

FY2021

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, 2021.

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.

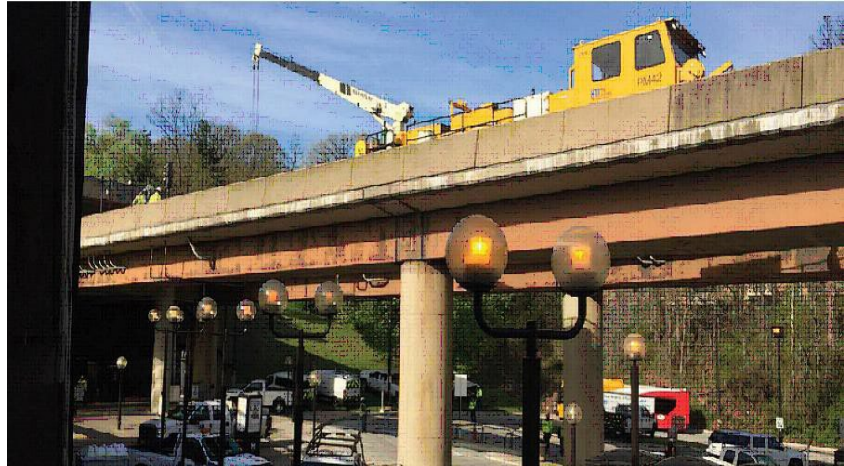


FY2021 RECEIPTS AND EXPENDITURE SUMMARY

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 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.

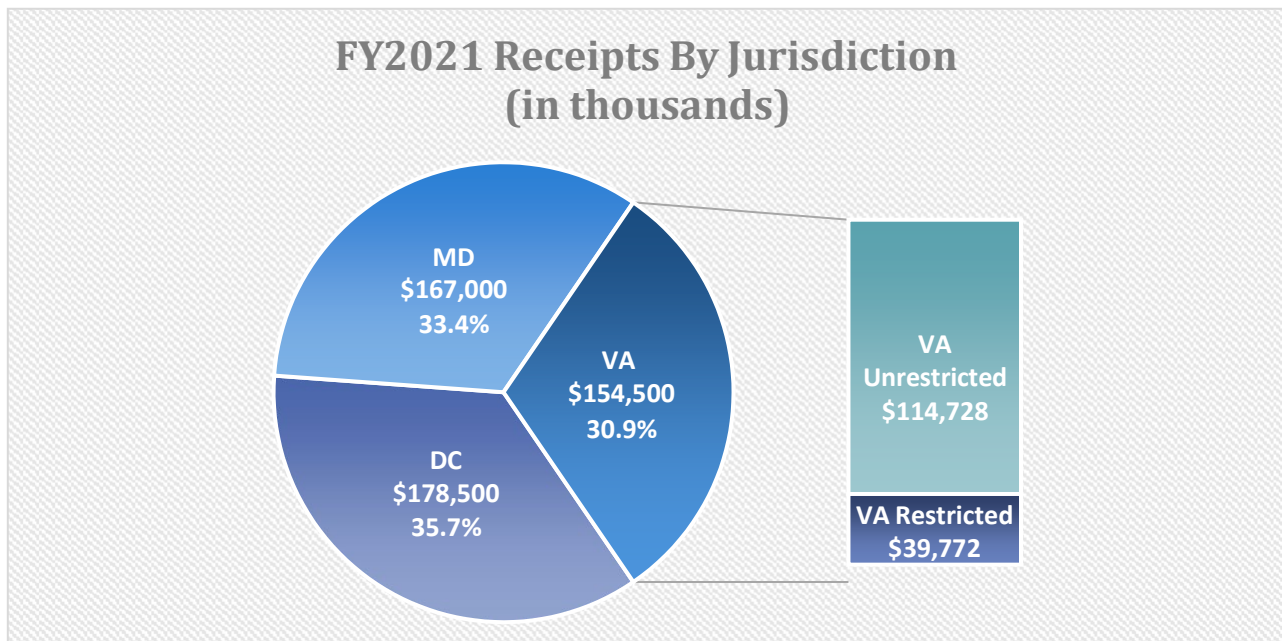
District of Columbia (DC)

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 FY2021, 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, \$39.8 million, or 25.7% , 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:



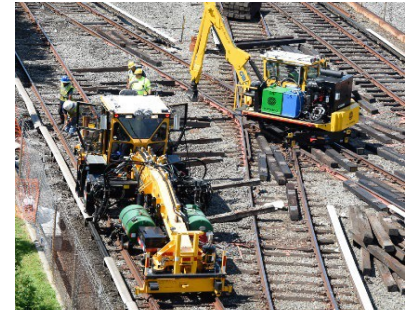
Railcar & Railcar Facilities:

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 Rehabilitation:

Track includes steel running rail that guides the train cars, the cross-ties 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.

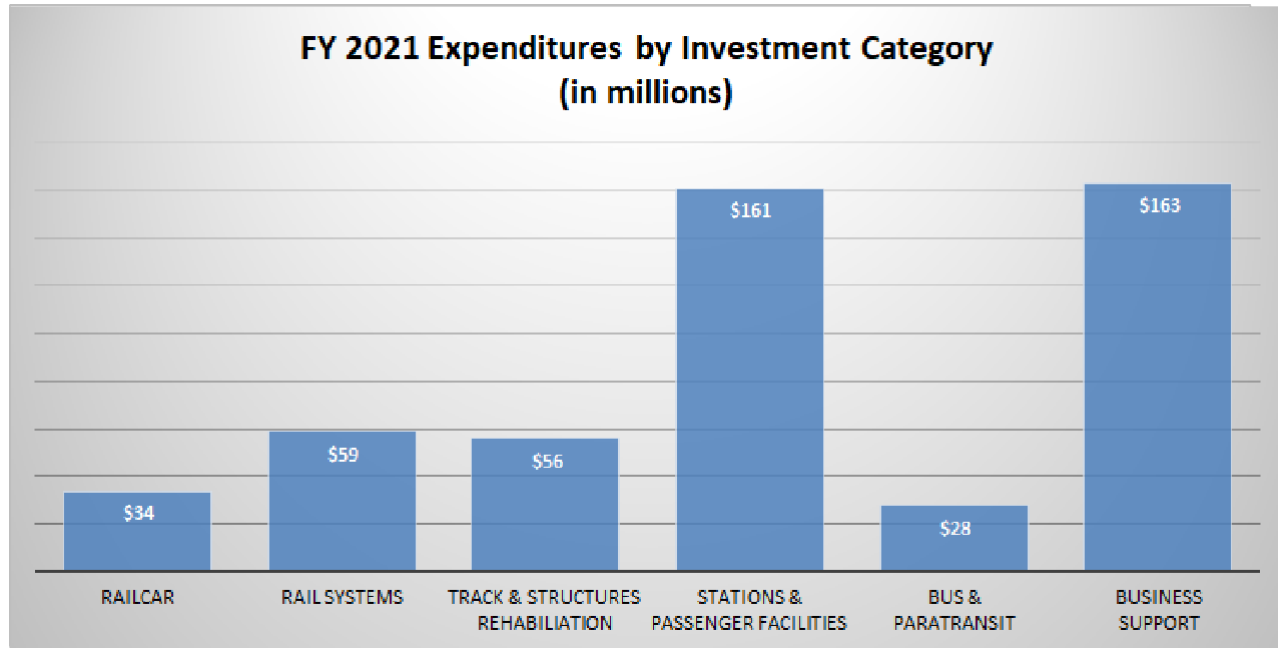


Business & Operations Support:

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 \$501 million of dedicated funding in FY2021 which includes \$1.2 million of funds carried over from FY2020. The table below summarizes expenditures by investment category.



Additional information on how WMATA spent dedicated funding in FY2021 is provided in the reporting as described in the following FY2021 Compliance Summary section.

FY2021 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 include 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 FY2021 quarterly financial reports are located at 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 FY2021 Annual Reconciliation Report presents the results of the reconciliation that has been performed to fulfill the requirements of the CFA and the Agreements. The FY2021 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.

FY2021 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 FY2021 Capital Budget and Six-Year Capital Improvement Program are included in the approved FY2021 Annual Budget, which may be accessed at https://www.wmata.com/about/records/public_docs/upload/FY2021-Approved-Budget_Final-2.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&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/hb/hb0372f.pdf>

DC

- The amended Agreement between WMATA and DC, dated October 22, 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/us/dc/council/laws/22-168#%C2%A76002>



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

We have examined management of Washington Metropolitan Area Transit Authority's (the Authority) assertions that the Authority complied with the specified requirements in the Dedicated Capital Funding Agreements (Agreements) between the Authority and the Commonwealth of Virginia, District of Columbia, and State of Maryland, as listed in the accompanying Appendix A, during the period July 1, 2020 to June 30, 2021. The Authority'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 the Authority's compliance with the specified requirements.

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

RSM US LLP

Washington, D.C.
March 9, 2022

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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.

- a. In accordance with Section 4A of the Agreement, expenses funded by the Agreement for the period July 1, 2020 through June 30, 2021 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, 2020 through June 30, 2021 in the FY2021 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 assertions in connection with the grant agreement between WMATA and the District of Columbia entitled "WMATA Dedicated Funding Agreement" (Dedicated Funding Grant), and the CIP as adopted by WMATA, 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, 2020 through June 30, 2021 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, 2020 through June 30, 2021 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 the Agreement, WMATA has accurately presented costs expended under the Agreement for the period July 1, 2020 through June 30, 2021 in the FY2021 Annual Reconciliation Report.
- d. In accordance with Section 6(b) of the Dedicated Funding Grant, unexpended carryover amounts reported in the FY2021 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 assertions 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.

- a. In accordance with Section 5A of the Agreement, expenses funded by the Agreement for the period July 1, 2020 through June 30, 2021 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, 2020 through June 30, 2021 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, 2020 through June 30, 2021 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, 2020 through June 30, 2021 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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FY2021 Dedicated
Funding Report

ATTACHMENTS

Compliance Reports

Washington Metropolitan Area Transit Authority

ANNUAL RECONCILIATION REPORT

For the Fiscal Year Ending June 30, 2021



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EXECUTIVE SUMMARY

In Fiscal Year (FY) 2021, the Washington Metropolitan Area Transit Authority (WMATA or Metro) continued to aggressively invest in capital projects to improve the reliability, safety, and sustainability of the transit system. Metro's FY2021 capital investment represents its largest single-year investment since the construction of the Metrorail system. The Six-Year Capital Improvement Program and Capital Budget (collectively called the "CIP") are supported by funds made available through the Capital Funding Agreement (CFA) and Dedicated Funding Agreements (DFA) between Metro and its state and local partners, as well as federal grants and other sources.

This report presents the results of the Annual 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 Annual 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 \$1,787 million in FY2021. This expenditure 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 \$1,318 million. Jurisdictional capital receipts, credits, and bond proceeds applied to FY2021 totaled \$1,384.7 million, resulting in a year-end balance of \$67.2 million. WMATA will use these funds as a funding source in FY2022, per the prioritization outlined in the CFA.

OVERVIEW

The Washington Metropolitan Area Transit Authority (WMATA or Metro) has prepared this Annual Reconciliation Report for Fiscal Year (FY) 2021 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, Virginia; and the City of Falls Church, Virginia to provide secure and reliable funding for its Capital Improvement Program (CIP). The original CFA provided funding for capital investments during Metro's Fiscal Year (FY) 2011 through FY2016 and was subsequently amended annually to extend its term through FY2021. During calendar year 2020, Loudoun County, Virginia became a contributing jurisdiction and signatory to the CFA. In July 2021, all of the original signatories and Loudoun County executed a new CFA with Metro for FY2022 through 2027. Per Section 5(a) of the new CFA, Metro is required to complete an annual budget reconciliation report that includes the following:

1. The actual expenditures for Projects and Programs for the most recently completed Capital Budget, as compared to the planned expenditures for such Programs and Projects for the same fiscal year;
2. The actual Allocated Contribution of each of the Contributing Jurisdictions to date, as compared to the scheduled Allocated Contribution of each Contributing Jurisdiction for the most recently completed fiscal year Capital Budget;
3. The projected Allocated Contributions of each Contributing Jurisdiction for the most recently completed fiscal year Capital Budget;
4. The actual amount of Federal grant funds received for the Capital Budget, as compared to the budgeted or projected amount of Federal grant funds for the same fiscal year;
5. The current forecast of expenditures; and
6. The estimated cost to complete the remaining Projects and Programs in the current CIP and expected sources of those funds.

In 2018, the Commonwealth of Virginia, the State of Maryland, and the District of Columbia authorized legislation to provide \$500 million (combined) in dedicated capital funding to 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 (DFGA) requires that Metro adhere to the annual budget reconciliation process required by the CFA. The State of Maryland DFA requires that Metro submit to the Maryland Department of Transportation (MDOT), a reconciliation report that addresses expenditure made in excess of the one-year capital budget. Specifically:

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).

This report presents the results of the reconciliation of planned and actual expenditure and funding for FY2021.

Reconciliation Methods and Scope

The reconciliation process involved a review of budget, expenditure, and funding data. Budget information was taken from Board resolutions and reports on authorized adjustments to capital projects and programs. Expenditure transactions in Metro's PeopleSoft General Ledger were reviewed and reconciled against project costing data in the Metro's PeopleSoft Funds Management module. Funding source data from the Funds Management module was also reconciled against external sources (e.g., the Federal Transit Administration's (FTA) Transit Award Management System (TrAMS)). Subsequently, planned expenditure was compared against actual expenditure.

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).

PLANNED AND ACTUAL EXPENDITURE

Original Budget, Amendments, and Adjustments

On April 2, 2020, the WMATA Board of Directors adopted a capital budget of \$1.84 billion for FY2021.¹ The capital budget was subsequently increased to \$2.10 billion to realign funding for the Potomac Yard Station construction across fiscal years and to provide additional funding for the New Carrollton Garage and Bus Bays Project, Station Platform Rehabilitation Program, and information technology initiatives supporting remote work and cyber-security during the Covid-19 pandemic.² In addition to these amendments, during the course of the year, the budget for individual projects and programs was adjusted to account for changes in their costs, scope, schedule, and prioritization.³ These adjustments involved moving the budget among various projects and programs and resulted in a net zero impact to the overall capital budget. **Table 1** presents the original budget, amendments, and adjustments by investment category.

Table 1. FY2021 Original Budget, Amendments, and Adjustments (Dollars in Millions)

Investment Category	Original Budget	Amendments ⁴	Adjustments ⁵	Final Budget
Railcars & Railcar Facilities	\$ 270.4	\$ -	\$ (24.8)	\$ 245.6
Rail Systems	164.2	-	74.0	238.1
Track & Structures Rehabilitation	148.6	-	(6.7)	141.9
Stations & Passenger Facilities	554.8	243.6	25.3	823.8
Bus, Bus Facilities, & Paratransit	207.8	11.0	(1.0)	217.8
Business & Operations Support	475.4	11.4	(66.7)	420.1
Subtotal	\$ 1,821.2	\$ 266.0	\$ -	\$ 2,087.2
Revenue Loss from Capital Projects	17.0	-	-	17.0
Dedicated Funding Debt Service	-	-	-	-
Total	\$ 1,838.2	\$ 266.0	\$ -	\$ 2,104.2

Sources of Funds

Funding for Metro's FY2021 capital budget came from a variety of sources, including:

- **Federal Funding**, which consisted of FTA formula grants and appropriated funds authorized under the Passenger Rail Investment and Improvement Act (PRIIA), as well as other competitive grants. The final budget was supported by \$341.1 million (16 percent) in Federal formula and other Federal grants and \$148.5 million in Federal PRIIA funding (7 percent).

¹ Resolution 2020-09, Board of Directors of the Washington Metropolitan Area Transit Authority.

² Resolutions 2020-21, 2020-28, and 2021-10, Board of Directors of the Washington Metropolitan Area Transit Authority.

³ More detailed information on each adjustment can be found in the *Monthly Reprogramming Reports* prepared by Metro and distributed to the contributing jurisdictions.

⁴ Amendments are any action by the Board of Directors to modify (increase or decrease) the approved capital budget.

⁵ Adjustments are movements of budget between projects and programs for cash management and program efficiency; adjustments result in an overall net zero impact to the capital budget.

- State and local funds required as a Federal **Formula Match** and **System Performance** funds. The final budget included Formula Match and System Performance funds totaling \$268.4 million (13 percent).
- **Jurisdictional PRIIA** funds, which are required to match Federal PRIIA funds and totaled \$148.5 million (7 percent).
- **Dedicated Funding** maintains Metro's assets in a state of good repair and improves the safety and reliability of the system. The final budget included \$500.0 million (24 percent) 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 respective sponsoring jurisdictions. In FY2021, active jurisdictional projects included the Silver Line extension, the Potomac Yard Station (Alexandria, VA), the King Street Station Bus Loop (Alexandria, VA), the Purple Line (Maryland), rehabilitation of the surface parking lot at Wheaton Metrorail Station (Montgomery County), and the jurisdictional project development program. The final budget included \$157.3 million (7 percent) in Reimbursable Project and Other funding.
- **Dedicated Funding-backed Debt** of \$540.4 million (26 percent); this figure includes a portion of the proceeds from the Series 2020A Dedicated Revenue Bonds issued in July 2020 and a portion of the proceeds from the Series 2021A Climate Bond Certified Dedicated Revenue Bonds issued in July 2021.⁶

Table 2 presents the original budget, amendments, and adjustments by funding source.

Table 2. FY2021 Budget by Funding Source (Dollars in Millions)

Funding Sources	Original Budget	Amendments and Adjustments	Final Budget	Percent of Total
Federal				
Federal Formula and Other Grants	\$ 341.1	\$ -	\$ 341.1	16%
PRIIA	148.5	-	148.5	7%
Subtotal – Federal	489.6	-	489.6	23%
Jurisdictional				
Formula Match and System Performance	268.4	-	268.4	13%
PRIIA	148.5	-	148.5	7%
Dedicated Funding	500.0	-	500.0	24%
Reimbursable and Other	89.6	67.8	157.3	7%
Debt	342.2	198.2	540.4	26%
Subtotal – Jurisdictional	1,348.6	266.0	1,614.6	77%
Total	\$ 1,838.2	\$ 266.0	\$ 2,104.2	100%

Expenditure by Investment Category

On a cash basis, Metro expended \$1,787.4 million through the capital program in FY2021.⁷ **Table 3** presents expenditure information by investment category.

⁶ During FY2021, no debt service payments were due for either the Series 2020A Dedicated Revenue Bonds or Series 2021A Climate Bond Certified Dedicated Revenue Bonds.

