -                    |                    |

## ATTACHMENT 2

| ID  | Description   | Direct Labor Cost    | Indirect Cost       | Indirect Cost Rate |
|---|---|----------------------|---------------------|--------------------|
| CIP0266                                       | Historic Bus Terminal Rehabilitation                                  | 58,974               | 17,091              | 28.98%             |
| CIP0275                                       | New Carrollton Bus Bays Joint Development                             | 22,372               | 9,877               | 44.15%             |
| CIP0322                                       | Bus Passenger Facilities/Systems Future Major Projects                | -                    | -                   | -                  |
| CIP8027                                       | D&E Bus Passenger Facilities/Systems                                  | 79,505               | 35,102              | 44.15%             |
|   | <b>Subtotal Bus Passenger Facilities/Systems</b>                      | <b>\$ 198,131</b>    | <b>\$ 76,484</b>    | <b>38.60%</b>      |
|   | <b>Subtotal Bus and Paratransit Investments</b>                       | <b>\$ 12,117,480</b> | <b>\$ 5,183,742</b> | <b>42.78%</b>      |
| <b>Information Technology</b>                 |   |                      |                     |                    |
| CIP0042                                       | Product Lifecycle Software Decommissioning                            | \$ -                 | \$ -                | -                  |
| CIP0043                                       | Bus Operations Support Software                                       | 37,673               | 16,633              | 44.15%             |
| CIP0044                                       | IT Capital Program Business Process Reengineering and Program Support | -                    | -                   | -                  |
| CIP0045                                       | Data Centers and Infrastructures                                      | 17,777               | 7,849               | 44.15%             |
| CIP0046                                       | Document Management System  | -                    | -                   | -                  |
| CIP0047                                       | Enterprise Geographic Information System                              | -                    | -                   | -                  |
| CIP0048                                       | Sensitive Data Protection Technology                                  | 20,811               | 9,188               | 44.15%             |
| CIP0049                                       | Management Support Software   | 1,650                | 729                 | 44.15%             |
| CIP0051                                       | Police Dispatch and Records Management                                | -                    | -                   | -                  |
| CIP0052                                       | Network and Communications  | 163,898              | 72,361              | 44.15%             |
| CIP0054                                       | Customer Electronic Communications & Outreach                         | 52,700               | 23,267              | 44.15%             |
| CIP0056                                       | Rail Operations Support Software                                      | 8,061                | 3,559               | 44.15%             |
| CIP0128                                       | Data Governance and Business Intelligence                             | (1,063)              | (470)               | 44.15%             |
| CIP0196                                       | Safety Measurement System   | -                    | -                   | -                  |
| CIP0215                                       | Rail Scheduling System Upgrade  | -                    | -                   | -                  |
| CIP0230                                       | Wireless Communication Infrastructure                                 | 1,764                | 779                 | 44.15%             |
| CIP0259                                       | Timecard Software Integration and Analysis                            | -                    | -                   | -                  |
| CIP0269                                       | Enterprise Asset Management Systems                                   | 134,453              | 59,361              | 44.15%             |
| CIP0330                                       | New Data Center IT Infrastructure and Equipment                       | 1,577                | 696                 | 44.15%             |
| CIP0331                                       | Enterprise Resource Planning (ERP) Replacement                        | -                    | -                   | -                  |
| CIP0332                                       | Fiber Installation  | -                    | -                   | -                  |
| CIP0342                                       | IT Hardware Replacement Program                                       | -                    | -                   | -                  |
| CIP0343                                       | Operating and Maintenance Applications                                | 567,735              | 250,654             | 44.15%             |
| CIP0344                                       | IT Program Management and Quality Assurance                           | -                    | -                   | -                  |
| CIP0351                                       | OIG IT Security   | -                    | -                   | -                  |
| CIP8029                                       | Development & Evaluation IT   | 25,355               | 11,194              | 44.15%             |
|   | <b>Subtotal Information Technology</b>                                | <b>\$ 1,032,392</b>  | <b>\$ 455,800</b>   | <b>44.15%</b>      |
| <b>Metro Transit Police Department (MTPD)</b> |   |                      |                     |                    |
| CIP0102                                       | MTPD District III Substation Construction                             | \$ 5,830             | \$ 4,009            | 68.77%             |
| CIP0106                                       | Special Operations Division Facility                                  | 35,235               | 15,556              | 44.15%             |
| CIP0127                                       | Support Equipment - MTPD  | 11,612               | 7,986               | 68.77%             |
| CIP8031                                       | D&E MTPD  | -                    | -                   | -                  |



| ID      | Description                                     | Direct Labor Cost | Indirect Cost    | Indirect Cost Rate |
|---------|---|-------------------|------------------|--------------------|
| CIP8032 | Future MTPD Major Projects                      | -                 | -                |                    |
|         | <b>Subtotal MTPD</b>                            | <b>\$ 52,677</b>  | <b>\$ 27,551</b> | <b>52.30%</b>      |
|         | <b>Support Equipment/Services</b>               |                   |                  |                    |
| CIP0009 | Service Vehicle Replacement Program             | \$ -              | \$ -             |                    |
| CIP0010 | Environmental Compliance Program                | 321,478           | 141,933          | 44.15%             |
| CIP0011 | Underground Storage Tank Replacement            | 19,000            | 8,388            | 44.15%             |
| CIP0028 | Materials Handling Equipment                    | 713               | -                |                    |
| CIP0029 | Warehouse Vertical Store Unit                   | -                 | -                |                    |
| CIP0030 | Currency Processing Machines                    | -                 | -                |                    |
| CIP0033 | Revenue Facility Equipment                      | -                 | -                |                    |
| CIP0034 | Revenue Collection Facility                     | 3,120             | 1,377            | 44.15%             |
| CIP0036 | Procurement Program Support                     | 459,052           | 202,671          | 44.15%             |
| CIP0039 | Core & System Development Program               | 1,872             | 826              | 44.15%             |
| CIP0080 | Building Infrastructure & Systems Renewal       | -                 | -                |                    |
| CIP0099 | Joint Development                               | 330               | 227              | 68.77%             |
| CIP0101 | Internal Compliance Capital Management          | -                 | -                |                    |
| CIP0131 | Capital Program Financing                       | -                 | -                |                    |
| CIP0149 | Transit Asset Management System                 | 107,324           | 47,384           | 44.15%             |
| CIP0170 | Roof Rehabilitation and Replacement             | 1,282,567         | 566,252          | 44.15%             |
| CIP0197 | Rehabilitation of Non-Revenue Facilities        | 374               | 165              | 44.15%             |
| CIP0212 | Environmental Sustainability Lab                | 2,228             | 984              | 44.15%             |
| CIP0213 | Capital Program Development Support             | 630,168           | 278,221          | 44.15%             |
| CIP0224 | IT Capital Management                           | 1,382             | 610              | 44.15%             |
| CIP0270 | Capital Delivery Program Support                | -                 | -                |                    |
| CIP0272 | Station Commercialization Project               | 307,088           | 135,579          | 44.15%             |
| CIP0273 | Facility Improvements                           | 598,990           | 264,455          | 44.15%             |
| CIP0276 | Station Commercialization Plan                  | -                 | -                |                    |
| CIP0277 | Supply Chain Modernization                      | -                 | -                |                    |
| CIP0324 | Capital Program Financial Support               | 486,244           | 214,677          | 44.15%             |
| CIP0335 | Headquarters - District of Columbia             | 49,988            | 22,069           | 44.15%             |
| CIP0336 | Energy Management Upgrades                      | -                 | -                |                    |
| CIP0337 | Headquarters - Virginia                         | -                 | -                |                    |
| CIP0338 | Headquarters - Maryland                         | 413               | 182              | 44.15%             |
| CIP0339 | First Responders Signs Updates                  | -                 | -                |                    |
| CIP0347 | Accounting Capital Program Support <sup>8</sup> | 354,604           | 132,167          | 37.27%             |
| CIP8033 | D&E Support Equipment/Services                  | -                 | -                |                    |

<sup>8</sup> Ibid.

## ATTACHMENT 2

| ID | Description                           | Direct Labor Cost | Indirect Cost | Indirect Cost Rate |
|----|---------------------------------------|-------------------|---------------|--------------------|
|    | Subtotal Support Equipment/Services   | \$ 4,626,935      | \$ 2,018,169  | 43.62%             |
|    | Subtotal Business Support Investments | \$ 5,712,003      | \$ 2,501,521  | 43.79%             |
|    | Total                                 | \$ 159,271,589    | \$ 78,588,921 | 49.34%             |

## Indirect Costs Deducted from Operating Expenditures

For this report, indirect costs applied to the capital program were reviewed and reconciled against indirect costs deducted from operating expenditures. In FY2020, \$78.6 million in indirect costs were applied to capital projects, excluding capital expenses for Covid-19 and reimbursable

projects, and \$78.6 million in indirect costs were deducted from operating expenditure. The variance between the capital and operating accounts was -\$585. The results of this reconciliation are summarized in **Table 3**.

**Table 3. FY2020 Indirect Cost Reconciliation**

| Month Ending   | Indirect Costs Applied to the Capital Program | Indirect Costs Deducted from Operating Expenditure | Variance |
|----------------|---|--|----------|
| July 2019      | \$ 7,986,570                                  | \$ (7,986,570)                                     | \$ -     |
| August 2019    | 10,850,110                                    | (10,850,110)                                       | -        |
| September 2019 | 8,173,482                                     | (8,173,482)  | -        |
| October 2019   | 8,629,144                                     | (8,629,144)  | -        |
| November 2019  | 7,298,427                                     | (7,299,614)  | (1,187)  |
| December 2019  | 10,573,486                                    | (10,573,486)                                       | -        |
| January 2020   | 5,242,394                                     | (5,242,394)  | -        |
| February 2020  | 5,051,943                                     | (5,051,341)  | 602      |
| March 2020     | 7,828,234                                     | (7,828,234)  | -        |
| April 2020     | 1,928,917                                     | (1,928,917)  | -        |
| May 2020       | 2,384,409                                     | (2,384,409)  | -        |
| June 2020      | 2,641,805                                     | (2,641,805)  | -        |
| Total          | \$ 78,588,921                                 | \$ (78,589,506)                                    | \$ (585) |



# FY2020 Dedicated Funding Deliverables

# ATTACHMENT 3

| Status      | Source   | Reference                   | Requirement  | Deadline                  | Status Comment   |
|-------------|--|-----------------------------|--|---------------------------|--|
| Completed   | Virginia Dedicated Funding Legislation (2018 HB 1539/SB 856);#Virginia Dedicated Capital Funding Agreement | Va. Code Ann. § 33.2-3402.B | NVTC oversight. A. In any year that funds are deposited into the Fund, the NVTC shall request certain documents and reports from WMATA to confirm the benefits of the WMATA system to persons living, traveling, commuting, and working in the localities that the NVTC comprises. Such documents and reports shall include:<br>1. WMATA's annual capital budget;<br>2. WMATA's annual independent financial audit;<br>3. WMATA's National Transit Data annual profile; and<br>4. Single audit reports issued in accordance with the Uniform Administrative Requirements, Cost Principals, and Audit Requirements for Federal Awards (2 C.F.R. Part 200)<br>B. NVTC shall be responsible for coordinating the delivery of such documents and reports with WMATA. Funding of the Commonwealth to support WMATA pursuant to § 33.2-1526.1 shall be contingent on WMATA providing the documents and reports described in subsection A, and NVTC shall provide annual certification to the Comptroller that such documents and reports have been received.   | 07/01/2020                | Metro sent the required information to NVTC on 6/30/20. NVTC sent a letter to the VA Comptroller certifying documents on 6/30/20.  |
| Completed   | Virginia Dedicated Funding Legislation (2018 HB 1539/SB 856)   | Va. Code Ann. § 33.2-3403   | NVTC report. By November 1 of each year that funds are deposited into the Fund, NVTC shall report to the Governor and the General Assembly on the performance and condition of WMATA. Such report shall contain, at a minimum, documentation of the following:<br>1. The safety and reliability of the rapid heavy rail mass transportation system and bus network;<br>2. The financial performance of WMATA related to the operations of the rapid heavy rail mass transportation system, including farebox recovery, service per rider, and cost per service hour;<br>3. The financial performance of WMATA related to the operations of the bus mass transportation system, including farebox recovery, service per rider, and cost per service hour;<br>4. Potential strategies to reduce the growth in such costs and to improve the efficiency of WMATA operations;<br>5. Use of the funds provided from the Fund to improve the safety and condition of the rapid heavy rail mass transportation system; and<br>6. Ridership of the rapid heavy rail mass transportation system and the bus mass transportation system. | 12/15/2020                | This is an NVTC requirement. NVTC submitted its report on 12/11/20.  |
| acknowledge | Virginia Dedicated Funding Legislation (2018 HB 1539/SB 856)   | Repealed                    | For WMATA projects initiated on and after July 1, 2018, and located solely within the Commonwealth, "bidders, offers, contractors, or subcontractors (i) shall not, as a condition of the contract, be required to enter into or adhere to or prohibited from entering into or adhering to agreements with one or more labor organizations and (ii) shall not otherwise be discriminated against for becoming or refusing to become or remain signatories or otherwise adhere to agreements with one or more labor organizations."   | N/A- Requirement Repealed | Requirement repealed per <a href="https://lis.virginia.gov/cgi-bin/legp604.exe?201+ful+CHAP0282+pdf">https://lis.virginia.gov/cgi-bin/legp604.exe?201+ful+CHAP0282+pdf</a> |

## FY2020 Dedicated Funding Deliverables

## ATTACHMENT 3

| Status    | Source   | Reference                                      | Requirement   | Deadline   | Status Comment  |
|-----------|--|--|---|------------|---|
| Completed | Virginia Dedicated Funding Legislation (2018 HB 1539/SB 856) | Va. Acts of Assem. Ch. 854 Enact. Cl. 7 p. 19  | That the Commonwealth Transportation Board shall withhold 20 percent of the funds available pursuant to subdivision C 3 of § 33.2-1526.1 of the Code of Virginia, as created by this act, if (i) any alternate directors participate or take action at an official Washington Metropolitan Area Transit Authority (WMATA) Board meeting or committee meeting as Board directors for a WMATA compact member when both directors appointed by that same WMATA compact member are present at the WMATA Board meeting or committee meeting or (ii) the WMATA Board of Directors has not adopted bylaws that would prohibit such participation by alternate directors.<br>9/18/18 CTB Resolution states: "WMATA shall provide written notification to the CTB by July 1 of each year that it has adopted bylaws that prohibit the participation of alternate directors specified in clause ii) of Enactment Clause 7 and that no violations of the bylaws by alternate directors have occurred during the previous year. WMATA shall immediately notify the CTB in writing if a violation of its bylaws by an alternate director or some other action prohibited by this CTB policy occurs." | 07/01/2020 | Metro sent the required information to CTB on 06/24/20. CTB approved a resolution on 10/20/20.  |
| Completed | Virginia Dedicated Funding Legislation (2018 HB 1539/SB 856) | Va. Acts of Assem. Ch. 771 Article XVI, 70.(a) | Chapter 771 Article XVI, 70.(a) (Regular Session, 2009) requires WMATA to submit its annual audit report to the General Assembly by December 1 of each year.  | 12/01/2020 | Metro provided the Audit to the VA General Assembly on 11/19/20. The Audit can be found in the CAFR:<br><a href="https://www.wmata.com/about/records/public_docs/upload/Comprehensive-Annual-Financial-Report-for-the-Fiscal-Years-Ended-June-30-2020-and-2019-2.pdf">https://www.wmata.com/about/records/public_docs/upload/Comprehensive-Annual-Financial-Report-for-the-Fiscal-Years-Ended-June-30-2020-and-2019-2.pdf</a> . |



