

WMATA Update

Paul Smedberg, Vice Chair, WMATA Board of Directors

Matt Letourneau, Chair, WMATA Board Finance and
Capital Committee

Randy Clarke, General Manager and CEO, WMATA



Metro At-A-Glance

CAPITAL BUDGET

\$2.6B

OPERATING BUDGET *

\$2.4B



1,556 **38.1M**

ACTIVE FLEET SCHEDULED REVENUE MILES

Metrobus



1,278 **115.5M**

ACTIVE FLEET SCHEDULED REVENUE MILES

Metrorail



661 **16.5M**

ACTIVE FLEET SCHEDULED REVENUE MILES

MetroAccess

98 RAIL STATIONS

128 MILES OF RAIL

\$5.0B

TOTAL BUDGET



2nd

BUSIEST U.S. RAIL TRANSIT SYSTEM



6th

BUSIEST U.S. BUS NETWORK



DC

40

Stations



MD

26

Stations



VA

32

Stations



Aerial

15

Miles



Surface

59

Miles



Subway

54

Miles

*Includes reimbursables and debt service

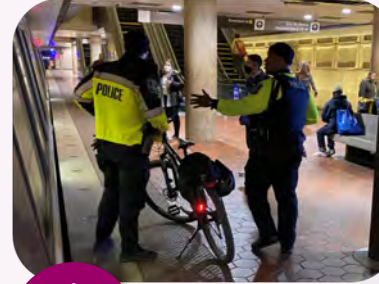
Recent Accomplishments

Ridership



- **Ridership grew 21%** from FY2023 to FY2024
- **Leading the country** in bus ridership growth with bus ridership at **101% of 2019 (Jan-Aug)**
- **September/October 2024** has:
 - **860,000** daily weekday riders
 - **7 of the 10** busiest post-2020 days
 - **Busiest AM Peak** on Metrorail since 2020
 - Post-2020 high in **Fed Employee** riders

Crime



- Serious crime across the system **down 14%** compared to FY23
- Q4 results **lowest in 5 years, down over 40%** compared to Q4 FY23
- **100+ Special Police Officers** deployed on trains and 26 platforms
- **11,800+ interactions** with Crisis Intervention Specialists
- **730+ community outreach events**, partnerships with local police agencies

Customer Satisfaction



- **Customer satisfaction** met target for all three modes in Q4, **hitting record highs**
- Q4 results for **Metrorail were the highest in history**
- Q4 results for **Metrobus the highest in 3 years**
- Q4 results for **MetroAccess are the highest in 2 years**

Fare Evasion



- Fare evasion is **down 82%** on Metrorail
- Installed **taller and stronger faregates** at all 98 Metrorail stations
- Increased **police presence** throughout the system
- Metro Transit **Police doubled fare enforcement actions** in FY2024

Benefits and Impacts of Investing in Transit



\$9.4b

 Additional business output from transit.

1.2m

 Auto trips avoided each day by 2025.

1.2m

 Metric tons of greenhouse gases avoided by transit.

\$330b

 Property value in Metro station areas.

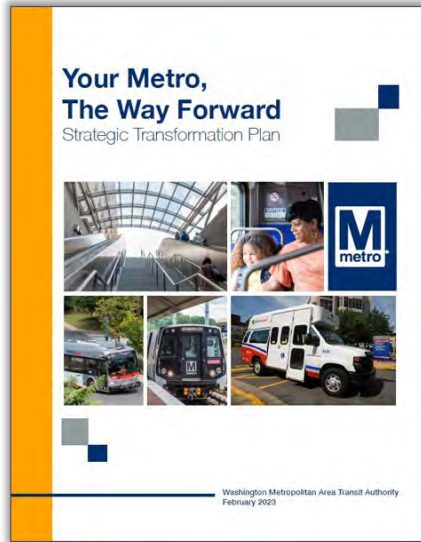
\$27b

 Avoided road construction costs.

\$2b

 Avoided parking construction costs.

Strategic Transformation Plan: Guides long term strategy and day-to-day decision making of Metro over the next five + years



Guiding



Day-to-day decisions

- Customer interactions
- Service schedules
- Communications



Long-term strategy

- Budget allocation
- Capital improvements
- Priority projects



Goals — Our priorities to achieve the vision

Service Excellence

Talented Teams

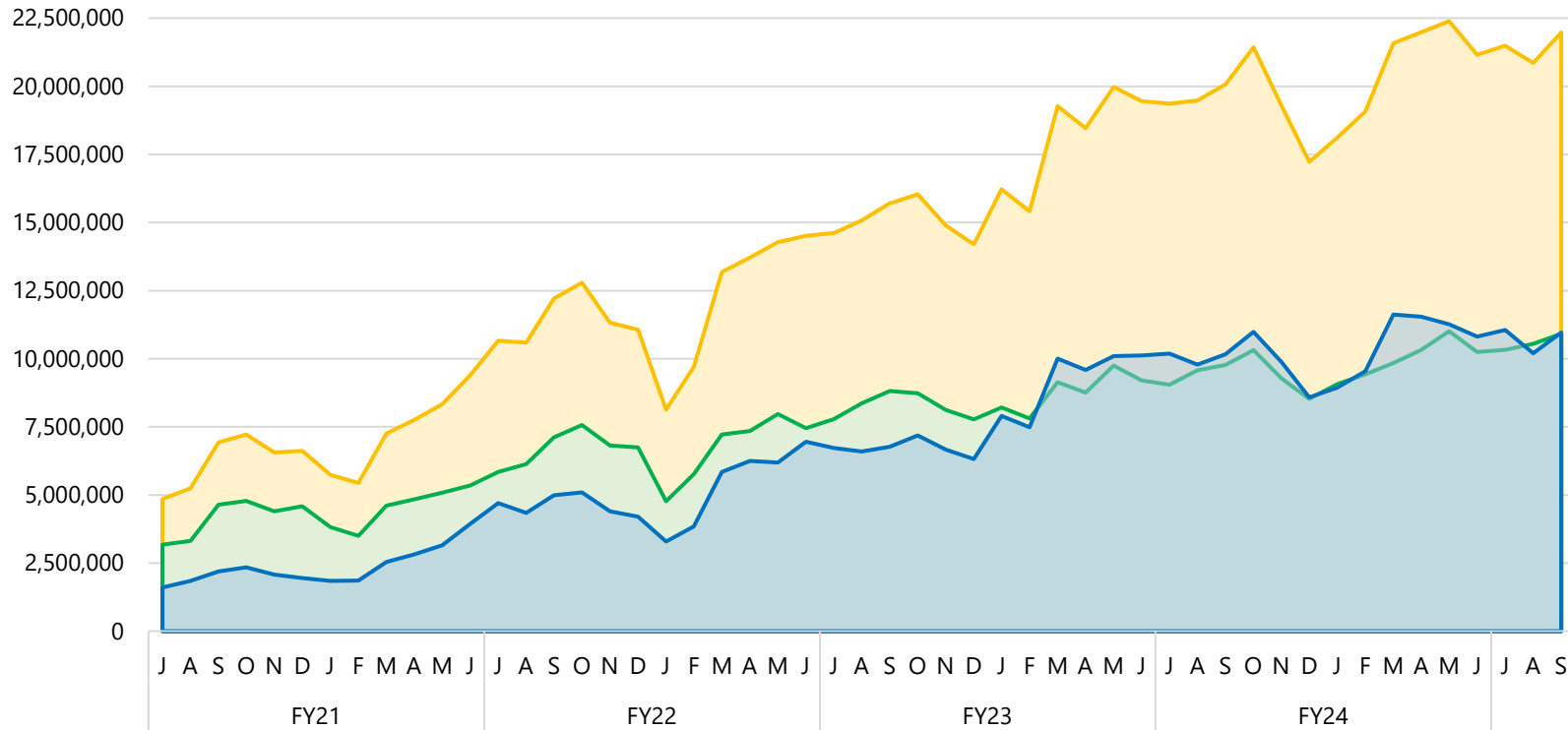
Regional
Opportunity
and Partnership

Sustainability

Forty-two consecutive months of ridership growth year-over-year

- Metrobus leads the nation in ridership growth
- Metrorail had fastest ridership growth in last 12 months among 40 of world's biggest rail systems

All ridership | Metrorail | Metrobus



64.3 million trips in Q1
9% higher than Q1 FY24
796,000 average weekday customers

32.2 million trips on Metrorail
7% higher than Q1 FY24
397,000 average weekday customers

31.8 million trips on Metrobus
12% higher than Q1 FY24
394,000 average weekday customers

