

Agenda



Southern California Regional Rail Authority

BOARD OF DIRECTORS

DECEMBER 13, 2024

Los Angeles County Metropolitan Transportation Authority

Orange County Transportation Authority

Riverside County Transportation Commission

San Bernardino County Transportation Authority

Ventura County Transportation Commission

BOARD ROSTER SOUTHERN CALIFORNIA REGIONAL RAIL AUTHORITY

<u>County</u>	<u>Member</u>	<u>Alternate</u>
San Bernardino: 2 votes	Larry McCallon (<i>Chair</i>) Mayor Pro Tem City of Highland SBCTA Board	Javier Dutrey* Mayor City of Montclair SBCTA Board
	Alan D. Wapner Council Member City of Ontario SBCTA Board	Ray Marquez* Council Member City of Chino Hills SBCTA Board
Orange: 2 votes	Doug Chaffee (<i>Vice-Chair</i>) Supervisor, 4 th District County of Orange OCTA Board	Mark Murphy* Citizen Representative OCTA Board
	Tam Nguyen Public Member OCTA Board	Jon Dumitru* Council Member City of Orange OCTA Board
Riverside: 2 votes	Brian Berkson (<i>2nd Vice-Chair</i>) Mayor Pro Tem City of Jurupa Valley RCTC Board	Lisa Middleton* Council Member City of Palm Springs RCTC Board
	Karen Spiegel Supervisor, 2 nd District County of Riverside RCTC Board	Michael Vargas* Mayor City of Perris RCTC Board
Ventura: 1 vote	Tony Trembley Mayor City of Camarillo VCTC Board	Bob Engler Council Member City of Thousand Oaks VCTC Board
Los Angeles: 4 votes	Kathryn Barger Supervisor, 5 th District County of Los Angeles Metro Board	Lauren Hughes-Leslie Council Member City of Lancaster Metro Appointee

Member

Alternate

VACANT
Awaiting Appointment

Pam O'Connor
Metro Appointee

Ara Najarian
Council Member
City of Glendale
Metro Board

Walter Allen, III
Mayor
City of Covina
Metro Appointee

Hilda Solis
Supervisor, 1st District
County of Los Angeles
Metro Board

Victor Preciado
Council Member
City of Pomona
Metro Appointee

EX-OFFICIO MEMBERS

San Diego Association of Governments:

Joy Lyndes
Council Member
City of Encinitas

Southern California Association of Governments:

Art Brown
Council Member, City of Buena Park

State of California:

Gloria Roberts
District Director, Caltrans District 7

Alternate:
Marlon Regisford
Caltrans District 7

*Alternate represents either member

BOARD OF DIRECTORS MEETING

FRIDAY, DECEMBER 13, 2024 – 10:00 AM

LOS ANGELES COUNTY METROPOLITAN
TRANSPORTATION AUTHORITY (METRO)
BOARD ROOM
ONE GATEWAY PLAZA, 3RD FLOOR
LOS ANGELES, CALIFORNIA 90012

AGENDA DESCRIPTIONS

The agenda descriptions are intended to give notice to members of the public of a brief general description of items of business to be transacted or discussed. The posting of the recommended actions does not indicate what action will be taken. The Authority may take any action that it deems to be appropriate on the agenda item and is not limited in any way by the notice of the recommended action. The Chair reserves the right to discuss the items listed on the agenda in any order.

A person with a disability may contact the Board Clerk's office at (213) 452-0255 or via email BoardSecretary@scrra.net at least 72-hours before the scheduled meeting to request receipt of an agenda in an alternative format or to request disability-related accommodations, including auxiliary aids or services, in order to participate in the public meeting. Later requests will be accommodated to the extent feasible.

SUPPORTING DOCUMENTATION

The agenda, staff reports and supporting documentation are available from the Board Clerk, located at 900 Wilshire Blvd., Suite 1500, Los Angeles, CA 90017, and on the Metrolink website at www.metrolinktrains.com under About > Agendas & Documents.

PUBLIC COMMENTS ON AGENDA ITEMS AND ITEMS NOT ON THE AGENDA

Metrolink welcomes comments from the public. Please fill out a Speaker's Form and submit it to the Board Clerk before the start of the meeting. If you know in advance of the meeting that you would like to make a public comment during the meeting, you may also email BoardSecretary@scrra.net. Please include your name and the number of the agenda item on which you would like to speak, or if you would like to speak on a non-agenda item. Each speaker will be allotted no more than 3 minutes to speak. This time frame may be extended or limited by the Board Chair in a manner that achieves the purpose of public communication and assures the orderly conduct of the meeting. **Public Comment on Non-Agenda Items:** Please indicate on your speaker form that you wish to speak on a non-agenda item. Comments should be limited to matters within Metrolink's subject matter jurisdiction. **Public Comment on Agenda Items:** Speakers on individual agenda items will be called in order of sign-up before any Board action is taken on the item. Comments should be limited to the agenda item.

1. **Call to Order**
2. **Safety Briefing**
3. **Pledge of Allegiance**
4. **Roll Call**
5. **Recognition of Outgoing Board Members**
6. **Public Comment**
7. **REGULAR CALENDAR**

7A. Approval of Meeting Minutes - November 8, 2024 Regular Board Meeting

It is recommended that the Board approve the Minutes of the November 8, 2024 Regular Board Meeting.

7B. Contract No. E760-25 On Call Capital and Third-Party Construction Project Management, Construction Management and Staff Assistance Services - Recommendation to Award

The Authority is seeking a consultant to provide On-Call Capital and Third-Party Construction Project Management, Construction Management and Staff Assistance Services which are needed to support a wide variety of small and large Capital and Third-Party construction projects funded through both the Authority's annual Capital budget process and from Third Party support service Agreements with no impact to the Authority's budget process. The existing On-call Contract No. E746-20 currently supporting these services is set to expire on June 30, 2025.

It is recommended that the Board authorize the Chief Executive Officer to:

1. Authorize Staff to negotiate contract rates with the highest ranked proposer, Hill International, for On Call Capital and Third-Party Construction Project Management, Construction Management and Staff Assistance Services until acceptable rates have been reached. If an agreement cannot be reached, Staff will negotiate rates with the next highest ranked proposer; and
2. Award Contract No. E760-25 for On Call Capital and Third-Party Construction Project Management, Construction Management and Staff Assistance Services in a not-to-exceed contract authority of \$20,000,000 for a base term of three years from Notice to Proceed date, and a two-year option to be exercised at the discretion of the Authority's Chief Executive Officer (CEO) and subject to budget availability. Work under this contract will be authorized through individual Contract Task Orders (CTO).

This award is subject to resolution of any timely filed protest.

There is currently no financial commitment with respect to approving the Contract Authority. No work will be authorized if funding is not approved and available through the annual Capital budget or Third-Party project Agreements.

7C. Contract No. SP475-17 - Optical Reader Installation and Maintenance for Metro Gates and Purchase Order S1900596X - Maintenance Support for Single Board Computers - Increase Contract Authority and Extend Period of Performance - Cubic Transportation Systems, Inc. and ESP Enterprises Inc.

The Authority requires continued maintenance of the optical scanners located at Los Angeles County Metropolitan Transportation Authority (Metro) fare gates to ensure seamless system transfer for Metrolink riders. This service is currently provided by two contractors (Cubic – Fare Gate’s Optic Readers and ESP – Maintenance of Single Board Computers). The current term for each contract expires on December 31, 2024.

It is recommended that the Board authorize the Chief Executive Officer to:

1. Amend Contract No. SP475-17 with Cubic Transportation Systems (Cubic), to increase contract authority by \$2,140,709 from \$4,075,147 to a new total not-to-exceed amount of \$6,215,856; and extend the period of performance from the current expiration date of December 31, 2024 to December 31, 2028; and
2. Revise Purchase Order No. S1900596X with ESP Enterprises, Inc. to increase the total amount by \$490,958.76, from \$608,921 to a new total not-to-exceed amount of \$1,099,879.76 and extend the period of performance from the current expiration date of December 31, 2024 to December 31, 2028.

The amount of \$700,210 is covered within Fare Collection's FY25 Adopted Operations Budget. Funding for subsequent years will be requested through the annual budget or an equivalent process. There is no financial commitment with respect to subsequent years and work will be authorized only if funding is approved.

7D. Single Source Contract with Knorr Brake Corporation (Knorr) for the procurement of Air Brake Components and Overhaul Services needed to perform Preventive Maintenance on the Arrow DMU Fleet

The Authority's Materials Management Department is seeking approval to negotiate a single source contract with Knorr Brake Corporation to allow for the purchasing and overhaul services of brake calipers, manifolds, and other air brake components needed to perform preventive maintenance as required by the FRA on the air brake system of our DMU fleet.

It is recommended that the Board authorize the Chief Executive Officer (CEO) to negotiate a Single Source Contract with Knorr Brake Corporation for the purchase of new Air Brake Components and Overhaul Services for a two-year term and an estimated not-to-exceed authority of \$1,500,000.

The amount for which contract authority is requested is included in the proposed FY26 Arrow operating budget.

7E. Financial Results for the First Four Months of FY25 - October 2024 Ridership, Revenue, and Operating Results

"Metrolink Reinvented" is the Metrolink term for the transition from commuter rail-based service to a regional provider of general transport. Initiatives designed to realize that transition require timely review of Ridership, Revenue, and Financial Operating Performance to provide assessment of the effectiveness of our efforts. Primary among these initiatives are the optimized services we began providing on October 21, 2024.

This report covers monthly reporting on Ridership, Revenue, and Financial Operating Performance for the four months ended October 31, 2024.

Receive and file.

7F. Performance Audit: Fuel Purchase Policy FIN 11.1 Rev. 3

The Internal Audit Department (Internal Audit) completed the Performance Audit: Fuel Purchase Policy FIN 11.1 Rev. 3.

Receive and file.

7G. FY2024-25 Quarterly Fuel Purchase Program Update - Quarter Ending September 30, 2024

Staff is providing an update on the Authority's Fuel Purchase Program for the quarter ended September 30, 2024.

Receive and file.

7H. Quarterly Report of Contracts Awarded and Third-Party Agreements Executed Under the Chief Executive Officer's Authority

The Board of Directors approved the Authority's revised Procurement and Contracting Policies (Revised Policies) on November 8, 2019. Section 3 of the Revised Policies requires the Chief Executive Officer (CEO) to provide a quarterly report to the Board with a list of contracts awarded above \$250,000 and under the CEO's contract award authority of \$500,000.

Receive and file.

7I. December Legislative Update

Staff provides a regular monthly update on current legislative affairs.

Receive and file.

7J. System Safety, Security, and Compliance (SSSC) Department Activities - Update Q1 FY25

Staff is providing a summary of the Authority's safety, security, and compliance activities for Q1 for Fiscal Year (FY) 2025.

Receive and file.

7K. Capital Program Status Report

Staff is providing an update on the progress of the Authority's Capital Program, including the Southern California Optimized Rail Expansion (SCORE) Program and the State of Good Repair Program.

Receive and file.

7L. Election of Officers for 2025-2026 Term

Board elections for 2025 Chair, Vice-Chair, and 2nd Vice-Chair are required as the current term of officers expires at the end of this month.

It is recommended that the Board hold elections to be effective January 1, 2025, for the positions of:

1. Chair
2. Vice-Chair
3. 2nd Vice-Chair

There is no budgetary impact as a result of this report.

8. Chief Executive Officer's Report

- Authority Update

9. Board Members' Comments

10. Chair's Comments

11. Closed Session

A. PUBLIC EMPLOYMENT – Pursuant to Government Code Section 54957(b)(1)
Title: Director, Audit

B. CONFERENCE WITH LABOR NEGOTIATOR – Pursuant to Government Code Section 54957.6
Agency Designated Representative: Chair Larry McCallon
Unrepresented Employee: Director, Audit

C. PUBLIC EMPLOYMENT – Pursuant to Government Code Section 54957(b)(1)
Title: General Counsel

D. CONFERENCE WITH LABOR NEGOTIATOR – Pursuant to Government Code
Section 54957.6
Agency Designated Representative: Chair Larry McCallon
Unrepresented Employee: General Counsel

12. ADJOURNMENT



metrolinktrains.com/meeting

ITEM ID: 2024-350-0

TRANSMITTAL DATE: December 6, 2024

MEETING DATE: December 13, 2024

TO: Board of Directors

FROM: Michelle Pena, Board Clerk

SUBJECT: Approval of Meeting Minutes - November 8, 2024 Regular Board Meeting

Recommendation

It is recommended that the Board approve the Minutes of the November 8, 2024 Regular Board Meeting.

Prepared by: Michelle Pena, Board Clerk

Approved by: Noelia Rodriguez, Chief of Staff
Don Del Rio, General Counsel

Attachment(s)

[Attachment A - DRAFT 11.08.24 Board of Directors Minutes](#)

DRAFT MINUTES OF THE BOARD OF DIRECTORS MEETING

Friday, November 8, 2024

BOARD MEMBERS/ALTERNATES IN ATTENDANCE:

SBCTA: LARRY McCALLON (*Chair*)
(2 votes) ALAN WAPNER
Ray Marquez

OCTA: DOUG CHAFFEE (*Vice-Chair*)
(2 votes) Mark Murphy

RCTC: BRIAN BERKSON
(2 votes) KAREN SPIEGEL *

VCTC: Bob Engler
(1 vote)

METRO: ARA NAJARIAN****
(4 votes) PAUL KREKORIAN**
Pam O'Connor***
Walter Allen, III
Victor Preciado

*Director Spiegel joined the meeting at 10:11 a.m.

**Director Krekorian joined the meeting at 10:10 a.m.

***Director O'Connor joined the meeting at 10:16 a.m.

****Director Najarian left the meeting at 11:48 a.m.

EX-OFFICIO MEMBERS

State of California

Marlon Regisford

STAFF/PRESENTERS:

DARREN KETTLE, Chief Executive Officer
DON O. DEL RIO, General Counsel
SAMANTHA CERDA, Assistant Board Clerk
DON FILIPPI, Chief Operating Officer
GEOFFREY FORGIONE, Associate General Counsel
ARNOLD HACKETT, Chief Financial Officer
PAUL HUBLER, Chief Strategy Officer
ANGELOS KASTRISIANAKIS, Senior Manager, Contracts & Compliance
CODY NELSON, Assistant Director, System Safety
MICHELLE PENA, Board Clerk
NOELIA RODRIGUEZ, Chief of Staff

SCOTT SHERIN, Chief Commercial Officer - Alstom USA
JOSEE OUELLET, Vice President - North America Services, Alstom USA

Meeting minutes are prepared in a format that corresponds with the Board Meeting Agenda, which is incorporated by reference with these minutes. Board Agendas are available online at www.metrolinktrains.com under the Meetings and Agendas link or from the Board Secretary at (213) 452-0255.

1. Call to Order

The November 8, 2024 Regular Board Meeting was called to order at 10:03 a.m. by Chair McCallon in the Metro Board Room, One Gateway Plaza, 3rd Floor, Los Angeles, CA 90012.

2. Safety Briefing

Assistant System Safety Director Cody Nelson conducted the safety briefing.

3. Pledge of Allegiance

Chair McCallon led the group in the pledge of allegiance.

4. Roll Call

The Board Clerk called roll and confirmed that a quorum of the Board was present.

6. Public Comment

Armando Saldana and Keolohilani Julianna gave public comment on the new schedule.

5. Recognition of Outgoing Board Members

Chair McCallon provided remarks for outgoing director Paul Krekorian and wished him well in his future endeavors and thanked him for his service.

Director Krekorian thanked all the board members he has served with over the years and noted the agency's turnaround into something to be proud of.

6. REGULAR CALENDAR

7A. **Approval of Meeting Minutes - October 25, 2024 Regular Board Meeting**

ACTION: Upon a single motion by Director Wapner and seconded by Director Murphy, the Board unanimously approved the minutes for the October 25, 2024 regular board meeting.

7B. **Contract MSOP158- 24 Train Operation and Maintenance Services - Recommendation to Award - Alstom Transport USA Inc.**

Chief Operating Officer Don Filippi explained to improve operational efficiency and maintain continuity of service for Metrolink and Arrow services, a new Train Operation and Maintenance Services contract is required for the Authority's rolling stock and related facilities and for the train crew operation. Since 1992, these services have been provided through individual contractors, and the current contracts expire on June 30, 2025. Per the Board's directive in April 2020, the Authority has pursued the bundle approach to procuring these services. He went over the recommendation that the Board authorize the Chief Executive Officer (CEO) to award Contract No. MSOP158-24 for Train Operation and Maintenance Services (TOMS) to Alstom Transport USA Inc. (Alstom) in a total not-to-exceed contract authority of \$1,121,666,447.86.

Mr. Filippi explained the requested contract authority includes:

1. The not-to-exceed amount of \$7,869,806.68 for mobilization, excluding Option A-O1 (Materials Management) mobilization, starting in FY25 after issuance of Notice to Proceed (NTP) through June 30, 2025.
2. The not-to-exceed amounts of \$507,920,012.66 for the five-year base term of the Contract (starting July 1, 2025) and \$344,847,368.65 for the single three-year option (starting July 1, 2030), for Base Services. Staff will return to the Board for approval before exercising the one-time option. The Materials Management Option (Option A-O1) to include the scope of furnishing and managing materials (inventory and consumables) for the maintenance of Metrolink's rolling stock equipment (with the exclusion of Arrow Service) in the not-to-exceed amount of \$6,435,140.52 consisting of the mobilization (\$779,011.12) and five-year base term of the Contract (\$5,656,129.40), and \$3,800,250.79 for the single three- year option. These amounts reflect the cost of procuring, warehousing, and issuing materials to the maintenance shops as a lumpsum monthly administrative fee but excludes the pass-through cost of the materials. This Materials Management Option A-O1 may be exercised during the base five-year period of the Contract, at the sole discretion of the CEO.
4. The On-Call Work Directives will be based on established labor or task rates and will be negotiated for each On-Call Work Directive, while profit for On-Call Work Directives will be calculated separately. This amount is not-to-exceed contract authority amount of \$50,000,000.00 for the five-year base term of the Contract (starting July 1, 2025) and \$30,000,000 for the single three-year option (starting July 1, 2030).
5. The pass-through cost for Materials is not-to-exceed contract authority in the amount of \$95,886,211.59 for the five-year base term of the Contract (starting July 1, 2025) and \$74,907,656.97 for the single three-year option (starting July 1, 2030), in the event the Authority exercises the Materials Management Option A-O1. The amount is an estimate to cover the actual cost of materials on a pass-through basis, not subject to profit.

Chair McCallon asked what specific changes were made that resulted in the scores being higher than they are now.

Mr. Filippi explained in Section A of the scoring, Alstom scored lower, and they addressed that by adding a General Manager, Assistant General Manager of Safety, and Assistant General Manager of Operations to staff.

Angelos Kastrisianakis, Senior Manager, Contracts and Compliance, clarified the scores didn't go up after the negotiation step of the process. When staff entered negotiations with proposers the technical evaluation committee was already dismissed so there was no re-scoring which is why staff cannot present updated scores. Alstom was able to address the concerns that were raised during negotiations.

Mr. Filippi elaborated that the key personnel were extremely important and Alstom not having the right personnel gave staff pause in addition to their approach to service. Alstom didn't change their proposal but conversations during negotiations brought clarity in how they would execute their approach to service which showed that they understood what was being asked in the proposal.

Director Wapner noted after the interviews both scores dropped, and Alstom dropped below the competitive threshold.

Mr. Kastrisianakis explained the scores dropped after the evaluation committee completed interviews with proposers, but the clarification discussion happened after the evaluation committee was dismissed.

Director Wapner asked how Alstom could continue if they were under the threshold for the minimum.

Mr. Kastrisianakis stated the threshold was only used to define the competitive range and they were already in the competitive range.

Director Murphy asked how the scores worsened after they interviewed and clarified things.

Mr. Filippi outlined the phases of the process: the first phase was reviewing the technical proposals and creating a score. The second phase was an interview with the companies that made the competitive range and allowed them to talk about their proposal and their key personnel. Both parties were still in the competitive range regardless of scoring in phase two; they had already made the competitive range and could not be eliminated. Their scores could be adjusted after the technical committee interviewed them, which was the first contact with the proposers. He furthered the proposers addressed some of staff's concerns during the negotiation phase which allowed for deeper conversations after the technical evaluation committee had already been dismissed and scores were cemented.

Director Krekorian asked what Amtrak's initial score was and how far below the 70% threshold they scored.

Mr. Kastrisianakis stated the score for Amtrak was not published and Amtrak requested a debrief where staff will provide feedback for their proposal. He opined their proposal as submitted does not reflect Amtrak as an established company, but the proposal submitted

in response to the scope of work was not found by the technical evaluation committee as passing the minimum score.

Director Krekorian inquired how much staff time and effort was required for the second phase of interviewing those who were in the competitive range.

Mr. Kastrisianakis stated the interview was one day for each of the proposers found to be in the competitive range and each interview lasted approximately four hours.

Director Krekorian voiced his struggle with not knowing where Amtrak came in and wondered what the advantage is in excluding one of the three bidders from the competitive range prior to interviews, especially when interviews change technical scores and resulted in one of the two falling below the competitive range. He suggested interviewing all three bidders since with a bundled scenario the bigger the bundle the fewer the bidders. He reiterated he did not understand the value of eliminating one of the three bidders before even talking to them.

Mr. Kastrisianakis explained the agency follows the advertised process in the RFP and every step of the process as outlined in the presentation was advertised in the RFP. A 70% technical score is a high number and difficult for firms to reach. Amtrak's proposal does not reflect on Amtrak as a company; it only reflects on their response to the scope of work the authority advertised and how the technical evaluation committee expected companies to respond to the advertised technical criteria.

Director Krekorian rebutted because the RFP was not reflective of one of the largest train operators in the world, he would have thought this would be an opportunity to find out why by spending four hours of interviewing them to see if there was a technical error.

Director Spiegel asked about the contract Herzog already has.

Mr. Kastrisianakis stated the agency has a contract with Herzog for maintenance of way, signals and track and it is unrelated to the bundle. He confirmed the three-year option is part of the \$1.1B contract amount.

Director Spiegel asked what safeguards will be in place if Alstom is not performing.

Mr. Kastrisianakis relayed both the contract document and scope of work address performance by the contractor and there is a liquidated damages program that prevents the contractor from nonperformance. The liquidated damages program is straight forward, clear, and outlines priorities and key performance indicators for Metrolink.

Mr. Filippi added there is an onus on the agency to manage expectations and lead ups to projects. It is the responsibility of staff to communicate and partner with the contractor to ensure they are delivering. He touched on the benefit of having operations and maintenance together as one, creating synergy that is much easier to manage.

Director Spiegel noted one contract may be easier to manage but if they don't perform up to expectations it will be difficult to replace them.

Mr. Filippi stated staff will be working with Alstom from day one and will solve any problems that arise promptly and will not wait for things to falter before taking action.

Director Spiegel recommended in the future having a closed session to bring the board up to speed on what changed during negotiations that made staff comfortable with their recommendation and in turn make the board comfortable voting in favor.

Director Najarian thanked staff for explaining the scoring process because it was confusing. He clarified there was a qualifying round that brought in two companies and then there was a “playoff” round. As the technical evaluation committee interviewed the two companies both scores dropped, so the argument that Alstom dropped below 70% of the available points is not a valid objection because the score was only for the qualifying round to move forward.

Mr. Filippi agreed first was a qualifying round followed by ranking the proposers.

Director Najarian asked if there was a protest by Amtrak when they failed to make the qualifying round.

Mr. Kastrisianakis explained the results of the evaluation were not published until the notice of intent to award was published but the agency has not received any protests.

Director Najarian inquired about the surrogate protest by the locomotive engineers’ union who took objection to the scoring process. He understood being obliged to strictly follow the procedures that are laid out in the RFP and asked if the set of procedures the agency uses is the industry standard.

Mr. Kastrisianakis stated the process the agency follows is written in the procurement manual that has been in place for the last four years. The step process is common in the procurement world as staff can't invite everybody to an interview; this two-step process allows for identifying who has a merit of getting an award and eliminating those who don't. In response to a follow-up question he opined it is a fair process that guarantees the authority will only award a contract to a very good proposal.

Second Vice-Chair Berkson voiced his frustration in looking at these scores and taking them at face value without being part of additional discussions outlining what issues were addressed for each category. He suggested looking at the policy down the road to ensure best practices are in place for RFPs.

CEO Darren Kettle reiterated once staff could talk to Alstom after negotiating with Herzog, who had a stronger proposal, they raised the deficiencies with Alstom and told them where change was needed. Alstom brought in three new leaders that were not in their original proposal. Staff also were not sure if they understood the full scope of work but in negotiating with Alstom and getting clarity, the team became confident that Alstom is able to deliver on the scope of work. He underlined staff cannot put points to those key areas because the technical evaluation committee had been dismissed so no additional points could be applied. Staff identified areas where they were deficient, and they were able to strengthen that position through the negotiation process.

