



# WMATA Annual Reporting Requirements & Five Year Capital Review

Commonwealth Transportation Board

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VIRGINIA DEPARTMENT OF RAIL AND PUBLIC TRANSPORTATION



# Background

- Chapter 854 and 856 of the 2018 Virginia Acts of Assembly:
  - Established WMATA Capital Fund to provide Virginia's agreed upon share of regional dedicated capital funding to WMATA
  - Requires the CTB to withhold funding available to WMATA (passed through NVTC) under certain conditions
- In September 2018, the CTB adopted its "Policy and Guidelines for Implementation of Governance and Funding Reforms for WMATA" (amended in January 2021) to govern future Board decisions
  - WMATA submits information to demonstrate compliance to the CTB by July 1
  - DRPT analyzes information, coordinates with OAG for legal sufficiency, and presents recommendation for enforcement actions to CTB (October)
- FY23 compliance review is based on January 2021 CTB policy and Code
- FY24 compliance determination will be based on legislative changes from the 2023 General Assembly and CTB policy for action later today

# WMATA Reporting Requirements

- By July 1 WMATA must annually certify compliance with applicable law and CTB policy for the following items:
  - Board Governance
  - 3% cap on annual growth in total Virginia Operating Assistance
  - Strategic Plan
  - Capital Improvement Plan
- WMATA provides required documentation/certifications to DRPT on June 30
- Office of Attorney General reviews for compliance with statutory requirements
- DRPT reviews for compliance with CTB policy requirements (non-statutory)

# WMATA Board Governance

## DRPT Recommendation

- **WMATA has met the requirements of the statute and Board policy**
- **No enforcement action is recommended**

## Legislative Requirement

- Alternate directors shall not participate or take action at an official WMATA Board meeting or Committee meeting unless they are serving in absence of a primary director
- WMATA Board must adopt bylaws that would prohibit such participation by alternate directors

## Consequences of Non-compliance (Code of Virginia)

- Board shall withhold 20% of state WMATA allocation if found to be non-compliant

# 3% Cap on Growth in Operating Assistance

## DRPT Recommendation

- **WMATA has met the requirements of the statute and Board policy**
- **No enforcement action is recommended**

## Legislative Requirement

- Operating costs related to the following are excluded from this calculation:
  - Any service, equipment, or facility that is required by any applicable law, rule or regulation
  - Any capital project approved by the WMATA Board
  - Any payment/obligation resulting from a legal dispute or proceeding
  - Any service increases approved by the WMATA Board

## Consequences of Non-compliance (Code of Virginia)

- Board shall withhold 35% of state WMATA allocation if found to be non-compliant

# WMATA Strategic Plan

## DRPT Recommendation

- **WMATA has met the requirements of the statute and Board policy**
- **No enforcement action is recommended**

## Legislative Requirement

- WMATA must adopt or update within the preceding 36 months a strategic plan and hold an in-person public hearing on the strategic plan in Northern Virginia
  - The CTB directed WMATA to “address safety, operating costs, service optimization and recovery from the ridership impacts of COVID” via resolution on October 26, 2022
  - WMATA adopted compliant strategic plan, “Your Metro, the Way Forward” on February 23
- Next update due by June 30, 2026

## Consequences of Non-compliance (Code of Virginia)

- Board shall withhold 20% of state WMATA allocation if found to be non-compliant



# WMATA Capital Improvement Plan

## DRPT Recommendation

- **WMATA has met the requirements of the statute and Board policy**
- **No enforcement action is recommended**

## Legislative Requirement

- WMATA must adopt every year by July 1 a capital improvement program that covers a 6-year period
- WMATA must hold an in-person public hearing in Northern Virginia
  - WMATA held a hybrid hearing with an in-person element on March 8, 2023, at Meridian High School in Falls Church facilitated by Commonwealth appointee and WMATA Board Chair, Paul Smedberg

## Consequences of Non-compliance (Code of Virginia)

- Board shall withhold 20% of state WMATA allocation if found to be non-compliant

# Certification Changes for FY24



# WMATA Legislative Changes and Requirements

## **Legislative Change: HB 1496/SB 1079 (2023)**

- Requires local jurisdictions to provide at least 50% of WMATA subsidies, excess is returned to transit statewide capital
- Requires WMATA to submit proposed operating budget by April 1 and address CTB each year or be subject to withholding 20% of NVTC WMATA allocation
- Adds strategic plan requirements to look at routes, operating efficiency, overlapping service, and unserved areas
- Requires WMATA General Manager and Virginia Principal Board Members to address the Board annually

