

Attachment 1 to Exhibit B**2017 Special Capital Expenses***

For 2017, the following special items totaling \$1,244,898 are budgeted within the \$2,025,904 Capital Budget (excluding contingency), all of which will be charged to the Capital Maintenance Reserve Account.

1. Trench Emergency Ladder Repairs, Item 3.r. - \$225,000

The 47 trench emergency ladders have undergone and will continue to undergo upgrades to ensure they are in working order. This 2017 amount of \$225,000 is a carryover of approximately \$125,000 in unspent funds previously allocated and \$100,000 in new funds.

2. Pump Station Upgrades, Item 3.o.- \$232,050

Over the past several years there has been an on-going effort to repair and/or replace various components at the two storm water pump stations in the trench. The work has progressed in four phases. While Phase 1 is complete, some Phase 2, 3 and 4 work, valued at \$84,000, will carry over into 2017. In addition new replacement/repair work is necessary bringing the total anticipated expenditure for 2017 to \$232,050. There will be additional phased replacement and repairs necessary for pumps over the next several years, and they will be budgeted separately in those years.

3. 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 2017 is to replace 83 of these batteries. A ten-year plan will be in place to incrementally replace all batteries.

4. Rehab Henry Ford Crossing at CP Dominguez, Item 3.w. - \$411,675

The single track curved crossing on the east side of the Henry Ford Viaduct, which is about 240 feet long, is in need of replacement due 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 other wood tie locations.

5. Grade Crossing HXP Replacement, Item 3.z. - \$25,000

Eight crossing protection processor cards in HXP units need to be updated at the Watson Rd. Crossing. These cards are valued at about \$3,000 each.

6. Replace Wood Ties with Concrete Ties - CP Crucero to LB Diamonds, Item 3.aa. - \$65,528

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

7. Replace Hot Box Detector @ MP 12.9 Item 3.bb. - \$123,000

The existing hot box detector system at CP Tyler at MP 12.9 issues radio communications warnings to train crews concerning the status of their train condition, including over-heated axles, loads which exceed height and width restrictions, and broken equipment that might be dragging beneath the train. The existing system has been malfunctioning for several months, which causes operating delays while crews stop and check the train. Repairs have been marginally successful. An upgraded model will be installed to replace the older model.

8. Santa Fe Av. High Security Fence Item 3.dd. - \$57,750

The existing chain link fence under and adjacent to the Santa Ave overpass at the north end of the Corridor is intended to prevent trespass onto the track area. The existing fence is continually cut by vandals to trespass. A high security steel fence with access gates will be installed to prevent further trespass.

9. Crash Barrier at Manville Rd. Item 3.ee. - \$54,895

This location just south of the SR-91 freeway has been the scene of several traffic collisions over the last several years, where vehicles have crashed through the chain link fencing and come to rest on the adjacent live track. About 300' of concrete K-rail and 300' of corrugated steel guardrail will be installed behind the fence over approximately 600 feet to prevent encroachment onto the track.

*To date approximately \$22 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.