⁷ On an accrual basis, Metro expended \$1,836.5 million or 87% of the capital budget.

Table 3. Budget and Expenditure by Investment Category (Dollars in Millions)

Investment Category	Amended Budget	Expended (Cash)	Percent of Budget Expended	Expended (Accrual)	Percent of Budget Expended
Railcars & Railcar Facilities	\$ 245.6	\$ 162.8	66%	\$ 195.3	80%
Rail Systems	238.1	\$ 218.3	92%	\$ 212.6	89%
Track & Structures Rehabilitation	141.9	\$ 113.4	80%	\$ 119.1	84%
Stations & Passenger Facilities	823.8	\$ 725.0	88%	\$ 722.6	88%
Bus, Bus Facilities, & Paratransit	217.8	\$ 198.1	91%	\$ 208.5	96%
Business & Operations Support	420.1	\$ 369.6	88%	\$ 378.3	90%
Subtotal	2,087.2	\$ 1,787.2	86%	\$ 1,836.4	88%
Revenue Loss from Capital Projects	17.0	0.1	1%	0.1	1%
Dedicated Funding Debt Service	-	-		-	
Total	\$ 2,104.2	\$ 1,787.4	85%	\$ 1,836.5	87%

Budget and expenditure information for the individual projects and programs in each investment category is provided in **Appendix A**. In accordance with the DFA requirements, **Appendix B** contains a life-to-date budget and expenditure summary for those projects with expenditures exceeding the FY2021 one-year budget.

Table 4 provides further detail on expenditure by federal and jurisdictional sources.

Table 4. Expenditure by Investment Category – Federal and Jurisdictional (Dollars in Millions)

Investment Category	Expended (Cash)	Share of Total Expenditure	Expended (Accrual)	Share of Total Expenditure
Federal				
Railcars & Railcar Facilities	\$ 94.4	5%	\$ 95.9	5%
Rail Systems	78.1	4%	73.8	4%
Track & Structures Rehabilitation	39.5	2%	39.4	2%
Stations & Passenger Facilities	117.0	7%	115.1	6%
Bus, Bus Facilities, & Paratransit	130.3	7%	132.6	7%
Business & Operations Support	10.3	1%	6.6	0%
Subtotal - Federal	469.7	26%	463.3	25%
Jurisdictional				
Railcars & Railcar Facilities	68.5	4%	99.4	5%
Rail Systems	140.2	8%	138.8	8%
Track & Structures Rehabilitation	73.8	4%	79.7	4%
Stations & Passenger Facilities	608.0	34%	607.4	33%
Bus, Bus Facilities, & Paratransit	67.8	4%	75.9	4%
Business & Operations Support	359.3	20%	371.7	20%
Subtotal – Jurisdictional	1,317.6	74%	1,373.9	75%
Revenue Loss from Capital Projects	0.1	0%	0.1	0%
Total	\$ 1,787.4	100%	\$ 1,836.5	100%

FEDERAL FUNDING

Federal Grant Reconciliation

The CFA requires that Metro reconcile the actual amount of Federal grant funds received as compared to projected amounts. Federal grants are summarized by category in **Table 5**. Total Federal grant funds available include Federal awards carried forward from prior years and newly awarded or amended Federal grant funds. In total, \$641.7 million in Federal funds were available for CIP projects. During FY2021, \$477.4 million was drawn down, resulting in a balance of \$164.3 million. Note that this FY2021 ending balance does not include amounts required for accrued or obligated expenditures that have not yet been drawn.

Table 5 provides the results of the Federal grant reconciliation. More detailed information on each grant can be found in **Appendix D**.

Table 5. Federal Grant Funds (Dollars in Millions)

Grant Source of Funds	Carryover Balance	Awarded/ Amended	Total Available	Receipts during FY2021	Balance
Formula	\$ 83.3	\$ 167.8	\$ 251.0	\$ 195.7	\$ 55.3
State of Good Repair	26.2	144.8	171.0	103.2	67.9
Federal PRIIA	15.8	148.5	164.3	135.2	29.1
Other Federal Grants ^{8,9}	24.6	30.7	55.3	43.3	11.9
Total	\$ 149.9	\$ 491.8	\$ 641.7	\$ 477.4	\$ 164.3

⁸ The category "Other Federal Grants" includes the FFY2019 Section 5539b Buses and Bus Facilities grant, the FFY2018 Bus Shelters Replacement grant, and the Section 5307 CARES Act Grant, among others. Note that this table only includes the capital portion of the CARES Act Grant.

⁹ Since the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act grant is an operating grant, it has been excluded from Table 5 and Appendix D.

STATE AND LOCAL FUNDING

Planned Contributions

Table 6 presents planned funding from each jurisdictional partner for both the original and final budget. In the final budget, funding from state and local sources and debt totaled \$1,614.6 million. Planned Formula Match, System Performance, PRIIA and Dedicated Funding totaled \$324.1 million (20% of the final budget) from the District of Columbia; \$312.9 million (19 percent of the final budget) from the State of Maryland and its jurisdictions; and \$386.8 million (24 percent of the final budget) from the Commonwealth of Virginia and its jurisdictions. Reimbursable project funding accounted for \$157.3 million (7 percent of the final budget).

Table 6. Planned State and Local Funding (Dollars in Millions)

Jurisdiction	Original Budget	Final Budget
Formula Match & System Performance		
District of Columbia	\$ 95.1	\$ 95.1
Montgomery County	45.0	45.0
Prince Georges County	45.2	45.2
City of Alexandria	12.4	12.4
Arlington County	22.6	22.6
City of Fairfax	0.7	0.7
Fairfax County	40.8	40.8
City of Falls Church	0.8	0.8
Loudoun County	5.8	5.8
Subtotal – Formula Match & System Performance	268.4	268.4
PRIIA		
District of Columbia	49.5	49.5
State of Maryland	49.5	49.5
Commonwealth of Virginia	49.5	49.5
Subtotal – PRIIA	148.5	148.5
Dedicated Funding		
District of Columbia	178.5	178.5
State of Maryland	167.0	167.0
Commonwealth of Virginia	154.5	154.5
Subtotal – Dedicated Funding	500.0	500.0
Other State and Local:		
Project Planning	3.0	3.0
Commonwealth of VA (DRPT) - CMAQ	0.9	1.1
Rail & Power Upgrades (DC & MD)	-	-
Rail & Power Upgrades (VA)	-	-
Subtotal – Other State and Local	3.9	4.1
Subtotal – CFA Sources	920.8	921.0
Additional Contribution or Debt		
MWAA and Other Reimbursable	85.7	153.3
Debt	342.2	540.4
Subtotal – Additional Contribution or Debt	427.9	693.7
Total State and Local Funding	\$ 1,348.6	1,614.6

The remaining \$540.4 million (28 percent of the budget) was planned to come from Dedicated Funding-backed debt. Metro issued Series 2020A Dedicated Revenue Bonds in July 2020 and approximately \$260.0 million remained available for use in FY2021. In addition, Metro issued \$784.4 million in Series 2021A Climate Bond Certified Dedicated in July 2021 to provide the balance of funding needed to support capital investments in FY2021 and FY2022.

Planned Contributions and Allocated Expenditures

The CFA requires that Metro reconcile state and local funding. **Table 7** summarizes billings, receipts, and allocated expenditures by jurisdiction for FY2021. Note that the “Expended (Cash)” column is the jurisdictionally allocated share of capital expenditures at the end of FY2021.¹⁰

Table 7. FY2021 State and Local Funding and Expenditures (Dollars in Millions)

Jurisdiction Contributions	Final Budget	Billings	Receipts and Credits	Expended (Cash) ¹¹	Variance
Formula Match and System Performance (FM + SP)					
District of Columbia	\$ 95.1	\$ 95.1	\$ 95.1	\$ 70.8	\$ 24.3
Montgomery County ¹²	45.0	45.0	45.0	33.5	11.5
Prince Georges County ¹⁰	45.2	45.2	45.2	33.6	11.6
City of Alexandria	12.4	12.4	12.4	9.2	3.2
Arlington County	22.6	22.6	22.6	16.8	5.8
City of Fairfax	0.7	0.7	0.7	0.5	0.2
Fairfax County	40.8	40.7	40.8	30.3	10.4
City of Falls Church	0.8	0.8	0.8	0.6	0.2
Loudoun County	5.8	0.8	5.0	4.3	0.7
Subtotal – FM + SP	268.4	263.3	267.6	199.7	67.9
PRIIA					
District of Columbia	49.5	49.5	49.5	45.2	4.3
State of Maryland	49.5	49.5	49.5	45.2	4.3
Commonwealth of Virginia	49.5	49.5	49.5	45.2	4.3
Subtotal - PRIIA	148.5	148.4	148.5	135.6	12.9
Dedicated Funding					
District of Columbia	178.5	178.5	178.5	178.9	(0.4)
State of Maryland	167.0	167.0	167.0	167.4	(0.4)
Commonwealth of Virginia	154.5	154.5	154.5	154.9	(0.4)
Subtotal – Dedicated Funding	500.0	500.0	500.0	501.2	(1.2)
Other State and Local:					
Project Planning	3.0	3.0	2.9	1.1	1.8
Commonwealth of VA - CMAQ	1.1	1.8	1.8	-	1.8
Rail & Power Upgrades (DC & MD)	-	-	-	-	-
Rail & Power Upgrades (VA)	-	-	-	2.4	(2.4)
Subtotal – Other State and Local	4.1	4.8	4.8	3.6	1.2
Subtotal – CFA Sources	921.0	916.6	920.9	840.0	80.8
Additional Contributions or Debt					
MWAA and Other Reimbursable	153.3	123.0	119.0	132.7	(13.7)
Debt	540.4	-	344.8	344.8	-
Subtotal – Additional Contributions or Debt	693.7	123.0	463.8	477.5	(13.7)
Total	\$ 1,614.6	\$ 1,039.5	\$ 1,384.7	\$ 1,317.6	\$ 67.2

¹⁰ The “expended cash” column presents expenditure information at the end of FY2021. Metro may realign expenditures to optimize the use of funding sources at a later date.

¹¹ These expenditures are presented on a cash basis and do not include the following items: (1) the addition of \$49.1 million for accrued expenses, (2) \$0.1 million expended for revenue loss resulting from shutdowns due to capital projects, or (3) any additional funding set aside to reimburse the Federal government for the remaining value in the 5000-Series railcars disposed in FY2020. Additional information regarding the railcar disposition can be found in the Disclosures section of this report.

¹² Table 7 reflects FY2021 state and local funding. The Maryland jurisdictions have an unpaid balance of \$36.8 million, which includes \$35.6M in payments withheld in FY2020 and \$1.2M in capital payments withheld against FY2018. Additional information regarding Maryland’s withholdings can be found in the Disclosures section of this report.

Capital receipts, credits, and bond proceeds applied to FY2021 totaled \$1,384.7 million. The jurisdictionally allocated share of capital expenditures was \$1,317.6 million, resulting in a year-end balance of \$67.2 million. WMATA will use these funds as a funding source in FY2022, per the prioritization outlined in the CFA.

A detailed reconciliation of budget, receipts, and expenditure for FY2019-2021 is provided in **Table 8**.

Table 8. FY2019-2021 Allocated Contributions by Jurisdiction (Dollars in Millions)

Jurisdiction Contributions	FY2019-2020			FY2021			FY2019-2021
	Receipts, Credits, and Disbursements	Expended (Cash)	Variance	Receipts, Credits, and Disbursements	Expended (Cash)	Variance	Variance
Formula Match and System Performance (FM + SP)							
District of Columbia	\$ 168.0	\$ 150.5	\$ 17.4	\$ 95.1	\$ 70.8	\$ 24.3	\$ 41.8
Montgomery County	82.5	92.7	(10.3)	45.0	33.5	11.5	1.3
Prince Georges County	79.5	89.6	(10.1)	45.2	33.6	11.6	1.5
City of Alexandria	23.3	21.0	2.3	12.4	9.2	3.2	5.5
Arlington County	44.4	40.0	4.4	22.6	16.8	5.8	10.2
City of Fairfax	1.4	1.3	0.1	0.7	0.5	0.2	0.3
Fairfax County	75.2	67.7	7.5	40.8	30.3	10.4	18.0
City of Falls Church	1.4	1.3	0.1	0.8	0.6	0.2	0.3
Loudoun County	-	-	-	5.0	4.3	0.7	0.7
Subtotal – Formula Match + SP	475.6	464.0	\$ 11.7	267.6	199.7	67.9	79.5
PRIIA							
District of Columbia	99.0	102.2	(3.2)	49.5	45.2	4.3	1.1
State of Maryland	99.0	102.2	(3.2)	49.5	45.2	4.3	1.1
Commonwealth of Virginia	99.0	102.2	(3.2)	49.5	45.2	4.3	1.1
Subtotal – PRIIA	297.0	306.6	(9.6)	148.5	135.6	12.9	3.3
Dedicated Funding							
District of Columbia	178.5	178.3	0.3	178.5	178.9	(0.4)	(0.2)
State of Maryland	167.0	166.8	0.2	167.0	167.4	(0.4)	(0.2)
Commonwealth of Virginia	275.8	274.8	1.0	154.5	154.9	(0.4)	0.7
Subtotal – Dedicated Funding	621.3	619.8	1.5	500.0	501.2	(1.2)	0.3
Other State and Local:							
Project Planning	6.0	3.1	2.9	2.9	1.1	1.8	4.7
Commonwealth of VA - CMAQ	1.4	3.7	(2.3)	1.8	-	1.8	(0.4)
Rail & Power Upgrades (DC & MD)	0.1	0.5	(0.4)	-	-	-	(0.4)
Rail & Power Upgrades (VA)	(1.2)	9.7	(10.9)	-	2.4	(2.4)	(13.3)
Metro 2025	15.6	5.1	10.5	-	-	-	10.5
Subtotal – Other State and Local	21.9	22.0	(0.1)	4.8	3.6	1.2	1.1
Subtotal – CFA Sources	1,415.8	1,412.4	3.5	920.9	840.0	80.8	84.3
Additional Contributions or Debt							
MWAA and Other CRB	136.7	136.7	-	119.0	132.7	(13.7)	(13.7)
Debt	684.2	684.2	-	344.8	344.8	-	-
Subtotal – Additional Contributions or Debt	820.9	820.9	-	463.8	477.5	(13.7)	(13.7)
Total	\$ 2,236.7	\$ 2,233.3	\$ 3.5	\$ 1,384.7	\$ 1,317.6	\$ 67.2	\$ 70.6

FORECASTED EXPENDITURE AND COST TO COMPLETE

The CFA requires that this Annual Reconciliation Report include a current forecast of expenditures and the estimated cost to complete the remaining projects and programs in the CIP, as well as the expected sources of funds for planned expenditures. This section addresses these requirements.

On April 22, 2021, the WMATA Board of Directors approved the Six-Year CIP and FY2022 Capital Budget. The CIP provides continued investments in the safety, security, state of good repair, and reliability of the transit system. After many decades of deferred maintenance and under-investment, Metro is now proactively addressing overdue needs— including the replacement of platforms, bridges, electrical infrastructure, communication and signaling systems, and facilities. At the same time, Metro is focused on sustaining all system assets through recurring lifecycle maintenance and rehabilitation programs. **Table 9** presents Metro's FY2022-2027 financial plan by investment category.

Table 9. FY2022-2027 Financial Plan by Investment Category (Dollars in Millions)

Investment Categories	FY2022 Budget	FY2023 Plan	FY2024 Plan	FY2025 Plan	FY2026 Plan	FY2027 Plan	Six-Year Total
Railcars & Railcar Facilities	\$ 342.3	\$ 346.1	\$ 437.0	\$ 530.1	\$ 516.5	\$ 422.5	\$ 2,594.5
Rail Systems	272.3	337.0	307.6	256.5	202.9	213.4	1,589.7
Track & Structures Rehabilitation	342.9	476.1	259.1	235.9	236.5	247.1	1,797.7
Stations & Passenger Facilities	572.0	368.9	328.4	301.9	267.8	272.1	2,111.1
Bus, Bus Facilities, & Paratransit	514.6	549.6	492.3	417.9	183.9	195.9	2,354.3
Business & Operations Support	546.7	448.4	239.3	206.4	220.3	227.4	1,888.4
Subtotal	\$ 2,590.9	\$ 2,526.1	\$ 2,063.7	\$ 1,948.7	\$ 1,628.0	\$ 1,578.4	\$ 12,335.7
Revenue Loss from Capital Projects	\$ 17.0	\$ 10.0	\$ 10.0	\$ 10.0	\$ 10.0	\$ 10.0	\$ 67.0
Dedicated Funding Debt Service	-	95.1	198.8	258.3	316.4	357.5	1,226.1
Total	\$ 2,607.9	\$ 2,631.2	\$ 2,272.5	\$ 2,217.0	\$ 1,954.4	\$ 1,945.9	\$ 13,628.8

Metro's FY2022-2027 CIP totals \$13,628.8 million. Metro is projecting that funding for this CIP will come from the following sources:

- \$2.1 billion from federal grant funding, with the assumption that federal PRIIA funding will not be extended past FY2022
- State and local contributions for matching of federal grants and system performance funds of \$1.8 billion, of which \$67 million is expected to fund revenue losses from long-term service shutdowns due to major capital projects
- Dedicated Funding of \$3.0 billion, of which \$1.2 billion is projected to be used for debt service
- Debt proceeds from Dedicated Revenue Bonds of \$5.6 billion; and
- Other local sources, including Metropolitan Washington Airports Authority (MWAA) funding for the Silver Line extension and new rail cars; City of Alexandria funding for the new Potomac Yards station, Maryland Department of Transportation (MDOT) funding for the Purple line, totaling \$245 million.

Table 10 presents the FY2022-2027 CIP by funding source, as approved by the WMATA Board of Directors on April 22, 2021.