## **Legislative Requirement: §33.2-1526.1**

# WMATA Legislative Changes and Requirements

- 1) The CTB shall adjust the annual allocation to ensure that the CMTF's share does not exceed 50% of the total Virginia subsidy (operating and capital)**
- 2) The CTB shall withhold 20% of funds each year unless WMATA submits a detailed annual operating budget, proposed capital expenditures, and financial statements of defined-benefit pension plans by April 1**
  - The CTB will release any and withhold funding upon approval or implementation of an approved mitigation action
- 3) The CTB shall withhold 20% of funds each year unless WMATA's General Manager and Virginia Board Members address the CTB regarding the WMATA budget, system performance, and utilization of the Commonwealth's investment**
  - The CTB will release any and withhold funding upon approval or implementation of an approved mitigation action
- 4) Modifies existing language to specify that the CTB shall withhold 20% of funds each unless WMATA submits a transit strategic plan**
  - Assessment of State of Good Repair needs, performance of fixed route bus routes, opportunities to improve efficiency and share services

# Five Years of Dedicated Capital Funding

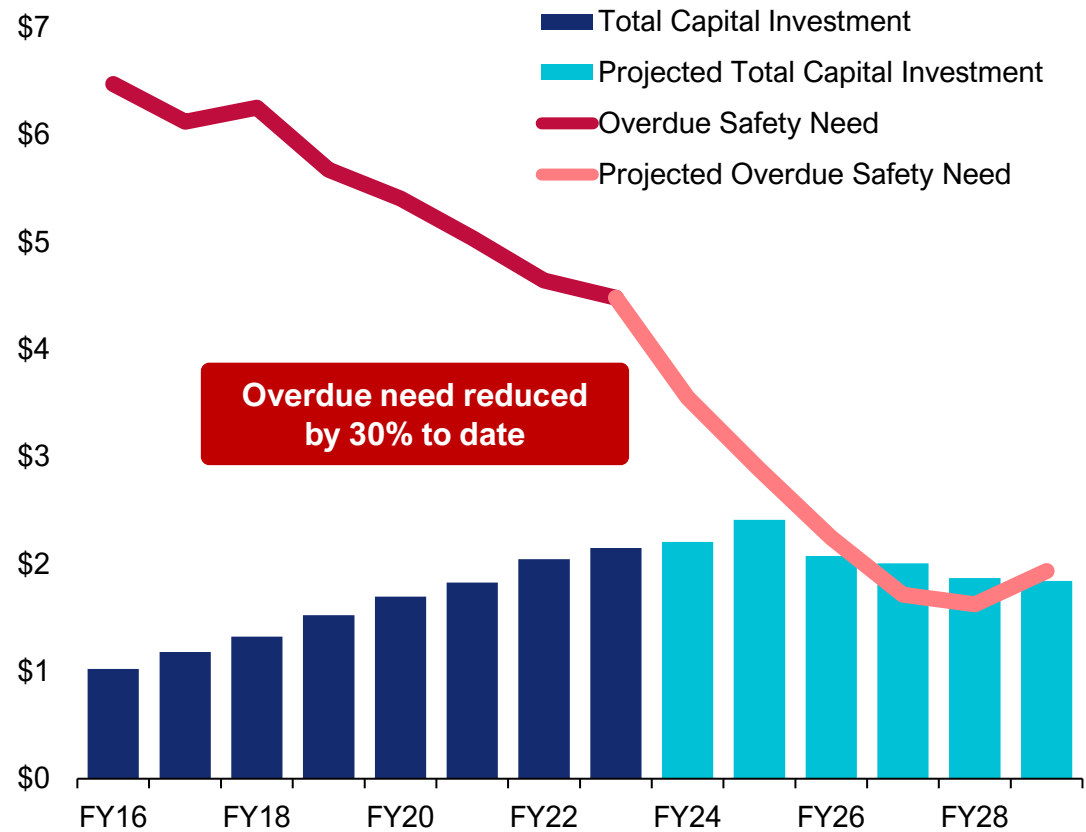
# 2018 Dedicated Capital Funding

- In 2018, the National Capital Region came together in support of dedicated capital funding for WMATA
- The District of Columbia, Maryland, and Virginia share in providing \$500M annually to support critical safety and state of good repair projects for WMATA
- This annual funding has allowed WMATA to advance projects and reduce its state of good repair backlog
  - Virginia has provided \$735M in dedicated capital funding from FY19-23
- The funding has also allowed WMATA to issue debt to reduce the capital backlog
  - \$2.7B has been invested thanks to debt proceeds from dedicated capital funding

# Reduction in State of Good Repair Backlog

Capital investments have renewed system assets and substantially reduced the state of good repair backlog.