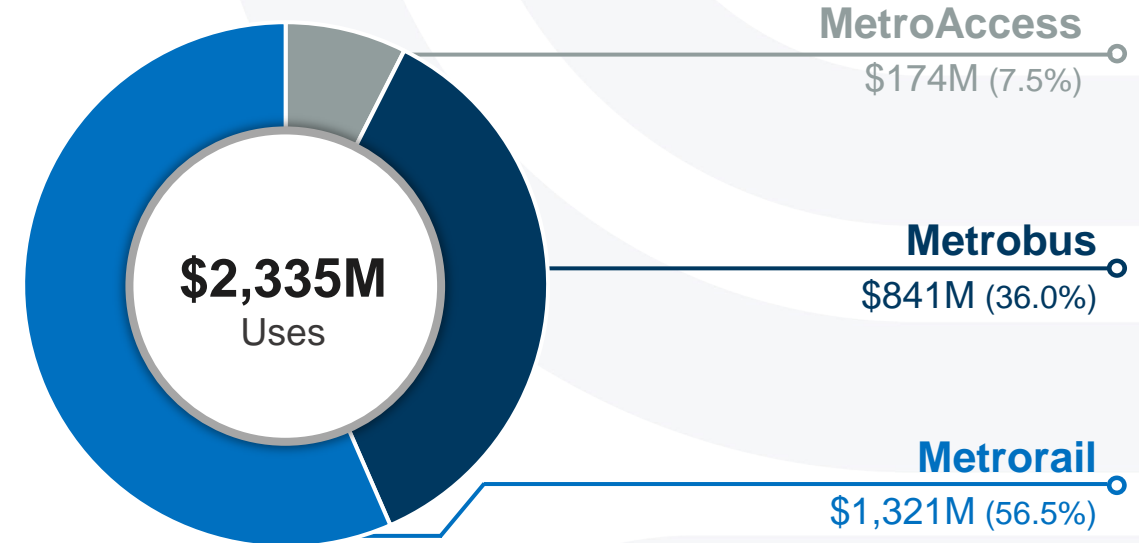
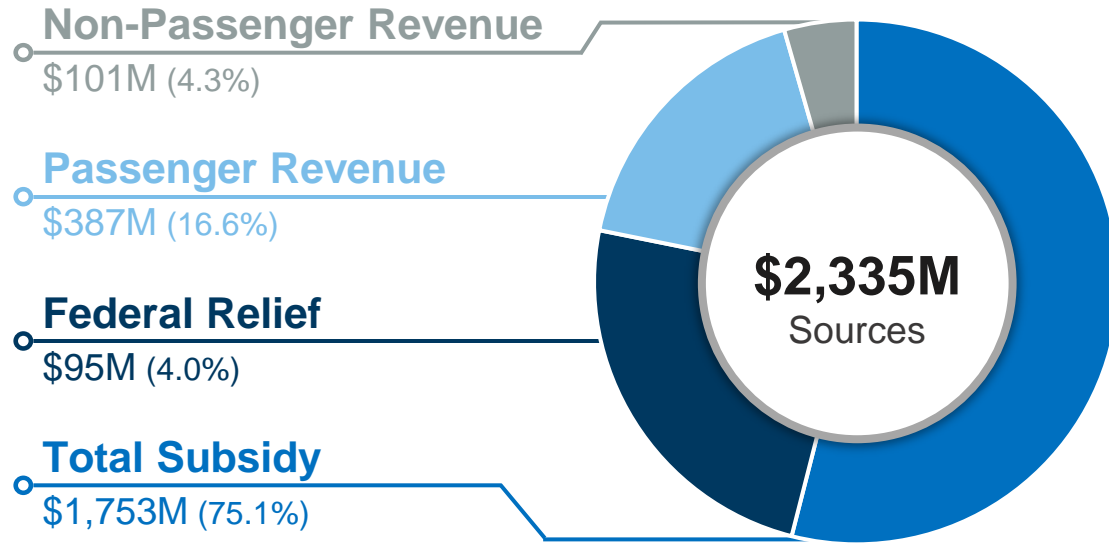
0.3 million trips on MetroAccess
14% lower than Q1 FY24
4,100 average weekday customers

Source: Service Excellence Report Summary, FY 25 Q1
 Note: As of January 2023, Metrorail ridership reports all (tap and non-tap) ridership.



FY2025 Operating Budget Summary

FY2025 Budget Summary and Six-Year
Capital Improvement Program



Service and Fare Optimization

- Increase fares across all modes and reduce fare evasion
- Targeted rail cuts to align with ridership and begin Better Bus implementation



Administrative Efficiencies

- Aggressive expense management will keep FY2025 **gross operating expenses** at FY2024 levels (0% growth)
- Salary and wage freeze

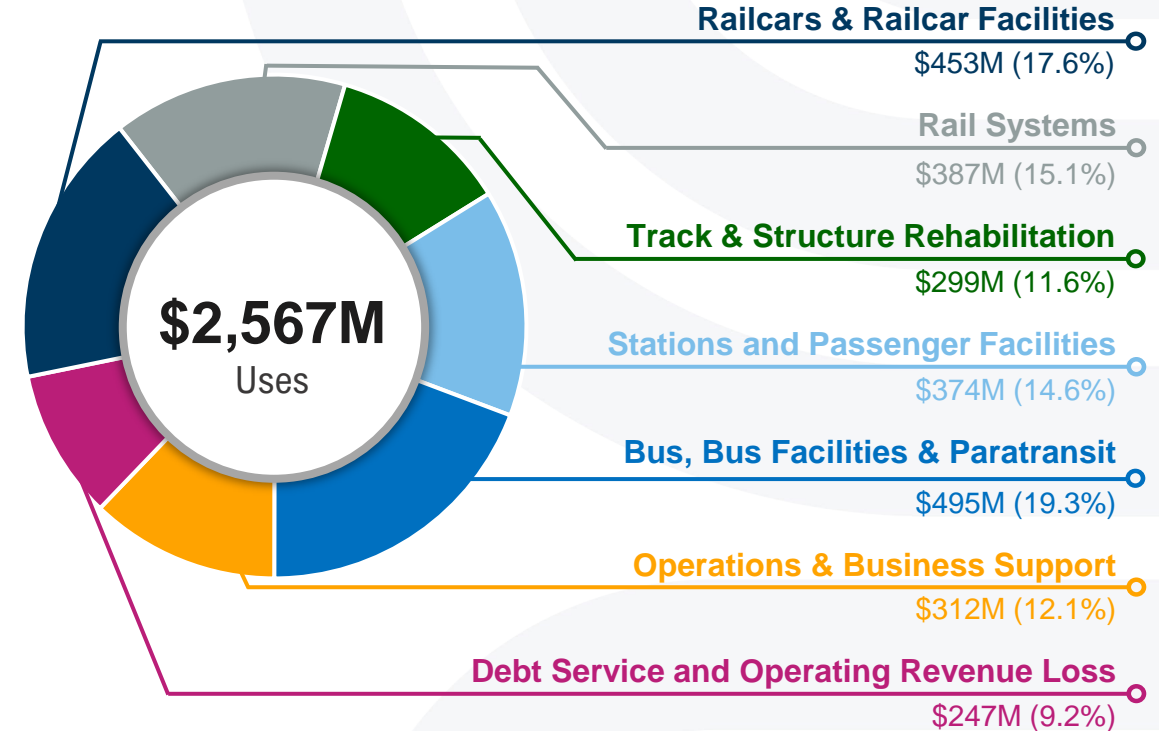
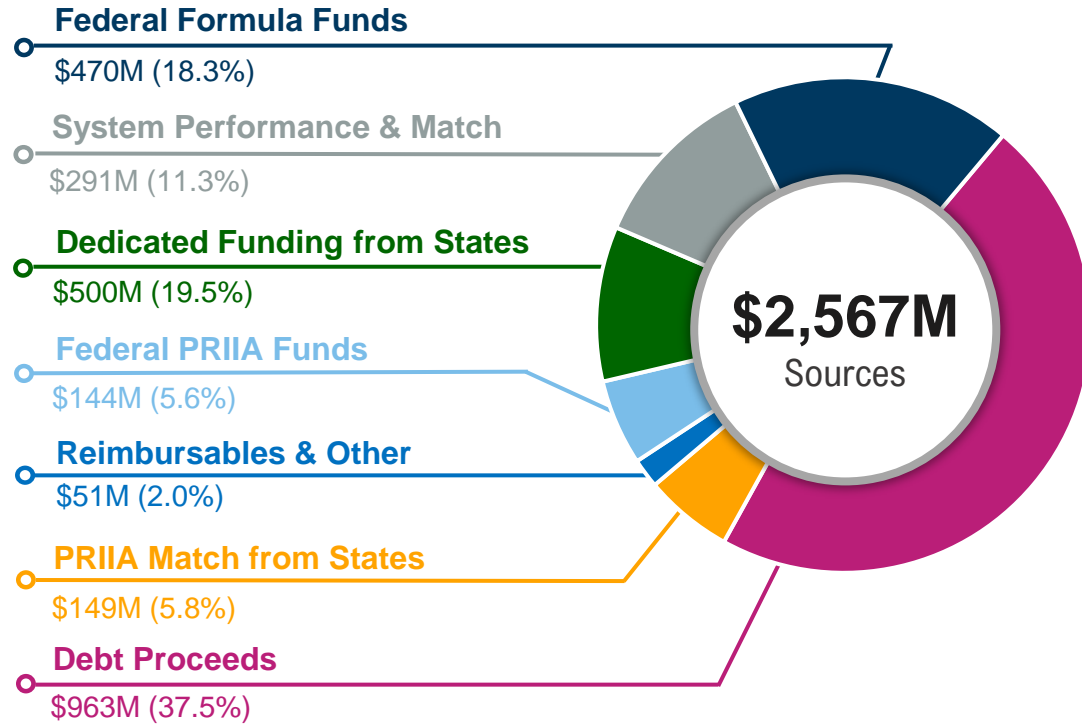


Additional Jurisdictional Contribution

- Additional \$463 million in jurisdictional subsidy above the 3 percent legislative cap

Charts and table totals may not sum due to independent rounding.
Does not include reimbursables or debt service

FY2025 Capital Sources and Uses



Total Capital Program Investments (excluding Debt Service): \$2,319M



Improved Customer Service & Communications

- Robust camera and monitoring systems to quickly identify and respond to incidents
- Escalator rehabilitations and replacements to ensure customer safety



Sustainability

- LEED Certified Maintenance Facilities and Offices
- Zero Emission Busses



Capital Improvement for a Better Metro

- Bus and Rail System State of Good Repair
- New Buses, Railcars, MetroAccess Vehicles
- Modernize Customer Info. and Wayfinding
- Cybersecurity system upgrades to secure data, software and applications

Charts and table totals may not sum due to independent rounding.