Director Wapner stated he supported bundling when it was first brought forward with the macro bundle but there were no proposers, so it was broken into mini bundles. The board never received updates on how the bundling process is working. As far as the bundling and convenience for staff to deal with one contractor, he opined it shifts the leverage to that one contractor and will take quite a while to undo the process if it goes wrong. He asked what reference checks were done on both proposers and he mentioned Alstom may have a history of underbidding and changing the budgets later on.

Mr. Kastrisianakis explained all three proposals were from proposers the agency knows and uses, which is a good reference. Furthermore, Maryland Area Rail Commuter (MARC) provided a good recommendation along with Go Transit and Metrolinx. He added Alstom is much closer to the budget than Herzog and he would raise the question why Herzog is so expensive and not why is Alstom cheap.

Director Wapner asked if there have been any allegations of underbidding and then charging more later on.

Mr. Kastrisianakis stated he didn't get feedback that would indicate that every contract is different and priced differently to allow or not allow adjustments. The agency has a very strong negotiation team and great support from the legal department in developing the contract that will allow Metrolink to hold most of the pricing position with some market adjustments.

Mr. Kettle asked staff in the years Alstom has been a contractor how frequently, if at all, they have requested a change order to increase the authority of the contract.

Mr. Filippi and CFO Arnold Hackett confirmed in Alstom's 26 years as a contractor they have not requested a change order.

Director Krekorian noted there is a big differential in pricing and few bidders which gives him pause because there may be a misunderstanding between the agency and the contractor about the expected scope of work. He wanted to drill down on what is expected of Alstom and whether that will impact their price proposal, especially in a situation like this where the contractor has so much leverage. To be below the independent cost estimate and way below the other proposer throws up red flags that there may be price adjustment requests in the future. He voiced he is confident staff did everything correctly in the process and would not expect a protest since each step of was followed to the letter. He wondered if this RFP process was the right strategic approach in a procurement of this size and whether staff should have varied from the procurement manual for this. He opined the agency should have changed the approach since the bigger the contract, the fewer the bids and the less competitive the bids are going to be. It is in the agency's strategic interest to maximize the number of competitive bids received and then sort them out using staff's expertise. He wished in this case there were three bidders instead of two.

Director Spiegel asked about the letter received from the Amtrak union and if it was of any concern since it made a few good points about the Olympics and was kind of a protest.

Mr. Filippi stated Alstom will address the letter and the Olympics in their presentation.

Alstom staff gave a brief presentation on their company and expertise as a global leader in train maintenance. Scott Sherin, Chief Commercial Officer, touched on the number of employees, sites, contracts, and revenue globally and nationally and he outlined the agencies that Alstom works with along with a breakdown of the services they provide.

Vice President of North America Services Josee Ouellet explained Alstom has been maintaining the agency's fleet for 26 years and shared a comparable equivalent in Canada that Alstom has been partnered with for 16 years. She touched on references, which included letters of support from two labor unions, and outlined the company's safety credentials in maintenance and safety and their zero-deviation plan. She shared the various major events that Alstom has supported, including five Olympics games.

Director Spiegel asked about the slide that states, "less than half of the reportable injuries in all our sites compared to the industry."

Ms. Ouellet explained reportable injuries are regulated by the FRA and it's a metric that brings to life the fact that Alstom is good with safety, having fewer reportable injuries than their competition. In a follow-up question about the letter from the Brotherhood of Locomotive Engineers and Trainmen, Ms. Ouellet explained Alstom reached out to the union during the procurement process and acknowledged change always brings concern. Alstom is determined to re-hire as many of those talented and experienced people as possible and looks forward to partnering with them when they get to know the company better.

Mr. Sherin shared his embarrassment about how the proposal came across and stated the knowledge of operations and maintenance comes from Bombardier and the resources who understand the business are spread across 20 different sites. The bid team preparing the offer was borrowing expertise across these sites as best they could to pull together the offer. Alstom did not receive feedback until they were able to sit down and have in-depth discussions with Metrolink staff during the negotiation portion.

Director Murphy asked if Alstom was awarded this contract, what percentage of their business in North America Metrolink would represent.

Mr. Sherin replied this contract is going to be about \$90M a year and Alstom generates \$3B a year in revenue in North America.

Director Preciado questioned the synergy in the communication of different departments in creating the proposal and asked how Alstom can secure the board's confidence in communication amongst its team.

Ms. Ouellet explained it was difficult to bring the right people in to build the proposal because they are operating and maintaining different sites. In terms of the bundled approach, she clarified there is one general manager, one safety manager, and one QA manager with equipped staff. In very concrete terms there is one management team giving a common set of objectives to both sub-entities of operations and maintenance to achieve a singular goal.

Director Preciado asked about the process of keeping employees like conductors and how the transition will be communicated to staff.

Ms. Ouellet stated keeping employees was a commitment made in the proposal. The mobilization phase will begin as soon as the award is given, and Alstom will immediately start working to ensure readiness for the first day of revenue service. The first thing will be making sure the right staff is on board by engaging with the unions to determine the best process to bring them on board. She added the benefits, salaries, and CBA agreements were built into the proposal so employees don't have to worry that they will be cut as it is in Alstom's best interest to have as many of them transfer as possible. She noted there are back up plans if some employees choose to stay with Amtrak and work in other areas.

Mr. Filippi furthered this is like any other contract change, which the agency has had numerous times. There is a regulation that requires Alstom meet certain requirements in retention and protecting pay so no contractor would be left out. Contracted employees are not at jeopardy of losing their jobs.

Kealohilani Julianna provided public comment on this item.

ACTION: Upon a single motion by Director Najarian and seconded by Vice-Chair Chaffee, the Board (10-1) authorized the Chief Executive Officer (CEO) to award Contract No. MSOP158-24 for Train Operation and Maintenance Services (TOMS) to Alstom Transport USA Inc. (Alstom) in a total not-to-exceed contract authority of \$1,121,666,447.86, with Director Krekorian voting no.

7C. Board and Committee Meeting Dates for Calendar Year 2025

Chair McCallon touched on the presentation at the previous Board meeting and stated he spoke to the incoming chair about the committee meeting times. The Executive Committee had no objection to moving to 9:00 and moving Audit and Finance Committee to 9:45.

Vice-Chair Chaffee stated he will make whatever is presented work with the understanding that if there are some changes needed based on directors' schedules next year, he can do so to be accommodating.

ACTION: Upon a single motion by Chair McCallon and seconded by Second Vice-Chair Berkson, the Board (11-0) approved the 2025 Board and Committee meeting schedule, and move Executive Committee to 9:00 and Audit and Finance Committee to 9:45 with Contracts, Operations, and Maintenance Committee at 10:30.

7D. Contract No. SP619-25 - Olympics Planning Support Services - Recommendation to Award - Jacobs Engineering Group Inc.

Chief Strategy Officer Paul Hubler explained dedicated, long-term, multidisciplinary consulting services are needed to support the continuation and refinement of the Authority's planning for the 2028 Summer Olympics and Paralympics and referenced the recent Dodgers parade as a surge in ridership. This contract will support the development of a master plan and framework for games service implementation.

Director Wapner noted the negotiations and discussion with LA28 are quite fluid right now and asked how staff and the consultant will know what direction to go in until the board has set a policy measure.

Mr. Hubler explained the main focus over the next 6-9 months with the consultant is to prepare a plan for implementation. Staff is waiting for the demand model which Jacobs is preparing on behalf of LA Metro that will provide key input. Jacobs is prepared to help with fleet readiness while other consultants are working with Program Delivery of assessing the state of readiness. The agency is moving forward with the maximum service that can be offered with the existing fleet, flexing the spare ratio downwards, and potentially borrowing equipment.

Mr. Kettle added the agency is going to have to build scenarios that can inform policy discussion about what can and cannot be done with whatever level of resources Metrolink has.

Director Wapner wanted to ensure the dollars spent are included in the total cost the agency is encumbering for the process and make sure to take care of existing passengers.

Director Spiegel recommended taking a deep dive on the existing fleet and including Alstom in that conversation. She asked where the funding is coming from.

Mr. Hubler stated the planning is coming from an existing revenue stream, so the cost of the Jacobs consultant is borne out of operating funds along with the existing contracts underway for fleet readiness. Staff will coordinate very closely with Alstom as they continue the vehicle equipment maintenance contract to ensure the fleet is ready during the Olympics.

Director Spiegel reiterated the importance of caring for existing customers.

ACTION: Upon a single motion by Director Krekorian and seconded by Director Wapner, the Board (11-0) authorized the Chief Executive Officer to award Contract No. SP619-25 for Olympics Planning Support Services to Jacobs Engineering Group Inc. with a contractual term effective upon issuance of Notice to Proceed (NTP) through December 31, 2028, for a total not-to-exceed contract authority of \$510,000 which is comprised of approximately \$400,000 for the immediate work associated with Part 1 of the Scope of Work (SOW), and \$110,000 to initiate other critical longer-term Olympics planning activities associated with Part 2 of the SOW. The award is subject to resolution of any timely filed protests.

The requested amount of \$510,000, which is made up of about \$400,000 for Part 1 of the SOW and \$110,000 for initial work for Part 2 of the SOW in FY25, is included in the Authority's FY25 Operating Budget. The amount for future work under Part 2 of the SOW will be included in future year budgets.

7E. Purchase Order No. PO976-25 - Consumable Janitorial Supplies - Recommendation to Award - Waxie Sanitary Supply

The Authority's Inventory Control and Materials Management Department requires various consumable janitorial supplies for the Maintenance, Repairs, and Operation (MRO) of the Authority. Staff has found it to be more cost effective to maintain an Inventory Replenishment program and to directly purchase the necessary janitorial supplies from the

Waxie Sanitary Supply (Waxie) under a cooperative agreement rather than to purchase each item from individual retailers or through one of the Authority's service or maintenance contractors. There are several cooperative agreements available for use by the Authority.

ACTION: Upon a single motion by Director Spiegel and seconded by Director Krekorian, the Board (11-0) authorized the Chief Executive Officer (CEO) to award Purchase Order PO976-25 to Waxie Sanitary Supply for as needed consumable janitorial supplies for a total not-to-exceed authorization of \$1,650,000.

The amount for which contract authority is requested is included in the operating budget for FY25. Funding for subsequent fiscal years will be requested through the annual budget process.

7F. Contract No. LI292 -24 - Project Management Information System - Recommendation to Award - D.R. McNatty & Associates

The Authority requires a cloud-based Project Management Information System (PMIS) implementation and managed services to help manage and document the complete project lifecycle of numerous projects being simultaneously executed within Planning, Program Delivery and Operations Departments.

ACTION: Upon a single motion by Director Krekorian and seconded by Director Engler, the Board (11-0) authorized the Chief Executive Officer to award Contract No. LI292-24 to D.R. McNatty & Associates, Inc. for a total not-to-exceed contract authority of \$3,642,310 for a period of performance of five years. The award is subject to resolution of any timely filed protests.

The amounts for which contract authority is requested are included in the Adopted FY2022 -23 Capital Budget (\$3,642,310). No additional funding is required currently for this project.

The board received and filed items 7G. through 7M.

7G. Corrective Action Status Update - First Quarter Ended September 30, 2024

The Internal Audit Department (Internal Audit) provides the Board with a quarterly report on the status of the corrective actions of prior audits.

7H. Internal Audit Department Quarterly Update for Q1 FY2025

The Internal Audit Department (Internal Audit) provides quarterly updates on internal and external audits and other activities. This item represents the first quarter of FY 2025 (July 1, 2024, to September 30, 2024).

7I. FY2024-25 Preliminary Quarterly Investment Report - Quarter Ended September 30, 2024

The Authority's Annual Investment Policy requires the Treasurer to make a quarterly investment report to the Board of Directors. Section 53646 of the California Government Code encourages local agencies to file this report and provides requirements for report content and disclosures. This report is for the quarter ended September 30, 2024, and

contains estimated information published prior to the conclusion of the Authority's fiscal year close and is subject to adjustment.

7J. FY2024-25 Quarterly Accounts Receivable Status Report - Quarter Ended September 30, 2024

This report presents an update on the Authority's Accounts Receivable for the quarter ended September 30, 2024. This item presents outstanding receivables, unbilled balances and provides a status related to billing and collection efforts.

7K. Grants Quarterly Update - 1st Quarter, Fiscal Year 2025

Staff is providing an update of grant acquisition, reprogramming and closeout activity for the period of July 1, 2024 to September 30, 2024.

7L. Financial Results for the First Quarter of FY25 - Ridership, Revenue, and Operating Results

"Metrolink Reinvented" is the Metrolink term for the transition from commuter rail-based service to a regional provider of general transport. Initiatives designed to realize that transition require timely review of Ridership, Revenue, and Financial Operating Performance to provide assessment of the effectiveness of our efforts. Primary among these initiatives are the optimized services we will be providing beginning on October 21, 2024.

This report covers monthly reporting on Ridership, Revenue, and Financial Operating Performance for the first Quarter of FY25.

7M. November Legislative Update

Staff provides a regular monthly update on current legislative affairs.

8. Chief Executive Officer's Report

Mr. Kettle joined the Association of California Cities in Orange County to talk about Metrolink. He shared the Dodgers victory parade broke ridership records with more than 42,000 boardings. He announced the Railyard Restoration and Modernization Project was recognized nationally by the CMAA and the fare restructuring effort will be launched in spring or summer 2025 rather than the beginning of the new year. Mr. Kettle announced SCAG took action on contactless open credit card payment and a pilot will be launched on the San Bernardino Line in 2025. He shared the Holiday Express Train dates and touched on the new key metrics requested by Director Krekorian that were included in the monthly financial report which will be shared quarterly moving forward.

9. Board Members' Comments

Director Spiegel requested adjourning the meeting in honor of Veterans Day.

10. Chair's Comments

Chair McCallon requested keeping those affected by the Mountain Fire in their thoughts as the fire is ongoing. He adjourned the meeting in honor of all veterans and the Marine Corps Birthday.

11. ADJOURNMENT

There being no further business for consideration by the Board, the meeting was adjourned in honor of the Marine Corps Birthday and Veterans Day at 12:06 p.m.

Prepared by,

Michelle Peña

Michelle Peña
Board Clerk



ITEM ID: 2024-336-0

TRANSMITTAL DATE: December 6, 2024

MEETING DATE: December 13, 2024

TO: Board of Directors

FROM: Justin Fornelli, Chief, Program Delivery
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SUBJECT: Contract No. E760-25 On Call Capital and Third-Party Construction Project Management, Construction Management and Staff Assistance Services - Recommendation to Award

Issue

The Authority is seeking a consultant to provide On-Call Capital and Third-Party Construction Project Management, Construction Management and Staff Assistance Services which are needed to support a wide variety of small and large Capital and Third-Party construction projects funded through both the Authority's annual Capital budget process and from Third Party support service Agreements with no impact to the Authority's budget process. The existing On-call Contract No. E746-20 currently supporting these services is set to expire on June 30, 2025.

Recommendation

It is recommended that the Board authorize the Chief Executive Officer to:

1. Authorize Staff to negotiate contract rates with the highest ranked proposer, Hill International, for On Call Capital and Third-Party Construction Project Management, Construction Management and Staff Assistance Services until acceptable rates have been reached. If an agreement cannot be reached, Staff will negotiate rates with the next highest ranked proposer; and
2. Award Contract No. E760-25 for On Call Capital and Third-Party Construction Project Management, Construction Management and Staff Assistance Services in a not-to-exceed contract authority of \$20,000,000 for a base term of three years from Notice to Proceed date, and a two-year option to be exercised at the discretion of the Authority's Chief Executive Officer (CEO) and subject to budget availability. Work under this contract will be authorized through individual Contract Task Orders (CTO).

This award is subject to resolution of any timely filed protest.

Strategic Commitment

This action aligns with the Strategic Business Plan commitments of:

- **Safety is Foundational:** The on-call services being performed under this contract will directly support the safe delivery of Metrolink's Capital and Third-Party Construction program, ensuring compliance with Authority standards and procedures while maintaining safe railroad operations and construction practices for the protection of our staff, contractors, riders and the public.
- **Modernizing Business Practices:** The contract will allow staff to continue to efficiently use qualified consultants to provide staff with professional engineering support, project management and construction management services for critical infrastructure projects, by having a dedicated team ready to address the Authority's Capital and Third-Party construction needs and funding constraints.

Background

The Authority's Capital and Third-Party Construction projects include construction projects directly contracted through the Authority, or contracted through Third Party project owners, on, over, or about the Metrolink system railroad right-of-way. Projects may involve but not be limited to new installations, replacements, rehabilitation, improvements and inspection of track, signal and communication system infrastructure, grade crossings, grade separations, bridges, stations, maintenance facilities or other buildings and right-of-way infrastructure. On-call project management, construction management and general staff assistance services are required on an on-call basis to support staff effectively and efficiently manage a variety of such projects through construction and integration into the Authority's railroad network for the next five years. Capital Projects are funded through Capital budgets while Third Party projects are funded through support service Agreements with Project Owners at no cost to the Agency.

Work under this on-call contract will be authorized through the use of Contract Task Orders (CTOs), which will be issued as project requirements arise and associated funding becomes available for support to the construction phases of Capital and Third-Party projects. Staff has successfully used the CTO process to manage previous on-call professional engineering service contracts like this project management, construction management and staff assistance services contract. The CTO process enables staff to define individual scopes of work for each project and monitor and control the expenditures for each task.

Discussion

On August 9, 2024, staff issued a Request for Proposals for On-Call Capital and Third-Party Construction Project Management, Construction Management, and Staff Assistance Services on an as-needed basis for a not to exceed base contract term of three years with a further two-year option. The solicitation was posted to the Authority's online procurement system and

notifications were sent to 3092 registered firms, with the Authority also advertising the RFP in publications in the five member counties and in diversity newspapers. Forty-eight (48) representatives from interested firms attended the pre-proposal meeting conducted on August 20, 2024. Proposals were due on October 4, 2024. Three proposals were received from Anser Advisory, TRC and Hill International, with all three proposals considered responsive and qualified to move forward in the evaluation process.

The evaluation team consisted of staff from the Program Delivery Department, the Operations Department and one outside representative from Metro.

The evaluation criteria consisted of the following:

- Qualifications of the Firm 20%
- Staffing and Project Organization 35%
- Work Plan 30%
- Interview 15%

During the interview phase, all three firms presented their proposals and expertise to the evaluation panel, which included an impromptu scenario that evaluated the team's ability to work together and respond quickly and efficiently to a hypothetical problem that the Authority could face.

The final scores for the three firms were as follows:

- Anser Advisory - 73.03
- TRC - 71.25
- Hill International - 81.55

Budget Impact

There is currently no financial commitment with respect to approving the Contract Authority. No work will be authorized if funding is not approved and available through the annual Capital budget or Third-Party project Agreements.

Next Steps

Following Board approval, an independent audit will be conducted to review and determine that the proposed rates are fair and reasonable. Staff will then finalize the rates, execute the contract, and issue a Notice to Proceed.

Prepared by: Andy Althorp, Director, Capital Construction
 Jaime Saucedo, Contract and Compliance Administrator

Approved by: Justin Fornelli, Chief of Program Delivery



ITEM ID: 2024-293-0

TRANSMITTAL DATE: December 6, 2024

MEETING DATE: December 13, 2024

TO: Board of Directors

FROM: Kevin Gray, Chief Technology Officer
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SUBJECT: Contract No. SP475-17 - Optical Reader Installation and Maintenance for Metro Gates and Purchase Order S1900596X - Maintenance Support for Single Board Computers - Increase Contract Authority and Extend Period of Performance - Cubic Transportation Systems, Inc. and ESP Enterprises Inc.

Issue

The Authority requires continued maintenance of the optical scanners located at Los Angeles County Metropolitan Transportation Authority (Metro) fare gates to ensure seamless system transfer for Metrolink riders. This service is currently provided by two contractors (Cubic – Fare Gate’s Optic Readers and ESP – Maintenance of Single Board Computers). The current term for each contract expires on December 31, 2024.

Recommendation

It is recommended that the Board authorize the Chief Executive Officer to:

1. Amend Contract No. SP475-17 with Cubic Transportation Systems (Cubic), to increase contract authority by \$2,140,709 from \$4,075,147 to a new total not-to-exceed amount of \$6,215,856; and extend the period of performance from the current expiration date of December 31, 2024 to December 31, 2028; and
2. Revise Purchase Order No. S1900596X with ESP Enterprises, Inc. to increase the total amount by \$490,958.76, from \$608,921 to a new total not-to-exceed amount of \$1,099,879.76 and extend the period of performance from the current expiration date of December 31, 2024 to December 31, 2028.

Strategic Commitment

This report aligns with the strategic Business Plan commitment of:

- **Customers Are Our Business:** We respect and value our customers, putting them at the heart of all we do, and work hard to attract and retain new customers by understanding their needs and finding new and innovative ways to bring them on board. This will be accomplished by ensuring our mobile and online ticketing services continue to operate seamlessly for our customers.

Background

Approximately 23% of Metrolink riders transferred to the LA Metro subway system from January 1, 2023 to October 31, 2024. Optical scanners utilize optical technology to read, process, and record the transfer rather than the TAP system.

There are two primary technologies provided by different vendors that make up the optical scanner solution. This includes 1) the Masabi single board computers (SBCs) that validate the Metrolink paper tickets and the mobile app Aztec codes, and 2) the Cubic optical scanners at the locked turnstiles that allow entry to the Metro Rail System. On December 30, 2017, the Authority successfully launched the optical scanners, which allowed Metrolink mobile app to seamlessly transfer onto the Metro Rail System. Commuters simply scan their valid fare media against the optical scanners, which grants access to the LA Metro rail system.

In 2018, staff requested Cubic to provide a cost proposal to continue maintaining both the optical scanners and the Masabi SBCs. However, after having several discussions with Cubic, staff was advised that Cubic's cost proposal would only include maintenance of the Cubic optical scanners and other Cubic-supplied components. Cubic's cost proposal specifically excludes any other vendors' equipment or equipment owned by another transportation authority or under a separate contract, including the Masabi SBCs. Cubic advised staff to explore other options to maintain the Masabi SBCs.

Since Cubic would not provide a cost proposal to maintain other vendors' equipment, staff solicited a proposal from ESP Services to maintain the Masabi SBCs. ESP Services original cost proposal was \$85,000 annually and was awarded under the Purchasing Agent's authority in 2019. The current service agreement expires on December 31, 2024. Cubic is responsible for maintaining the optical scanners through December 31, 2024.

On April 25, 2019, the LA Metro Board approved an amendment with Cubic under Contract No. OP02461010-MAINT for a period of performance of five and a half years and will expire on December 31, 2024. On June 27, 2024, the LA Metro Board approved another amendment with Cubic under Contract No. OP02461010MAINT000 for a period of performance of four years from January 1, 2025 to December 31, 2028.

Staff recommends aligning the maintenance support services period of performance for the optical scanners and single board computers to be similar with LA Metro, which will result in efficiencies and cost savings.

For example, Cubic built a customer support center in Norwalk, CA that operates 24 hours/7 days a week (24/7) for LA Metro's operation and maintenance contract. The cost for this was built into Metro's operation and maintenance contract, therefore was not passed on to the



ITEM ID: 2024-344-0

TRANSMITTAL DATE: December 6, 2024

MEETING DATE: December 13, 2024

TO: Board of Directors

FROM: Arnold Hackett, Chief Financial Officer

SUBJECT: Single Source Contract with Knorr Brake Corporation (Knorr) for the procurement of Air Brake Components and Overhaul Services needed to perform Preventive Maintenance on the Arrow DMU Fleet

Issue

The Authority's Materials Management Department is seeking approval to negotiate a single source contract with Knorr Brake Corporation to allow for the purchasing and overhaul services of brake calipers, manifolds, and other air brake components needed to perform preventive maintenance as required by the FRA on the air brake system of our DMU fleet.

Recommendation

It is recommended that the Board authorize the Chief Executive Officer (CEO) to negotiate a Single Source Contract with Knorr Brake Corporation for the purchase of new Air Brake Components and Overhaul Services for a two-year term and an estimated not-to-exceed authority of \$1,500,000.

Strategic Commitment

The report aligns with the Strategic Business Plan commitment of:

- **Customers Are Our Business:** We respect and value our customers, putting them at the heart of all we do, and work hard to attract and retain new customers by understanding their needs and finding new and innovative ways to delight them. This single source contract allows Metrolink the ability to purchase the required components and to maintain enough components in inventory to ensure that DMUs are available for continued service on the Arrow Line.