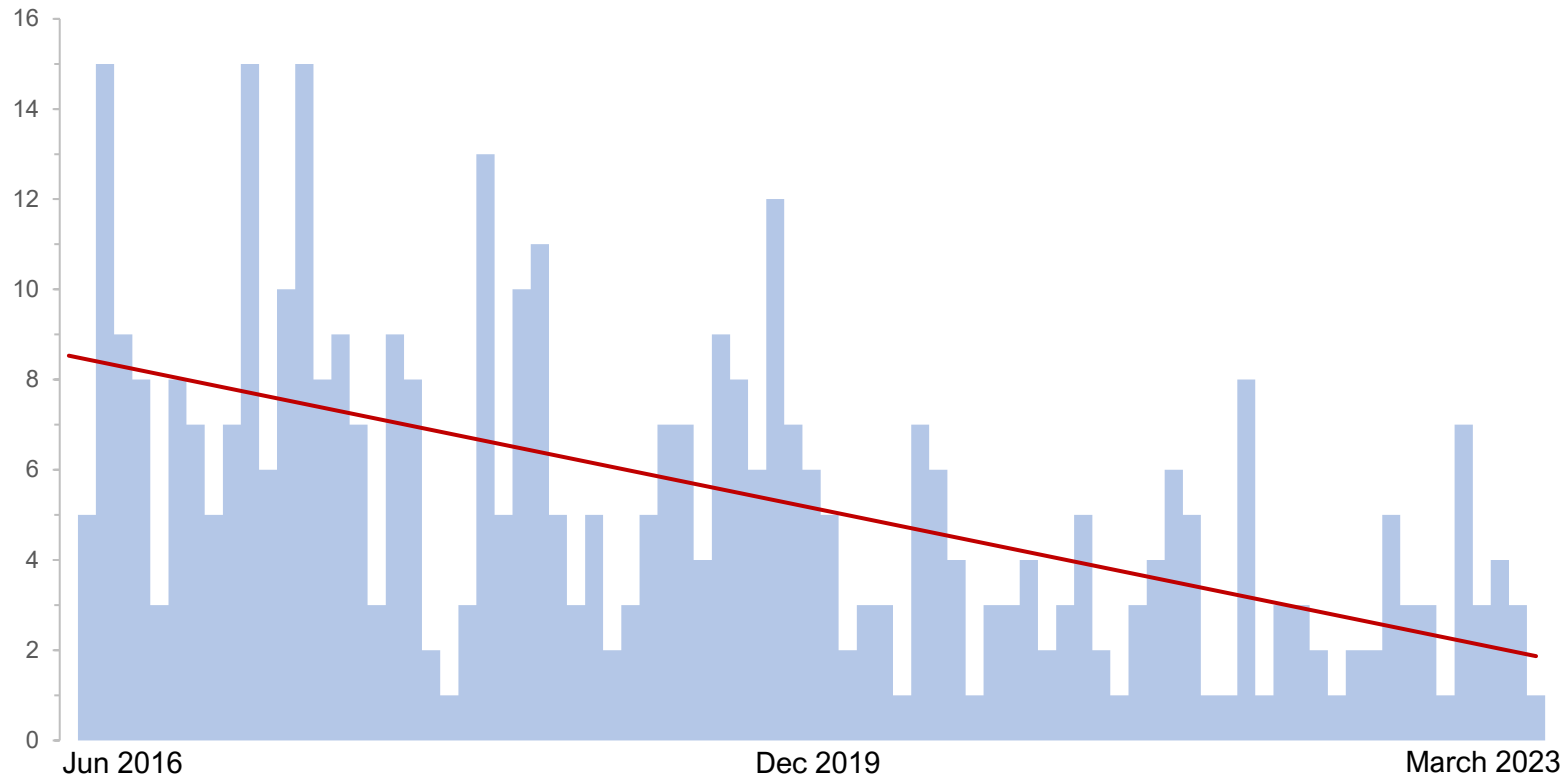
Overdue State of Good Repair Need (\$B) & Capital Investment