# FY2020 Dedicated Funding Deliverables

# ATTACHMENT 3

| Status    | Source  | Reference                            | Requirement  | Deadline   | Status Comment  |
|-----------|---|--------------------------------------|--|------------|---|
| Completed | Maryland Dedicated Funding Legislation (2018 HB 372/SB 277)   | Md. Transp. Code §10-205(f)(2)(i)    | <p>Legislation Requires:<br/>MDOT certifies to Governor before the beginning of the immediately preceding fiscal year that WMATA has submitted to the Department:</p> <ol style="list-style-type: none"> <li>Performance and condition assessments and reports regarding: <ol style="list-style-type: none"> <li>The safety and reliability of rapid heavy rail and bus systems;</li> <li>(budget) The financial performance of WMATA as it relates to rail and bus operations, including fare box recovery, service per rider, and cost per service hour;</li> <li>The monthly ridership of rail and bus systems broken down by Metrorail station, Metrorail line, bus stop, and bus line;</li> <li>(budget) Strategies to reduce costs and improve WMATA's operational efficiency; and</li> <li>(budget) The comparison of annual capital investments and approved budgets; and</li> </ol> </li> <li>The Washington Metropolitan Area Transit Authority's: <ol style="list-style-type: none"> <li>Annual budget;</li> <li>Annual independent financial audit;</li> <li>Annual National Transit Database profile; and</li> <li>Individual audit reports.</li> </ol> </li> </ol>   | 06/30/2020 | Metro submitted a letter containing financial and NTD information on 06/01/20; and a letter containing ridership information on 06/08/20. |
| Completed | Maryland Dedicated Funding Legislation (2018 HB 372/SB 277);#Maryland Dedicated Capital Funding Agreement | Md. Transp. Code §10-205(f)(2)(i)(2) | <p>Agreement Requires:</p> <p>B. WMATA shall submit, annually by June 1 for the most recently audited fiscal year, to MDOT and WSTD the Authority's:</p> <ol style="list-style-type: none"> <li>Annual independent financial audit and Single Audit;</li> <li>Annual National Transit Database profile; and</li> <li>Assessment of safety-critical infrastructure and state of good repair needs.</li> </ol> <p>C. WMATA shall prepare and submit, annually by June 1, for the next to occur fiscal year, to MDOT and WSTD:</p> <ol style="list-style-type: none"> <li>Annual budget, including funding sources for the budget , anticipated debt capacity, and any anticipated cash reserves and dedicated funding debt, if any;</li> <li>Policies and procedures for the capital planning process, which includes prioritizing and selecting individual projects based on specific and clearly-stated methodology;</li> <li>Annual approved CIP;</li> <li>Debt Policy reviewed and approved by the Board at least annually;</li> <li>Asset inventory and condition assessment procedures; and</li> <li>Measures to assess capital project investments and measures to gauge performance toward outcomes demonstrating responsible investment of grant funds toward meeting the goals of keeping WMATA safe and its infrastructure in a state of good repair.</li> </ol> <p>D. WMATA shall prepare and submit as available, quarterly updates on the measures established in C.6 above.</p> | 06/01/2020 | Metro submitted the required documents on 5/29/20.  |

# FY2020 Dedicated Funding Deliverables

# ATTACHMENT 3

| Status    | Source  | Reference                            | Requirement  | Deadline   | Status Comment   |
|-----------|---|--------------------------------------|--|------------|--|
| Completed | Maryland Dedicated Funding Legislation (2018 HB 372/SB 277);#Maryland Dedicated Capital Funding Agreement | MD DFA Sec 4.E                       | Agreement Requires:<br>Reprogramming - WMATA agrees to provide the State with monthly reports regarding reprogramming of project budgets into or out of Capital Projects during the term of this Agreement where such reprogramming results in either<br>1) an increase of the total project budget as shown in the CIP;<br>2) revises the scope of a Capital Project;<br>3) a movement of \$5 Million or more; or<br>4) creates a new Capital Project.  | 08/30/2020 | Metro prepared and submitted the required reprogramming reports.   |
| Completed | Maryland Dedicated Funding Legislation (2018 HB 372/SB 277);#Maryland Dedicated Capital Funding Agreement | MD DFA Sec 4.F                       | Agreement Requires:<br>F. WMATA shall submit, annually by December 31 for the most recently audited fiscal year, to MDOT a reconciliation report that addresses expenditures made in excess of the one-year capital budget as follows:<br>(1) For Capital Projects exceeding approved one-year budget:<br>a. The amount by which costs exceed projected costs during the completed fiscal year; and<br>b. The total amount that has been expended for the project to date;<br>(2) For new Capital Projects added during a fiscal year:<br>a. A purpose and need summary statement that includes:<br>i. A general description and summary that describes why the project is necessary and satisfies WMATA's safety, state of good repair, and financial accountability goals;<br>ii. The location of the project, including a map of the project limits, project area, or transportation corridor;<br>iii. A summary of how the project meets the selection criteria for inclusion in the CIP; and<br>iv. Any other information that WMATA believes would be useful to MDOT and WSTD. | 12/31/2020 | Metro addressed this requirement in Appendices A, B, and F of the Annual Reconciliation Report, which was transmitted 10/15/20.  |
| Completed | Maryland Dedicated Funding Legislation (2018 HB 372/SB 277)   | Md. Transp. Code §10-205 (f)(2)(iii) | The governor shall withhold 35% of the appropriation under paragraph (1) of this subsection (existing capital) if:<br><br>A. The Washington Metropolitan Area Transit Authority has received a modified audit opinion as a result of an annual independent audit conducted in accordance with Article XVI, Section of the Washington Metropolitan Area Transit Authority Compact under § 10-204 of this subtitle; and<br><br>B. The Department has not certified to the Governor in writing before the beginning of the immediately preceding fiscal year that the Washington Metropolitan Area Transit Authority has submitted in writing to the Washington Metropolitan Area Transit Authority board of directors and the Maryland General Assembly a satisfactory corrective plan that addresses the reasons for the modified audit opinion.  | 06/30/2021 | Metro received a clean audit for FY2020; the auditor did not offer a modified opinion.<br>Single audit reports can be found here:<br><a href="https://www.wmata.com/about/records/public-records.cfm">https://www.wmata.com/about/records/public-records.cfm</a> . |

# FY2020 Dedicated Funding Deliverables

# ATTACHMENT 3

| Status    | Source  | Reference                | Requirement  | Deadline      | Status Comment   |
|-----------|---|--------------------------|--|---------------|--|
| Completed | District of Columbia<br>Emergency Legislation   | DC Code §1-325.401(c)(2) | Creates WMATA Dedicated funding Fund, provides \$178.5 million annually. Requires a grant agreement with WMATA. The new dedicated funding of the District is authorized by the "Dedicated WMATA Funding and Tax Changes Affecting Real Property and Sales Amendment Act of 2018," which was approved as part of the Fiscal Year 2019 Budget Support Act of 2018, effective October 30, 2018 (D.C. Law 22-168; D.C. Official Code 1-325.401). Under this act, the District will provide the new dedicated funding to WMATA through a grant agreement. This Agreement is the grant agreement required by the act fund state-of-good-repair capital needs.  | Not specified | The DC Dedicated Funding Grant Agreement for FY2020 was executed 02/14/20.   |
| Completed | District of Columbia<br>Emergency Legislation;#DC<br>Dedicated Capital<br>Funding Agreement | DC DFGA Sec. 4(c)        | (c) Inclusion in Capital Improvement Program and Capital Budget. The Dedicated Funding Grant may be expended by WMATA only for State of Good Repair Capital Projects that are included in the then-current approved CIP and Capital Budget as those documents may be amended by the WMATA Board subject to the coordination required pursuant to the CFA. As defined in DC DFGA Sec.1(n): "State of Good Repair" or "SGR" means Capital Projects for the replacement, rehabilitation, or annual capital maintenance of existing capital assets necessary for system preservation. Eligible activities within replacement or rehabilitation projects include the incorporation of then-current design standards and additional and new features necessary for the proper functioning of the new facility or as required by federal, state, or local laws. Assets to be replaced must have either i) reached or exceeded their minimum useful life; ii) been deemed obsolete or unsafe; or iii) been identified as not cost effective to maintain or repair. In addition to replacement and rehabilitation, critical needs, including but not limited to new maintenance, repair, administrative, or overhaul facilities or maintenance equipment or non-revenue vehicles are eligible for Dedicated Funding Grant funds if they are needed to maintain the operations or administration of the then-existing Metrorail, Metrobus or MetroAccess systems. More specifically, these Capital Projects include replacing, rehabilitating, and modernizing existing capital assets of the system to address issues of safety and reliability including: (i) Railcars, including but not limited to railcar acquisition for replacement vehicles, nonrevenue equipment, railcar maintenance, repair, and overhaul facilities, etc.; (ii) Rail Systems, including but not limited to propulsion, signals and communications, etc.; (iii) Track and Structures Rehabilitation including but not limited to fixed guideway, structures, track maintenance, equipment, etc.; (iv) Stations and Passenger Facilities including but not limited to platforms and structures, customer information and wayfinding, vertical transportation, fare collections, parking facilities, station systems, etc.; (v) Bus and Paratransit including but not limited to bus acquisition, maintenance facilities, passenger facilities/systems, paratransit, non-revenue vehicles etc.; and (vi) Business Support including but not limited to real and personal property supporting administrative, non-revenue, and revenue functions, IT upgrades, support equipment and services, security equipment and services, etc. | 06/30/2020    | Dedicated Funding was budgeted for use for SGR projects per the FY2020 Capital Budget, which can be accessed here: <a href="https://www.wmata.com/about/records/public-records.cfm">https://www.wmata.com/about/records/public-records.cfm</a> |

## FY2020 Dedicated Funding Deliverables

## ATTACHMENT 3

| Status    | Source   | Reference            | Requirement  | Deadline         | Status Comment  |
|-----------|--|----------------------|--|------------------|---|
| Completed | District of Columbia<br>Emergency<br>Legislation;#DC<br>Dedicated Capital<br>Funding Agreement | DC DFGA Sec.<br>6(b) | (b) Rollover of Unexpended Funds. If there are unexpended Dedicated Funding Grant funds in the Capital Budget at the end of any WMATA Fiscal Year, the unexpended funds shall be "rolled over" to the succeeding WMATA Fiscal Year for programming by the WMATA Board through the CFA process as part of the funding for State of Good Repair Capital Projects shown in the Capital Budget. The unexpended funds shall not reduce funding requirements for the succeeding year's Dedicated Funding Grant to the Capital Budget, subject to the provisions of Section 5. The provision of this Section 6(b) shall not apply to any funding reduced or carried-forward at the District's direction pursuant to Section 3(a) above.   | 12/31/2020       | Appendix C of the FY2020 Annual Reconciliation report shows the variance between Dedicated Funding received and expended cash, which rolls over into the subsequent fiscal year.  |
| Completed | District of Columbia<br>Emergency<br>Legislation;#DC<br>Dedicated Capital<br>Funding Agreement | DC DFGA Sec.<br>7(a) | Capital Budget Requirement. WMATA shall, as a part of its annual budget process each year, develop a Capital Budget pursuant to the terms and conditions of the Capital Funding Agreement, in accordance with applicable laws and WMATA Board policies.  | Not<br>Specified | The original FY2020 Budget was approved by the Board on 03/28/19; it was amended on 06/27/19. The amended budget can be found at: <a href="https://www.wmata.com/about/records/public-records.cfm">https://www.wmata.com/about/records/public-records.cfm</a> . |
| Completed | District of Columbia<br>Emergency<br>Legislation;#DC<br>Dedicated Capital<br>Funding Agreement | DC DFGA Sec.<br>7(b) | Contents of the Capital Budget. For purposes of compliance with this Agreement, WMATA shall apply the budgeting and project identification requirements of the Capital Funding Agreement to the district's Dedicated Funding Grant and state in the Capital budget how the Dedicated Funding Grant is proposed to be utilized based on a schedule of projected quarterly cash needs, including an identification of what portion (if any) of the Dedicated Funding Grant is a direct capital contribution (or paygo), and what portion (if any) is to be budgeted by WMATA to pay debt service on Dedicated Funding Debt (to be stated separately in the Capital Budget) for the current year and each year in the current CIP period. In addition, WMATA must identify the primary purpose of each Capital Project. | Not<br>Specified | The FY2020 Budget can be accessed here: <a href="https://www.wmata.com/about/records/public-records.cfm">https://www.wmata.com/about/records/public-records.cfm</a> .   |

## FY2020 Dedicated Funding Deliverables

## ATTACHMENT 3

| Status      | Source   | Reference                | Requirement   | Deadline          | Status Comment  |
|-------------|--|--------------------------|---|-------------------|---|
| Completed   | District of Columbia<br>Emergency<br>Legislation;#DC<br>Dedicated Capital<br>Funding Agreement | DC DFGA Sec.<br>9        | <p>Quarterly Progress Reports</p> <p>Within forty-five (45) days after the end of each quarter, WMATA shall prepare and submit to the District a Capital Budget/CIP progress report (referred to herein as the "Quarterly Progress Report"). Each Quarterly Progress Report shall contain, with respect to each SGR Capital Project, funded by this Agreement and included in the Capital Budget, (a) the status of the project; (b) a review of the project's scope and schedule changes; (c) the status of acquisition and construction contracts necessary for the implementation of the project; (d) the status of year-to-date expenditures for each project relative to Capital Budget; (e) the status of all cash and debt sources relative to Capital Budget, including a break out of District Dedicated Funding; (f) pdated project cash flow projections and program cash requirements; and (g) a comparison of the billed amount to amounts actually expended for the preceding quarter. Each report shall be provided in a quarterly financial report in the same form and with the same level of detail that is required by the CFA.</p>  | 08/14/2020        | All quarterly reports were completed and made available to the jurisdictions. |
| acknowledge | District of Columbia<br>Emergency Legislation  | DC DFGA Sec.<br>10(a)(i) | <p>Maintenance of Records. WMATA shall maintain separate and complete accounting records that are consistent with generally accepted governmental accounting principles that accurately reflect all income and expenditures of funds provided by the District under this Agreement. WMATA shall retain all records, financial records, supporting documents, statistical records, and any other documents (including electronic storage media) pertinent to this Agreement, for three (3) years, or for the same period that records are required to be kept for the Federal Transit Administration or other federal grants, as applicable, whichever is longer; unless there is litigation based on the terms of this Agreement or an outstanding District or Federal financial or audit question that is not resolved by the District or Federal government, in which case the records shall be maintained until three (3) years after the final resolution of the audit finding or any litigation which is based on the terms of this Agreement, whichever is later. The records of WMATA must be in sufficient detail to determine the character and timing of transactions authorized by this Agreement.</p> | Not<br>Applicable | No reporting requirement  |

# FY2020 Dedicated Funding Deliverables

# ATTACHMENT 3

| Status       | Source   | Reference                             | Requirement   | Deadline          | Status Comment   |
|--------------|--|---------------------------------------|---|-------------------|--|
| acknowledged | District of Columbia<br>Emergency<br>Legislation;#DC<br>Dedicated Capital<br>Funding Agreement | DC DFGA Sec.<br>10(a)(ii)             | <p>Audits.</p> <p>(A) Timing for Performance. The District or its agent may perform an audit or other review of WMATA's expenditures of funds provided by this Agreement for up to three fiscal years prior to the date of the request. The District will assume all financial responsibility for any costs associated with the performance of such audits exclusive of WMATA internal costs. If the District and any party providing Other Dedicated Funding initiates an audit under this requirement or similar requirements in other agreements, the audits shall be consolidated into a single audit for the applicable fiscal years, subject to the agreement of the entities providing Other Dedicated Funding. WMATA agrees to cooperate fully with the District or its authorized agent or designee in the conduct of any audit carried out in accordance with this paragraph.</p> <p>(B) Survival of Audit Rights. The audit rights provided under this paragraph shall survive the termination date of this Agreement for three years. The audit rights provided herein shall not limit any other rights of the District under this Agreement.</p> | Not<br>Applicable | No reporting<br>requirement  |
| Completed    | District of Columbia<br>Emergency<br>Legislation;#DC<br>Dedicated Capital<br>Funding Agreement | DC DFGA Sec.<br>10(a)(ii)             | <p>Within forty-five (45) days after the completion of its annual financial audit, WMATA shall provide a report (Indirect/Overhead Audit Report) to the District that demonstrates that all indirect and overhead costs that WMATA actually recovered from the overall Capital Budget for the recently completed fiscal year were subtracted from the calculation of the overall actual operating subsidy for that year. The Indirect/Overhead Audit Report will use information from WMATA's financial system that shows (a) the amount of Indirect Costs charged to each project during the fiscal year, and the aggregate of all projects, and (b) the aggregate amount by which the operating subsidy was reduced for the Indirect Costs charged to the capital program. Indirect costs shall be budgeted and assessed only on the portion of a capital project attributable to WMATA direct labor costs.</p>   | 12/07/2020        | Metro transmitted the<br>Indirect Cost Report on<br>12/07/20.  |
| Completed    | Maryland Dedicated<br>Funding Legislation<br>(2018 HB 372/SB 277)                              | Md. Transp.<br>Code §10-<br>205(b)(3) | <p>Limits annual increases in requested MD operating assistance from total operating assistance in the prior year's approved budget to 3%. If not achieved, the MDOT shall withhold 35% of state operating and capital assistance for WMATA (not including new WMATA Capital Fund and PRIIA match). Exceptions include:</p> <p>1) Any service, equipment, or facility that is required by an applicable law, rule, or regulation;</p> <p>2) An capital project approved by the WMATA Board; 3) Any payments or obligations of any kind arising from or related to legal disputes or proceedings between or among WMATA and any other person or entity</p>   | 07/01/2019        | N/A - FY20 Budget<br>adopted within 3% cap.<br>Letter to VA attached<br>for reference; MD to be<br>copied on VA letter in<br>the future. |



