FY2025

Dedicated Funding Report



Washington
Metropolitan Area
Transit Authority


metro

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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, 2025.

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 10-12 of this report.



FY2025 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. The payment to WMATA is remitted monthly in arrears.

State of Maryland (MD)

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

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.

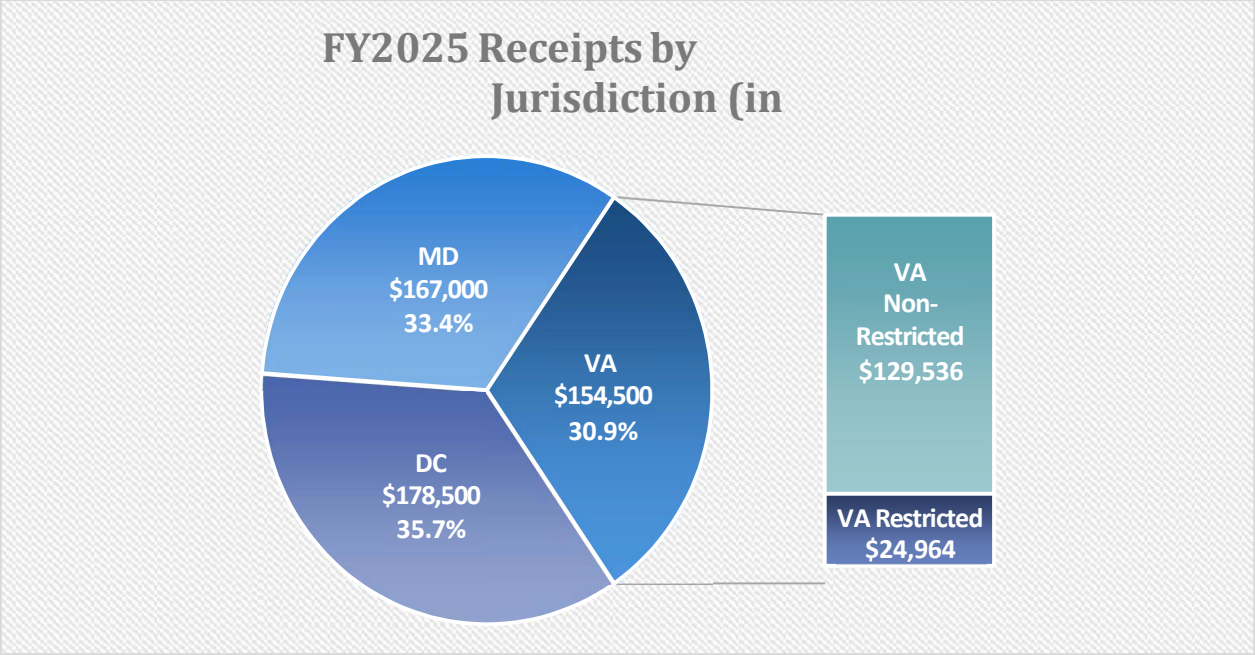
District of Columbia (DC)

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, DC annually budgets and allocates these funds and disburses them to WMATA on a semi-annual basis each fiscal year starting in FY2020.

Dedicated Funding Receipts

In FY2025, 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, $25.0 million, or 16%, 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 are 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 crossties and fasteners, the ballast bed, and the third rail that provides power to the train. Structures include the retaining walls, concrete pads and the bridges.



Stations & Passenger Facilities:

Facilities at the Authority's 98 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.

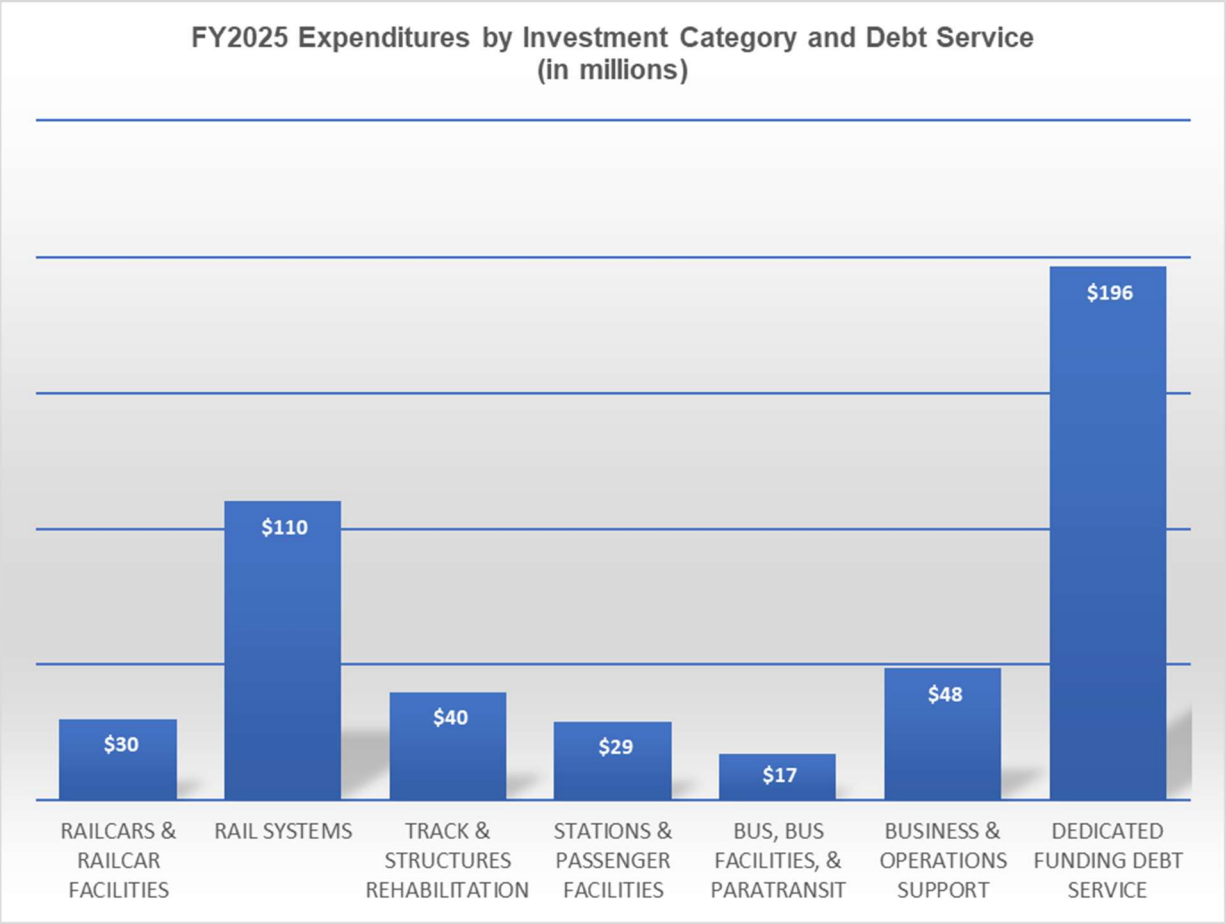


Business & Operations Support:

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 $274 million[1] of dedicated funding in FY2025. The noted figure reflects expenditures excluding accruals and debt service interest expense of $196 million as of June 30, 2025. WMATA may realign expenditures with funding sources at a later date to optimize the use of available funding. The table below summarizes expenditures by investment category and debt service.



Additional information on how WMATA spent dedicated funding in FY2025 is provided in the reporting as described in the following FY2025 Compliance Summary section.

[1]Footnote 1: Amount is $5.3m more than total dedicated funding expenditures reflected in table 7 of Attachment 1 (Annual Reconciliation Report) due to a FY2024 re-alignment adjustment.

FY2025 COMPLIANCE SUMMARY

Reporting Requirements

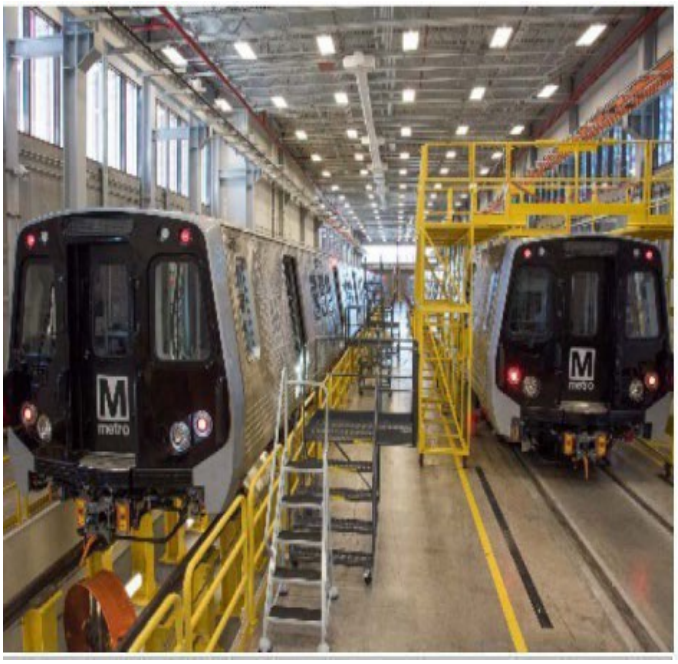
The Agreements each include various reporting requirements. WMATA has provided the following reports to meet these requirements:

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 FY2025 quarterly financial reports are located at Capital Program Documents | WMATA

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 FY2025 Annual Reconciliation Report presents the results of the reconciliation that has been performed to fulfill the requirements of the CFA and the Agreements. The FY2025 Annual Reconciliation Report is included as Attachment 1 of this report.



Indirect Cost Report

The District of Columbia Agreement requires that WMATA provide three submissions related to indirect cost including an annual report on actual indirect cost. 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, 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.

FY2025 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 FY2025 Capital Budget and Six-Year Capital Improvement Program are included in the approved FY2025 Annual Budget, which may be accessed at:
Management and Budget Services - FY2025ApprovedBudget.pdf - All Documents (sharepoint.com)

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.



Virginia

- The Agreement between WMATA and VA, dated May 1, 2019, is in Attachment 4 of this report.
- VA enacted the 2018 HB 1539/SB 856 which may be accessed at VA-Dedicated-Funding-Agreement.pdf

Maryland

- 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

  MD-Dedicated-Funding-Agreement.pdf

District of Columbia

- 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

  FY21-26-DC-Dedicated-Funding-Grant-Agreement.pdf

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.

Independent Accountant's Report

Ms. Valerie Santos, Executive Committee Chair
Ms. Michelle Zamarin, Inspector General
Mr. David Rickard, Chief Financial Officer
Washington Metropolitan Area Transit Authority

We have examined Washington Metropolitan Area Transit Authority's (the Authority) compliance 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, 2024 to June 30, 2025. Management of the Authority is responsible for the Authority's compliance with the specified requirements. Our responsibility is to express an opinion on the Authority's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the AICPA. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Authority complied, in all material respects, with the specified requirements. An examination involves performing procedures to obtain evidence about whether the Authority complied with specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, 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.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

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

In our opinion, the Authority complied, in all material respects, with the specified requirements included in the Agreements, as listed in Appendix A, during the period July 1, 2024 to June 30, 2025.

RSM US LLP

Washington, D.C.
March 26, 2026

RSM US LLP is the U.S. member firm of RSM International, a global network of independent assurance, tax, and consulting firms.
Visit rsmus.com/aboutus for more information regarding RSM US LLP and RSM International.

Appendix A
Examination of Compliance with the Specified Requirements in the Dedicated Capital Funding Agreements

Maryland

We are providing this assertion in connection with the Dedicated Capital Funding Agreement (Agreement) between Washington Metropolitan Area Transit Authority (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, 2024 through June 30, 2025, were expended on items identified in the approved CIP.

b. As it relates to Section 4F of the Agreement, WMATA has accurately presented costs expended under the Agreement for the period July 1, 2024 through June 30, 2025, in the FY2025 Annual Reconciliation Report.

c. In accordance with Section 6A of the Agreement, WMATA has maintained financial records that 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

We are providing this assertion in connection with the grant agreement between the Washington Metropolitan Area Transit Authority (WMATA) and the District of Columbia entitled “WMATA Dedicated Funding Agreement” (Dedicated Funding Grant), and the Capital Improvement Program (CIP) as adopted by WMATA, included as Attachment 1 to the Dedicated Funding Grant.

a. In accordance with Section 4 of the Dedicated Funding Grant, expenses funded with the Dedicated Funding Grant for the period July 1, 2024 through June 30, 2025, were not used for System Expansion projects or to fund WMATA’s operating expenses but instead used 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.

b. As it relates to Section 6(b) of the Dedicated Funding Grant, unexpended carryover amounts reported in the FY2025 Annual Reconciliation Report were accurately calculated.

c. 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.

d. 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.

e. 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

We are providing this assertion in connection with the Capital Fund Agreement (Agreement) between the Washington Metropolitan Area Transit Authority (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 Capital Improvement Program (CIP) as adopted by WMATA.

a. In accordance with Section 5A of the Agreement, expenses funded by the Agreement for the period July 1, 2024 through June 30, 2025, 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, 2024 through June 30, 2025, were not spent for debt service on bonds or other indebtedness of WMATA.

c. As it relates to 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, 2024 through June 30, 2025, 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, 2024 through June 30, 2025, were included in interest-bearing accounts until expended.

e. In accordance with Section 6A of the Agreement, WMATA has maintained financial records that are consistent with Generally Accepted Accounting Principles (GAAP) and are 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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METROFORWARD

FY2025 Dedicated Funding Report

ATTACHMENTS

Compliance Reports

Washington Metropolitan Area Transit Authority

ANNUAL RECONCILIATION REPORT

For the Fiscal Year Ending June 30, 2025

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EXECUTIVE SUMMARY

During Fiscal Year (FY) 2025, the Washington Metropolitan Area Transit Authority (WMATA or Metro) continued to invest in capital projects to improve the reliability, safety, and sustainability of the transit system. Metro's capital program includes a 10-year Capital Plan, a Six-Year Capital Improvement Program (CIP), and an annual Capital Budget. Collectively these form the framework for the development, evaluation, strategic alignment, and delivery of capital investments. Metro's CIPs are supported by funds made available through the Capital Funding Agreement (CFA) and Dedicated Funding Agreements (DFAs) 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 required by the CFA and DFAs for the period of July 1, 2024, through June 30, 2025 (Fiscal Year 2025). It describes Metro's analysis of FY2025 planned and actual expenditures, federal grants, and state and local funding sources in accordance with the requirements of those agreements. The expenditures analysis focuses on capital expenditures that have been incurred and for which invoices have been received during the fiscal year. Although the capital expenditures analysis excludes accruals, certain tables have been provided with accruals for informational purposes. This approach is consistent with the methodology used to prepare Metro's prior Annual Reconciliation reports. Metro's financial statements, which provide the primary basis for measuring expenditures compared to annual budget, continue to be prepared on the accrual basis of accounting.

Metro's total capital expenditures for FY2025 was $1,760.3 million, excluding accruals. These expenditures were funded through multiple sources, including federal grants, state and local contributions, and the proceeds from dedicated funding-backed debt issued to date.

As detailed in Table 7 on page 11, the capital expenditures allocated to state and local sources, including dedicated funding debt service and bond proceeds totaled $1,433.0 million. This amount includes funding source re-alignment from prior year costs and yet to bill costs and excludes accruals and reimbursable projects. Capital receipts, credits, and bond proceeds totaled $1,535.8 million, excluding reimbursable projects. WMATA will use the year-end jurisdictional balance of $102.8 million, excluding reimbursable projects, as a funding source in FY2026, per the prioritization outlined in the CFA.

OVERVIEW

The Washington Metropolitan Area Transit Authority (WMATA or Metro) has prepared this Annual Reconciliation Report for FY2025 to fulfill the requirements of the Capital Funding Agreement (CFA) and the Dedicated Funding Agreements (DFAs).

Capital Funding Agreement

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 CIP. The original CFA provided funding for capital investments during Metro's FY2011 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 FY2027.

Per Section 5(a) of the CFA for FY2022 – FY2027, 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.

Per Section 5(b) of the CFA for FY2022 – FY2027, 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 in effect at the time the reconciliation is completed.

