



Executive Director's
Report to the
Board of Harbor Commissioners

DATE: NOVEMBER 4, 2020

FROM: GOODS MOVEMENT

**SUBJECT: RESOLUTION NO. _____ APPROVAL OF CALENDAR
YEAR 2021 (CY 2021) ALAMEDA CORRIDOR MAINTENANCE OF WAY
AND OPERATIONS AND MAINTENANCE BUDGETS**

SUMMARY:

Staff requests approval of a Resolution accepting and providing mutual agreement to the Calendar Year (CY) 2021 Alameda Corridor Maintenance of Way (MOW) and Operations and Maintenance (O&M) budgets in the amount of \$19,419,644. 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 anticipated financial responsibility for 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 CY 2021 Alameda Corridor Maintenance of Way (MOW) and Operations and Maintenance (O&M) budgets in the amount of \$19,419,644;
3. Approve and provide Mutual Agreement authorizing the Executive Director or designee with delegated authority to approve the allocation and use of contingency funds and to approve the transfer of amounts from one Maintenance of Way (MOW) Budget item to another as needed to accomplish work;
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. _____.

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

DISCUSSION:

The Amended and Restated Alameda Corridor Use and Operating Agreement (Amended and Restated UOA), dated December 15, 2016, requires that the Port of Los Angeles and Port of Long Beach as well as the Union Pacific Railroad and Burlington Northern Santa Fe Railroad through Mutual Agreement approve an Annual Alameda Corridor Budget prior to January 1 of each year.

On September 15 and 29, 2020, staff representatives of the Ports, Railroads, and Alameda Corridor Transportation Authority (ACTA) met to review the proposed CY 2021 Alameda Corridor Maintenance of Way (MOW), and Operations and Maintenance (O&M) budgets. Budget items were discussed and staff present agreed that the CY 2021 Budget would be presented to the Ports and Railroads for approval, in compliance with the requirements of the Amended and Restated UOA. ACTA's October 14, 2020 Notice of Mutual Agreement (NMA 2020-4) is attached as Transmittal No. 1 for reference.

The proposed Alameda Corridor CY 2020 O&M Budget in the amount of \$19,419,644 includes funding in the amount of \$13,899,014 for MOW, \$5,220,630 for capital and special capital project expenditures funding for Corridor Operating and other MOW costs, and a \$300,000 contingency for unbudgeted, under-budgeted, or unplanned emergency work.

The CY 2020 Alameda Corridor MOW and O&M budgets totaled \$18,836,841. The CY 2021 Alameda Corridor MOW and O&M budget represent an increase of 3.1% over the CY 2020 MOW and O&M budgets. The primary drivers for this increase are added costs for labor due to the addition of an administrative assistant position, an equipment operator position and salary increases, and replacement of infrastructure that requires maintenance and/or capital replacement, such as, frogs, crossings and system wide rail grinding.

ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of the proposed CY 2021 Alameda Corridor Special Capital Items MOW Budget and 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.

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SUBJECT: ALAMEDA CORRIDOR MAINTENANCE OF WAY AND OPERATIONS
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FINANCIAL IMPACT:

Approval of this proposed Board item is not expected to have a financial impact on the Harbor Department. Funding for the proposed CY 2021 Alameda Corridor O&M Budget is provided by the Railroads and the ACTA Reserve Account. The Reserve Account is funded by fees collected from the Railroads. No Harbor Department funds are required.

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. Copy of Proposed Notice of Mutual Agreement No. 2020-4

FIS Approval: MB
CA Approval: S



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



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

APPROVED:



EUGENE D. SEROKA
Executive Director

Author: G. Martinez

GM:la
ACTA CY21 MOW/O&M Budgets