# FY2020 Dedicated Funding Deliverables

# ATTACHMENT 3

| Status    | Source   | Reference  | Requirement   | Deadline   | Status Comment  |
|-----------|--|--|---|------------|---|
| Completed | Virginia Dedicated Funding Legislation (2018 HB 1539/SB 856) | Va. Code Ann. § 33.2-1526.1(J)                   | <p>J. In any year that the total Virginia operating assistance in the approved WMATA budget increases by more than 3 percent from the total operating assistance in the prior year's approved WMATA budget, the Board shall withhold an amount equal to 35 percent of the funds available under subdivision C3. The following items shall not be included in the calculation of any WMATA budget increase: (i) any service, equipment, or facility that is required by any applicable law, rule, or regulation; (ii) any capital project approved by the WMATA Board before or after the effective date of this provision; and (iii) any payments or obligations of any kind arising from or related to legal disputes or proceedings between or among WMATA and any other person or entity.</p> <p>09/18/18 CTB Resolution states: "WMATA shall provide a written notification to the CTB no later than July 1 of each year of the annual growth in total Virginia operating assistance, including a detailed description of the costs contributing to the increase operating subsidy and a year over year comparison of such costs. WMATA shall also provide a detailed description and justification of costs considered exempt from the calculation of the annual growth rate in operating subsidy. The written notification shall include sufficient documentation to allow the CTB to perform its own verification of the annual growth rate and amount of total Virginia operating assistance. By July 1 of each year, WMATA shall notify the CTB if it is scheduled or plans to adjust the regional subsidy allocation formulas in the budget to be proposed for the next fiscal year."</p> <p>*Exception added by CTB Resolution 9/18/18</p> | 07/01/2019 | Metro sent the required information to CTB on 6/27/19. CTB approved it by resolution on 10/16/19. |
| Completed | Virginia Dedicated Funding Legislation (2018 HB 1539/SB 856) | Va. Acts of Assem. Ch. 854 Enact. Cl. 8 p. 19-20 | <p>HB 1539/SB 856 requires adoption of a detailed capital improvement program covering the current fiscal year and, at a minimum, the next five fiscal years, including projections of funding sources and uses for the six-year period. Hold at least one public hearing on such capital improvement program in a locality embraced by NVTC. If not completed, the CTB shall withhold 20 percent of the state operating and capital funding (not including new WMATA Capital Fund and PRIIA match).</p> <p>9/18/18 CTB Resolution states: "WMATA shall provide a written notification to the CTB by July 1 of each year that it has: 1) adopted a CIP that complies with the above requirements, and 2) held a public hearing on the CIP in a locality embraced by NVTC."</p>  | 07/01/2019 | Metro sent the required information to CTB on 6/27/19. CTB approved it by resolution on 10/16/19. |

## FY2020 Dedicated Funding Deliverables

## ATTACHMENT 3

| Status       | Source   | Reference                               | Requirement   | Deadline   | Status Comment   |
|--------------|--|---|---|------------|--|
| acknowledged | Virginia Dedicated Funding Legislation (2018 HB 1539/SB 856);#Virginia Dedicated Capital Funding Agreement | VA DFA Sec 5.E                          | The WMATA and DRPT Agreement has a requirement that WMATA include in its quarterly reporting: "a roll forward of the balance in the Restricted Funds account and the Non-Restricted Funds account held by WMATA". This is the balance on the VA dedicated funds.  | 08/17/2020 | During FY20, the format for the quarterly reports was refined, so that this information could be provided starting FY21.                                   |
| Completed    | Virginia Dedicated Funding Legislation (2018 HB 1539/SB 856)   | Va. Acts of Assem. Ch. 854 Enact. Cl. 8 | <p>8. That, beginning July 1, 2019, the Commonwealth Transportation Board (the Board) shall withhold 20 percent of the funds available pursuant to subdivision C 3 of § 33.2-1526.1 of the Code of Virginia, as created by this act, each year unless (ii) WMATA has adopted or updated a strategic plan within the preceding 36 months, and at least one public hearing on such plan or updated plan has been held in a locality embraced by the Northern Virginia Transportation Commission. In order to satisfy the requirements of clause (ii) of this enactment, the first strategic plan adopted to comply with such requirements shall include a plan to align services with demand and to satisfy the other recommendations included in the report submitted pursuant to Item 436 R of Chapter 836 of the Acts of Assembly of 2017.</p> <p>9/18/18 CTB Resolution states: "WMATA shall provide a written notification to the CTB by July 1 of the year of any strategic plan update that it has: 1) adopted or updated a strategic plan that complies with the above requirements, and 2) held a public hearing on the strategic plan or strategic plan update in a locality embraced by the NVTC."</p> | 07/01/2019 | The 2019 Strategic Plan adoption was acknowledged in the 07/01/20 letter to Secretary of Transportation and the CTB approved on 10/20/20 (see attachment). |

FY2020 Dedicated  
Funding Report

# ATTACHMENTS

Dedicated Funding  
Agreements

**WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY CAPITAL FUND  
AGREEMENT**

**Among**

**The Commonwealth of Virginia Acting By and Through  
The Virginia Department of Rail and Public Transportation**

**And**

**The Washington Metropolitan Area Transit Authority**

**WMATA CAPITAL FUND AGREEMENT**

THIS WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY CAPITAL FUND AGREEMENT ("Agreement") is made and entered into this 1 day of May, 2019, by and between **the Washington Metropolitan Area Transit Authority ("WMATA")**, a body corporate and politic created by interstate compact between Maryland, Virginia, and the District of Columbia, and **the Commonwealth of Virginia acting by and through the Virginia Department of Rail and Public Transportation** (collectively, the "Parties").

**RECITALS**

1. The WMATA transit system has played a critical role in the growth and prosperity of the National Capital Region and environs, and WMATA's continued economic vitality is essential to the regional transportation system and the environmental quality, and economic, educational and cultural life of the National Capital Region.

2. The WMATA system was built and is operated through the substantial investment of public funds by the Federal Government and by State and local governments in the region.

3. The lack of sufficient secure and reliable funding to rehabilitate and maintain the WMATA transit system and to replace rail cars, buses, and other key transit assets is creating a transportation crisis, threatening the continued health and vitality of the system and jeopardizing the public investment.

4. In order to provide a dedicated source of revenue, the Virginia General Assembly in its 2018 legislative session created the WMATA Capital Fund. The dedicated funding and related matters are established in Sections 33.2-3400 through 33.2-3404 of the Code of Virginia (1950), as amended.

**NOW, THEREFORE**, in consideration of the mutual promises and obligations set forth in this Agreement, the sufficiency of which is acknowledged, the Parties agree as follows:

### **SEC. 1        DEFINITIONS**

As used in this Agreement, the following terms shall have the following meanings, unless the context otherwise requires:

- A. "Agreement" means this WMATA Capital Fund Agreement.
- B. "Capital Improvement Program" or "CIP" means the list of project elements contained therein approved by the WMATA Board of Directors and that advance the Authority's strategic objectives. The CIP is not considered a payment schedule.
- C. "Code" means the Code of Virginia (1950), as amended.
- D. "Commonwealth" means the Commonwealth of Virginia.
- E. "Contribution" means the estimated annual amount of funding to be disbursed to WMATA by the Commonwealth paid with funds from the WMATA Capital Fund in accordance with Code Section 33.2-3401.
- F. "CTB" means the Virginia Commonwealth Transportation Board.
- G. "Days" means calendar days.
- H. "Debt" means any bond, security, debt issuance, certificate of participation, or other evidence of indebtedness issued by a public body, and includes commercial paper, lines of credit, and letters of credit to finance the program of projects to be completed under the terms of this Agreement.
- I. "DRPT" means the Virginia Department of Rail and Public Transportation.
- J. "Effective Date" means the date on which this Agreement becomes effective, as further defined in Section 10 of this Agreement.



- K. "Fiscal Year" means each of the Commonwealth's and WMATA's fiscal years beginning on July 1 and ending June 30.
- L. "Non-Restricted Funds" means those state funds provided to WMATA pursuant to Code Sections 33.2-3401.B.2 and 33.2-3404 that shall be made available for use by WMATA for capital purposes, including for the payment of, or security for, debt service on bonds or other indebtedness of WMATA.
- M. "Party" means a party to this Agreement. WMATA and the Commonwealth, acting by and through DRPT, individually are a Party and collectively are the Parties.
- N. "Restricted Funds" means those state funds provided to WMATA pursuant to Code Section 33.2-3401.B.1 that shall be made available for use by WMATA for capital purposes other than for the payment of, or security for, debt service on bonds or other indebtedness of WMATA.
- O. "WMATA" or "Authority" means the Washington Metropolitan Area Transit Authority.
- P. "WMATA Capital Fund" means the fund established pursuant to Chapter 34 of Title 33.2 of the Code.

**SEC. 2      AGREEMENT OF THE PARTIES**

WMATA and the Commonwealth agree to comply with the terms and conditions of this Agreement and to fully and faithfully carry out their respective obligations under this Agreement. Any commitment or agreement of the Commonwealth required by this Agreement shall be subject to the annual appropriation and allocation of funds and other limitations on expenditures or obligations under the law of the Commonwealth or under other applicable law. This Agreement shall not constitute an indebtedness of the Commonwealth until funds are duly appropriated and allocated and monthly payments become due pursuant to Section 4 of this Agreement, nor shall it constitute an obligation for which the Commonwealth is obligated to levy

or pledge any form of taxation in addition to the revenues identified in Code Sections 33.2-3400 et seq.

**SEC. 3 CAPITAL IMPROVEMENT PROGRAM**

The WMATA Board of Directors adopts a Capital Improvement Program each year. The CIP may include any capital project or purchase eligible for capital funding.

**SEC. 4 COMMONWEALTH RESPONSIBILITY**

A. Annual Commitment Letter. Subject to allocation and appropriation, and the other requirements contained in the Code, the Commonwealth shall annually provide WMATA with written notice that funds have been, are intended to be, or will not be appropriated to cover its Contribution for the upcoming Fiscal Year and committing to disburse such Contribution to WMATA per the terms of this Agreement. If the Commonwealth's appropriations process is not completed by June 1, the Commonwealth shall provide to WMATA: (i) a written explanation for the failure to make such submissions by June 1 and confirmation that an amount equal to its Contribution has been or will be included in the next Fiscal Year budget to be considered by the Commonwealth's fiscal authority; and (ii) written assurances that all reasonable efforts will be undertaken to secure the ultimate appropriation of funds in a prompt and timely fashion. If funds will not be appropriated, then the Commonwealth shall notify WMATA within five business days of the fiscal body's action.

B. Disbursement of Contribution

(1) Monthly Disbursements. Subject to allocation and appropriation, and the other requirements contained in the Code, the Commonwealth shall disburse one-twelfth

## ATTACHMENT 4

(1/12<sup>th</sup>) of the Contribution to WMATA on a monthly basis, except for the first disbursement under this Agreement which is covered by Section (4)(B)(3) of this Agreement. The Commonwealth shall make the monthly disbursements from the WMATA Capital Fund no later than the 25<sup>th</sup> Day of the following month into two accounts set up by WMATA – one account for the Restricted Funds and one account for the Non-Restricted Funds.

(2) Insufficient Balance in the WMATA Capital Fund. Subject to allocation and appropriation, and other requirements contained in the Code, the monthly disbursements shall be based upon one-twelfth (1/12<sup>th</sup>) of the Contribution unless the balance in the WMATA Capital Fund is not sufficient to cover the monthly disbursement amount, in which event the Commonwealth shall disburse to WMATA the entire balance in the WMATA Capital Fund as of the end of the prior month. The Commonwealth shall continue to disburse the entire balance in the WMATA Capital Fund each month until such time as the monthly disbursement has returned to the scheduled 1/12<sup>th</sup> monthly payment in full, and all prior monthly disbursements have been made whole.

(3) First Disbursement. Not more than 10 Days after the Effective Date of this Agreement, the Commonwealth shall make the first disbursement of the Contribution to WMATA in a lump sum that equals the lesser of (a) 1/12<sup>th</sup> of the Contribution times the number of months that would have been paid if this Agreement had been executed on July 1, 2018 or (b) the balance of the funds in the WMATA Capital Fund as of March 31, 2019.

(4) Notwithstanding any other provision of this Agreement, if at any time the Commonwealth determines that the funds collected in the WMATA Capital Fund will not be sufficient to pay in full the Contribution, the following shall occur: (a) the

## ATTACHMENT 4

Commonwealth shall notify WMATA in writing that the available funds are expected to be insufficient to satisfy the current Contribution amount; (b) the written notification shall include a new Contribution amount; and (c) the remaining monthly payments for that year combined with the payments made prior to notification of the new Contribution amount shall not exceed the new Contribution amount.

If such notification occurs, the Parties agree to meet with representatives from Maryland and the District of Columbia to determine an appropriate course of action with respect to the annual CIP budget commitments. Under no circumstance will the Commonwealth be obligated under this Agreement to pay more than what is contained in the WMATA Capital Fund.

(5) The percentage of funding provided by the Commonwealth for its share of the WMATA CIP funding pursuant to this Agreement shall be 30.9%. On an annual basis, this percentage shall be applied to no more than \$500 million of the annual WMATA CIP each year to calculate the Contribution for that Fiscal Year. For Fiscal Year 2019 only, the Contribution shall be \$121,300,000.

C. General. Nothing in this Agreement shall be construed to obligate the Commonwealth to have, as of the Effective Date, funding or an appropriation in the full amount of the Contribution. Subject to allocation and appropriation, the Commonwealth shall be solely responsible for the Contribution. The Commonwealth commits, subject to its constitutional or legally equivalent provisions and throughout the term of this Agreement, to use all reasonable efforts including, but not limited to, a request by the responsible official to include the Contribution in the Commonwealth's annual proposed budget or other financial submission to its fiscal authority and to pursue all legally available means

to secure the necessary and appropriate budget, legislative, appropriation, and allocation actions in order to obtain funding in the full amount of its Contribution.

**SEC. 5 WMATA RESPONSIBILITY**

- A. WMATA shall apply the Commonwealth's Contribution under this Agreement to items identified in the approved CIP.
- B. WMATA shall not use Restricted Funds for the payment of, or security for, debt service on bonds or other indebtedness of WMATA. WMATA may use Non-Restricted Funds for the payment of, or as a pledge of security for, debt service on bonds or other indebtedness of WMATA.
- C. Provide information to NVTC. WMATA shall provide information to the Northern Virginia Transportation Commission ("NVTC") as required by Section 33.2-3402 of the Code. Upon reasonable request, WMATA shall provide information, reports, and other data to NVTC consistent with Section 33.2-3403 of the Code so that NVTC can report to the Governor of Virginia and the Virginia General Assembly by November 1 of each year.
- D. Upon reasonable request from DRPT, WMATA shall provide information necessary for the CTB to meet its obligations under Code Section 33.2-3400, et seq., and the requirements set forth in the CTB resolution dated September 18, 2018, included as Attachment A to this Agreement.
- E. Reporting. At the end of every quarter, WMATA shall prepare, and submit to the Commonwealth, a report on WMATA financials of the preceding quarter in the same form as submitted to the WMATA Board of Directors. WMATA shall submit the report to the Commonwealth no later than 45 Days following the close of the quarter. Such

report shall contain a roll forward of the balance in the Restricted Funds account and Non-Restricted Funds account held by WMATA.

- F. Interest on Payments. Interest shall accrue on all deposits made by the Commonwealth into the Restricted Funds account and the Non-Restricted Funds account at WMATA until the funds are expended. The Restricted Funds account and the Non-Restricted Funds account at WMATA shall be interest bearing, with interest pursuant to the applicable WMATA interest policy.
- G. Limitation. The borrowing authority authorized by this Section 5 may not be used by the Commonwealth to satisfy its funding obligations under this Agreement.

**SEC. 6**      **Final Distribution**. In the event that this Agreement is terminated pursuant to Section 8 of this Agreement, any amounts remaining on hand at WMATA at the termination of this Agreement, except for any amounts incurred but not drawn, shall be credited or refunded to the Commonwealth, as directed by the Commonwealth.

**SEC. 7**      **Financial Records**.

- A. Maintenance of Records. During the term of this Agreement, WMATA agrees to maintain complete accounting records which are consistent with generally accepted governmental accounting procedures and which accurately reflect all income and expenditures of funds which may be provided under this Agreement. WMATA will retain all such CIP records for the same period that records are required to be kept for the Federal Transit Administration ("FTA") or other federal grants, unless there is an outstanding written Commonwealth or FTA financial or audit question, which is not resolved by the Commonwealth or FTA auditor. The records of WMATA must be in

sufficient detail to determine the character and timing of fund items and of contract obligation and expenditure transactions authorized by this Agreement.

**B. Audits**

(1) Timing for Performance. The Commonwealth or its agent may engage a third party to perform an audit of WMATA's expenditures of funds and the sources of those funds provided by this Agreement. The request for the performance of such audit may cover a period of up to three audited fiscal years immediately preceding such request. Any such audit shall be commenced within 60 days after the date of the request and shall be completed (to the maximum extent practicable) within 180 days after the date it is commenced. The Commonwealth or its authorized agent will assume all financial responsibility for any costs associated with the performance of such audit, exclusive of WMATA's internal costs. WMATA agrees to cooperate fully with the Commonwealth or its authorized agent in the conduct of any such audit carried out in accordance with this paragraph.

(2) Audit Results. If it is determined by the third party auditor as a result of such audit under this section that funds provided by the Commonwealth have not been administered pursuant to the terms and conditions of this Agreement or contrary to law, WMATA shall make appropriate accounting adjustments to the Restricted Funds account or the Non-Restricted Funds account; or remit payment due to the Commonwealth. The audit rights provided under this paragraph shall survive for three audited fiscal years from the termination date of this Agreement and shall not limit any other rights of the Commonwealth under this Agreement.