Background

In August 2024 after a temporary Arrow service suspension due to the air brake maintenance of all three DMUs being out of Federal compliance, it was determined that for the required maintenance to be performed in a timely manner, the Authority had to procure enough components to complete three air brake kits. After all of the components were identified, it was determined that Knorr is the Original Equipment Manufacturer (OEM) for most of the required components. Staff requested a quote from Knorr for enough components to complete three kits and for their services to overhaul the components being replaced. Knorr provided the overhaul proposal on October 10, and the final quote for new components on November 13.

Knorr quoted \$903,642 for the purchase of the new components, and \$398,901 for the overhaul of the components currently installed in the DMUs, for a total of \$1,302,543.

Discussion

Knorr Brake Corporation is the OEM of the parts and materials needed to keep the air brake system of the DMUs in compliance. While available from other sources, such as the manufacturer of the DMUs, going directly to the OEM removes an additional 38% mark-up added by other third-party distributors, thus necessitating the single source procurement.

The approval of this Single Source Procurement method will allow the Material Management department to negotiate a multi-year agreement. Any subsequent award will reduce the possibility of having multiple DMU units out of service for long periods of time while waiting for components to be overhauled. Ordering and management of these items will be transferred to supplier Stadler once the mobilization to take on the maintenance of the Arrow fleet is complete in March of 2025. However, due to the long lead time, the Authority will place an order so that parts can be delivered on time.

Budget Impact

The amount for which contract authority is requested is included in the proposed FY26 Arrow operating budget.

Next Steps

Upon approval of this request, staff will reach out to Knorr to negotiate pricing for a two-year agreement for new components and overhaul services. The resulting award will be brought before the Board of Directors for approval.

Prepared by: Eduardo Tovar, Manager II, Inventory Control

Approved by: Arnold Hackett, Chief Financial Officer



ITEM ID: 2024-345-0

TRANSMITTAL DATE: December 6, 2024

MEETING DATE: December 13, 2024

TO: Board of Directors

FROM: Arnold Hackett, Chief Financial Officer

SUBJECT: Financial Results for the First Four Months of FY25 - October 2024 Ridership, Revenue, and Operating Results

Issue

"Metrolink Reinvented" is the Metrolink term for the transition from commuter rail-based service to a regional provider of general transport. Initiatives designed to realize that transition require timely review of Ridership, Revenue, and Financial Operating Performance to provide assessment of the effectiveness of our efforts. Primary among these initiatives are the optimized services we began providing on October 21, 2024.

This report covers monthly reporting on Ridership, Revenue, and Financial Operating Performance for the four months ended October 31, 2024.

Recommendation

Receive and file.

Strategic Commitment

This report aligns with the Strategic Business Plan commitments of:

- **Modernizing Business Practices:** We will improve our operational efficiency through transparency, objective metrics and streamlined governance, reducing over-reliance on Member support while bringing our system into a state of good repair and investing in the development of our employees. Providing current and accurate information to our Board enhances their oversight, and ability to provide direction based on factual data.

- **Customers Are Our Business:** We respect and value our customers, putting them at the heart of all we do, and work hard to attract and retain new customers by understanding their needs and finding new and innovative ways to bring them on board. Our close monitoring of our ridership is a reflection of our unflagging concern for ridership trends, and to ensure our actions are serving their needs.

Background

This item will report on the ridership and revenue recovery as measured against FY2018-19 (FY19) results, which was the last full year of operations pre-pandemic. Comparisons and variance are shown between the forecast and actual recovery.

Comparisons will also be shown between the Ridership, Revenue and Expenses as adopted in the FY25 Budget and actual performance.

For FY25, Staff continued its engagement with Sperry Capital/KPMG to lend assistance and additional expertise to our ridership forecasting. Sperry Capital/KPMG provided an analysis to determine the change in ridership and revenue which can be expected as a result of our Optimized Service Schedule. The Farebox Revenue in the FY25 Budget is based on the forecast provided.

Ridership and Revenue from the Student Adventure Pass Pilot Program are not included in the FY25 Budgeted Revenue.

Operating Statement Comparisons

On June 28, 2024, the SCRRA Board of Directors adopted the FY25 Operating Budget for Metrolink. The FY25 Operating Budget reflected Operating Revenue of \$68.0M, Expense of \$332.1M, and Member Agency Support of \$264.0M.

On June 28, 2024, the SCRRA Board of Directors also adopted the FY25 Operating Budget for Arrow Service. The FY25 Arrow Service Budget reflects Operating Revenue of \$212K, Expense of \$15.7M, and Member Agency Support of \$15.5M.

On September 13, 2024, the SCRRA Board approved an amendment to the FY25 Arrow Service Budget to adjust for a new equipment maintenance agreement. The amendment added \$1.1M in Mobilization expense and \$0.7 in equipment maintenance expense. The amended FY25 Arrow Service budget now has Operating Revenue of \$0.2M, Expense of \$17.5M, and Support of \$17.3M.

Discussion

Ridership

For the four months ended October 31, 2024, ridership recovery was forecast at a recovery of 58% or 2.4M boardings, while the actual recovery through October is 61% or 2.5M boardings. Total ridership generated by the Student Adventure Pass program through September was 0.7M.

Revenue

Through the first four months of FY25, the Authority's farebox revenue actuals were less than the revenue as budgeted. Farebox revenue is budgeted at \$14.1M or a 54% recovery, while the actual farebox revenue is \$13.8M, a 53% recovery, a budget shortfall of \$0.3M. Amounts include the Student Adventure Pass Pilot program. The total amount of revenue from the Student Adventure Pass Pilot program for the four months ended October is \$2.6M.

Operating Results

The Metrolink Operating Statement for the four months ended October 2024 is based on accruals not actuals.

- Operating Revenue is \$22.0M, over budget by \$0.3M.
- Expenses (excluding un-utilized Mobilization) are \$95.9M, below budget by \$12.8M.
- Support required is \$73.9M, below budget by \$13.1M.

Outstanding Receivables

As of October 2024, Metrolink had \$85M of past due receivables outstanding.

The majority of the past due amount (54%) is unpaid Member Agency Support, while another large portion is an amount owed for the Working Capital Fund (39%).

Available Cash

In September 2024, cash available is \$40.3M, which is under the \$50M threshold established by the Board by \$9.7M.

Arrow Service

Ridership

For the first four months of FY25 ridership was forecasted at 46K boardings, while the actual ridership is 50K boardings. Total ridership generated by the Student Adventure Pass Pilot program though the first four months was 24K boardings.

Revenue

Through October 2024, Arrow Service farebox revenue was budgeted at \$64K. Actual farebox revenue was \$126K, above budget by \$61K. This revenue includes \$61K generated by the Student Adventure Pass Pilot program.

Operating Results

The Arrow Service October 2024 Operating Statement is based on accruals not actuals.

Total Operating Revenue is \$211K, above budget by \$143K.

Expenses are \$4.8M, below budget by \$0.6M.

Support required is \$4.6M, below budget by \$0.8M.

Performance Metrics

In response to a Board Member request, staff has constructed a series of analyses comparing the relative performance of Metrolink service lines, and the comparison of Metrolink to other Transit Agencies across the country, in the following categories:

- Cost per Train Mile
- Farebox Revenue per Train Mile
- Farebox Recovery Ratio
- Recovery of Pre-Covid Ridership

Student Adventure Pass Program Update

Student ridership in the period July through October of 2023 totaled 376K. Following the introduction of the free Student Adventure Pass Program in October 2023, ridership swelled to 770K, for the period July through October of 2024. This represents an increase of 105% systemwide. Although all lines have seen substantial increases, the volume of those increases range from 78% to 169%.

Staff continues working on fare evasion mitigations associated with this program.

Budget Update

Budget development is on track. The CFO is currently reviewing the submitted budget and expects to request meetings with Member Agency CFOs for mid-December.

Next Steps

Revision to the Optimized Service and Budget thereof:

Slots deemed unavailable on Freight owned tracks have forced the reduction of four trains from the Optimized Service as originally planned. Staff will bring an amendment to the Board to remove the revenue and costs associated with these four trains, as soon as updated ridership and revenue forecasts are available from Sperry Capital / KPMG.

Staff will continue to report to the Board monthly on the Ridership, Revenue, and Financial Performance results.

Prepared by: Christine J. Wilson, Assistant Director of Finance

Approved by: Arnold Hackett, Chief Financial Officer

Attachment(s)

[Attachment A - Metrolink Operating Statement](#)
[Attachment B - Arrow Operating Statement Attachment](#)
[Presentation - October 2024 Financial Results](#)

**SOUTHERN CALIFORNIA REGIONAL RAIL AUTHORITY
PRELIMINARY OPERATING STATEMENT
FOR THE FOUR MONTHS ENDING OCTOBER 31, 2024**

	<u>FY25</u>	<u>FY25</u>	<u>VARIANCE FROM BUDGET</u>	
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>OVER/(UNDER)</u>	
			<u>AMOUNT</u>	<u>%</u>
Farebox Revenue	14,139,589	11,211,477	(2,928,112)	(20.71%)
SB Line Fare Reduction	133,677	41,600	(92,077)	(68.88%)
Mobility 4 All	0	264,826	264,826	0
Student Adventure Pass	0	2,635,030	2,635,030	0
Other Train Subsidies	855,140	869,973	14,833	1.73%
Special Trains	0	39,200	39,200	0
Subtotal Pro Forma Farebox	15,128,407	15,062,106	(66,301)	(0.44%)
Dispatching	735,664	992,778	257,114	34.95%
Other Revenues	1,451,084	1,468,032	16,948	1.17%
MOW Revenues	4,375,560	4,488,282	112,722	2.58%
Total Operating Revenues	21,690,715	22,011,198	320,484	1.48%
Student Adventure Pass Member Support	3,211,300	2,635,030	(576,270)	(17.95%)
Operating Expenses				
<u>Operations & Services</u>				
Train Operators	15,925,404	13,434,127	(2,491,277)	(15.64%)
Train Dispatch	1,918,306	1,929,499	11,193	0.58%
Equipment Maintenance	10,562,740	10,317,304	(245,436)	(2.32%)
Materials	4,128,536	4,582,883	454,347	11.01%
Fuel	11,097,724	9,399,191	(1,698,533)	(15.31%)
Non-Sched Rolling Stock Repairs	50,000	16,272	(33,728)	(67.46%)
Operating Facilities Maintenance	855,883	531,132	(324,751)	(37.94%)
Other Operating Train Services	324,424	135,430	(188,994)	(58.26%)
Security - Sheriffs	4,261,596	3,997,824	(263,772)	(6.19%)
Security - Guards	1,779,964	1,688,031	(91,933)	(5.16%)
Supplemental Security	65,066	0	(65,066)	(100.00%)
Public Safety Program	17,780	21,168	3,388	19.06%
Passenger Relations	657,490	614,210	(43,280)	(6.58%)
TVM Maint/Revenue Collection	1,548,828	1,478,356	(70,472)	(4.55%)
Marketing	1,000,656	504,823	(495,833)	(49.55%)
Media & External Communications	101,284	24,702	(76,582)	(75.61%)
Utilities / Leases	901,356	821,269	(80,087)	(8.89%)
Transfers to Other Operators	871,596	1,006,874	135,278	15.52%
Amtrak Transfers	223,564	246,008	22,444	10.04%
Station Maintenance	2,088,624	1,559,370	(529,254)	(25.34%)
Rail Agreements	2,307,188	1,658,827	(648,361)	(28.10%)
Special Trains	166,668	133,995	(32,673)	(19.60%)
Subtotal Operations & Services	60,854,677	54,101,297	(6,753,380)	(11.10%)
<u>Maintenance-of-Way</u>				
MoW - Line Segments	14,963,713	15,172,942	209,229	1.40%
MoW Labor & Benefits	1,536,657	1,440,356	(96,301)	(6.27%)
Overhead MoW Expenses	1,488,342	932,848	(555,493)	(37.32%)
MoW - Extraordinary Maintenance	213,428	136,994	(76,434)	(35.81%)
Subtotal Maintenance-of-Way	18,202,140	17,683,141	(518,999)	(2.85%)
<u>Administration & Services</u>				
Ops Salaries & Benefits	5,851,336	6,076,223	224,886	3.84%
Ops Non-Labor Expenses	3,941,987	2,889,569	(1,052,418)	(26.70%)
Indirect Administrative Expenses	8,157,347	5,537,571	(2,619,776)	(32.12%)
Ops Professional Services	884,344	829,076	(55,268)	(6.25%)
Subtotal Administration & Services	18,835,014	15,332,438	(3,502,576)	(18.60%)
Contingency	16,484	2,500	(13,984)	(84.83%)
Total Operating Expenses	97,908,315	87,119,375	(10,788,939)	(11.02%)
<u>Insurance Expense (Recoveries)</u>				
Liability/Property/Auto/Misc	6,218,312	5,293,615	(924,697)	(14.87%)
Net Claims / SI	613,584	172,202	(441,382)	(71.93%)
Claims Administration	731,848	697,296	(34,552)	(4.72%)
Total Insurance Expense (Recoveries)	7,563,744	6,163,114	(1,400,630)	(18.52%)
Total Expenses	108,683,359	95,917,520	(12,765,839)	(11.75%)
Mini-Bundle Mobilization	3,446,144	0	(3,446,144)	(100.00%)

Total Expenses with Mobilization	112,129,503	95,917,520	(16,211,983)	(14.46%)
Unbudgeted Special Trains				
Holiday Trains				
Revenue	0	0	0	0
Expense	0	0	0	0
Surplus / (Deficit)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Insomniac Trains				
Revenue	0	16,979	16,979	0
Expense	0	16,900	16,900	0
Surplus / (Deficit)	<u>0</u>	<u>79</u>	<u>79</u>	<u>0</u>
Other Special Trains				
Revenue	0	0	0	0
Expense	0	0	0	0
Surplus / (Deficit)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Effect of Unbudgeted Special Trains	<u>0</u>	<u>79</u>	<u>79</u>	<u>0</u>
Net Loss before San Clemente	(90,438,788)	(73,906,242)	16,532,546	(18.28%)
Member Subsidies before San Clement	90,438,788	90,438,788	0	0.00%
Surplus / (Deficit) before San Clemente	(0)	16,532,546	16,532,546	N/A
San Clemente Track Work	1,666,191	(1,621)	(1,667,812)	(100.10%)
San Clemente #2	2,912,911	12,841	(2,900,070)	(99.56%)
San Clemente #3	4,003,301	216,313	(3,786,988)	(94.60%)
Net Loss	(99,021,191)	(74,133,774)	24,887,417	(25.13%)
Member Subsidies	99,021,191	99,021,191	0	0.00%
Surplus / (Deficit)	(0)	24,887,416	24,887,417	N/A

SOUTHERN CALIFORNIA REGIONAL RAIL AUTHORITY
ARROW SERVICE
PRELIMINARY OPERATING STATEMENT
FOR THE FOUR MONTHS ENDING OCTOBER 31, 2024

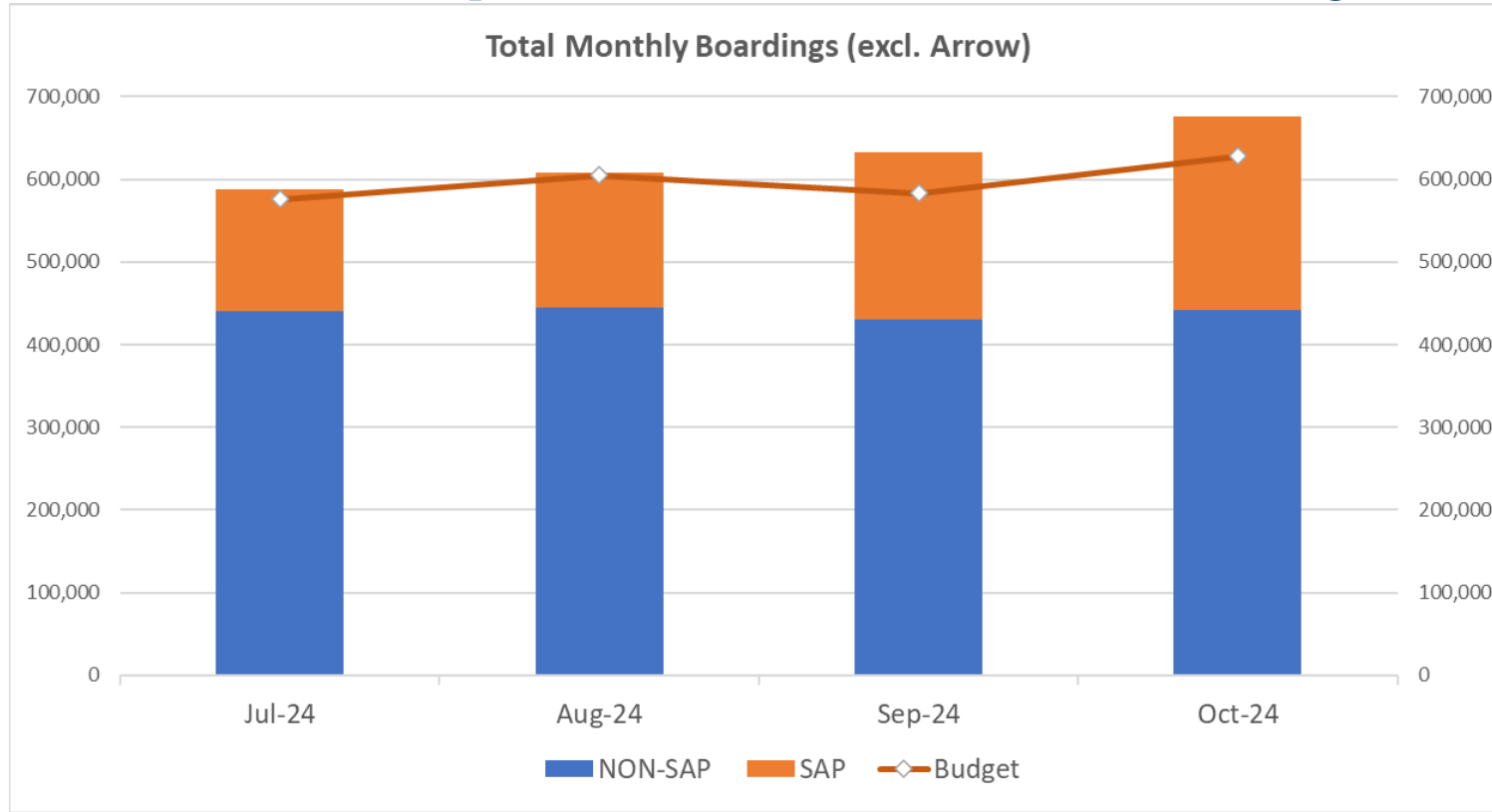
	<u>FY25</u>	<u>FY25</u>	<u>VARIANCE FROM BUDGET</u>	
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>OVER/(UNDER)</u>	
			<u>AMOUNT</u>	<u>%</u>
Operating Revenue				
Farebox Revenue	64,438	65,082	644	1.00%
Mobility 4 All	3,235	2,479	(755)	(23.35%)
Student Adventure Pass	0	61,303	61,303	0
Subtotal Pro Forma Farebox	67,673	128,863	61,191	90.42%
MOW Revenues	0	82,409	82,409	0
Total Operating Revenues	67,673	211,272	143,600	212.20%
Student Adventure Pass Member Support	0	61,303	61,303	0
Operating Expenses				
<u>Operations & Services</u>				
Train Operators	1,399,380	1,304,042	(95,338)	(6.81%)
Train Dispatch	10,899	2,033	(8,866)	(81.34%)
Equipment Maintenance	1,117,136	1,143,804	26,668	2.39%
Mobilization Stadler Arrow	0	0	0	0
Materials	50,000	31,403	(18,597)	(37.19%)
Fuel	170,516	145,329	(25,187)	(14.77%)
Operating Facilities Maintenance	114,630	30,936	(83,694)	(73.01%)
Other Operating Train Services	5,556	2,391	(3,165)	(56.97%)
Security - Sheriffs	874,940	759,260	(115,680)	(13.22%)
Security - Guards	89,620	88,460	(1,160)	(1.29%)
Supplemental Security	0	0	0	0
Public Safety Program	5,556	0	(5,556)	(100.00%)
Passenger Relations	4,692	10,192	5,500	117.23%
TVM Maint/Revenue Collection	31,112	29,639	(1,473)	(4.73%)
Marketing	50,012	8,820	(41,193)	(82.37%)
Media & External Communications	1,388	0	(1,388)	(100.00%)
Utilities / Leases	118,304	103,371	(14,933)	(12.62%)
Transfers to Other Operators	444	2,672	2,228	501.80%
Mobilization Alstom	215,208	0	(215,208)	(100.00%)
Subtotal Operations & Services	4,259,393	3,662,353	(597,040)	(14.02%)
<u>Maintenance-of-Way</u>				
MoW - Line Segments	382,308	493,209	110,901	29.01%
MoW Labor & Benefits	34,135	30,117	(4,018)	(11.77%)
Subtotal Maintenance-of-Way	416,443	523,326	106,884	25.67%
<u>Administration & Services</u>				
Ops Salaries & Benefits	361,590	274,330	(87,260)	(24.13%)
Ops Non-Labor Expenses	69,986	81,140	11,154	15.94%
Indirect Administrative Expenses	296,746	164,904	(131,841)	(44.43%)
Ops Professional Services	2,408	18,380	15,972	663.27%
Subtotal Administration & Services	730,730	538,754	(191,976)	(26.27%)
Total Operating Expenses	5,406,565	4,724,433	(682,132)	(12.62%)
<u>Insurance Expense (Recoveries)</u>				
Liability/Property/Auto/Misc	34,820	34,820	0	0.00%
Net Claims / SI	3,084	0	(3,084)	(100.00%)
Claims Administration	1,668	0	(1,668)	(100.00%)
Subtotal Insurance Expense (Recoveries)	39,572	34,820	(4,752)	(12.01%)
Total Expenses	5,446,137	4,820,556	(625,581)	(11.49%)
Net Loss	(5,378,465)	(4,609,284)	769,181	(14.30%)
Member Subsidies	5,378,465	5,378,465	0	0.00%
Surplus / (Deficit)	0	769,181	769,181	0



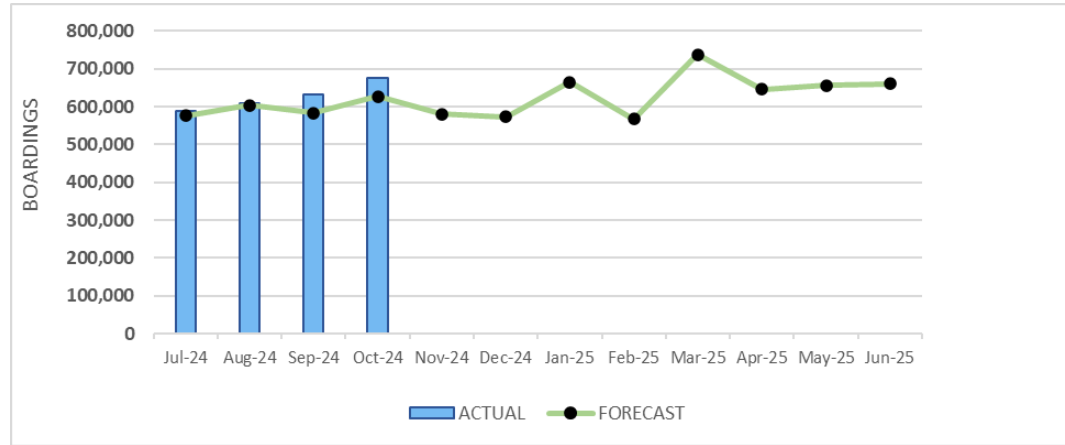
METROLINK

October 2024 Financial Results for Board

Ridership Actual vs Forecast by Month



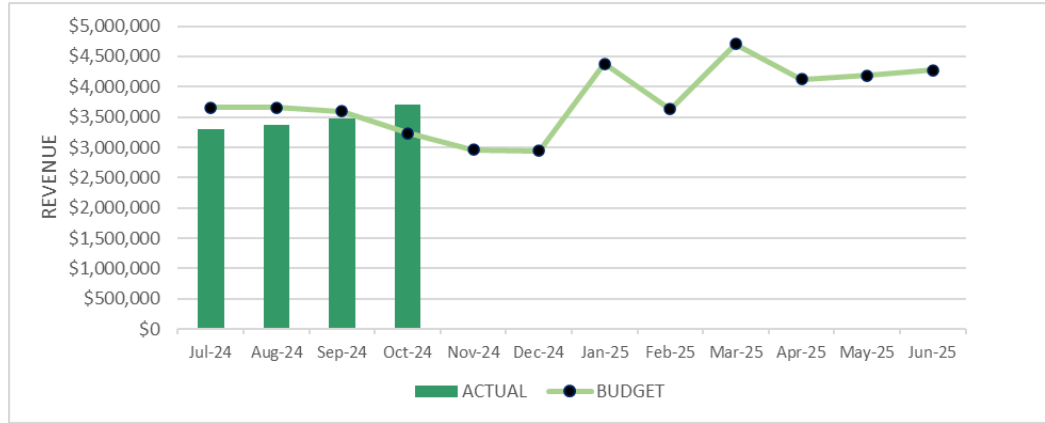
FY25 Ridership Forecast vs Actual



PERIOD	FORECAST		ACTUAL		
	BOARDINGS	RECOVERY	BOARDINGS	VARIANCE	RECOVERY
JULY-24	575,794	58%	587,449	11,655	59%
AUGUST-24	604,565	59%	608,408	3,843	59%
SEPTEMBER-24	583,347	58%	632,386	49,039	62%
FY24 Q1 TOTAL	1,763,706	58%	1,828,243	64,537	60%
OCTOBER-24	627,777	59%	676,687	48,910	64%
Fiscal Year to Date	2,391,483	58%	2,504,930	64,537	61%