Metro Summary Metrics

	FY2022 Actual	FY2023 Actual	FY2024 Actual		FY2025 Approved	FY2026 Plan (February 2024)
Metro Overview						
Ridership	142.2M	199.7M	242.2M		226.6M	234.6M
Passenger Revenue	\$213.5M	\$291.6M	\$355.6M		\$387.1M	\$396.5M
Operating Budget % YoY Change	8.6%	7.0%	3.2%		1.4%	2.7%
Operating Budget % YoY Change (Gross Expense)*	8.6%	7.0%	9.4%		0.0%	3.0%
Crime Rate (Part 1 Crimes per Million Trips)	5.8	7.7	6.6		7.5	7.1
Metrorail Statistics						
Rail Ridership	60.1M	95.8M	123.3M	●	113.7M	115.6M
Railcar Miles	54.8M	74.8M	101.2M	●	117.2M	117.2M
Rail Customer Satisfaction	69%	84%	90%	●	85%	85%
On-Time Performance	79%	90%	87%	●	90%	90%
Average Fare	\$2.69	\$2.42	\$2.67	●	\$3.00	\$3.00
Customer Trips with 6 Minutes or Better Service	0%	17%	60%	●	70%	75%
Operating Expense per Vehicle Mile (\$)	\$23.00	\$19.84	\$12.90	●	\$11.81	\$11.94
Railcar Mean Distance Between Failure (mi)	24,900	26,350	31,925	●	29,000	39,700
Metrobus Statistics						
Bus Ridership	80.8M	102.5M	117.1M	●	111.4M	117.5M
Total Bus Miles	45.2M	47.0M	47.6M	●	52.4M	52.4M
Bus Revenue Miles	36.3M	38.0M	38.6M	●	40.7M	40.7M
Bus Customer Satisfaction	69%	71%	79%	●	75%	80%
On-Time Performance	77%	77%	76%	●	78%	78%
Average Fare	\$0.59	\$0.54	\$0.44	●	\$0.48	\$0.48
Customer Trips with 12 Minutes or Better Service	39%	41%	45%	●	45%	50%
Passengers per Bus Trip (Average)	16	19	27	●	25	26
Operating Expense per Vehicle Revenue Mile	\$23.28	\$25.47	\$19.90	●	\$20.80	\$21.85
Bus Mean Distance Between Failure (mi)	8,900	7,770	6,350	●	7,300	8,000
MetroAccess Statistics						
MetroAccess Ridership	1.3M	1.4M	1.4M	●	1.5M	1.5M
MetroAccess Customer Satisfaction	83%	77%	84%	●	83%	85%
On-Time Performance	94%	93%	91%	●	92%	92%
Average Fare	\$3.37	\$3.27	\$2.92	●	\$3.03	\$3.03

* Gross expense is total operating expense including preventive maintenance operating costs paid for with capital funds

Metro Overall:

- Ridership and revenue are up
- Customer satisfaction is up
- Serious crime is down

Metrorail:

- Increased service frequency driving ridership growth
- More efficient service delivery, with cost per revenue mile down

Metrobus:

- More frequent service driving increased ridership
- Cost per bus revenue mile is down

Cost Savings and Operating Budget Outlook

WMATA Has Achieved Net Savings of \$28M in FY2024

Year-End Operating Results

(\$ in millions)	Budget	Actuals	
	FY2024	FY2024	Variance*
Rail	\$331	\$301	(\$29)
Bus	\$68	\$50	(\$18)
Access	\$5	\$4	(\$1)
Total – Passenger Revenue	\$404	\$356	(\$48)
Non-Passenger Revenue	\$103	\$117	\$14
Total Revenue	\$507	\$473	(\$34)
Total Expenses	\$2,320	\$2,258	\$62
Gross Subsidy	\$1,813	\$1,785	\$28

*Favorable / (Unfavorable)

Note:

- **Figures are unaudited year-end results**
- Amounts may not sum due to independent rounding
- All figures exclude reimbursables; Gross subsidy includes jurisdictional subsidy and federal relief
- Jurisdictional subsidy remained at \$1,252M

Revenue

Passenger Revenue below budget due to unfavorable average fares across all modes with rail ridership slightly lower than anticipated

Parking, Joint Development below budget due to slow office market and lease schedule change, offset by higher interest earned on cash investments

Expenses

Expense favorable to budget due to savings in vacancies, materials and supplies, contract maintenance, and continued shift of paratransit trips to alternative service providers

Actions taken to reduce expenses and grow revenue

Increased Fares



Increase Metrorail and Metrobus fares by 12.5% on weekdays and up to 25% on weekends

Reduced Fare Evasion



Installation of new fare gates to reduce fare evasion

Froze Wages in FY2025



No salary and wage increases for L689 and non-represented employees

Implemented Re-Occurring Savings



Identify additional cost savings and reductions for FY2025 and beyond

Targeted Service Reductions



Adjust peak service to align with ridership, six-car trains, and reduce holiday service levels

Better Bus Network



Increase ridership at existing service levels

Cost Savings Focus for FY2026 and Beyond

Strategies Metro is Pursuing to Advance Cost Savings



Technology:

Mobile devices,
software
management,
enterprise system
integration



Space Efficiency:

Facility
consolidations,
maximizing real
estate assets



Rail and Bus Efficiency:

Automatic rail
operation and return
to design speed

Bus priority and
redesign



Internal Efficiencies:

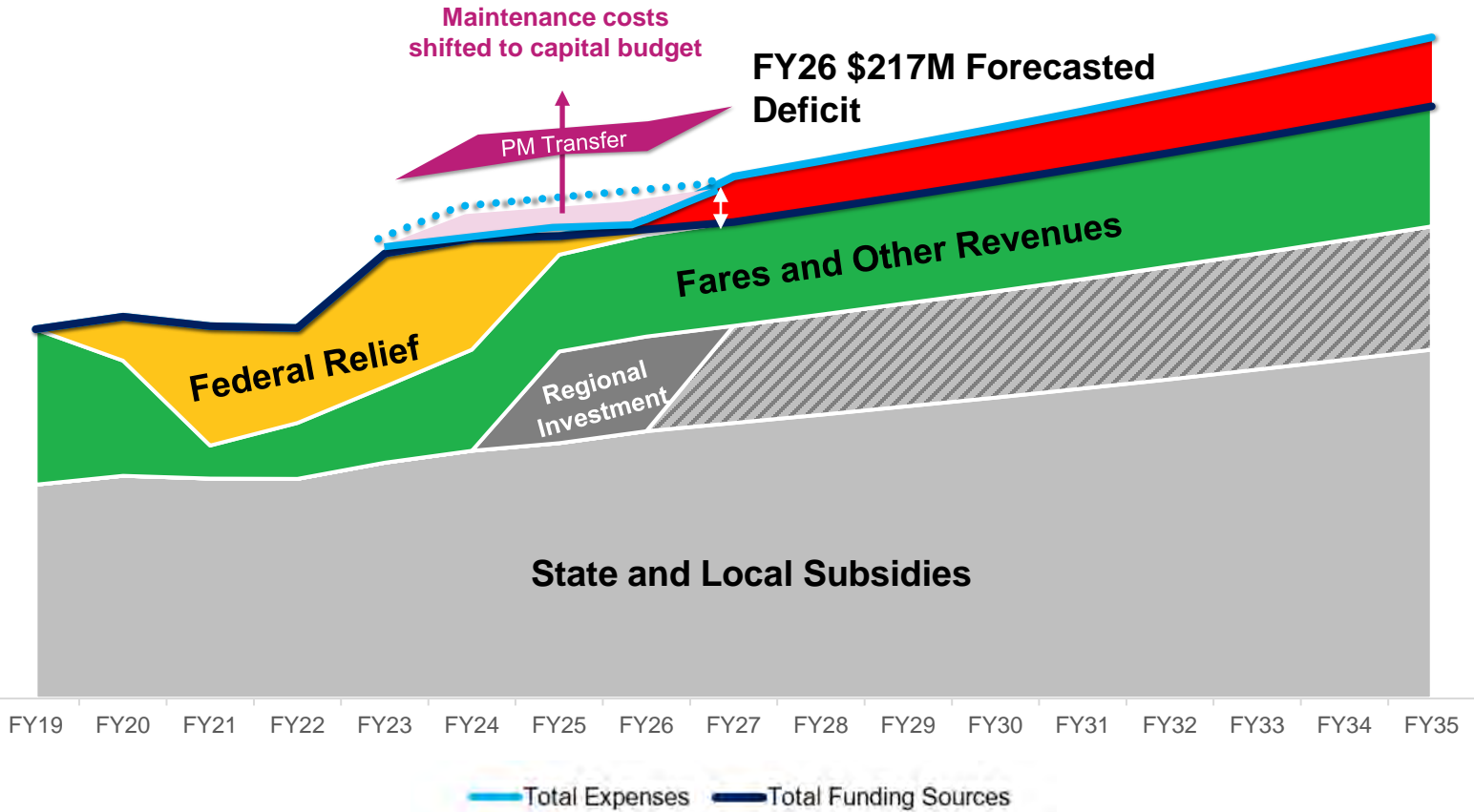
Human capital
management,
Energy savings



Procurement:

Contract
consolidation,
reducing external
legal support

Structural Operating Deficit Reduced Thanks to Additional FY2025 Regional Investment But Not Eliminated



Options to Close \$217M FY2026 Operating Deficit

(\$ in millions)	Amounts
FY2026 Gap	\$217
Additional jurisdictional subsidy As shown in FY25/FY26 2-year Budget Plan	-\$95
Current Gap	\$122
Apply One-Time Savings	-\$28
Additional capital funds for preventive maintenance operating costs*	-\$94
Balanced Budget	\$0