**SEC. 8 NON-COMPLIANCE & TERMINATION**



In the event either Party determines that the other Party to the Agreement is not satisfactorily complying with the terms of this Agreement, the complaining Party shall notify the other Party in writing of its complaint and the basis for it. The Parties agree to use all reasonable efforts to resolve any such issues which arise under or otherwise relate to this Agreement. If the Parties, at staff level, cannot resolve such matters through initial discussions within 30 Days after receipt of the written notification, then executive level staff of each Party shall meet to resolve the matter within 60 additional Days. If no satisfactory resolution is achieved, either Party may, upon 30 Days' notice to the other Party, terminate this Agreement in whole or in part.

### SEC. 9 REPRESENTATIONS AND WARRANTIES

A. By WMATA. WMATA makes the following representations as of the Effective Date of this Agreement as a basis for the undertakings pursuant to this Agreement:

- (1) WMATA has full power and authority to enter into this Agreement, the transactions contemplated by this Agreement, and to carry out its obligations hereunder;
- (2) When executed and delivered by the Commonwealth and by WMATA, this Agreement will constitute the legal, valid and binding obligation of WMATA enforceable in accordance with its terms, except as such enforceability is limited by annual appropriations, allocations, bankruptcy, reorganization, insolvency, moratorium or other laws affecting the enforcement of creditors' rights generally.
- (3) WMATA procurement contracts in connection with the Capital Improvement Program shall be administered pursuant to the applicable WMATA procurement requirements and the WMATA Code of Ethics.

B. By the Commonwealth. The Commonwealth makes the following representations as of the Effective Date of this Agreement as a basis for the undertakings pursuant to this Agreement:

(1) The Commonwealth has all necessary power and authority to enter into this Agreement, the transactions contemplated by this Agreement, and to carry out its individual obligations hereunder;

(3) When executed and delivered by the Commonwealth and by WMATA, this Agreement will constitute the legal, valid and binding obligation of the Commonwealth enforceable in accordance with its terms, except as such enforceability is limited by annual appropriations, allocations, bankruptcy, reorganization, insolvency, moratorium or other laws affecting the enforcement of creditors' rights generally.

**SEC. 10 EFFECTIVE DATE, TERM OF AGREEMENT**

- A. Effective Date. This Agreement shall take effect on the date of execution by the last signatory to this Agreement.
- B. Counterparts. This Agreement may be executed in identical counterparts, each of which shall constitute an original and all of which shall constitute, collectively, one agreement.
- C. Term. The term of this Agreement shall begin on the Effective Date and shall automatically renew each July 1 unless one Party provides written notice requesting to amend or modify the agreement at least 90 Days prior to July 1.

**SEC. 11 NO THIRD PARTY BENEFICIARIES**

The Parties to this Agreement do not intend any non-signatory to this Agreement or any other third party to be a third-party beneficiary to this Agreement, nor do the Parties intend for

any such third party to have any rights or benefits under this Agreement or to have standing to bring an action or claim in any court or other forum to enforce any provision of this Agreement.

**SEC. 12    AMENDMENTS**

This Agreement may be amended or modified only by written agreement duly executed by both Parties.

**SEC. 13    NOTICES**

All notices under this Agreement shall be in writing and shall be deemed to have been sufficiently given or served when presented personally, electronically, or sent by the U.S. Postal Service or by a courier service or national overnight delivery service, to any Party as follows:

To the Commonwealth of Virginia acting by and through the  
Virginia Department of Rail and Public Transportation:

Director  
Virginia Department of Rail and Public Transportation  
600 East Main Street, Suite 2102  
Richmond, VA 23219

with a copy to:

Chief of Public Transportation  
Virginia Department of Rail and Public Transportation  
600 East Main Street, Suite 2102  
Richmond, VA 23219

and

Chief Financial Officer  
Virginia Department of Rail and Public Transportation  
600 East Main Street, Suite 2102  
Richmond, VA 23219

To the Washington Metropolitan Area Transit Authority:

General Manager

600 Fifth Street, N.W.  
Washington, D.C. 20001

with copies to:

General Counsel  
Washington Metropolitan Area Transit Authority  
600 Fifth Street, N.W., Second Floor  
Washington, D.C. 20001

Chief Financial Officer  
Washington Metropolitan Area Transit Authority  
600 Fifth Street, NW, Sixth Floor  
Washington, DC 20001

**SEC. 14 SUCCESSORS AND ASSIGNS**

This Agreement shall be binding on the successors and assigns of the Commonwealth and WMATA.

**SEC. 15 NO DEBT GUARANTEES**

The Commonwealth does not guarantee the debt of WMATA or any obligation of WMATA.

**SEC. 16 REQUIREMENT FOR ANNUAL APPROPRIATIONS**

Notwithstanding any other provisions of this Agreement, all obligations of the Commonwealth are subject to discretionary annual appropriation and allocation of funds by the governing body thereof or other appropriate legislative body thereof and shall be consistent with the anti-deficiency laws applicable to the Commonwealth.

**SEC. 17 MISCELLANEOUS PROVISIONS**

**A. COVENANT AGAINST CONTINGENT FEES:** WMATA warrants that it has not employed or retained any company or person, other than a bona fide employee working solely for WMATA, to solicit or secure this Agreement, and that it has not paid or agreed to pay any company or person, other than a bona fide employee working solely for

WMATA, any fee, commission, percentage, brokerage fee, or other considerations, contingent upon or resulting from the award or making of this Agreement.

### **B. SPECIAL CAPITAL PROVISIONS:**

(1) WMATA shall permit the DRPT or its authorized representatives to inspect at any reasonable time, with reasonable prior notice and subject to WMATA safety requirements, all vehicles, facilities and equipment purchased or constructed by WMATA as part of the CIP with Restricted Funds or Non-Restricted Funds; and all transportation services rendered by WMATA using such vehicles, facilities or equipment.

(2) With respect to vehicles, facilities, and equipment purchased or constructed by WMATA as part of the CIP, WMATA shall maintain, in accordance with applicable laws, such insurance or self-insurance as will be adequate to protect such vehicles, facilities and equipment, and persons using such vehicles, facilities and equipment, throughout WMATA's ownership and use of such vehicles, facilities and equipment.

### **C. APPLICABLE LAW:**

(1) This Agreement shall be governed by the law of the Commonwealth of Virginia. Nothing in this Agreement shall constitute a waiver of the Commonwealth's or WMATA's sovereign immunity.

(2) The Parties acknowledge and agree that each shall comply with all applicable local, state, and federal laws, regulations, and ordinances. Nothing in this Agreement shall require WMATA to violate the WMATA Compact or applicable laws, regulations, or ordinances, or require the Commonwealth to violate any applicable laws, regulations, or ordinances.

**D. SEVERABILITY OF PROVISIONS:** If any term or provision of this Agreement is determined to be invalid, illegal or unenforceable, it shall not affect the legality or

validity or enforceability of any other part of this Agreement, and the remaining parts of this Agreement shall be binding upon the Parties.

**E. RECITALS:** The Recitals are incorporated and made a part of this Agreement.

**F. INDEMNIFICATION AND INSURANCE:**

(1) WMATA shall indemnify, defend, and hold harmless the Commonwealth and DRPT, and their directors, officers, agents, and employees, from and against all claims, suits, judgments, actions, losses, damages, liabilities, costs and expenses of every name and description, including but not limited to reasonable attorney's fees and costs, brought by any third party arising out of, resulting from, or in connection with any negligent act or omission by WMATA, its contractors, subcontractors, agents, or employees, or anyone directly or indirectly employed by them, or anyone for whose acts they may be liable, relating to any CIP work covered by this Agreement.

(2) WMATA shall either be sufficiently self-insured or carry insurance to cover the risks for WMATA, its employees, agents, contractors and subcontractors, anyone directly or indirectly employed by them, or anyone for whose acts they may be liable related to any CIP work covered by this Agreement. WMATA shall require all commercial insurance policies obtained by WMATA to satisfy its obligations under this section to list the Commonwealth, DRPT, and their respective officers, agents, and employees as Additional Insureds. WMATA certifies that as of the Effective Date of this Agreement, all commercial insurance and self-insurance lists the Commonwealth, DRPT, and their respective officers, agents, and employees as Additional Insureds. WMATA shall not remove the Commonwealth, DRPT, or their respective officers, agents, and employees as Additional Insureds for any self-insurance without the written consent of the Commonwealth.



## **ATTACHMENT 4**

(3) In the event WMATA receives notice from an insurer that any insurance policy is going to be, or has been, subject to cancellation, nonrenewal, or material adverse changes to the insurance contract, WMATA shall provide DRPT with prompt notice. WMATA shall provide 30-days advance written notice to DRPT of any cancellation or material adverse change to any self-insurance.

(4) For all self-insurance and commercial insurance, WMATA shall provide Certificates of Insurance listing the Commonwealth, DRPT, and their respective officers, agents, and employees, as Additional Insureds.

(5) In lieu of carrying insurance for its agents, contractors or subcontractors, WMATA may require all its agents, contractors or subcontractors who perform any CIP work or activity of any type to carry insurance sufficient to cover the risks for all damage to persons and property due to CIP work under this Agreement. However, such insurance does not relieve WMATA of the burden of being self-insured and/or carrying insurance to cover the actions of its employees. WMATA shall require of its agents, contractors, and subcontractors that the Commonwealth, DRPT, and their respective officers, agents, and employees, are identified as Additional Insureds on all such insurance policies obtained in lieu of WMATA providing such insurance for its agents, contractors or subcontractors, and WMATA shall require that its agents, contractors, and subcontractors provide Certificates of Insurance listing the Commonwealth, DRPT and their respective officers, agents, and employees as Additional Insureds for any such insurance policies.

(6) Payment of any funds by DRPT shall not waive any of the rights of DPRT contained in this section nor release WMATA from any responsibilities or duties contained in this Agreement.

## **ATTACHMENT 4**

(7) The obligations of this section shall survive the termination of this Agreement for the life of the assets purchased with the funding provided or for 20 years after termination, whichever is longer.

[signatures appear on following page]

## ATTACHMENT 4

IN WITNESS WHEREOF, WMATA and the Commonwealth have executed this Agreement on  
this 1 day of May, 2019.

WASHINGTON METROPOLITAN AREA  
TRANSIT AUTHORITY

Attest:

  
\_\_\_\_\_  
Secretary  
Witness

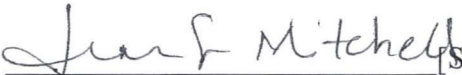
By:

  
\_\_\_\_\_  
Dennis Anosike [Seal]  
Chief Financial Officer

COMMONWEALTH OF VIRGINIA  
ACTING BY AND THROUGH THE VIRGINIA  
DEPARTMENT OF RAIL AND PUBLIC TRANSPORTATION

Attest:

  
\_\_\_\_\_  
Witness

By:   
\_\_\_\_\_  
Jennifer Mitchell [Seal]  
Director



## ATTACHMENT 4

### ATTACHMENT A – Commonwealth Transportation Board Resolution Dated September 18, 2018





**COMMONWEALTH of VIRGINIA**

*Commonwealth Transportation Board*

Shannon Valentine  
Chairperson

1401 East Broad Street  
Richmond, Virginia 23219

(804) 786-2701  
Fax: (804) 786-2940

*Agenda item # 3*

**RESOLUTION  
OF THE  
COMMONWEALTH TRANSPORTATION BOARD**

**September 18, 2018**

**MOTION**

**Made By: Seconded By: Action:**

**Title: Approval of Policy and Guidelines for Implementation of Governance and Funding Reforms for the Washington Metropolitan Area Transit Authority (WMATA)**

**WHEREAS**, the Commonwealth Transportation Board (CTB), the Northern Virginia Transportation Commission (NVTC), and the jurisdictions that comprise the NVTC, who provide local funding and receive transit service from the Washington Metropolitan Area Transit Authority (WMATA), are mutually interested in the success of the WMATA; and

**WHEREAS**, WMATA was established pursuant to an interstate compact between Virginia, Maryland, and the District of Columbia to operate a regional mass transit system in the Washington, D.C. metropolitan area; and

**WHEREAS**, NVTC was founded in part to represent the interests of the Commonwealth of Virginia during the establishment of WMATA; and

**WHEREAS**, NVTC's member jurisdictions – the cities of Alexandria, Falls Church and Fairfax and the counties of Arlington and Fairfax – are the current WMATA Compact funding partners, with Loudoun County to become a funding partner in advance of the start of operations on Phase 2 of the Silver Line; and

**WHEREAS**, Section 33.2-1936 of the *Code of Virginia* establishes that the Northern Virginia Transportation District has unique needs and that the operation of the rapid heavy rail mass transportation system and the bus mass transportation system by WMATA provides particular and substantial benefit to the persons living, traveling, commuting, and working in the localities embraced by the NVTC; and

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**WHEREAS**, Section 33.2-3401 of the *Code of Virginia*, pursuant to Chapter 854 of the 2018 Virginia Acts of Assembly, establishes a WMATA Capital Fund to provide Virginia's agreed upon share of regional dedicated capital funding to WMATA; and

**WHEREAS**, Section 33.2-1526.1 of the *Code of Virginia*, pursuant to Chapter 854 of the 2018 Virginia Acts of Assembly, restructures the Commonwealth Mass Transit Fund so that 53.5 percent of its funds shall be annually allocated to NVTC for distribution to WMATA on behalf of its local jurisdictions for capital purposes and operating assistance ("Commonwealth Mass Transit Fund WMATA Allocation"), as determined by NVTC; and

**WHEREAS**, the enactment clauses of Chapter 854 of the 2018 Virginia Acts of Assembly requires the Commonwealth Transportation Board to withhold funding available to WMATA pursuant to Section 33.2-1526.1(C)(3) of the *Code of Virginia* Allocation under the following conditions:

1. The seventh enactment requires the CTB shall withhold 20 percent of the funds available if (i) any alternate directors participate or take action at an official WMATA Board meeting or committee meeting as Board directors for a WMATA compact member when both directors appointed by that same WMATA Compact member are present at the WMATA Board meeting or committee meeting or (ii) the WMATA Board of Directors has not adopted bylaws that would prohibit such participation by alternate directors.
2. The eighth enactment requires that, beginning July 1, 2019, the CTB shall withhold 20 percent of the funds available each year unless (i) WMATA has adopted a detailed capital improvement program covering the current fiscal year and, at a minimum, the next five fiscal years, and at least one public hearing on such capital improvement program has been held in a locality embraced by the NVTC; and (ii) WMATA has adopted or updated a strategic plan within the preceding 36 months, and at least one public hearing on such plan or updated plan has been held in a locality embraced by the NVTC. The first strategic plan adopted to comply with such requirements shall include a plan to align services with demand and to satisfy the other recommendations included in the report submitted pursuant to Item 436 R of Chapter 836 of the Acts of Assembly of 2017.
3. The first enactment requires that, in any year that the total Virginia operating assistance in the approved WMATA budget increases by more than 3 percent from the total operating assistance in the prior year's approved WMATA budget, the Board shall withhold an amount equal to 35 percent of the funds available. The following items shall not be included in the calculation of any WMATA budget increase: (i) any service, equipment, or facility that is required by any applicable law, rule, or regulation; (ii) any capital project approved by the WMATA Board before or after the effective date of this provision; and (iii) any payments or obligations of any kind arising from or related to legal disputes or proceedings between or among WMATA and any other person or entity.



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**WHEREAS**, it is in the best interest of the CTB, NVTC, and the jurisdictions that are WMATA Compact funding partners to ensure that WMATA receives the full allocation of funding from the Commonwealth Mass Transit Fund that is distributed by the NVTC on behalf of its jurisdictions; and

**NOW THEREFORE, BE IT RESOLVED** that the Board hereby adopts the following policy and guidelines to govern future Board decisions related to the Governance and Funding Reforms for the Washington Metropolitan Area Transit Authority enacted by the General Assembly of Virginia in 2018:

**Participation by Alternate Directors of the WMATA Board (Enactment Clause 7 of Chapter 854 of the 2018 Virginia Acts of Assembly)**

1. The CTB shall withhold funding if the WMATA Board of Directors has not adopted bylaws that prohibit the participation of alternate directors specified in clause (ii) of Enactment Clause 7.
2. When determining whether to withhold funding in response to an action taken by an alternate director that is prohibited by clause (i) of Enactment Clause 7, the CTB shall consider the following as prohibited activities by alternate directors at an official WMATA Board or committee meeting (unless the alternate director is acting in the absence of a Board director who serves on the committee): (i) participating in the discussion among Board directors; (ii) making or seconding a motion; (iii) voting on motions, resolutions or other Board actions; (iv) being counted toward the required quorum; (v) attendance or participation in any Executive Session of the WMATA Board or its committees; (vi) any action in violation of WMATA Bylaws in regards to the activities of alternate directors. Attendance by alternate directors at official WMATA Board or committee meetings, excluding Executive Sessions, shall not be a basis for withholding funding, nor shall the provision of information or reports to directors at a WMATA committee meeting in response to a request to do so by the director chairing the committee meeting.
3. WMATA shall provide a written notification to the CTB by July 1 of each year that it has adopted bylaws that prohibit the participation of alternate directors specified in clause (ii) of Enactment Clause 7 and that no violations of the bylaws by alternate directors have occurred during the previous year.
4. WMATA shall immediately notify the CTB in writing if a violation of its bylaws by an alternate director or some other action prohibited by this CTB policy occurs.