Student Adventure Pass
 Month of October = 234,980
 Year-to-Date = 745,908

FY25 Budget vs Actual – Farebox Revenue



PERIOD	BUDGET		ACTUAL		
	REVENUE	RECOVERY	REVENUE	VARIANCE	RECOVERY
JULY-24	\$3,653,703	57%	\$3,297,409	(\$356,294)	52%
AUGUST-24	\$3,655,242	55%	\$3,369,765	(\$285,477)	51%
SEPTEMBER-24	\$3,596,102	56%	\$3,475,165	(\$120,937)	54%
FY25 YTD Q1 TOTAL	\$ 10,905,048	56%	\$ 10,142,339	\$ (762,709)	52%
OCTOBER-24	\$3,234,541	48%	\$3,704,168	\$469,627	54%
Fiscal Year to Date	\$ 14,139,589	54%	\$ 13,846,507	\$ (293,082)	53%

Student Adventure Pass

Month of October = \$833,218
 Year-to-Date = \$2,635,050

Note: FY25 Student Adventure Pass reimbursed @ 50%

Financial Results for October 2024

SUMMARY:

- Before San Clemente, Total Expenses are under budget by \$12.8M*
- Overall Member Agency Support Required is currently in Surplus by \$12.4M*

Total Operating Revenue \$22.0M or \$0.3M Over Plan

Total Expenses \$95.9M or \$16.2M Under Budget*

Major Categories below budget:

- Administration & Services below budget by \$3.5M
- Train Operators below budget by \$2.5M
- Fuel below budget by \$1.7M
- Insurance/Legal below budget by \$1.4M

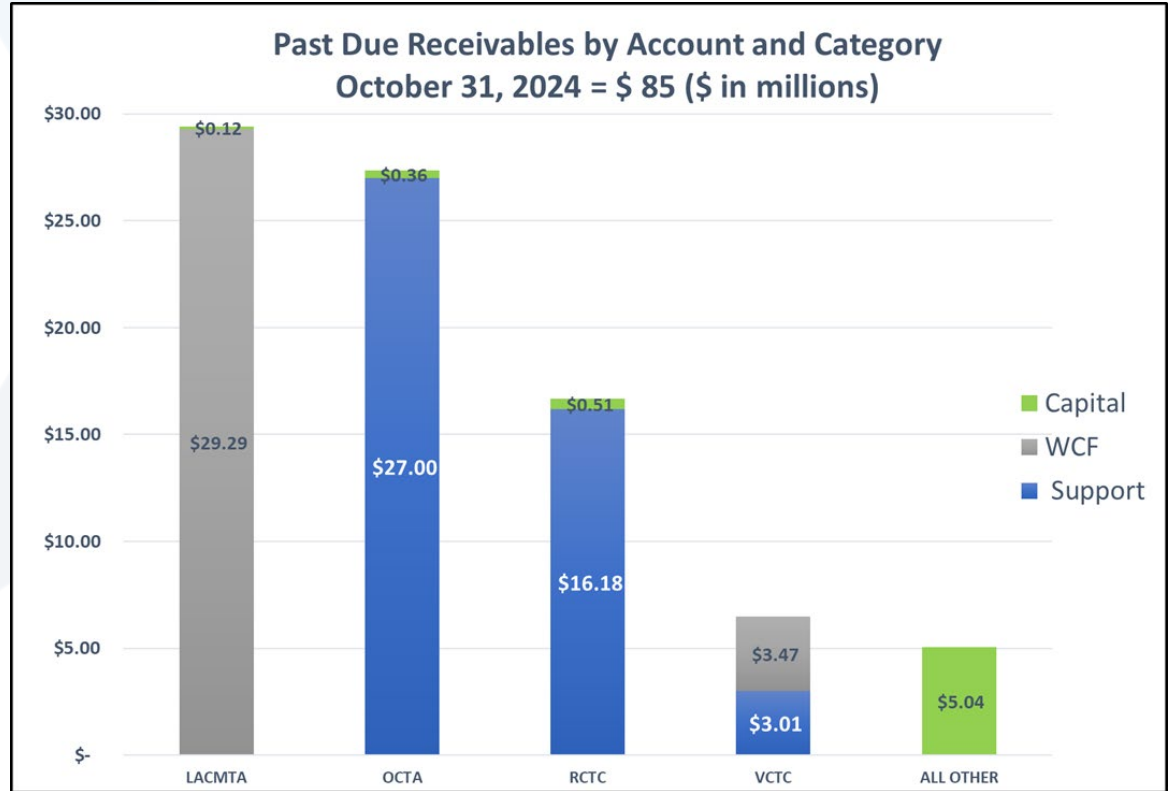
Note:

These Expenses are based on Accruals not Actuals

*Excludes \$3.4M of unused Mobilization

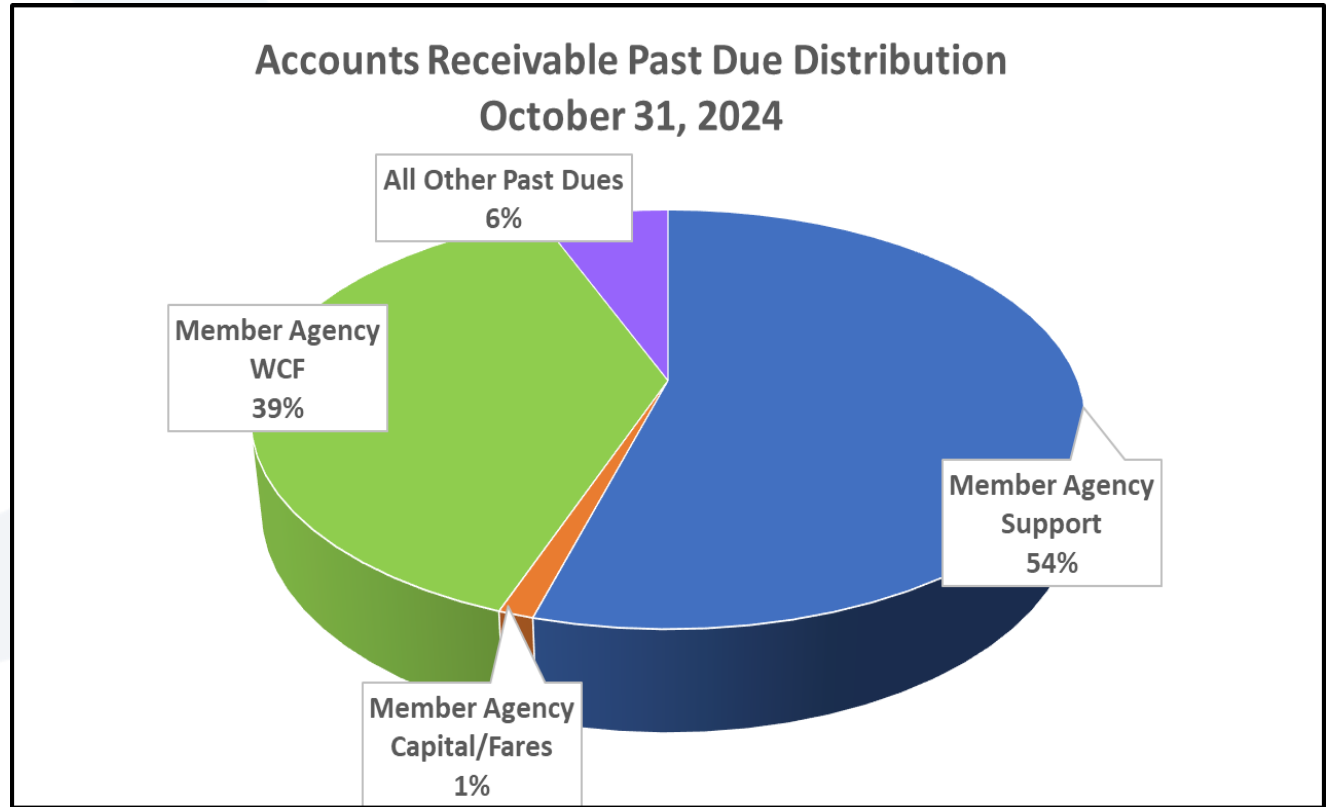
Accounts Receivable Update

Past Due



Accounts Receivable Update

Past Due



SCRRA Cash Position

August – October 2024

Agency Cash Position

Cash Category Breakdown (\$ M)	August	September	October ¹
Operating Cash	\$ 53.8	\$ 63.9	\$ 67.3
Board Threshold	50.0	50.0	50.0
Unrestricted Cash Before Claims:	103.8	113.9	117.3
Less: Claims on Cash	(45.7)	(74.6)	(77.0)
Available Cash to Spend:	\$ 58.1	\$ 39.3	\$ 40.3

Notes:

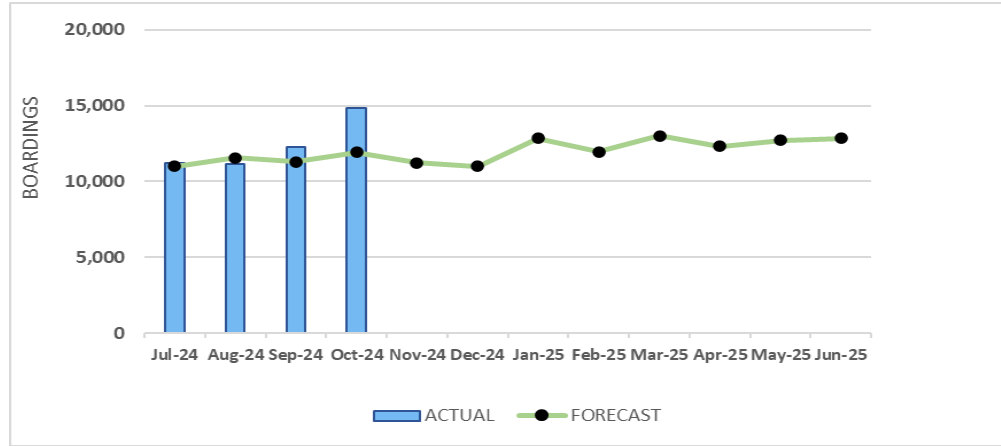
- Does not include CARES, Prop 1B, and Reserve funds (legal, Working Capital Fund)
- 1) Estimated prior to month/year-end close

Arrow Service



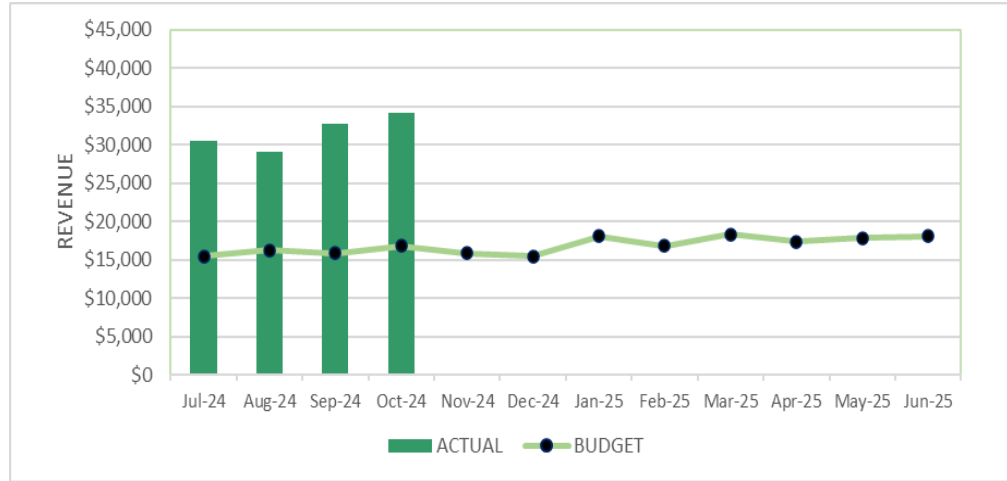
METROLINK

FY25 Ridership Forecast vs Actual



PERIOD	FORECAST	ACTUAL	
	BOARDINGS	BOARDINGS	VARIANCE
JULY-24	11,008	11,201	193
AUGUST-24	11,566	11,173	(393)
SEPTEMBER-24	11,280	12,272	992
FY24 Q1 TOTAL	33,855	34,646	791
OCTOBER-24	11,931	14,871	2,940
Fiscal Year to Date	45,785	49,517	3,732

FY25 Budget vs Actual – Farebox Revenue



PERIOD	BUDGET	ACTUAL	
	REVENUE	REVENUE	VARIANCE
JULY-24	\$15,492	\$30,484	\$14,992
AUGUST-24	\$16,279	\$29,023	\$12,744
SEPTEMBER-24	\$15,876	\$32,683	\$16,807
FY25 YTD Q1 TOTAL	\$47,647	\$92,190	\$44,543
OCTOBER-24	\$16,791	\$34,194	\$17,403
Fiscal Year to Date	\$64,438	\$126,384	\$61,946

Arrow Service Financial Results FY25

Financial Results for October 2024

Operating Revenue is \$211K or \$143K over plan

Total Expenses are \$4.8M or \$626K below plan

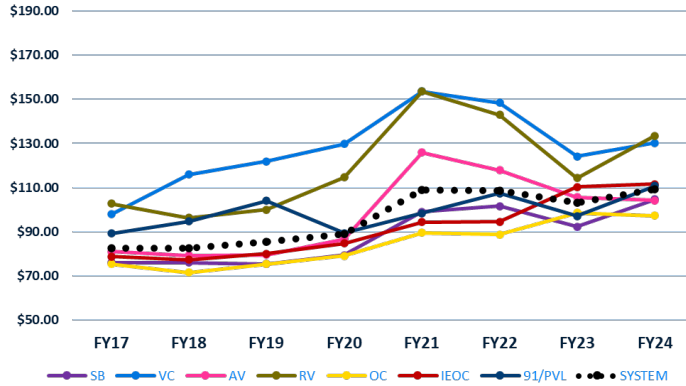
Support is \$769K below plan

Performance Metrics

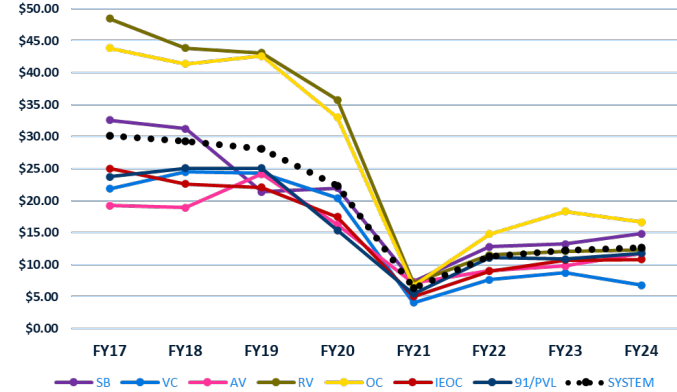


Proposed Financial Performance Metrics By Line Comparisons

Cost per Train Mile



Farebox Revenue per Train Mile



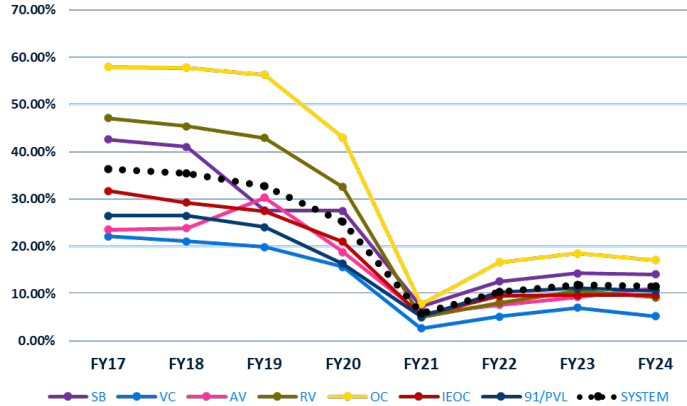
FISCAL YEAR	SB	VC	AV	RV	OC	IEOC	91/PVL	SYSTEM (KPI)
FY 17 ACTUAL	\$75.97	\$97.84	\$80.92	\$102.67	\$75.42	\$78.68	\$89.15	\$82.38
FY 18 ACTUAL	\$75.99	\$115.82	\$79.25	\$96.20	\$71.46	\$77.23	\$94.71	\$82.40
FY 19 ACTUAL	\$75.32	\$121.84	\$79.57	\$99.91	\$75.41	\$80.01	\$104.06	\$85.38
FY 20 ACTUAL*	\$79.42	\$129.71	\$86.70	\$114.63	\$79.09	\$84.74	\$89.35	\$89.00
FY 21 ACTUAL*	\$99.02	\$153.60	\$125.82	\$153.56	\$89.53	\$94.32	\$98.38	\$108.76
FY 22 ACTUAL*	\$101.56	\$148.41	\$117.85	\$142.83	\$88.72	\$94.58	\$107.42	\$108.52
FY 23 ACTUAL*	\$92.21	\$124.03	\$105.56	\$114.31	\$98.58	\$110.28	\$97.11	\$103.22
FY 24 BUDGET	\$104.67	\$130.24	\$104.12	\$133.36	\$97.31	\$111.62	\$110.78	\$109.29

FISCAL YEAR	SB	VC	AV	RV	OC	IEOC	91/PVL	SYSTEM (KPI)
FY 17 ACTUAL	\$32.58	\$21.83	\$19.25	\$48.42	\$43.81	\$25.02	\$23.73	\$30.11
FY 18 ACTUAL	\$31.25	\$24.48	\$18.92	\$43.83	\$41.38	\$22.63	\$25.09	\$29.28
FY 19 ACTUAL	\$21.40	\$24.29	\$24.16	\$43.10	\$42.59	\$22.05	\$25.07	\$28.08
FY 20 ACTUAL*	\$21.95	\$20.39	\$16.28	\$35.75	\$32.98	\$17.46	\$15.38	\$22.35
FY 21 ACTUAL*	\$7.31	\$4.08	\$7.16	\$7.13	\$6.70	\$5.00	\$5.47	\$6.37
FY 22 ACTUAL*	\$12.81	\$7.66	\$9.02	\$11.52	\$14.78	\$9.00	\$11.07	\$11.22
FY 23 ACTUAL*	\$13.22	\$8.73	\$9.79	\$12.11	\$18.32	\$10.73	\$10.88	\$12.24
FY 24 BUDGET	\$14.81	\$6.80	\$11.73	\$12.29	\$16.67	\$10.80	\$11.78	\$12.68

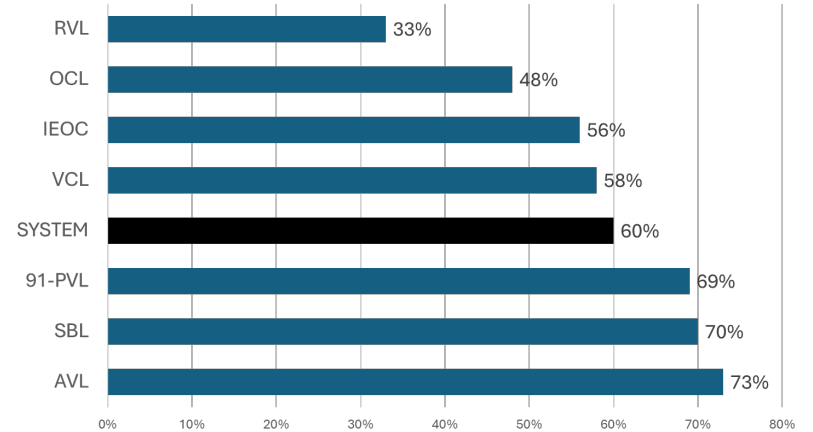
* COVID Pandemic Period

Proposed Financial Performance Metrics By Line Comparisons

Farebox Recovery Ratio by Line



RIDERSHIP RECOVERY BY LINE (FY25, August YTD)

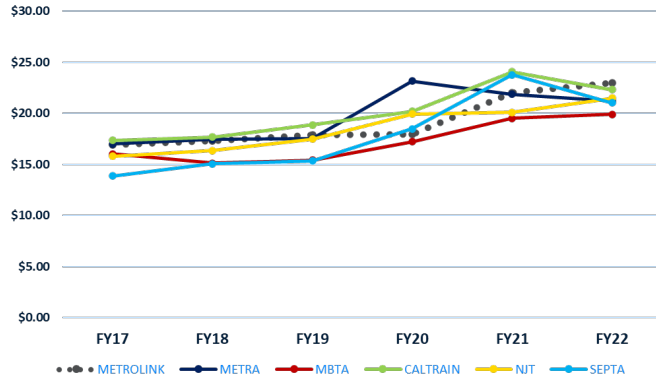


FISCAL YEAR	SB	VC	AV	RV	OC	IEOC	91/PVL	SYSTEM (KPI)
FY 17 ACTUAL	42.6%	22.1%	23.6%	47.1%	57.9%	31.7%	26.5%	36.3%
FY 18 ACTUAL	41.0%	21.1%	23.8%	45.4%	57.8%	29.2%	26.5%	35.4%
FY 19 ACTUAL	27.6%	19.9%	30.3%	42.9%	56.3%	27.4%	24.1%	32.8%
FY 20 ACTUAL*	27.5%	15.6%	18.9%	32.6%	43.0%	21.0%	16.3%	25.2%
FY 21 ACTUAL*	7.4%	2.6%	5.7%	5.0%	7.8%	5.4%	5.2%	5.9%
FY 22 ACTUAL*	12.6%	5.2%	7.6%	8.1%	16.6%	9.5%	10.3%	10.3%
FY 23 ACTUAL*	14.3%	7.0%	9.2%	10.5%	18.5%	9.7%	11.2%	11.8%
FY 24 BUDGET	14.1%	5.2%	11.2%	9.2%	17.1%	9.6%	10.6%	11.6%

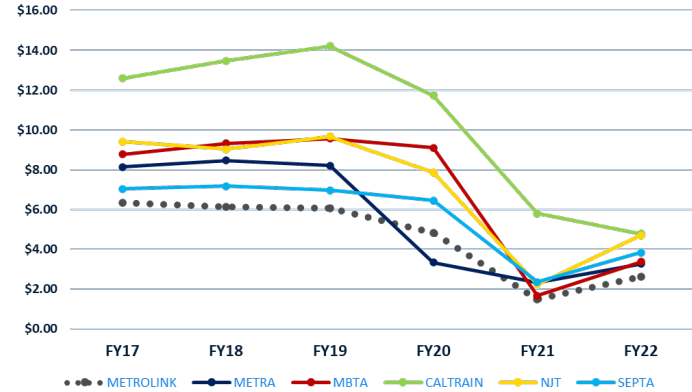
* COVID Pandemic Period

Proposed Financial Performance Metrics Agency Comparisons (Based on NTD Data)

Cost per Train Mile



Farebox Revenue per Train Mile



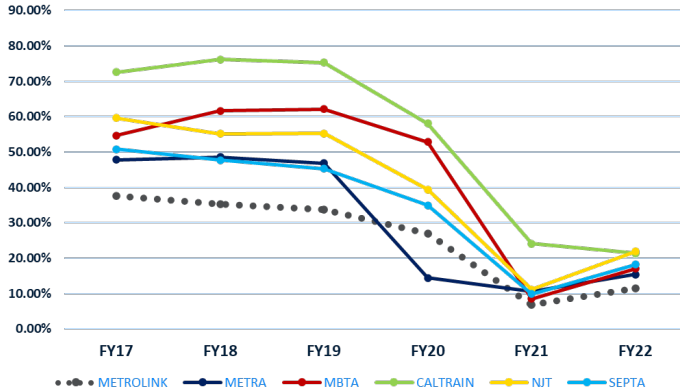
FISCAL YEAR	METROLINK	METRA	MBTA	CALTRAIN	NJT	SEPTA
FY 17 ACTUAL	\$16.91	\$17.00	\$16.02	\$17.35	\$15.80	\$13.86
FY 18 ACTUAL	\$17.39	\$17.45	\$15.14	\$17.69	\$16.35	\$15.07
FY 19 ACTUAL	\$17.89	\$17.54	\$15.41	\$18.87	\$17.50	\$15.34
FY 20 ACTUAL*	\$17.98	\$23.16	\$17.23	\$20.19	\$19.95	\$18.50
FY 21 ACTUAL*	\$22.00	\$21.87	\$19.52	\$24.06	\$20.09	\$23.79
FY 22 ACTUAL*	\$22.99	\$21.23	\$19.90	\$22.32	\$21.49	\$21.03

