

**DATE: DECEMBER 16, 2021**

**FROM: GOODS MOVEMENT**

**SUBJECT: RESOLUTION NO. \_\_\_\_\_ APPROVAL OF CY 2022  
ALAMEDA CORRIDOR MAINTENANCE OF WAY AND OPERATIONS  
AND MAINTENANCE BUDGET**

**SUMMARY:**

Staff requests that the Board of Harbor Commissioners adopt a Resolution approving and providing mutual agreement, via a Notice of Mutual Agreement (NMA), for the Calendar Year (CY) 2022 Alameda Corridor (AC) Maintenance of Way (MOW) and Operations and Maintenance (O&M) budget, in the total amount of \$20,594,070. Funding for this budget is provided by the BNSF Railway (BNSF), the Union Pacific Railroad (UPRR), and the Alameda Corridor Transportation Authority (ACTA) Reserve Account. There are no financial impacts to the Harbor Department if this NMA is approved.

**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 CY 2022 Alameda Corridor Maintenance of Way and Operations and Maintenance budget in the total amount of \$20,594,070;
3. Authorize the Executive Director or designee with delegated authority to approve subsequent Mutual Agreements for the allocation and use of contingency funds within the total budget, and for the transfer of funds from/to Maintenance of Way budget items as needed;
4. Direct the Executive Director to transmit this Resolution to ACTA for further action pursuant to the Amended and Restated Alameda Corridor Use and Operating Agreement; and
5. Adopt Resolution No. \_\_\_\_\_.

**SUBJECT: ALAMEDA CORRIDOR MAINTENANCE OF WAY AND OPERATIONS  
AND MAINTENANCE BUDGET**

**DISCUSSION:**

The Amended and Restated Alameda Corridor Use and Operating Agreement dated December 15, 2016, requires that the Port of Los Angeles, Port of Long Beach, BNSF, and UPRR approve an annual AC MOW/O&M budget prior to January 1 of each year, via a Mutual Agreement. On October 24, 2021, staff representatives of the Ports, BNSF, UPRR, and ACTA met to review and concur on the proposed CY 2022 budget. The Notice of Mutual Agreement (NMA 2021-6) is attached as Transmittal No. 1 for reference.

The proposed AC CY2022 budget in the amount of \$20,594,070 includes \$5,114,594 for capital projects and \$500,000 in contingency for unbudgeted, under-budgeted, or unplanned emergency work. The CY2022 budget is approximately 6% more than the CY 2021 budget (\$19,419,664). The primary budget drivers are maintenance and replacement of rail element infrastructure, such as frogs (the crossing point between two rail tracks within a switch), crossings, and system-wide rail grinding.

**ENVIRONMENTAL ASSESSMENT:**

The proposed action is approval of the NMA that represents approval of the CY 2022 Alameda Corridor MOW/O&M budget, which is an administrative activity. Therefore, the Director of Environmental Management has determined that the proposed action is administratively exempt from the requirements of CEQA in accordance with Article II Section 2(f) of the Los Angeles City CEQA Guidelines.

**FINANCIAL IMPACT:**

There are no financial impacts to the Harbor Department if this NMA is approved. Funding for the AC budget is provided directly by the BNSF, UPRR, and the ACTA Reserve Account. The Reserve Account is funded with Alameda Corridor use fees collected from the BNSF and UPRR.

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SUBJECT: ALAMEDA CORRIDOR MAINTENANCE OF WAY AND OPERATIONS  
AND MAINTENANCE BUDGET

**CITY ATTORNEY:**

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

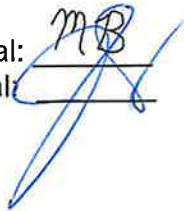
**TRANSMITTALS:**

1. Notice of Mutual Agreement No. 2021-6



KERRY CARTWRIGHT, P.E.  
Director of Goods Movement Division

FIS Approval: \_\_\_\_\_  
CA Approval: \_\_\_\_\_



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

APPROVED:

*Marla Bleavins* For  
EUGENE D. SEROKA  
Executive Director

AG:KC:GM