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**Adoption of a Detailed Capital Improvement Program (Enactment Clause 8(i) of Chapter 854 of the 2018 Virginia Acts of Assembly)**

1. The CTB shall withhold funding if:
  - a. Beginning July 1, 2019, WMATA has not annually adopted or updated by July 1 of each year a detailed capital improvement program covering the current fiscal year and the next five fiscal years, including projections of funding sources and uses for the six-year period.
  - b. Beginning July 1, 2019, WMATA has not annually held by July 1 of each year at least one public hearing on such capital improvement program held in a locality embraced by the NVTC.
2. WMATA shall provide a written notification to the CTB by July 1 of each year that it has: (i) adopted a capital improvement program that complies with the above requirements; and (ii) held a public hearing on the capital improvement program in a locality embraced by the NVTC.

**Adoption or Update of a Strategic Plan (Enactment Clause 8(ii) of Chapter 854 of the 2018 Virginia Acts of Assembly)**

1. The CTB shall withhold funding if:
  - a. Beginning July 1, 2019, the WMATA Board has not adopted or updated a strategic plan within the preceding 36 months. After submission of the first strategic plan, WMATA must submit updated plans every 3 years thereafter.
  - b. Beginning July 1, 2019, WMATA has not held at least one public hearing on such strategic plan held in a locality embraced by the NVTC.
2. The first strategic plan adopted to comply with such requirements shall include a plan to align services with demand and to satisfy the other recommendations included in the report submitted pursuant to Item 436 R of Chapter 836 of the Acts of Assembly of 2017.
3. WMATA shall provide a written notification to the CTB by July 1 of the year of any strategic plan update that it has: (i) adopted or updated a strategic plan that complies with the above requirements; and (ii) held a public hearing on the strategic plan or strategic plan update in a locality embraced by the NVTC.

**3% Cap on Growth in Total Virginia Operating Assistance (Enactment Clause 1 of Chapter 854 of the 2018 Virginia Acts of Assembly)**

1. The CTB shall withhold funding if:
  - a. The total operating subsidy for Virginia in the current year approved WMATA budget increases (effective July 1) by more than 3 percent over the prior year approved WMATA budget (as of June 30).

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Approval of Policy and Guidelines for Implementation of Governance and Funding Reforms for the Washington Metropolitan Area Transit Authority (WMATA)

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2. The following items shall not be included in the calculation of any WMATA budget increase:
  - a. Any service, equipment, or facility that is required by any applicable law, rule, or regulation.
    - i. Includes, but is not limited to, compliance with any safety directives to WMATA issued by the Metrorail Safety Commission (MSC), the Federal Transit Administration (FTA), the National Transportation Safety Board (NTSB) or any other relevant safety oversight agency; actions taken to comply with the Americans with Disabilities Act (ADA); and actions taken to comply with Title VI requirements.
  - b. Any major capital project approved by the WMATA Board before or after the effective date of this provision.
    - i. Includes operating subsidy increases related to major capital projects that improve WMATA's state of good repair, support a major system expansion project (such as the planned Potomac Yard Metrorail Station in Alexandria and the Silver Line Metrorail Phase 2 project in Fairfax and Loudoun Counties), and respond to service disruptions caused by implementation of approved capital projects to address state of good repair needs or from emergency system shutdowns.
  - c. Any payments or obligations of any kind arising from or related to legal disputes or proceedings between or among WMATA and any other person or entity.
  - d. Operating subsidies for specific WMATA transit services that are funded in whole by one or more WMATA member jurisdictions and/or from other non-WMATA funding sources.
  - e. Regularly-scheduled adjustments of the inputs to the regional subsidy allocation formulas by WMATA.
3. WMATA shall provide a written notification to the CTB no later than July 1 of each year of the annual growth in total Virginia operating assistance, including a detailed description of the costs contributing to the increased operating subsidy and a year over year comparison of such costs. WMATA shall also provide a detailed description and justification of costs considered exempt from the calculation of the annual growth rate in operating subsidy. The written notification shall include sufficient documentation to allow the CTB to perform its own verification of the annual growth rate and amount of total Virginia operating assistance.
4. By July 1 of each year, WMATA shall notify the CTB if it is scheduled or plans to adjust the regional subsidy allocation formulas in the budget to be proposed for the next fiscal year.

Resolution of the Board

Approval of Policy and Guidelines for Implementation of Governance and Funding Reforms for the Washington Metropolitan Area Transit Authority (WMATA)

September 18, 2018

Page 6 of 6

### **Resolution of Withholding of Funds**

1. The CTB will release any withheld funding upon approval or implementation of an approved mitigation action.
  - a. The CTB will determine what constitutes an approved mitigation action, except that approval by the WMATA Board of a budget amendment reducing the amount of annual operating assistance required by Virginia to no more than 3 percent greater than the prior year shall be considered an approved mitigation action for a violation of the restriction related to the 3% cap on growth in Virginia operating assistance.
2. The CTB shall retain as a penalty any funding withheld during a fiscal year in response to a violation for which there is no mitigation.

### **Additional Considerations**

1. The CTB, the Virginia Department of Rail and Public Transportation (DRPT), WMATA, the NVTC, and NVTC's member jurisdictions shall proactively collaborate to avoid activities that would require the CTB to withhold funding.
2. WMATA shall submit the documents required to demonstrate compliance to DRPT by the deadlines specified. DRPT will analyze the information received from WMATA and present to the CTB, in September of each year (beginning in 2019), a recommendation on enforcement actions, if any, that are required to be taken by this policy.
3. DRPT will provide regular reports to the CTB on observations related to compliance with this policy throughout the year.
4. After November 1 of each year, the NVTC shall present to the CTB the findings included in its report on the performance and condition of WMATA required under Section 33.2-3403 of the *Code of Virginia*.
5. The CTB reserves the right to approve exceptions to this policy at any time in response to special or extraordinary circumstances.
6. Given that the condition of the WMATA system may change over time, the CTB will consider revisions and/or updates to these guidelines every two years.

####

## CTB Decision Brief

**Title:** Approval of Policy and Guidelines for Implementation of Governance and Funding Reforms for the Washington Metropolitan Area Transit Authority (WMATA)

**Issue:** The enactment clauses of Chapter 854 of the 2018 Virginia Acts of Assembly require the CTB to withhold funding available to WMATA pursuant to Section 33.2-1526.1(C)(3) under certain conditions. The Department of Rail and Public Transportation (DRPT) recommends that the CTB approve the proposed policy and guidelines for determining the conditions under which it must withhold funding from WMATA.

**Facts:** During the 2018 session, the General Assembly established a new WMATA Capital Fund to provide Virginia's share of new regional dedicated capital funding to WMATA. The same legislation restructured the Mass Transit Trust Fund (MTTF) so that 53.5% of the funding from the MTTF shall be allocated to the Northern Virginia Transportation Commission (NVTC) each year for distribution to WMATA on behalf of its member jurisdictions. The legislation also included a number of required reforms and conditions with which WMATA must comply to receive its full amount of annual funding from the Commonwealth. WMATA shall submit the documents required to demonstrate compliance to DRPT each year. The CTB is charged with determining WMATA's compliance with the required reforms and conditions and shall withhold funding in instances of non-compliance as specified in the legislation. The CTB may also restore funding when WMATA returns to a state of compliance. As the funding to be withheld from WMATA for occasions of non-compliance shall be deducted from the annual allocation from the MTTF to the NVTC, DRPT consulted extensively with NVTC in the development of the proposed Policy and Guidelines for Implementation of Governance and Funding Reforms for WMATA. The proposed policy and guidelines will assist the CTB in performing an objective annual review of WMATA's compliance with the required reforms and conditions.

**Recommendation:** DRPT recommends that the CTB approve the proposed Policy and Guidelines for Implementation of Governance and Funding Reforms for WMATA.

**Action Required by CTB:** Approval of the attached resolution adopting the proposed Policy and Guidelines for Implementation of Governance and Funding Reforms for WMATA as an official CTB policy.

**Options:** Approve, Deny or Defer.

WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY  
DEDICATED CAPITAL FUNDING AGREEMENT

Among

The State of Maryland, Acting By and Through  
the Washington Suburban Transit District and  
the Maryland Department of Transportation

And

The Washington Metropolitan Area Transit Authority

**WMATA DEDICATED CAPITAL FUNDING AGREEMENT**

THIS WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY DEDICATED CAPITAL FUNDING AGREEMENT ("Agreement") is made and entered into this 26 day of ~~September~~ 2019 by and between the Washington Metropolitan Area Transit Authority ("WMATA"), a body corporate and politic created by interstate compact between Virginia, the District of Columbia, and the State of Maryland ("the State"), acting by and through the Washington Suburban Transit District ("WSTD") and the Maryland Department of Transportation ("MDOT") (collectively, the "Parties").

**RECITALS**

The WMATA system was built and is operated through the substantial investment of public funds by the Federal Government, the State of Maryland, the District of Columbia, and Commonwealth and local governments in Virginia.

In order to provide a dedicated source of revenue (\$167,000,000 each year), the General Assembly of Maryland passed, and the Governor signed, Chapters 351 and 352 in the Acts of the Maryland, 2018 as amended ("Chapters 351 and 352").

**NOW, THEREFORE**, in consideration of the mutual promises and obligations set forth in this Agreement, the sufficiency of which is acknowledged, the Parties agree as follows:

**SEC. 1 DEFINITIONS**

As used in this Agreement, the following terms shall have the following meanings, unless the context otherwise requires:

- A. "Agreement" means this WMATA Dedicated Capital Funding Agreement.
- B. "Capital Project" means the definition in 49 USC §5302(3).
- C. "Capital Improvement Program" or "CIP" means the list of project elements contained therein approved by the WMATA Board of Directors and that advance the WMATA's strategic objectives. The CIP is not considered a payment schedule.
- D. "Contribution" means the estimated annual amount of funding to be disbursed to WMATA by the State paid with funds in accordance with Chapters 351 and 352.
- E. "Days" means calendar days.
- F. "Debt" means any bond, security, debt issuance, certificate of participation, or other evidence of indebtedness issued by a public body, and includes commercial paper, lines of credit, and letters of credit to finance the program of projects to be completed



under the terms of this Agreement.

- G. "Effective Date" means the date on which this Agreement becomes effective, as further defined in Section 9 of this Agreement.
- H. "Fiscal Year" means the State's and WMATA's fiscal year beginning on July 1 and ending on June 30.
- I. "Party" means a party to this Agreement. WMATA and the State, acting by and through the Washington Suburban Transit District and Maryland Department of Transportation, individually are a Party and collectively are the Parties.

### SEC. 2 AGREEMENT OF THE PARTIES

WMATA and the State agree to comply with the terms and conditions of this Agreement and to fully and faithfully carry out their respective obligations under this Agreement. Any commitment or agreement of the State required by this Agreement shall be subject to the annual appropriation and allocation of funds and other limitations on expenditures or obligations under the law of the State or under other applicable law. This Agreement shall not constitute an indebtedness of the State until funds are duly appropriated.

### SEC. 3 STATE RESPONSIBILITY

- A. The State of Maryland is required under Transportation Article ("TR") §10-205(g) to provide an annual grant of at least \$167,000,000 to the Washington Suburban Transit District to be used only to pay the capital costs of the Washington Metropolitan Area Transit Authority. The District of Columbia and Commonwealth of Virginia, also provide dedicated funding capital grants for capital costs on terms and conditions established by their respective jurisdictions.
- B. To ensure MDOT is fully able to carry out its fiduciary duty to Maryland taxpayers, and as a condition of the funds being distributed to WSTD for WMATA in accordance with TR §10-205(g), MDOT will conduct a fiscal/compliance audit of the combined dedicated capital funds to ensure they are spent in accordance with WMATA's approved CIP.

### SEC. 4 WMATA RESPONSIBILITY

- A. WMATA shall apply the Contribution provided under this Agreement to items identified in the approved CIP.
  - (1) The approved CIP shall contain:
    - a. The Authority's safety, state of good repair, and financial accountability goals;
    - b. Program priorities;
    - c. The criteria used to select capital projects for inclusion in the CIP;
    - d. The manner in which each project was evaluated and ranked;

## ATTACHMENT 5

- e. Descriptions of capital projects;
  - f. A list of capital projects, including reimbursable projects and an estimate of program level expenditures, for the budget request year, and the 5 successive planning years, including estimates of future funding requirements for the planning year;
  - g. For each listed capital project, an indication whether the revenue source anticipated to support that project consists of federal, jurisdictional, or other funds;
  - h. The Authority's estimates of the levels and sources of revenues to be used to fund the projects in the Program; and
  - i. A glossary of terms.
- B. WMATA shall submit, annually by June 1 for the most recently audited fiscal year, to MDOT and WSTD the Authority's:
  - (1) Annual independent financial audit and Single Audit;
  - (2) Annual National Transit Database profile; and
  - (3) Assessment of safety-critical infrastructure and state of good repair needs.
- C. WMATA shall prepare and submit, annually by June 1, for the next to occur fiscal year, to MDOT and WSTD:
  - (1) Annual budget, including funding sources for the budget, anticipated debt capacity, and any anticipated cash reserves and dedicated funding debt, if any;
  - (2) Policies and procedures for the capital planning process, which includes prioritizing and selecting individual projects based on specific and clearly-stated methodology;
  - (3) Annual approved CIP;
  - (4) Debt Policy reviewed and approved by the Board at least annually;
  - (5) Asset inventory and condition assessment procedures; and
  - (6) Measures to assess capital project investments and measures to gauge performance toward outcomes demonstrating responsible investment of grant funds toward meeting the goals of keeping WMATA safe and its infrastructure in a state of good repair.
- D. WMATA shall prepare and submit as available, quarterly updates on the measures established in C.6 above.
- E. The Parties recognize that the scope, pricing, scheduled completion date, or priority of some projects will change during the term of this Agreement. To address these possibilities, WMATA agrees to provide the State with monthly reports regarding reprogramming of project budgets into or out of Capital Projects during the term of this Agreement where such reprogramming results in either 1) an increase of the total project budget as shown in the CIP; 2) revises the scope of a Capital Project; 3) a movement of \$5 Million or more; or 4) creates a new Capital Project. Each movement of budget between Capital Projects for cash flow purposes or for schedule adjustments (that do not impact completion date) in an amount of \$1 Million to \$5 Million during the term of this Agreement shall be reported on a quarterly basis.

- F. WMATA shall submit, annually by December 31 for the most recently audited fiscal year, to MDOT a reconciliation report that addresses expenditures made in excess of the one-year capital budget as follows:
- (1) For Capital Projects exceeding approved one-year budget:
    - a. The amount by which costs exceed projected costs during the completed fiscal year; and
    - b. The total amount that has been expended for the project to date;
  - (2) For new Capital Projects added during a fiscal year:
    - a. A purpose and need summary statement that includes:
      - i. A general description and summary that describes why the project is necessary and satisfies WMATA's safety, state of good repair, and financial accountability goals;
      - ii. The location of the project, including a map of the project limits, project area, or transportation corridor;
      - iii. A summary of how the project meets the selection criteria for inclusion in the CIP; and
      - iv. Any other information that WMATA believes would be useful to MDOT and WSTD.
- G. WMATA shall provide any and all documentation requested by State auditors to fulfill the State's responsibilities under Section 3 of this Agreement. Failure to provide requested documentation in accordance with this Agreement may result in full or partial withholding of funds covered by this Agreement.

**SEC. 5 PROVISION OF FUNDS – COMMONWEALTH OF VIRGINIA AND DISTRICT OF COLUMBIA**

If the Commonwealth of Virginia or the District of Columbia reduce the amount of dedicated funding appropriated for the Washington Metropolitan Area Transit Authority, the Governor may reduce the Maryland appropriation by a proportional amount.

**SEC. 6 FINANCIAL RECORDS.**

- A. Maintenance of Records. During the term of this Agreement, WMATA agrees to maintain complete accounting records which are consistent with generally accepted governmental accounting principles that accurately reflect all income and expenditures of funds provided under this Agreement. WMATA will retain all such records for the same period that records are required to be kept for the Federal Transit Administration ("FTA") or other federal grants, unless there is an outstanding written State or FTA financial or audit question, which is not resolved by the State or FTA auditor. The records of WMATA must be in sufficient detail to determine the character and timing of transactions authorized by this Agreement.
- B. Audits

- (1) Timing for Performance. The State or its agent may perform or engage a third party

to perform an audit of WMATA's expenditures of funds in accordance with the information provided under this Agreement. The request for the performance of such audit may cover a period of up to three fiscal years immediately preceding such request. The State or its authorized agent will assume all financial responsibility for any costs associated with the performance of such audit, exclusive of WMATA's internal costs. WMATA agrees to cooperate fully with the State or its authorized agent in the conduct of any such audit carried out in accordance with this Agreement.

