



**THE PORT
OF LOS ANGELES**

Executive Director's
Report to the
Board of Harbor Commissioners

DATE: SEPTEMBER 6, 2018

FROM: ENGINEERING

**SUBJECT: RESOLUTION NO. _____ AMENDMENT TO THE 2018
ALAMEDA CORRIDOR TRANSPORTATION AUTHORITY'S
MAINTENANCE OF WAY (MOW) AND OPERATIONS AND
MAINTENANCE (O&M) BUDGETS FOR ADDITIONAL EXPENDITURES
AND RESTORATION OF CONTINGENCY AMOUNT**

SUMMARY:

Staff requests the Board of Harbor Commissioners adopt a Resolution accepting and providing mutual agreement to an amendment (Amendment) to the 2018 Alameda Corridor Transportation Authority's (ACTA) Maintenance of Way (MOW) and Operations and Maintenance (O&M) Budgets. The Amendment will increase the 2018 ACTA MOW and O&M Budgets by \$390,000 in order to fund an unexpected increase in costs associated with ladder and fencing repairs, graffiti removal, illegal dumping, Automatic Equipment Identification reader upgrades as well as the design and support of a Positive Train Control system. Staff does not anticipate that the Harbor Department will be financially impacted in FY 2019 if the Amendment were to be approved as the fees collected by ACTA are expected to cover the funding increase being requested.

RECOMMENDATION:

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

1. Find that the proposed action is exempt from the requirements of the California Environmental Quality Act (CEQA) under Article II, Section 2(f) of the Los Angeles City CEQA Guidelines as determined by the Director of Environmental Management;
2. Approve and provide mutual agreement to the Amendment to the 2018 Alameda Corridor Transportation Authority's (ACTA) Maintenance of Way (MOW) and Operations and Maintenance (O&M) Budgets for additional expenditures (\$390,000) and restoration of contingency amount to its original full value of \$200,000;
3. 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

DATE: SEPTEMBER 6, 2018

PAGE 2 OF 3

SUBJECT: AMENDMENT TO THE 2018 ALAMEDA CORRIDOR MAINTENANCE OF WAY (MOW) AND OPERATIONS AND MAINTENANCE (O&M) BUDGETS

4. Adopt Resolution No. _____.

DISCUSSION:

On October 24, 2016, the Board approved the Amended and Restated Alameda Corridor Use and Operating Agreement (Amended and Restated UOA). The Amended and Restated UOA included revisions to the original Use and Operating Agreement, and also replaced the former Alameda Corridor Operating Committee comprised of one representative from the Port of Los Angeles and Port of Long Beach (Ports) and a representative from the Union Pacific Railroad (UP) and the BNSF Railroad (Railroads) with direct decision making authority by the Ports and Railroads.

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 Maintenance and Capital Improvement Plan and Budget prior to January 1 of each year.

In December 2017, the Railroads and the Ports approved the 2018 MOW and O&M budgets through Mutual Agreement (NMA- 2017-6). The 2018 MOW Budget is a portion of the overall 2018 O&M Budget. The 2018 O&M Budget includes a \$200,000 contingency to be allocated, as necessary during the year for unbudgeted, under budgeted, or unplanned emergency work. To date, several budgeted items are projected to overrun their approved budgets, and one unbudgeted item must be added to the overall budget, including repair of ladders and fencing, removal of graffiti and illegal dumping, upgrade of Automatic Equipment Identification (AEI) readers and Positive Train Control (PCI) support and design. Work on those over budgeted and unbudgeted items will begin with the use of the existing \$200,000 contingency in order to expedite maintenance. ACTA is requesting that the Ports and Railroads amend the 2018 MOW and O&M budgets to add \$390,000 to the original 2018 O&M Budget, and restore the \$200,000 contingency to its original amount for the remainder of 2018. The Railroads are responsible for the costs associated with the 2018 MOW and O&M budgets agreement. ACTA's August 2, 2018, Notice of Mutual Agreement and a draft amendment are attached as Transmittal No. 1 for reference.

ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of the Amendment to the 2018 Alameda Corridor MOW and O&M Budgets for additional expenditures and restoration of contingency amount. As an administrative activity, 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.

DATE: SEPTEMBER 6, 2018

PAGE 3 OF 3

SUBJECT: AMENDMENT TO THE 2018 ALAMEDA CORRIDOR MAINTENANCE
OF WAY (MOW) AND OPERATIONS AND MAINTENANCE (O&M)
BUDGETS

FINANCIAL IMPACT:

Approval of this proposed Board item is not expected to have a financial impact on the Harbor Department. The funds for this modification are provided by the Railroads and the ACTA Reserve Account. The Reserve Account is funded by fees collected from the Railroads.

CITY ATTORNEY:


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

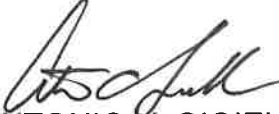
TRANSMITTALS:

1. Notice of Mutual Agreement No. 2018-4


FIS Approval: MB

CA Approval: gmc


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


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

 FOR
EUGENE D. SEROKA
Executive Director

Author: Guillermo Martinez

MGT 3-3 ACTA Extension - Budget