* Above \$60M historic level

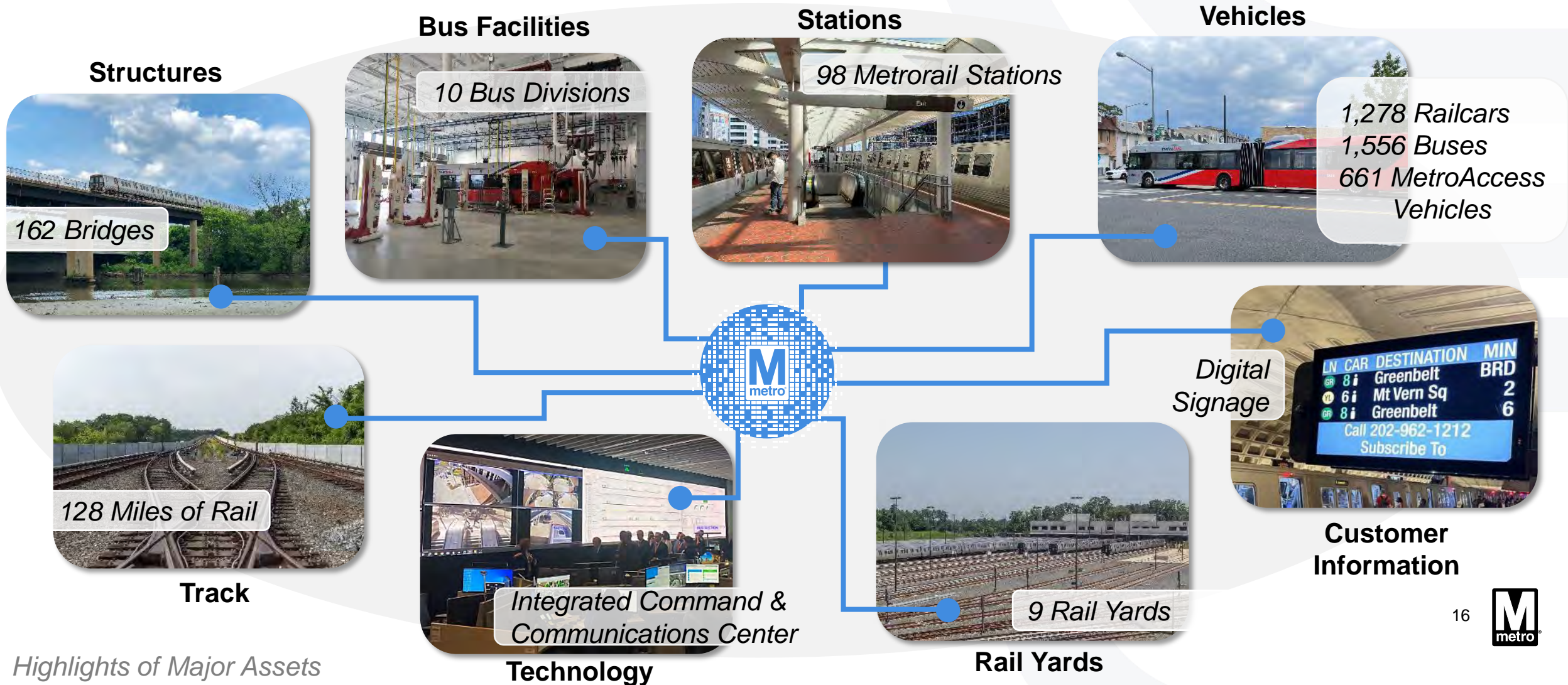
Note: Funding for additional “Regional Investment” has not been identified in Virginia in FY27 and beyond.



Capital Program Update

Reinvesting in our Regional Transit System

Sustaining a safe and reliable public transit system requires continuous maintenance, rehabilitation and replacement and modernization of system assets



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Signals



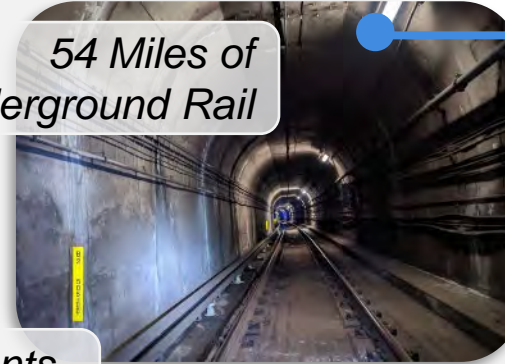
50,000+ Signaling
Room Components

Power



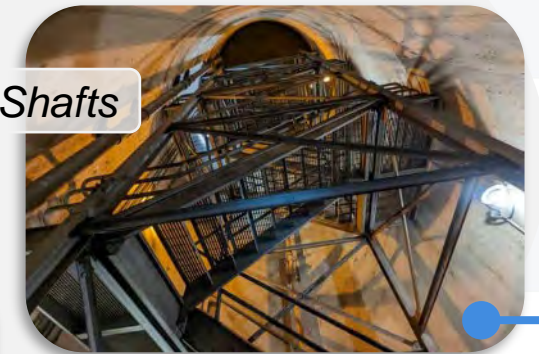
400+ Major Station Power Components
600+ Major Traction Power Components

Tunnels



54 Miles of
Underground Rail

Shafts



300+ Shafts

Bus Shelters



2,500+ Bus Shelters

Elevators & Escalators



800+ Elevators and Escalators

Parking Facilities

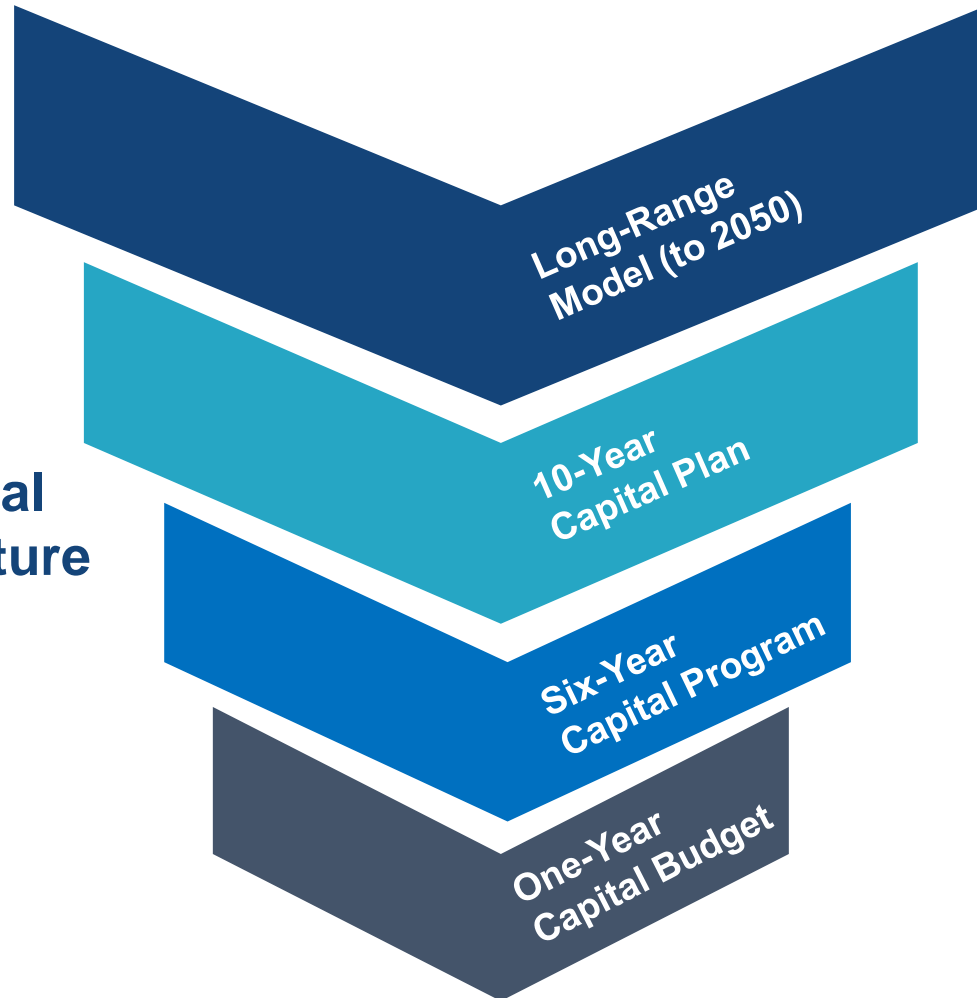


60+ Garages &
Surface Lots

Metro's Capital Program Structure

Metro advances capital projects and annual capital maintenance programs to restore, sustain, and modernize the system. The program also includes annual preventive maintenance transfers from the operating budget.

Metro's Capital Program Structure



Long-Range Model

Identifies viable initiatives to address needs identified for next ~25+ years; financially unconstrained

10-Year Capital Plan

Identifies viable initiatives to address needs identified for next ~10 years; financially unconstrained

Six-Year Capital Improvement Program

Capital investments anticipated for, or continuing in, six-year capital program

One-Year Capital Budget

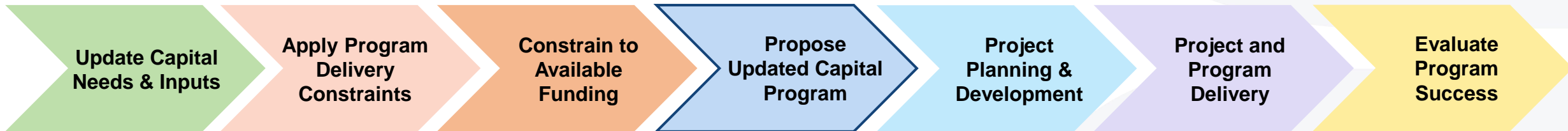
Expenditure forecast for capital projects and programs in current budget year

Capital Program Lifecycle

Ongoing process to manage, develop and monitor the capital program

- **One-year budget, six- year capital improvement program and long-range capital plan**
- Projects and programs to restore, sustain, and modernize the system
- Capital program performance measured at project and programmatic levels