Includes state of good repair and modernization investment

# Improved Safety and Reliability

## Fire Incidents Per Month





# Platform and Station Improvement Projects

**Blue/Yellow Line south of National Airport, Alexandria/Fairfax Counties  
May-September 2019**



**BEFORE**



**AFTER**



# Platform and Station Improvement Projects

## Orange Line from Vienna to East Falls Church, Fairfax/Arlington Counties May-September 2020



**BEFORE**



**AFTER**



# Rehabilitation of Yellow Line Tunnel and Bridge

Between Pentagon and L'Enfant Plaza Stations, September 2022 - May 2023



**BEFORE**

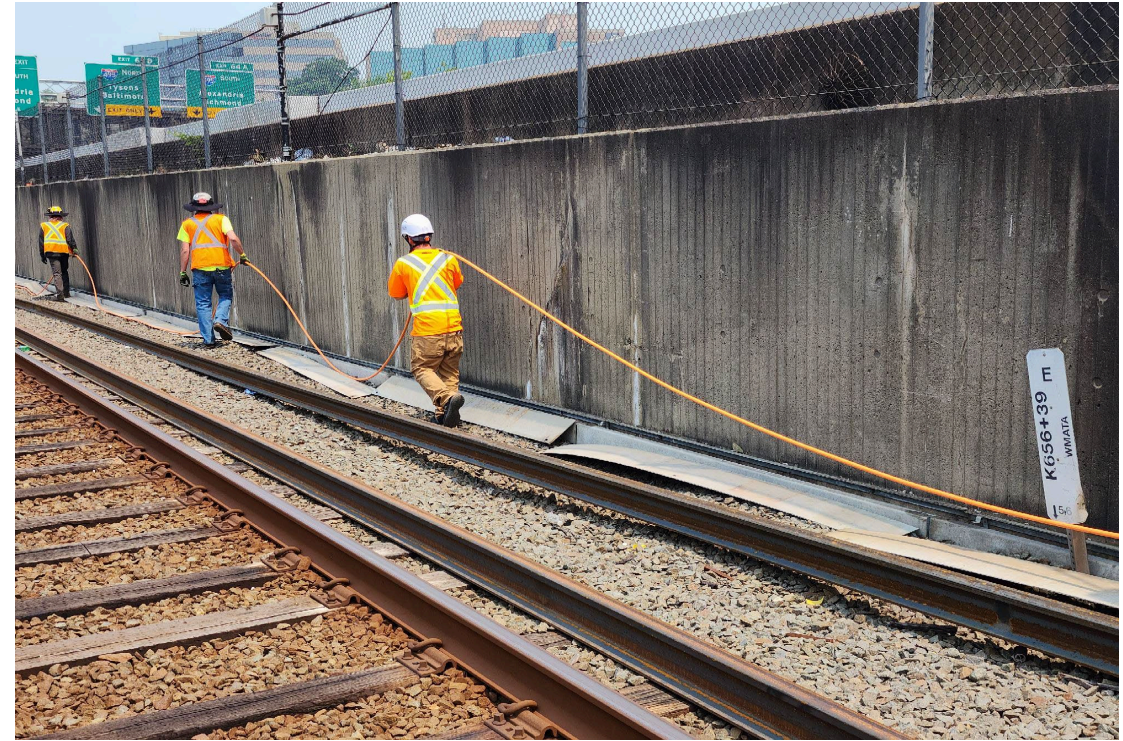


**AFTER**



# Replacing Rail and Fiber Optic Cabling

**Orange Line between Vienna and Ballston, June-July 2023**



Reliability for the section of track that underwent rail replacement improved more than 50 percent in the month following the shutdown



# Other Capital Improvements

## Escalator/Elevator Overhaul



## Rehabilitated Buses



## 7000 Series and Future 8000 Series Railcars



## Traction Power Replacement



# Next Steps

- September 20, 2023 – CTB updates WMATA policy with new statutory requirements beginning in FY24
- October 2023 – WMATA General Manager and Virginia board members address CTB and DRPT presents the annual certification resolution and decision memo to the Board for action on FY23 compliance recommendations
- April 1, 2024 – WMATA submits detailed proposed operating budget and proposed capital expenditures for FY25