Table 10. FY2022-2027 Planned Funding Sources (Dollars in Millions)

	FY2022 Budget	FY2023 Plan	FY2024 Plan	FY2025 Plan	FY2026 Plan	FY2027 Plan	Six-Year Total
FEDERAL FUNDING							
Federal Formula Programs	\$ 324.7	\$ 321.1	\$ 321.1	\$ 321.1	\$ 321.1	\$ 321.1	\$ 1,930.2
Federal PRIIA	148.5	-	-	-	-	-	148.5
Other Federal Grants	15.7	11.5	10.6	4.0	6.0	5.1	53.0
Subtotal – Federal	\$ 488.9	\$ 332.6	\$ 331.7	\$ 325.1	\$ 327.1	\$ 326.2	\$ 2,131.7
STATE AND LOCAL FUNDING							
District of Columbia (DC)							
Formula Match, System Performance	\$ 99.7	\$ 102.2	\$ 104.7	\$ 106.8	\$ 107.1	\$ 111.0	\$ 631.3
PRIIA	49.5	49.5	49.5	49.5	49.5	49.5	297.0
Dedicated Funding	178.5	178.5	178.5	178.5	178.5	178.5	1,071.0
Subtotal – DC	\$ 327.7	\$ 330.2	\$ 332.7	\$ 334.8	\$ 335.1	\$ 339.0	\$ 1,999.3
State of Maryland							
Formula Match, System Performance							
Montgomery County	\$ 46.3	\$ 47.9	\$ 49.5	\$ 51.3	\$ 53.8	\$ 55.2	\$ 304.1
Prince George's County	47.5	48.6	49.9	51.1	51.8	53.6	302.5
PRIIA	49.5	49.5	49.5	49.5	49.5	49.5	297.0
Dedicated Funding	167.0	167.0	167.0	167.0	167.0	167.0	1,002.0
Subtotal – Maryland	\$ 310.3	\$ 313.0	\$ 315.9	\$ 319.0	\$ 322.1	\$ 325.3	\$ 1,905.6
Commonwealth of Virginia							
Formula Match, System Performance							
City of Alexandria	\$ 12.6	\$ 13.0	\$ 13.4	\$ 13.8	\$ 14.3	\$ 14.7	\$ 81.7
Arlington County	22.8	23.7	24.5	25.4	26.9	27.5	150.8
City of Fairfax	0.7	0.7	0.8	0.8	0.9	0.9	4.8
Fairfax County	40.6	42.1	43.6	45.3	48.0	49.1	268.8
City of Falls Church	0.8	0.8	0.8	0.8	0.8	0.9	4.9
Loudoun County	5.5	5.8	6.1	6.6	7.5	7.6	39.1
PRIIA	49.5	49.5	49.5	49.5	49.5	49.5	297.0
Dedicated Funding - Unrestricted	122.9	122.9	122.9	122.9	122.9	122.9	737.3
Dedicated Funding - Restricted	31.6	31.6	31.6	31.6	31.6	31.6	189.7
Congestion Mitigation and Air Quality	1.0	0.6	0.6	0.6	0.8	0.8	4.4
Subtotal - Virginia	\$ 288.0	\$ 290.7	\$ 293.8	\$ 297.4	\$ 303.2	\$ 305.4	\$ 1,778.5
Jurisdictional Reimbursable							
Jurisdiction Planning Projects	\$ 3.0	\$ 3.0	\$ 3.0	\$ 3.0	\$ 3.0	\$ 3.0	\$ 18.0
Silver Line - MWAA	13.0	0.9	-	-	-	\$ 41.1	55.0
Potomac Yard - Alexandria	149.5	19.0	-	-	-	-	168.5
Purple Line - MDOT	4.1	-	-	-	-	-	4.1
Subtotal - Reimbursable	\$ 169.5	\$ 22.9	\$ 3.0	\$ 3.0	\$ 3.0	\$ 44.1	\$ 245.5
Subtotal - State and Local	\$ 1,095.5	\$ 956.7	\$ 945.4	\$ 954.2	\$ 963.4	\$ 1,013.9	\$ 5,929.0
Dedicated Funding-Backed Debt	\$ 1,023.5	\$ 1,341.8	\$ 995.4	\$ 937.7	\$ 663.9	\$ 605.9	\$ 5,568.2
Grand Total Funding	\$ 2,607.9	\$ 2,631.2	\$ 2,272.5	\$ 2,217.0	\$ 1,954.4	\$ 1,945.9	\$ 13,628.8

ADDITIONAL DISCLOSURES

1. In 2020, 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 and \$15 million in FY2021 System Performance funds to be applied toward 7000-Series railcar costs to address the remaining federal interest. Of the \$43 million set aside, \$22.5 million has been expended (cash) and applied toward 7000-Series railcar costs; the balance is being reserved for future expenditure.
2. The State of Maryland withheld \$1.2 million in Formula Match and System Performance funds in FY2018 and \$35.6 million in FY2020.¹³ These amounts were still outstanding as of the end of FY2021.

¹³ An additional \$1.2 million was also withheld from operating funds in FY2018, resulting in a combined withholding of \$2.4 million that year.

APPENDICES

Appendix A : Budget and Expenditure by Project/Program

Metro's Fiscal Year 2021 CIP focuses 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 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 11**.

Table 11. Investment Categories

Railcars & Railcar Facilities	Rail Systems	Track & Structures Rehabilitation
<ul style="list-style-type: none"> Railcar Acquisition Railcar Maintenance Facilities Railcar Maintenance/Overhaul 	<ul style="list-style-type: none"> Propulsion Signals & Communications 	<ul style="list-style-type: none"> Fixed Rail Structures
Stations & Passenger Facilities	Bus, Bus Facilities, & Paratransit	Business & Operations Support
<ul style="list-style-type: none"> Platforms & Structures Vertical Transportation Station Systems 	<ul style="list-style-type: none"> Bus & Paratransit Acquisition Bus Maintenance Facilities Bus Maintenance/Overhaul Bus Passenger Facilities/Systems 	<ul style="list-style-type: none"> Information Technology Metro Transit Police Department (MTPD) Support Equipment & Services

The Maryland DFA requires that Metro provide information on CIP expenditures at the project- and program-level. To comply with this requirement, Metro has compiled information in **Table 12** on the one-year budget and expenditure (on both a cash and accrual basis) for every project and program in the FY2021 CIP.

Table 12. Capital Project and Program Financials (Dollars in Thousands)

ID	Name	Final Budget	Expended (Cash)	Variance	Expended (Accrual)	Variance
Railcar Acquisition						
CIP0059	8000-Series Railcars	\$ 37,687	\$ 6,807	\$ 30,880	\$ 33,731	\$ 3,956
CIP0071	Test Track & Communication Facility	-	9	(9)	9	(9)
CIP0256	7000-Series Railcars	39,776	32,750	7,026	36,828	2,948
CRB0019_19	Silver Line Phase 1 Railcars	10,875	2,175	8,700	2,175	8,700
CRB0020_01	Silver Line Phase 2 Railcars	2,000	-	2,000	-	2,000
	Subtotal Railcar Acquisition	90,338	41,741	48,597	72,743	17,595
Railcar Maintenance Facilities						
CIP0145	Facility Security Monitoring Equipment Program	9,690	10,796	(1,106)	10,944	(1,254)
CIP0204	Railcar Rooftop Access Platform	3,713	76	3,637	444	3,269
CIP0225	Heavy Repair and Overhaul Facility	20,700	19,539	1,161	21,003	(303)
CIP0231	Good Luck Road Facility	2,514	1,161	1,353	1,139	1,375
CIP0279	Railyard Shop Equipment Replacement	150	-	150	-	150
CIP0283	Major Railcar Maintenance Equipment State of Good Repair	3,295	3,656	(361)	3,045	250
CIP0284	Railyard Facility and Site Rehabilitation	4,762	3,132	1,630	2,821	1,941

ID	Name	Final Budget	Expended (Cash)	Variance	Expended (Accrual)	Variance
CIP8005	Development & Engineering (D&E) Rail Yard Improvements	766	84	682	100	666
	Subtotal Railcar Maintenance Facilities	45,590	38,444	7,146	39,496	6,094
Railcar Maintenance/Overhaul						
CIP0063	Rail Vehicle Rehabilitation Program	46,474	42,720	3,754	42,860	3,614
CIP0067	Rail Vehicle Safety & Reliability Improvements	4,179	2,478	1,701	2,815	1,364
CIP0142	Rail Vehicle Preventive Maintenance	59,000	37,437	21,563	37,437	21,563
	Subtotal Railcar Maintenance/Overhaul	109,653	82,635	27,018	83,112	26,541
	Subtotal Railcars & Railcar Facilities	245,581	162,819	82,762	195,351	50,230
Propulsion						
CIP0076	Rail System Power Upgrades	55,867	54,560	1,308	53,959	1,908
CIP0252	Low Voltage Power State of Good Repair	26,900	24,999	1,901	24,916	1,984
CIP0253	Traction Power State of Good Repair	37,540	40,046	(2,505)	40,281	(2,741)
CIP0286	Power Generator Replacement	550	10	540	34	516
CIP8007	D&E Power Improvements	100	137	(37)	120	(20)
	Subtotal Propulsion	120,957	119,751	1,206	119,311	1,647
Signals & Communications						
CIP0133	Train Detection and Warning System	580	693	(113)	769	(189)
CIP0135	Train Control Signal	-	-	-	15	(15)
CIP0136	Radio Infrastructure Replacement	65,800	47,320	18,480	44,909	20,891
CIP0139	National Transportation Safety Board Recommendations	1,628	1,777	(149)	1,806	(178)
CIP0251	Automatic Train Control State of Good Repair	48,506	48,219	287	45,310	3,195
CIP0257	Emergency Trip Station (ETS) Rehabilitation	150	138	12	178	(28)
CIP0260	Track Inspector Location Pilot	-	(46)	46	(46)	46
CIP8009	D&E ATC & Communications Improvements	500	472	28	355	145
	Subtotal Signals & Communications	117,164	98,572	18,591	93,295	23,868
	Subtotal Rail Systems	238,121	218,324	19,797	212,606	25,515
Fixed Rail						
CIP0024	Track Rehabilitation	85,257	66,381	18,876	67,563	17,693
CIP0025	Roadway Equipment and Vehicle Program	8,243	3,630	4,613	3,451	4,792
CIP0065	Track Geometry Vehicle	1,000	416	584	416	584
CIP0246	General Engineering	8,547	7,865	682	8,586	(39)
CIP0247	Emergency Construction and Emerging Needs Program	1,575	2,064	(488)	1,378	197
CIP0261	Rail Tunnel Lighting Replacement	4,000	2,706	1,294	2,890	1,110
CIP8011	D&E Fixed Rail Improvements	1,700	2,158	(458)	2,024	(324)
	Subtotal Fixed Rail	110,322	85,219	25,103	86,308	24,014
Structures						
CIP0022	Track Structural Rehabilitation	61	575	(514)	437	(376)
CIP0026	Station/Tunnel Leak Mitigation	-	1	(1)	1	(1)
CIP0205	Bush Hill Aerial Structure	-	(182)	182	(182)	182
CIP0262	Tunnel Water Leak Mitigation	2,400	2,143	257	2,088	312
CIP0291	Tunnel Ventilation Improvements	4,900	5,663	(763)	4,151	749
CIP0294	Bridge Rehabilitation	8,551	7,232	1,319	9,207	(656)
CIP0348	Structural Rehabilitation - Package 1	4,000	3,780	220	6,372	(2,372)
CIP0349	Yellow Line Tunnel and Bridge Rehabilitation	3,183	1,550	1,633	2,832	351
CIP0356	Tunnel Ventilation Improvements - Red Line Pilot	4,600	2,675	1,925	4,832	(232)
CIP8013	D&E Track Structures Improvements	3,036	4,484	(1,448)	2,949	87
CRB0134	Wheaton Parking Improvements	842	248	594	128	714
	Subtotal Structures	31,574	28,170	3,404	32,815	(1,241)

ID	Name	Final Budget	Expended (Cash)	Variance	Expended (Accrual)	Variance
Subtotal Track & Structures Rehabilitation		141,896	113,388	28,508	119,123	22,773
Platforms and Structures						
CIP0035	Bicycle & Pedestrian Facility Rehabilitation	1,418	924	494	843	575
CIP0087	Station and Facility Restoration Program	10,632	8,477	2,156	8,527	2,106
CIP0088	Station Entrance Canopy Installation	7,604	4,335	3,269	4,157	3,447
CIP0152	Parking Garage and Surface Lot Rehabilitation	11,600	9,922	1,678	9,954	1,646
CIP0218	Metrorail Station Improvements	1,276	1,698	(422)	1,570	(294)
CIP0271	Metrorail Station Emergency Gates Replacement	623	496	127	390	233
CIP0274	Grosvenor Parking Garage Joint Development	7,916	8,608	(692)	8,667	(751)
CIP0297	Union Station Improvements	1,340	31	1,309	246	1,094
CIP0300	Gallery Place/Chinatown Passenger Circulation Improvement Study	-	1	(1)	1	(1)
CIP0302	Huntington Station Parking Garage Replacement	454	353	101	470	(16)
CIP0305	Rail Passenger Facility State of Good Repair Program	-	21	(21)	21	(21)
CIP0306	Stations Platform Rehabilitation - Phase 1	2,502	9,141	(6,639)	(2,566)	5,068
CIP0307	Station Platform Rehabilitation - Phase 2	153,368	194,299	(40,931)	148,431	4,937
CIP0308	Station Platform Rehabilitation - Phase 3	279,800	201,177	78,623	241,673	38,127
CIP0309	Huntington Station Additional Entrance	-	1,905	(1,905)	-	-
CIP0310	Station Platform Rehabilitation - Phase 4	28,800	99	28,701	152	28,648
CIP0345	Shady Grove Stairway	1,212	1,334	(122)	1,413	(201)
CIP8015	D&E Rail Station Improvements	838	2,204	(1,366)	2,123	(1,285)
CRB0013	Potomac Yard Station Construction	97,547	75,946	21,601	95,703	1,844
CRB0019	Silver Line Phase 1	-	-	-	(26)	26
CRB0020	Silver Line Phase 2 Construction Support	37,467	37,141	326	37,486	(19)
CRB0127	Purple Line Construction Support	4,400	3,236	1,164	3,738	662
CRB0133	Union Station Capacity Improvements	-	10	(10)	10	(10)
Subtotal Platforms & Structures		648,798	561,359	87,439	562,986	85,811
Vertical Transportation						
CIP0072	Elevator Rehabilitation Program	9,000	5,013	3,987	4,699	4,301
CIP0073	Escalator Rehabilitation	14,350	8,758	5,592	9,756	4,594
CIP0132	Escalator and Elevator Overhaul Program	8,800	7,922	878	7,925	875
CIP0185	Escalator Replacement	17,300	16,647	653	16,620	680
Subtotal Vertical Transportation		49,450	38,340	11,110	39,001	10,449
Station Systems						
CIP0074	Parking Access and Collection Equipment Maintenance	606	755	(149)	757	(151)
CIP0150	Support Facility Fire System Rehabilitation	3,026	2,291	735	2,162	864
CIP0151	Rail Station Cooling Rehabilitation Program	7,193	9,342	(2,149)	7,841	(648)
CIP0219	Rail Station Lighting Improvements	22,985	19,903	3,082	18,528	4,457
CIP0241	Flood Resiliency Infrastructure Upgrades	882	1,473	(591)	1,401	(519)
CIP0242	Rail System Drainage Rehabilitation Program	10,000	10,928	(928)	9,689	311
CIP0255	Fare Collection Modernization	60,034	62,430	(2,396)	62,780	(2,746)
CIP0258	Station and Tunnel Fire Alarm Rehabilitation	3,494	3,398	96	3,490	4

ID	Name	Final Budget	Expended (Cash)	Variance	Expended (Accrual)	Variance
CIP0341	Rail System Standpipe Replacement Program	13,800	14,771	(971)	13,862	(62)
CIP0352	Rail Station Platform Canopy Rehabilitation Program	1,750	31	1,719	31	1,719
CIP8019	D&E Revenue Facility Improvement	1,750	-	1,750	-	1,750
	Subtotal Station Systems	125,520	125,321	199	120,543	4,977
	Subtotal Stations and Passenger Facilities	823,768	725,019	98,748	722,530	101,238
Bus & Paratransit Acquisition						
CIP0006	Bus Fleet Acquisition Program	88,607	87,527	1,081	88,721	(114)
CIP0015	MetroAccess Fleet Acquisition	8,948	7,018	1,930	8,772	176
CIP0355	Zero Emission Bus Acquisition and Evaluation	1,500	1	1,499	1	1,499
CIP8021	D&E Bus & Paratransit Improvements	350	340	10	413	(63)
	Subtotal Bus & Paratransit Acquisition	99,405	94,886	4,519	97,908	1,497
Bus Maintenance Facilities						
CIP0084	Southern Avenue Bus Garage Replacement	617	301	316	301	316
CIP0085	Cinder Bend Road Bus Facility	23	16	7	12	11
CIP0086	Shepherd Parkway Bus Facility	-	12	(12)	12	(12)
CIP0311	Bladensburg Bus Garage Replacement	18,400	13,955	4,445	15,615	2,785
CIP0312	Four Mile Run Bus Garage Rehabilitation	700	-	700	-	700
CIP0315	Northern Bus Garage Replacement	22,900	21,248	1,652	24,854	(1,954)
CIP0319	Bus Maintenance Facility State of Good Repair Program	100	22	78	23	77
CIP8025	D&E Bus Maintenance Facility Improvements	600	140	460	138	462
	Subtotal Bus Maintenance Facilities	43,340	35,695	7,645	40,955	\$ 2,385
Bus Maintenance/Overhaul						
CIP0002	Bus Onboard Location Equipment and Software Program	2,000	1,408	592	1,048	952
CIP0004	Bus Maintenance Equipment Replacement Program	2,950	1,114	1,836	1,040	1,910
CIP0005	Bus Vehicle Rehabilitation Program	52,100	53,382	(1,282)	54,280	(2,180)
CIP0007	Bus Closed Circuit Television (CCTV) Replacement Program	2,500	346	2,154	326	2,174
CIP0143	Bus Vehicle Preventive Maintenance	1,000	935	65	935	65
CIP8023	D&E Bus Maintenance and Overhaul	-	15	(15)	15	(15)
	Subtotal Bus Maintenance/Overhaul	60,550	57,200	3,350	57,645	2,905
Bus Passenger Facilities/Systems						
CIP0220	Bus Planning Studies Program	1,500	720	780	787	713
CIP0221	Bus Customer Facility Improvements	5,200	5,154	46	5,867	(667)
CIP0254	Bus Priority Program Development	2,040	1,032	1,008	1,083	957
CIP0266	Historic Bus Loop and Facility Rehabilitation	1,350	1,489	(139)	1,935	(585)
CIP0275	New Carrollton Garage and Bus Bays	3,008	1,566	1,442	1,841	1,167
CIP0322	Bus Passenger Fac./Systems Future Major Projects	450	32	418	32	418
CIP0326	Real-time Bus and Rail Data Feed Development	700	127	573	213	487
CIP8027	D&E Bus Passenger Facility Improvements	100	151	(51)	144	(44)
CRB0012	King Street Station Bus Loop	128	56	72	57	71
	Subtotal Bus Passenger Facilities/Systems	14,476	10,327	4,149	11,958	2,518
	Subtotal Bus, Bus Facilities, & Paratransit	217,771	198,108	19,663	208,466	9,305
Information Technology						