FISCAL YEAR	METROLINK	METRA	MBTA	CALTRAIN	NJT	SEPTA
FY 17 ACTUAL	\$6.35	\$8.13	\$8.77	\$12.60	\$9.41	\$7.04
FY 18 ACTUAL	\$6.12	\$8.47	\$9.33	\$13.47	\$9.03	\$7.18
FY 19 ACTUAL	\$6.05	\$8.20	\$9.57	\$14.22	\$9.67	\$6.96
FY 20 ACTUAL*	\$4.84	\$3.34	\$9.10	\$11.73	\$7.86	\$6.45
FY 21 ACTUAL*	\$1.50	\$2.33	\$1.66	\$5.79	\$2.24	\$2.36
FY 22 ACTUAL*	\$2.64	\$3.27	\$3.38	\$4.78	\$4.70	\$3.83

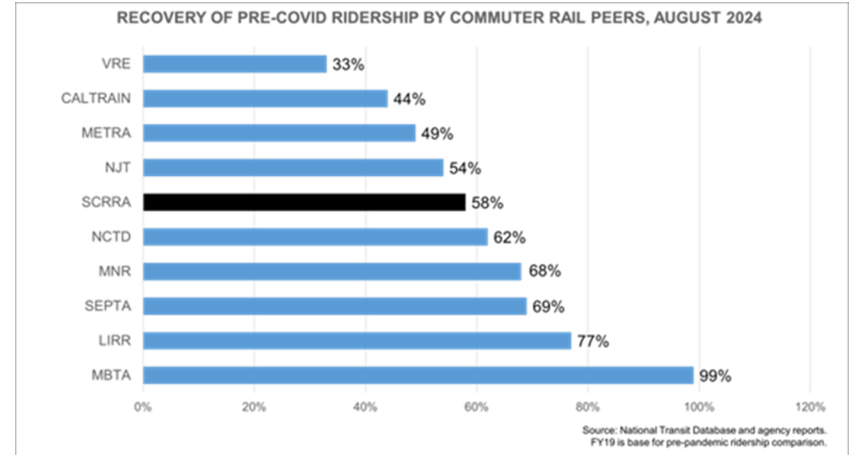
* COVID Pandemic Period

Proposed Financial Performance Metrics Agency Comparisons (Based on NTD Data)

Farebox Revenue Recovery Ratio



FISCAL YEAR	METROLINK	METRA	MBTA	CALTRAIN	NJT	SEPTA
FY 17 ACTUAL	37.6%	47.8%	54.7%	72.6%	59.6%	50.8%
FY 18 ACTUAL	35.2%	48.6%	61.6%	76.2%	55.2%	47.7%
FY 19 ACTUAL	33.8%	46.8%	62.1%	75.3%	55.3%	45.3%
FY 20 ACTUAL *	26.9%	14.4%	52.8%	58.1%	39.4%	34.9%
FY 21 ACTUAL *	6.8%	10.6%	8.5%	24.1%	11.1%	9.9%
FY 22 ACTUAL *	11.5%	15.4%	17.0%	21.4%	21.9%	18.2%



* COVID Pandemic Period

Student Adventure Pass Pilot



Student Ridership vs Student Adventure Pass Ridership

FY24 Student Ridership July – October 2023

VS

FY25 Student Adventure Pass July – October 2024

	Ventura County	Antelope Valley	San Bernardino	Riverside	Orange County	IEOC	91 Line	Arrow	TOTAL
FY24 Student Ridership	34,450	62,438	119,852	12,465	67,785	34,543	35,131	9,387	376,050
FY25 SAP	76,935	168,158	220,407	24,699	120,800	64,921	69,988	24,448	770,357
% Growth	123%	169%	84%	98%	78%	88%	99%	160%	105%

Note: Student Adventure Pass Pilot Started in October 2023. Thus, FY24 Student Ridership for October Includes October Student Adventure Pass Program Ridership.



FY26 Budget Development Status

- **Budget Submission Review**

- First Draft of Proposed Operating Budget for CFO
- Proposed Budget Review with Chiefs
- Proposed Budget Presentation to Metrolink CEO
- Communicate Budget Revisions to Chiefs
- Proposed Budget Presentation to Member Agency CFOs
- Proposed Budget Presentation to Member Agency CEOs

November 15, 2024

November 18, 2024

November 25, 2024

December 09, 2024

December 11, 2024

December 18, 2024

December 20, 2024



METROLINK

Thank you.



ITEM ID: 2024-258-0

TRANSMITTAL DATE: December 6, 2024

MEETING DATE: December 13, 2024

TO: Board of Directors

FROM: Elisabeth Lazuardi, Director, Audit

SUBJECT: Performance Audit: Fuel Purchase Policy FIN 11.1 Rev. 3

Issue

The Internal Audit Department (Internal Audit) completed the Performance Audit: Fuel Purchase Policy FIN 11.1 Rev. 3.

Recommendation

Receive and file.

Strategic Commitment

This report aligns with the Strategic Business Plan commitment of:

- **Modernizing Business Practices:** We will improve our operational efficiency through transparency, objective metrics and streamlined governance, reducing over-reliance on subsidy while bringing our system into a state of good repair and investing in the development of our employees. Controls related to the fuel purchase program are improved through the annual audit of the program.

Background

As required by the Fuel Purchase Policy FIN-11.1, "the Fuel Purchase Program shall be audited annually. In addition, the Board shall establish an Ad Hoc Committee at the time of the annual audit for the limited purpose of reviewing audit results and reporting to the Board of Directors". Internal Audit engaged Crowe LLP to perform the audit.

Crowe LLP is a public accounting, consulting and technology firm which has been in operation since 1942 with offices and resources worldwide. The Crowe team is led by partners and directors that not only have performance audit and derivative experience but also possess the institutional knowledge to help identify the relevant policy considerations for the Authority's fuel hedging program. Crowe has worked with fuel contracts, hedging contracts, and power purchase contracts for entities such as: the City of Long Beach, the Chicago Transit Authority, the Indiana Bond Bank, and the State of Texas.

Crowe combined its significant experience in conducting high quality performance audits for government agencies, in conformance with Generally Accepted Government Auditing Standards (GAGAS), and the demonstrated oil and gas expertise of Willis Graves & Associates, Inc. (WGA) to meet the needs of the Authority with respect to this performance audit. WGA's professionals have extensive industry experience with commodity pricing and in the design and completion of revenue audits in the oil and gas industry.

Discussion

The Board approved Finance Policy FIN-11.1 Fuel Management and Hedging in January 2015 to provide guidance for the Fuel Management and Hedging Program. The Authority engaged Linwood Capital, LLP (Linwood Capital) as the Fuel Hedging Advisor in 2017 to assist the Authority with the Fuel Management and Hedging Program. In June 2024, the Authority engaged Blue Lacy who took over the advisory role from Linwood.

The Board approved the amendment of the FIN -11.1 to improve the fuel hedge program by the development of four fuel hedge strategies and to rename the policy from "Fuel Management and Hedging Policy" to "Fuel Purchase Policy" in December 2020. Further amendments were subsequently made in May 2022 to revise one of the four fuel hedge strategies and in November 2022 to replace the role of the Fuel Hedge Oversight Consultant with SCRRA staff and to add a language related to the effectiveness analysis of the fuel hedge program.

The objective of this audit was to determine compliance to FIN-11.1 Revision 3 for the audit period of January 2023 - December 2023. Based on the audit procedures performed, SCRRA management was determined to be in compliance, in all significant aspects, with the audit objective. The audit result was presented to the Ad Hoc Committee on November 4, 2024. The audit report is attached to the item.

Next Steps

The Fuel Purchase Policy will continue to be audited into the next fiscal year.

Prepared by: David Rogers, Senior Internal Auditor

Approved by: Elisabeth Lazuardi, Director of Internal Audit

Attachment(s)

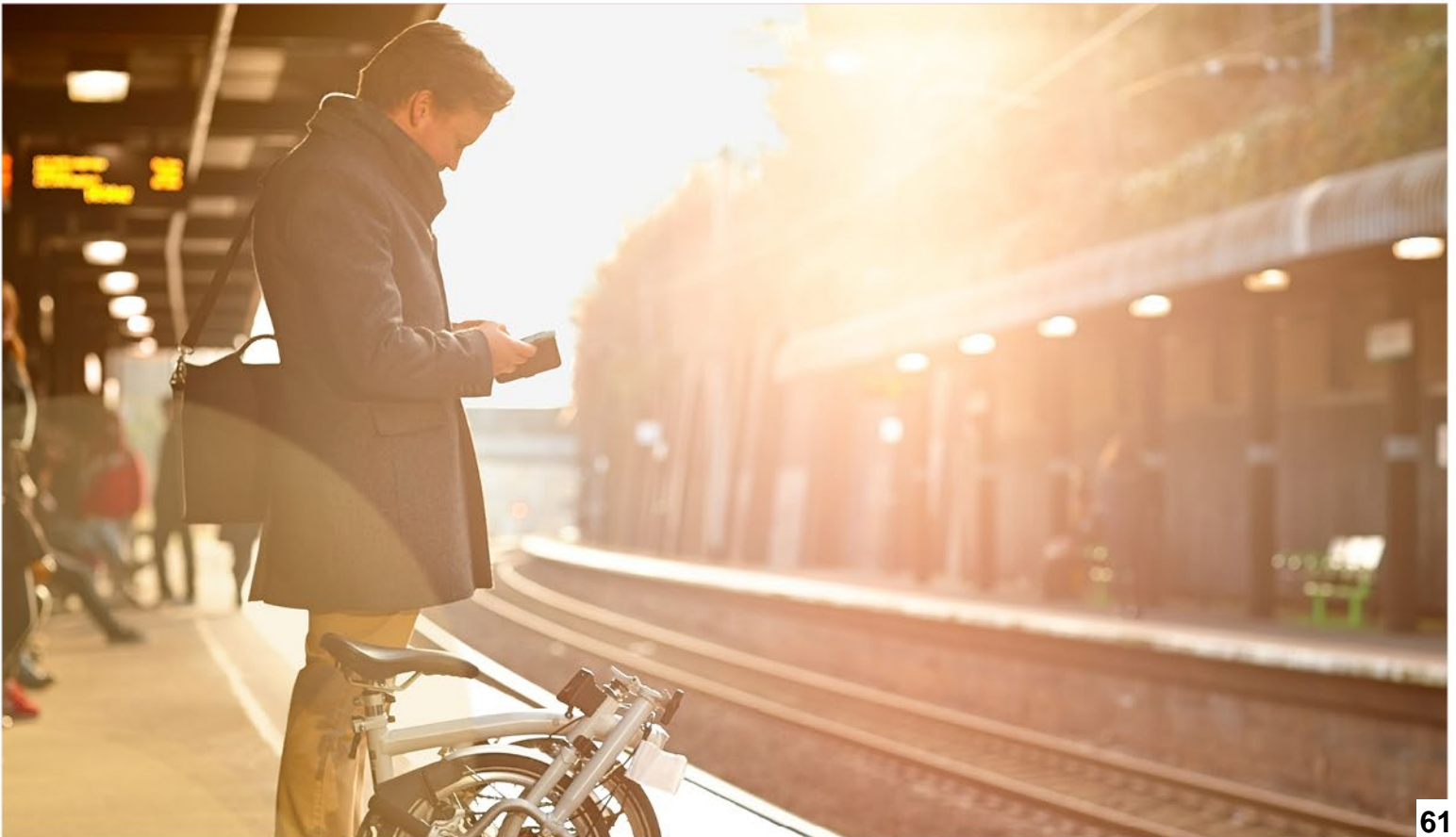
Attachment A - Fuel Hedge Policy Final Audit Report



Smart decisions. Lasting value.™

**Southern California Regional Rail Authority (SCRRA)
Performance Audit:
Fuel Purchase Policy FIN 11.1 Rev. 3**

November 5, 2024



EXECUTIVE SUMMARY

Southern California Regional Rail Authority (SCRRA) contracted Crowe to perform a Generally Accepted Government Auditing Standards (GAGAS) performance audit to evaluate SCRRA's compliance with the Fuel Purchase policy FIN -11.1 Rev. 3 ("Fuel Purchase Policy") and identify best practice recommendations to the policy.

SCOPE AND OBJECTIVE

The scope of this audit for the period of January 1, 2023, through December 31, 2023, included the following objective:

1. Determine whether SCRRA was in compliance with FIN-11.1 revision 3 policies and procedures for January 1, 2023, to December 31, 2023.

There was one audit objective identified to determine SCRRA's compliance within the scope of this audit. To achieve this objective, Crowe LLP representatives interviewed key SCRRA staff, reviewed documentation, tested fuel purchases, tested brokerage statements, reviewed reports provided by Linwood, and considered the adequacy and operating effectiveness of internal controls related to the Fuel Purchasing Program. The detailed objective, methodology, and conclusion can be found on pages 6 - 7 of this report. The scope can be found on page 8 of this report.

We also have provided a management letter under separate cover that includes best practices for SCRRA Management to consider.

REVIEW OF REPORT

Crowe provided the draft report to SCRRA on September 16, 2024, and held a draft review with management.

Those present at the meeting were:

- Darren Kettle, Chief Executive Officer, SCRRA
- Arnold Hackett, Chief Financial Officer, SCRRA
- Alex Barber, Assistant Director, General Accounting, SCRRA
- David Rogers, Senior Internal Auditor, SCRRA
- Bert Nuehring, Partner, Crowe
- Sam Twyman, Senior Manager, Crowe
- Roy Laughlin, Senior Staff, Crowe
- Jon Ellis, Crowe Subject Matter Expert, Willis Graves and Associates
- Chris Alguire, Crowe Subject Matter Expert, Willis Graves and Associates

A Draft Report was provided to the Internal Audit Department. A revised Draft Report was provided to the Internal Audit Department and this November 5, 2024, final version is based on their review.

Crowe LLP thanks Internal Audit and SCRRA management and staff for their assistance and cooperation during our audit.

Independent Auditor's Report

To the Southern California Regional Rail Authority,
Office of the Internal Audit Department

We have conducted a performance audit over the Fuel Purchasing Policy that included assessing compliance with specific requirements of Southern California Regional Rail Authority (SCRRA) policies and contractual obligations, for the period from January 1, 2023, through December 31, 2023.

We have conducted our performance audit in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our conclusion based on our audit objective. We believe that the evidence obtained provides a reasonable basis for the conclusions based on our audit objective.

Our audit was limited to the objective identified on pages 6 – 7 of this report. Management is responsible for the SCRRA's compliance with those requirements.

Solely to assist us in planning and performing our performance audit, we obtained an understanding of the internal controls of SCRRA to determine the audit procedures that are appropriate for the purpose of providing a conclusion on SCRRA's compliance with the relevant requirements of SCRRA's policies and contractual obligations, as specified, but not for the purpose of expressing an opinion on the effectiveness of internal control. Accordingly, we do not express any assurance on the internal control.

We did not note findings as a result of our audit. We determined that the Southern California Regional Rail Authority met the objective listed on pages 6 – 7 for the period January 1, 2023, through December 31, 2023, in all significant respects.


Crowe LLP

Los Angeles, California
November 5, 2024

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ABBREVIATIONS

CEO	Chief Executive Officer
CFAR	Cash Flow at Risk
CMF	Central Maintenance Facility
EMF	Eastern Maintenance Facility
GAGAS	Generally Accepted Government Auditing Standards
FIN-11.1	Fuel Purchasing Policy
Linwood/Advisor	Linwood Capital
SCRRA	Southern California Regional Rail Authority

OBJECTIVE, METHODOLOGY, SCOPE AND CONCLUSION

OBJECTIVE, METHODOLOGY, AND CONCLUSIONS

The objective of this audit falls within the full annual period from January 1, 2023, through December 31, 2023, and our approach to evidence-gathering and evidence analysis related to that objective is reflected below:

Objective 1: Determine whether SCRRRA was in compliance with FIN-11.1 Rev. 3 policies and procedure for January 1, 2023, to December 31, 2023.	
Methodology:	1. Crowe obtained and reviewed evidence (monthly statements) that an account was established with a Futures Commission Merchant (broker) for trading Futures Contracts.
	2. Crowe selected a sample of 30 transactions from a population of 1,602 fuel expenditures and determined whether the program did or did not hedge more than 100% of Metrolink’s forecasted consumption in any given month through the review of invoices and bill of lading support. Crowe used the prior two years’ actual consumption to compare to the forecasted consumption to determine if the forecasted consumption appeared reasonable.
	3. Crowe obtained all monthly broker statements during the audit period in order to identify whether any closed or open positions were for Forward Priced Contracts with greater than 36 months maturity from the acquisition date.
	4. Crowe obtained all monthly broker statements and selected a sample of 20 future contracts purchased during the audit period. Crowe identified whether Futures Contracts were sold on a monthly basis.
	5. Crowe utilized our Subject Matter Experts at Willis, Graves, & Associates (WGA) to determine whether the physical supply was priced according to the floating price determined by the Market. They compared the Ultra-Low-Sulfur No. 2 Diesel Spot Price to the Petroleum Diesel Fuel Price and the Renewable Diesel Fuel Price of the SCRRRA positions. No exceptions were noted, and physical supply of fuel deliveries were priced according to daily spot pricing and fuel supply contracts.
	6. We conducted interviews with the Fuel Manager and reviewed the weekly and monthly reports provided to determine whether the Fuel Manager tracked, monitored, and maintained reasonable fuel levels to sustain continued support of operations, as defined in the Material Management and Warehousing SOP, during the audit period.
	7. Crowe held a discussion with Metrolink’s Senior Manager of Accounting on the process used to address the strategy objectives in FIN 11.1 Rev. 3 section 1.1.6.

	<p>8. Crowe requested a sample of six weekly reports during the audit period to determine whether the Advisor generated and provided weekly status updates and results of the program to the Finance Staff at Metrolink.</p>
	<p>9. Crowe requested four monthly reports executed by the Advisor and provided to the Fuel Manager for the audit period and observed whether the reports included a risk analysis. We determined whether the monthly reports included the following required information:</p>
	<p>a. Cash flow at risk (CFAR) analysis based on diesel futures implied option volatility.</p>
	<p>b. Projected variability of cost gross and net of hedge at the one and two standard deviation levels.</p>
	<p>c. Budget risk analysis establishing a current probability of exceeding budget at the one and two standard deviation levels.</p>
	<p>10. Crowe reviewed copies of agenda and board packet information for two quarterly reports to the Board on the performance of the program during the audit period. We also identified whether the reports included performance of the purchases against the budget and spot market, with the cost of the program broken down by transaction costs and price variance of gallons delivered.</p>
	<p>11. Crowe obtained the GASB 53 Analysis from Metrolink to determine whether the Authority uses regression analysis method to evaluate the effectiveness of the fuel hedge.</p>
<p>Conclusion:</p>	<p>SCRRA complied in all significant respects to Objective 1.</p>

SCOPE

The scope of this performance audit was to evaluate SCRRA's compliance with the Fuel Purchasing Policy, FIN-11.1 Rev. 3. The objective of this audit falls within the full annual period of January 1, 2023, through December 31, 2023.

CONCLUSION

Crowe determined that SCRRA complied, in all significant aspects, with the objective of the audit.

Appendix I – FIN-11.1 Rev. 3 Fuel Purchasing Policy



METROLINK.

SOUTHERN CALIFORNIA REGIONAL RAIL AUTHORITY

metrolinktrains.com/meeting

Southern California Regional Rail Authority Finance Policies

TITLE: Fuel Purchase Policy	NO. FIN-11.1
EFFECTIVE DATE: May 27, 2022	REVISION: 3
Adopted by Board:	

PURPOSE

The goal of the fuel management and hedging program is to minimize the budget risk resulting from the purchase of fuel. It will establish limits allowing the Chief Executive Officer to act on behalf of the Board of Directors in the procurement of fuel. In addition, it will identify how the fuel purchase program performance is monitored and reported to the board.

APPLICATION

This policy applies to the purchase of diesel fuel in current and future fiscal years.

POLICY STATEMENT

Ultra Low Sulfur California Air Resources Board (ULS CARB) # 2 Red Dyed Diesel Fuel is required to operate the Authority's fleet of diesel-powered locomotives. To minimize the risk of having large budget variances due to volatile fuel prices, a comprehensive energy management program will require the use of two instruments. The First is a Financial Instrument that will be executed through an established and maintained account with a Futures Commission Merchant (Broker) for the trading of Futures Contracts. The Second instrument uses the competitive purchase of fuel with daily market prices serving as the benchmark for supplier bids. It is important to note that in most cases, both instruments will be used together to effectively manage fuel procurement.

Metrolink will establish and maintain a fuel purchase management program that will:

- seek to decrease the volatility of diesel fuel cost;
- seek to increase the likelihood that actual net diesel fuel cost will remain below the budget;
- seek to increase the certainty of future diesel fuel cost;
- seek to attain a lower overall cost of diesel fuel in the long-term;



1. PROCEDURES

1.1 Financial Instrument Hedging

- 1.1.1 Instruments** – Metrolink will establish and maintain an account with a Futures Commission Merchant (broker) for trading Futures Contracts. Metrolink will, through the management and direction of an Advisor; acquire, hold, and dispose of futures contracts in the operation of this Program. The high correlation between the movement of the price that Metrolink pays for its fuel locally and the movement of the value of these Futures Contracts, that are traded on the New York Mercantile Exchange (NMEC) for delivery in the New York Harbor, contributes to the Program's effectiveness as a hedge. The volume of each Futures Contract is 42,000 gallons.
- 1.1.2 Maximum Hedge Ratio** – Metrolink's fuel consumption is highly predictable without significant variability over time. Given this, the maximum total hedge ratio will be up to 100% of forecasted consumption as more specifically described in section 1.1.6.
- 1.1.3 Maximum Hedge Maturity** – To allow the establishment of cost certainty in current and future budget periods, the maximum maturity of the Futures Contracts taken in conjunction with this Program is 36 months forward from the acquisition date as more specifically described in section 1.1.6.
- 1.1.4 Exiting Market Positions** – The Advisor will exit the Futures Contracts on a monthly basis so as to correspond to the actual purchase of Metrolink's local fuel and in the same approximate volume. This even liquidation of futures hedges through time and the even purchase of fuel via Metrolink's supply process assures the effectiveness of the hedging process over a fiscal year. Based on the difference between the hedge price (entry price) and the settlement price (exit price), there will be a realized gain or loss that will appear in the futures account. Exceptions to this would be in extraordinary situations and upon the advice of the Advisor or recommendation of the Fuel Hedge Consultant, and at the direction and approval of the CEO, as follows:
- a. where the volume of forecasted fuel consumption unexpectedly decreases in which case the hedge position may be adjusted to comply with Policy and reduce exposure
 - b. Contracts with 6-18 months left on them are at a premium at a time when fuel spikes abnormally high, greater than 1 standard deviation above the average



- c. Where the national and/or global inventories show an increasing surplus trend or correction, contracts remaining can be sold to eliminate downside risk.

1.1.5 Physical Supply - The physical supply of fuel will be reasonable fuel levels to sustain continue support of operations consistent with the Materials Management and Warehousing standard operating procedures. The physical supply deliveries will be priced according to daily spot pricing and fuel supply contract(s).

1.1.6 Spot Market and Hedging Strategies Guidelines - The Strategies are how the Program's objective is achieved. The Strategies will utilize a process:

- That addresses market opportunities and market risks;
- that holds the risk of exceeding budget at or below an acceptable level;
- that monitors the 15 year one to three standard deviations as a length of contract term parameter of the OPIS diesel index;
- that is continuously applied through time;

The strategies use various historical pricing averages and ranges as pricing parameters;

Strategy 1 – Purchase at 15-year average spot pricing, global diesel demand is greatly being reduced year to year, no risk of delivery present, worldwide surplus present

- **\$219 and above purchase future contracts up to 6 months up to 80% of demand**

Strategy 2 – Protect average pricing by purchasing shorter term contracts in the lower 1st deviation of the OPIS diesel index 15-year parameters

- **\$152 - \$219 purchase future contracts up to 18 months up to 80% of demand**

Strategy 3 – Protect longer term average pricing by purchasing contracts in the 2nd deviation of the OPIS diesel index 15-year parameters

- **\$86 - 152 purchase future contracts up to 36 months up to 80% of demand**

Strategy 4 – Takes advantage of historically low pricing during times of low market demand or oversupply that occurs every 5 - 10 years



by purchasing contracts in the 3rd lower deviation of the OPIS diesel index 15-year parameters

- Below \$86 purchase future contracts up to 100% demand

This will be accomplished by the Advisor executing the appropriate transactions at the appropriate times to create the desired effect within the constraints of the Policy.