SUMMARY OF CAPITAL PROGRAM DEVELOPMENT

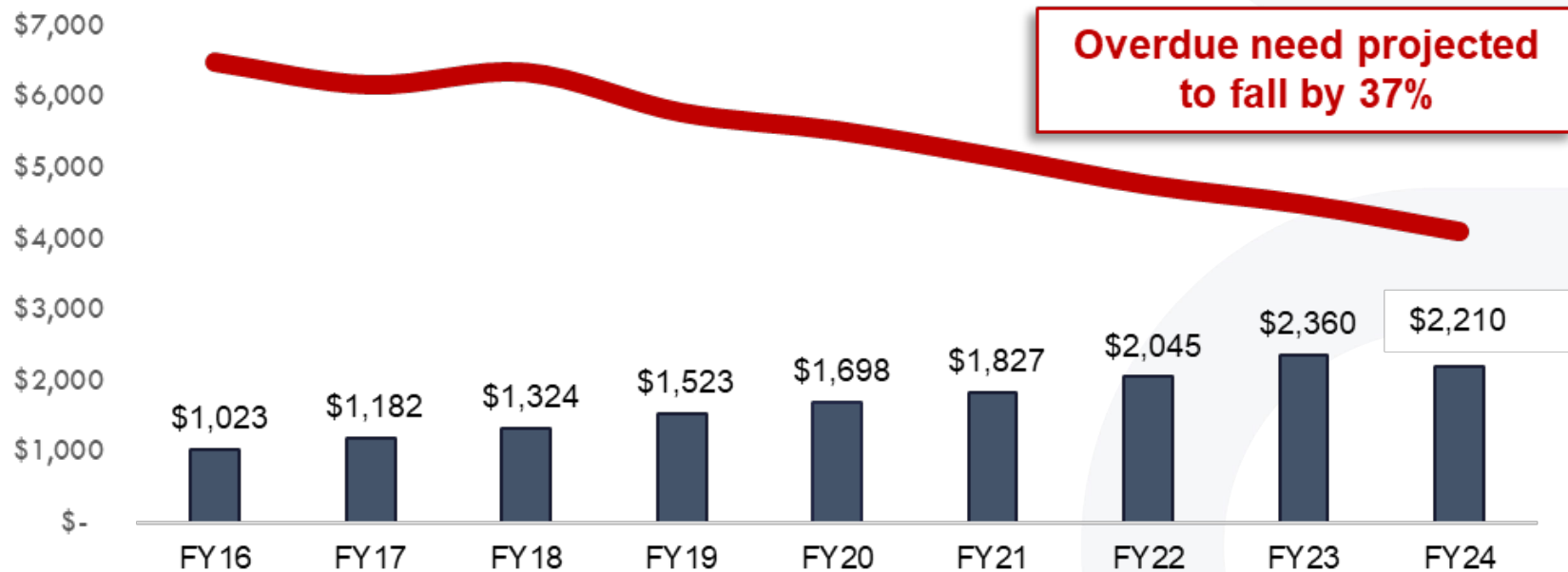


- **Constrained funding:**
 - Limits capacity for state of good repair and modernization investments
 - Shifts from proactive to primarily reactive maintenance practices, replacing assets after failure
 - Precludes system enhancement and expansion

Metro's State of Good Repair Progress

Dedicated Funding Allowed State of Good Repair Investment to Rise

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



Overdue SGR Need (\$m)



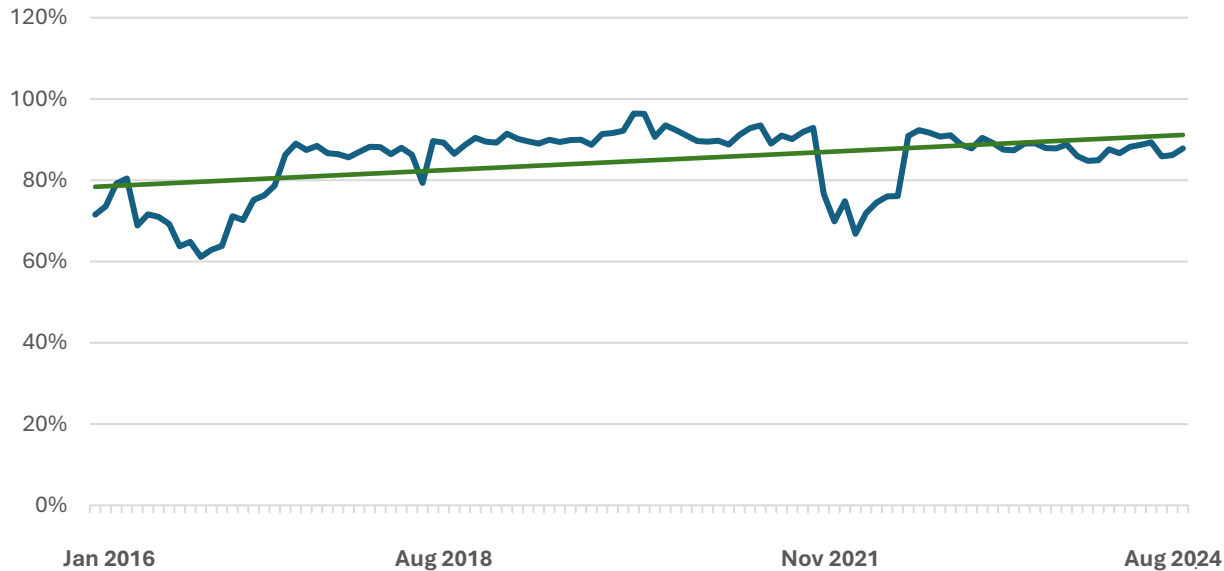
Total Capital Investment* (\$m)



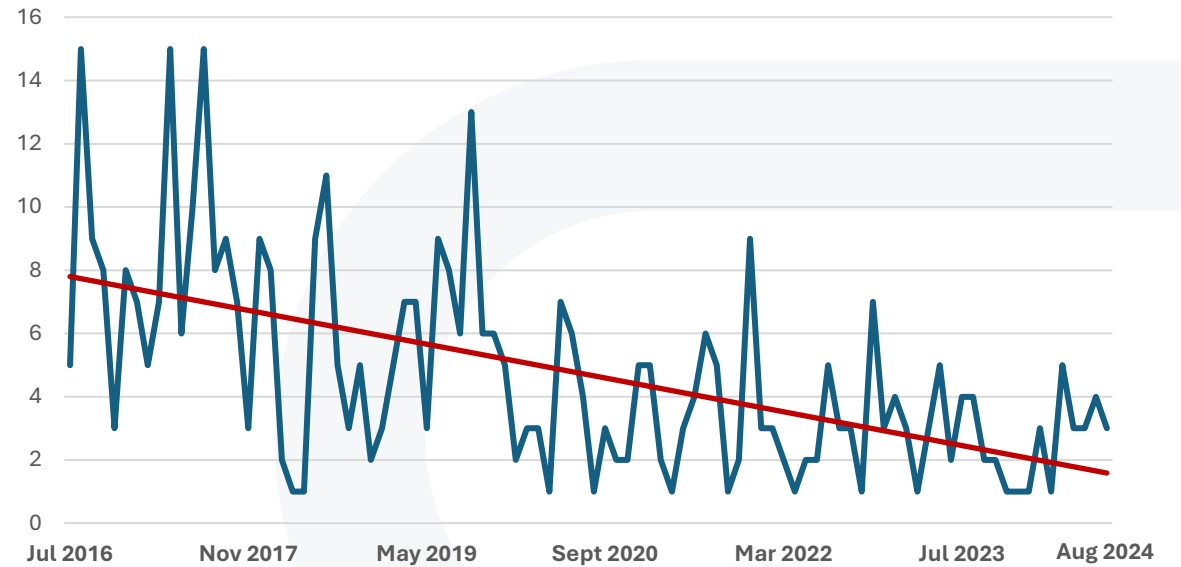
Capital Investment Improves Performance & Safety

- Highest customer satisfaction levels in years:
 - **90% rail satisfaction**
 - **79% bus satisfaction**
 - **84% MetroAccess satisfaction**
- Consistently **88-90%** of customer trips on-time thanks to fewer disruptions
- Ridership grew **21%** in FY24 over FY23
- Escalator availability met target - **94.5%**
- Railcar reliability grew **21%** over FY23, tripled since FY18
- **70%** decrease in smoke and fire incidents since FY17

On Time Performance



Smoke and Fire Incidents



\$275 Million of Capital Program Cost Savings

- Metro has identified **\$175M of Capital Program administrative savings***
- Metro has identified over **\$100M through project reviews** of opportunities for structural recurring savings by simplifying standards, requirements and practices, and reducing customization
- Capital program cost reductions **preserve funding capacity** for future state of good repair program investments