ID	Name	Final Budget	Expended (Cash)	Variance	Expended (Accrual)	Variance
CIP0042	Asset Management Software Improvements	500	224	276	270	230
CIP0043	Bus Scheduling and Operations Software Improvements	3,580	495	3,085	496	3,084
CIP0044	Information Technology Capital Program Support	-	1	(1)	1	(1)
CIP0049	Technology Improvements for Administrative Functions	2,077	2,906	(829)	2,620	(543)
CIP0051	Police Dispatch and Records Management	-	110	(110)	71	(71)
CIP0052	Network and Communications	1,672	1,432	240	1,546	126
CIP0053	Network Operations Center NOC	-	5	(5)	5	(5)
CIP0054	Customer Electronic Communications & Outreach	2,048	1,898	150	1,864	184
CIP0056	Rail Service Management Software Improvements	4,149	3,224	925	3,381	768
CIP0128	Data Governance and Business Intelligence	-	226	(226)	224	(224)
CIP0215	Rail Scheduling System Upgrade	-	1,040	(1,040)	1,040	(1,040)
CIP0230	Wireless Communication Infrastructure	-	(1)	1	(1)	1
CIP0259	Employee Timekeeping System	9,126	8,932	194	9,007	119
CIP0269	Asset Management Software	1,064	2,231	(1,167)	(449)	1,513
CIP0330	Information Technology Data Center	15,401	2,326	13,075	2,262	13,139
CIP0331	Enterprise Resource Planning Software Replacement	1,417	1,340	77	1,438	(21)
CIP0332	Fiber Optic Cable Installation	250	808	(558)	193	57
CIP0342	Information Technology Hardware State of Good Repair	16,433	11,440	4,993	16,234	199
CIP0343	Information Technology Software State of Good Repair	31,131	29,378	1,753	29,491	1,640
CIP0344	Information Technology Program Management Support	1,383	1,560	(177)	1,502	(119)
CIP0354	Enterprise Resource Planning Software Upgrade	623	-	623	-	623
CIP8029	D&E Information Technology Improvements	10,245	3,183	7,062	3,142	7,103
Subtotal Information Technology		101,099	72,759	28,340	74,338	26,761
Metro Transit Police Department (MTPD)						
CIP0102	Police District III Substation	100	74	26	75	25
CIP0106	Special Operations Division Facility	163	384	(221)	249	(86)
CIP0127	Transit Police Support Equipment	1,033	548	485	807	226
CIP8031	D&E Metro Transit Police Improvements	410	-	410	-	410
CIP8032	Future Metro Transit Police Projects	-	10	(10)	10	(10)
Subtotal MTPD		1,706	1,016	690	1,142	564
Support Equipment & Services						
CIP0009	Service Vehicle Acquisition Program	11,900	11,530	370	14,058	(2,158)
CIP0010	Environmental Compliance Program	6,980	5,247	1,733	7,009	(29)
CIP0029	Warehouse Vertical Store Unit	650	-	650	-	650
CIP0030	Currency Processing Machines	100	-	100	-	100
CIP0033	Revenue Facility Equipment Replacement	360	331	29	331	29
CIP0034	Revenue Collection Facility Rehabilitation	785	689	96	303	482
CIP0036	Procurement Program Support	1,572	1,593	(21)	1,574	(2)
CIP0039	System Planning & Development	1,263	1,503	(240)	1,481	(218)
CIP0099	Joint Development Program Support	302	1,031	(729)	1,507	(1,205)
CIP0101	Internal Compliance Capital Management Support	990	998	(8)	1,326	(336)
CIP0131	Capital Program Financing Support	1,724	1,881	(157)	1,881	(157)
CIP0170	Facility Roof Rehabilitation and Replacement	11,900	13,915	(2,015)	13,398	(1,498)

ID	Name	Final Budget	Expended (Cash)	Variance	Expended (Accrual)	Variance
CIP0197	Support Facility Improvements	180	63	117	116	64
CIP0212	Sustainability/Resiliency Program	1,234	837	397	832	402
CIP0213	Capital Program Development Support	21,100	22,913	(1,813)	22,884	(1,784)
CIP0224	IT Capital Management	-	58	(58)	(8)	8
CIP0270	Capital Delivery Program Support	27,453	24,286	3,168	23,105	4,348
CIP0272	Digital Display and Wayfinding Improvements	892	3,532	(2,640)	1,091	(199)
CIP0273	Support Facility Rehabilitation	8,608	8,870	(262)	8,616	(8)
CIP0276	Art in Transit and Station Commercialization Program	209	257	(48)	279	(70)
CIP0277	Supply Chain Modernization	1,000	-	1,000	-	1,000
CIP0324	Capital Program Financial Support	3,205	3,093	112	3,093	112
CIP0335	Office Consolidation - District of Columbia	98,493	82,744	15,749	85,151	13,342
CIP0336	Facility Energy Management Upgrades	376	193	183	176	200
CIP0337	Office Consolidation - Virginia	62,153	63,484	(1,331)	62,718	(565)
CIP0338	Office Consolidation - Maryland	37,980	27,846	10,134	37,508	472
CIP0347	Accounting Capital Program Support	1,078	938	140	926	152
CIP8033	D&E Support Equipment Improvements	2,158	2,260	(102)	2,116	42
CRB0005	Planning Support for the District of Columbia	220	460	(240)	497	(277)
CRB0009	Planning Support for Maryland Jurisdictions	180	379	(199)	492	(312)
CRB0018	Planning Support for Virginia Jurisdictions	822	306	516	344	478
SCOV19-01	COVID-19 Infrastructure Maintenance	-	660	(660)	573	(573)
SCOV19-06	COVID-19 IT: Equipment and Services	11,403	13,919	(2,516)	9,420	1,983
	Subtotal Support Equipment & Services	317,270	295,816	21,454	302,797	14,473
	Subtotal Business & Operations Support	420,075	369,591	50,484	378,277	41,798
	Grand Total	2,087,211	1,787,249	299,962	1,836,352	250,859

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

As required by the Maryland DFA, **Table 13** provides life-to-date (LTD) expenditure information for CIP projects that exceeded their FY2021 one-year baseline expenditure budget.

Table 13. Project Life-to-Date Budget and Expenditure (Dollars in Thousands)¹⁴



ID	Name	LTD Budget through 06/30/21	LTD Expenditure (Cash) through 06/30/21
CIP0049	Technology Improvements for Administrative Functions	132,253	125,449
CIP0071	Test Track & Communication Facility	108,203	103,892
CIP0074	Parking Access and Collection Equipment Maintenance	12,514	11,933
CIP0086	Shepherd Parkway Bus Facility	2,331	2,177
CIP0106	Special Operations Division Facility	32,656	31,990
CIP0133	Train Detection and Warning System	14,793	14,033
CIP0135	Train Control Signal	5,285	4,971
CIP0139	National Transportation Safety Board Recommendations	238,593	234,751
CIP0215	Rail Scheduling System Upgrade	6,200	6,218
CIP0218	Metrorail Station Improvements	6,284	5,892
CIP0225	Heavy Repair and Overhaul Facility	72,148	71,374
CIP0241	Flood Resiliency Infrastructure Upgrades	7,231	6,651
CIP0255	Fare Collection Modernization	115,339	112,644
CIP0257	Emergency Trip Station (ETS) Rehabilitation	4,110	3,918
CIP0266	Historic Bus Loop and Facility Rehabilitation	1,534	1,607
CIP0272	Digital Display and Wayfinding Improvements	19,229	19,382
CIP0274	Grosvenor Parking Garage Joint Development	21,622	19,819
CIP0300	Gallery Place/Chinatown Passenger Circulation Improvement Study	509	890
CIP0302	Huntington Station Parking Garage Replacement	1,647	1,577
CIP0315	Northern Bus Garage Replacement	42,999	39,908
CIP0331	Enterprise Resource Planning Software Replacement	2,233	2,082
CIP0337	Office Consolidation - Virginia	82,153	79,593
CIP0345	Shady Grove Stairway	1,700	1,658
CIP0348	Structural Rehabilitation - Package 1	4,000	3,780
CIP0356	Tunnel Ventilation Improvements - Red Line Pilot	4,600	2,675
CIP8032	Future Metro Transit Police Projects	-	10

¹⁴ Table 13 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 programs recur annually.

Appendix C : FY2021 New Projects

The Maryland DFA requires that Metro provide information on the scope, purpose, and need of new CIP projects initiated during FY2021. Two new projects were initiated during FY2021 and details for these projects are provided in **Table 14**.

Table 14. Projects Initiated During FY2021

CIP ID and CIP Name	Description and Location	Strategic Objectives Supported
CIP0352 - Rail Station Platform Canopy Rehabilitation Program	This program replaces or rehabilitates platform canopies at various Metrorail stations.	 Reliability/SGR
CIP0354 - Enterprise Resource Planning Software Upgrade	This project will sustain and upgrade the current Enterprise Resource Planning (ERP) system until the end of its useful life. Planned upgrades include the implementation of new modules for ePerformance and eCompensation.	 Reliability/SGR

Appendix D : FY2021 Federal Grants Crosswalk

Table 15. FY2021 Federal Grants Crosswalk – Capital

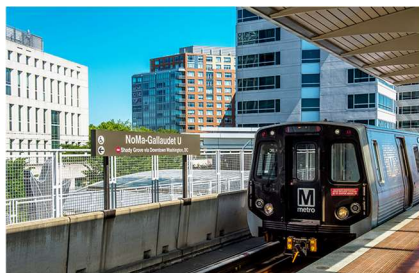
Formula Grants	FAIN	Carryover Balance	Awarded/De-obligations	Total Available	Receipts during FY2021	Remaining Balance
FFY18 Section 5307/5340 Formula Grant	DC-2018-011	\$ 8.5	\$ -	\$ 8.5	\$ 8.3	\$ 0.2
FFY2019 Section 5307/5340 Formula Grant	DC-2019-010	64.6	-	64.6	56.3	8.3
FFY2019 Section 5339 Bus Program (Bus Replacements)	DC-2019-008	10.2	-	10.2	10.1	0.1
FFY20 Section 5307 Bus Replacements and Rehabilitation	DC-2020-010	-	163.9	163.9	117.5	46.4
FFY2018 Section 5307 Formula Bus Bridges CIP Support Services	DC-2021-005	-	3.9	3.9	3.6	0.3
Subtotal		\$ 83.3	\$ 167.8	\$ 251.0	\$ 195.7	\$ 55.3
State of Good Repair Grants	FAIN	Carryover Balance	Awarded/De-obligations	Total Available	Receipts during FY2021	Remaining Balance
FFY2020 Section 5337 Rail System Rehabilitation, Railcar Preventive Maintenance	DC-2020-017	\$ -	\$ 144.8	\$ 144.8	\$ 83.7	\$ 61.2
FFY2019 Section 5337 State of Good Repair	DC-2019-009	26.2	-	26.2	19.5	6.7
Subtotal		\$ 26.2	\$ 144.8	\$ 171.0	\$ 103.2	\$ 67.9
Passenger Rail Investment and Improvement Act (PRIIA)	FAIN	Carryover Balance	Awarded/De-obligations	Total Available	Receipts during FY2021	Remaining Balance
FFY2020 H.R.1865 Rail Safety Improvement (Section 75) Funding	DC-2020-016	\$ -	\$ 148.5	\$ 148.5	\$ 119.5	\$ 29.0
FY2018 PRIIA Appropriation	DC-2018-007	1.0	-	1.0	1.0	-
FY2019 PRIIA Appropriation	DC-2019-006	14.8	-	14.8	14.7	0.1
Subtotal		\$ 15.8	\$ 148.5	\$ 164.3	\$ 135.2	\$ 29.1

Other FTA Grants	Other FTA Grant Funds	Carryover Balance	Awarded/De-obligations	Total Available	Receipts during FY2021	Remaining Balance
FFY2013 Hurricane Sandy Resilience	DC-44-X001	\$ 6.7	\$ 21.0	\$ 27.7	\$ 27.2	\$ 0.5
FFY2017 Track Inspector Location Awareness	DC-2017-011	-	-	-	-	-
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 Section 5539b Buses and Bus Facilities	DC-2020-002	11.0	-	11.0	4.6	6.4
FY20 CARES Operations and Response to COVID19 (Capital Portion Only)	DC-2020-005	2.2	-	2.2	2.2	0.0
FFY2020 VA CMAQ/DRPT Bus Replacement	DC-2021-001	-	4.3	4.3	3.9	0.4
FFY2020 Section 5339 (c) Low-No Metrobus Zero-Emission Fleet Program	DC-2021-003	-	4.2	4.2	4.2	-
FFY19 Section 5312 Public Safety Pilot Study	DC-2021-008	-	0.2	0.2	-	0.2
FFY19 Section 5310 Metro Access Fleet Replacement Vehicles	DC-2020-007	0.9	-	0.9	-	0.9
New Freedom - Bus Stop Improvements	DC-57-X007	-	1.0	1.0	\$ 1.0	-
Subtotal		\$ 24.6	\$ 30.7	\$ 55.3	\$ 43.3	\$ 11.9
Grand Total		\$ 149.9	\$ 491.8	\$ 641.7	\$ 477.4	\$ 164.3

Appendix E : Summary of CIP Accomplishments

In FY2021, Metro continued to aggressively invest in capital projects to improve the reliability, safety, and sustainability of the transit system. Metro's FY2021 capital investment represents its largest single-year investment since the construction of the Metrorail system.

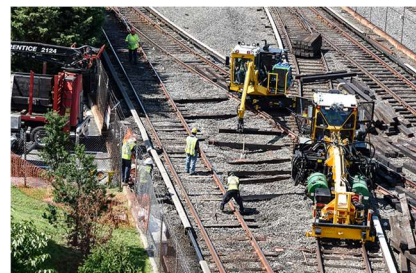
Metro's capital program is organized into the following six investment categories. FY2021 accomplishments in each of these categories are briefly described below.



Railcars & Railcar Facilities



Rail Systems



Track and Structures Rehabilitation



Stations and Passenger Facilities



Bus, Bus Facilities, and Paratransit



Business & Operations Support

Railcars & Railcar Facilities

Railcar Acquisition

In March 2021, Metro selected Hitachi Rail Washington, LLC to build the system's 8000-Series railcars in the United States. The contract, valued up to an estimated \$2.2 billion, includes a base order of 256 railcars with options to build up to 800 new railcars for the fleet. The 8000-Series railcars will improve customers' on-board experience with features like digital screens, real-time information displays, and electrical outlets for charging personal electronics. In addition, the new railcars have better ventilation systems and are more energy efficient than Metro's existing models. The 8000-Series will replace the aging 2000- and 3000-Series, which have been in service since the early 1980's.

Railcar Maintenance Facilities

During FY2021, Metro awarded a pre-construction contract for its new Railcar Heavy Repair and Overhaul Facility (HRO) and issued a Notice to Proceed (NTP) for design work and surveying. The HRO facility will consolidate all railcar overhaul functions into one location and support railcar fleet safety and

reliability programs. Design and site-preparation work commenced and will continue through mid-FY2022.

Several improvements were implemented at various Service and Inspection (S/I) shops. At the Alexandria Rail Yard S/I Shop, the fabrication and installation of non-metallic handrails was completed; and the replacement of loading equipment (drop table) at the Shady Grove S/I advanced, with work planned for completion in FY2022.

Railcar Maintenance/Overhaul

Metro's Rail Vehicle Rehabilitation program involves engineering modifications and Scheduled Maintenance Program (SMP) overhauls for up to one-fifth of the railcar fleet annually. This work is performed to maintain the railcar fleet in a state of good repair and to prevent future safety and reliability issues. In FY2021, Metro completed 68 of 64 planned overhauls (106%) for the 3000-Series railcars and 62 of 68 planned overhauls (91%) for the 6000-Series railcars. Two (2) 7000-Series railcars were overhauled for engineering and planning purposes; SMP overhauls for this series will begin in FY2022.

Rail Systems

Signals and Communications

The Radio Infrastructure Replacement project involves replacing the existing Comprehensive Radio Communications System (CRCS), which operates in a 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). This project also involves the installation of wireless signal communications throughout the tunnel system, in effort to enhance both customer and employee communication and safety. During FY2021, cellular cable installation on the Red Line north of Dupont Circle was completed and cellular carriers initiated wireless service on three remaining rail segments – a milestone that resulted in the availability of cellular and data service on all 100 miles of Metrorail tunnel track.

As part of the Automatic Train Control (ATC) SOGR program, Metro continued work on the replacement of the ATC system (including switches, signals, wiring, tower equipment, etc.) at the Alexandria Rail Yard. In addition, Metro advanced procurement for the replacement of up to 25 Train Control Rooms (TCR); contracts for construction are scheduled to be awarded in FY2022.

Propulsion

Metro completed installation of tie breaker station equipment at College Park, Fort Totten, Silver Spring, and West Hyattsville. As part of the 8-Car Train Power Upgrade project, a series of rail power system upgrades, designed to increase the number of 8-Car Trains that can be operated in revenue service concurrently and thereby reduce crowding, also continued. Traction Power Substation (TPSS) equipment was installed at Pentagon City and work advanced at Van Dorn, West Hyattsville, College Park, Franconia-Springfield, Takoma, Greenbelt, and Prince George's Plaza.

As part of the Low Voltage Power State of Good Repair program, the replacement of AC Switchgear was completed at Silver Spring and work progressed at Deanwood, East Falls Church, Farragut West, Gallery Place, Vienna Arlington Cemetery, Crystal City, and King Street.

Track and Structures Rehabilitation

Fixed Rail

The Track Rehabilitation Program supports a safe and reliable rail system through comprehensive inspection, maintenance, and rehabilitation activities. This work is addressed through planned Rail Service Adjustments (RSAs) (e.g., track shutdowns) and responsive rehabilitation. Metro uses condition-based track infrastructure information to identify rehabilitation needs. These needs are prioritized and RSAs are scheduled to address the identified needs. Responsive rehabilitation work addresses critical defects identified during ongoing track inspections. This work is conducted overnight, as opposed to during dedicated RSAs, which occur during the workday. Metro anticipates a reduction in the amount of responsive rehabilitation required as improvements in data analysis strengthen planning capabilities.

Table 16 provides a summary of planned and responsive rehabilitation activities during FY2021.