1.1.7 **Execution, Monitoring & Reporting**

- a. The Advisor will be responsible for the day-to-day execution of the Program including the execution of transactions, generating reports on the program's status and results, and monitoring the Program and the energy markets.
- b. The Advisor will generate weekly update on the status and results of the Program
- c. The Advisor will generate monthly report regarding the status and results of the program including an analysis of risk. This analysis of risk will include (1) cash flow at risk (CFAR) analysis based on diesel futures implied option volatility; (2) projected variability of cost gross and net of hedge at the one and two standard deviation levels and (3) budget risk analysis establishing a current probability of exceeding budget at the strategic levels.
- d. To allow hedging to be more responsive to market conditions, the process may include; (a) reviewing current and forecast fuel markets as part of the annual budgeting and planning process to decide whether modifications to the current specifications are warranted; and (b) rebalancing fuel budget stability goals towards market responsiveness by adjusting the percentage of hedge volumes and/or adjusting the forward positions.
- e. The reports will be received by Metrolink Finance Staff.
- f. Oversight of the program will be primarily the responsibility of Finance Staff at Metrolink with support from the Finance bench.
- g. Reporting to the Board on the performance of the program will occur quarterly or more frequently if the Board deems appropriate. This will include performance of the purchases against the budget and spot market, with the cost of the program broken down by transaction costs and price variance of gallons delivered. The CFO will report on any program performance deviation outside the Spot Market and Hedging Strategies.
- h. The Fuel Purchase Program shall be audited annually. In addition, the board shall establish an Ad Hoc Committee at the time of the



annual audit for the limited purpose of reviewing audit results and reporting to the Board of Directors.

1.1.8 **Effectiveness Analysis**

- a. Fuel-related futures contract transactions are recorded at fair value on the Balance Sheet as either an asset or liability depending on their fair value; the related realized gains and/or losses for effective hedges are deferred. Realized gains and losses on these transactions are recognized as fuel expense in the specific period in which the instrument is settled.
- b. With the assistance of our Fuel Hedge Advisor, the Authority uses regression analysis method to evaluate the effectiveness of our fuel hedge.
- c. The regression analysis method evaluates effectiveness by considering the statistical relationship between the cash flows or fair values of the potential hedging instrument and the hedgeable item. The changes in cash flows or fair values of the potential hedging instrument substantially offset the changes in cash flows or fair values of the hedgeable item if all of the following criteria are met:
 - i. The R-squared of the regression analysis is at least 0.80.
 - ii. The F-statistic calculated for the regression model demonstrates that the model is significant using a 95 percent confidence interval.
 - iii. The regression coefficient for the slope is between -1.25 and -0.80 .
- d. The regression analysis should be based on sufficient data to determine if the potential hedging instrument is effective as of the end of the reporting period.

DEFINITION OF TERMS

Binding Contract – The agreement between two (or more) parties that creates a legal obligation to exchange consideration, usually money, for specific performance requirements (e.g., delivery of goods)



Futures Contract – A contract between two parties that fixes the date of delivery at the New York Harbor and the price on that date for a 42,000-gallon unit.

Oil Price Information Service (OPIS) – A nationally recognized, independent surveyor/index of the nation's energy markets.

Ultra-Low Sulfur Fuel (ULS) – Diesel fuel containing less than 15 ppm sulfur

Spot Pricing – Daily market price of diesel fuel as published by OPIS.

Advisor – The professional contracted by Metrolink to advise, execute, monitor, and report regarding the diesel futures hedging contract strategy and policy consistent with those responsibilities set forth in 1.1.7.

California Air Resources Board (CARB) – The clean air agency for the State of California.

RESPONSIBILITIES

Board of Directors – responsible for setting policy, due diligence, designating the Fuel hedging advisor and delegating specified approval authority for purchasing diesel fuel to the Fuel Manager.

Contracts Administration & Procurement Department (CA&P) - responsible for conducting, in accordance with Board approved policies, all procurement activities on behalf of the Authority and developing and maintaining procedures related to all procurement matters.

Metrolink Finance Staff– responsible for ensuring this policy is followed and approving contracts and purchase orders within authority levels delegated by the Board.

POLICY HISTORY

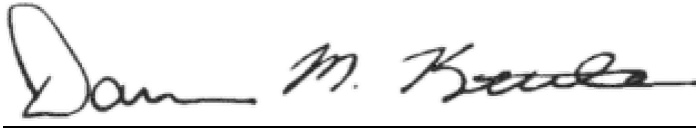
January 23, 2015 – New Policy and Procedures document approved

December 11, 2020 – New policy document approved

May 27, 2022 – Update strategy parameters

November 13, 2022 – Updated policy to replace the role of the Fuel Hedge Oversight Consultant with Metrolink Staff. Also, added GASB 53 Effectiveness Analysis and language regarding reporting any program performance deviation outside the Spot Market and Hedging Strategies.

Reviewed and acknowledged by:



November 14, 2024

Darren Kettle
Chief Executive Officer

Date



ITEM ID: 2024-343-0

TRANSMITTAL DATE: December 6, 2024

MEETING DATE: December 13, 2024

TO: Board of Directors

FROM: Arnold Hackett, Chief Financial Officer

SUBJECT: FY2024-25 Quarterly Fuel Purchase Program Update - Quarter Ending September 30, 2024

Issue

Staff is providing an update on the Authority's Fuel Purchase Program for the quarter ended September 30, 2024.

Recommendation

Receive and file.

Strategic Commitment

This report aligns with the Strategic Business Plan commitment of:

- **Modernizing Business Practices:** We will improve our operational efficiency through transparency, object metrics and streamlined governance, reducing over-reliance on subsidy while bringing our system into a state of good repair and investing in the development of our employees. Working together with our fuel purchase program partners we can provide better assurance we will meet our budgetary goals.

Background

The Agency's FY24 fuel budget is approximately 10.0% of the total Operating Budget. Given the volatility of fuel pricing, the Authority's actual fuel expense has ranged from \$18.6M to \$31.9M, accounting for 8.0% to 12.1% of the actual operating expenditures in the past four years (FY21-FY24).

Finance Policy FIN-11.1, Fuel Purchase Policy, was approved by the Board on December 11, 2020. This policy was implemented to minimize the budget risk resulting from the purchase of diesel fuel. In addition, it identifies how the fuel purchase program performance is monitored and reported to the Board. At the May 27, 2022, Board meeting, an update to the Fuel Purchase Program was made addressing the issue of purchasing contracts in light of the increase in diesel fuel costs.

The Board has requested that staff provide quarterly updates on our Fuel Purchase Program.

Discussion

The primary function of the Fuel Purchase Program is to make the Agency's fuel costs predictable. On that basis, it is to be expected that the sale of positions may create a gain or loss depending on the movement of fuel contract prices.

Beginning in July 2024, Blue Lacy, LLC. assumed the day-to-day duties as the Authority's Fuel Hedge Advisor, replacing our previous advisor Linwood Capital, LLC. As of June 30, 2024, the Authority's hedging account had a value of \$12,801,128, a decrease of \$1,164,342 from June 30, 2024. This includes interest income on treasury bills purchased totaling \$504,426 during the quarter. The futures account report for quarter ended September 30, 2024, provided by Blue Lacy, LLC is included in Attachment A. The performance of contract purchases against the spot market with the realized gains achieved by the program are included in Attachment B. A current fuel hedging and petroleum market update from Blue Lacy is included in Attachment C.

Next Steps

Staff will provide quarterly updates on our Fuel Purchase Program.

Prepared by: Alex Barber, Assistant Director, General Accounting

Approved by: Arnold Hackett, Chief Financial Officer

Attachment(s)

[Attachment A - Futures Account Report FY25 Q1](#)

[Attachment B - Performance of Futures Purchased FY25 Q1](#)

[Attachment C - Fuel Hedging Commentary](#)

ATTACHMENT A

BLUE LACY, LLC

	Quarter Ending June 30, 2024	Quarter Ending September 30, 2024
Cumulative Fuel Expense (including brokerage fees)	(4,718,426)	(4,230,334)
Cumulative net cash from Metrolink to futures account	8,144,226	8,144,226
Contingent future fuel expense	117,663	77,859
Annual Interest Income	648,904	504,426
Account Value = cash asset after fuel expense minus contingent fuel expense	13,965,471	12,801,128
Cash asset after fuel expense	12,862,652	12,374,560

Annual Fuel Expense from futures	(1,020,551)	(488,091)
Annual Cash from Metrolink to futures account	(1,000,000)	-
Annual Cash from Metrolink to futures account less fuel expense	20,551	(488,091)

HISTORICAL ANALYSIS: FY 2025

Disel Hedging Analysis

ATTACHMENT B

September 30, 2024

As 30-Sep		Supplier				Hedge Activity									MTM and P&L				ML Cost	
Period	Days	Volume	Supplier w/Tax	Recent Settle	Supplier Cost	Fut Month	Avg Purchase	Beg K	ΔK	Δ Gal	Open K	Open Gal	Total Gal	% Hedged	MTM	P&L	Per Hedged Gal	Per Budget Gal	Total	Per Gal
Jul-24	31	839,579	\$ 3.12	\$ 2.42	\$ 2,619,486	Aug-24	\$ 2.66	14	(14)	(588,000)	-	-	588,000	70%	\$ -	\$ (149,709)	\$ (0.25)	\$ (0.18)	\$ 2,769,195	\$ 3.30
Aug-24	31	820,268	\$ 2.93	\$ 2.25	\$ 1,846,833	Sep-24	\$ 2.55	14	(14)	(588,000)	-	-	588,000	72%	\$ -	\$ (125,698)	\$ (0.21)	\$ (0.15)	\$ 1,972,531	\$ 2.40
Sep-24	30	747,501	\$ 2.70	\$ 2.13	\$ 1,593,523	Oct-24	\$ 2.51	14	(14)	(588,000)	-	-	588,000	79%	\$ -	\$ (212,713)	\$ (0.36)	\$ (0.28)	\$ 1,806,235	\$ 2.42
Oct-24	31	716,180		\$ 2.15	\$ 1,542,938	Nov-24	\$ 2.48	16	-	-	16	672,000	672,000	94%	\$ (215,788)	\$ -	\$ (0.32)	\$ (0.30)	\$ 1,758,725	\$ 2.46
Nov-24	30	695,993		\$ 2.16	\$ 1,505,503	Dec-24	\$ 2.42	16	-	-	16	672,000	672,000	97%	\$ (175,846)	\$ -	\$ (0.26)	\$ (0.25)	\$ 1,681,349	\$ 2.42
Dec-24	31	610,604		\$ 2.17	\$ 1,325,987	Jan-25	\$ 2.35	14	-	-	14	588,000	588,000	96%	\$ (104,483)	\$ -	\$ (0.18)	\$ (0.17)	\$ 1,430,471	\$ 2.34
Jan-25	31	750,022		\$ 2.17	\$ 1,630,924	Feb-25	\$ 2.25	10	-	-	10	420,000	420,000	56%	\$ (31,395)	\$ -	\$ (0.07)	\$ (0.04)	\$ 1,662,319	\$ 2.22
Feb-25	28	651,004		\$ 2.17	\$ 1,411,963	Mar-25	\$ 2.19	8	-	-	8	336,000	336,000	52%	\$ (7,778)	\$ -	\$ (0.02)	\$ (0.01)	\$ 1,419,741	\$ 2.18
Mar-25	31	672,340		\$ 2.16	\$ 1,452,724	Apr-25	\$ 2.17	3	-	-	3	126,000	126,000	19%	\$ (962)	\$ -	\$ (0.01)	\$ (0.00)	\$ 1,453,686	\$ 2.16
Apr-25	30	722,948		\$ 2.16	\$ 1,561,423	May-25		-	-	-	-	-	-	0%	\$ -	\$ -	\$ -	\$ -	\$ 1,561,423	\$ 2.16
May-25	31	797,600		\$ 2.16	\$ 1,726,006	Jun-25		-	-	-	-	-	-	0%	\$ -	\$ -	\$ -	\$ -	\$ 1,726,006	\$ 2.16
Jun-25	30	675,638		\$ 2.17	\$ 1,469,040	Jul-25		-	-	-	-	-	-	0%	\$ -	\$ -	\$ -	\$ -	\$ 1,469,040	\$ 2.17
FY 25	365	8,699,677	\$ 2.92	\$ 2.19	\$ 19,686,351		\$ 2.44	109	(42)	(1,764,000)	67	2,814,000	4,578,000	70%	\$ (536,251.80)	\$ (488,119.16)	\$ (0.24)	\$ (0.20)	\$ 20,710,722	\$ 2.38

BLUE LACY, LLC

14 November 2024

Global Diesel Market Monthly Update

Your 30-Second Brief

Crude flows hint that markets aren't as weak as feared, but don't tilt bullish yet

Distillates support US refining margins, but global rates say recovery is shaky

Financial flows likely continue to drive short term price trends and volatility



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Introductions

While unlikely to match the bullish fervor of recent years, crude flows were seasonally firm during Oct, suggesting demand isn't as weak as feared.

Oct saw crude flows' first seasonal rise in months, partially thanks to rebounding Libyan flows. In line with the growth, crude in transit was good by seasonal standards as refinery maintenance wrapped in places like India and Saudi Arabia. Neither Europe nor China look particularly strong, the latter now unlikely to lead global growth. As such, the market remains hesitant to make the wildly bullish calls of yesteryear, instead revising expectations to show the types of balances associated with the so-called "soft landing." And diesel prices appear increasingly sympathetic to crude's lead. Since bottoming last year at a low of 0.26, diesel's correlation to crude has recovered to reach pre-invasion seasonal norms, at times ~0.95.

Highly correlated, but showing relative strength. ULSD's MoM rise outpaces crude oil, supporting refinery margins.

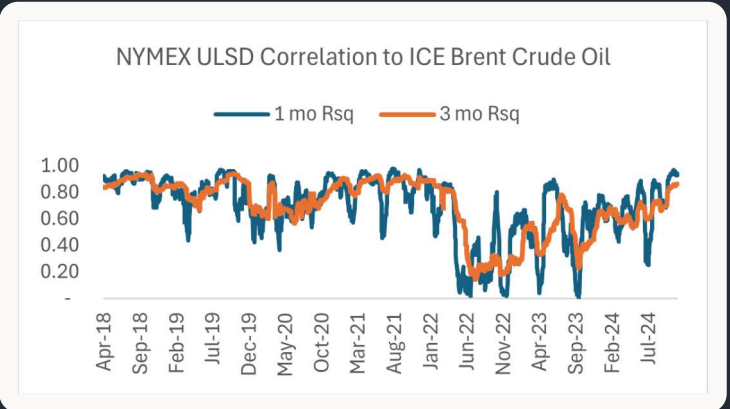
Oct's average daily close of \$2.23 was >9.5 cents/gal above Sept's average, outpacing crude's 6.5 cents/gal improvement. Diesel

cracks along the USGC ended the month >\$20/bbl, contributing to distillate support for refinery margins that were otherwise dragged down by comparatively weak gasoline. Gulf Coast refining margins >\$10 are starting to look risky with the US a dim bright spot, so volatile tanker rates seem to hold diesel's fate in their hands, continuing to serve as a signal of whether rallies are sustainable. TC14 world scale Atlantic Basin rates bounced between ~\$115 and \$200, dictating profits of inter-regional movements, and tracking the oscillation of strong/weak signals out of consumer destinations.

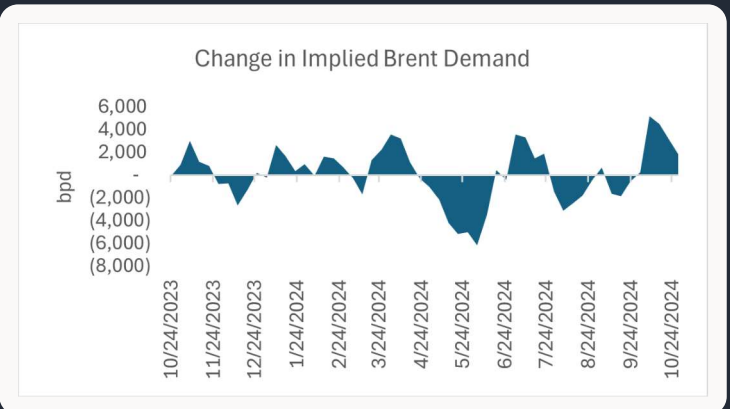
That leaves financial flows free to dictate direction and, more importantly, volatility.

Traders have shown they are keen to fade rallies, while increasingly using call options to hedge upside volatility. In other words, financial players are unconvinced that the market has firmed, but less willing to carry directional risk. This can be associated with a prices bottoming, but is also unreliable. For now, it has clearly resulted in rising volatility, tilting call skews to historical highs and swinging markets as traders' expression of demand has fallen >40% the equivalent of >5mm bpd of supportive financial demand at its peak to ~1.8mmbpd.

Summary: Summary in two to four lines goes here (Mon 10pt Medium)



Diesel's 3-mo r-squared ended Oct near 0.90, its highest in >1 year



Specs' willingness to express bullish/bearish sentiment has driven crude prices

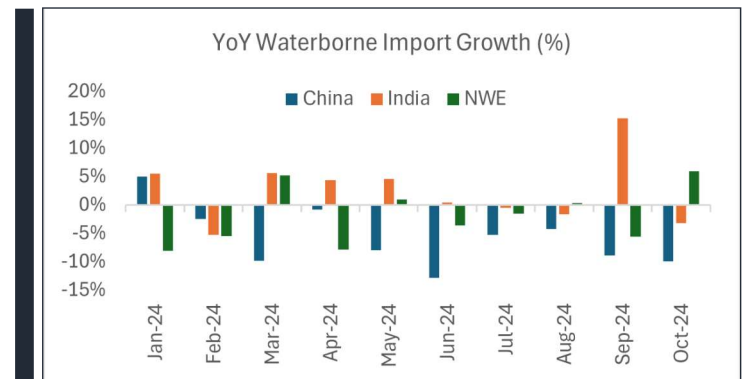
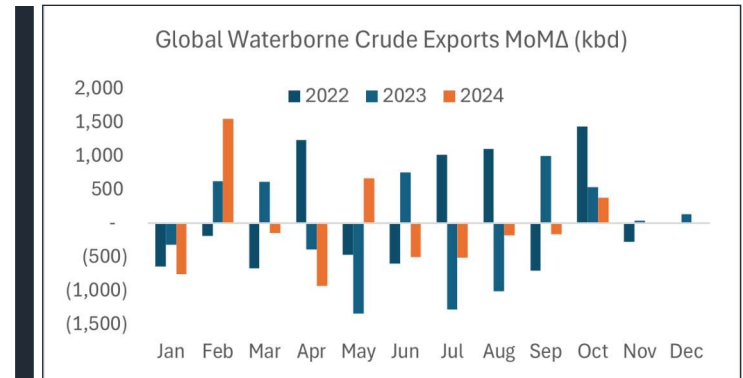
After months of weakness, global crude oil flows were firmer in October, possibly encouraging a bottoming in bearish sentiment.

International crude oil flows showed signs of strength in Oct. October saw crude liftings rise MoM for the first time since May's counter-seasonal rise over April. Up 385kbd to 47,845, departures were still at a three year low, but gains were welcome signs that refineries are leaving maintenance and preparing for crude. Further supporting slowly shifting sentiment, departures headed for Europe contributed to this growth. Crude destined for NW Europe approached 1.5mm bpd compared to 1.1 during Sept. NE Asia-destined cargoes were up 455kbd, lifting expected arrivals totaled ~15mm bpd, up ~365kbd vs. Sept, including 9.85mm bpd headed for China and 2.85 for S. Korea.

Still, China is increasingly unlikely to prove the uber-bulls right. Chinese waterborne imports have been stable, but are not showing signs of accelerating growth. Variations in landings appear to be closely correlated to the country's ability to capture disadvantaged cargoes. At this point the

feverish economic growth of the 2010-2019 period seems out of reach. Analysts note that observable imports from sanctioned nations have peaked, while imports from elsewhere fell to multiyear lows. Further evidence of flattening growth is the falling correlation of storage changes on short - storage has risen while import growth has stagnated, suggesting processing has slowed. Net imports of 9.5mmpd are >1mm bpd lower than 2023, while storage has risen in consecutive months and is now at a surplus of ~15mm bbls to 2023, nearing 12-month highs.

Of course, the world is more than China. Global growth needed India. Without China, India isn't large enough to justify \$200/bbl oil, but it is situated to take the growth crown in percentage terms and possibly support oil prices, especially when considered with surprisingly stable developed West demand. Despite refinery runs lagging 2023, this seems to have put a floor under oil prices.



Stable Chinese demand and rebounding demand elsewhere is building a floor underneath global crude oil prices.

Despite higher volatility, tanker rates flows flash signs of firming demand.

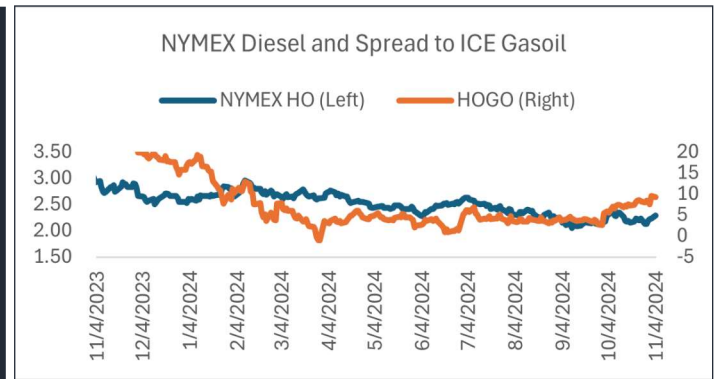
Diesel flows improve as arbs widen, but tanker rates respond. European premiums to US diesel rose during October, reaching \$10/bbl for the first time in months, supporting exports from PADD 3 >1.1mm bpd (net) for the sixth straight month and topping Oct 2023 by 10%. Exports to NWE exceeded 165kdb, more than 2x 2023, though are still well below August's high, as flows to the UK fell again. Total European imports of US diesel were estimated >365kdb.

Daily clean products tanker rates have been volatile, but recovered from lows. Friday's quote for TC14 (world scale clean tankers transiting the Atlantic) rose to \$1.76 from a low below \$125, even reaching highs near \$200 during October, though these highs appear to be reactionary. Like prices, some of this vol appears reactionary, rising on fears of disruptions, then quickly retreating. Nevertheless, bottoming rates hopefully serve as another signal of firming demand. Gasoil's backwardation has been more persistent than

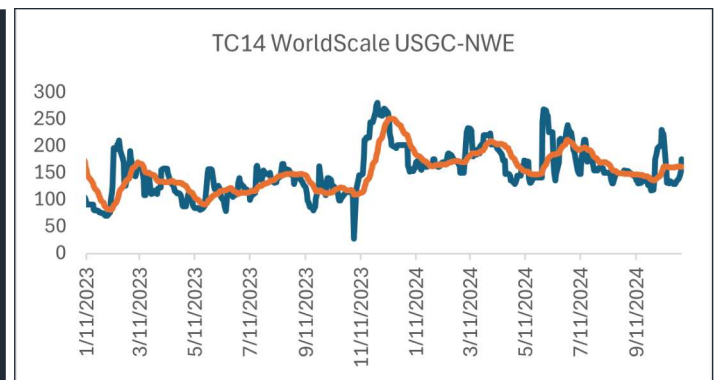
NYH diesel's, possibly suggesting a tighter market than anticipated. At least 300kdb of diesel has flowed to Europe for four consecutive months, contributing to ~1.7mm bpd of arrivals on the continent, up >250kdb MoM and 500kdb YoY.

Imports up, stocks down. Interestingly, gasoil stocks are falling in the main NWE trading center. This is seasonally typical. Still, traders are starting to watch for signs of firming demand in Europe. Likewise, L48 US distillate stocks have been falling. Last week's EIA report showed stocks at 112,862 bbls, just above last year's 111,295, falling to support exports during refinery maintenance.

I don't want to sound too optimistic, though. Even with support from relatively strong diesel and jet fuel, refinery margins have only recovered to ~\$10/bbl. We are a long way from confirmation and will watch flows during November for a trend to establish.



European prices rising relative to USGC, increasing incentives to export and possibly an early signal of firming demand.



But volatile clean product rates limit arbs if premiums prove unsustainable.