Dedicated Funding Legislation and Agreements

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.

Per section 4 (F) of the State of Maryland DFA requires that Metro submit to the Maryland Department of Transportation (MDOT), a reconciliation report that addresses expenditures 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; (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 the Washington Suburban Transit District (WSTD).

Reconciliation Methods and Scope

This report has been prepared to meet the requirements outlined in the CFA and DFAs. It presents the results of the reconciliation of planned and actual expenditures and funding for FY2025. The reconciliation process included a review of budget, expenditures, and funding data. Budget information was taken from Board resolutions and reports on authorized adjustments to individual capital projects and programs. Expenditures 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 other sources (e.g., Federal Financial Reports (FFRs) and Schedule of Expenditures of Federal Awards (SEFA)). Subsequently, planned expenditures were compared against actual expenditures by funding source.

The analysis focuses on capital expenditures that were incurred and for which invoices were received during FY2025. Accruals were not included in the expenditures analysis but have been provided in this report for informational purposes. Additionally, retainage withheld from progress payments made to construction contractors is treated as a cash expense. Metro's financial statements, which provide the primary basis for measuring budget and expenditures, continue to be prepared on the accrual basis of accounting and in conformance with Accounting Principles Generally Accepted in the United States of America. Note that tables within the report may not sum due to independent rounding.

PLANNED AND ACTUAL EXPENDITURES

Original Budget, Amendments, and Adjustments

On April 25, 2024, the WMATA Board of Directors adopted a capital budget of $2.6 billion for FY2025[1], which included dedicated revenue bond debt service and revenue loss from capital projects. In addition, it is WMATA's standard practice to adjust the budget for individual projects and programs to account for changes in cost, scope, schedule, and prioritization.[2] These adjustments involved a redistribution of the budget among various projects and programs and resulted in a net zero impact to the overall capital budget.

Metro's capital program is grouped into six major Investment Categories: Railcars and Railcar Facilities; Rail Systems; Track and Structures Rehabilitation; Stations and Passenger Facilities; Bus, Bus Facilities, and Paratransit; and Business and Operations Support. **Table 1** presents the original budget, amendments, and adjustments by investment category.

Table 1. FY2025 Original Budget, Amendments, and Adjustments (in Millions)

Investment Category	Original Budget	Amendments[3]	Adjustments[4]	Final Budget
Railcars & Railcar Facilities	$ 453.4	$ -	$ (51.3)	$ 402.1
Rail Systems	386.8	-	(40.1)	346.7
Track & Structures Rehabilitation	298.6	-	183.4	482.0
Stations & Passenger Facilities	373.7	-	7.3	381.0
Bus, Bus Facilities, & Paratransit	495.1	-	(108.9)	386.2
Business & Operations Support	311.6	-	9.6	321.2
Subtotal	**$ 2,319.2**	**$ -**	**$ 0.0**	**$ 2,319.2**
Revenue Loss from Capital Projects	$ 10.0	$ -	$ -	$ 10.0
Dedicated Funding Debt Service[5]	237.4	-	-	237.4
Total	**$ 2,566.6**	**$ -**	**$ 0.0**	**$ 2,566.6**

Sources of Funds

Metro's CIP is primarily funded by contributions from the region and federal grant programs. Current regional and federal funding sources are for restoring and sustaining safety, security, reliability, and state of good repair. As detailed in Table 2 below, funding for Metro's FY2025 capital budget came from a variety of sources, including:

[1] The term Original Budget refers to the budget approved on the Board resolution 2024-12, dated April 25, 2024.

[2] More detailed information on each adjustment can be found in the *Monthly Reprogramming Reports* prepared by WMATA monthly and distributed to the contributing jurisdictions quarterly.

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

[4] 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.

[5] Metro has had five Dedicated Revenue Bond Series issuances – 2020A, 2021A, 2023A, 2023A Second Lien, and 2024A Second Lien. See details about Dedicated Funding Bonds below.

- **Federal Funding**, which consisted of:
    - Federal formula grant funding from the Federal Transit Administration (FTA) through 49 U.S.C. 5307 Urbanized Area Formula grants, 49 U.S.C. 5337 State of Good Repair grants, and 49 U.S.C. 5339 Bus and Bus Facilities grants, and other federal discretionary grant programs Metro competes for annually. The final FY2025 budget reflected $476.6 million (18.6 percent) in federal formula and other federal grants.
    - Appropriated funds authorized under the Passenger Rail Investment and Improvement Act (PRIIA), as well as other competitive grants. The final budget reflected $143.5 million in federal PRIIA funding (5.6 percent).
- 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 $302.8 million (11.8 percent).
- **Jurisdictional PRIIA** funds, which are required to match Federal PRIIA funds and totaled $148.5 million (5.8 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 (19.5 percent) in planned Dedicated Funding.
- **Reimbursable Project Funding**, which is used for projects completed at the request of the Contributing Jurisdictions. In FY2025, active jurisdictional projects included the Silver Line extension, the Potomac Yard Station (Alexandria, VA), the Purple Line (Maryland), construction of a second entrance at the McLean Station (Fairfax County, VA), and the jurisdictional project development program. The final budget totaled $32.2 million (1.3 percent) in Reimbursable Projects.
- **Dedicated Funding-Backed Debt** of $963.0 million (37.5 percent) was planned per final budget. This figure reflects a portion of the proceeds from Metro's five most recent Dedicated Revenue Bond issuances. All debt service is paid from unrestricted dedicated capital revenue proceeds.

  On June 11, 2020, Metro issued Dedicated Revenue Bonds Series 2020A, totaling $545.0 million, including a premium of $149.9 million, primarily to finance capital costs. The bonds provide for semi-annual payments of interest and annual payments of principal with final maturity in July 2045.

  On June 8, 2021, Metro issued Dedicated Revenue Bonds Series 2021A, totaling $784.4 million, including a premium of $189.0 million, primarily to finance capital costs with a focus on the environment and sustainability. The bonds provide for semi-annual payments of interest and annual payments of principal with final maturity in July 2046.

  On March 14, 2023, Metro issued Dedicated Revenue Bonds Series 2023A, totaling $392.0 million, including a premium of $35.2 million, primarily to finance capital costs. The bonds provide for semi-annual payments of interest and annual payments of principal, with final maturity in July 2051.

  On August 17, 2023, Metro issued Second Lien Dedicated Revenue Bonds Series 2023A, totaling $797.8 million, including a premium of $75.2 million, to fund certain capital costs. The bonds provide for semi-annual payments of interest and annual payments of principal, with final maturity in July 2054.

  On July 24, 2024, Metro issued Second Lien Dedicated Revenue Bonds Series 2024A, totaling $635.9 million plus a premium of $30.2 million, to fund certain capital costs. The bonds provide for annual interest-only payments through 2024, followed by semi-annual payments of interest and annual payments of principal, with final maturity in in July 2059.

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

Table 2. FY2025 Budget by Funding Source (in Millions)

Funding Sources	Original Budget	Amendments and Adjustments	Final Budget	Percent of Total
Federal				
Federal Formula and Other Grants	$ 476.6	$ -	$ 476.6	19%
PRIIA	143.5	-	143.5	6%
Subtotal – Federal	**$ 620.1**	**$ -**	**$ 620.1**	**24%**
Jurisdictional				
Formula Match and System Performance	$ 302.8	$ -	$ 302.8	12%
PRIIA	148.5	-	148.5	6%
Dedicated Funding				
Unrestricted	475.0	-	475.0	19%
Restricted	25.0	-	25.0	1%
Reimbursable and Other	32.2	-	32.2	1%
Debt	963.0	-	963.0	38%
Subtotal – Jurisdictional	**$ 1,946.5**	**$ -**	**$ 1,946.5**	**76%**
Total	**$ 2,566.6**	**$ -**	**$ 2,566.6**	**100%**

Expenditures by Investment Category

During FY2025, Metro expended $2.0 billion through the capital program, excluding accruals. **Table 3** presents budget and expenditures information by investment category.

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

Investment Category	Final Budget	Expenditures Excluding Accruals	Percent of Budget Expended	Expenditures Including Accruals	Percent of Budget Expended
Railcars & Railcar Facilities	$ 402.1	$ 244.9	61%	$ 282.3	70%
Rail Systems	346.7	327.8	95%	336.9	97%
Track & Structures Rehabilitation	482.0	217.2	45%	212.5	44%
Stations & Passenger Facilities	381.0	358.5	94%	361.4	95%
Bus, Bus Facilities, & Paratransit	386.2	331.3	86%	373.5	97%
Business & Operations Support	321.2	280.6	87%	273.6	85%
Subtotal	**$ 2,319.2**	**$ 1,760.3**	**76%**	**$ 1,840.2**	**79%**
Revenue Loss from Capital Projects	$ 10.0	$ 1.4	14%	$ 1.4	14%
Dedicated Funding Debt Service[6]	237.4	196.4	83%	196.4	83%
Total	**$ 2,566.6**	**$ 1,958.1**	**76%**	**$ 2,038.0**	**79%**

Budget and expenditures 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 FY2025 budget variance and expenditures summary for FY2017-FY2025 for those projects whose expenditures exceeded their FY2025 one-year budget.

[6] See note 5.

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

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

Investment Category	Expenditures Excluding Accruals With Prior Year Realignments	Share of Total Expenditures	Expenditures Excluding Accruals Without Prior Year Realignments	Share of Total Expenditures	Expenditures Including Accruals With Prior Year Realignments	Share of Total Expenditures
Federal						
Railcars & Railcar Facilities	$ 117.0	6%	$ 85.6	4%	$ 117.0	6%
Rail Systems	16.7	1%	10.2	1%	16.7	1%
Track & Structures Rehabilitation	105.1	5%	58.2	3%	105.1	5%
Stations & Passenger Facilities	46.4	2%	46.6	2%	46.4	2%
Bus, Bus Facilities, & Paratransit	185.1	9%	188.6	10%	185.1	9%
Business & Operations Support	3.1	-	3.0	-	3.1	-
Subtotal – Federal	**$ 473.5**	**24%**	**$ 392.3**	**20%**	**$ 473.5**	**23%**
Jurisdictional (including debt proceeds)						
Railcars & Railcar Facilities	$ 127.9	7%	$ 159.2	8%	$ 165.3	8%
Rail Systems	311.1	16%	317.6	16%	320.2	16%
Track & Structures Rehabilitation	112.1	6%	159.0	8%	107.4	5%
Stations & Passenger Facilities	312.0	16%	311.8	16%	314.9	15%
Bus, Bus Facilities, & Paratransit	146.2	7%	142.8	7%	188.4	9%
Business & Operations Support	277.5	14%	277.6	14%	270.5	13%
Subtotal – Jurisdictional	**$ 1,286.8**	**66%**	**$ 1,368.1**	**70%**	**$ 1,366.8**	**67%**
Revenue Loss from Capital Projects	$ 1.4	-	$ 1.4	-	$ 1.4	-
Dedicated Funding Debt Service	196.4	10%	196.4	10%	196.4	10%
Total	**$ 1,958.1**	**100%**	**$ 1,958.1**	**100%**	**$ 2,038.0**	**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, newly awarded federal grants, and additional funds resulting from amended grants. In total, $983.8 million in federal funds was available for CIP projects. During FY2025, $499.3 million was drawn down, resulting in a balance of $484.5 million. Note that this FY2025 ending balance includes funding source re-alignment from prior year cost and yet to bill.

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

Table 5. FY2025 Federal and FTA Grant Funds (in Millions)

Grant Source of Funds	Carryover Balance 6/30/2024	Awarded/ Amended during FY2025	Total Available	Receipts/Draws during FY2025	Balance 6/30/2025
Formula	$ 389.0	$ 409.2	$ 798.2	$ 403.1	$ 395.0
PRIIA	33.6	143.5	177.1	92.6	84.6
Other Federal and FTA Grant Funds[7]	4.7	3.7	8.5	3.6	4.9
Total	**$ 427.4**	**$ 556.4**	**$ 983.8**	**$ 499.3**	**$ 484.5**

[7] The category “Other Federal and FTA Grants” is further detailed in table 14.

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, planned funding from state and local sources and debt totaled $1,946.5 million. Planned Formula Match, System Performance, PRIIA and Dedicated Funding totaled $337.4 million (17.3 percent) from the District of Columbia; $319.0 million (16.4 percent) from the State of Maryland and its jurisdictions; and $294.9 million (15.1 percent) from the Commonwealth of Virginia and its jurisdictions. Reimbursable projects funding accounted for $29.2 million (1.5 percent). Project Planning accounted for $3.0 million (0.2 percent). Metro planned for the proceeds from Dedicated Funding-Backed debt to account for the remaining funding of $963.0 million (49.5 percent).

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

Jurisdiction	Original Budget	Final Budget
Formula Match & System Performance		
District of Columbia	$ 109.4	$ 109.4
Montgomery County	50.5	50.5
Prince Georges County	52.1	52.1
City of Alexandria	13.8	13.8
Arlington County	24.8	24.8
City of Fairfax	0.8	0.8
Fairfax County	44.1	44.1
City of Falls Church	0.9	0.9
Loudoun County	5.9	5.9
Commonwealth of VA (DRPT) - CMAQ	0.7	0.7
Subtotal – Formula Match & System Performance	**$ 302.8**	**$ 302.8**
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**
Debt		
Debt	963.0	963.0
Subtotal – Debt	**$ 963.0**	**$ 963.0**
Subtotal – CFA Sources	**$ 1,914.3**	**$ 1,914.3**
Reimbursable		
Project Planning	$ 3.0	$ 3.0
Other Reimbursable	29.2	29.2
Subtotal – Reimbursable	**$ 32.2**	**$ 32.2**
Total State and Local Funding	**$ 1,946.5**	**$ 1,946.5**

Planned Contributions and Allocated Expenditures

The CFA requires that Metro reconcile state and local funding. **Table 7** below summarizes receipts (net of credits and disbursements) and allocated expenditures by jurisdiction for FY2019 through FY2025. Note that the "Expenditures excluding Accruals" columns are the jurisdictionally allocated share of capital expenditures at the end of the fiscal year range they represent.

CFA/DFA sources (capital receipts, credits, and bond proceeds) applied to FY2025 totaled $1,535.8 million, excluding reimbursable projects. The jurisdictionally allocated share of capital expenditures was $1,433.0 million, resulting in a year-end carry-over balance of $102.8 million, excluding reimbursable projects. The cumulative CFA/DFA carry-over balance for FY2019 through FY2025 (including the FY2025 carry-over balance) was $280.3 million, excluding reimbursable projects. This cumulative balance represents expenditure commitments for ongoing CIP projects. WMATA will roll over budgets for these committed expenditures and will use these carry-over balances as a funding source in FY2026 and beyond, per the prioritization outlined in the CFA.