Table 16. Planned and Responsive Rehabilitation

Major Components	FY2021 Plan	FY Completion (through Rail Service Adjustments)	FY Completion (outside of Rail Service Adjustments)	Total FY Completion	Completion Percentage
Concrete Restoration (SF) ¹	5,000	458	203	661	13%
Crossties Replaced	5,865	120	6,529	6,649	113%
Deck Joint Replacement (LF) ²	1,000	529	0	529	53%
Direct Fixation Fasteners Replaced ³	31,320	8,085	4,355	12,440	40%
Drain Rodding (LF)	140,000	70	97,955	98,025	70%
Grout Pad Rehabilitation (LF) ⁴	18,525	5,864	117	5,981	32%
Joint Elimination ⁵	700	390	39	429	61%
Leak Mitigation	1,050	18	1,784	1,802	172%
Running Rail Renewal (MI)	7.8	4.0	6.7	10.7	137%
Third Rail Insulator Replacement ⁶	7,000	352	3,372	3,724	53%
Third Rail Rehabilitation (MI) ⁷	1.0	0.0	0.1	0.1	10%
Track Bed Cleaning (LF) ⁸	900,000	2,800	559,047	561,847	62%
Track Signage Replaced ⁹	2,500	30	628	658	26%
Track Stabilization (LF)	200	192	0	192	96%
Track Tamping (MI)	30	8.3	15.4	23.7	79%
Turnouts Rehabilitated	12	4	3	7	58%

¹Progress was lower than planned, because the FY2021 plan reflected FY2019 and FY2020 production totals. The FY2022 plan has been refined to target concrete restoration for priority roadway structures.

²Some aerial deck joint activities were deferred to FY2022.

³The FY2021 plan reflected FY2019 and FY2020 production totals. The FY2022 plan aligns better with current replacement needs.

⁴The rehabilitation rate was impacted by silica dust mitigation; work not completed in FY2021 will be carried over into FY2022.

⁵Welders are in training and the remaining joints will be eliminated in FY2022.

⁶Third rail replacement work decreased due to a shift in focus to the thermal insulator program.

⁷The third rail crew conducted system-wide maintenance while the third rail rehabilitation program was re-evaluated.

⁸The FY2022 plan has been refined to better align with the current track bed cleaning schedule.

⁹The FY2021 plan reflected FY2019 and FY2020 production totals. The FY2022 plan is being refined, while the program is reevaluated.

Structures

Metro awarded a contract and issued a NTP for the Structural Rehabilitation – Package 1 project, which will return the Minnesota Avenue and Grosvenor aerial structures, the Rockville platform canopy, and seven bridges to a state of good repair. The replacement of the Rockville platform canopy will require the shutdown of the Shady Grove and Rockville stations for three months beginning in Q1 of FY2022.

Metro also awarded a contract and issued a NTP to a Construction Manager at Risk (CMAR) for the Yellow Line Tunnel and Bridge Rehabilitation project, which will address structural degradation. Construction is planned for FY2023.

Metro issued a Request for Proposals (RFP) for the initial package of the Tunnel Leak Mitigation Program, which will allow water mitigation work to be performed on two segments of the Red Line (Silver Spring to Forest Glen and Tenleytown/AU to Friendship Heights). An award is anticipated in FY2022, with construction following later in the year.

Station and Passenger Facilities

Platforms & Structures

The Platform Rehabilitation Program involves the rehabilitation of station platform structures, tiles, granite edges, and 36 other station systems (e.g., information displays, lighting, signage, refuse bins, bathrooms, security, fire systems, etc.). During FY2021, major construction was completed at the East Falls Church, West Falls Church, Dunn Loring, and Vienna stations. These stations returned to revenue service in FY2021 following a three-month shutdown.

Major construction was completed at Arlington Cemetery and Addison Road as part of Phase 3 of the Platform Rehabilitation Program with both stations reopening in Q4. Subsequently, four additional stations on the Green Line (West Hyattsville, Prince George's Plaza, College Park, and Greenbelt) were closed for platform and station systems replacement and will remain closed until early FY2022.

A contract award for Phase 4 of the Platform Rehabilitation Program is anticipated in FY2022. Phase 4 will address five stations on the Orange Line (Minnesota Avenue, Deanwood, Cheverly, Landover, and New Carrollton).

Work on the Dupont Circle north entrance canopy and new stairs at the Judiciary Square south entrance is ongoing with anticipated completion in FY2022. A procurement package for Phase 4 of the Station Entrance Canopy Installation project, including canopy installations at eight entrances and stairs at four entrances, was released in Q4 of FY2021. This project protects both customers and station escalators from weather.

Ongoing construction of the new Potomac Yard station will result in periodic shutdowns between National Airport and Braddock Rd in FY2022. Anticipated to open in mid-FY2023, the new station will increase rail access in the City of Alexandria and is on track to be one of the first LEED-certified transit stations in North America.

Vertical Transportation

In FY2020, Metro rehabilitated five (5) elevators and eight (8) escalators; in addition, three (3) escalators were replaced. Metro awarded a contract and issued a NTP for the replacement of 130 escalators over a six-year period. Work on the replacement of four (4) units (two at Gallery Place, one at New Carrollton, and one at Rhode Island Ave.) was underway at the end of the fiscal year. 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 Modernization Program, Metro is developing new rail station faregates, designing new bus fareboxes, and expanding mobile payment options for customers. This program improves fare collection functionality (thereby limiting fare evasion) and provides enhanced payment and account capabilities to customers. In FY2021, a new mobile SmarTrip application was launched for both Apple and Android devices. Additionally, Metro expanded its pilot testing of new faregates to additional sites. The results of these pilot tests will be evaluated in FY2022. Bus farebox replacements are also scheduled to begin in FY2022. Existing bus fareboxes are approximately two decades old, have failing components, and/or are no longer manufactured.

As part of Metro's Energy Action Plan, the Station Lighting Improvements Program upgrades lighting at platforms, station mezzanines and backrooms, and around Metro stations. This program enhances illumination and safety and reduces energy use. Among other accomplishments this year, new station ceiling lighting was installed at Union Station and Gallery Place in Q4, marking the conclusion of an initiative to install lighting at 12 stations. Escalator, parking lot, and walkway lighting upgrades were also completed.

With the replacement of chillers at five rail stations now complete, Metro is advancing procurement for the replacement of five chillers at Van Ness, Rosslyn, L'Enfant Plaza (2), and Stadium Armory. This program improves customer and employee comfort during hot days.

Nine drainage pumping stations were replaced in FY2021. A RFP was issued in Q4 for the replacement of drainage pumps at six additional locations.

Bus, Bus Facilities, and Paratransit Investments

Bus and Paratransit Acquisition

Orders and fulfillment for buses are summarized in **Table 17**. These new buses help maintain Metro's fleet in a state of good repair and contribute to operational savings by replacing less reliable and less fuel-efficient buses.

Table 17. Bus Acquisition

Bus Type	FY2021 Planned Deliveries	FY2021 Progress	Percentage
Clean Diesel, 40 ft.	100	80	80%
Clean Diesel, 60 ft.	41	41	100%
CNG, 50 ft.	12	12	100%

Bus Maintenance Facilities

Pre-construction activities advanced on the replacement of the Bladensburg Bus Maintenance and Operations facility. This project involves the construction of a new LEED-certified 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 has been constructed.

Pre-construction activities also continued at the Northern Bus Garage Facility, in preparation for demolition and construction. This LEED-designed facility will include an underground parking level, a maintenance and operations level, and a rooftop parking deck. The facility will accommodate up to 150 buses.

Both the Bladensburg and Northern Bus Garage facilities will be built to support future electric vehicle charging infrastructure and equipment.

Bus Maintenance/Overhaul

Metro's bus maintenance and overhaul investments are focused on maintaining the reliability and safe operating condition of equipment, as well as achieving the maximum useful life of these important assets. **Table 18** summarizes FY2021 progress against planned bus maintenance and overhaul activities.

Table 18. Bus Maintenance and Overhaul Activities

Activity	FY2021 Plan	FY Progress	Percentage
Bus Rehabilitations	100	100	100%
Energy Storage Systems	100	84	84
Engine Assemblies	125	89	71%
Fare Boxes	232	272	117%
Transmission Assemblies	150	138	92%
Ultracapacitors ¹	77	71	92%

¹Vendor manufacturing challenges have delayed engine assembly progress. The remaining ultracapacitors will be installed during FY2022.

These investments are critical to meeting Metro's MDBF targets 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](#).

Bus Passenger Facilities/Systems

During FY2021, Metro installed 142 Customer Information Electronic Display Signs (CIEDS) at Metrobus stops for real-time bus arrivals.

Business Support Investments

Information Technology

Metro's Information Technology (IT) investments improve internal operations and the customer experience. As part of the office consolidation initiative, a new data center will be constructed to

replace the existing center at the Jackson Graham Building. During FY2021, end of life and maintenance assessments were completed for the Jackson Graham Building and the Carmen Turner Facility. A RFP was released in Q4 for a study of the latest available technology for future adoption.

Support Equipment and Services

In FY2021, Metro's Office Consolidation Strategy program made significant progress. This initiative is enabling Metro to downsize from ten (10) current office buildings throughout the region to four (4), which will reduce operating expenses and improve employee operations. The facilities are being designed to meet LEED certification standards. At the DC office building, Metro completed structural steel erection for the additional three floors and continued installation of a new curtain wall. At the VA office building, pre-construction foundation work was completed in Q2 and vertical construction and utility work began on the 10-floor structure. At the MD office building, pre-construction and mobilization began in Q2.

As part of the Roof Rehabilitation Program, roof rehabilitations were completed at 15 locations during FY2021.



Fiscal Year 2021 Indirect Cost Report

Overview

Washington Metropolitan Area Transit Authority's (WMATA or Metro) Six-Year Capital Improvement Program and Fiscal Year (FY) 2021 Capital Budget (collectively called the "CIP") focuses capital investments on enhancing the efficiency, reliability, and safety of the transit system. Funding for the CIP comes from federal, state, and local sources, including funds made available through the Dedicated Funding Grant Agreement (Agreement) executed by WMATA and the District of Columbia on October 22, 2020.

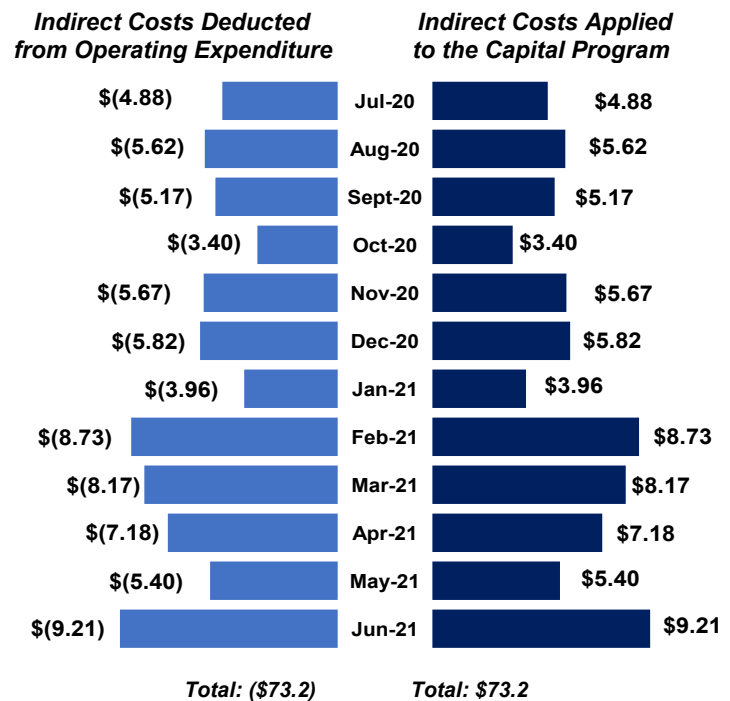
This Agreement requires that Metro provide an annual report on its indirect costs. The annual report must demonstrate that all indirect and overhead costs that Metro recovered from the overall Capital Budget were subtracted from the operating subsidy for the recently completed fiscal year. Additionally, the report must show (a) the amount of indirect costs charged to each project during the fiscal year and the aggregate for 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 FY2021. It presents the results of Metro'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 Metro's 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 FY2021, \$73.2 million in indirect costs were applied to capital projects and \$73.2 million in indirect costs were deducted from operating expenditure.

Figure 1. FY2021 Indirect Cost Reconciliation (Millions)



About Metro's Indirect Cost Rates

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 practice to apply a consistent set of indirect cost rates to all projects, including those funded by other sources such as Dedicated Funding.

On December 30, 2019, Metro submitted its FY2021 Indirect Cost Rate Proposal (ICRP) to FTA and requested approval for a set of indirect cost rates that corresponded to an overall rate, with carry-forward, of 67.18 percent. Due to the Covid-19 pandemic and the FTA's Coronavirus Aid, Relief, and Economic Security (CARES) Act obligations, FTA's review of Metro's FY2021 ICRP was delayed. On August 10, 2020, FTA provided provisional approval of Metro's FY2021 ICRP and indicated that a formal review was still pending. In the absence of formal approval from FTA, Metro used its FY2019 indirect cost rate set, which was approved by FTA on November 27, 2019.

Table 1 presents the indirect cost rates used during FY2021. It is important to note that the "overall indirect cost rates" are summary rates provided for informational purposes; these rates are not applied to any projects. Only the specific "department/area" rates are applied to direct labor costs. As a result, the overall indirect cost rates calculated based on actual costs may differ from the overall indirect cost rates presented in **Table 1** for informational purposes.

**Table 1. FTA-Approved Indirect Costs Rates
Used in FY2021**

Department/Area	Indirect Cost Rates with Carry-forward	Indirect Cost Rates without Carry-forward ¹
Access Services, Mode 10 – Paratransit	380.09%	277.27%
Bus Services - Transportation, Mode 01 (BTRA)	28.98%	27.38%
Bus Services - Vehicle Maintenance, Mode 01 (BMNT)	37.91%	32.07%
Rail Transportation Administration, Mode 02 (RTRA)	81.87%	36.48%
Rail Maintenance, Mode 02 (CMNT)	44.88%	39.89%
Rail Infrastructure and Facilities, Mode 02 (INFR)	40.11%	32.69%
Metro Transit Police Department (MTPD)	68.77%	46.20%
Blended Rate for Other Departments	44.15%	33.95%
Overall Indirect Cost Rates	43.54%	35.86%

Carry-forward Methodology

For existing projects, Metro's indirect cost rates are applied using a "carry-forward" methodology.¹ 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

¹ For new projects, the indirect cost rates without carry-forward are applied.

calculation of the indirect cost rates for the next fiscal year. This approach allows the amount of indirect costs recovered to equal the amount of indirect costs incurred over time.

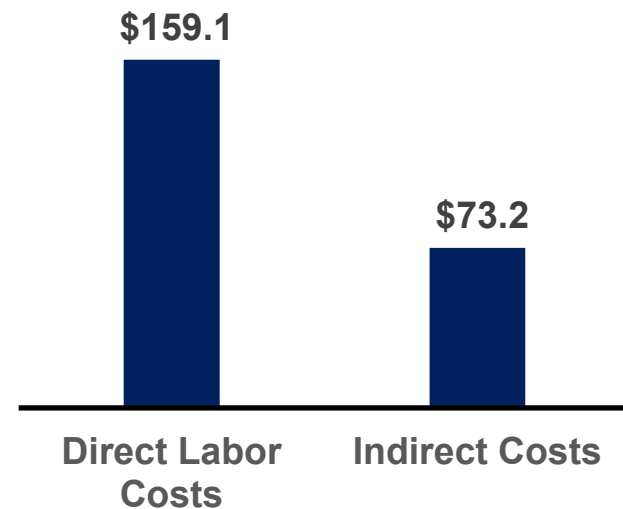
Actual Indirect Costs Applied to the Capital Program

On April 2, 2020, the WMATA Board of Directors adopted a capital budget of \$1.84 billion for FY2021.² The capital budget was subsequently increased to \$2.10 billion to realign funding for the Potomac Yard Station construction across fiscal years and to provide additional funding for the New Carrollton Garage and Bus Bays Project, Station Platform Rehabilitation Program, and information technology initiatives supporting remote work and cyber-security during the Covid-19 pandemic.³

During FY2021, Metro expended \$1.79 billion through the capital program on a cash basis.⁴ Direct labor costs totaled \$159.1 million and indirect costs applied to capital programs and projects was \$73.2 million, on a cash basis.

Table 2 presents direct labor and indirect costs for each program and project in the FY2021 CIP for which labor costs were incurred.

Figure 2. FY2021 Actual Direct and Indirect Labor Costs (Millions)



² Resolution 2020-09, Board of Directors of the Washington Metropolitan Area Transit Authority.

³ Resolutions 2020-21, 2020-28, and 2021-10, Board of Directors of the Washington Metropolitan Area Transit Authority.

⁴ Metro expended \$1.84 billion, on an accrual basis, through the capital program in FY2021.