Speculative flows continue to drive volatility

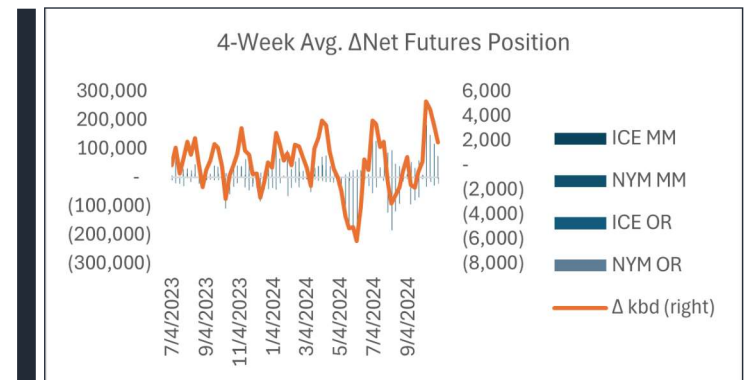
Oil specs have been keen to ride waves of headline-driven price volatility. Speculative traders continue to garner attention for their ability to drive extremely short-term price fluctuations. Since recording their record short position, specs have expressed less commitment to directional trades, keen to fade rallies after riding rumors of attacks and evolving interpretations inflation trades. CTAs have firmly re-established themselves as long traders, holding as many as 150k contract net long during October, nearly pushing the combined position flat. As of 29 Oct 24, traders were net short ~48k lots, quickly pivoting as Brent oil prices rose into the mid-\$70s, a pattern that has continued into Nov.

WTI traders have been less committed, with demand equivalent oscillating +/-1mm bpd over the last month, and the net position fluctuating between 135k and 155k lots net long. At ~145k net long, traders hold bottom decile length for reported weeks back to 2012, but the trade expresses the interplay between

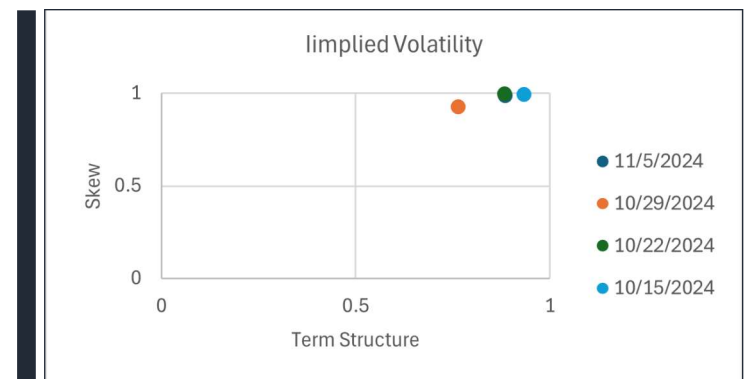
Brent/WTI, dependent on exports, i.e. - demand for incremental barrels from the US.

COT reports less reliable for diesel, but correlations link fuels to oil. NYMEX ULSD/Brent oil price correlations have been on the rise. Diesel vs. Brent has risen from lows in the mid-30s earlier this year to highs near 90. As such, it seems ULSD is still wearing macro risk, (“can’t escape crude oil”).

The result: Vol. This back and forth, combined with demand for options hedges pushed vol higher. Implied vol spiked into the mid-40s, but the story is in structure and skew. Traders pushed the front of the curve ten points higher than the back, expressing high expectations for near term vol, which have materialized. At the same time, skew rose into the top decile, with 25delta calls trading 5-10 points higher than ATM. This is believed to be driven by speculative traders hedging their short bets with long OTM calls.



Oil traders have been quite willing to pivot within their historically bearish speculative positions



Volatility has remained high for weeks, with skew and structure near records

Monthly Diesel Market Update

Strategic Takeaways



Markets show flashes of firming, squelching fears of the worst, but yet to suggest a bullish pivot.

Crude oil markets and distillate product flows showed signs of life, with small bumps in demand measures, including rising liftings of crude as refiners come out of maintenance in the Eastern Hemisphere.

China remains weak, especially by the standards of recent forecasts. Even OPEC has revised down its estimate of Chinese demand growth. Focus turns to India, but even the bull case should be shallower than the uber bulls hoped.

Takeaway: Oil seems to be comfortable in a \$65-80 range, but sentiment is hedged-bearish, traders aren't bullish.

Diesel arbs have been reliable indicators of price rallies, however unsustainable they may be.

Diesel flows from US to the Developed West, namely Europe, have been driven by open arbs, but tanker rates have quickly responded to close the arbs each time. This has resulted in rallies being short lived and diesel prices sympathetically falling with crude oil prices.

While fundamentals don't look as bad as they did this summer, a sustained rally in spreads and exports is probably necessary to confirm a bullish thesis. Additional signs, such as falling inventories, seem to be pointing that way,

Takeaway: The narrative is still describing a loose 1Q2025. Volatility suggests a sustainable recovery hasn't found footing.

Financial flows, i.e. - speculative traders, will likely continue driving volatility.

The willingness of traders to swing within their established range will continue to drive volatility.

And that vol has reached recent highs. Term structure is focused on the 1Q, not surprisingly suggesting high uncertainty. At the same time, the bearish sentiment appears to be offset by demand for upside hedges, with traders buying calls and tilting skew to top percentile tilt toward call options.

Takeaway: Vol has fallen from Oct's peaks, but structure is still steep. There is less conviction in the bearish trend today than before.

Founded on Experience

Experience

Founded Blue Lacy in 2021

- Ten years as an independent consultant in energy market strategy and risk
- Expertise in markets, structured products, derivatives, and operations
- Independent work executed for clients around the world: USA, Canada, Mexico, Bolivia, Colombia, EU, South Africa, Dubai, Jordan, Australia, Malaysia, Brazil, Trinidad
- Broad experience for clients across the supply chain: E&P, supply/trading, midstream/refining, major consumers, and political/regulatory leaders
- Board member and startup advisor

Prior to Blue Lacy

- Twenty total years of experience with derivatives, structuring, risk management, trading, analysis, risk operations, and compliance
- Bank of Oklahoma, Energy Financial Solutions, Goldman Sachs, Wood Mackenzie

Education

**University of Oklahoma,
MBA Risk Management, Price
Scholar; BBA, Finance, Cum Laude**

- Graduate assistant professor teaching derivatives and valuation
- Research assistant supporting index and ETF construction and public listing

**NYU, Stern School of Business,
Hedge Fund Operations
Management with Leon Metzger**

- Managerial design and operations of derivatives trading and compliance

**Columbia Graduate School
of Business, Valuation
with Bruce Greenwald**



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ITEM ID: 2024-329-0

TRANSMITTAL DATE: December 6, 2024

MEETING DATE: December 13, 2024

TO: Board of Directors

FROM: Arnold Hackett, Chief Financial Officer

SUBJECT: Quarterly Report of Contracts Awarded and Third-Party Agreements Executed Under the Chief Executive Officer's Authority

Issue

The Board of Directors approved the Authority's revised Procurement and Contracting Policies (Revised Policies) on November 8, 2019. Section 3 of the Revised Policies requires the Chief Executive Officer (CEO) to provide a quarterly report to the Board with a list of contracts awarded above \$250,000 and under the CEO's contract award authority of \$500,000.

Recommendation

Receive and file.

Strategic Commitment

This report aligns with the strategic Business Plan commitment of:

- **Modernizing Business Practices:** We will improve our operational efficiency through transparency, objective metrics and streamlined governance, reducing over-reliance on subsidy while bringing our system into a state of good repair and investing in the development of our employees. Increasing the CEO's authority to \$500,000 has allowed for the expedited award of contracts and TPAs.

Background

On July 26, 2019, the Board authorized the CEO to execute Third-Party Agreements (TPAs)

with other public agencies and Contracts with third parties up to \$500,000. Upon its approval of the Revised Policies, the Board also requested that the CEO provide a quarterly report to the Board with a list of contracts awarded under the CEO's new authority level and between \$250,000 and \$500,000. This requirement is included in Section 3 of the Revised Policies.

This report meets these Board report requirements for the first quarter of FY2025, which covers July 1 to September 30, 2024.

Discussion

In the reporting period, the CEO awarded the following contracts valued between \$250,000 and \$500,000:

A. Contracts

- No entries

B. TPAs

- BNSF - San Gabriel Subdivision (Project 820024) - \$252,403.16
- BNSF - Orange/Olive Subdivision (Project 820026) - \$329,115.41

Next Steps

In February staff will present the report for the 2nd quarter of FY25 covering contracts awarded and TPAs executed by the CEO from October 1, 2024, through December 30, 2024.

Prepared by: Salima Mulji, Business Analyst I
 Edison Abrenica, Senior Finance Analyst
 Angelos Kastrisianakis, Senior Manager, Contracts and
 Compliance

Approved by: Arnold Hackett, Chief Financial Officer



ITEM ID: 2024-338-0

TRANSMITTAL DATE: December 6, 2024

MEETING DATE: December 13, 2024

TO: Board of Directors

FROM: Paul Hubler, Chief Strategy Officer

SUBJECT: December Legislative Update

Issue

Staff provides a regular monthly update on current legislative affairs.

Recommendation

Receive and file.

Strategic Commitment

This report aligns with the Strategic Business Plan commitments of:

- **Connecting and Leveraging Partnerships:** We will forge new and enhanced relationships with our public and private partners to integrate and coordinate connecting services, providing residents throughout Southern California with better, seamless, sustainable alternatives to driving. This commitment is met by sharing news, information and the Authority’s legislative priorities with elected officials.
- **Advancing Key Regional Goals:** We will grow the role of regional rail in addressing climate change, air quality, and other pressing issues by advancing toward zero emissions, making rail a compelling alternative to single-occupant automobiles and advancing equity-focused opportunities for all communities throughout Southern California. This commitment is met by encouraging federal, state and local support for Authority priorities.

Background

Staff continues to engage with community, local, state, and federal stakeholders concerning Metrolink service and relevant policy initiatives.

Discussion

Local

Community relations staff in coordination with our Safety team recently developed a mobile classroom effort to share safety education with students and the local community. We will test the mobile classroom with schools along the San Bernardino Line and information was distributed in mid-November to 70 local middle and high schools near the railroad. For schools that are interested, Metrolink will offer a train ride to the historic San Bernardino Depot station, provide a safety class that will include an age-appropriate safety presentation and video, which builds upon and incorporates the school safety video describing safety best practices for students at schools adjacent to or near the right-of-way. The effort will also include a tour of the historic station and a return ride to their origin station along the line. This will be provided free of charge to all interested schools. The safety mobile classroom will also serve to introduce students to Metrolink service and, as well, make them aware of the Student Adventure Pass and the viability and convenience of riding Metrolink. Thus, the effort is envisioned to accomplish two core goals of Metrolink - enhancing both safety and ridership - in a coordinated, supportive way.

State

On November 8, 2024, the community relations team worked with staff from Assembly District 50, Assemblymember Eloise Gomez Reyes, to organize an Arrow train ride with 40 students in their Young Legislators program in coordination with a trip to the University of Redlands. The Young Legislators educational program aims to provide local high schools students across the district with firsthand experience in government and leadership. The students started their day at the Metrolink Downtown San Bernardino station and arrived at the University of Redlands where they were met by University President Krista Newkirk. The students then received a tour of the campus and a panel presentation to learn more about the university. Metrolink staff provided a presentation on the importance of safety near railroad tracks, benefits of taking public transportation, and shared information on our Student Adventure Pass.

On November 14, Metrolink and SBCTA provided State Assembly Transportation Committee staff with a tour of the Arrow ZEMU service and maintenance facility. Farra Bracht, Chief Consultant, and Aaron Kurz, Senior Consultant, took the Arrow service from San Bernardino to Downtown Redlands with SBCTA transit and rail staff, public affairs staff, and representatives from the Metrolink government relations and operations teams. They learned about operations and maintenance intricacies, how state money is supporting student fares, and the plans to grow ridership in the years ahead. Appreciation was expressed for the Legislature's generous appropriation of funding to transit in recent state budgets, and staff was reminded of the need for identifying a sustained source of operational funding in the passenger rail space to match the capital funding that has been provided.

The impacts of the November 5 election on the state legislative delegation in the Metrolink service area were minimal, with nearly all incumbents running for reelection retaining their

seats. As of this reporting, incumbent Senator Josh Newman (D-37), representing Senate District 37 covering central Anaheim, was trailing Steven Choi by less than 10,000 votes. Of the 10 vacant assembly seats in the Metrolink delegation, all remained held by the same party except for District 58, currently Sabrina Cervantes' district, which flipped with Leticia Castillo, a Republican, defeating Clarissa Cervantes, a Democrat, by less than 500 votes in the open race.

Federal

The 2024 election resulted in a trifecta of Republican power in Washington, with former President Donald Trump winning 312 electoral votes to Vice President Kamala Harris' 226. Congressman Adam Schiff won his Senate race and will join Alex Padilla in representing California in Washington's upper chamber. In the Metrolink service area, Congressman Mike Garcia, a Republican, in a very close contest conceded to George Whitesides, a Democrat, to represent the 27th congressional district serving the Lancaster/Palmdale and adjacent area. The race in California's 45 congressional district between incumbent Michelle Steele, a Republican, and Derek Tran, a Democrat, remains one of the closest in California history, with the challenger holding an approximate 100 vote lead in a race of over 300,000 votes cast, as of this reporting. The district covers primarily Orange County but does cross over into Los Angeles County in some areas.

Funding of the federal government is provided by a continuing resolution (CR) extending current fiscal year funding levels until December 20 and is set to expire unless the Congress passes new appropriations legislation or again extends current CR during the lame duck session. It is unclear at this juncture which action the Congress will take, but Metrolink will monitor the legislation closely and position its advocacy to secure favorable consideration of proposed funding of Olympics' infrastructure in the Senate appropriations bill, in the amount of \$200 million in total, of which Metrolink may be considered for approximately \$25 million of funding. The status of these pending legislative efforts following the national election is highly fluid, and staff will keep the Board apprised.

Prepared by: Jeffrey Dunn, Director, Government and Community Relations
Anna Denecke, Senior Manager, Government Relations
Sylvia Novoa, Manager, Public Affairs
Julie Nieto, Management Analyst II
Grayson Hahn, Grad on Career Track

Approved by: Paul Hubler, Chief Strategy Officer



ITEM ID: 2024-331-0

TRANSMITTAL DATE: December 6, 2024

MEETING DATE: December 13, 2024

TO: Board of Directors

FROM: Tim Morehead, Interim Chief Safety, Security and Compliance Officer
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SUBJECT: System Safety, Security, and Compliance (SSSC) Department Activities - Update Q1 FY25

Issue

Staff is providing a summary of the Authority’s safety, security, and compliance activities for Q1 for Fiscal Year (FY) 2025.

Recommendation

Receive and file.

Strategic Commitment

This report aligns with the Strategic Business Plan commitment of:

- **Safety is Foundational:** We will stay on the leading edge by deploying new technologies and processes to enhance the safety and security of our riders, our fellow employees, and the communities we serve. Law enforcement services provide safety and security to the Metrolink commuter rail system and its passengers.

Background

The Authority's mission is to provide safe, efficient, dependable, and on-time transportation service for the southern California region. The SSSC department works to optimize the agency's safety and promote a positive safety culture in the workplace through education,

engineering, and enforcement, as well as auditing and inspecting for safety and regulatory compliance. Using a data-informed approach, the department utilizes leading and lagging data indicators coupled with management experience, research, and professional expertise to understand current trends and make decisions about the use of Agency resources in areas of focus.

Additionally, SSSC tracks and evaluates inspections conducted by the Federal Railroad Administration (FRA) and other regulatory agencies. These inspections apply the general and permanent rules published in the Code of Federal Regulations (CFR), Transportation (Title 49 CFR Part 200-299) to oversee agency compliance and assess penalties for violations against freight and commuter railroad agencies. The FRA conducts inspections and audits agencies' records to monitor and enforce railroad safety regulations specified in Title 49 CFR. The Authority places paramount importance on safety and regulation compliance.

The primary mission of the Authority's law enforcement services is to ensure public safety onboard the trains, to coordinate enforcement with the cities along the Authority's right-of-way (ROW), and to assist with the Authority's fare enforcement and physical security program.

Discussion

Strike Incidents

In Q1 of FY25, there were a total of 13 strikes (3 pedestrians, 7 trespassers, and 3 vehicles) compared to a total of 24 strikes in Q1 FY24 (6 pedestrians, 11 trespassers, and 7 vehicles), a decrease of 46%. In our effort to mitigate system-wide strikes, staff, and our Los Angeles County Sheriff's Metrolink Bureau are continuing the following mitigating measures:

- Request local police agencies to increase patrols in the high strike areas
- Increase grade-crossing enforcements in high strike areas
- Encourage the reporting of trespassers to Metrolink Security Operations to identify high risk areas
- Conduct community outreach
- Deploy additional mobile closed-circuit-televisions
- Clean up homeless encampments

The SSSC Department outreach continues to address strikes on our system. Public Safety outreach has coordinated assessment efforts with various governmental and non-governmental groups in proximity to SCRRA tracks to aid in raising awareness of increased service. Public Safety outreach also continues to engage with groups in Orange County and Los Angeles County to reduce trespasser strikes and promote community awareness.

Law Enforcement Presence on the Platforms, Trains, Grade-Crossings, and Right-of-Way by County

Law enforcement presence on the platforms with fare enforcements, riding trains, grade-crossing details, and right-of-way details (Table 1) are making impacts to the safety of our system. We utilized crime data to support our directed enforcements to mitigate crimes and trespassing activities. In Q1 of FY25, our law enforcement partner focused 79% of their efforts in Los Angeles County which encompasses part of Antelope Valley Line, Ventura Line, San Bernardino Line, Riverside Line, Orange Line, and 91/Perris Valley Line.

Table 1: FY25 Q1 Law Enforcement Activities

Q1 FY2025 Activities	Los Angeles	Riverside	San Bernardino	Ventura	Orange
Train Rides	351	25	63	21	38
Platform Fare Enforcements	1372	228	281	15	102
Grade Crossing Details	378	56	135	69	9
Right-of-Way Details	2,752	51	87	6	12
Total	4,853	360	566	111	161

Rule Violations and Reportable Injuries

In Q1 of FY25, there were nine rule violations compared to the seven in Q1 of FY24, which is an increase of two. Of the nine rule violations, two occurred at Central Maintenance Facility and two at Los Angeles Union Station. The Safety, Security, and Compliance Department has taken a proactive approach to rules violations and oversight of SCRRRA contractors. The root cause team continued to conduct investigations and make recommendations to mitigate future incidents across various contractors. Q1 Root Cause Analysis investigations found the following violation primary contributing factors:

- Uncertain of expectations
- Failed to verify limits
- Employee complacency
- Lack of understanding the rule
- Breakdown in communication

During Q1 of FY25, there were eight FRA reportable employee injuries, which is an increase of three, compared to the five reportable injuries in Q1 of FY24. Of the eight reportable injuries for Q1 of FY25, six were Amtrak employees. While none of the reportable injuries have been catastrophic, management remains committed to working closely with our contractors and contract managers to mitigate future occurrences.

The investigation of suspected rule violations and reportable employee injuries is a critical part of our operations in our proactive efforts to prevent future incidents. As such, a comprehensive Root Cause Analysis is conducted with the railroad departments responsible for contractor oversight and the contractor/employee involved. Throughout this process, SSSC collaborates with management to identify any contributing factors that may have led to such incidents and work together to recommend measures aimed at preventing and mitigating future occurrences. Once the investigation is complete, corrective actions are promptly implemented with a requirement of written confirmation from the contractor of adherence to the Authority within 30 days. This practice not only promotes a safe work environment but also helps to ensure that our agency is in compliance with established regulatory and rulebook guidelines.

Safety, Security, and Compliance staff contribute to the effort to reduce injuries and rule violations by conducting systemwide safety inspections, investigating and conducting root cause meetings, attending contractor safety committee meetings, reviewing incident trends,

follow-up on corrective actions taken by SCRRA Staff and contractors, and conducting audits for regulatory compliance on SCRRA departments and Operations contractors. The SSSC team held fourteen root cause analysis meetings and assisted System Safety with eleven Code of Federal Regulations (CFR) 270 audits for regulatory compliance.

In an effort to keep rule violations down, in Q1 the Compliance staff in collaboration with Operations staff continues to review videos to include all contractors who move equipment. Contractors who move equipment include Alstom, Amtrak, and TASI. Additionally, Compliance staff has increased their focus observations on maintenance and layover facilities.

The SSSC department proactively addresses workplace injuries and rule violations by conducting a quarterly Workplace Safety Campaign week aimed at enhancing employees' safety awareness and reinforcing the importance of maintaining a secure work environment.

The Q1 campaign took place from August 19 - August 23, 2024, and featured the following key safety messages:

- Peer Accountability
- Knowing Your Limits/ Continuous Improvement
- Safety Above All
- Empowerment- The Power to Stop / Challenge
- Review Data and Trends

Throughout the week, 2,240 contacts were made through 152 face-to-face and virtual meetings with employees and contractors.

Training

The System Safety, Security, and Compliance (SSSC) Department continued its commitment to promoting a culture of safety awareness throughout our organization and beyond by providing training for employees, contractors, and external stakeholders, including law enforcement and fire agencies. In Q1 of FY25, department staff conducted multiple training courses aimed to raise awareness of potential workplace and emergency response hazards and provide participants with the necessary tools to avoid them.

Of note in Q1: SSSC Staff coordinated 27 First Responder and Law Enforcement Safety Equipment Familiarization classes, where 353 First Responder and Law Enforcement participated.

Overall, the department recorded 77 classes in Q1, during which 705 participants were trained. This number represents the combined attendance of employees, contractors, and external stakeholders who took part in the department's training courses.

Prepared by: Tinh Quach, Manager II, Security

Approved by: Tim Morehead, Interim Chief System Safety, Security and Compliance Officer

Attachment(s)

Presentation - SSSC Update FY25 Q1

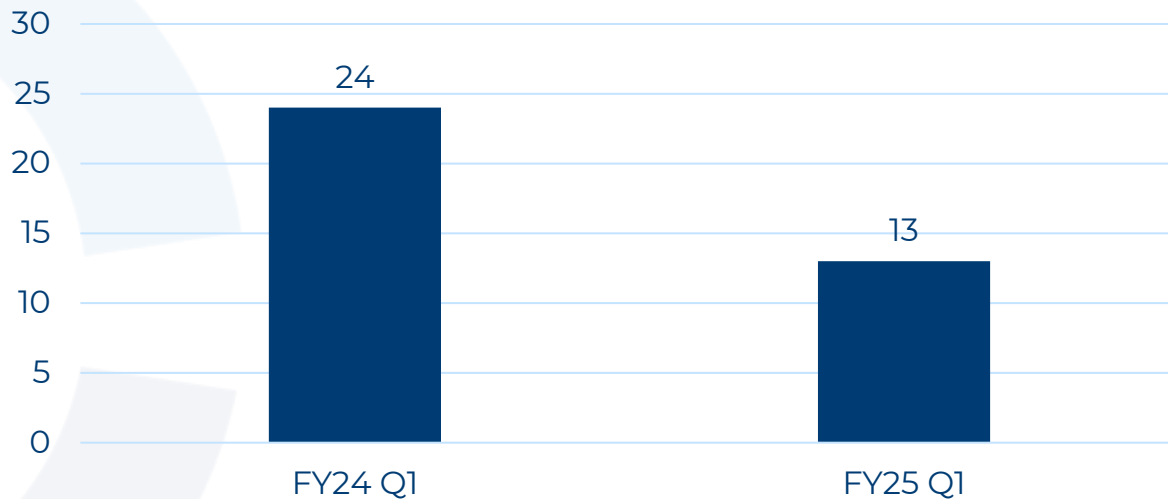


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System Safety, Security & Compliance FY2025 Q1 Update

Receive and file **99**

Systemwide Strikes



Incident Type	FY24 Q1 Total	FY25 Q1 Total
Trespasser	11	7
Pedestrian	6	3
Vehicle	7	3

Security Update FY25 Q1

- Artificial Intelligence cameras were deployed to track trespassing activities
- Strategic deployment of law enforcement resources based on data for strike reduction
- Coffee with the Captain at Fullerton





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Q1 Law Enforcement Presence on the Platforms, Trains, Grade-Crossings, and Right-of-Way

Law Enforcement Activities	Q1 FY2024	Q1 FY2025
Train Rides	555	498
Platform Fare Enforcements	1813	1998
Grade Crossing Details	739	647
Right-of-Way Details	2861	2908

Q1 of FY25 Law Enforcement Presence on the Platforms, Trains, Grade-Crossings, and Right-of-Way by County

Q1 FY2025 Counties	Los Angeles	Riverside	San Bernardino	Ventura	Orange
Train Rides	351	25	63	21	38
Platform Fare Enforcements	1372	228	281	15	102
Grade Crossing Details	378	56	135	69	9
Right-of-Way Details	2752	51	87	6	12
Total LE Activities	4,853	360	566	111	161

NTD Reportable Incidents

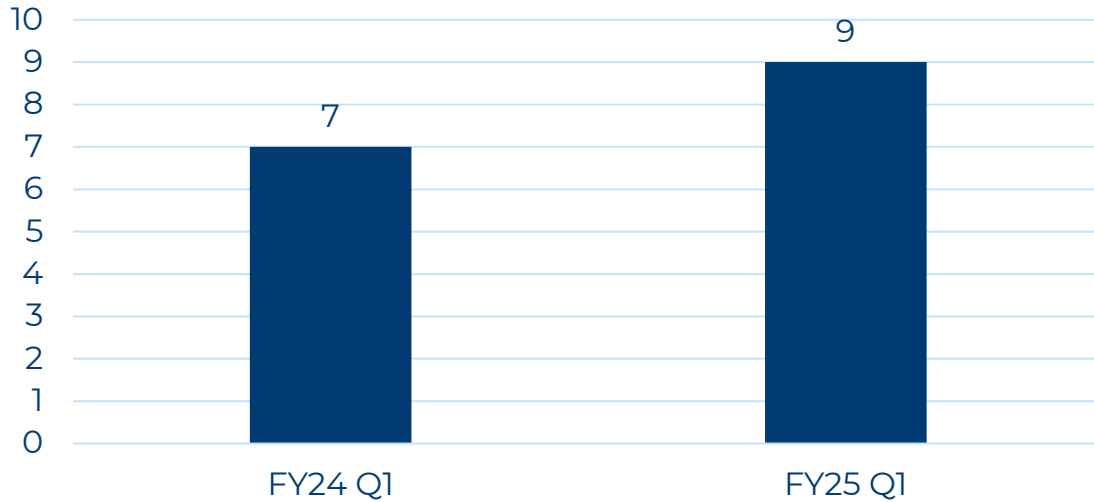
Incident Type	July	August	September
Major	0	0	0
Non-Major	4	4	5
Non-Major Physical	2	0	0
Total	6	4	5

Major – An attack by one person on another without lawful authority or permission that exceeds the reporting threshold.