Table 7. FY2019-2025 Allocated Contributions by Jurisdiction (in Millions)

Jurisdiction Contributions	FY2019-2024 Receipts, Credits, and Disbursements	FY2019-2024 Expenditures Excluding Accruals	FY2019-2024 Variance	FY2025 Receipts, Credits, and Disbursements	FY2025 Expenditures Excluding Accruals[8]	FY2025 Variance	FY2019-2025 Variance
Formula Match and System Performance (FM + SP)							
District of Columbia	$ 557.7	$ 488.5	$ 69.2	$ 109.4	$ 102.9	$ 6.5	$ 75.7
Montgomery County	280.9	250.5	30.4	50.5	47.5	3.0	33.4
Prince Georges County	281.2	250.3	30.9	52.1	49.0	3.1	33.9
City of Alexandria	72.9	64.0	8.9	13.8	12.9	0.8	9.7
Arlington County	134.3	118.1	16.2	24.8	23.3	1.5	17.6
City of Fairfax	4.1	3.6	0.5	0.8	0.7	0.0	0.5
Fairfax County	235.8	207.0	28.7	44.1	41.5	2.6	31.3
City of Falls Church	4.4	3.9	0.5	0.9	0.8	0.1	0.6
Loudoun County	21.6	19.1	2.5	5.9	5.5	0.3	2.9
Subtotal – Formula Match + SP	**$ 1,592.8**	**$ 1,405.0**	**$ 187.8**	**$ 302.1**	**$ 284.2**	**$ 17.8**	**$ 205.6**
PRIIA							
District of Columbia	$ 297.0	$ 291.1	$ 5.9	$ 49.5	$ 32.9	$ 16.6	$ 22.5
State of Maryland	297.0	291.1	5.9	49.5	32.9	16.6	22.5
Commonwealth of Virginia	297.0	291.1	5.9	49.5	32.9	16.6	22.5
Subtotal – PRIIA	**$ 891.0**	**$ 873.2**	**$ 17.8**	**$ 148.5**	**$ 98.8**	**$ 49.7**	**$ 67.5**
Dedicated Funding							
District of Columbia	$ 879.0	$ 888.3	$ (9.3)	$ 178.5	$ 166.1	$ 12.4	$ 3.1
State of Maryland	822.4	831.0	(8.7)	167.0	155.4	11.6	2.9
Commonwealth of Virginia	882.1	889.3	(7.2)	154.5	143.8	10.7	3.5
Subtotal – Dedicated Funding[9]	**$ 2,583.5**	**$ 2,608.6**	**$ (25.1)**	**$ 500.0**	**$ 465.4**	**$ 34.6**	**$ 9.5**
Other State and Local							
Project Planning	$ 17.8	$ 15.3	$ 2.5	$ 3.0	$ 2.3	$ 0.7	$ 3.2
Commonwealth of VA – CMAQ	4.3	6.9	(2.6)	-	-	-	(2.6)
Rail & Power Upgrades (DC & MD)	0.1	0.5	(0.4)	-	-	-	(0.4)
Rail & Power Upgrades (VA)	1.9	14.9	(13.0)	-	-	-	(13.0)
Metro 2025	15.6	5.1	10.5	-	-	-	10.5
Subtotal – Other State and Local	**$ 39.7**	**$ 42.7**	**$ (3.1)**	**$ 3.0**	**$ 2.3**	**$ 0.7**	**$ (2.4)**
Debt	3,258.7	3,258.7	-	582.3	582.3	-	-
Subtotal – CFA/DFA Sources	**$ 8,365.8**	**$ 8,188.3**	**$ 177.4**	**$ 1,535.8**	**$ 1,433.0**	**$ 102.8**	**$ 280.3**
Reimbursable	508.3	542.4	(34.1)	29.3	50.2	(20.9)	(55.0)
Total	**$ 8,874.0**	**$ 8,730.7**	**$ 143.3**	**$ 1,565.1**	**$ 1,483.2**	**$ 81.9**	**$ 225.2**

[8] These expenditures: (1) do not include $79.9 million net increases from accrued expenses; (2) include funding source re-alignment from prior year cost and yet to bill cost.

[9] Includes $196.4 million of Dedicated Funding Debt Service for FY2025 and $(5.3) million in re-alignment from FY2024.

FORECASTED EXPENDITURES AND COST TO COMPLETE

The CFA requires that the 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 10, 2025, the WMATA Board of Directors approved the $12.9 billion Six-Year CIP for FY2026 – FY2031.[10] The Six-Year Capital Improvement Budget includes dedicated revenue bond debt service and revenue loss from capital projects focuses Metro's capital investments on state of good repair and reliability of Metrorail, Metrobus, and MetroAccess assets. The CIP is constrained and acknowledges limited capital funding capacity due to exhaustion of dedicated funding to service already issued debt. Metro anticipates reaching the debt limit in FY2029, which will impact its ability to issue new debt.

Table 8 presents the Six-Year CIP for FY2026 – FY2031 by Investment Category.

Table 8. FY2026-2031 Financial Plan by Investment Category (in Millions)

Investment Categories	FY2026 Plan	FY2027 Plan	FY2028 Plan	FY2029 Plan	FY2030 Plan	FY2031 Plan	Six-Year Total
Railcars & Railcar Facilities	$ 399.5	$ 501.6	$ 499.4	$ 427.5	$ 380.5	$ 388.5	$ 2,597.0
Rail Systems	335.8	339.6	404.0	179.4	140.3	92.1	1,491.2
Track & Structures Rehabilitation	307.4	319.5	311.8	236.9	192.1	202.9	1,570.6
Stations & Passenger Facilities	327.9	433.4	319.8	247.1	134.6	115.7	1,578.5
Bus, Bus Facilities, & Paratransit	440.5	401.6	436.1	372.5	283.6	362.7	2,297.0
Business & Operations Support	306.5	332.3	249.8	180.7	155.8	145.8	1,370.9
Subtotal	**$2,117.6**	**$2,328.0**	**$2,220.9**	**$1,644.1**	**$1,286.9**	**$1,307.7**	**$ 10,905.2**
Revenue Loss from Capital Projects	$ 10.0	$ -	$ -	$ -	$ -	$ -	$ 10.0
Dedicated Funding Debt Service	245.0	299.6	351.4	372.3	372.3	372.3	2,012.9
Total	**$2,372.6**	**$2,627.6**	**$2,572.3**	**$2,016.4**	**$1,659.2**	**$1,680.0**	**$ 12,928.1**

[10] Resolution 2025-10, Board of Directors of the Washington Metropolitan Area Transit Authority.

Table 9 presents the Six-Year CIP for FY2026 – FY2031 by funding source.

Table 9. FY2026-2031 Planned Funding Sources (in Millions)

	FY2026 Plan	FY2027 Plan	FY2028 Plan	FY2029 Plan	FY2030 Plan	FY2031 Plan	Six-Year Total
Federal Funding							
Federal Formula Programs	$ 470.0	$ 481.2	$ 490.8	$ 500.6	$ 510.6	$ 520.8	$ 2,974.0
Federal PRIIA	143.5	143.5	143.5	143.5	143.5	143.5	861.0
Other Federal Grants	11.5	28.7	48.8	50.6	2.9	2.9	145.4
Subtotal – Federal	**$ 625.0**	**$ 653.4**	**$ 683.1**	**$ 694.7**	**$ 657.0**	**$ 667.2**	**$ 3,980.4**
State and Local Funding							
District of Columbia (DC)							
Formula Match, System Performance	$ 116.8	$ 120.3	$ 123.9	$ 127.7	$ 131.5	$ 135.4	$ 755.6
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	**$ 344.8**	**$ 348.3**	**$ 351.9**	**$ 355.7**	**$ 359.5**	**$ 363.4**	**$ 2,123.6**
State of Maryland							
Formula Match, System Performance							
Montgomery County	$ 49.8	$ 51.3	$ 52.9	$ 54.4	$ 56.1	$ 57.8	$ 322.3
Prince George's County	52.7	54.2	55.9	57.6	59.3	61.1	340.8
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	**$ 319.0**	**$ 322.0**	**$ 325.3**	**$ 328.5**	**$ 331.9**	**$ 335.4**	**$ 1,962.1**
Commonwealth of Virginia							
Formula Match, System Performance							
City of Alexandria	$ 13.8	$ 14.2	$ 14.7	$ 15.1	$ 15.6	$ 16.0	$ 89.4
Arlington County	26.0	26.8	27.6	28.4	29.3	30.1	168.2
City of Fairfax	0.8	0.8	0.8	0.8	0.9	0.9	5.0
Fairfax County	42.5	43.7	45.1	46.4	47.8	49.2	274.7
City of Falls Church	1.0	1.0	1.1	1.1	1.1	1.2	6.5
Loudoun County	7.7	8.0	8.2	8.4	8.7	9.0	50.0
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	737.4
Dedicated Funding - Restricted	31.6	31.6	31.6	31.6	31.6	31.6	189.6
Congestion Mitigation and Air Quality	1.1	0.9	0.7	0.7	0.6	0.6	4.6
Subtotal – Virginia	**$ 296.9**	**$ 299.4**	**$ 302.2**	**$ 304.9**	**$ 308.0**	**$ 311.0**	**$ 1,822.4**
Jurisdictional Reimbursable							
Jurisdiction Planning Projects	$ 3.0	$ 3.0	$ 3.0	$ 3.0	$ 3.0	$ 3.0	$ 18.0
Other Reimbursable Projects	39.4	58.7	10.0	-	-	-	108.1
Subtotal – Reimbursable	**$ 42.4**	**$ 61.7**	**$ 13.0**	**$ 3.0**	**$ 3.0**	**$ 3.0**	**$ 126.1**
Subtotal - State and Local	**$ 1,003.1**	**$ 1,031.4**	**$ 992.4**	**$ 992.1**	**$ 1,002.4**	**$ 1,012.8**	**$ 6,034.2**
Dedicated Funding-Backed Debt	**$ 653.5**	**$ 779.7**	**$ 739.9**	**$ 298.6**	**-**	**-**	**$ 2,471.7**
Prior Year Funding	**$ 91.0**	**$ 163.0**	**$ 157.0**	**$ 31.0**	**-**	**-**	**$ 442.0**
Grand Total Funding	**$ 2,372.6**	**$ 2,627.5**	**$ 2,572.4**	**$ 2,016.4**	**$ 1,659.4**	**$ 1,680.0**	**$ 12,928.3**

Metro's FY2026-2031 CIP totals $12.9 billion. Metro is projecting that funding for this CIP will come from the following sources:

- $4.0 billion from federal grant funding, including PRIIA, which was reauthorized by the Bipartisan Infrastructure Law of 2021.
- $6.0 billion from state and local contributions. This amount includes $126.1 million in other local sources related to planning and other reimbursable projects.
- Debt proceeds of $2.5 billion from Dedicated Revenue Bonds.
- Prior year funding of $442.0 million.

APPENDICES

Appendix A: Budget and Expenditures by Project/Program

The FY2025 CIP allowed Metro to continue to make much needed investments in its transit infrastructure. The FY2025 CIP is organized according to six major investment categories and further subdivided into the 17 areas listed in **Table 10**.

Table 10. Investment Categories

Railcars & Railcar Facilities	Rail Systems	Track & Structures Rehabilitation
• Railcar Acquisition • Railcar Maintenance Facilities • Railcar Maintenance Overhaul	• Power • Signals & Communications	• Fixed Rail • Structures
Stations & Passenger Facilities	**Bus, Bus Facilities, & Paratransit**	**Business & Operations Support**
• Platforms & Structures • Vertical Transportation • Station Systems	• Bus & Paratransit Acquisition • Bus Maintenance Facilities • Bus Maintenance/Ovehaul • Bus Passenger Facilities/Systems	• 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 11** on the one-year budget and expenditures (excluding and including accruals) for every project and program in the FY2025 CIP.

Table 11. FY2025 Capital Project and Program Financials (in Thousands)

ID	Name	Final Budget	Expenditures Excluding Accruals	Variance	Expenditures Including Accruals	Variance
Railcar Acquisition						
CIP0059	8000-Series Railcars	$ 42,576	$ 40,389	$ 2,187	$ 39,661	$ 2,915
CIP0256	7000-Series Railcars	17,015	15,295	1,720	14,966	2,049
CRB0019_19	Silver Line Phase 1 Construction	4,000	-	4,000	3,262	738
Subtotal Railcar Acquisition		**$ 63,591**	**$ 55,683**	**$ 7,908**	**$ 57,890**	**$ 5,701**
Railcar Maintenance/Overhaul						
CIP0063	Rail Vehicle Rehabilitation Program	$ 139,426	$ 123,558	$ 15,868	$ 125,220	$ 14,206
CIP0067	Rail Vehicle Safety & Reliability Improvements	2,465	1,929	536	1,643	822
CIP0142	Rail Vehicle Preventive Maintenance	180,400	47,402	132,998	79,896	100,504
CIP0900	Preventative Maint	-	6,763	(6,763)	9,496	(9,496)
Subtotal Railcar Maintenance/Overhaul		**$ 322,291**	**$ 179,652**	**$ 142,639**	**$ 216,255**	**$ 106,036**
Railcar Maintenance Facilities						
CIP0225	Heavy Repair and Overhaul Facility	$ 1,800	$ 3,555	$ (1,755)	$ 710	$ 1,090
CIP0279	Railyard Shop Equipment Replacement	3,010	912	2,098	944	2,066
CIP0283	Major Railcar Maintenance Equipment State of Good Repair	2,360	101	2,259	84	2,276
CIP0284	Railyard Facility and Site Rehabilitation	9,050	4,945	4,105	6,438	2,612
CIP8005	D&E Rail Yard Improvements	-	5	(5)	5	(5)
Subtotal Railcar Maintenance Facilities		**$ 16,220**	**$ 9,519**	**$ 6,701**	**$ 8,181**	**$ 8,039**
Subtotal Railcars & Railcar Facilities		**$ 402,102**	**$ 244,854**	**$ 157,248**	**$ 282,326**	**$ 119,776**

Table 11. FY2025 Capital Project and Program Financials (in Thousands) (Continued)

ID	Name	Final Budget	Expenditures Excluding Accruals	Variance	Expenditures Including Accruals	Variance
Propulsion						
CIP0076	Rail System Power Upgrades	$ 204	$ 1,503	$ (1,299)	$ 1,730	$ (1,526)
CIP0253	Traction Power State of Good Repair	113,381	104,598	8,783	105,173	8,208
CIP0286	Power Generator Replacement	5,697	1,032	4,665	1,250	4,447
Subtotal Propulsion		**$ 119,282**	**$ 107,133**	**$ 12,149**	**$ 108,154**	**$ 11,128**
Signals & Communications						
CIP0133	Radio Infrastructure Replacement	$ -	$ 168	$ (168)	$ 168	$ (168)
CIP0136	Radio Infrastructure Replacement	44,045	47,725	(3,680)	47,800	(3,755)
CIP0139	Tunnel Fan Control Panels Replacement	-	-	-	-	-
CIP0251	Automatic Train Control State of Good Repair	69,701	72,568	(2,867)	69,695	6
CIP0257	Emergency Trip Station (ETS) Rehabilitation	-	-	-	-	-
CIP0332	Fiber Optic Cable Installation	102,114	92,147	9,967	102,690	(576)
CIP0380	Advanced Signaling System Project Development	10,537	8,106	2,431	8,384	2,153
CRB0138	ATC Training Lab2 MWAA	1,000	-	1,000	-	1,000
CRB0139	IDW Boxes Replacement	20	-	20	-	20
Subtotal Signals & Communications		**$ 227,417**	**$ 220,715**	**$ 6,702**	**$ 228,737**	**$ (1,320)**
Subtotal Rail Systems		**$ 346,699**	**$ 327,848**	**$ 18,851**	**$ 336,891**	**$ 9,808**
Fixed Rail						
CIP0024	Track Rehabilitation Program	$ 124,442	$ 124,415	$ 27	$ 124,063	$ 379
CIP0025	Roadway Equipment and Vehicle Program	16,298	11,048	5,250	11,548	4,750
CIP0246	General Engineering	15,876	16,407	(531)	14,913	963
CIP0247	Emergency Construction and Emerging Needs Program	251,013	1,142	249,871	1,831	249,182
CIP8011	D&E Fixed Rail Improvements	1,258	232	1,026	187	1,071
Subtotal Fixed Rail		**$ 408,887**	**$ 153,244**	**$ 255,643**	**$ 152,542**	**$ 256,345**
Structures						
CIP0262	Tunnel Water Leak Mitigation	$ 13,504	$ 16,512	$ (3,008)	$ 15,454	$ (1,950)
CIP0291	Tunnel Ventilation Improvements	-	56	(56)	57	(57)
CIP0294	Bridge Rehabilitation Program	5,000	2,151	2,849	1,982	3,018
CIP0348	Structural Rehabilitation - Package 1	28,476	20,851	7,625	19,569	8,907
CIP0349	Yellow Line Tunnel and Bridge Rehabilitation	-	295	(295)	54	(54)
CIP0356	Tunnel Ventilation Improvements - Red Line Pilot	13,003	10,494	2,509	9,809	3,194
CIP0370	Structural Rehabilitation - Package B	645	487	158	501	144
CIP0375	Shaft Structural Rehab	11,260	10,544	716	10,174	1,086
CIP8013	D&E Track Structures Improvements	1,236	2,577	(1,341)	2,407	(1,171)
Subtotal Structures		**$ 73,124**	**$ 63,967**	**$ 9,157**	**$ 60,007**	**$ 13,117**
Subtotal Track & Structures Rehabilitation		**$ 482,011**	**$ 217,211**	**$ 264,800**	**$ 212,549**	**$ 269,462**
Platforms and Structures						
CIP0035	Bicycle and Pedestrian Facility Rehabilitation	$ 3,000	$ 245	$ 2,755	$ 282	$ 2,718
CIP0087	Station and Facility Restoration Program	11,881	9,145	2,736	9,329	2,552
CIP0088	Station Entrance Canopy Installation	8,000	8,419	(419)	8,051	(51)
CIP0152	Parking Garage and Surface Lot Rehabilitation	20,085	17,880	2,205	17,938	2,147
CIP0218	Metrorail Station Improvements	3,115	1,509	1,606	1,538	1,577
CIP0243	L'Enfant Station Improvements	25	1	24	1	24
CIP0271	CCTV Monitors - Non-Fed	-	-	-	-	-
CIP0274	Grosvenor Parking Garage (J/D)	-	302	(302)	302	(302)
CIP0297	Union Station Improvements	595	214	381	203	392
CIP0305	Rail Passenger Facility State of Good Repair Program	825	150	675	469	356
CIP0306	Station Platform Rehabilitation Phase 1	-	-	-	-	-
CIP0308	Station Platform Rehabilitation - Phase 3	1,000	365	635	358	642
CIP0310	Station Platform Rehabilitation - Phase 4	4,805	4,884	(79)	3,903	902
CIP0352	Rail Station Platform Canopy Rehabilitation Program	-	-	-	(10)	10
CIP0374	Solar Power Improvements	2,700	1,874	826	2,641	59
CIP0379	Silver Line Known Defects	8,657	55	8,602	99	8,558
CIP0398	Grosvenor Platform Project	1,400	435	965	623	777
CIP8015	D&E Rail Station Improvements	300	2	298	(1)	301
CRB0013	Potomac Yard Station Construction	11,000	10,396	604	22,216	(11,216)
CRB0020	Silver Line Phase 2 Construction Support	-	2,647	(2,647)	2,601	(2,601)
CRB0127	Purple Line Construction Support	19,844	33,840	(13,996)	35,919	(16,075)
CRB0133	Capacity Impro - Union Station	-	4	(4)	3	(3)
CRB0136	McLean Station - New Entrance	-	(33)	33	(50)	50
CRB0137	Crystal City East Entrance	2,500	2,251	249	2,351	149
CRB0140	Ballston West Entrance	-	285	(285)	285	(285)
CRB0141	East Falls Church Bus Bay Exp.	-	38	(38)	42	(42)
Subtotal Platforms & Structures		**$ 99,732**	**$ 94,906**	**$ 4,826**	**$ 109,092**	**$ (9,360)**