Table 2. Actual Direct and Indirect Costs by Program and Project (Thousands)

ID	Description	Direct Labor Cost	Indirect Cost	Indirect Cost Rate
Railcar Acquisition				
CIP0059	8000-Series Railcars	\$ 853.9	699.1	81.87%
CIP0071	Test Track & Communication Facility	4.2	1.9	44.15%
CIP0256	7000-Series Railcars	1,479.6	1,211.4	81.87%
Railcar Maintenance Facilities				
CIP0145_05	Facility Security Monitoring Equipment Program	1,736.7	696.6	40.11%
CIP0204	Railcar Rooftop Access Platform	122.0	99.9	81.87%
CIP0225	Heavy Repair and Overhaul Facility	167.0	73.8	44.15%
CIP0231	Good Luck Road Facility	117.0	46.9	40.11%
CIP0231_02	Good Luck Road Facility	16.5	7.3	44.15%
CIP0283	Major Railcar Maintenance Equipment State of Good Repair	48.7	21.5	44.15%
CIP0284	Railyard Facility and Site Rehabilitation	231.5	102.2	44.15%
CIP8005_01	Development & Engineering (D&E) Rail Yard Improvements	2.4	1.0	44.15%
Railcar Maintenance/Overhaul				
CIP0063	Rail Vehicle Rehabilitation Program	18,812.2	8,443.0	44.88%
CIP0067_10	Rail Vehicle Safety & Reliability Improvements	22.2	10.0	44.88%
CIP0067_15	Rail Vehicle Safety & Reliability Improvements	3.0	1.3	44.88%
CIP0067_17	Rail Vehicle Safety & Reliability Improvements	24.5	11.0	44.88%
CIP0067_18	Rail Vehicle Safety & Reliability Improvements	24.1	10.8	44.88%
CIP0067_19	Rail Vehicle Safety & Reliability Improvements	1.4	0.6	44.15%
CIP0067_20	Rail Vehicle Safety & Reliability Improvements	27.7	12.4	44.88%
CIP0067_21	Rail Vehicle Safety & Reliability Improvements	33.4	15.0	44.88%
CIP0067_22	Rail Vehicle Safety & Reliability Improvements	32.8	14.7	44.88%
CIP0067_23	Rail Vehicle Safety & Reliability Improvements	6.4	2.8	44.15%
CIP0142	Rail Vehicle Preventive Maintenance	14,795.4	12,112.9	81.87%
Propulsion				
CIP0076	Rail System Power Upgrades	3,150.8	1,263.8	40.11%
CIP0076_02	Rail System Power Upgrades	0.3	0.1	40.10%
CIP0076_03	Rail System Power Upgrades	1.6	0.6	40.11%
CIP0076_04	Rail System Power Upgrades	515.9	206.9	40.11%
CIP0076_05	Rail System Power Upgrades	582.8	233.7	40.11%
CIP0252	Low Voltage Power State of Good Repair	3,771.2	1,512.6	40.11%
CIP0253	Traction Power State of Good Repair	5,557.9	2,229.6	40.12%
CIP0253_01	Traction Power State of Good Repair	20.1	8.1	40.11%
CIP0253_02	Traction Power State of Good Repair	437.9	175.6	40.11%
CIP0286	Power Generator Replacement	4.6	2.0	44.15%
CIP8007_03	D&E Power Improvements	2.5	0.8	33.95%
Signals & Communications				

Attachment 2

ID	Description	Direct Labor Cost	Indirect Cost	Indirect Cost Rate
CIP0133	Train Detection and Warning System	4.1	1.8	44.88%
CIP0133_02	Train Detection and Warning System	295.9	132.8	44.88%
CIP0136	Radio Infrastructure Replacement	575.2	230.7	40.11%
CIP0136_01	Radio Infrastructure Replacement	400.9	160.8	40.11%
CIP0136_02	Radio Infrastructure Replacement	1.1	0.4	40.11%
CIP0136_04	Radio Infrastructure Replacement	3,631.5	1,456.6	40.11%
CIP0136_05	Radio Infrastructure Replacement	2,149.4	949.0	44.15%
CIP0136_06	Radio Infrastructure Replacement	16.6	6.7	40.11%
CIP0136_07	Radio Infrastructure Replacement	33.0	14.6	44.15%
CIP0136_09	Radio Infrastructure Replacement	368.6	162.7	44.15%
CIP0139_S5	National Transportation Safety Board Recommendations	0.1	0.1	44.15%
CIP0139_S8	National Transportation Safety Board Recommendations	0.2	0.1	44.15%
CIP0139_S9	National Transportation Safety Board Recommendations	718.2	317.1	44.15%
CIP0251	Automatic Train Control State of Good Repair	857.9	344.1	40.11%
CIP0251_05	Automatic Train Control State of Good Repair	3,095.5	1,241.6	40.11%
CIP0251_07	Automatic Train Control State of Good Repair	5.9	2.4	40.11%
CIP0251_18	Automatic Train Control State of Good Repair	4,795.0	2,117.0	44.15%
CIP0257	Emergency Trip Station (ETS) Rehabilitation	3.1	1.3	44.15%
CIP8009	D&E ATC & Communications Improvements	20.9	7.1	33.95%
CIP8009_01	D&E ATC & Communications Improvements	0.2	0.1	44.15%
Fixed Rail				
CIP0024_01	Track Rehabilitation	6.6	2.6	40.11%
CIP0024_07	Track Rehabilitation	0.3	0.1	40.11%
CIP0024_23	Track Rehabilitation	580.4	232.8	40.11%
CIP0024_25	Track Rehabilitation	971.5	428.9	44.15%
CIP0024_26	Track Rehabilitation	1,133.7	500.5	44.15%
CIP0024_27	Track Rehabilitation	493.4	217.9	44.15%
CIP0024_28	Track Rehabilitation	4.5	2.0	44.15%
CIP0024_30	Track Rehabilitation	95.3	42.1	44.15%
CIP0024_32	Track Rehabilitation	300.0	132.4	44.15%
CIP0024_33	Track Rehabilitation	12,899.6	5,695.2	44.15%
CIP0024_35	Track Rehabilitation	69.0	30.5	44.15%
CIP0024_36	Track Rehabilitation	430.0	189.8	44.15%
CIP0024_37	Track Rehabilitation	401.4	177.2	44.15%
CIP0024_38	Track Rehabilitation	299.4	132.2	44.15%
CIP0024_40	Track Rehabilitation	377.7	166.8	44.15%
CIP0024_B98	Track Rehabilitation	66.2	29.2	44.15%
CIP0024_RSA100	Track Rehabilitation	87.8	38.8	44.15%
CIP0024_RSA101	Track Rehabilitation	98.5	43.5	44.15%
CIP0024_RSA106	Track Rehabilitation	350.5	154.7	44.15%

Attachment 2

ID	Description	Direct Labor Cost	Indirect Cost	Indirect Cost Rate
CIP0024_RSA1140	Track Rehabilitation	488.6	215.7	44.15%
CIP0024_RSA1150	Track Rehabilitation	653.5	288.5	44.15%
CIP0024_RSA118	Track Rehabilitation	143.7	63.4	44.15%
CIP0024_RSA128	Track Rehabilitation	114.6	50.6	44.15%
CIP0024_RSA135	Track Rehabilitation	257.4	113.6	44.15%
CIP0024_RSA137	Track Rehabilitation	586.5	258.9	44.15%
CIP0024_RSA165	Track Rehabilitation	100.3	44.3	44.15%
CIP0024_RSA2040	Track Rehabilitation	0.3	0.1	44.15%
CIP0024_RSA2106	Track Rehabilitation	55.3	24.4	44.15%
CIP0024_RSA2113	Track Rehabilitation	88.1	38.9	44.15%
CIP0024_RSA2701	Track Rehabilitation	338.1	149.3	44.15%
CIP0024_RSA446	Track Rehabilitation	37.1	16.4	44.15%
CIP0024_RSA463	Track Rehabilitation	117.6	51.9	44.15%
CIP0024_RSA476	Track Rehabilitation	42.3	18.7	44.15%
CIP0024_RSA511	Track Rehabilitation	106.2	46.9	44.15%
CIP0024_RSA530	Track Rehabilitation	19.1	8.4	44.15%
CIP0024_RSA609	Track Rehabilitation	73.3	32.3	44.15%
CIP0024_RSA625	Track Rehabilitation	639.7	282.4	44.15%
CIP0024_RSA654	Track Rehabilitation	134.8	59.5	44.15%
CIP0024_RSA701	Track Rehabilitation	259.4	114.5	44.15%
CIP0024_RSA720	Track Rehabilitation	124.2	54.8	44.15%
CIP0025	Roadway Equipment and Vehicle Program	521.3	230.1	44.15%
CIP0025_02	Roadway Equipment and Vehicle Program	57.6	25.8	44.88%
CIP0246	General Engineering	2,331.5	935.2	40.11%
CIP0247	Emergency Construction and Emerging Needs Program	118.1	47.4	40.11%
CIP0261	Rail Tunnel Lighting Replacement	315.7	126.6	40.11%
Structures				
CIP0026	Station/Tunnel Leak Mitigation	0.3	0.1	44.15%
CIP0205	Bush Hill Aerial Structure	2.2	0.9	40.11%
CIP0262	Tunnel Water Leak Mitigation	297.3	119.2	40.11%
CIP0291	Tunnel Ventilation Improvements	131.3	52.7	40.11%
CIP0294	Bridge Rehabilitation	187.9	75.4	40.11%
CIP0294_02	Bridge Rehabilitation	33.5	14.8	44.15%
CIP0348	Structural Rehabilitation - Package 1	175.2	77.4	44.15%
CIP0348_01	Structural Rehabilitation - Package 1	0.7	0.3	44.15%
CIP0349	Yellow Line Tunnel and Bridge Rehabilitation	320.4	141.5	44.15%
CIP0356	Tunnel Ventilation Improvements - Red Line Pilot	112.9	49.9	44.15%
CIP0900_05	Tunnel Ventilation Improvements - Red Line Pilot	11.4	5.0	44.15%
Platforms & Structures				
CIP0035	Bicycle & Pedestrian Facility Rehabilitation	72.8	32.2	44.15%

Attachment 2

ID	Description	Direct Labor Cost	Indirect Cost	Indirect Cost Rate
CIP0087	Station and Facility Restoration Program	3,720.0	1,492.1	40.11%
CIP0088	Station Entrance Canopy Installation	465.6	186.7	40.11%
CIP0110	Orange/Blue Line Rehabilitation- Phase 1	(0.0)	(0.0)	0.00%
CIP0152	Parking Garage and Surface Lot Rehabilitation	802.7	354.4	44.15%
CIP0152_01	Parking Garage and Surface Lot Rehabilitation	84.0	37.1	44.15%
CIP0218	Metrorail Station Improvements	121.4	53.6	44.15%
CIP0271	Metrorail Station Emergency Gates Replacement	149.2	67.0	44.88%
CIP0274	Grosvenor Parking Garage Joint Development	36.1	16.0	44.15%
CIP0300	Gallery Place/Chinatown Passenger Circulation Improvement Study	0.3	0.2	81.87%
CIP0302	Huntington Station Parking Garage Replacement	4.4	1.8	40.11%
CIP0305	Rail Passenger Facility State of Good Repair Program	9.7	4.3	44.15%
CIP0306	Stations Platform Rehabilitation - Phase 1	740.2	296.9	40.11%
CIP0307	Station Platform Rehabilitation - Phase 2	2,898.5	947.5	32.69%
CIP0307_02	Station Platform Rehabilitation - Phase 2	991.4	437.7	44.15%
CIP0308	Station Platform Rehabilitation - Phase 3	5,650.5	2,494.7	44.15%
CIP0310	Station Platform Rehabilitation - Phase 4	16.4	7.2	44.15%
CIP0345	Shady Grove Stairway	150.5	60.4	40.11%
CIP8015	D&E Rail Station Improvements	241.1	96.7	40.11%
CIP8015_04	D&E Rail Station Improvements	4.7	1.9	40.11%
CIP8015_05	D&E Rail Station Improvements	1.5	0.7	44.15%
CIP8015_08	D&E Rail Station Improvements	10.6	4.7	44.15%
CIP8015_09	D&E Rail Station Improvements	0.4	0.2	44.15%
CIP8015_11	D&E Rail Station Improvements	66.1	29.2	44.15%
CIP8015_12	D&E Rail Station Improvements	50.2	22.2	44.15%
CIP8015_13	D&E Rail Station Improvements	8.1	3.6	44.15%
CIP8015_14	D&E Rail Station Improvements	2.5	1.1	44.15%
CIP8015_15	D&E Rail Station Improvements	14.3	6.3	44.15%
CRB0013	Potomac Yard Station Construction	1,585.1	699.8	44.15%
CRB0020_02 ⁵	Silver Line Phase 2 Construction Support	13.4	0.5	4.00%
CRB0020_03 ⁵	Silver Line Phase 2 Construction Support	1.5	0.1	4.00%
CRB0020_04 ⁵	Silver Line Phase 2 Construction Support	277.8	11.1	4.00%
CRB0020_05 ⁵	Silver Line Phase 2 Construction Support	4.5	0.2	4.00%
CRB0020_06 ⁵	Silver Line Phase 2 Construction Support	4.7	0.2	4.00%
CRB0020_07 ⁵	Silver Line Phase 2 Construction Support	3,200.8	-	0.00%
CRB0020_08 ⁵	Silver Line Phase 2 Construction Support	1,127.1	-	0.00%

⁵ A separate indirect cost rate and pool calculation are applied to Silver Line project CRB0020.

Attachment 2

ID	Description	Direct Labor Cost	Indirect Cost	Indirect Cost Rate
CRB0127	Purple Line Construction Support	128.0	56.5	44.15%
CRB0127_01	Purple Line Construction Support	11.0	4.9	44.15%
CRB0127_02	Purple Line Construction Support	101.9	45.0	44.15%
CRB0127_03	Purple Line Construction Support	9.9	4.4	44.15%
CRB0127_04	Purple Line Construction Support	7.6	3.4	44.15%
CRB0127_06	Purple Line Construction Support	5.9	2.6	44.15%
CRB0127_07	Purple Line Construction Support	21.1	9.3	44.15%
CRB0133	Capacity Improvements - Union Station	4.8	2.1	44.15%
Station Systems				
CIP0074	Parking Access and Collection Equipment Maintenance	34.9	15.4	44.15%
CIP0150	Support Facility Fire System Rehabilitation	407.4	333.5	81.87%
CIP0151	Rail Station Cooling Rehabilitation Program	955.5	782.3	81.87%
CIP0219	Rail Station Lighting Improvements	1,923.1	771.4	40.11%
CIP0241	Flood Resiliency Infrastructure Upgrades	67.8	27.2	40.11%
CIP0242	Rail System Drainage Rehabilitation Program	1,372.6	550.6	40.11%
CIP0255	Fare Collection Modernization	807.7	324.0	40.11%
CIP0255_01	Fare Collection Modernization	(0.8)	(0.3)	40.09%
CIP0255_03	Fare Collection Modernization	52.9	21.2	40.11%
CIP0255_04	Fare Collection Modernization	133.1	53.4	40.11%
CIP0255_07	Fare Collection Modernization	89.5	39.5	44.15%
CIP0255_08	Fare Collection Modernization	672.8	269.9	40.11%
CIP0255_11	Fare Collection Modernization	1.1	0.4	40.11%
CIP0255_13	Fare Collection Modernization	114.4	50.5	44.15%
CIP0255_14	Fare Collection Modernization	0.8	0.3	44.15%
CIP0255_16	Fare Collection Modernization	23.0	10.1	44.15%
CIP0258	Station And Tunnel Fire Alarm Rehabilitation	325.8	143.9	44.15%
CIP0341	Rail System Standpipe Replacement Program	2,394.4	960.4	40.11%
CIP0352	Rail Station Platform Canopy Rehabilitation Program	14.3	6.3	44.15%
Vertical Transportation				
CIP0072	Elevator Rehabilitation Program	463.9	186.1	40.11%
CIP0073	Escalator Rehabilitation	807.5	323.9	40.11%
CIP0132	Escalator and Elevator Overhaul Program	1,228.3	492.7	40.11%
CIP0185	Escalator Replacement	1,074.0	474.2	44.15%
Bus and Paratransit Acquisition				
CIP0006	Bus Fleet Acquisition Program	326.2	94.5	28.98%
CIP0015	MetroAccess Fleet Acquisition	261.4	993.5	380.09%
CIP0355	Zero Emission Bus Acquisition and Evaluation	0.6	0.3	44.15%
CIP8021	D&E Bus & Paratransit Improvements	11.0	4.9	44.15%
Bus Maintenance Facilities				
CIP0085	Cinder Bend Road Bus Facility	3.3	1.5	44.15%

Attachment 2

ID	Description	Direct Labor Cost	Indirect Cost	Indirect Cost Rate
CIP0086	Shepherd Parkway Bus Facility	5.5	2.1	37.91%
CIP0311	Bladensburg Bus Garage Replacement	414.5	157.1	37.91%
CIP0315	Northern Bus Garage Replacement	326.7	94.7	28.98%
CIP8025	D&E Bus Maintenance Facility Improvements	67.1	25.4	37.91%
Bus Maintenance/Overhaul				
CIP0004	Bus Maintenance Equipment Replacement Program	255.9	97.0	37.91%
CIP0005	Bus Vehicle Rehabilitation Program	11,262.0	4,269.5	37.91%
CIP0143	Bus Vehicle Preventive Maintenance	447.4	169.6	37.91%
Bus Passenger Facilities/Systems				
CIP0221	Bus Customer Facility Improvements	55.2	20.9	37.91%
CIP0254	Bus Priority Program Development	220.7	63.9	28.98%
CIP0266	Historic Bus Loop and Facility Rehabilitation	270.7	78.5	28.98%
CIP0275	New Carrollton Garage and Bus Bays	26.1	11.5	44.15%
CIP8027	D&E Bus Passenger Facility Improvements	7.9	3.5	44.15%
CRB0012	King Street Station Bus Loop	15.8	4.6	28.98%
Information Technology				
CIP0042	Asset Management Software Improvements	2.4	1.1	44.15%
CIP0043_01	Bus Scheduling and Operations Software Improvements	19.9	8.8	44.15%
CIP0044_05	Information Technology Capital Program Support	0.7	0.3	44.15%
CIP0049_10	Technology Improvements for Administrative Functions	16.5	7.3	44.15%
CIP0049_12	Technology Improvements for Administrative Functions	0.7	0.3	44.15%
CIP0052	Network and Communications	1.2	0.5	44.15%
CIP0052_03	Network and Communications	3.9	1.7	44.15%
CIP0053	Network Operations Center (NOC)	2.4	1.1	44.15%
CIP0056	Rail Service Management Software Improvements	2.9	1.3	44.15%
CIP0230	Wireless Communication Infrastructure	(0.3)	(0.1)	44.15%
CIP0330	Information Technology Data Center	35.5	15.7	44.15%
CIP0342_01	Information Technology Hardware State of Good Repair	9.2	4.1	44.15%
CIP0342_02	Information Technology Hardware State of Good Repair	24.7	10.9	44.15%
CIP0343_02	Information Technology Software State of Good Repair	11.9	5.3	44.15%
CIP0343_16	Information Technology Software State of Good Repair	0.2	0.1	44.15%
Metro Transit Police Department				
CIP0102	Police District III Substation	10.9	7.5	68.77%
CIP0106	Special Operations Division Facility	70.3	31.0	44.15%
CIP0127	Transit Police Support Equipment	0.1	0.1	68.77%
CIP8032	Future Metro Transit Police Projects	4.8	2.1	44.15%
Support Equipment/Services				
CIP0010	Environmental Compliance Program	109.4	48.3	44.15%
CIP0010_01	Environmental Compliance Program	275.9	121.8	44.15%
CIP0010_06	Environmental Compliance Program	20.2	8.9	44.15%

Attachment 2

ID	Description	Direct Labor Cost	Indirect Cost	Indirect Cost Rate
CIP0011	Underground Storage Tank Replacement	0.1	0.1	44.15%
CIP0034	Revenue Collection Facility Rehabilitation	2.0	0.7	33.95%
CIP0034_01	Revenue Collection Facility Rehabilitation	2.3	0.8	33.95%
CIP0036	Procurement Program Support	738.3	326.0	44.15%
CIP0099	Joint Development Program Support	151.4	104.1	68.77%
CIP0170	Facility Roof Rehabilitation and Replacement	895.8	395.5	44.15%
CIP0197_01	Support Facility Improvements	0.4	0.2	44.15%
CIP0197_02	Support Facility Improvements	0.2	0.1	44.15%
CIP0212	Sustainability/Resiliency Program	39.6	17.5	44.15%
CIP0213	Capital Program Development Support	4,529.1	1,999.6	44.15%
CIP0270_01	Capital Delivery Program Support	861.2	380.2	44.15%
CIP0270_03	Capital Delivery Program Support	446.0	196.9	44.15%
CIP0272_01	Digital Display and Wayfinding Improvements	120.9	53.4	44.15%
CIP0273	Support Facility Rehabilitation	586.0	258.7	44.15%
CIP0273_03	Support Facility Rehabilitation	742.5	327.8	44.15%
CIP0324	Capital Program Financial Support	1,170.9	517.0	44.15%
CIP0335	Office Consolidation - District of Columbia	63.2	27.9	44.15%
CIP0335_01	Office Consolidation - District of Columbia	0.0	0.0	44.17%
CIP0337	Office Consolidation - Virginia	23.6	10.4	44.15%
CIP0338	Office Consolidation - Maryland	4.0	1.8	44.15%
CIP0347	Accounting Capital Program Support	456.2	154.9	33.95%
CIP8033_01	D&E Support Equipment Improvements	139.9	61.8	44.15%
CRB0005_55	Planning Support for the District of Columbia	64.3	28.4	44.15%
CRB0009_59	Planning Support for Maryland Jurisdictions	56.7	25.0	44.15%
CRB0018_67	Planning Support for Virginia Jurisdictions	105.1	46.4	44.15%
SCOVID-19_01	COVID-19 Infrastructure Maintenance	304.8	141.1	46.27%
Grand Total		\$ 159,133.4	\$ 73,210.5	46.01%

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. During FY2021, \$73.2 million in indirect costs were applied to capital projects

and \$73.2 million in indirect costs were deducted from operating expenditure. The results of this reconciliation are summarized in **Table 3**.