EXAMPLES OF COST SAVINGS – NO IMPACT TO INVESTMENT OUTCOME

Bus Shelters

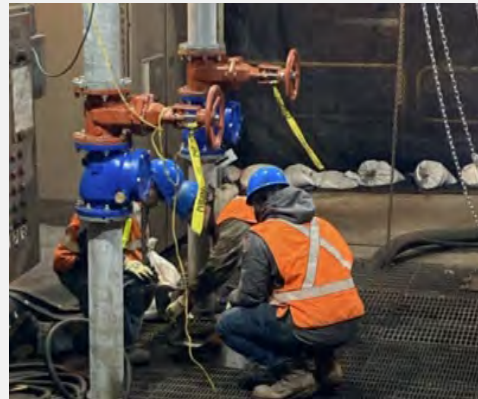
Reducing per shelter cost by ~50%



Rhode Island Ave-Brentwood Station

Drainage Pumping Stations

Reducing project cost by ~\$5M**



Drainage Pumping Station Work

Digital Modernization

Reducing system support cost by ~\$17M



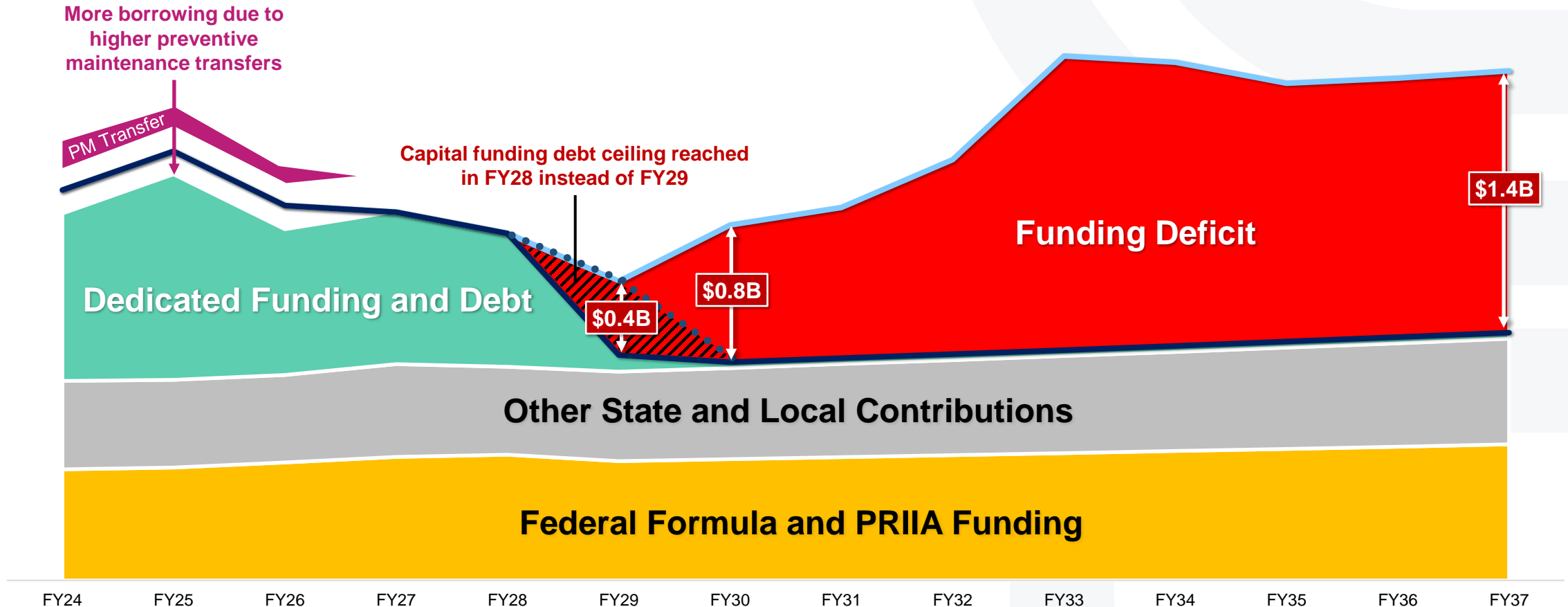
IT Infrastructure at Eisenhower Ave Office

*FY2025-FY2031

**Estimated savings

Region Faces Capital Program Deficits

Dedicated capital funding borrowing capacity projected to be exhausted in ~FY2028 and new capital funding will be needed to address ongoing system safety, renewal and modernization needs



* Based on FY2025 Budget; assumes reauthorization of IJJA

— Investment Needed — Total Funding Available for Investment

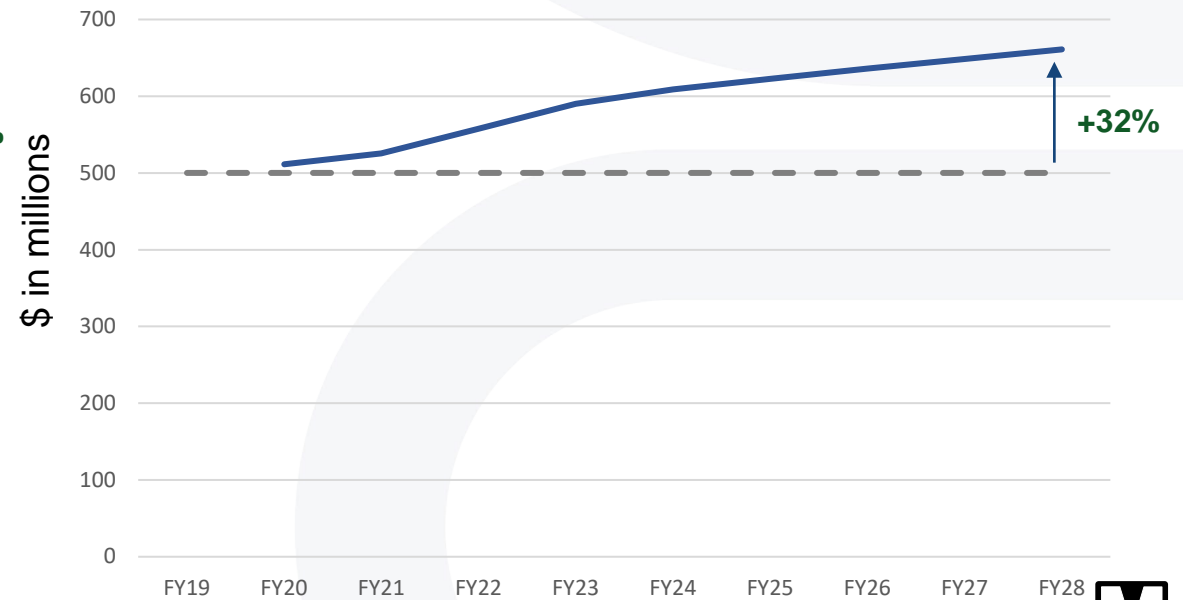
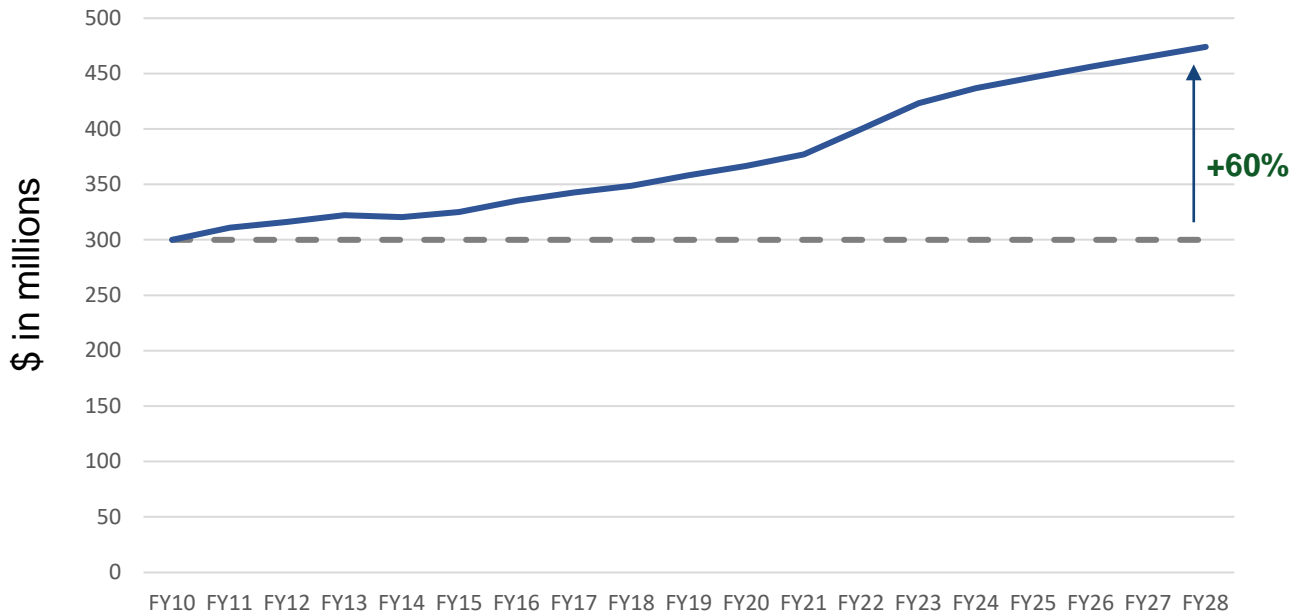


Buying Power of Metro's Funding Has Eroded Over Time

Additional \$340M in FY2028 would restore purchasing power of PRIIA & Dedicated funding; Indexing all capital funding sources would maintain future purchasing power

\$300 million of original PRIIA would be worth \$480M in FY2028 if indexed

\$500 million of original Dedicated Funding would be worth \$660M in FY2028 if indexed