Table 11. FY2025 Capital Project and Program Financials (in Thousands) (Continued)

ID	Name	Final Budget	Expenditures Excluding Accruals	Variance	Expenditures Including Accruals	Variance
Vertical Transportation						
CIP0072	Elevator Rehabilitation Program	$ 7,380	$ 5,011	$ 2,369	$ 5,872	$ 1,508
CIP0073	Escalator Rehabilitation Program	5,000	3,423	1,577	5,618	(618)
CIP0132	Escalator and Elevator Overhaul Program	12,677	9,623	3,054	10,309	2,368
CIP0185	Escalator Replacement	49,941	55,663	(5,722)	50,263	(322)
Subtotal Vertical Transportation		**$ 74,998**	**$ 73,719**	**$ 1,279**	**$ 72,062**	**$ 2,936**
Station Systems						
CIP0074	Parking Access & Collect Equip	$ -	$ 8	$ (8)	$ 4	$ (4)
CIP0145	Facility Security Monitoring Equipment Program	9,562	11,607	(2,045)	8,105	1,457
CIP0151	Rail Station Cooling Rehabilitation Program	5,080	4,365	715	4,264	816
CIP0219	Rail Station Lighting Improvements	17,700	16,281	1,419	14,532	3,168
CIP0241	Flood Resiliency Infrastructure Upgrades	200	427	(227)	322	(122)
CIP0242	Rail System Drainage Rehabilitation Program	15,572	12,597	2,975	11,621	3,951
CIP0252	Low Voltage Power State of Good Repair	64,418	65,481	(1,063)	63,046	1,372
CIP0255	Fare Collection Modernization	42,602	39,442	3,160	40,757	1,845
CIP0258	Station And Tunnel Fire Alarm Rehabilitation	7,632	7,175	457	5,922	1,710
CIP0272	Digital Display and Wayfinding Improvements	12,882	12,297	585	9,718	3,164
CIP0276	Art in Transit and Station Commercialization Program	2,648	964	1,684	841	1,807
CIP0341	Rail System Standpipe Replacement Program	13,300	13,861	(561)	12,580	720
CIP0386	Enterprise Video Ops &Sec Program	13,750	4,926	8,824	8,039	5,711
CIP0388	Parking Access Rev Sys. Rplcmt	500	-	500	-	500
CIP8019	D&E Revenue Facility Improvement	400	409	(9)	409	(9)
Subtotal Station Systems		**$ 206,246**	**$ 189,839**	**$ 16,407**	**$ 180,161**	**$ 26,085**
Subtotal Stations and Passenger Facilities		**$ 380,976**	**$ 358,463**	**$ 22,513**	**$ 361,316**	**$ 19,660**
Bus & Paratransit Acquisition						
CIP0006	Bus Fleet Acquisition Program	$ 26,488	$ 21,293	$ 5,195	$ 21,044	$ 5,444
CIP0015	Metro Access Fleet Acquisition	29,916	24,073	5,843	28,206	1,710
CIP0355	Zero Emission Bus Acquisition and Evaluation	8,611	11,668	(3,057)	9,155	(544)
Subtotal Bus & Paratransit Acquisition		**$ 65,015**	**$ 57,034**	**$ 7,981**	**$ 58,406**	**$ 6,609**
Bus Maintenance/Overhaul						
CIP0002	Bus Onboard Location Equipment and Software Program	$ 9,901	$ 8,762	$ 1,139	$ 11,330	$ (1,429)
CIP0004	Bus Maintenance Facility and Equipment State of Good Repair Program	3,968	3,103	865	2,119	1,849
CIP0005	Bus Vehicle Rehabilitation Program	56,880	57,283	(403)	57,217	(337)
CIP0143	Bus Vehicle Preventive Maintenance	1,000	-	1,000	-	1,000
CIP8024	Future Bus Maint/Overhaul Proj	1,006	-	1,006	-	1,006
Subtotal Bus Maintenance/Overhaul		**$ 72,755**	**$ 69,147**	**$ 3,608**	**$ 70,666**	**$ 2,089**
Bus Maintenance Facilities						
CIP0084	Andrews Federal Bus Garage	-	3	(3)	3	(3)
CIP0085	Cinder Bed Rd. Bus Garage	-	(444)	444	(444)	444
CIP0311	Bladensburg Bus Garage Replacement	83,178	69,815	13,363	71,286	11,892
CIP0312	Four Mile Run Bus Garage Rehabilitation	-	306	(306)	-	-
CIP0315	Northern Bus Garage Replacement	104,920	108,886	(3,966)	124,012	(19,092)
CIP0319	Bus Maintenance Facility SOGR	250	110	140	48	202
CIP0376	Western Bus Garage Rehab	24,000	352	23,648	22,894	1,106
CIP0383	Cinder bed Electric Bus Garage	2,940	58	2,882	58	2,882
CIP8025	D&E Bus Maintenance Facility Improvements	-	4	(4)	(32)	32
Subtotal Bus Maintenance Facilities		**$ 215,288**	**$ 179,088**	**$ 36,200**	**$ 217,824**	**$ (2,536)**
Bus Passenger Facilities/Systems						
CIP0220	Bus Planning Studies Program	$ 1,080	$ 587	$ 493	$ 587	$ 493
CIP0221	Bus Customer Facility Improvements	11,382	6,245	5,137	5,947	5,435
CIP0254	Bus Priority Program Development	4,737	3,720	1,017	3,729	1,008
CIP0266	Historic Bus Loop and Facility Rehabilitation	-	347	(347)	286	(286)
CIP0275	New Carrollton Garage and Bus Bays	9,945	11,947	(2,002)	11,733	(1,788)
CIP0322	Bus Pass Facility Improvements	-	(1)	1	(1)	1
CIP0326	Real-time Bus and Rail Data Feed Dev	-	3	(3)	1	(1)
CIP0396	Better Bus Implementation	6,000	3,219	2,781	4,337	1,663
Subtotal Bus Passenger Facilities/Systems		**$ 33,144**	**$ 26,065**	**$ 7,079**	**$ 26,619**	**$ 6,525**
Subtotal Bus, Bus Facilities, & Paratransit		**$ 386,202**	**$ 331,334**	**$ 54,868**	**$ 373,514**	**$ 12,688**

Table 11. FY2025 Capital Project and Program Financials (in Thousands) (Continued)

ID	Name	Final Budget	Expenditures Excluding Accruals	Variance	Expenditures Including Accruals	Variance
Information Technology						
CIP0043	Bus Scheduling and Operations Software Improvements	$ 6,629	$ 3,237	$ 3,392	$ 3,282	$ 3,347
CIP0049	One Badge	-	-	-	-	-
CIP0054	Customer Electronic Comms	-	-	-	-	-
CIP0056	Rail Service Management Software Improvements	929	307	622	122	807
CIP0215	Rail Scheduling System Upgrade	-	60	(60)	60	(60)
CIP0259	Employee Timekeeping System	2,000	741	1,259	802	1,198
CIP0269	Asset Management Software	837	872	(35)	747	90
CIP0330	Information Technology Data Center	2,529	2,471	58	2,121	408
CIP0331	Enterprise Resource Planning Software Replacement	54,509	52,124	2,385	44,757	9,753
CIP0342	Information Technology Hardware State of Good Repair	14,977	14,636	341	15,073	(96)
CIP0344	IT Program Management	-	7	(7)	4	(4)
CIP0357	Cybersecurity Legacy Software Improvement	4,806	6,348	(1,542)	6,350	(1,544)
CIP0358	Business Systems State of Good Repair	17,670	17,322	349	17,538	132
CIP0359	Enterprise Technology Platforms State of Good Repair	3,931	3,218	713	2,840	1,092
CIP0360	Transit Systems State of Good Repair	12,332	8,154	4,178	7,349	4,983
CIP0361	Service Oriented Architecture (SOA) Program	1,600	93	1,507	4	1,596
CIP0362	IV&V Program	200	-	200	-	200
CIP0384	Small IT Projects	1,953	782	1,171	409	1,544
CIP8029	D&E Information Technology Improvements	6,067	4,936	1,131	5,009	1,058
CIP8030	Future IT Projects	1,849	-	1,849	1,030	819
Subtotal Information Technology		**$ 132,819**	**$ 115,309**	**$ 17,510**	**$ 107,496**	**$ 25,323**
Metro Transit Police Department (MTPD)						
CIP0102	Police District III Substation	$ 1,000	$ 791	$ 209	$ 849	$ 151
CIP0127	Transit Police Support Equipment	4,750	2,372	2,378	2,624	2,126
Subtotal MTPD		**$ 5,750**	**$ 3,163**	**$ 2,587**	**$ 3,473**	**$ 2,277**
Support Equipment & Services						
CIP0009	Service Vehicle Acquisition Program	$ 14,628	$ 11,438	$ 3,190	$ 12,145	$ 2,483
CIP0010	Environmental Compliance Program	13,273	10,879	2,394	11,520	1,753
CIP0034	Revenue Collection Facility Rehabilitation	48	5	43	5	43
CIP0036	Procurement Program Support	13,292	9,987	3,305	9,555	3,737
CIP0039	System Planning and Development	3,018	4,434	(1,416)	4,035	(1,016)
CIP0099	Joint Development Program Support	3,425	1,696	1,729	2,015	1,410
CIP0101	Internal Compliance Capital Management Support	1,236	959	277	1,022	214
CIP0131	Capital Program Financing Support	2,000	640	1,360	640	1,360
CIP0150	Non-Revenue Facility Fire System Rehabilitation	2,833	2,550	283	2,398	435
CIP0170	Facility Roof Rehabilitation and Replacement	12,216	11,471	745	10,845	1,371
CIP0197	Support Facility Improvements	8,964	10,567	(1,603)	9,193	(229)
CIP0212	Sustainability/Resiliency Program	3,136	2,538	598	2,531	605
CIP0213	Capital Program Development Support	24,954	23,474	1,480	24,517	437
CIP0270	Capital Delivery Program Support	35,512	33,640	1,872	31,147	4,365
CIP0273	Support Facility Rehabilitation	3,645	1,888	1,757	1,884	1,761
CIP0277	Supply Chain Modernization	800	847	(47)	969	(169)
CIP0324	Capital Program Financial Support	1,500	381	1,119	525	975
CIP0335	Office Consolidation - District of Columbia	9,100	5,464	3,636	7,486	1,614
CIP0337	Office Consolidation - Virginia	3,450	7,239	(3,789)	4,851	(1,401)
CIP0338	Office Consolidation - Maryland	2,500	3,786	(1,286)	2,180	320
CIP0339	Rail Station Emergency Egress Improvements	1,990	1,320	670	1,337	653
CIP0347	Accounting Capital Program Support	2,418	2,714	(296)	2,701	(283)
CIP0371	West Falls Church Development	150	-	150	-	150
CIP0373	CTF OCC & JGB Radio Relocation.	5,300	6,119	(819)	9,040	(3,740)
CIP0381	Center of Excellence Dept	1,700	850	850	1,533	167
CIP0382	Content Management Sys Upgrade	2,581	1,125	1,456	1,125	1,456
CIP0390	Web-Based Applications Maintenance	2,700	1,338	1,362	2,675	25
CIP0391	Shared Enterprise Systems Maintenance	1,300	1,054	246	1,657	(357)
CIP0392	Transit Systems Applications Maintenance	1,450	945	505	1,215	235
CIP0397	Back Up MICC- CTF	250	132	118	138	112
CIP8033	D&E Support Equip Improvements	-	197	(197)	60	(60)
CIP8034	Future Support Equipment Projects	300	167	133	167	133
CRB0005	Planning Support for the District of Columbia	1,000	866	134	965	35
CRB0009	Planning Support for Maryland Jurisdictions	1,000	930	70	128	872
CRB0018	Planning Support for Virginia Jurisdictions	1,000	501	499	475	525
Subtotal Support Equipment & Services		**$ 182,669**	**$ 162,140**	**$ 20,529**	**$ 162,680**	**$ 19,989**
Subtotal Business & Operations Support		**$ 321,238**	**$ 280,612**	**$ 40,626**	**$ 273,649**	**$ 47,589**
Grand Total		**$2,319,228**	**$1,760,323**	**$ 558,905**	**$1,840,245**	**$ 478,983**

Appendix B: FY2025 Budget Variance and FY2016-FY2025 LTD Expenditures

The Maryland DFA requires life-to-date (LTD) expenditures information for CIP projects that exceeded their FY2025 one-year expenditures budget. To fulfill this requirement, Metro has compiled budget and expenditures information for the period of FY2016 – FY2025.

