

NMA 2017-6 Attachment 1 to Exhibit B**2018 Special Capital Items**

For 2018, the following Special Capital Items totaling \$1,800,638 are budgeted within the \$2,486,927 Capital Budget (excluding contingency), all of which will be charged to the Capital Maintenance Reserve Account.

1. Pump Station Upgrades, Item 3.o. - \$231,000

Maintenance of both pump stations in the trench over the past several years has included the repair and/or replacement of various components in four phases. Approximately \$50,000 is needed to complete those phases. Each location has 11 pumps: 4 large, 3 medium, and 4 small. Beginning in 2018, in addition to routine maintenance of all pump station components, one large and one medium pump at each location will receive major overhaul or replacement each year. The 2018 estimate is \$181,000 for the pump repair/replacement.

2. Trench Emergency Ladder Repairs, Item 3.r. - \$150,000

The 47 trench emergency ladders have and will continue to undergo upgrades to ensure they are in working order. This 2018 amount of \$150,000 is a carryover of unspent funds that were previously allocated in 2017. See also item 12.

3. Rehab Henry Ford Crossing at CP Dominguez, Item 3.w. - \$371,675

The single track curved crossing on the east side of the Henry Ford Viaduct, which is about 240 feet long, needs replacement due to settlement and deterioration of the underlying wood ties. Therefore, the entire crossing will be replaced with new rail, concrete ties, and new concrete crossing panels. Old panels, which can be salvaged, will be placed in inventory for use at other wood tie crossing locations.

4. Replace Signal Batteries, Item 3.y. - \$50,000

There are approximately 30 signal houses on the Corridor, each containing an average of 30 batteries. The plan for 2018 is to replace about 90 of the 900 batteries. A ten-year plan will be in place to incrementally replace all batteries.

5. Replace Wood Ties with Concrete Ties - CP Crucero to LB Diamonds, Item 3.aa. - \$24,483

This segment of wood ties will be replaced with concrete ties. This is a carry-over of work unfinished in 2017. This is the last in a series of wood tie segments that have been replaced with concrete over the last several years.

6. Replace Hot Box Detector @ MP 12.90 Item 3.bb. - \$16,800

The detector system at CP Tyler was successfully replaced in 2017 to reduce false alarms. This \$16,800 amount is a carry-over from 2017 to complete the communication of data to remote locations. The detector system looks for over-sized railcars that could damage structures, dragging equipment that can damage track, and over-heated axles that can seize up and damage wheels and rail.

7. Curve Rail Replacement Item 3.gg. - \$283,500

Rail on curves wears faster than rail in straight track, and must be replaced after excessive wear. Approximately 6,000 feet of curves will be replaced.

8. Diamond Replacements - West Thenard Item 3.hh. - \$462,000

Locations where tracks cross other tracks do so over a piece of special trackwork known as a “diamond”. These diamonds wear over time and must be replaced when repairs are no longer a viable option. Four such diamonds exist at CP West Thenard.

9. Signal Circuit Controllers for Switches Item 3.ii. - \$31,500

Controllers will be replaced in five switch machines to prolong the useful life of the machines.

10. Retie Various Control Points with Concrete Ties Item 3.jj. - \$64,180

Wood ties will be replaced with concrete ties just beyond certain concrete tie switches at several control points to reduce maintenance.

11. Upgrade and Refurnish Maintenance Facility Item 3.kk. - \$15,750

Interior walls, floors and ceiling finishes at the Maintenance Facility will be repaired or replaced.

12. Fixed Trench Ladders Item 3.ll. - \$36,750

A prototype fixed aluminum stairway will be fabricated and installed as an adjunct to the drop ladders in the trench. If the installation is successful, additional stairways will be budgeted in the future.

13. Misc. Trench Structure Repairs Item 3.mm. - \$63,000

Concrete repairs are necessary at certain utility casing penetrations of the trench wall, and repairs are also necessary at certain cross beam supports for overhead highway slabs over the trench.

*To date approximately \$23 million has been charged to the Capital Reserve Account for Corridor-related work. A target amount of \$15 million is generally kept in the account to be held in reserve for capital expenses. In all but a few years, the annual amount has not dropped below the \$15 million target. In April 2013, the \$15 million target was reaffirmed through 2017. In November 2017, it is expected that it will be reaffirmed through 2022.