*Values shown in 2010 dollars

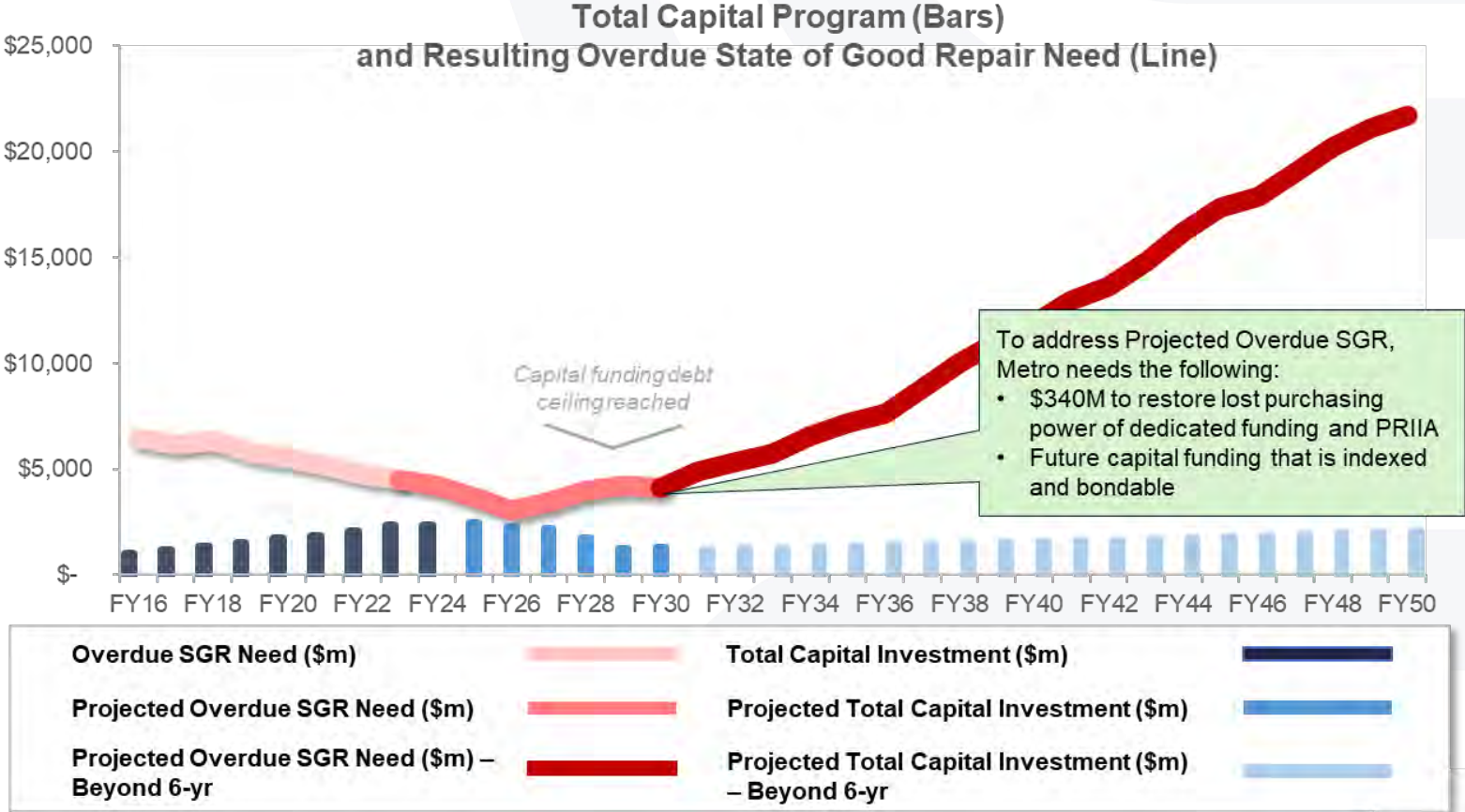
*Values shown in 2018 dollars

Source: U.S. Bureau of Labor Statistics, Consumer Price Index for Urban Wage Workers and Clerical Workers (CPI-W)



Deficit Threatens Progress Made on State of Good Repair at Metro

- Causes of Metro’s deficit:
 - PRIIA and Dedicated Funding were not indexed to inflation
 - Unusually high inflation has reduced Metro’s purchasing power
 - Capital funds are being used for preventive maintenance operating costs
- As backlog SOGR grows, performance and reliability decrease and risk increases
- Inadequate funding will result in declining reliability, worsening customer experience, and increased safety risk



Ongoing Studies



Moving our region forward, together.

- DMV Moves is a joint initiative of the Metropolitan Washington Council of Governments (COG) and WMATA to create a unified vision and sustainable funding model for the region's transit network
- Over the next year, a task force of officials appointed by COG and WMATA from the District of Columbia, Maryland, Virginia, and the federal government will be guiding this initiative alongside two workgroups representing area jurisdictions, transit service providers and agencies, and business, labor, and community organizations

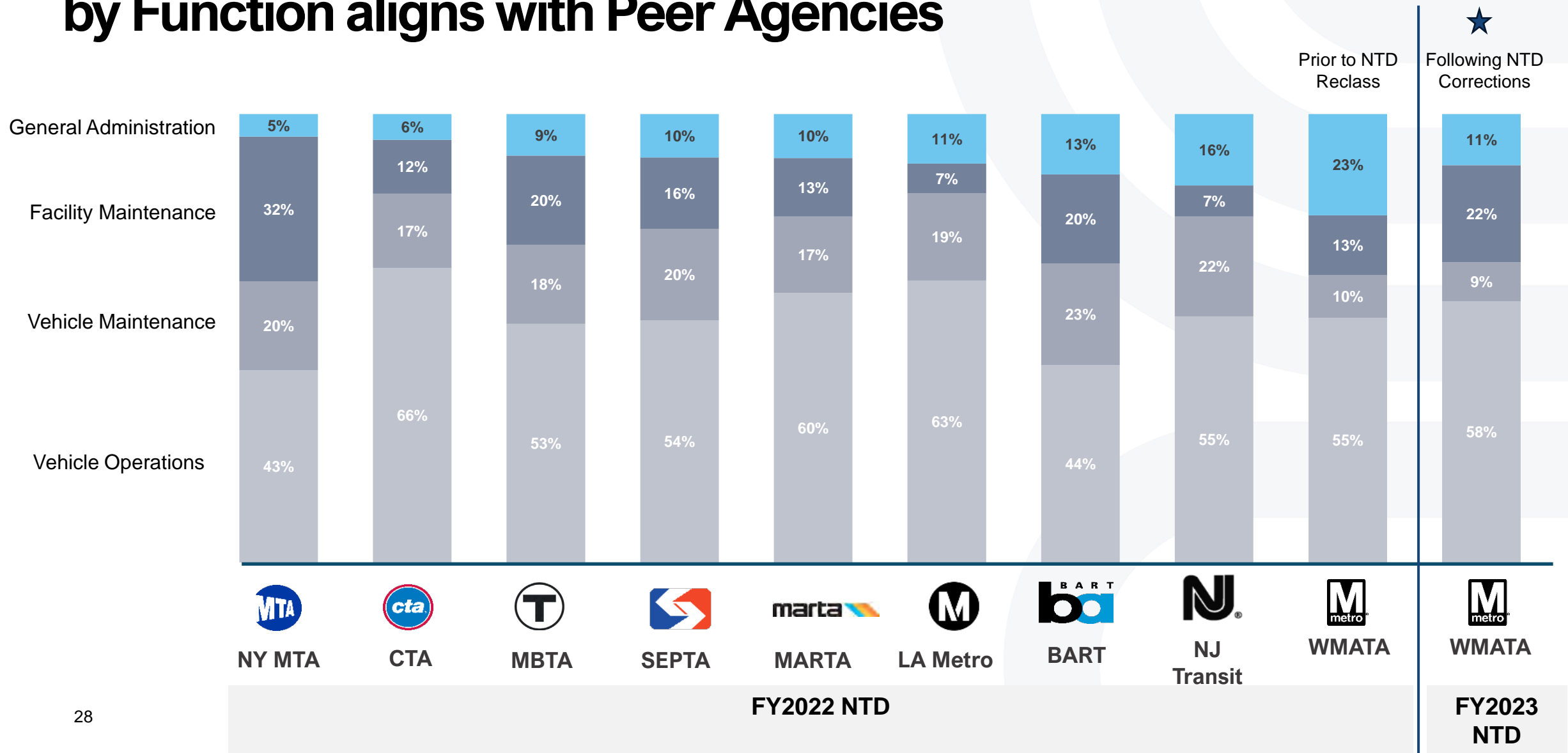
Northern Virginia Growing Needs of Public Transit Joint Subcommittee

- During the 2024 Virginia legislative session, Senate Joint Resolution 28 was passed, sponsored by Senator Adam Ebbin
- Goal is to study long-term, sustainable, dedicated operations and capital funding as well as cost-containment controls and strategies for Northern Virginia transit systems
- Includes three Senators, four Delegates, the Secretary of Transportation, a VA member of the WMATA Board, and two Northern Virginia Transportation Commission representatives
- Have held three meetings and a meeting will be held on November 12
- Interim report of findings due to Governor and General Assembly by Jan 8, 2025