Table 12. FY2025 Budget Variance and FY2016-FY2025 LTD Expenditures (in Thousands)[11]

ID	Name	FY2025 Budget Variance (Including Accruals)	FY2025 Budget Variance (Excluding Accruals)	FY2016-2025 Expenditures (Excluding Accruals)
CIP0005	Bus Rehabilitation Program	$ (337)	$ (403)	$ 485,267
CIP0039	System Planning & Development	(1,016)	(1,416)	34,007
CIP0074	Parking Access & Collect Equip	(4)	(8)	1,076
CIP0076	100% 8-Car Train Power Upgrade	(1,526)	(1,299)	238,884
CIP0084	Andrews Federal Bus Garage	(3)	(3)	157,190
CIP0088	Station Entrance Canopies	(51)	(419)	67,570
CIP0133	Train Detection & Warning Sys	(168)	(168)	10,393
CIP0136	Radio Infrastructure Replace	(3,755)	(3,680)	457,607
CIP0145	Facility Security Equip Prog	1,457	(2,045)	104,438
CIP0185	Escalator Replacement	(322)	(5,722)	361,401
CIP0197	Non-Revenue Facilities	(229)	(1,603)	27,675
CIP0215	Rail Scheduling System Upgrade	(60)	(60)	5,293
CIP0225	Heavy Repair & Overhaul Facil	1,090	(1,755)	107,058
CIP0241	Flood Resiliency Infrastructure	(122)	(227)	9,958
CIP0246	General Engineering	963	(531)	99,038
CIP0251	Automatic Train Control SOGR	6	(2,867)	406,290
CIP0252	Low Voltage Power SOGR	1,372	(1,063)	248,337
CIP0262	Tunnel Water Leak Mitigation	(1,950)	(3,008)	99,297
CIP0266	Historic Bus Loop and Facility Rehabilitation	(286)	(347)	6,395
CIP0269	Asset Management Software	90	(35)	11,404
CIP0274	Grosvenor Parking Garage (J/D)	(302)	(302)	23,970
CIP0275	New Carrollton Garage and Bus Bays	(1,788)	(2,002)	105,419
CIP0277	Supply Chain Modernization	(169)	(47)	3,819
CIP0291	Tunnel Ventilation Improvement	(57)	(56)	9,943
CIP0310	Station Platform Rehabilitation Phase 4	902	(79)	330,464
CIP0312	4 Mile Run Bus Garage Rehabilitation	-	(306)	1,817
CIP0315	Northern Bus Garage Replacement	(19,092)	(3,966)	317,314
CIP0326	Real-time Bus and Rail Data Feed Dev	(1)	(3)	455
CIP0337	Office Consolidation - VA	(1,401)	(3,789)	298,581
CIP0338	Office Consolidation - MD	320	(1,286)	210,264
CIP0341	Rail Sys Standpipe Replacement	720	(561)	63,989
CIP0344	IT Program Management	(4)	(7)	3,052
CIP0347	Acct Capital Program Support	(283)	(296)	10,617
CIP0349	Yellow Line Tunnel & Bridge Rehab	(54)	(295)	341,865
CIP0355	Zero Emissions Bus	(544)	(3,057)	32,408
CIP0357	Cyber Legacy Technology	(1,544)	(1,542)	21,427
CIP0373	Interim OCC	(3,740)	(819)	87,697
CIP0900	Preventative Maint	(9,496)	(6,763)	300,749
CIP8005	D&E Rail Yard Improvements	(5)	(5)	2,200
CIP8013	D&E Track Structures Improve	(1,171)	(1,341)	22,970
CIP8019	D&E Revenue Facility Improve	(9)	(9)	1,701
CIP8025	D&E Bus Maint. Facility Impv	32	(4)	2,404
CIP8033	D&E Support Equip Improvements	(60)	(197)	5,506

[11] Table 12 contains life-to-date expenditures 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: FY2025 New Projects

The Maryland DFA requires that Metro provide information on the scope, purpose, and need of new CIP projects initiated during FY2025. New projects and programs that emerged during the fiscal year are described in **Table 13**.

Table 13. Projects and Programs Initiated During FY2025

ID and CIP Name	Description and Location	Strategic Objectives Supported
CIP0396 Better Bus Implementation	Better Bus is an initiative to rethink, redesign, and revitalize bus service to better serve the needs of customers in the region - through new facilities and buses, better and faster service, and better customer information and amenities. The proposed 2025 Better Bus Network is a bus network and service plan that reshapes the entire Metrobus system within Metro's current resource levels, while improving service and connections throughout the system.	
CIP0397 Backup Operations Control Center	A backup location for Metro's Integrated Command and Communications Center (MICC) will upgrade and integrate existing backup control centers under one facility, providing operational redundancy to Metro's system and unifying incident responses.	
CIP 0398 Grosvenor Platform Project	The Grosvenor Metrorail Station platform is in need of reconstruction to address deterioration of the platform structural slab and cantilevered edge.	
CRB0139 Silver Line Phase 2 Intrusion Detection	An Intrusion Detection Warning (IDW) system indicates when unauthorized people or objects access the trackside area. This project replaces faulty IDW equipment on the Silver Line Phase 2.	

Appendix D: Federal Grants Crosswalk

Table 14. FY2025 Federal Grants Crosswalk – Capital

Federal Formula Grant Funds	FAIN	Carryover Balance 6/30/2024	Awarded/ De-obligations FY2025	Total Available	Receipts In FY2025	Remaining Balance 6/30/2025
FFY2018 Bus Shelters Replacement	DC-2018-012	$ 1.6	$ (0.0)	$ 1.6	$ 1.6	$ -
FFY2019 5307/5340 Formula Funding	DC-2019-010	$ 0.4	$ (0.0)	$ 0.4	$ 0.4	$ -
FFY2020 5307 Bus & Rail	DC-2020-010	11.6	-	11.6	8.1	3.5
FFY2020 5337 State of Good Repair	DC-2020-017	18.1	(0.0)	18.1	15.8	2.3
FFY2020 5339 Metro Bus zero emissions fleet program	DC-2021-003	0.9	-	0.9	0.4	0.5
FFY2021 5339 Bladensburg Bus Garage	DC-2021-014	0.0	11.8	11.8	6.0	5.8
FFY2022 5337 Rail Preventative Maintenance	DC-2022-012	113.5	-	113.5	87.4	26.0
FFY2022 5307 Bus Garages and Rail Station Revitalization	DC-2022-014	47.2	112.9	160.1	125.3	34.8
FFY2022 5307 Formula Bus	DC-2022-015	99.2	3.2	102.4	26.9	75.5
FFY2022 5337 Rail Rehabilitation	DC-2022-016	91.5	40.0	131.5	40.1	91.4
FFY2022 5307 Formula Rail	DC-2022-017	4.8	11.2	16.0	8.2	7.8
FY 2018 Paratransit Van Replacements	DC-2023-006	0.2	(0.0)	0.2	0.2	0.0
5337 Track&Railcar PM, and Station Cooling, Parking, & Gates	DC-2024-013	-	184.5	184.5	50.7	133.7
FFY24 5307 Bus PM&Rehab, CCTVs, MTPD Projects, ADA Elevator	DC-2024-014	-	45.6	45.6	31.9	13.7
Subtotal		**$ 389.0**	**$ 409.2**	**$ 798.2**	**$ 403.1**	**$ 395.0**

Passenger Rail Investment and Improvement Act (PRIIA) Grand Funds	FAIN	Carryover Balance 6/30/2024	Awarded/ De-obligations FY2025	Total Available	Receipts In FY2025	Remaining Balance 6/30/2025
FY2022 PRIIA Appropriation	DC-2022-018	6.0	-	6.0	(1.4)	7.4
FY2023 PRIIA Appropriation	DC-2023-007	27.6	0.0	27.6	23.9	3.7
FFY2024 PRIIA ELES, Movers, ATC, Switches, SMP, Tunnel Leak Mit.	DC-2024-009	-	143.5	143.5	70.1	73.4
Subtotal		**$ 33.6**	**$ 143.5**	**$ 177.1**	**$ 92.6**	**$ 84.6**

Table 14. FY2025 Federal Grants Crosswalk – Capital (Continued)

Other Federal and FTA Grant Funds	Other FTA Grant Funds	Carryover Balance 6/30/2024	Awarded/ De-obligations FY2025	Total Available	Receipts In FY2025	Remaining Balance 6/30/2025
Track Inspector Location Awareness	DC-2017-011	$ 0.0	$ -	$ 0.0	$ -	$ 0.0
FFY2019 Metro Access Fleet Replacement Vehicles 5310	DC-2020-007	0.9	(0.0)	0.9	0.9	(0.0)
FFY 19 5312 Public Safety Pilot Study	DC-2021-008	0.2	-	0.2	0.1	0.1
FFY2021 5312 COVID-19 Research and Demonstration Project	DC-2021-012	0.3	-	0.3	(0.0)	0.3
FFY24 VA CMAQ WMATA Bus Replacement	DC-2024-002	3.4	-	3.4	-	3.4
FFY2023 5310 Enhanced Mobility Paratransit Van Replacement	DC-2024-006	-	1.7	1.7	1.7	-
Transit Data Standards & Analysis Infrastructure Framework	OS69A3552441015	-	2.0	2.0	0.9	1.1
Subtotal		**$ 4.7**	**$ 3.7**	**$ 8.5**	**$ 3.6**	**$ 4.9**
Grand Total		**$ 427.4**	**$ 556.4**	**$ 983.8**	**$ 499.3**	**$ 484.5**

Appendix E: Summary of CIP Accomplishments

Metro expended $1.8 billion through its capital program in FY2025, completing critical infrastructure needs while fulfilling Metro's strategic goal of fiscal responsibility. These investments included construction and rehabilitation projects to maintain the transit system in a state of good repair and enhance system reliability and customer experience.

This appendix provides information on capital program accomplishments and work progress during FY2025. This information is grouped by Metro's six investment categories.



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

Metro advanced in the 8000-Series Railcar project through the completion of car body Design Qualification Testing as well as Final Design Review (FDR) sessions for system components and mockups held in Italy and the Carolinas. Contract modifications initiated in earlier phases also advanced, including 5G communications for live diagnostics, enhanced ADA-compliant door indicators, additional cab and platform Closed Circuit Television (CCTV) coverage, updated passenger seating and bike rack configurations, and improved lighting for greater maintainability.

The 2000-Series railcar removal program retired 26 additional cars. Of the remaining cars, two will be preserved for historical purposes, while another two will continue in service for fare revenue collection until the 3000-Series is upgraded and can assume their role.

Railcar Maintenance Facilities

Metro continued services for the wheel latches and wheel press at the Greenbelt Truck and Machine Shop. Additionally, the Greenbelt Railcar Lift Upgrade Project completed the overhaul of the fourth lift system out of the eight contracted.

At New Carrollton's Car Track Equipment Maintenance Shop, excavation was completed, and concrete pouring began for the new apron and bulkhead. For the Dulles Heavy Rail Overhaul (HRO) Improvement project, the final concept design report was received and is currently under review.

Railcar Maintenance & Overhaul

Metro advanced key facility upgrades and design efforts across multiple railyards. At New Carrollton, the 30 percent conceptual design for the Storage Optimization project was completed. At West Falls Church, executive approval was granted to moved forward with the Cable Trough Rehabilitation, with a bid solicitation prepared for release in July.

At Greenbelt, the Sewer Ejector project reached 100 percent design completion, while the Sheriff Road Heating, Ventilation, Air-Conditioning (HVAC) Outfitting achieved 100 percent construction completion and entered final closeout. The Greenbelt HVAC Replacement progressed to 65 percent completion, with delivery of all major mechanical equipment.

Rail Systems Investments

Signals and Communications

Metro achieved a significant milestone with the activation of Automatic Train Operation (ATO). The Green and Yellow Lines came online on May 23, 2025, followed by the Blue, Orange and Silver Lines on June 15, 2025. This builds on the successful reactivation of ATO on the Red Line in December 2024. Automatic Doors remain operational across all lines, further advancing Metro's Grade of Automation (GoA) Level 2 objectives.

Metro continued to advance the Communication-Based Train Control (CBTC) Program, through coordinated progress across multiple strategic workstreams. Key activities included preparation of the Independent Safety Assessment (ISA) Request for Proposal (RFP) package, refinement of the railcar conversion strategy, and sustained engagement with community workforce initiatives. Metro also made progress in scheduling, cost estimating, marketing, and overall project coordination. Development of the procurement package for Project Management / Construction Management / General Architecture, Engineering, and Consulting (PM/CM/GAEC) services also moved forward. Additionally, work continued to finalize technical requirements and review the Request for Information (RFI) report for the Platform Screen Doors Pilot to support future implementation planning.

Power/Propulsion

Metro continued progress with the Traction Power of State of Good Work Repair (SOGR) Program. Approximately 13,695 linear feet of traction power cable were installed as part of the systemwide cable installation effort, reflecting steady advancement in infrastructure upgrades. Construction was completed at Bethesda, while work remained at Shady Grove, Alexandria Yard and Twinbrook. Construction also progressed at Seward Square and Metro Center, with new work initiated at Farragut West to expand tagging relay upgrades across additional substations.

Track and Structures Rehabilitation Investments

Fixed Rail

Metro executed critical infrastructure upgrades and maintenance activities across the system through the Track Rehabilitation Program, including restraining rail removal, joint elimination, track fastener and anchor bolt replacement, and grout pad rehabilitation. Key accomplishments included 78 square feet of concrete restoration, 532 insulators and 2,520 fasteners replaced along with 404 joints eliminated.

The Rail Support Vehicle Program continued advancement in design, fabrication, and pre-delivery activities supporting fleet modernization efforts. The design review of the Flat Car was finalized, paving the way for fabrication activities to commence in FY2026.

Table 15. FY2025 Track Rehabilitation Work by Component Activity

Component Activity	FY2025 Plan	FYTD Progress	Completion Percentage
Crossties Replaced	7,000	5,911	84%
Third Rail Insulator Replacement	3,500	3,314	95%
Joint Elimination	550	832	151%
Running Rail Renewal	52,884	48,623	92%
Third Rail Rehabilitation	5,000	6,527	131%
Track Stabilization	400	900	225%
Turnouts Rehabilitated	3	1	33%
Track Fasteners Replaced	10,000	13,001	130%
Track Surfacing	111,000	119,859	108%

Table 16. FY2025 Structures Rehabilitation Work by Component Activity

Component Activity	FY2025 Plan	FYTD Progress	Completion Percentage
Concrete Restoration (Linear Feet)	1,800	2,345	130%
Deck Joint Replacement (Linear Feet)	450	226	50%
Drain Rodding (Linear Feet)	100,000	90,032	90%
Grout Pad Rehabilitation (Linear Feet)	8,000	14,930	187%
Leak Mitigation	2,000	1,535	77%
Track Bed Cleaning (Linear Feet)	350,000	115,690	33%
Track Signage Replaced	800	994	124%

Structures

Metro finalized all pre-Substantial Completion Inspection (SCI) activities for the A Line, officially transitioning the project into its monitoring phase.

For the Tunnel Ventilation project, de-energization of the Air Conditioning rooms is completed at Cleveland Park. This enables demolition activities.

Structural rehabilitation continued at the Grosvenor Aerial Structure - all 20 of 20 pier modifications were completed.

Metro continued progress on the load rating of WMATA bridges, completing load ratings for all 161 bridges. Additionally, the culvert/bridge inspection contract was awarded, with inspections completed on 16 culverts and eight bridges. The team also received five draft inspection reports as part of ongoing deliverables, advancing work toward completing the final evaluations.

Stations and Passenger Facilities Investments

Platforms & Structures

Metro advanced the Bicycle & Pedestrian Facility project in critical pre-installation activities for the preparation of phased bike rack installations beginning in early FY2026. The first U-rack order was placed, and the team launched a coordinated site layout review with internal departments to assess equipment placement.

Metro also continued capital maintenance activities across parking facilities, including garage rehabilitation and station safety improvements.

Station Systems

Metro received eleven bids for the new fare vending machine contract in Q4, which covers approximately 500 machines. Technical evaluations are currently under way, and contract award is anticipated in FY2026. The contract for locking faregates and aisle expansions was awarded, with initial installation activities beginning in Q4. This project supports fare evasion mitigation and improved system accessibility.

Metro continued backend development and integration support for the Open Payments Backend System, with work remaining aligned to phased implementation milestones.

Installation of all 1,464 fareboxes is complete. Warranty and contract closeout processes are in progress, pending resolution of pending contract modifications.

The Exit Fare Vending Machines installation is complete with final warranty work in progress to close out the project. Platform modernization efforts for Web SmartBenefits 2.0 advanced, focusing on improved usability, reduced transition fees, and enhanced ADA compliance.

Enhancements to Mobile Ticketing 2.0 continued, including expanded virtual card provisioning and over-the-air feature updates. Support has broadened to include multiple user groups, such as students and institutional partners.