- (2) **Audit Findings.** Any issue identified by the auditor during the course of the audit that may result in a finding will be discussed with WMATA management, who may provide additional input or information to the auditor. If WMATA management disagrees with a preliminary audit finding, reasonable efforts shall be made to resolve the dispute before the final audit report is issued. The auditor's final report will contain the audit findings along with a response from WMATA and, if appropriate, any rebuttal from the auditor.
- (3) **Audit Results.** If it is determined by the auditor as a result of such audit under this section that funds provided by the State have not been administered pursuant to the terms and conditions of this Agreement or have been administered in a way contrary to law, WMATA shall make appropriate accounting adjustments, including, the return of funds to the State. The audit rights provided under this paragraph shall survive for three audited fiscal years from the termination date of this Agreement and shall not limit any other rights of the State under this Agreement.

**Sec. 7            NON-COMPLIANCE & TERMINATION**

In the event either Party determines that the other Party to the Agreement is not satisfactorily complying with the terms of this Agreement, the complaining Party shall notify the other Party in writing of its complaint and the basis for it. The Parties agree to use all reasonable efforts to resolve any such issues which arise under or otherwise relate to this Agreement. If the Parties, at staff level, cannot resolve such matters through initial discussions within 30 Days after receipt of the written notification, then executive level staff of each Party shall meet to resolve the matter within 60 additional Days. If no satisfactory resolution is achieved, either Party may, upon 30 Days' notice to the other Party, terminate this Agreement.

**SEC. 8        REPRESENTATIONS AND WARRANTIES**

- A. By WMATA. WMATA makes the following representations as of the Effective Date of this Agreement as a basis for the undertakings pursuant to this Agreement:
  - a. WMATA has full power and authority to enter into this Agreement, the transactions contemplated by this Agreement, and to carry out its obligations hereunder;
  - b. When executed and delivered by the State and by WMATA, this Agreement will constitute the legal, valid and binding obligation of WMATA enforceable in accordance with its terms, except as such enforceability is limited by annual appropriations, allocations, bankruptcy, reorganization, insolvency, moratorium or

- other laws affecting the enforcement of creditors' rights generally.
- c. WMATA procurement contracts in connection with the Capital Improvement Program shall be administered pursuant to the applicable WMATA procurement requirements and the WMATA Code of Ethics.
- B. By the State. The State makes the following representations as of the Effective Date of this Agreement as a basis for the undertakings pursuant to this Agreement:
- a. The State has all necessary power and authority to enter into this Agreement, the transactions contemplated by this Agreement, and to carry out its individual obligations hereunder;
  - b. When executed and delivered by the State and by WMATA, this Agreement will constitute the legal, valid, and binding obligation of the State enforceable in accordance with its terms, except as such enforceability is limited by annual appropriations, allocations, bankruptcy, reorganization, insolvency, moratorium or other laws affecting the enforcement of creditors' rights generally.

## **SEC. 9 EFFECTIVE DATE, TERM OF AGREEMENT**

- A. Effective Date. This Agreement shall take effect on the date of execution by the last signatory to this Agreement.
- B. Counterparts. This Agreement may be executed in identical counterparts, each of which shall constitute an original and all of which shall constitute, collectively, one agreement.
- C. Term. The term of this Agreement shall begin on the Effective Date and shall automatically renew each July 1 unless one Party provides written notice requesting to amend or modify the agreement at least 90 Days prior to July 1.

## **SEC. 10 NO THIRD PARTY BENEFICIARIES**

The Parties to this Agreement do not intend any non-signatory to this Agreement or any other third party to be a third-party beneficiary to this Agreement, nor do the Parties intend for any such third party to have any rights or benefits under this Agreement or to have standing to bring an action or claim in any court or other forum to enforce any provision of this Agreement.

## **SEC. 11 AMENDMENTS**

This Agreement may be amended or modified only by written agreement duly executed by both Parties.

## **SEC. 12 NOTICES**

All notices under this Agreement shall be in writing and shall be deemed to have been sufficiently given or served when presented personally, electronically, or sent by the U.S. Postal Service or by a courier service or national overnight delivery service, to any Party as follows:

## **ATTACHMENT 5**

To the Maryland Department of Transportation acting by and through the  
Washington Suburban Transit District:

Secretary  
Maryland Department of Transportation  
7201 Corporate Center Drive  
Hanover, Maryland 21076

Chair  
Washington Suburban Transit Commission  
4351 Garden City Drive  
Suite 305  
Hyattsville, Maryland 20785

With copies to:  
Attorney General  
Maryland Department of Transportation  
7201 Corporate Center Drive  
Hanover, Maryland 21076

Chief Financial Officer  
Maryland Department of Transportation  
7201 Corporate Center Drive  
Hanover, Maryland 21076

To the Washington Metropolitan Area Transit Authority:

General Manager  
Washington Metropolitan Area Transit Authority  
600 Fifth Street, NW  
Washington, DC 20001

With copies to:  
General Counsel  
Washington Metropolitan Area Transit Authority  
600 Fifth Street, NW, Second Floor Washington, DC 20001

Chief Financial Officer  
Washington Metropolitan Area Transit Authority  
600 Fifth Street, NW, Sixth Floor  
Washington, DC 20001



**SEC. 13 SUCCESSORS AND ASSIGNS**

This Agreement shall be binding on the successors and assigns of the Parties.

**SEC. 14 NO DEBT GUARANTEES**

The State does not guarantee the debt of WMATA or any obligation of WMATA. Any bonds issued by WMATA do not constitute a debt or a pledge of the faith and credit of the State, MDOT, or WSTD, and neither the faith and credit nor the taxing power of the State nor the revenues of the Department are pledged to payment of bonds issued by WMATA. The issuance of any bonds by WMATA does not directly, indirectly, or contingently obligate, morally or otherwise, the State, MDOT, or WSTD.

**SEC. 15 REQUIREMENT FOR ANNUAL APPROPRIATIONS**

Notwithstanding any other provisions of this Agreement, all obligations of the State are subject to discretionary annual appropriation and allocation of funds by the governing body thereof or other appropriate legislative body thereof and shall be consistent with the anti-deficiency laws applicable to the State.

**SEC. 16 MISCELLANEOUS PROVISIONS**

**A. COVENANT AGAINST CONTINGENT FEES:** WMATA warrants that it has not employed or retained any company or person, other than a bona fide employee working solely for WMATA, to solicit or secure this Agreement, and that it has not paid or agreed to pay any company or person, other than a bona fide employee working solely for WMATA, any fee, commission, percentage, brokerage fee, or other considerations, contingent upon or resulting from the award or making of this Agreement.

**B. SPECIAL CAPITAL PROVISIONS:**

(1) WMATA shall permit the MDOT, WSTD, or its authorized representatives to inspect at any reasonable time, with reasonable prior notice and subject to WMATA safety requirements, all vehicles, facilities and equipment purchased or constructed by WMATA as part of the CIP; and all transportation services rendered by WMATA using such vehicles, facilities or equipment.

(2) With respect to vehicles, facilities, and equipment purchased or constructed by WMATA as part of the CIP, WMATA shall maintain, in accordance with applicable laws, such insurance or self-insurance as will be adequate to protect such vehicles, facilities and equipment, and persons using such vehicles, facilities and equipment, throughout WMATA's ownership and use of such vehicles, facilities and equipment.

**C. APPLICABLE LAW:**

(1) This Agreement shall be governed by the law of the State of Maryland. Nothing



in this Agreement shall constitute a waiver of the State's or WMATA's sovereign immunity.

(2) The Parties acknowledge and agree that each shall comply with all applicable local, state, and federal laws, regulations, and ordinances. Nothing in this Agreement shall require WMATA to violate the WMATA Compact or applicable laws, regulations, or ordinances, or require the State to violate any applicable laws, regulations, or ordinances.

**D. SEVERABILITY OF PROVISIONS:** If any term or provision of this Agreement is determined to be invalid, illegal or unenforceable, it shall not affect the legality or validity or enforceability of any other part of this Agreement, and the remaining parts of this Agreement shall be binding upon the Parties.

**E. RECITALS:** The Recitals are incorporated and made a part of this Agreement.

**F. INDEMNIFICATION AND INSURANCE:**

(1) WMATA shall indemnify, defend, and hold harmless the State and WSTD, and their directors, officers, agents, and employees, from and against all claims, suits, judgments, actions, losses, damages, liabilities, costs and expenses of every name and description, including but not limited to reasonable attorney's fees and costs, brought by any third party arising out of, resulting from, or in connection with any negligent act or omission by WMATA, its contractors, subcontractors, agents, or employees, or anyone directly or indirectly employed by them, or anyone for whose acts they may be liable, relating to any CIP work covered by this Agreement.

(2) WMATA shall either be sufficiently self-insured or carry insurance to cover the risks for WMATA, its employees, agents, contractors and subcontractors, anyone directly or indirectly employed by them, or anyone for whose acts they may be liable related to any CIP work covered by this Agreement. WMATA shall require all commercial insurance policies obtained by WMATA to satisfy its obligations under this section to list the State, WSTD, and their respective officers, agents, and employees as Additional Insured's. WMATA certifies that as of the Effective Date of this Agreement, all commercial insurance and self-insurance lists the State, WSTD, and their respective officers, agents and employees as Additional Insured's. WMATA shall not remove the State, WSTD, or their respective officers, agents, and employees as Additional Insured's for any self-insurance without the written consent of the State.

(3) In the event WMATA receives notice from an insurer that any insurance policy is going to be, or has been, subject to cancellation, nonrenewal, or material adverse changes to the insurance contract, WMATA shall provide WSTD with prompt notice. WMATA shall provide 30-days advance written notice to WSTD of any cancellation or material adverse change to any self-insurance.

(4) For commercial insurance, WMATA shall provide Certificates of Insurance listing the State, WSTD, and their respective officers, agents, and employees, as

## ATTACHMENT 5

Additional Insured's. WMATA shall provide a self-insurance letter indicating the extent of WMATA's self-insurance.

(5) In lieu of carrying insurance for its agents, contractors or subcontractors, WMATA may require all its agents, contractors or subcontractors who perform any CIP work or activity of any type to carry insurance sufficient to cover the risks for all damage to persons and property due to CIP work under this Agreement. However, such insurance does not relieve WMATA of the burden of being self-insured and/or carrying insurance to cover the actions of its employees. WMATA shall require of its agents, contractors, and subcontractors that the State, WSTD, and their respective officers, agents, and employees, are identified as Additional Insured's on all such insurance policies obtained in lieu of WMATA providing such insurance for its agents, contractors or subcontractors, and WMATA shall require that its agents, contractors, and subcontractors provide Certificates of Insurance listing the State, WSTD and their respective officers, agents, and employees as Additional Insured's for any such insurance policies.

(6) Payment of any funds by or through the WSTD shall not waive any of the rights of the State, MDOT or WSTD contained in this section nor release WMATA from any responsibilities or duties contained in this Agreement.

(7) The obligations of this section shall survive the termination of this Agreement for the life of the assets purchased with the funding provided or for 20 years after termination, whichever is longer.

[Signatures appear on following page]

## ATTACHMENT 5

STATE OF MARYLAND


acting by and through the Washington Suburban Transit District and the Department of  
Transportation

Approved as to Form and Legal Sufficiency as a Grant:

By:   
Assistant Attorney General

Dated: 9/25/19

MARYLAND DEPARTMENT OF TRANSPORTATION

By:   
Secretary

Dated: 9-26-19

and

WASHINGTON SUBURBAN TRANSIT DISTRICT

By:   
Chairman

Dated: 9-26-19

WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

By:   
Paul J. Wiedefeld  
General Manager and Chief Executive Officer

Dated: 9/26/19

**AGREEMENT BETWEEN  
THE GOVERNMENT OF THE DISTRICT OF COLUMBIA  
AND THE WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY  
FOR AWARD AND USE OF DEDICATED FUNDING GRANT**

**(WMATA Dedicated Funding Grant Agreement)**

This Dedicated Funding Grant Agreement ("Agreement") is made this 14<sup>th</sup> day of February, 2020, by and between the Government of the District of Columbia ("District") and the Washington Metropolitan Area Transit Authority ("WMATA"), an instrumentality and agency of each of the Commonwealth of Virginia, the State of Maryland, and the District of Columbia and a body corporate and politic created by that interstate compact, as amended, between Maryland, Virginia, and the District of Columbia and approved by Congress. The District and WMATA are referred to collectively in this Agreement as the "Parties" and each individually is referred to in this Agreement as a "Party".

**RECITALS**

(R1) The WMATA transit system has played a critical role in the growth and prosperity of the National Capital Region, and WMATA's continued health and vitality is essential to the regional transportation system and important to the environmental quality, and economic, educational, and cultural life of the National Capital Region.

(R2) Through extensive financial analyses it was determined that WMATA faces a capital funding deficit and, without additional funding, will not be able to fund the capital infrastructure repairs and replacements necessary to return the WMATA transit system to a state of good repair. These state-of-good-repair capital requirements include track and station repairs and upgrades, the purchase of new railcars and buses, and upgrades of outdated information technology systems. Without the necessary state-of-good-repair improvements, the continued health and vitality of the WMATA transit system will be at risk.

(R3) Following years of discussions between the WMATA compact member jurisdictions, the legislatures of the District, Maryland, and Virginia passed legislation identifying ongoing dedicated funding sources and amounts for capital projects and programs as defined in this Agreement designed to address WMATA's state-of-good-repair needs. *See* D.C. Code § 1-325.401; Md. Code, Transp. § 10-205; and Va. Code § 33.2-3401. The jurisdictions agreed to provide WMATA, beginning in Fiscal Year 2020, dedicated funding for these capital needs.

(R4) The new dedicated funding is in addition to the existing, or regular, capital contributions that the Compact member jurisdictions already provide to WMATA and existing federal funding, such as the federal Passenger Rail Investment Improvement Act of 2008 (PRIIA) funding, and jurisdictional matches to federal funding.

FINAL FOR SIGNATURE

(R5) The new dedicated funding of the District is authorized by the “Dedicated WMATA Funding and Tax Changes Affecting Real Property and Sales Amendment Act of 2018,” which was approved as part of the Fiscal Year 2019 Budget Support Act of 2018, effective October 30, 2018 (D.C. Law 22-168; D.C. Official Code § 1-325.401). Under this act, the District will provide the new dedicated funding to WMATA through a grant agreement. This Agreement is the grant agreement required by the act to fund state-of-good-repair capital needs.

(R6) The general purpose of this Agreement is to establish the District’s long-term commitment to provide new dedicated funding to WMATA for its state-of-good repair capital improvements, and to establish the requirements WMATA must follow in receiving and spending the funds. The Agreement also identifies when the new dedicated funds are to be conveyed from the District to WMATA, the authorized uses of these funds by WMATA, WMATA’s authority to pledge these funds for the payment of debt service on capital borrowings to support the state of good repair capital needs in its capital improvement plan, how any unexpended funds are to be invested by WMATA, how any interest earned on those investments should be used, the term of this Agreement, the dispute resolution mechanisms, and reporting and audit requirements.

**NOW, THEREFORE**, in consideration of the mutual promises and obligations set forth herein, the Parties agree as follows:

## **SEC. 1. DEFINITIONS**

As used in this Agreement, the following terms shall have the following meanings, unless the context requires a different meaning:

- (a) “Agreement” means this Dedicated Funding Grant Agreement and any successor agreement.
- (b) “Capital Budget” means the annual capital budget adopted by the WMATA Board of Directors.
- (c) “Capital Funding Agreement” (“CFA”) means that certain agreement entered into by and between the District of Columbia; the State of Maryland; Arlington County, Virginia; Fairfax County, Virginia; the City of Alexandria, Virginia; the City of Fairfax, Virginia; and the City of Falls Church, Virginia; and WMATA dated July 1, 2010, as amended, and each substantively similar successor agreement, including that Fiscal Year 2020 Capital Funding Agreement and all related Local Capital Funding Agreements and any future Capital Funding Agreement, including but not limited to agreements where Loudoun County, Virginia is a party as and if required by applicable law or the WMATA Board of Directors.
- (d) “Capital Improvement Program” (“CIP”) means the list of projects and programs, adopted by the WMATA Board of Directors pursuant to the terms and conditions, including applicable selection or ranking requirements that advance strategic objectives identified in the CIP. The CIP is not considered a payment schedule.