Table 3. FY2021 Indirect Cost Reconciliation

Month Ending	Indirect Costs Applied to the Capital Program	Indirect Costs Deducted from Operating Expenditure	Variance
July 2020	\$ 4,880,774	\$ (4,880,774)	\$ -
August 2020	5,618,975	(5,618,975)	-
September 2020	5,172,602	(5,172,602)	-
October 2020	3,398,194	(3,398,194)	-
November 2020	5,668,347	(5,668,347)	-
December 2020	5,822,920	(5,822,920)	-
January 2021	3,955,744	(3,955,744)	-
February 2021	8,734,257	(8,734,257)	-
March 2021	8,173,313	(8,173,313)	-
April 2021	7,182,158	(7,182,158)	-
May 2021	5,395,059	(5,395,059)	-
June 2021	9,208,157	(9,208,157)	-
Total	\$ 73,210,500	\$ (73,210,500)	\$ -

FY2021 Dedicated Funding Deliverables

Status	Source	Reference	Requirement	Deadline	Status Comment
Completed	Virginia Dedicated Funding Legislation (2018 HB 1539/SB 856)	Va. Code Ann. §33.2-1526.1.K	<p>K. In any year that the total Virginia operating assistance in the approved WMATA budget increases by more than three 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 D 3. 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; (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; and (iv) any service increases approved by the WMATA Board.</p> <p>9/18/18 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>	07/01/2020	Metro sent a letter to CTB on 07/01/20 and received approval from CTB on 10/20/20.
Completed	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.	08/16/2021	Dedicated funding cash balances are provided in Table 3, "Receipt and Utilization of State and Local Contributions" of the Quarterly CIP Progress Reports: https://www.wmata.com/initiatives/capital-improvement-program/Capital-Program-Documents.cfm
Completed	Virginia Dedicated Funding Legislation (2018 HB 1539/SB 856)	Va. Code Ann. § 33.2-3403	<p>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:</p> <ol style="list-style-type: none"> 1. The safety and reliability of the rapid heavy rail mass transportation system and bus network; 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; 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; 4. Potential strategies to reduce the growth in such costs and to improve the efficiency of WMATA operations; 5. Use of the funds provided from the Fund to improve the safety and condition of the rapid heavy rail mass transportation system; and 6. Ridership of the rapid heavy rail mass transportation system and the bus mass transportation system 	12/15/2021	This is an NVTC requirement. NVTC issued its annual report on WMATA on 12/14/21.

FY2021 Dedicated Funding Deliverables

Status	Source	Reference	Requirement	Deadline	Status Comment
Completed	Maryland Dedicated Funding Legislation (2018 HB 372/SB 277)	Md. Transp. Code Ann. §10-205(b)(3)	<p>(3) (i) For any fiscal year in which the total Maryland operating assistance provided in the approved Washington Metropolitan Area Transit Authority budget increases by more than 3% over the total operating assistance provided in the prior fiscal year's approved Washington Metropolitan Area Transit Authority budget, the Secretary shall withhold an amount equal to 35% of the funds available under paragraphs (1) and (2) of this subsection.</p> <p>(ii) For purposes of calculating a budget increase under subparagraph (i) of this paragraph, the following items may not be included:</p> <ol style="list-style-type: none"> 1. The cost of any service, equipment, or facility that is required by law; 2. A capital project approved by the board of directors of the Washington Metropolitan Area Transit Authority; and 3. Any payments or obligations arising from or related to legal disputes or proceedings between or among the Washington Metropolitan Area Transit Authority and any other person. <p>*VA has similar requirement</p>	07/01/2020	N/A - WMATA's FY21 Budget was adopted within 3% cap. Letter to VA attached for reference.
Completed	Maryland Dedicated Funding Legislation (2018 HB 372/SB 277)	Md. Transp. Code Ann. §10-205(f)(2)(i)	<p>Legislation Requires: 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"> 1. Performance and condition assessments and reports regarding: <ol style="list-style-type: none"> A. The safety and reliability of rapid heavy rail and bus systems; B. (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; C. The monthly ridership of rail and bus systems broken down by Metrorail station, Metrorail line, bus stop, and bus line; D. (budget) Strategies to reduce costs and improve WMATA's operational efficiency; and E. (budget) The comparison of annual capital investments and approved budgets; and 2. The Washington Metropolitan Area Transit Authority's: <ol style="list-style-type: none"> A. Annual budget; B. Annual independent financial audit; C. Annual National Transit Database profile; and D. Individual audit reports. 	06/30/2021	Metro provided ridership data on 5/7/21 and 6/24/21. Documents fulfilling the financial reporting requirements were provided 6/1/21; for attachments, also see files uploaded in compliance with Md. Transp. Code §10-205(f)(2)(i)(2) for FY21.

FY2021 Dedicated Funding Deliverables

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.B-C.	<p>Agreement Requires:</p> <p>B. WMATA shall submit, annually by June 1 for the most recently audited fiscal year, to MDOT and WSTC the Authority's:</p> <p>(1) Annual independent financial audit and Single Audit;</p> <p>(2) Annual National Transit Database profile; and</p> <p>(3) Assessment of safety-critical infrastructure and state of good repair needs.</p> <p>C. WMATA shall prepare and submit, annually by June 1, for the next to occur fiscal year, to MDOT and WSTD:</p> <p>(1) Annual budget, including funding sources for the budget , anticipated debt capacity, and any anticipated cash reserves and dedicated funding debt, if any;</p> <p>(2) Policies and procedures for the capital planning process, which includes prioritizing and selecting individual projects based on specific and clearly-stated methodology;</p> <p>(3) Annual approved CIP;</p> <p>(4) Debt Policy reviewed and approved by the Board at least annually;</p> <p>(5) Asset inventory and condition assessment procedures; and</p> <p>(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.</p> <p>D. WMATA shall prepare and submit as available, quarterly updates on the measures established in C.6 above.</p>	06/01/2021	WMATA provided the required documents on 6/1/21.
Completed	Maryland Dedicated Funding Legislation (2018 HB 372/SB 277);#Maryland Dedicated Capital Funding Agreement	Md. DFA Sec 4.A	<p>Agreement Requires:</p> <p>A. WMATA shall apply the Contribution provided under this Agreement to items identified in the approved CIP.</p> <p>(1) The approved CIP shall contain:</p> <p>a. The Authority's safety, state of good repair, and financial accountability goals;</p> <p>b. Program priorities;</p> <p>c. The criteria used to select capital projects for inclusion in the CIP;</p> <p>d. The manner in which each project was evaluated and ranked;</p> <p>e. Descriptions of capital projects;</p> <p>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;</p> <p>g. For each listed capital project, an indication whether the revenue source anticipated to support that project consists of federal, jurisdictional, or other funds;</p> <p>h. The Authority's estimates of the levels and sources of revenues to be used to fund the projects in the Program; and</p> <p>i. A glossary of terms.</p>	07/01/2020	The approved FY2021 Budget and Six-Year CIP includes each of these items and can be accessed here: https://www.wmata.com/about/records/public-records.cfm .

FY2021 Dedicated Funding Deliverables

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	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, WMA TA 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.	08/30/2021	Reprogramming reports were provided on 12/10/20 (Jul-Nov), 3/24/21 (Dec), 6/14/21 (Jan-Mar), and 09/16/21 (Apr-Jun).
Completed	Maryland Dedicated Funding Legislation (2018 HB 372/SB 277);#Maryland Dedicated Capital Funding Agreement	Md. DFA Sec 4.F	Agreement Requires: 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.	12/31/2021	WMATA included this information in the FY21 Annual Reconciliation Report, which was sent to the jurisdictions on 11/30/21.
Completed	Maryland Dedicated Funding Legislation (2018 HB 372/SB 277)	Md. Transp. Code Ann. §10-205 (f)(2)(iii)	(iii) 1. The Governor shall withhold 35% of the appropriation under paragraph (1) of this subsection if: 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 70 of the Washington Metropolitan Area Transit Authority Compact under § 10-204 of this subtitle; and 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 board of directors of the Washington Metropolitan Area Transit Authority and the Maryland General Assembly a satisfactory corrective plan that addresses the reasons for the modified audit opinion.	06/30/2022	WMATA received a clean audit for FY2021; the auditor did not offer a modified opinion. Single audit reports can be found here: https://www.wmata.com/about/records/public-records.cfm .

FY2021 Dedicated Funding Deliverables

Status	Source	Reference	Requirement	Deadline	Status Comment
Completed	District of Columbia Emergency Legislation	DC Code §1-325.401(c)(2)	<p>Creates WMATA Dedicated funding Fund, provides \$178.5 million annually. Requires a grant agreement with WMATA.</p> <p>§ 1–325.401. Dedicated funding for WMATA.</p> <p>(a) There is established as a special fund the Washington Metropolitan Area Transit Authority Dedicated Financing Fund ("Fund"), which shall be administered by the Mayor in accordance with subsection (c) of this section.</p> <p>(b) There shall be deposited into the Fund general retail sales tax revenue collected pursuant to Chapter 20 of Title 47 as follows:</p> <p>(1) In Fiscal Year 2019 -- \$178.5 million;</p> <p>(2) In Fiscal Year 2020 -- \$178.5 million; and</p> <p>(3) In Fiscal Year 2021, and each successive year, an amount of general retail sales tax revenue equal to the District's allocation of the Washington Metropolitan Area Transit Authority ("WMATA") jurisdictional formula, applied to the total annual WMATA capital funding need of \$500 million in Fiscal Year 2020, escalated annually by 3% above the preceding fiscal year.</p> <p>(c)(1) Money in the Fund in Fiscal Year 2019 shall be used as a source of funding to make the District's payment to WMATA through agency KEO as shown in the Fiscal Year 2019 Budget and Financial Plan.</p> <p>(2) Pursuant to a grant agreement between the District and WMATA, and subject to subsection (d) of this section, starting in Fiscal Year 2020, money in the Fund shall be distributed to WMATA by the Mayor as a grant for the purposes of WMATA capital improvements, including payment on borrowings for such capital improvements.</p> <p>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.</p>	Not Specified	The DC Dedicated Funding Grant Agreement for FY2021 was executed 10/20/20. The agreement term is from 10/01/20 - 09/30/26.

FY2021 Dedicated Funding Deliverables

Status	Source	Reference	Requirement	Deadline	Status Comment
Completed	District of Columbia Emergency Legislation;#DC Dedicated Capital 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.	06/30/2021	Dedicated Funding was budgeted for use for SGR projects/programs per the FY2021 Capital Budget, which can be accessed here: https://www.wmata.com/about/records/public-records.cfm
Completed	District of Columbia Emergency Legislation;#DC Dedicated Capital Funding Agreement	DC DFGA Sec. 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.	12/31/2021	The FY2021 Annual Reconciliation Report, provided to the jurisdictions on 11/30/21, indicates the Dedicated Funding balance as of 06/30/21. Expenses aligned with Dedicated Funding exceeded receipts.
Completed	District of Columbia Emergency Legislation;#DC Dedicated Capital Funding Agreement	DC DFGA Sec. 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 specified	The FY2021 Capital Budget was approved by the Board through Resolution 2020-09 on 04/02/20. It can be accessed here: https://www.wmata.com/about/records/public-records.cfm .

FY2021 Dedicated Funding Deliverables

Status	Source	Reference	Requirement	Deadline	Status Comment
Completed	District of Columbia Emergency Legislation;#DC Dedicated Capital Funding Agreement	DC DFGA Sec. 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 Specified	The "Financial Plan by Investment Category" tables indicate how much dedicated funding will be used for debt service. The Budget can be accessed here: https://www.wmata.com/about/records/public_docs/upload/FY2021-Approved-Budget_Final-2.pdf .
Completed	District of Columbia Emergency Legislation;#DC Dedicated Capital Funding Agreement	DC DFGA Sec. 9	Quarterly Progress Reports 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.	08/31/2021	CIP Progress reports were provided to the jurisdictions on 12/10/20 (Q1), 3/24/21 (Q2), 6/14/21 (Q3), and 9/16/21 (Q4).
Acknowledged	District of Columbia Emergency Legislation;#DC Dedicated Capital Funding Agreement	DC DFGA Sec. 10(a)(i)	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.	Not Applicable	No reporting requirement

FY2021 Dedicated Funding Deliverables

Status	Source	Reference	Requirement	Deadline	Status Comment
Acknowledged	District of Columbia Emergency Legislation;#DC Dedicated Capital Funding Agreement	DC DFGA Sec. 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 Applicable	No reporting requirement
Completed	District of Columbia Emergency Legislation;#DC Dedicated Capital Funding Agreement	DC DFGA Sec. 10(a)(ii)	<p>(ii) Annual Reporting Requirement for Capital Expenditures, Indirect and Overhead Costs</p> <p>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 Cost 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 Cost 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 Cost 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 Cost 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.</p>	06/30/2020	The ICRP for FY2021 was submitted on 06/23/20.
Completed	District of Columbia Emergency Legislation;#DC Dedicated Capital Funding Agreement	DC DFGA Sec. 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>	12/13/2021	The FY2021 Indirect Cost Report was distributed to the jurisdictions on 1/7/2022.

FY2021 Dedicated Funding Deliverables

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.A	<p>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:</p> <ol style="list-style-type: none"> 1. WMATA's annual capital budget; 2. WMATA's annual independent financial audit; 3. WMATA's National Transit Data annual profile; and 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). <p>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.</p> <p>NVTC sent a letter to the WMATA GM/CEO on July 6, 2018 requesting that these four documents be provided to NVTC.</p> <p>Note: MD has similar requirement</p>	07/01/2021	The required documents were submitted on 06/22/21.
Completed	Virginia Dedicated Funding Legislation (2018 HB 1539/SB 856)	Va. Code Ann. §33.2-1526.1.L	<p>L. The Board shall withhold 20 percent of the funds available pursuant to subdivision D 3 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.</p> <p>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."</p>	07/01/2021	The required letter was submitted on 6/25/21.
Completed	Virginia Dedicated Funding Legislation (2018 HB 1539/SB 856);#Virginia Acts of Assembly	Va. Acts of Assembly 2018, Chapter 854, Article 11	<p>8. ... 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 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>8. ... 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 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>	7/1/2020	The 2019 Strategic Plan adoption was acknowledged in the 07/01/20 letter to Secretary of Transportation. The CTB provided approval on 10/20/20 (see attachment).

FY2021 Dedicated Funding Deliverables

Status	Source	Reference	Requirement	Deadline	Status Comment
Completed	Capital Funding Agreement (2021);#DC Local Capital Funding Agreement (2021);#DC Dedicated Capital Funding Agreement	CFA Sec. 5(a)	<p>Annual Budget Reconciliation Process</p> <p>(a) Reconciliation.</p> <p>As part of its annual budget process in each year during the term of this Agreement, WMATA shall prepare a reconciliation of –</p> <p>(1) the actual expenditures for Projects and Programs for the most recently completed fiscal year Capital Budget, as compared to the planned expenditures for such Programs and Projects for the same fiscal year;</p> <p>(2) the actual Allocated Contribution of each of the Contributing Jurisdictions to date, as compared to the scheduled Allocated Contribution of each Contributing Jurisdiction for the most recently completed fiscal year Capital Budget;</p> <p>(3) the projected Allocated Contributions of each Contributing Jurisdiction for the most recently completed fiscal year Capital Budget;</p> <p>(4) the actual amount of Federal grant funds received for the Capital Budget, as compared to the budgeted or projected amount of Federal grant funds for the same fiscal year; and</p> <p>(5) the current forecast of expenditures; and</p> <p>(6) the estimated cost to complete the remaining Projects and Programs in the current Capital Improvement Program and expected sources of those funds.</p>	11/30/2021	The FY2021 Annual Reconciliation Report was distributed to the jurisdictions on 11/30/21.
Completed	Capital Funding Agreement (2021);#DC Local Capital Funding Agreement (2021);#DC Dedicated Capital Funding Agreement	CFA Sec. 5(b)	<p>(b) Application of Reconciled Payment Amounts.</p> <p>On or before November 30th of each year, WMATA shall have performed the reconciliation described in the above section, including whether there is a surplus of funds paid in by the Contributing Jurisdictions. The results of this reconciliation shall be used in the Capital Budget currently under development as well as to review the Capital Budget for the fiscal year then currently in effect at the time that the reconciliation is completed. WMATA shall, to the best of its abilities, use all of the Jurisdictional Contributions in the fiscal year they are provided. The Parties acknowledge and agree that this may not be practical at all times. In the event that WMATA is unable to use all of the System Performance Funding provided to it in the fiscal year received (FY1), WMATA shall use those funds ("Carryover Funds") as a funding source for the next to occur fiscal year (FY2) as follows:</p> <p>(1) first, program those funds to cover accrued expenses from FY1;</p> <p>(2) second, program those funds for planned expenses in FY2;</p> <p>(3) third, reduce the Dedicated Funding Debt to be issued in FY2;</p> <p>(4) fourth, in the event that no Dedicated Funding Debt is issued to fund projects in the then-current fiscal year, use the Carryover funds as a funding source in the next to occur fiscal year (FY3);</p> <p>(5) Finally, in the event that Carryover Funding exceeds the Dedicated Funding Debt to be issued in FY3, reduce the Allocated Contribution by the amount of Carryover Funding that exceeds the anticipated Dedicated Funding Debt in FY3.</p>	11/30/2021	The Annual Reconciliation was completed and submitted on 11/30/21. The balance of funds available from FY21 will be used in subsequent years per the CFA prioritization.

