



Executive Director's
Report to the
Board of Harbor Commissioners

DATE: OCTOBER 18, 2018

FROM: ENGINEERING

**SUBJECT: RESOLUTION NO. _____ APPROVAL OF 2019
ALAMEDA CORRIDOR OPERATIONS AND MAINTENANCE BUDGET**

SUMMARY:

Staff requests the Board of Harbor Commissioners adopt a Resolution accepting and providing mutual agreement to the 2019 Alameda Corridor Operations and Maintenance Budget in the amount of \$12,829,567. The source of funds for this budget will be from the two railroads operating on the Alameda Corridor and from the Alameda Corridor Transportation Authority (ACTA) Reserve Account. There is no financial responsibility on the part of the Harbor Department to fund the proposed action.

RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners (Board):

1. Find that the Director of Environmental Management has determined that the proposed action is administratively exempt from the requirements of the California Environmental Quality Act (CEQA) under Article II Section 2(f) of the Los Angeles City CEQA Guidelines;
2. Approve and provide Mutual Agreement for the 2019 Alameda Corridor Operations and Maintenance Budget in the amount of \$12,829,567;
3. Direct the Executive Director to transmit this Resolution to Alameda Corridor Transportation Authority (ACTA) for further action pursuant to the Amended and Restated Alameda Corridor Use and Operating Agreement; and
4. Adopt Resolution No. _____.

DISCUSSION:

The Amended and Restated Use and Operating Agreement, dated as of December 15, 2016, requires that the Ports and Railroads through Mutual Agreement approve an Annual Alameda Corridor Budget prior to January 1 of each year.

On September 11, 2018, staff representatives of the Ports, Railroads, and Alameda Corridor Transportation Authority (ACTA) met to review the proposed 2019 Alameda Corridor Operations and Maintenance (O&M) Budget. Budget items were discussed and it was agreed that the 2019 Budget would be presented to the Ports and Railroads for

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approval, in compliance with the requirements of the Amended and Restated UOA. ACTA's September 13, 2018 Notice of Mutual Agreement (NMA 2018-5) and the corresponding budget items are attached as Transmittal No. 1 for reference.

The proposed 2019 Alameda Corridor O&M Budget in the amount of \$12,829,567 includes funding in the amount of \$7,707,679 for Maintenance of Way (MOW) and for capital and special capital project expenditures, funding in the amount of \$4,521,888 for corridor operating and other MOW costs, and a \$600,000 contingency for unbudgeted, under-budgeted, or unplanned emergency work.

The Amended 2018 Alameda Corridor O&M Budget totaled \$12,109,796. The proposed 2019 Alameda Corridor O&M Budget represents an increase of 5.9% over the Amended 2018 O&M Budget. The primary drivers of this increase are added costs for labor due to salary increases, and increases to capital costs for items such as the installation of four fixed stairways in the trench and tie replacements on the Compton Creek Rail Bridge. In addition, there is an increase in the Contingency from \$200,000 to \$600,000 in 2019.

ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of the 2019 Alameda Corridor O&M Budget. Therefore, the Director of Environmental Management has determined that the proposed action is exempt from the requirements of the California Environmental Quality Act (CEQA), under Article II, Section 2(f) of the City of Los Angeles CEQA Guidelines.

FINANCIAL IMPACT:

Approval of this proposed Board item is not expected to have a financial impact on the Harbor Department. The funds for the proposed 2019 Alameda Corridor O&M Budget is provided by the Railroads and the ACTA Reserve Account. The ACTA Reserve Account is funded by fees collected from the Railroads. No Harbor Department funds are required.

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CITY ATTORNEY:

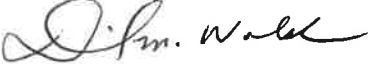
The Office of the City Attorney has reviewed this Board Report and has determined there are no legal issues at this time.


TRANSMITTALS:

1. Notice of Mutual Agreement No. 2018-5

FIS Approval: MB

CA Approval: CA


DAVID M. WALSH, P.E.
Chief Harbor Engineer


ANTONIO V. GIOIELLO, P.E.
Deputy Executive Director,
Development

APPROVED:


EUGENE D. SEROKA
Executive Director

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