FINAL FOR SIGNATURE

- (e) “Capital Projects” means those projects and programs authorized in the WMATA CIP; provided, however, that this Agreement authorizes expenditure only for State of Good Repair (“SGR”) projects as defined herein and expressly does not authorize funding for system expansion projects. For purposes of this Agreement system expansion means, for example, any new rail infrastructure inclusive of infill stations and line extensions. Further, this Agreement does not authorize funding for increases to the number of revenue vehicles in WMATA’s fleet, except where those increases are incidental to a larger SGR purchase, to meet demand/service levels on then-existing infrastructure or hours of service, or as required to address a documented safety hazard. For clarity, debt service associated with Dedicated Funding Debt issued to fund SGR Capital Projects is an authorized expense.
- (f) “Dedicated Funding Grant” means the estimated annual amount of funding to be disbursed to WMATA by the District of Columbia paid with funds from the Washington Metropolitan Area Transit Authority Dedicated Financing Fund as referenced in D.C. Official Code § 1-325.401, as provided in this Agreement.
- (g) “Days” means calendar days, unless otherwise specifically provided.
- (h) “Debt” means any bond, security, debt issuance, certificate of participation, or other evidence of indebtedness, and includes commercial paper, lines of credit, and letters of credit.
- (i) “Dedicated Funding Debt” means specifically that debt that may be authorized by the Board of Directors as backed by a pledge of those funds committed to WMATA pursuant to the following legislative enactments: (a) from the District of Columbia under D.C. Official Code § 1-325.401 or any successor statute, as the same may be amended from time to time; (b) from the State of Maryland under Md. Transportation Code Ann. § 10-205(g) or any successor statute, as the same may be amended from time to time; and (c) from the Commonwealth of Virginia under the Va. Code §33.2-3401.B or any successor statute, as the same may be amended from time to time.
- (j) “Other Dedicated Funding” means the funds authorized by applicable legislation to be provided to WMATA by the Commonwealth of Virginia and the State of Maryland including funds paid by any other authorized person or entity in-lieu-of such amounts.
- (k) “District” means the District of Columbia.
- (l) “District Fiscal Year” means the period from and including October 1 through September 30. Each District Fiscal Year is numbered by the calendar year after the calendar year in which the District Fiscal Year begins, such that, for example, District Fiscal Year 2020 begins on October 1, 2019.
- (m) “Effective Date” means the date on which this Agreement becomes effective, as further defined in Section 14 of this Agreement.
- (n) “State of Good Repair” or “SGR” means Capital Projects for the replacement, rehabilitation, or annual capital maintenance of existing capital assets necessary for system preservation. Eligible activities within replacement or rehabilitation projects include the incorporation of then-current design standards and additional and new features necessary for the



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proper functioning of the new facility or as required by federal, state, or local laws. Assets to be replaced must have either i) reached or exceeded their minimum useful life; ii) been deemed obsolete or unsafe; or iii) been identified as not cost effective to maintain or repair. In addition to replacement and rehabilitation, critical needs, including but not limited to new maintenance, repair, administrative, or overhaul facilities or maintenance equipment or non-revenue vehicles are eligible for Dedicated Funding Grant funds if they are needed to maintain the operations or administration of the then-existing Metrorail, Metrobus or MetroAccess systems. More specifically, these Capital Projects include replacing, rehabilitating, and modernizing existing capital assets of the system to address issues of safety and reliability including:

- (i) Railcars, including but not limited to railcar acquisition for replacement vehicles, non-revenue equipment, railcar maintenance, repair, and overhaul facilities, etc.;
  - (ii) Rail Systems, including but not limited to propulsion, signals and communications, etc.;
  - (iii) Track and Structures Rehabilitation including but not limited to fixed guideway, structures, track maintenance, equipment, etc.;
  - (iv) Stations and Passenger Facilities including but not limited to platforms and structures, customer information and wayfinding, vertical transportation, fare collections, parking facilities, station systems, etc.;
  - (v) Bus and Paratransit including but not limited to bus acquisition, maintenance facilities, passenger facilities/systems, paratransit, non-revenue vehicles etc.; and
  - (vi) Business Support including but not limited to real and personal property supporting administrative, non-revenue, and revenue functions, IT upgrades, support equipment and services, security equipment and services, etc.
- (o) "Washington Metropolitan Area Transit Authority Dedicated Financing Fund" means the fund established pursuant to D.C. Official Code § 1-325.401.
- (p) "WMATA" means the Washington Metropolitan Area Transit Authority.
- (q) "WMATA Fiscal Year" means the period from and including July 1 through June 30. Each WMATA Fiscal Year is numbered by the calendar year after the calendar year in which the WMATA Fiscal Year begins, such that, for example, WMATA Fiscal Year 2020 begins on July 1, 2019.

## **SEC. 2. GENERAL AGREEMENT OF THE PARTIES**

WMATA and the District agree to comply with the terms and conditions of this Agreement and to fully and faithfully carry out their respective obligations under this Agreement. A CFA to which both WMATA and the District are parties shall be incorporated by reference as a material requirement of this Agreement. The District shall not be required to make any Dedicated Funding Grant payment under this Agreement unless and until a CFA that covers the corresponding time period is signed by WMATA and DC. Any commitment or agreement of the District required by this Agreement shall be subject to the appropriation and allocation of funds and other limitations on expenditures or obligations under District and federal law. This Agreement shall not constitute



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an obligation of the District until funds are duly appropriated and allocated and semi-annual payments become due pursuant to Section 3(b) of this Agreement.

**SEC. 3. DEDICATED FUNDING GRANT: AMOUNT, TIMING, INVOICING, NOTICE**

- (a) Amount. Pursuant to D.C. Official Code § 1-325.401 and this Agreement the District will provide WMATA a Dedicated Funding Grant in the amount of \$178.5 Million in District Fiscal Year 2020, and in future Fiscal Years, in the amount provided in D.C. Official Code § 1-325.401, as it may be amended from time to time. If Maryland or Virginia does not pay its full amount of Other Dedicated Funding for a WMATA Fiscal Year, the District reserves the right to reduce its Dedicated Funding Grant in that WMATA Fiscal Year by a proportional amount.
- (b) Semi-annual Payments. The District shall pay the Dedicated Funding Grant to WMATA on a semi-annual basis, with one payment due October 1 and one payment due April 1, and each payment being made in response to an invoice provided by WMATA pursuant to subsection (c) below.
- (c) Invoices.
- (i) WMATA shall submit an invoice, separate from the invoices that WMATA issues that are applicable to the Capital Funding Agreement, to the District for each semi-annual payment under this Agreement at least 45 days prior to the date the payment is due. Thus, for example, for the October through March semi-annual period, WMATA will include the amount in the Capital Budget as approved or adjusted for October through March and send the District an invoice for its Dedicated Funding Grant payment no later than the immediately preceding August 15.
  - (ii) The amount invoiced by WMATA shall be based on the amounts the District appropriates for the Dedicated Funding Grant as provided in D.C. Official Code § 1-325.401.
  - (iii) Any debt service included in the invoice shall be separately identified by issuance on the invoice.
  - (iv) The amount invoiced by WMATA for any District Fiscal Year shall not exceed the amount specified above in Section 3(a) for each District Fiscal Year.
- (d) Annual Notice. The District shall annually provide WMATA with written notice that funds have been, are intended to be, or will not be appropriated to cover the Dedicated Funding Grant for the upcoming WMATA Fiscal Year. If the District's appropriations process is not completed by July 1, the District shall provide to WMATA:

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- (i) a written explanation why funds have not been appropriated and confirmation that an amount equal to the Dedicated Funding Grant has been or will be included in the next District Fiscal Year budget that the Mayor of the District of Columbia forwards to the Council of the District of Columbia; and
- (ii) written assurance that all reasonable efforts will be undertaken to secure the ultimate appropriation of funds in a prompt and timely fashion.

If the District becomes aware that funds will not be appropriated in full for the Dedicated Funding Grant, then the District shall notify WMATA within five business days of the action taken by the Council.

**SEC. 4. USE OF DEDICATED FUNDING GRANT BY WMATA**

- (a) Use Purposes. The Dedicated Funding Grant may be expended by WMATA only for State of Good Repair Capital Projects in the CIP. The Dedicated Funding Grant may not be used for purposes of system expansion or for WMATA operating expenses.
- (b) Conformity with Agreement. WMATA shall use the Dedicated Funding Grants only for capital expenditures or for debt service on WMATA borrowings for State of Good Repair Capital Projects consistent with the CIP and this Agreement.
- (c) Inclusion in Capital Improvement Program and Capital Budget. The Dedicated Funding Grant may be expended by WMATA only for State of Good Repair Capital Projects that are included in the then-current approved CIP and Capital Budget as those documents may be amended by the WMATA Board subject to the coordination required pursuant to the CFA.
- (d) Types of Financing. The Dedicated Funding Grant may be used by WMATA to pay for debt service payments on borrowings or designed to address WMATA's SGR or critical funding needs for pay-as-you-go (paygo) cash funding for State of Good Repair Capital Projects that are identified in the Capital Budget or CIP.

**SEC. 5. CAPITAL IMPROVEMENT PROGRAM**

- (a) Adoption of Capital Improvement Program. Pursuant to and in compliance with the review and approval processes established in the CFA the WMATA Board has adopted the CIP for the period of July 1, 2019 through June 30, 2025 (the "WMATA FY2020-FY2025 CIP"), which is attached as **Attachment 1**, and incorporated as a material part of this Agreement by reference as if fully stated herein.
- (b) Incorporation of CFA Requirements. The Parties incorporate the CFA by reference as if fully stated herein so as to apply those terms and conditions to the actions of the Parties with regard

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to the Dedicated Funding Grant, except to the extent that this Agreement creates a conflict with the CFA, then this Agreement shall control only for Dedicated Funding Grants provided by the District of Columbia.

(c) Cost. The estimated program cost of the WMATA FY2020-FY2025 CIP over its six-year period is approximately \$9,431,000,000 in year-of-expenditure dollars inclusive of projects to be funded with Dedicated Funding Grants.

(d) Schedule. Implementation of the WMATA FY2020-FY2025 CIP will be over the period beginning in WMATA Fiscal Year 2020 and ending in WMATA Fiscal Year 2025.

(e) No Personal Interest. No director, officer, or employee of WMATA or the District who exercises any functions or responsibilities over any procurement contract in connection with the CIP shall have any personal or financial interest or benefit derived from any activity in connection with any procurement contract or have an interest in any contract, subcontract, or agreement with respect thereto during the term of this Agreement.

(f) Annual Changes to the CIP. The Parties agree that WMATA will adjust the Capital Projects included in the CIP, according to the process referenced in the CFA, each year within the term of this Agreement on a rolling basis, as required to meet WMATA's ongoing and updated CIP and other capital needs, and for planning WMATA's ongoing and updated CIP and other capital needs for years beyond the term of this Agreement, subject to the availability of funding.

## **SEC. 6. DEDICATED FUNDING GRANT REQUIREMENTS NOT ADDRESSED IN CFA**

(a) Eligible CIP Projects. The Dedicated Funding Grant from the District may only be used for State of Good Repair Capital Projects as defined in this Agreement.

(b) Rollover of Unexpended Funds. If there are unexpended Dedicated Funding Grant funds in the Capital Budget at the end of any WMATA Fiscal Year, the unexpended funds shall be "rolled over" to the succeeding WMATA Fiscal Year for programming by the WMATA Board through the CFA process as part of the funding for State of Good Repair Capital Projects shown in the Capital Budget. The unexpended funds shall not reduce funding requirements for the succeeding year's Dedicated Funding Grant to the Capital Budget, subject to the provisions of Section 5.

## **SEC. 7. CAPITAL BUDGETS**

(a) Capital Budget Requirement. WMATA shall, as a part of its annual budget process each year, develop a Capital Budget pursuant to the terms and conditions of the Capital Funding Agreement, in accordance with applicable laws and WMATA Board policies.

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(b) Contents of the Capital Budget. For purposes of compliance with this Agreement, WMATA shall apply the budgeting and project identification requirements of the Capital Funding Agreement to the District's Dedicated Funding Grant and state in the Capital Budget how the Dedicated Funding Grant is proposed to be utilized based on a schedule of projected quarterly cash needs, including an identification of what portion (if any) of the Dedicated Funding Grant is a direct capital contribution (or paygo), and what portion (if any) is to be budgeted by WMATA to pay debt service on Dedicated Funding Debt (to be stated separately in the Capital Budget) for the current year and each year in the current CIP period. In addition, WMATA must identify the primary purpose of each Capital Project.

#### **SEC. 8. IMPLEMENTATION OF CIP AND CAPITAL BUDGET**

WMATA will administer the CIP and Capital Budget and carry out all necessary procurement actions, reporting requirements, and management oversight. All procurement actions will be undertaken in accordance with WMATA procurement policies and applicable law. WMATA agrees to comply with all final safety directives issued by the entity providing state safety oversight per 49 C.F.R. pt. 639 and its successor regulation, 49 C.F.R pt. 674.

#### **SEC. 9. QUARTERLY PROGRESS REPORTS**

Within 45 days after the end of each quarter, WMATA shall prepare and submit to the District a Capital Budget/CIP progress report (referred to herein as the "Quarterly Progress Report"). Each Quarterly Progress Report shall contain, with respect to each SGR Capital Project, funded by this Agreement and included in the Capital Budget, (a) the status of the project; (b) a review of the project's scope and schedule changes; (c) the status of acquisition and construction contracts necessary for the implementation of the project; (d) the status of year-to-date expenditures for each project relative to Capital Budget; (e) the status of all cash and debt sources relative to Capital Budget, including a break out of D.C. Dedicated Funding; (f) updated project cash flow projections and program cash requirements; and (g) a comparison of the billed amount to amounts actually expended for the preceding quarter. Each report shall be provided in a quarterly financial report in the same form and with the same level of detail that is required by the CFA.

#### **SEC. 10. FINANCIAL REPORTING AND AUDIT PROVISIONS**

WMATA shall adhere to the annual budget reconciliation process required by the Capital Funding Agreement or any successor agreement, other applicable law and any other corresponding procedures.

(a) Financial Records.

(i) Maintenance of Records. WMATA shall maintain separate and complete accounting records that are consistent with generally accepted governmental accounting

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principles that accurately reflect all income and expenditures of funds provided by the District under this Agreement. WMATA shall retain all records, financial records, supporting documents, statistical records, and any other documents (including electronic storage media) pertinent to this Agreement, for three years, or for the same period that records are required to be kept for the Federal Transit Administration or other federal grants, as applicable, whichever is longer; ; unless there is an outstanding District or Federal financial or audit question that is not resolved by the District or Federal government, in which case the records shall be maintained until three (3) years after the final resolution of the audit finding or any litigation which is based on the terms of this Agreement, whichever is later. The records of WMATA must be in sufficient detail to determine the character and timing of transactions authorized by this Agreement.

(ii) Annual Reporting Requirement for Capital Expenditures, Indirect and Overhead Costs

Each year WMATA shall have an Indirect Cost Rate Proposal (ICRP) prepared by an independent consultant with expertise in ICRP preparation, that establishes the Indirect Rates that WMATA proposes to apply to capital expenditures. WMATA shall submit each prepared ICRP to the Federal Transit Administration (FTA) for review and approval, and forward courtesy copies of the documentation provided to the FTA to each of the contributing jurisdictions. WMATA will only propose use of Indirect Rates that have received FTA approval to the WMATA Board of Directors for review during the annual budget process. As part of its annual budget process, the WMATA Board of Directors shall review the most recent FTA-approved ICRP to determine if those indirect rates are appropriate to be applied to the portion of the capital program funded by the contributing jurisdictions for the upcoming year (Plan). WMATA shall provide supporting documentation to the WMATA Board of Directors for its review during the annual budget process that (a) identifies the Indirect Rates being proposed in the budget for the upcoming fiscal year, (b) quantifies the dollar amount of indirect costs that is budgeted to be charged to the capital program, and (c) shows that the indirect costs budgeted to be charged to the capital program also reduce the budgeted operating subsidy by an equal amount. By June 30 each year, WMATA shall provide to the District a full copy of the approved ICRP to be applied to the relevant portion of capital expenditures for the fiscal year beginning July 1, along with documentation of FTA's approval of the ICRP. The District may audit this Plan at any time for the duration of the period that the Plan is in use.

Within forty-five (45) days of the completion of its annual financial audit, WMATA shall provide a report (Indirect/Overhead Audit Report) to the District that demonstrates that all indirect and overhead costs that WMATA actually recovered from the overall Capital Budget for the recently completed fiscal year were subtracted from the calculation of the overall actual operating subsidy for that year. The Indirect/Overhead Audit Report will use information from WMATA's financial system that shows (a) the amount of Indirect

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Costs charged to each project during the fiscal year, and the aggregate of all projects, and (b) the aggregate amount by which the operating subsidy was reduced for the Indirect Costs charged to the capital program. Indirect costs shall be budgeted and assessed only on the portion of a capital project attributable to WMATA direct labor costs.

(ii) Audits.

(A) Timing for Performance. The District or its agent may perform an audit or other review of WMATA's expenditures of funds provided by this Agreement for up to three fiscal years prior to the date of the request. The District will assume all financial responsibility for any costs associated with the performance of such audits exclusive of WMATA internal costs. If the District and any party providing Other Dedicated Funding initiates an audit under this requirement or similar requirements in other agreements, the audits shall be consolidated into a single audit for the applicable fiscal years, subject to the agreement of the entities providing Other Dedicated Funding. WMATA agrees to cooperate fully with the District or its authorized agent or designee in the conduct of any audit carried out in accordance with this paragraph.

(B) Survival of Audit Rights. The audit rights provided under this paragraph shall survive the termination date of this Agreement for three years. The audit rights provided herein shall not limit any other rights of the District under this Agreement.