FY2021 Dedicated Funding Deliverables

Status	Source	Reference	Requirement	Deadline	Status Comment
Completed	DC Local Capital Funding Agreement (2021);#Capital Funding Agreement (2021);#DC Dedicated Capital Funding Agreement	CFA Sec. 5(c)	(c) Revenue Shortfalls. If the reconciliation process conducted under subsection (a) of this Section reveals that there are shortfalls in revenues for the Capital Improvement Program due to late or insufficient contributions by a Contributing Jurisdiction or to the receipt of less than the assumed level of Federal funds, or other funds that support the CIP, WMATA shall develop a recovery plan for addressing such shortfalls. Such recovery plan, as approved by the WMATA Board of Directors through its annual 30 budget process, shall include one or more of the following alternatives: (1) utilization of Short-Term Debt or other Funding Sources; (2) value engineering, project re-design, or other cost reduction measures for future Projects and Programs; (3) re-scheduling of Projects and Programs in the Capital Improvement Program; (4) subject to agreement of the Contributing Jurisdictions, increasing the levels of Allocated Contributions from the Contributing Jurisdictions; and/or (5) the implementation of Project Deferrals under subsection (e) of this Section.	06/30/2022	The Annual Reconciliation was completed and submitted on 11/30/21. There were no revenue shortfalls in FY2021.
Completed	Capital Funding Agreement (2021);#DC Local Capital Funding Agreement (2021);#DC Dedicated Capital Funding Agreement	CFA Sec. 5(d)	(d) Revenue Increases. If the reconciliation process conducted under subsection (a) of this Section reveals that Federal or other funds, excluding Allocated Contributions, have been received which substantially exceed the assumed level of funding, such excess funds shall be applied (1) to the unfunded priorities in the Capital Improvement Program or to other needs identified by the WMATA Board; or (2) to any outstanding Dedicated Funding Debt or Short-Term Debt thereby increasing the funding available to implement the CIP, as determined by the WMATA Board of Directors through its annual budget process.	06/30/2022	The Annual Reconciliation was completed and submitted on 11/30/21. The balance of funds available from FY21 will be used in subsequent years per the CFA prioritization.
Completed	DC Local Capital Funding Agreement (2021);#Capital Funding Agreement (2021);#DC Dedicated Capital Funding Agreement	CFA Sec. 5(e)	(e) Project Deferrals. If WMATA is unable to satisfactorily address revenue shortfalls under subsection (c) of this Section, the WMATA Board may, through the next WMATA budget process, or through the Capital Budget modification process, modify the Capital Improvement Program to defer certain Projects or Programs in order to assure that the Capital Improvement Program can be funded during the term of this Agreement within the amount of available financial resources.	06/30/2022	The Annual Reconciliation was completed and submitted on 11/30/21. The balance of funds available from FY21 will be used in subsequent years per the CFA prioritization.
Completed	District of Columbia Emergency Legislation	DC DFGA Sec. 3a	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 each of District Fiscal Years 2021 2022, 2023, 2024, 2025, and 2026, unless a lesser amount is prescribed by District or federal law or authorized by this section. The District will increase its Dedicated Funding Grant by up to 3% in each year of this Agreement in direct proportion to any increase above the respective minimum Other Dedicated Funding provided by both Maryland and Virginia, unless a lesser amount is prescribed by District or federal law or authorized by this section. The parties acknowledge that at this time neither Maryland nor Virginia have passed legislation authorizing the 3% increase contemplated above and found in the District legislation. Until such time as WMATA provides the District notice that both Maryland and Virginia have agreed to an increase in the amount of their Other Dedicated Funding, the District shall have no obligation to increase the amount of this Dedicated Funding Grant beyond the base year amount specified in the District's legislation.	Not Specified	During FY2021, neither MD or VA authorized an increase in Dedicated Funding.

FY2021 Dedicated Funding Deliverables

Status	Source	Reference	Requirement	Deadline	Status Comment
Completed	District of Columbia Emergency Legislation	DC DFGA Sec. 3b	If Maryland or Virginia does not pay, in full or in part, the amount of Other Dedicated Funding for a WMATA Fiscal Year, or if WMATA receives notice that Maryland or Virginia will not pay, in full or in part, such amount, WMATA shall notify the District of any such failure or expected failure within five (5) business days after the failure or within five (5) business days after the date it becomes aware of the expected failure, whichever is applicable. The District may, in its sole discretion, reduce its Dedicated Funding Grant in that WMATA Fiscal Year by a proportional amount of any Maryland or Virginia reduction of their respective Other Dedicated Funding for a WMATA Fiscal Year or incremental payment. In the event that the District has already made its semiannual payments described in subsection (b) of this section prior to receiving notice that either Maryland or Virginia did not pay its full amount of Other Dedicated Funding, then the District may direct WMATA to not use a proportional amount of Dedicated Funding Grant in that WMATA Fiscal Year and credit an equal amount to the required District payment under this Agreement, or any successor agreement, for the next WMATA Fiscal Year.	06/30/2021	During FY21, MD and VA made their full dedicated funding contribution.

FY2021 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

(1/12th) 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 25th 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 (1/12th) 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 1/12th 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) 1/12th 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

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.

(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.

(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]

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:



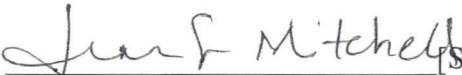
Dennis Anosike [Seal]
Chief Financial Officer

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

Attest:



Witness

By: 

Jennifer Mitchell [Seal]
Director



**ATTACHMENT 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

Resolution of the Board
Approval of Policy and Guidelines for Implementation of Governance and Funding Reforms for the Washington
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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.

Resolution of the Board

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

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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).

Resolution of the Board
Approval of Policy and Guidelines for Implementation of Governance and Funding Reforms for the Washington
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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)

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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;

- 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:

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

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]

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 22 day of October, 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. Transportation Code Ann. § 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.

(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.
- (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 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) “District” means the District of Columbia.
- (k) “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 2021 begins on October 1, 2020.
- (l) “Effective Date” means the date on which this Agreement becomes effective, as further defined in Section 14 of this Agreement.
- (m) “Other Dedicated Funding” means the funds authorized by Md. Transportation Code Ann. § 10-205; and Va. Code § 33.2-3401 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.

(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, 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 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 each of District Fiscal Years 2021 2022, 2023, 2024, 2025, and 2026, unless a lesser amount is prescribed by District or federal law or authorized by this section. The District will increase its Dedicated Funding Grant by up to 3% in each year of this Agreement in direct proportion to any increase above the respective minimum Other Dedicated Funding provided by both Maryland and Virginia, unless a lesser amount is prescribed by District or federal law or authorized by this section. The parties acknowledge that at this time neither Maryland nor Virginia have passed legislation authorizing the 3% increase contemplated above and found in the District legislation. Until such time as WMATA provides the District notice that both Maryland and Virginia have agreed to an increase in the amount of their Other Dedicated Funding, the District shall have no obligation to increase the amount of this Dedicated Funding Grant beyond the base year amount specified in the District's legislation.
- (b) If Maryland or Virginia does not pay, in full or in part, the amount of Other Dedicated Funding for a WMATA Fiscal Year, or if WMATA receives notice that Maryland or Virginia will not pay, in full or in part, such amount, WMATA shall notify the District of any such failure or expected failure within five (5) business days after the failure or within five (5) business days after the date it becomes aware of the expected failure, whichever is applicable. The District may, in its sole discretion, reduce its Dedicated Funding Grant in that WMATA Fiscal Year by a proportional amount of any Maryland or Virginia reduction of their respective Other Dedicated Funding for a WMATA Fiscal Year or incremental payment. In the event that the District has already made its semi-annual payments described in subsection (b) of this section prior to receiving notice that either Maryland or Virginia did not pay its full amount of Other Dedicated Funding, then the District may direct WMATA to not use a proportional amount of Dedicated Funding Grant in that WMATA Fiscal Year and credit an equal amount to

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the required District payment under this Agreement, or any successor agreement, for the next WMATA Fiscal Year.

- (c) 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 forty-five (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 the amount set forth in subsection (a) of this section, subject to any adjustment made by the District, in its sole discretion, to reflect underpayments by other jurisdictions in the current or prior WMATA Fiscal Year.
 - (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:
 - (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.

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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, 2020 through June 30, 2026 (the "WMATA FY2021-FY2026 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 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 FY2021-FY2026 CIP over its six-year period is approximately \$10,396,000,000 in year-of-expenditure dollars inclusive of projects to be funded with Dedicated Funding Grants.

(d) Schedule. Implementation of the WMATA FY2021-FY2026 CIP will be over the period beginning in WMATA Fiscal Year 2021 and ending in WMATA Fiscal Year 2026.

(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. 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.

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.

(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 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) 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 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.

(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 Cost 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 Cost 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 Cost 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 Cost 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 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.

(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.

(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.

(d) 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 or pay, in full or in part, the amount of its share of Other Dedicated Funding or if either Maryland or Virginia fails to appropriate or pay, in full or in part, the amount of its Other Dedicated Funding at any time during the fiscal year. WMATA will also notify the District within five (5) business days following the close of the WMATA Fiscal Year of the amount of Other Dedicated Funding that Maryland and Virginia paid for the WMATA Fiscal Year, and whether it satisfies their respective share.

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.

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:

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- (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.

SEC. 14. EFFECTIVE DATE AND TERM OF AGREEMENT

- (a) Effective Date. This Agreement shall take effect on the later of October 1, 2020, or the date the last party executes this Agreement.

(b) Term.

(i) The term of this Agreement shall begin October 1, 2020 and shall terminate on September 30, 2026.

(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, 2026, 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 sixty (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 thirty (30) calendar days after the date of the District's notification. The District shall not terminate this Agreement until after WMATA’s reconsideration request has been considered but may withhold funds in the interim. The District’s decision upon reconsideration, if requested, will be final.

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(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

To the Washington Metropolitan Area Transit Authority:

General Manager
Washington Metropolitan Area Transit Authority

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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

Executive Vice President
Strategy, Planning, and Program Management
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) 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,

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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.

(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.

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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
22 day of October, 2020.

WASHINGTON METROPOLITAN AREA
TRANSIT AUTHORITY


Attest:

Marc Biondi Date: 2020.10.08
E007371 WMATA 16:26:26 -04'00'

Witness

By:

**Thomas J
Webster**

 Digitally signed by Thomas J
Webster
Date: 2020.10.08 13:24:37 -04'00'

Executive Vice President
Strategy, Planning & Program Management

Dated: _____

[signatures continued on following page]

DISTRICT OF COLUMBIA

Attest:

Kimberly Bassett
Witness

By: Philip Bowser
Mayor

Approved as to Form and Legal Sufficiency:

By: Karl A. Racine/by JD
Attorney General

Dated: October 22, 2020

Financial Plan by Investment Category

Capital Investment Categories (\$M)	FY2021 Budget	FY2022 Plan	FY2023 Plan	FY2024 Plan	FY2025 Plan	FY2026 Plan	6 Year Total
Railcar	\$280	\$257	\$333	\$347	\$454	\$565	\$2,236
Rail Systems	\$165	\$131	\$163	\$153	\$147	\$132	\$891
Track and Structure Rehabilitation	\$148	\$176	\$166	\$193	\$161	\$170	\$1,014
Stations and Passenger Facilities	\$546	\$526	\$391	\$252	\$192	\$179	\$2,085
Bus and Paratransit	\$208	\$225	\$293	\$313	\$284	\$216	\$1,539
Business Support	\$475	\$550	\$218	\$236	\$243	\$227	\$1,949
Total Capital Investments	\$1,821	\$1,865	\$1,563	\$1,493	\$1,481	\$1,490	\$9,714
Revenue Loss from Capital Projects	\$23	\$24	\$25	\$25	\$26	\$27	\$149
Debt Service - Dedicated Funding	\$31	\$52	\$84	\$104	\$121	\$140	\$533
Total Capital Program Cost	\$1,875	\$1,941	\$1,672	\$1,623	\$1,628	\$1,657	\$10,396

Financial Plan - Allocation of State & Local Contributions

	FY2021 Budget	FY2022 Plan	FY2023 Plan	FY2024 Plan	FY2025 Plan	FY2026 Plan	6 Year Total
Federal Funding							
Federal Formula Programs	\$321,106,774	\$321,106,774	\$321,106,774	\$321,106,774	\$321,106,774	\$321,106,774	\$1,926,640,644
Federal PRIIA	\$148,500,000	\$0	\$0	\$0	\$0	\$0	\$148,500,000
Other Federal Grants	\$19,964,914	\$4,428,532	\$2,800,000	\$2,960,000	\$2,840,000	\$2,840,000	\$35,833,446
Total - Federal Grants	\$489,571,688	\$325,535,306	\$323,906,774	\$324,066,774	\$323,946,774	\$323,946,774	\$2,110,974,090
State & Local Funding Contributions							
District of Columbia							
Formula Match & System Performance	\$95,116,884	\$99,240,193	\$101,357,944	\$105,205,060	\$107,436,033	\$108,760,022	\$617,116,136
PRIIA	\$49,500,000	\$49,500,000	\$49,500,000	\$49,500,000	\$49,500,000	\$49,500,000	\$297,000,000
Dedicated Funding	\$178,500,000	\$178,500,000	\$178,500,000	\$178,500,000	\$178,500,000	\$178,500,000	\$1,071,000,000
Subtotal - District of Columbia	\$323,116,884	\$327,240,193	\$329,357,944	\$333,205,060	\$335,436,033	\$336,760,022	\$1,985,116,136
State of Maryland							
Montgomery County	\$45,005,174	\$45,864,257	\$47,564,988	\$48,676,827	\$50,496,360	\$52,746,682	\$290,354,288
Prince George's County	\$45,181,684	\$46,915,584	\$48,154,482	\$49,877,126	\$51,081,137	\$52,036,091	\$293,246,104
MD PRIIA	\$49,500,000	\$49,500,000	\$49,500,000	\$49,500,000	\$49,500,000	\$49,500,000	\$297,000,000
MD Dedicated Funding	\$167,000,000	\$167,000,000	\$167,000,000	\$167,000,000	\$167,000,000	\$167,000,000	\$1,002,000,000
Subtotal - Maryland	\$306,686,858	\$309,279,841	\$312,219,470	\$315,053,953	\$318,077,497	\$321,282,773	\$1,882,600,392
Commonwealth of Virginia							
City of Alexandria	\$12,401,646	\$12,773,528	\$13,146,057	\$13,535,690	\$13,943,924	\$14,363,906	\$80,164,751
Arlington County	\$22,641,546	\$23,012,708	\$23,880,758	\$24,388,260	\$25,350,214	\$26,575,529	\$145,849,016
City of Fairfax	\$715,612	\$717,184	\$751,711	\$761,431	\$798,856	\$852,639	\$4,597,433
Fairfax County	\$40,760,743	\$41,487,654	\$43,046,454	\$44,013,681	\$45,699,476	\$47,814,951	\$262,822,959
City of Falls Church	\$757,037	\$792,724	\$807,605	\$840,022	\$855,791	\$862,074	\$4,915,253
Loudoun County (1)	\$5,797,066	\$5,624,882	\$6,011,578	\$5,965,127	\$6,399,330	\$7,111,061	\$36,909,044
VA PRIIA	\$49,500,000	\$49,500,000	\$49,500,000	\$49,500,000	\$49,500,000	\$49,500,000	\$297,000,000
VA Dedicated Funding	\$154,500,000	\$154,500,000	\$154,500,000	\$154,500,000	\$154,500,000	\$154,500,000	\$927,000,000
CMAQ	\$877,153	\$903,467	\$930,571	\$958,488	\$987,243	\$1,016,860	\$5,673,783
Subtotal - Virginia	\$287,950,804	\$289,312,148	\$292,574,734	\$294,462,699	\$298,034,834	\$302,597,020	\$1,764,932,238
Jurisdiction Planning Projects	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$18,000,000
Silver Line (MWAA)	\$26,556,000	\$17,747,000	\$0	\$0	\$0	\$0	\$44,303,000
Potomac Yard (Alexandria)	\$59,050,000	\$88,900,000	\$33,870,000	\$38,580,000	\$0	\$0	\$220,400,000
Purple Line (MDOT)	\$89,000	\$194,000	\$0	\$0	\$0	\$0	\$283,000
Subtotal - Jurisdictional Reimbursable	\$88,695,000	\$109,841,000	\$36,870,000	\$41,580,000	\$3,000,000	\$3,000,000	\$282,986,000
Total - State & Local	\$1,006,449,546	\$1,035,673,182	\$971,022,148	\$984,301,712	\$954,548,364	\$963,639,814	\$5,915,634,766
Debt	\$379,346,720	\$580,141,220	\$376,817,384	\$314,501,416	\$349,140,047	\$368,938,324	\$2,368,885,110
Grand Total Funding (2)	\$1,875,367,954	\$1,941,349,709	\$1,671,746,306	\$1,622,869,901	\$1,627,635,184	\$1,656,524,913	\$10,395,493,966

- (1) The jurisdictional shares of Formula Match and System Performance contributions are calculated using the original methodology which fully includes Loudoun County, rather than the prorated method used for the FY2021 Operating Subsidy calculation
- (2) Total funding requirement includes capital program expenditures, debt service, and estimated revenue loss from major shutdowns Note: Does not assume reauthorization of Federal PRIIA.