Metro continued progress on the Low Voltage Power Rehabilitation projects with switchgear replacement continuing at Brookland and Addison Road. The planned start of work a Fort Totten and Archives was rescheduled to Q1 FY2026 due to updated project sequencing. The team continued progress on product submittals, equipment procurement, and coordination with Pepco in preparation for upcoming switchgear and generator power transfer installations.

Vertical Transportation

Metro completed work orders, including step chain, handrail, gearbox, and drive chain replacements, as well as welding and safety-related inspection tasks. The build-out of the elevator and escalator auxiliary parts storage repair workspace progressed to 95 percent completion.

The water remediation assessments were finalized and submitted, with elevator and escalator technicians initiating mitigation efforts on affected units. The elevator glass cleaning contract reached 100 percent completion and is pending closeout, while the truss, pan, and wellway cleaning project remains ongoing.

Bus, Bus Facilities, and Paratransit

Bus Acquisition

Following the award of a five-year replacement contract to New Flyer, Metro processed the Milestone 2 payment for 75 40-foot hybrid buses following completion of the design review and approval of the production schedule.

Metro received five Battery-Electric Buses (BEB) of 10 expected for FY2025 and began preparations to place them into revenue service.

Bus Maintenance Facilities

Metro progressed with construction for the Northern Bus Garage Replacement project, with ongoing steel erection, concrete deck pours, and installation of bus lift frames. Exterior work advanced with sheathing, roofing, and air barrier membrane installation while mechanical, electrical, and plumbing rough-ins continued. Fuel piping and duct bank work also remained active. A key milestone – the structural topping-off – was completed. Integration of BEB infrastructure remained a priority, with procurement of long-lead equipment underway and continued coordination to assess potential schedule impacts related to the BEB scope.

Maintenance And Overhaul

Metro continued receiving routine maintenance equipment in support of its ongoing bus technology modernization and system reliability initiatives.

Metro completed the first year of technology upgrades on 316 buses, including enhancements to the Intelligent Vehicle Network (IVN), Automated Passenger Counters (APC), and Touchscreen Control Heads (TCH) systems as part of the Clever Devices Intelligent Transportation System (ITS). Year two installation efforts began this quarter and are now over 75 percent complete, incorporating IVN 5 units, new APCs, TCH relocations, and Array microphones.

The Hastus project advanced with the successful deployment of the Static Interface to support the Better Bus Network Redesign. Premium Support Services and ITS Maintenance, now in the second year of the contract, continue to ensure hardware and software reliability across the full fleet.

Bus Passenger Facilities and Systems

Metro continued progress on the Customer Information Electronic Display System (CIEDS) project. The content management system layout was completed for 55-inch signs, and two of 18 Thin-Film Transistor 55-inch signs were installed at the New Carrollton Garage. Line diagram designs for signage at four stations were also finalized, with installation scheduled for July.

Under the Bus Shelter Project, an Indefinite Delivery/Indefinite Quantity supply contract for shelters was awarded, and the contractor is currently reviewing shop drawings ahead of production. A revised and newly developed construction bid package was completed and is ready for solicitation.

Metro continued expanding automated enforcement tools to support bus priority corridors. The Clear Lanes camera system was installed on 70 additional Metrobuses, increasing total fleet deployment to 210 vehicles. Better Bus Network Redesign changes were incorporated into the Clear Lanes system, updating routes and stop data for ongoing enforcement and monitoring.

Metro also advanced foundational planning and coordination for the NextGen Transit Signal Priority (TSP) upgrade. Comprehensive internal stakeholder engagement was conducted to document WMATA's operational needs. Interviews were held with representatives from all 10 operating jurisdictions to align system planning with local expectations and constraints. Peer agency research was completed to gather lessons learned and best practices for NextGen TSP implementation. Vendors were engaged to assess available technologies, deployment models, and architectural considerations. A detailed Technology Study Summary was compiled and shared with WMATA and jurisdictional partners. Finally, the Concept of Operations was drafted and revised to define system functionality, incorporating stakeholder input and aligning with industry standards.

Business and Operations Support Investments

Support Equipment and Services

Metro received a total of 161 out of 173 vehicles expected for FY2025 as part of its ongoing fleet renewal effort, including service support vehicles, passenger vehicles and those for the Metro Transit Police Department (MTPD).

Metro continued work under the Pollution Prevention Program at Alexandria and Shady Grove Yards. At Alexandria Yard, concrete work on the base pan of Track 22 progressed as planned, while new track installation on Track 23 was completed.

At Shady Grove Yard, new track installation was completed, and concrete work remains on schedule. Grating, backfilling, and asphalting activities are currently underway. For the Underground Storage Tank Replacement project, the Maryland Department of Environment approved a deviation request to reduce the required distance between the storage tank and shoring. At Greenbelt Yard, permit applications were submitted, and pre-construction meeting was held on May 25, 2025. At Glenmont Yards, scope updates were initiated through new change orders to include camera installations at both Greenbelt and Glenmont Yards.

Progress continued across multiple Non-Revenue Facilities projects. Construction was completed and SCI punch list items finalized at the following locations: Montgomery Bus Garage (catwalk and fan access), Shepherd's Parkway (catwalk), Good Luck Road (humidifiers and rooftop units), and Queenstown Road (exhaust fans). Renovation work included new flooring, appliances, cabinetry, ceiling installation and painting. Final SCI inspections were completed, marking the close of all construction activity for this phase.

Information Technology

Metro advanced its migration from the on-premises Kronos timekeeping system to the cloud-based Ultimate Kronos Group (UKG) platform. The Change Management and Leadership Engagement Plans were completed during the quarter. Testing began on key system configurations, including the Workforce Management and TeleStaff modules. Additionally, two supplemental non-production environments – Quality Assurance and User Acceptance Testing – received approval to proceed to procurement, with the associated contract modification currently under final review.

Attachment 2



Fiscal Year 2025 Report on Actual Indirect Costs

Washington Metropolitan Area Transit Authority
January 2026

Overview

The Washington Metropolitan Area Transit Authority's (WMATA or Metro) Six-Year Capital Improvement Program and Fiscal Year (FY) 2025 Capital Budget (collectively called the "CIP") focused on improving the safety, security, state of good repair, and reliability of the transit system. Funding for the CIP came from multiple 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 actual 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 FY2025. It presents the results of Metro's reconciliation of indirect costs applied to the capital program and deducted from operating expenditures. 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 sub-ledger, and discussions with Metro staff. All expenditures in this report are based on audited figures and are inclusive of all projects where an indirect rate was applied.

As described in this report, in FY2025, $131.6 million in indirect costs were applied to capital projects and $131.6 million in indirect costs were deducted from operating expenditures.

About Metro's Indirect Cost Rates

Metro uses indirect cost rates approved by the Federal Transit Administration (FTA) to 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, regardless of whether they are funded by federal or non-federal sources.

On December 31, 2023, Metro submitted its FY2025 Indirect Cost Rate Proposal (ICRP) to FTA and requested approval of a set of indirect cost rates. FTA provisionally approved Metro's rates on April 3, 2024, and provided final approval on October 29, 2024. In agreement with FTA, Metro did not use carry-forward rates in FY2025.

Table 1 presents the set of indirect cost rates provided to FTA in Metro's FY2025 ICRP. Rates applied to direct labor costs generally align with the approved indirect cost rates shown in **Table 1**.

Table 1. FTA-Approved Indirect Costs Rates for FY2025

Area/Department	Indirect Cost Rates
Operating Labor	46.33%
Operating – OIG	51.46%
Capital – Design/Engineering/Construction	50.08%
Capital - Other	49.52%

Carry-forward Methodology

As part of the budget process, Metro uses actual 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 rates to actual indirect costs incurred for each capital project and program. Any indirect costs that are under-recovered or over-recovered are "carried forward" in the calculation of the indirect cost rates for the next fiscal year. This approach allows the amount of indirect costs recovered to equal the amount of indirect costs incurred over time. In consultation with FTA, Metro resumed submitting carry-forward rates for its FY2027 ICRP.

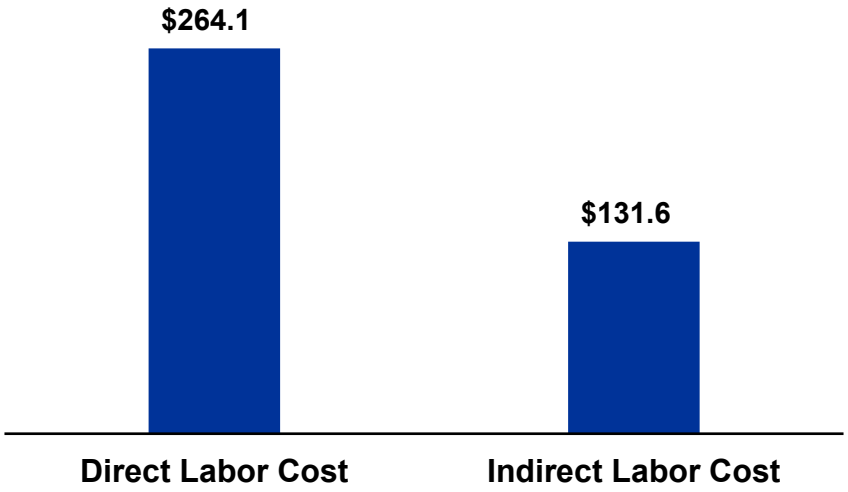
Actual Indirect Costs Applied to the Capital Program

On April 25, 2024, the WMATA Board of Directors adopted a Capital Budget totaling $2.4 billion for FY2025.[1] It is WMATA's standard practice to adjust the budget for individual projects and programs to account for changes in cost, scope, schedule, and prioritization.[2] These adjustments involve redistribution of the budget among various projects and programs but result in a net zero impact to the overall Capital Budget.

During FY2025, Metro expended $1,840.2 million in the capital program.[3] Actual direct labor costs totaled $264.1 million and indirect costs applied to capital programs and projects were $131.6 million (Figure 1).

Table 2 on the next page shows the actual direct and indirect labor costs by the respective capital projects.

Figure 1. FY2025 Direct and Indirect Labor Costs ($M)



[1] Resolution 2024-12, Board of Directors of the Washington Metropolitan Area Transit Authority. At the time of budget adoption, staff presented a preliminary set of indirect cost rates to develop the budget pending receipt of the FTA-approved rates.

[2] More detailed information on each adjustment can be found in the *Reprogramming Reports* prepared by WMATA monthly and distributed quarterly to the contributing jurisdictions.

[3] Metro expended $1,840.2 million in the capital program in FY2025.

Table 2. FY2025 Actual Direct and Indirect Labor Costs by Project and Program[1]

ID	Description	Direct Labor Cost	Indirect Cost	Indirect Rate
Railcar Acquisition				
CIP0059	8000-Series Railcars	$ 813,199	$ 407,251	50.08%
CIP0256	7000-Series Railcars	$ 1,371,103	$ 686,648	50.08%
Railcar Maintenance/Overhaul				
CIP0063	Rail Vehicle Rehab Program	$ 38,930,403	$ 19,278,329	49.52%
CIP0067	Railcar Safety & Reliability	$ 168,702	$ 83,541	49.52%
CIP0142	Railcar Preventative Maintenance	$ 36,908,692	$ 18,277,141	49.52%
CIP0900	Preventative Maintenance	$ 4,386,680	$ 2,172,284	49.52%
Railcar Maintenance Facilities				
CIP0225	Heavy Repair & Overhaul Facil	$ 108,936	$ 54,555	50.08%
CIP0283	Major Railcar Maintenance Equip SOGR	$ 3,178	$ 1,591	50.08%
CIP0284	Railyard Facility & Site Rehabilitation	$ 270,336	$ 134,272	49.67%
Propulsion				
CIP0076	100% 8-Car Train Power Upgrade	$ 80,243	$ 40,186	50.08%
CIP0253	Traction Power SOGR	$ 13,926,994	$ 6,974,628	50.08%
CIP0286	Power Generator Replacement	$ 74,484	$ 37,301	50.08%
Signals & Communications				
CIP0133	Train Detection & Warning Sys	$ 76,050	$ 38,086	50.08%
CIP0136	Radio Infrastructure Replace	$ 2,314,754	$ 1,159,231	50.08%
CIP0251	Automatic Train Control SOGR	$ 8,272,206	$ 4,142,719	50.08%

[1] Table is inclusive of all projects where an indirect rate was applied.

ID	Description	Direct Labor Cost	Indirect Cost	Indirect Rate
CIP0332	Fiber Optic Cable Installation	$ 11,137,834	$ 5,577,835	50.08%
CIP0380	CBTC Strat Prog Impl. Dev	$ 374,495	$ 187,400	50.04%
Fixed Rail				
CIP0024	Track Rehabilitation	$ 44,830,121	$ 22,449,988	50.08%
CIP0025	Roadway Equip & Vehicle Replacement	$ 401,385	$ 201,014	50.08%
CIP0246	General Engineering	$ 3,796,428	$ 1,901,253	50.08%
CIP0247	Emerg Construction & Emerging Needs	$ 100,117	$ 49,963	49.90%
CIP8011	D&E Fixed Rail Improvements	$ 8,509	$ 4,214	49.52%
Structures				
CIP0262	Tunnel Water Leak Mitigation	$ 1,654,518	$ 828,582	50.08%
CIP0291	Tunnel Ventilation Improvement	$ 4,265	$ 2,112	49.52%
CIP0294	Bridge Rehabilitation Program	$ 6,037	$ 3,022	50.06%
CIP0356	Tunnel Vent Improvements- Red Line Pilot	$ 2,081,025	$ 1,042,177	50.08%
CIP8013	D&E Track Structures Improve	$ 26,795	$ 13,269	49.52%
CIP0348	Structural Rehabilitation - Package A	$ 2,708,512	$ 1,356,423	50.08%
CIP0349	Yellow Line Tunnel & Bridge Rehab	$ 13,466	$ 6,744	50.08%
CIP0370	Structural Rehabilitation - Package B	$ 149,201	$ 74,719	50.08%
CIP0375	Shaft Structural Rehab	$ 252,098	$ 126,250	50.08%
Platforms & Structures				
CIP0035	Bicycle & Pedestrian Facility	$ 92	$ 46	50.08%
CIP0087	Station & Facility Restoration	$ 3,734,630	$ 1,870,297	50.08%
CIP0088	Station Entrance Canopies	$ 606,852	$ 303,911	50.08%
CIP0152	Parking Garage & Surf Lot Rehab	$ 1,204,696	$ 603,312	50.08%
CIP0218	Metrorail Station Upgrades	$ 89,979	$ 45,062	50.08%
CIP0274	Grosvenor Parking Garage (J/D)	$ 20,425	$ 10,229	50.08%
CIP0297	Union Station Improvements	$ 52,616	$ 26,350	50.08%
CIP0305	Rail Passenger Facility SOGR	$ 42,697	$ 21,383	50.08%
CIP0308	Station Platform Rehabilitation Phase 3	$ 25,250	$ 12,645	50.08%

ID	Description	Direct Labor Cost	Indirect Cost	Indirect Rate
CIP0310	Station Platform Rehabilitation Phase 4	$ 975,123	$ 488,339	50.08%
CIP0374	Solar Site Improvements	$ 129,815	$ 65,011	50.08%
CIP0379	Silver Line Known Defects	$ 3,131	$ 1,551	49.52%
CIP0398	Grosvenor Platform Project	$ 66,218	$ 32,791	49.52%
CRB0013	Potomac Yard Station Construction	$ 253,619	$ 127,012	50.08%
CRB0020	Silver Line Phase 2 Construction Support	$ 1,168,452	$ 579,427	49.59%
CRB0127	Purple Line Construction Support	$ 6,719,899	$ 3,346,357	49.80%
CRB0133	Capacity Impro - Union Station	$ 1,673	$ 838	50.08%
CRB0136	McLean Station - New Entrance	$ (15,181)	$ (7,602)	50.08%
CRB0137	Crystal City East Entrance	$ 641,044	$ 321,036	50.08%
CRB0140	Ballston West Entrance	$ 76,663	$ 37,964	49.52%
CRB0141	East Falls Church Bus Bay Exp.	$ 17,233	$ 8,534	49.52%
CIP8015	D&E Rail Station Improvements	$ 160	$ 80	50.08%
Vertical Transportation				
CIP0072	Elevator Rehabilitation Prog	$ 643,258	$ 322,144	50.08%
CIP0073	Escalator Rehabilitation Prog	$ 53,821	$ 26,953	50.08%
CIP0132	Escalator & Elevator Overhaul	$ 2,446,464	$ 1,225,181	50.08%
CIP0185	Escalator Replacement	$ 2,412,247	$ 1,208,057	50.08%
Station Systems				
CIP0145	Facility Security Equip Prog	$ 1,672,649	$ 837,664	50.08%
CIP0386	Enterprise Video Ops & Sec Program	$ 531,321	$ 264,945	49.87%
CIP0151	Rail Station Cooling Rehab	$ 786,702	$ 393,981	50.08%
CIP0219	Rail Station Lighting Improve	$ 1,700,466	$ 851,596	50.08%
CIP0241	Flood Resiliency Infrastructure	$ 67,155	$ 33,255	49.52%
CIP0242	Rail System Drainage Rehab	$ 1,833,210	$ 918,069	50.08%
CIP0252	Low Voltage Power SOGR	$ 6,816,224	$ 3,413,569	50.08%
CIP0255	Fare Collection Modernization	$ 3,131,965	$ 1,568,490	50.08%
CIP0258	Station & Tunnel Fire Alarm	$ 461,712	$ 231,225	50.08%