**SEC. 11. MISCELLANEOUS PROVISIONS: INTEREST ON PAYMENTS, SECURITY INTERESTS, RISK MITIGATION, AND NOTIFICATION OF LACK OF DEDICATED FUNDING**

(a) Interest on Payments. WMATA may invest unexpended proceeds from the Dedicated Funding Grant in a manner consistent with WMATA's investment policies until such funds are needed for capital expenditures. WMATA may retain and spend the interest earned on any such investments for capital expenditures only.

(b) Security Interests. WMATA may create security interests in its rights and interests in amounts paid or received from the District under this Agreement as such amounts shall become available and are paid to or for the account of WMATA under the terms of this Agreement. Such amounts may be pledged as security for debt incurred for capital expenditures. WMATA shall not create any security interest in the Dedicated Funding Grant for the purpose of meeting WMATA's operating cash flow needs. Nothing in this subsection shall be construed as requiring the District to make any payment under this Agreement to anyone other than WMATA.



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(c) WMATA Risk Mitigation. Section 22 of the WMATA Compact prohibits WMATA from making any commitment or incurring any obligations with respect to the construction or acquisition of any transit facilities “until funds are available therefor.” See D.C. Code § 9-1107.01. The Parties acknowledge that the commitments of the District under this Agreement are intended to satisfy the requirements of Section 22 of the WMATA Compact under an expenditure-based budget. In order to address the risk of non-appropriation or late payment of funds by a Contributing Jurisdiction, or insufficient funding by the Federal Government, and to assure compliance with Section 22 of the WMATA Compact, WMATA intends to continue to maintain a risk mitigation credit facility using one or more of the following: a line of credit, letter of credit, commercial paper program, or other credit facility determined by WMATA in its discretion to be appropriate and feasible. Such risk mitigation credit facility shall be in addition to any other credit facility which may be put in place as a working capital or other cash flow aid. Pursuant to Section 20(f) of this Agreement, any debt issued by WMATA, the debt service of which is at least partially secured by amounts received from the District pursuant to this Agreement, shall not constitute an indebtedness of the District.

(c) Notification of Lack of Appropriation of Other Dedicated Funding. WMATA will notify the District within five (5) business days if it receives notification from either Maryland or Virginia that Maryland or Virginia does not intend to appropriate the full amount of its share of Other Dedicated Funding or if either Maryland or Virginia fails to appropriate the full amount of its Other Dedicated Funding.

## **SEC. 12. DISPUTES**

(a) Informal Resolution. The Parties agree to use all reasonable efforts to resolve any disputes that arise under or otherwise relate to this Agreement. If the Parties, at staff level, cannot resolve such a dispute through initial discussions within 30 days after the date it first arises, then the Party seeking a resolution shall provide written notice of the nature of the dispute and the issues involved to the other Party. The other Party shall respond within 30 days, stating its position in writing on the issue presented and its proposal for resolution. The Parties shall then meet within the next 30 days in an attempt to resolve the dispute.

(b) Alternative Resolution. If a dispute arising under this Agreement is not resolved pursuant to subsection (a) of this Section, the Parties may agree to pursue a mutually acceptable alternative dispute resolution procedure. If such a procedure is not utilized or does not result in a final and binding resolution of the dispute, either Party may pursue a civil action for appropriate relief in a court of competent jurisdiction in the District of Columbia.



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**SEC. 13. REPRESENTATIONS AND WARRANTIES**

(a) By WMATA. WMATA makes the following representations as of the Effective Date of this Agreement as a basis for the undertakings pursuant to this Agreement:

- (i) WMATA has full power and authority to enter into this Agreement and to carry out its obligations hereunder;
- (ii) WMATA has duly authorized the execution and delivery of this Agreement;
- (iii) When executed and delivered by the District and by WMATA, this Agreement will constitute the legal, valid and binding obligation of WMATA enforceable in accordance with its terms, except as such enforceability is limited by annual appropriations, bankruptcy, reorganization, insolvency, moratorium or other laws affecting the enforcement of creditors' rights generally; and
- (iv) No director, officer, or employee of WMATA who exercises or has exercised any functions or responsibilities over any procurement contract in connection with the Capital Improvement Program has any personal or financial interest or benefit derived from any activity in connection with any procurement contract or has an interest in any contract, subcontract, or agreement with respect thereto during the term of this Agreement.

(b) By the District. The District makes the following representations as of the Effective Date of this Agreement as a basis for the undertakings pursuant to this Agreement:

- (i) The District has all necessary power and authority to enter into this Agreement and to carry out its individual obligations hereunder;
- (ii) The District has duly authorized the execution and delivery of this Agreement;
- (iii) When executed and delivered by the District and by WMATA, this Agreement will constitute the legal, valid and binding obligation of the District enforceable in accordance with its terms, except as such enforceability is limited by annual appropriations, allocations, bankruptcy, reorganization, insolvency, moratorium or other laws affecting the enforcement of creditors' rights generally; and
- (iv) No officer or employee of the District who exercises or has exercised any functions or responsibilities over a procurement contract in connection with the Capital Improvement Program has a personal or financial interest or benefit from any activity in connection with the procurement contract or has an interest in any contract, subcontract, or agreement with respect therewith during the term of this Agreement.

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**SEC. 14. EFFECTIVE DATE AND TERM OF AGREEMENT**

- (a) Effective Date. This Agreement shall take effect on the later of October 1, 2019, or the date the last party executes this Agreement.
- (b) Term.
- (i) The term of this Agreement shall begin October 1, 2019 and shall terminate on September 30, 2020.
  - (ii) The District may, if legally permitted, exercise options to renew this Agreement no more than six (6) times, each for a six (6) year period (each a "Successive Term"), or any fraction of a Successive Term, which taken together with any additional fractions equaling a six (6) year period shall constitute one Successive Term, by written notice to WMATA before expiration of the Agreement, provided that the District shall give WMATA preliminary written notice of its intent to renew at least thirty (30) days before the Agreement expires. The preliminary notice does not commit the District to exercise any option to renew. Any renewal of this Agreement shall be effective upon the District providing written notice to WMATA of the exercise of the option and WMATA countersigning such notice and agreeing to continue to be bound by the terms and conditions expressed herein.
  - (iii) WMATA may waive the thirty (30) days' notice requirement by providing a written notice to the District prior to the expiration of the Agreement.
  - (iv) If the District exercises an option to renew, the Agreement as renewed shall be considered to include this option provision.
  - (v) Any renewal of this Agreement for a Successive Term, or any increase in dedicated grant funding for the CIP, shall be subject to the availability and application of appropriations for that purpose.
- (c) Future Negotiations. No later than March 30, 2020, the District and WMATA agree to commence discussions to determine if the District will renew this Agreement for a Successive Term.
- (d) Termination of Agreement for Cause. Upon 60 calendar days' notice to WMATA, the District may terminate, in whole or in part, this Agreement if WMATA fails to apply provided funds as intended under this Agreement or if WMATA spends funds provided under this Agreement in a manner or for a purpose not authorized by this Agreement. The District shall notify WMATA promptly in writing of such a determination, the proposed cure and the effective date of the termination. WMATA may request reconsideration and an opportunity to cure by notifying the District within 30 calendar days of the date of the District's notification. The District shall not terminate this Agreement until after WMATA's reconsideration request has been considered but

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may withhold funds in the interim. The District's decision upon reconsideration, if requested, will be final.

(e) Termination of Agreement for Change in Law. The District shall provide WMATA notice as soon as possible of any proposed change in law that would render the funding contemplated in this Agreement impossible.

**SEC. 15. NO THIRD PARTY BENEFICIARIES**

The Parties to this Agreement do not intend any non-signatory to this Agreement or any other third party to be a beneficiary to this Agreement, nor do the Parties intend for any such third party to have any rights or benefits under this Agreement or to have standing to bring an action or claim in any court or other forum to enforce any provision of this Agreement.

**SEC. 16. AMENDMENTS**

This Agreement may be amended or modified only by written agreement duly executed by both Parties.

**SEC. 17. NOTICES**

All notices under this Agreement shall be in writing and shall be deemed to have been sufficiently given or served when presented by a Party personally, electronically, or sent by the U.S. Postal Service or by a courier service or national overnight delivery service, to the other Party as follows:

To the District of Columbia:

Director  
District Department of Transportation  
55 M Street, S.E., Suite 400  
Washington, D.C. 20003

Chief Financial Officer for the District of Columbia  
John A. Wilson Building, Room 203  
1350 Pennsylvania Avenue, N.W.  
Washington, DC 20004

Attorney General for the District of Columbia  
John A. Wilson Building, Room 409  
1350 Pennsylvania Avenue, N.W.  
Washington, D.C. 20004

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To the Washington Metropolitan Area Transit Authority:

General Manager  
Washington Metropolitan Area Transit Authority  
600 Fifth Street, N.W.  
Washington, D.C. 20001

General Counsel  
Washington Metropolitan Area Transit Authority  
600 Fifth Street, N.W., Second Floor  
Washington, D.C. 20001

Chief Financial Officer  
Washington Metropolitan Area Transit Authority  
600 Fifth Street, N.W., Sixth Floor  
Washington, D.C. 20001

**SEC. 18. SUCCESSORS**

This Agreement shall be binding on the successors of the District and WMATA.

**SEC. 19. NO DEBT GUARANTEES**

The District does not guarantee the debt of WMATA, the Commonwealth of Virginia, or the State of Maryland or any obligation of WMATA, the Commonwealth of Virginia, or the State of Maryland.

**SEC. 20. REQUIREMENT FOR ANNUAL APPROPRIATIONS**

(a) Notwithstanding any other provisions of this Agreement, all obligations of the District are subject to discretionary annual appropriation and allocation of funds by the governing bodies of the District and shall be consistent with and subject to the anti-deficiency laws applicable to the District.

(b) In no circumstance shall the District be responsible under this Agreement for the dedicated funding commitments or other obligations of the Commonwealth of Virginia or the State of Maryland. If there is a failure to appropriate and allocate the full annual Dedicated Funding Grant, that portion of the Capital Budget attributable to the Dedicated Funding Grant shall be revised to conform to the available funds and be submitted to the WMATA Board of Directors.

(c) Pursuant to the provisions of (i) the federal Anti-Deficiency Act, 31 U.S.C. §§ 1341, 1342, 1349-1351 1511-1519 (2008), and D.C. Official Code §§ 1-206.03(e) and 47-105; (ii) the District of Columbia Anti-Deficiency Act, D.C. Official Code §§ 47-355.01 – 355.08 ((i) and (ii)

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collectively, as amended from time to time, the "Anti-Deficiency Acts"); and (iii) Section 446 of the District of Columbia Home Rule Act, D.C. Official Code § 1-204.46, the District cannot obligate itself to any financial commitment in any present or future year unless the necessary funds to pay that commitment have been appropriated and are lawfully available for the purpose committed. Thus, pursuant to the Anti-Deficiency Acts, nothing in this Agreement creates an obligation of the District in anticipation of an appropriation for such purpose, and the District's legal liability for the payment of any amount under this Agreement does not and may not arise or obtain in advance of the lawful availability of appropriated funds for the applicable fiscal year.

(d) During the term of this Agreement, the Mayor of the District of Columbia or other appropriate official shall, for each fiscal period, include in the budget proposal submitted to the Council of the District of Columbia the amount necessary to fund the District's known potential financial obligations under this Agreement for such fiscal period. In the event that a request for such appropriations is excluded from the budget approved by the Council and submitted to Congress for the applicable fiscal year or if no appropriation is made by Congress to pay any amount under this Agreement for any period after the fiscal year for which appropriations have been made, and in the event appropriated funds for such purposes are not otherwise lawfully available, the District will not be liable to make any payment under this Agreement upon the expiration of any then-existing appropriation.

(e) Notwithstanding the foregoing, no officer, employee, director, member or other natural person or agent of the District shall have any personal liability in connection with the breach of the provisions of this Section or in the event of a default by the District under this Agreement.

(f) This Agreement shall not constitute an indebtedness of the District nor shall it constitute an obligation for which the District is obligated to levy or pledge any form of taxation or for which the District has levied or pledged any form of taxation. No District official or employee is authorized to obligate or expend any amount under this Agreement unless such amount has been appropriated by Act of Congress and is lawfully available.

(g) IN ACCORDANCE WITH § 446 OF THE HOME RULE ACT, D.C. OFFICIAL CODE § 1-204.46, NO DISTRICT OFFICIAL IS AUTHORIZED TO OBLIGATE OR EXPEND ANY AMOUNT UNDER THIS AGREEMENT UNLESS SUCH AMOUNT HAS BEEN APPROPRIATED.

## **SEC. 21 INDEMNIFICATION AND INSURANCE**

(a) WMATA shall indemnify, defend, and hold harmless the District, and its directors, officers, agents, and employees, from and against all claims, suits, judgments, actions, losses, damages, liabilities, costs and expenses of every name and description, including but not limited to reasonable attorney's fees and costs, brought by any third party arising out of, resulting from, or in connection with any negligent act or omission by WMATA, its contractors, subcontractors, agents, or employees, or anyone directly or indirectly employed by them, or anyone for whose acts they may be liable, relating to any CIP work covered by this Agreement.

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(b) WMATA shall either be sufficiently self-insured or carry insurance to cover the risks for WMATA, its employees, agents, contractors and subcontractors, anyone directly or indirectly employed by them, or anyone for whose acts they may be liable related to any CIP work covered by this Agreement. WMATA shall require all commercial insurance policies obtained by WMATA to satisfy its obligations under this section to list the District, and its respective officers, agents, and employees as Additional Insureds. WMATA certifies that as of the Effective Date of this Agreement, all commercial insurance and self-insurance lists the District and its respective officers, agents and employees as Additional Insureds. WMATA shall not remove the District, or its respective officers, agents, and employees as Additional Insureds for any self-insurance without the written consent of the District.

(c) In the event WMATA receives notice from an insurer that any insurance policy is going to be, or has been, subject to cancellation, nonrenewal, or material adverse changes to the insurance contract, WMATA shall provide the District with prompt notice. WMATA shall provide 30-days advance written notice to the District of any cancellation or material adverse change to any self-insurance.

(d) For commercial insurance, WMATA shall provide Certificates of Insurance listing the District, and its respective officers, agents, and employees, as Additional Insureds. WMATA shall provide a self-insurance letter indicating the extent of WMATA's self-insurance.

(e) In lieu of carrying insurance for its agents, contractors or subcontractors, WMATA may require all its agents, contractors or subcontractors who perform any CIP work or activity of any type to carry insurance sufficient to cover the risks for all damage to persons and property due to CIP work under this Agreement. However, such insurance does not relieve WMATA of the burden of being self-insured and/or carrying insurance to cover the actions of its employees. WMATA shall require of its agents, contractors, and subcontractors that the District, and its respective officers, agents, and employees, are identified as Additional Insureds on all such insurance policies obtained in lieu of WMATA providing such insurance for its agents, contractors or subcontractors, and WMATA shall require that its agents, contractors, and subcontractors provide Certificates of Insurance listing the District and its respective officers, agents, and employees as Additional Insureds for any such insurance policies.

(f) Payment of any funds by or through the District shall not waive any of the rights of the District contained in this section nor release WMATA from any responsibilities or duties contained in this Agreement.

(g) The obligations of this section shall survive the termination of this Agreement for the life of the assets purchased with the funding provided or for 20 years after termination, whichever is longer.

FINAL FOR SIGNATURE

**SEC. 22. COUNTERPARTS**

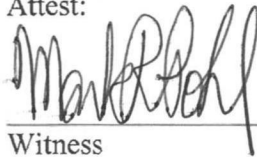
This Agreement may be executed in identical counterparts, each of which shall constitute an original and all of which shall constitute, collectively, one agreement. The counterpart with the most recent date shall determine the date of entry by the Parties to this Agreement.

IN WITNESS WHEREOF, WMATA and the District have executed this Agreement on this

14<sup>th</sup> day of February, 2020.

WASHINGTON METROPOLITAN AREA  
TRANSIT AUTHORITY

Attest:

  
\_\_\_\_\_  
Witness

By:

  
\_\_\_\_\_  
Executive Vice President  
Strategy, Planning & Program Management

Dated: 2/14/2020

[signatures continued on following page]



## ATTACHMENT 6

DISTRICT OF COLUMBIA

Attest:

\_\_\_\_\_  
Witness

By: \_\_\_\_\_  
Mayor

Approved as to Form and Legal Sufficiency:

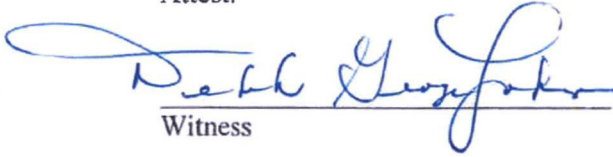
By: Karl A. Racine / by NAK  
Attorney General

Dated: 2/12/20

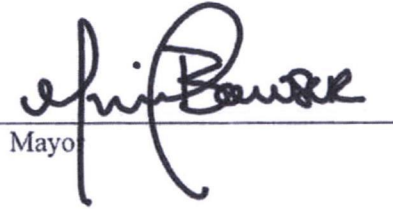
**ATTACHMENT 6**

DISTRICT OF COLUMBIA

Attest:

  
Witness

By:

  
Mayor

Approved as to Form and Legal Sufficiency:

By: \_\_\_\_\_  
Attorney General

Dated: \_\_\_\_\_