Appendix



Following NTD Reclass, WMATA Headcount by Function aligns with Peer Agencies

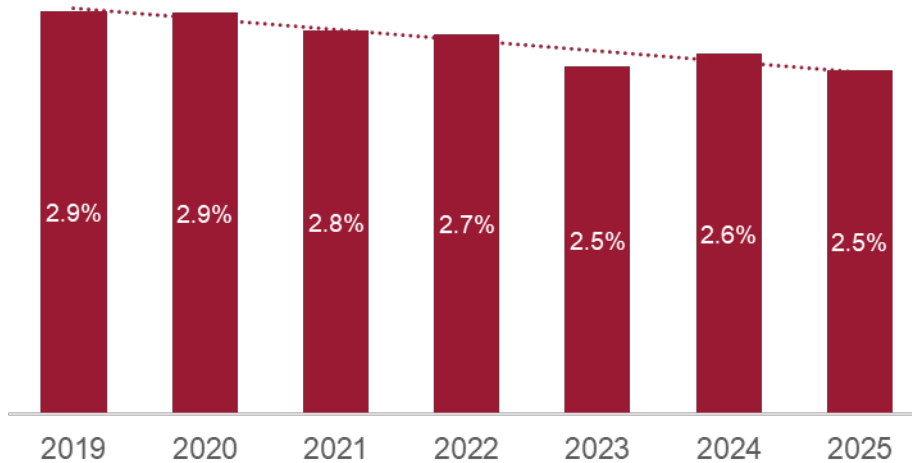


Source: 2022 National Transit Database; WMATA corrected function classification

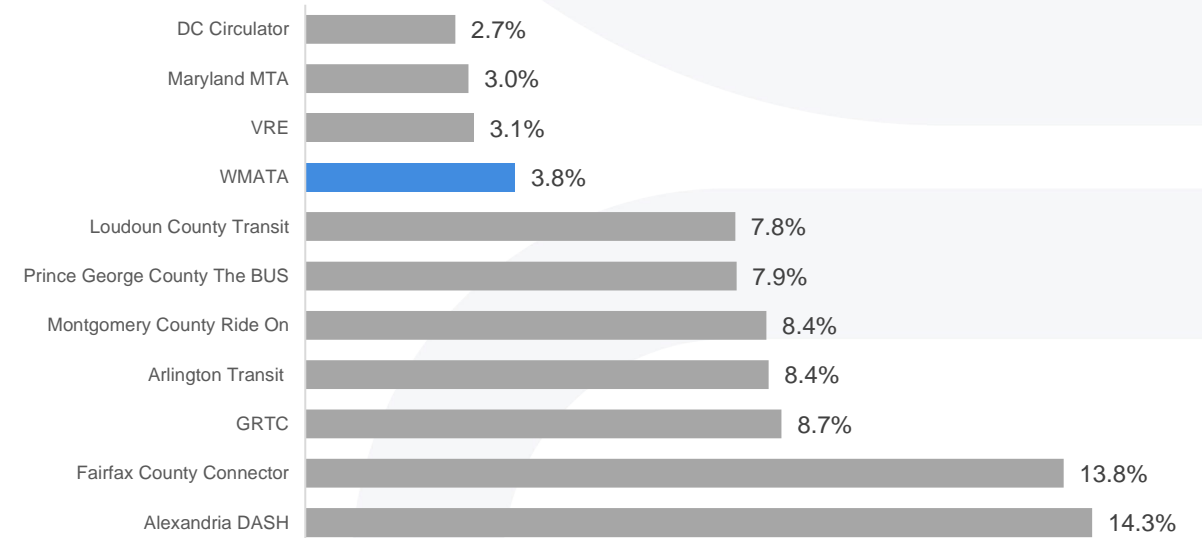
Metro's Operating Budget Growth Trails Regional Budgets

- WMATA's operating budget is **decreasing relative to** overall regional spending
- WMATA's expense growth rate remains **similar to, or lower than,** other regional
- WMATA has held expense growth rate to **3.8% average growth** between FY2019 and FY2025
- Includes operating costs for **system capacity increases** such as Silver Line Phase 2 and Potomac Yard Station

WMATA Operating Budget as a Percent of Combined Regional Budgets



5 Year Avg. Growth Rate



*Compares WMATA Operating Budget to Operating Expense Budgets Regional Operating Budgets (Capital Budgets excluded)

**Total Region includes the General Fund Operating Expense Budgets from Commonwealth of Virginia, State of Maryland, District of Columbia, Montgomery County, Prince George County, City of Alexandria, Arlington County, City of Falls Church, City of Fairfax, Fairfax County, Loudoun County

How Transit Capital Needs Are Funded

Capital budgets are funded through a variety of sources to support the necessary investments and improvements in transit infrastructure.



Federal Funding

- Annual federal funding through Bus and Bus Facilities (5339), Urbanized Area (5307), State of Good Repair (5337) programs
- DOT Passenger Rail Investment and Improvement Act (PRIIA) provides a fixed amount of capital funding each year (WMATA)



State & Local Funding

- Financial support provided by governments at the state and local levels
- These subsidies can come in various forms, such as direct grants, tax revenues, or dedicated funding streams



Competitive & Project Specific Sources

- Competitive programs include DOT RAISE and FTA Low- or No- Emission Vehicle
- FTA Capital Investment Grants (New Starts, Small Starts, and Core Capacity)
- Third-party sponsored projects



Debt Financing

- Transit agencies can utilize debt financing by issuing bonds or securing loans to raise capital for large-scale infrastructure projects
- Requires a funding stream to support debt repayment

Federal funding, an important capital funding source, requires a non-federal match and compliance with applicable regulations.

Defining State of Good Repair & Modernization

While state of good repair and modernization are distinct types of needs, projects often contain both

State of Good Repair

Rehabilitation or replacement of assets that perform existing functions to allow the system to continue to operate safely and reliably*

Modernization

Improvement to efficiency of service and operations through added functionality or new assets that Metro did not previously own

Investment Examples

BUS GARAGES



- Replace existing structure
- Replace existing systems (i.e., electrical, mechanical, ventilation)
- Refresh spaces (i.e., paint, holes in walls, bulbs)



Create new functionality in bus garages to allow for charging of battery electric buses

SIGNALING



Replace existing train control system with updated modern train control system



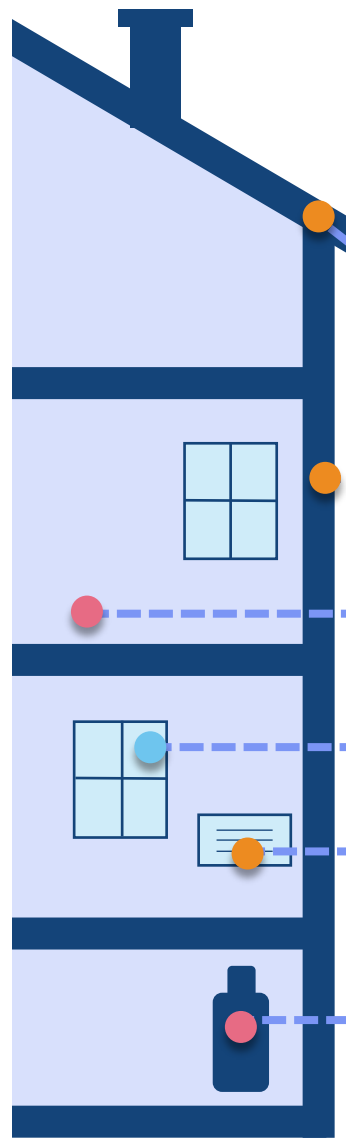
Installation of platform screen door assets to improve safety and efficiency and reduce unauthorized entry or someone falling on the tracks

*Even if replacement involves updated technology

Transit Investments Require Ongoing Repair & Replacement

Anticipated Replacement Lifecycle
 ● Short Term (0 – 15 years)
 ● Medium Term (16 – 34 years)
 ● Long Term (35+ years)

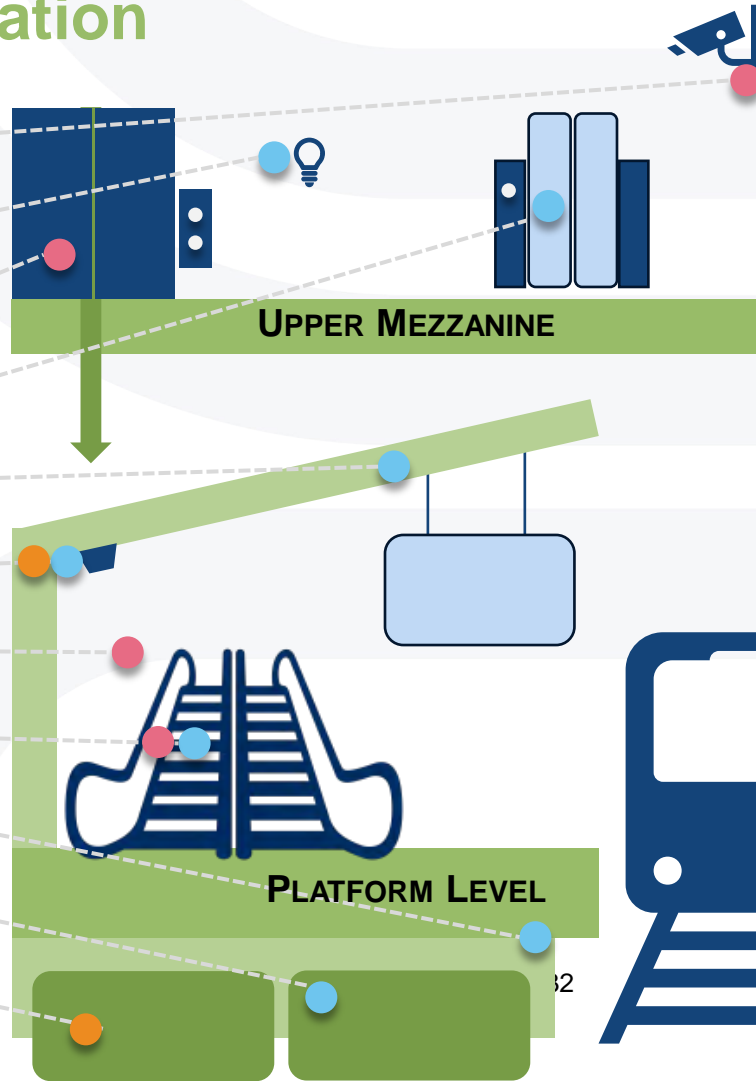
Lifecycle of a House



- Examples of Ongoing Repairs & Reinvestment**
- Replace Roof ●
 - Paint Exterior ●
 - Upgrade Interiors ●
 - Replace Windows ●
 - Replace HVAC ●
 - Replace Water Heater ●

Lifecycle of a Rail Station

- CCTV System* ●
- Power Distribution* ●
- Elevators* ●
- Fare System* ●
- Canopy/Structure* ●
- Intercom, Public Address & Fire Systems* ●
- Interior Finishes* ●
- Escalators* ●
- Station Platforms* ●
- Train Control Room* ●
- Sewage Ejectors* ●



Addressing Overdue Needs and Sustaining Safety & SOGR at Metro

Predictable, Sustainable Investment Required to Address Overdue Needs & Support Safety and SOGR Programs

ADDRESSING OVERDUE CAPITAL NEEDS

Substantial Progress *(Highlights)*

- Replacement of Legacy Railcars
- Track Rehabilitation
- Platform Program – 20 Stations Complete
- Yellow Line Tunnel Liner

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

- Structures - Bridges, Platforms, Tunnels
- Systems - Train Control, Radio and Comms, Power
- Facilities - Bus Divisions, Rail Maintenance

INVESTING IN ONGOING PROGRAMS TO SUSTAIN SAFETY & SOGR

Recurring & Cyclical Maintenance, Rehabilitation & Replacement Programs

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