ID	Description	Direct Labor Cost	Indirect Cost	Indirect Rate
CIP0272	Digital Display and Wayfinding Improvements	$ 2,079,674	$ 1,041,506	50.08%
CIP0276	Station Commercialization Plan	$ 171,469	$ 85,871	50.08%
CIP0341	Rail Sys Standpipe Replacement	$ 1,791,755	$ 897,305	50.08%
CIP8019	D&E Revenue Facility Improve	$ 32,784	$ 16,418	50.08%
Bus and Paratransit Acquisition				
CIP0006	Bus Fleet Replacement Program	$ 643,033	$ 318,430	49.52%
CIP0015	MetroAccess Fleet Replacement	$ 321,158	$ 159,039	49.52%
CIP0355	Zero Emissions Bus	$ 732,943	$ 367,058	50.08%
Bus Maintenance/Overhaul				
CIP0004	Bus Maintenance Equip Replacement	$ 19,893	$ 9,939	49.96%
CIP0005	Bus Rehabilitation Program	$ 12,946,332	$ 6,411,013	49.52%
Bus Maintenance Facilities				
CIP0311	Bladensburg Bus Garage Rehabilitation	$ 760,343	$ 380,781	50.08%
CIP0315	Northern Bus Garage Replacement	$ 1,313,654	$ 657,877	50.08%
CIP0319	Bus Maintenance Facility SOGR	$ 45	$ 22	50.08%
CIP0376	Western Bus Garage Rehab	$ 8,671	$ 4,294	49.52%
CIP0383	Cinderbed Electric Bus Garage	$ 7,531	$ 3,771	50.08%
Bus Passenger Facilities/Systems				
CIP0221	Bus Customer Facility Improvement	$ 394,289	$ 197,461	50.08%
CIP0254	Bus Priority Program Development	$ 548,998	$ 274,938	50.08%
CIP0266	Historic Bus Loop and Facility Rehabilitation	$ 39,821	$ 19,942	50.08%
CIP0275	New Carrollton Garage and Bus Bays	$ 56,092	$ 28,091	50.08%
CIP0396	Better Bus Implementation	$ 923,545	$ 457,341	49.52%
IT				
CIP0043	Bus Ops Mgmt. Software	$ 332,256	$ 164,533	49.52%
CIP0330	IT Data Center	$ 77	$ 38	49.52%
CIP0331	ERP Software Replacement	$ 1,128,025	$ 558,598	49.52%
CIP0342	IT Hardware SOGR	$ 647,022	$ 320,405	49.52%

ID	Description	Direct Labor Cost	Indirect Cost	Indirect Rate
CIP0344	IT Program Management	$ 3,255	$ 1,612	49.52%
CIP0357	Cyber Legacy Technology	$ 2,932,299	$ 1,452,074	49.52%
CIP8029	D&E IT Improvements	$ 116	$ 57	49.53%
MTPD				
CIP0102	MTPD District III Substation	$ 134,139	$ 67,177	50.08%
CIP0127	Support Equipment MTPD	$ 65,586	$ 32,478	49.52%
Support Equipment/Services				
CIP0010	Environmental Compliance Program	$ 925,797	$ 463,641	50.08%
CIP0034	Revenue Collection Facility	$ 2,322	$ 1,150	49.52%
CIP0036	Procurement Program Support	$ 3,669,498	$ 1,817,138	49.52%
CIP0039	System Planning & Development	$ 139,193	$ 68,928	49.52%
CIP0099	Joint Development Program Support	$ 66,084	$ 32,725	49.52%
CIP0150	Non-Rev Facility Fire Systems	$ 493,197	$ 246,994	50.08%
CIP0170	Roof Rehab & Replacement	$ 901,309	$ 450,022	49.93%
CIP0197	Non-Revenue Facilities	$ 737,565	$ 369,374	50.08%
CIP0212	Sustainability Program Support	$ 791,556	$ 391,979	49.52%
CIP0213	Capital Program Management	$ 6,073,316	$ 3,007,504	49.52%
CIP0270	CAPD Program Support	$ 6,264,033	$ 3,135,900	50.06%
CIP0273	Facility Improvements	$ 448,870	$ 224,794	50.08%
CIP0335	Office Consolidation - DC	$ 75,293	$ 37,707	50.08%
CIP0337	Office Consolidation - VA	$ 41,799	$ 20,933	50.08%
CIP0397	Back Up MICC- CTF	$ 56,813	$ 28,134	49.52%
CIP0339	Emergency Egress Improvements	$ 99,888	$ 50,024	50.08%
CIP0347	Acct Capital Program Support	$ 1,253,719	$ 620,842	49.52%
CIP0373	Interim OCC	$ 148,485	$ 74,361	50.08%
CIP0381	Center of Excellence Dept	$ 54,169	$ 26,824	49.52%
CRB0005	Planning Support for DC	$ 96,668	$ 47,870	49.52%
CRB0009	Planning Support for MD	$ 35,948	$ 17,802	49.52%

ID	Description	Direct Labor Cost	Indirect Cost	Indirect Rate
CRB0018	Planning Support for VA	$ 95,295	$ 47,190	49.52%
	Grand Total	$ 264,128,666	$ 131,612,335	50.18%

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 FY2025, $131.6 million in indirect costs were applied to capital projects and $131.6 million in indirect costs were deducted from operating expenditures. The results of the reconciliation are summarized in **Table 3**.

Table 3. FY2025 Indirect Cost Reconciliation

Month Ending	Indirect Costs Applied to the Capital Program	Indirect Costs Deducted from Operating Expenditure	Variance
July 2024	$ 10,687,177	$ 10,687,177	$ -
August 2024	$ 9,765,375	$ 9,765,375	$ -
September 2024	$ 8,502,951	$ 8,502,951	$ -
October 2024	$ 11,874,660	$ 11,874,660	$ -
November 2024	$ 8,631,518	$ 8,631,518	$ -
December 2024	$ 9,360,322	$ 9,360,332	$ -
January 2025	$ 9,480,266	$ 9,480,266	$ -
February 2025	$ 14,195,848	$ 14,195,848	$ -
March 2025	$ 9,893,549	$ 9,893,549	$ -
April 2025	$ 15,075,226	$ 15,075,226	$ -
May 2025	$ 10,337,303	$ 10,337,303	$ -
June 2025	$ 13,808,131	$ 13,808,131	$ -
Total	$ 131,612,334	$ 131,612,334	$ -

Attachment 3

Source	Reference	Requirement	Fiscal Year	Deadline	Status
Capital Funding Agreement (2021) and Local Capital Funding Agreement (2021)	CFA Sec. 2(b)(2)	Description. Notwithstanding the flexibility provided in section (1) immediately above, WMATA shall provide CIP-level detail as shown in Attachment 2 in each approved fiscal year Capital Budget book including the sources of funding anticipated to support those Projects and Programs; a description of the scope of work, and a schedule.	2025	6/30/2024	One-page "CIP investment summaries" for each project and program in the FY25 Capital Budget are provided in Appendix D of the Capital Budget, which can be found here: https://www.wmata.com/about/records/public-records.cfm
Capital Funding Agreement (2021) and Local Capital Funding Agreement (2021)	CFA Sec. 3(a)	(a) Funding Sources. The Projects and Programs in the Capital Improvement Program shall be funded in the most cost-effective manner from any legal funding source, including but not limited to one or more Funding Sources. WMATA may employ cash management strategies or financing methods as the WMATA Board determines to be appropriate to accomplish the Programs and Projects identified in the Capital Improvement Program. The specific amounts estimated from each Funding Source will be set forth in each Capital Budget. The categories, sub-categories, and details of Funding Sources are shown in Attachment 1. In no case may the WMATA Board of Directors adopt a budget without identifying Funding Sources by the categories shown in Attachment 1, provided, however, that 1) WMATA may revise sub-categories and details in future budgets, and 2) WMATA is not required to include any category or sub-category that shows a zero-dollar entry.	2025	6/30/2024	The approved Budget and CIP contains the specific amounts estimated from each Funding Source as outlined in the attached document. The full Budget and CIP can be accessed here: https://www.wmata.com/about/records/public-records.cfm.
Capital Funding Agreement (2021) and Local Capital Funding Agreement (2021)	CFA Sec. 3(b)	(b) Formula for Contributing Jurisdiction Funding. The Allocated Contributions of the Contributing Jurisdictions for the Capital Budget will be based on the WMATA Board-adopted operating subsidy allocation formulae in effect at the time of each recalculation and any resolutions adopted by the WMATA Board applicable to the formula adjusting the Contribution of a particular jurisdiction (e.g. the County of Loudoun's reduced Contribution due to its opting out of Metrobus service). For each budget cycle WMATA shall apply an up to 3% increase to the Allocated Contributions for the Capital Budget as of July 1st for the then-current FY; for example, for calculating the aggregate Allocated Contributions for FY22 budget cycle, the July 1, 2020 (FY21) approved Allocated Contributions of $268,377,392 were increased by 3%. Then, WMATA shall allocate that increase by applying the weighted Board approved operating subsidy by mode. For reference only, and subject to change by the WMATA Board of Directors, a list of the Board Resolutions containing the approved operating subsidy allocation formulae is provided as Attachment 4. WMATA will apply the operating subsidy allocations to the Capital Projects and Programs by mode. An average of the Metrorail and Metrobus allocation formulae will apply to general financing expenditures and for project expenditures that cannot be allocated to a mode with a dedicated formula.	2025	6/30/2024	FY25 Allocated Contributions are based on the Board-adopted operating subsidy allocation formulae in effect as of Nov-21. A copy of the final FY24 Capital Allocation model can be obtained from Patrick Bailey, Director, FGM.
Capital Funding Agreement (2021) and Local Capital Funding Agreement (2021)	CFA Sec. 4(a)(1)	(a) Programmatic Aspects. (1) Long Term Programming -- The WMATA Board of Directors will approve a six-year capital improvement program each year, superseding the prior year CIP, providing potential funding sources, a description of the project prioritization process, an explanation of how the CIP would further the strategic objectives of WMATA, and an identifying the performance metrics by which the outcome of the CIP will be measured. The prioritization process shall evaluate and select projects based on the projects' support of WMATA's strategic objectives and funding availability.	2025	6/30/2024	The approved Budget and CIP contains information on funding, the project prioritization process, and WMATA's strategic objectives.
Capital Funding Agreement (2021) and Local Capital Funding Agreement (2021)	CFA Sec. 4(a)(1)	The annual documentation of the CIP will describe qualitatively and quantitatively the broad outlines of the proposed capital spending and sources for that spending for the forthcoming fiscal year and the outcomes expected to be achieved by the proposed program. The discussion of the proposed spending shall include at least the following: (i) the sources of funds for the proposed spending, (ii) expenditures by mode (e.g. bus, rail, paratransit, administrative), (iii) expenditures by project phase (e.g. planning, design, land acquisition, construction), (iv) the indicators of the outcomes to be achieved by the proposed projects, and (v) life to date expenditures by project. See Attachment 2 for an example of a Capital Project page from WMATA's FY2021 approved budget book.	2025	6/30/2024	The "CIP investment summaries" (Appendix D) include information on funding, mode, phase of work, and the expected outcomes. For projects, each summary includes the "costs incurred to date" and a forecast of the remaining costs.
Capital Funding Agreement (2021) and Local Capital Funding Agreement (2021)	CFA Sec. 4(a)(2)	(2) Capital Budget. -- The Capital Budget will contain the actual funding requirements and sources of funds for the current fiscal year. WMATA shall, as a part of its annual budget process each year during this Agreement, develop and submit to the Board of Directors with copies to the Contributing Jurisdictions a draft Capital Budget for the next to occur WMATA Fiscal Year. The Capital Budget shall be based upon and be consistent with the updated Capital Improvement Program. The Capital Budget and updated CIP will be submitted to the WMATA Board of Directors for approval with copies to the Contributing Jurisdictions prior to the start of the fiscal year addressed in the Capital Budget.	2025	6/30/2024	The Capital Budget, approved on 4/25/24 by Resolution 2024-09, contains the "FY2025 Funding Plan and Six-Year Outlook" which indicates planned funding.
Capital Funding Agreement (2021) and Local Capital Funding Agreement (2021)	CFA Sec. 4(a)(3)	(3) Contents of Adopted Capital Budget. -- The Capital Budget shall include: (A) an identification of the Projects and Programs in the Capital Improvement Program for which funds will be obligated or expended during the next WMATA fiscal year; (B) a budget for the fiscal year that includes a cost estimate and anticipated source of funds for each Projects and Programs by CIP category; (C) a statement of each Contributing Jurisdiction's required Allocated Contribution for the fiscal year, based on a schedule of projected quarterly cash needs including an identification of what portion of that contribution is a direct capital contribution, and what portion (if any) is to be used by WMATA to pay debt service on WMATA Jurisdictional Capital Contribution Long-Term Debt and WMATA Jurisdictional Capital Contribution Short-Term Debt (each to be stated separately in the Capital Budget); (D) a summary of the CIP Projects and Programs undertaken in the then current WMATA fiscal year, together with the costs incurred to date and the estimated remaining costs for those Projects and Programs; and (E) the results of the Budget Reconciliation process contained in section 5 of this Agreement and a revised plan for the CIP.	2025	6/30/2024	The Capital Budget, approved on 4/25/24 by Resolution 2024-09, contains the "FY2025 Funding Plan and Six-Year Outlook" which includes these elements.
Capital Funding Agreement (2021) and Local Capital Funding Agreement (2021)	CFA Sec. 4(a)(4)	(4) Schedule for Approval of CIP and Capital Budget. To ensure coordinated efforts and to prevent conflicting obligations, the Parties agree that each annual process will follow the applicable schedule and policies, if any, established by the WMATA Board of Directors: (A) On or before October 31st, WMATA will provide the estimated Allocated Contribution to the Jurisdictions for the next to occur WMATA Fiscal Year.	2025	10/31/2023	The FY25 Allocated Contributions Letter was provided to the jurisdictions on 10/31/23.
Capital Funding Agreement (2021) and Local Capital Funding Agreement (2021)	CFA Sec. 4(a)(4)	(B) The updated proposed 6-year CIP and Capital Budget will be made available to the Contributing Jurisdictions on or about the time it is provided to the Board and no later than December 31st.	2025	12/31/2024	The proposed Capital Budget and CIP were presented to the Board and published on wmata.com on 12/14/23.

Attachment 3

Source	Reference	Requirement	Fiscal Year	Deadline	Status
Capital Funding Agreement (2021) and Local Capital Funding Agreement (2021)	CFA Sec. 4(a)(4)	(C) WMATA will also present the capital program and the Capital Budget information to affected legislative bodies as requested.	2025	N/A	No legislative bodies requested a presentation on the Budget due to Metro's robust public engagement during the budget process.
Capital Funding Agreement (2021) and Local Capital Funding Agreement (2021)	CFA Sec. 4(a)(4)	(E) The proposed Capital Budget shall be provided to the WMATA Board as soon as possible, and usually in March for adoption by the Board of Directors.	2025	N/A	The proposed Capital Budget and CIP were presented to the Board on 12/14/23.
Capital Funding Agreement (2021) and Local Capital Funding Agreement (2021)	CFA Sec. 4(a)(4)	(F) The CIP and Capital Budget will be adopted by the WMATA Board no later than the June meeting.	2025	6/30/2024	The Capital Budget and CIP were approved on 4/25/24 through resolution 2024-12.
Capital Funding Agreement (2021) and Local Capital Funding Agreement (2021)	CFA Sec. 4(a)(5)(C)	(C) Reprogramming and Revisions to the Capital Improvement Program. The WMATA staff may, as necessary for the efficient prosecution of the approved CIP revise the Programs and Projects within the CIP so long as no additional funding is required from the Contributing Jurisdictions and such revisions are within the authority delegated by the WMATA Board of Directors. Delegated authority is expressed in resolution 2011-30 as amended by 2016-24 and 2017-11. Nothing in this Agreement is intended to or shall limit the discretion of the WMATA Board of Directors to delegate or rescind delegations of authority. These revisions shall be reflected in future CIPs presented to the Board of Directors for adoption as part of the annual budget process. The Parties recognize that the scope, costs, 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 Contributing Jurisdictions with monthly reports regarding reprogramming of project budgets into or out of Capital Projects or Capital Programs 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) a revision to the scope of a Capital Project; 3) a movement of $5 Million or more between Capital Projects; or 4) creates a new Capital Project. WMATA shall provide notice as soon as practicable when a project or program funded is terminated. Each movement of budget between Capital Projects and/or Capital Programs 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 to the Contributing Jurisdictions on a quarterly basis. In no case shall WMATA request an increase in the Allocated Contributions for any fiscal year due to a reprogramming.	2025	11/14/2024, 2/14/2025, 5/15/2025, 8/29/2025	The monthly Reprogramming reports were provided alongside the quarterly distribution to the jurisdictions of the Capital Improvement Program Progress Report.
Capital Funding Agreement (2021) and Local Capital Funding Agreement (2021)	CFA Sec. 4(a)(5)(D)	(D) Quarterly Reports. At the conclusion of every quarter, WMATA shall prepare a report on the result of the preceding quarter for submittal to the Parties no later than forty-five (45) days following the close of the quarter, provided however, that the quarterly report for the fourth quarter/WMATA Fiscal Year end shall be due sixty (60) days following the close of the quarter. Such report shall contain a review of capital project scope, cost, and schedule changes; the status of contracts necessary for the implementation of capital projects; the status of year-to-date expenditures relative to budget and the Capital Budget; the status of all cash and debt sources relative to budget and the Capital Budget; updated project cash flow projections and program cash requirements; and a comparison of the billed amount to amounts actually paid out for the preceding quarter.	2025	11/14/2024, 2/14/2025, 5/15/2025, 8/29/2025	The Capital Improvement Program Progress Report were distributed on a quarterly basis to the jurisdictions are available at https://www.wmata.com/initiatives/capital-improvement-program/Capital-Program-Documents.cfm.
Capital Funding Agreement (2021) and Local Capital Funding Agreement (2021)	CFA Sec. 5(a)	Annual Budget Reconciliation Process (a) Reconciliation. As part of its annual budget process in each year during the term of this Agreement, WMATA shall prepare a reconciliation of – (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; (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; and (5) the current forecast of expenditures; and (6) the estimated cost to complete the remaining Projects and Programs in the current Capital Improvement Program and expected sources of those funds.	2025	11/30/2025	The Annual Budget Reconciliation Report fulfills this reporting requirement. It was electronically mailed out to jurisdictional partners on January 7, 2026.
Capital Funding Agreement (2021) and Local Capital Funding Agreement (2021)	CFA Sec. 5(b)	(b) Application of Reconciled Payment Amounts. 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: (1) first, program those funds to cover accrued expenses from FY1; (2) second, program those funds for planned expenses in FY2; (3) third, reduce the Dedicated Funding Debt to be issued in FY2; (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); (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.	2025	11/30/2025	The Annual Budget Reconciliation Report fulfills this reporting requirement. It was electronically mailed out to jurisdictional partners on January 7, 2026.
Capital Funding Agreement (2021) and Local Capital Funding Agreement (2021)	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 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.	2025	6/30/2025	The Annual Budget Reconciliation Report fulfills this reporting requirement. It was electronically mailed out to jurisdictional partners on January 7, 2026.

Attachment 3

Source	Reference	Requirement	Fiscal Year	Deadline	Status
Capital Funding Agreement (2021) and Local Capital Funding Agreement (2021)	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.	2025	6/30/2025	The Annual Budget Reconciliation Report fulfills this reporting requirement. It was electronically mailed out to jurisdictional partners on January 7, 2026.
Capital Funding Agreement (2021) and Local Capital Funding Agreement (2021)	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.	2025	6/30/2025	The Annual Budget Reconciliation Report fulfills this reporting requirement. It was electronically mailed out to jurisdictional partners on January 7, 2026.
District of Columbia Emergency Legislation	DC Code §1-325.401(c)(2)	Creates WMATA Dedicated funding Fund, provides $178.5 million annually. Requires a grant agreement with WMATA. § 1–325.401. Dedicated funding for WMATA. (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. (b) There shall be deposited into the Fund general retail sales tax revenue collected pursuant to Chapter 20 of Title 47 as follows: (1) In Fiscal Year 2019 -- $178.5 million; (2) In Fiscal Year 2020 -- $178.5 million; and (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. (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 KE0 as shown in the Fiscal Year 2019 Budget and Financial Plan. (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. 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.	2025	9/30/2026	The DC DFA was in effect during FY2025. This agreement expires 9/30/26.
Dedicated WMATA Funding and Tax Changes Affecting Real Property and Sales Amendment Act of 2018; DC Dedicated Funding Grant Agreement	C DFGA Sec. 10(a)(	(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.	2025	6/30/2024	The Indirect Cost Rate Proposal was transmitted to DC on 6/27/24.
Dedicated WMATA Funding and Tax Changes Affecting Real Property and Sales Amendment Act of 2018; DC Dedicated Funding Grant Agreement	C DFGA Sec. 10(a)(	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.	2025	1/25/2026	Actual Indirect Cost report completed on January 23, 2026.
Dedicated WMATA Funding and Tax Changes Affecting Real Property and Sales Amendment Act of 2018; DC Dedicated Funding Grant Agreement	C DFGA Sec. 21(b)-(	(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.	2025	12/31/2024	WMATA was sufficiently self-insured and carried additional excess liability insurance during FY25.
Dedicated WMATA Funding and Tax Changes Affecting Real Property and Sales Amendment Act of 2018; DC Dedicated Funding Grant Agreement	DC DFGA Sec. 3(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 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.	2025	6/30/2024	There is no reporting requirement; this scenario did not take place.

Attachment 3

Source	Reference	Requirement	Fiscal Year	Deadline	Status
Dedicated WMATA Funding and Tax Changes Affecting Real Property and Sales Amendment Act of 2018; DC Dedicated Funding Grant 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.	2025	6/30/2025	Dedicated Funding was budgeted for use for SGR projects/programs per the FY2025 Capital Budget, which can be accessed here: https://www.wmata.com/about/records/public-records.cfm.
Dedicated WMATA Funding and Tax Changes Affecting Real Property and Sales Amendment Act of 2018; DC Dedicated Funding Grant 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.	2025	6/30/2026	The Annual Budget Reconciliation Report fulfills this reporting requirement. It was electronically mailed out to jurisdictional partners on January 7, 2026.
Dedicated WMATA Funding and Tax Changes Affecting Real Property and Sales Amendment Act of 2018; DC Dedicated Funding Grant 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.	2025	6/30/2024	The Capital Budget and CIP were approved on 4/25/24 through resolution 2025-12.
Dedicated WMATA Funding and Tax Changes Affecting Real Property and Sales Amendment Act of 2018; DC Dedicated Funding Grant 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.	2025	6/30/2024	The Capital Budget and CIP were approved on 4/25/24 through resolution 2025-12.
Dedicated WMATA Funding and Tax Changes Affecting Real Property and Sales Amendment Act of 2018; DC Dedicated Funding Grant 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) 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.	2025	11/14/2024, 2/14/2025, 5/15/2025, 8/29/2025	WMATA provided the Capital Improvement Program Progress report to the jurisdictions on a quarterly basis. The reports can be found at https://www.wmata.com/initiatives/capital-improvement-program/Capital-Program-Documents.com.
Maryland Dedicated Funding Legislation (2018 HB 372/SB 277)	Md. DFA Sec. 16.F	(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 orindirectly 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 WMA TA to satisfy its obligations under this. section to list the State, WSTD, and their respective officers, agents, and employees as Additional Insured's. WMA TA 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. WMA TA 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, WMA TA shall provide WSTD with prompt notice. WMA TA 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 ofWMATA's self-insurance.	2025	12/31/2024	WMATA was sufficiently self-insured and carried additional excess liabiliaty insurance during FY25.
Maryland Dedicated Funding Legislation (2018 HB 372/SB 277)	Md. DFA Sec. 4.A	**Agreement Requires**: 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.	2025	7/1/2024	The approved FY2025 Budget and Six-Year CIP includes each of these items and can be accessed here: https://www.wmata.com/about/records/public-records.cfm.

Attachment 3

Source	Reference	Requirement	Fiscal Year	Deadline	Status
Maryland Dedicated Funding Legislation (2018 HB 372/SB 277)	Md. DFA Sec. 4.B-C	**Agreement Requires**: 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.	2025	6/1/2025	The required letter was provided to MDOT on 6/1/2025.
Maryland Dedicated Funding Legislation (2018 HB 372/SB 277)	Md. DFA Sec. 4.D	D. WMATA shall prepare and submit as available, quarterly updates on the measures established in C.6 above. (NOTE: C.6 states "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.")	2025	11/14/2024, 2/14/2025, 5/15/2025, 8/29/2025	WMATA provided the Capital Improvement Program Progress report to the jurisdictions on a quarterly basis. The reports can be found at https://www.wmata.com/initiatives/capital-improvement-program/Capital-Program-Documents.com.
Maryland Dedicated Funding Legislation (2018 HB 372/SB 277)	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.	2025	Not specified	The monthly reprogramming reports were provided to the jurisdictions on a quarterly basis in the transmission of the Capital Improvement Program Progress Report.
Maryland Dedicated Funding Legislation (2018 HB 372/SB 277)	Md. DFA Sec. 4.F	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.	2025	12/31/2025	The Annual Budget Reconciliation Report is electronically mailed out to jurisdictional partners on December 19th, 2025
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.	2025	6/30/2026	Unmodified opinion received on December 11, 2025
Maryland Dedicated Funding Legislation (2018 HB 372/SB 277)	Md. Transp. Code Ann. §10-205(b)(3)	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. (ii) For purposes of calculating a budget increase under subparagraph (i) of this paragraph, the following items may not be included: 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 OR ARBITRATION PROCEEDINGS between or among the Washington Metropolitan Area Transit Authority and any other person; AND 4. ANY SERVICE INCREASES APPROVED BY THE BOARD OF DIRECTORS OF THE WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY. *VA has similar requirement **Revised during 2021 legislative session; new requirement went into effect during FY2022.	2025	7/1/2024	N/A - For FY2025, Maryland suspended the 3% cap on WMATA operating assistance
Virginia Dedicated Funding Legislation (2018 HB 1539/SB 856)	VA DFA Sec 5.E	The WMATA and DRPT Capital Fund 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.	2025	11/14/2024, 2/14/2025, 5/15/2025, 8/29/2025	The Capital Improvement Program Progress report was distributed quarterly to the jurisdictions and can be found athttps://www.wmata.com/initiatives/capital-improvement-program/Capital-
Virginia Dedicated Funding Legislation (2018 HB 1539/SB 856)	Va. Acts of Assembly 2018, Chapter 854, Article 11	8. That, beginning July 1, 2019, the Commonwealth Transportation Board (the Board) shall withhold 20 percent of the funds available pursuant to subdivision C 3 of § 33.2-1526.1 of the Code of Virginia, as created by this act, each year unless (i) the Washington Metropolitan Area Transit Authority (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 Northern Virginia Transportation Commission... 9/18/18 CTB Resolution states: "WMATA shall provide a written notification to the CTB by July 1 of each year that it has: 1) adopted a CIP that complies with the above requirements, and 2) held a public hearing on the CIP in a locality embraced by NVTC."	2025	7/1/2024	The required letter was provided to CTB on 6/28/2024.
Virginia Dedicated Funding Legislation (2018 HB 1539/SB 856)	Va. Acts of Assembly 2018, Chapter 854, Article 11	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.	2025	7/1/2023	A hearing held in an NVTC locality was authorized by the Board of Directors in Resolution 2025-35. The 'Your Metro, the Way Foward' Updated Strategic Plan was adopted by the WMATA Board of Directors on December 11, 2025.

Attachment 3

Source	Reference	Requirement	Fiscal Year	Deadline	Status
Virginia Dedicated Funding Legislation (2018 HB 1539/SB 856)	Va. Code Ann. § 33.2-3403	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: 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.	2025	12/15/2025	NVTC Reporting requirement
Virginia Dedicated Funding Legislation (2018 HB 1539/SB 856)	Va. Code Ann. §33.2-1526.1.K	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. 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." *Exception added by CTB Resolution 9/18/18 Note: MD has similar requirement	2025	7/1/2024	The required letter was provided to CTB on 6/29/2024. Note: the Virginia three percent cap on operating assistance was suspended by the Commonwealth during FY2025
Virginia Dedicated Funding Legislation (2018 HB 1539/SB 856)	Va. Code Ann. §33.2-1526.1.L	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. 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."	2025	7/1/2025	No reporting requirement. This scenario did not take place.
Virginia Dedicated Funding Legislation (2024 Amendment)	Va. Code Ann. §33.2-1526.1.N	N. The Board shall withhold 20 percent of the funds available pursuant to subdivision D 4 unless WMATA prepares and submits a proposed detailed annual operating budget and any proposed capital expenditures and projects for the following fiscal year to the Board by April 1 of each year. The budget shall include information on expenditures, indebtedness, pensions and other liabilities, and other information as prescribed by the Board.	2025	4/1/2025	Information about the FY2025 budget was provided to Virginia on 3/22/2025.
Virginia Dedicated Funding Legislation (2018 HB 1539/SB 856)	Va. Code Ann. §33.2-3402.A	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: 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). 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. NVTC sent a letter to the WMATA GM/CEO on July 6, 2018 requesting that these four documents be provided to NVTC. Note: MD has similar requirement	2025	7/1/2025	The required letter was provided to NVTC on 6/27/2025.
Virginia Dedicated Funding Legislation (2018 HB 1539/SB 856)	Va. DFA Sec 4.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 WMA TA within five business days of the fiscal body's action.	2025	N/A, This is a VA reporting requirement	This is a Virginia reporting requirement.
Virginia Dedicated Funding Legislation (2018 HB 1539/SB 856)	a. DFA Sec.17.F(2)-(	(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, WMA TA 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.	2025	12/31/2024	WMATA was sufficiently self-insured and carried additional excess liabiliaty insurance during FY25.

Attachment 4

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: _____ [Seal]
Dennis Anosike
Chief Financial Officer

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

Attest:

Witness

By: _____ [Seal]
Jennifer Mitchell
Director

COURTNEY WILSON BUJAKOWSKI
NOTARY PUBLIC
REG. #7556614
MY COMMISSION EXPIRES
4/30/2021
COMMONWEALTH OF VIRGINIA

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

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.

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.

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).

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 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 RESPONSBILITY

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 MOOT 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 :fμnds 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

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.

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:

(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.

(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

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,

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.

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
E007371 WMATA
Date: 2020.10.08 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 A. Bassett
Witness

By: _____
Mayor

Approved as to Form and Legal Sufficiency:

By: Karl A. Racine/by JD
Attorney General

Dated: October 22, 2020

Attachment A

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**

Attachment 6

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**	**$314,501,415**	**$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.