Non-Major – An assault in which the attack involves no physical contact with the transit worker.

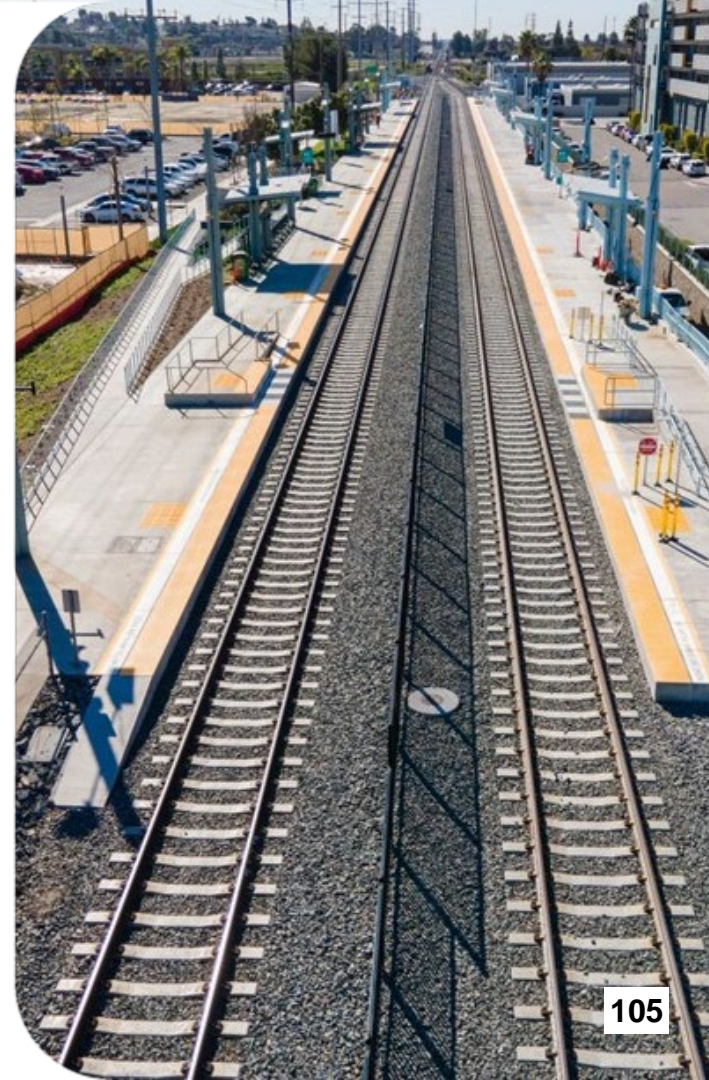
Non-Major Physical – An assault in which the attack involves physical contact with the transit worker.

Q1 Rule Violations FY24 vs FY25

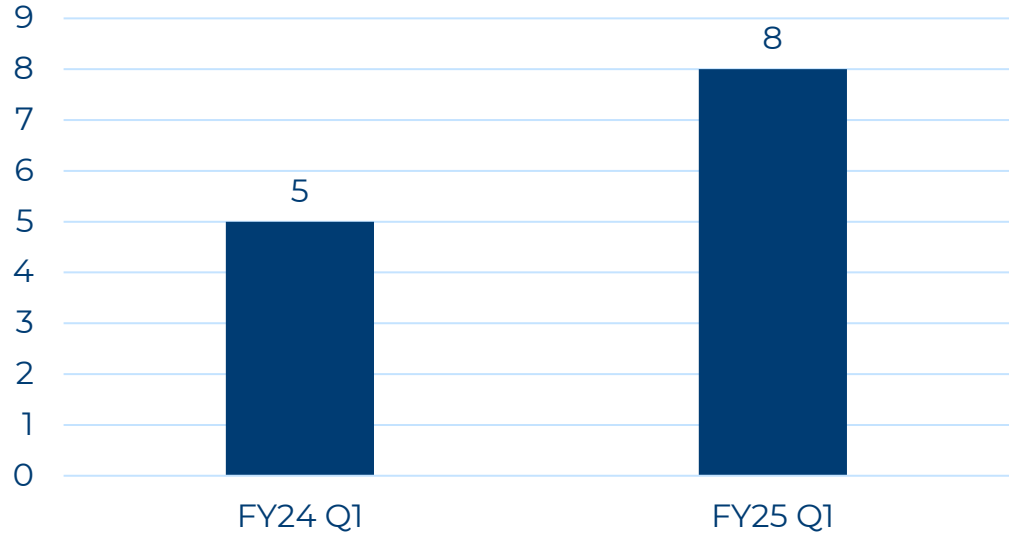


FY25 Q1 Rule Violation:

- Uncertain of expectations
- Failed to verify limits
- Employee complacency
- Lack of understanding the rule
- Break down in communication



Q1 FRA Reportable Injuries FY24 vs FY25



FY25 Q1 Injuries:

- Assault (2)
- Slip, Trip, and Fall (2)
- Sprain / Strain (3)
- Smoke Inhalation (1)

Training

In Q1, SSSC Staff coordinated 27 First Responder and Law Enforcement Safety Equipment Familiarization classes, where 353 First Responder and Law Enforcement participated.

During Q1 the SSSC department staff held 77 Safety classes that include:

- System Safety Program Plan (SSPP)
- Active Shooter
- Passenger Train Emergency Preparedness Plan (PTEPP)
- Incident Response Plan (IRP)
- Human Trafficking
- Suicide Prevention

705 participants were trained in Q1.





METROLINK

Thank you.



ITEM ID: 2024-340-0

TRANSMITTAL DATE: December 6, 2024

MEETING DATE: December 13, 2024

TO: Board of Directors

FROM: Justin Fornelli, Chief, Program Delivery

SUBJECT: Capital Program Status Report

Issue

Staff is providing an update on the progress of the Authority’s Capital Program, including the Southern California Optimized Rail Expansion (SCORE) Program and the State of Good Repair Program.

Recommendation

Receive and file.

Strategic Commitment

This report aligns with the Strategic Business Plan commitment of:

- **Modernizing Business Practices:** We will improve our operational efficiency through transparency, objective metrics and streamlined governance, reducing over-reliance on subsidy while bringing our system into a state of good repair and investing in the development of our employees. The report provides our Board with timely updates on the progress of the Capital Program. The new capital program, including SCORE, adds to the safety, expansion, and growth of the system while the State of Good Repair Program ensures the safety and reliability of the Authority’s existing assets.

Background

The Capital Program consists of two major components: New Capital Projects and State of Good Repair (SoGR) Programs. The Authority’s Capital Program, outside of SCORE, is

budgeted annually, and projects are typically delivered over multiple years. Funding for capital projects is provided by Member Agencies through the annual budget process. The Authority also applies for local, state, and federal funds for additional SoGR and New Capital Projects.

New Capital Projects expand railroad infrastructure and improve the customer experience, including items such as new sidings, safety enhancements to grade crossings, modernizing signal and communication systems, and new rolling stock.

The SoGR Program addresses existing capital assets to keep them in a state of good repair through activities such as:

- Rehabilitation of tunnels, bridges, and culverts
- Replacement of worn ties and rail
- Replacement of worn or outdated signal system components
- Programmed rehabilitation of rolling stock components such as car door operators and heating/ventilation/air conditioning (HVAC), and mid-life overhaul of rail cars and locomotives

All project progress is tracked through the Authority's project reporting system, which is maintained by Program Management Oversight (PMO) department. Regular meetings are held with project managers to review the progress of active projects. Staff also prepare quarterly project expenditure forecasts to estimate cash flow requirements.

As part of the PMO's effort to improve its reporting and tracking capabilities, key performance indicators (KPIs) have been developed and are included in this report.

This item has been updated to reflect financial expenditures through September 30, 2024, while project schedule and status are up to date as of end of November 2024.

Discussion

Key Activities

Since the last Capital Program Status Update, multiple key accomplishments were achieved, as follows:

SCORE Program:

- Antelope Valley Line
 - Balboa Double Track Extension Project - commenced engagement with property and utility owners
 - Canyon Siding Project – completed 100% design comment resolution
 - Lancaster Terminal Improvements Project – commenced and advanced the 100% design submission
- Orange County Line
 - Signal Respacing La Palma to Avery Project - commenced and progressed construction
- San Bernardino Line
 - Cogswell Rd Grade Crossing Project - completed 60% design

- Ventura County Line
 - Completed 100% design on the Sequoia Avenue Grade Crossing Project.
- General
 - Evaluated contractors' proposals for prequalification to construct SCORE projects.

Construction has been completed on the SCORE Early Start projects, which required little to no environmental clearance or right-of-way acquisitions. These projects were completed under budget, with a total cost savings of \$11 million. Efforts advancing the remaining Metrolink-led SCORE projects continue with design documents nearing completion. With substantial completion of design, the Authority has a better forecast of right-of-way acquisitions and utility relocations that are needed for each project and the associated costs and duration to complete. As previously reported to the Board, we continue to estimate a funding gap in aggregate for the SCORE program of approximately \$300 million. This is primarily due to inflation and material/construction cost escalations experienced across the construction industry since the pandemic. The Authority has also experienced higher-than-expected right-of-way acquisition and utility relocations and their associated costs. It should be noted that a majority of the budgets for Metrolink-Led SCORE projects were established prior to the onset of the pandemic. The Authority has completed value engineering efforts as a cost containment measure and has applied for additional grants with limited success to help address the funding gap.

Authority staff have engaged with CalSTA staff to determine strategies to advance the SCORE program in light of the funding gap. Staff are working with CalSTA to review the operational benefits of the entire SCORE program, how each project helps meet those operational goals, how projects are phased, and the delivery timeline to complete individual projects. This effort requires coordination across multiple Authority departments, including Program Delivery, Planning, Grants, and Strategy.

State of Good Repair Program:

- Bombardier Passenger Car Rebuild – (50 cars currently funded for refurbishment):
 - Thirty-six (36) cars have been delivered to LA, of which thirty-four (34) are in service.
 - Fourteen (14) cars are in the Milwaukee factory undergoing rebuild.
 - 6 more cars to be delivered by Dec 2024.
- On-Board Train Control Systems Rehabilitation:
 - Train Management Computer (TMC) Upgrade: All operation locomotives have been upgraded to TMC-5. Eight (8) remaining TMC's to be upgraded. Estimate time of completion to be end of 2024.
 - Global Positioning System Upgrade: Pilot phase in works which consists of upgraded one of each model of SCRRA rolling stock fleet. Upgrade process to take an approximately 2 years on all operational units.
- Rolling Stock State of Good Repair:
 - Rotem HVAC Overhaul: 80 of 136 units overhauled.
 - Bombardier HVAC Overhaul: 172 of 180 HVAC units overhauled.
- SoGR Track, Structures, & Signal Projects by Line:
 - Antelope Valley Line
 - Wood tie to concrete tie conversions started in Jan 2024 at select locations
 - Tunnel 25 Feasibility study shared with LA Metro.
- Ventura Line
 - Additional signal design CTOs are in progress with design completed in June 2024

- and work planned to be complete by Dec 2025.
- Negotiations and final agreement for IFB Documentation phase completed of Pacific Surfliner Corridor Rehabilitation and Reliability Project: NTP has been issued for IFB Packaging
- Orange Line
 - Verdugo Crossing house rehab delayed due to material procurement issues and has been rescheduled for Nov 2024.
- San Bernardino Line
 - Additional signal Construction CTOs are in progress with anticipated construction completion dates from Dec 2024 to Dec 2025.
- Perris Valley Line
 - Signal design CTO completed Jun 2024. RFP development has been started for signal installation work at Riverside switch.
- River Corridor
 - 90% design for Arroyo Seco Bridge to complete by Nov 1, 2024.
 - Soto St Bridge Construction completed in June 2022 and is currently in closeout phase.
- SoGR Communication Systems Projects
 - WMS Upgrade to be installed across all subdivisions and was expected to be completed by October 2024 has now been pushed to December 2024
 - Valley: Designs for VHF Radio Upgrade and CIS Upgrades at Sun Valley, Acton, Newhall, Sylmar, Burbank Downtown Station and Glendale Stations are all in-progress; Santa Valley: Designs for VHF Radio Upgrade and CIS Upgrades at Sun Valley, Acton, Newhall, Sylmar, Burbank Downtown Station and Glendale Stations are all in-progress; Santa Clarita Station CIS Upgrade is in construction.

Attachment A provides an overview of the Authority’s project portfolio as well as more detailed status by project type.

Quarter Ended September 30, 2024, Performance Summary

New Capital Projects

The latest performance results for the Authority are included in the following summaries. Table 1 below provides a summary of major New Capital Projects currently in progress, excluding \$1.09 Billion of SCORE funding secured by the Authority and other agencies that will be performed by entities other than the Authority.

Table 1. Capital Program by Department (\$K) (Active Projects Only)

PROJECT CATEGORY	BUDGET	EXPENDED	BALANCE
Capital PTC / CRISI Grants (Communications)	\$16,076	\$10,477	\$5,598
Track, Structures, & Signals	\$101,932	\$23,489	\$78,443
SCORE (SCRRA)	\$783,358	\$98,169	\$685,189
F125 Locomotive Procurement (Rolling Stock)	\$279,104	\$278,061	\$1,043

Miscellaneous Capital Equipment (Facilities)	\$17,612	\$8	\$17,604
Other (IT)	\$12,778	\$1,911	\$10,867
Pacific Surfliner Corridor Rehabilitation	\$11,953	\$28	\$11,925
TOTAL	\$1,222,812	\$412,144	\$ 810,669

Note: Numbers may not sum to total due to rounding.

SoGR Program

The adjusted currently funded SoGR Program budget for the period of FY2016-17 through FY2023-24 is \$613 million (including reprogrammed projects of \$119 million). SoGR projects are primarily delivered over a four-year period within the departments of Program Delivery, Operations, Information Technology and Customer Experience. Reprogrammed projects are created when projects completed under budget have remaining funds and are transferred to new projects. The new projects are referred to as reprogrammed projects.

SoGR Project Status

From FY2017-18 through September 30, 2024, the Authority completed and closed 104 SoGR Projects totaling \$78 million in expenditures.

Table 2 summarizes the progress of SoGR Projects as of September 30, 2024. Current Budget for fiscal years FY2021-22 thru FY2023-24 are the approved budgets. It should be noted that due to delays in processing all FTA funding applications, the FY23 all share projects were delayed initiating.

Table 2. SoGR Project Status for Active and Completed Projects Fiscal Years 2017-18 to 2023-24 and Reprogrammed Projects (\$K)

YEAR OF ADOPTION	¹ CURRENT BUDGET	² EXPENDED	BALANCE
FY2017-18	\$44,384	\$40,763	\$3,621
FY2018-19	\$91,410	\$60,787	\$30,622
FY2019-20	\$64,352	\$51,474	\$12,878
FY2020-21	\$54,110	\$28,485	\$25,624
FY2021-22	\$63,525	\$22,742	\$36,113
FY2022-23	\$94,445	\$13,434	\$75,841
FY2023-24	\$129,805	\$1,501	\$124,210
Reprogrammed	\$119,186	\$105,115	\$14,071
³ Total	\$661,217	\$324,303	\$322,980

Notes:

1. When a project is closed or reprogrammed, the baseline budget is replaced with actual expenditures to reflect 100% of the budget being used. This adjusted budget for closed and reprogrammed projects along with the baseline budget of active projects make up the current budget.
2. Expended amounts on Table 2 are for paid and accrued invoices and do not reflect

amounts billed to grantor.

3. Numbers on Table 2 may not sum to total due to rounding.

Next Steps

Through monthly review of the Capital Program, staff continues to identify areas of improvement to accelerate the delivery of projects and improve processes. Staff will also continue to keep Member Agencies informed and provide regular updates to the Board. The next Capital Program Status report is scheduled for March 2025.

Prepared by: Salman Shahid, Engineering and Project Controls Manager II

Approved by: Justin Fornelli, Chief, Program Delivery

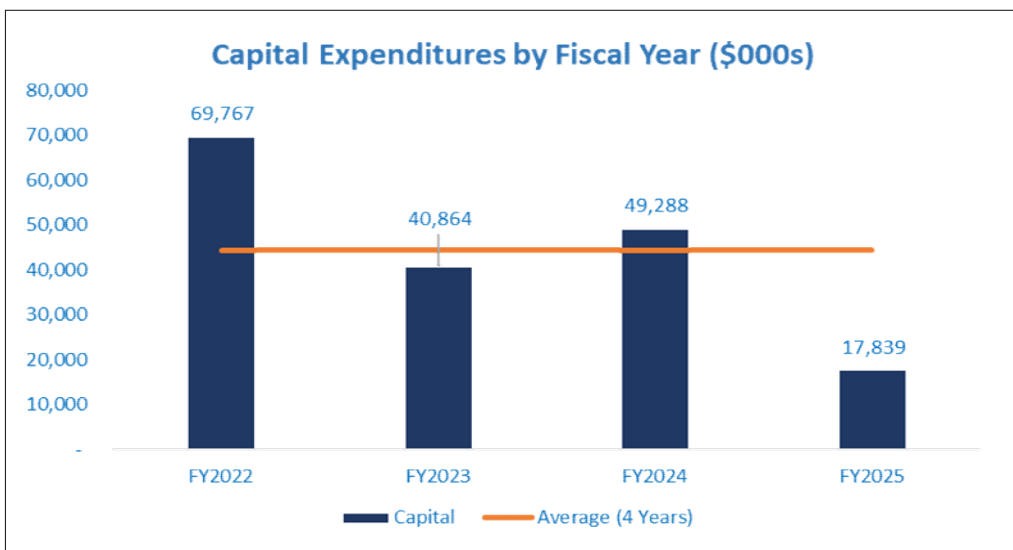
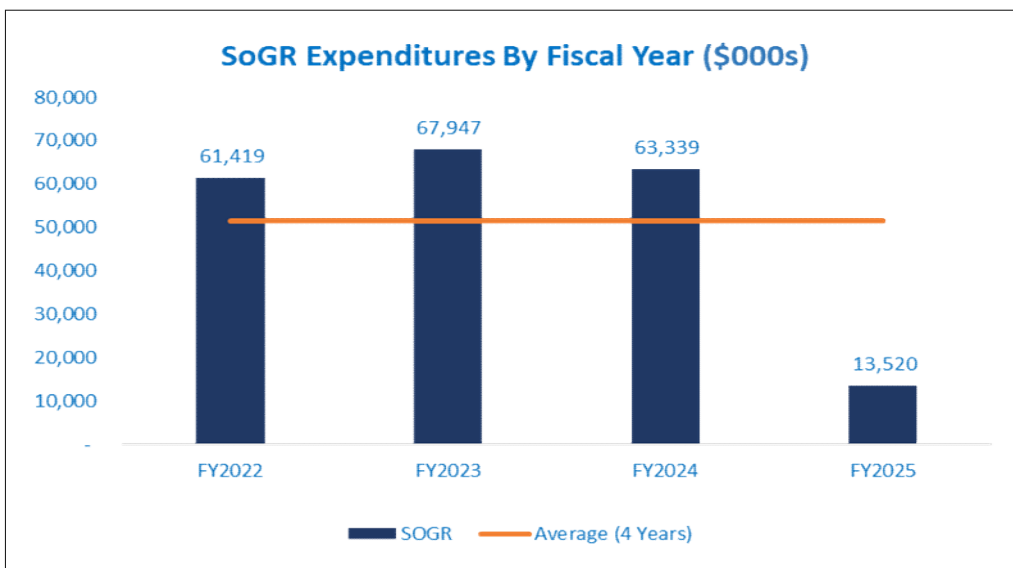
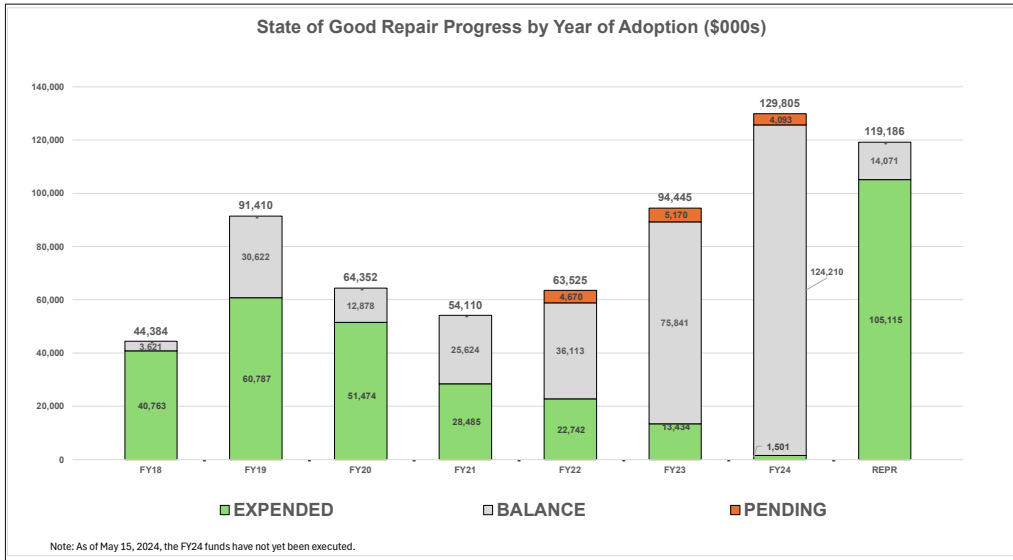
Attachment(s)

[Attachment A - Capital Sheets Project Status Presentation - Capital Program Status Update](#)

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<u>No.</u>	<u>Project/Program Name</u>	<u>Subdivision(s)</u>	<u>Asset Type</u>	<u>Phase</u>
3	SCRRA Capital Projects Summary			
	State of Good Repair (SoGR) Projects			
4	Antelope Valley Line – Track, Structures, & Signals	Valley	Track, Structures, & Signals	Multiple
5	Ventura County Line – Track, Structures, & Signals	Ventura	Track, Structures, & Signals	Multiple
6	Orange County Line – Track, Structures, & Signals	Orange/Olive	Track, Structures, & Signals	Multiple
7	San Bernardino Line - Track, Structures, & Signals	San Gabriel	Track, Structures, & Signals	Multiple
8	Perris Valley Line – Track, Structures, & Signals	Perris Valley	Track, Structures, & Signals	Multiple
9	River Corridor - Track, Structures, & Signals	River	Track, Structures, & Signals	Multiple
10	Bombardier Passenger Car Rebuild	Systemwide	Rolling Stock	Multiple
11	Communications	Systemwide	Comm & PTC	Multiple
12	On-Board Train Control Systems	Systemwide	Comm & PTC	Multiple
13	Back-Office Train Control Systems Rehabilitation	Systemwide	Comm & PTC	Multiple
14	Rolling Stock State of Good Repair	Systemwide	Rolling Stock	Multiple
15	Track Maintenance	Systemwide	Track	Multiple
	Capital Projects			
16	Southern California Optimized Rail Expansion (SCORE) Phase 1 - SCRRA Implemented Projects	Systemwide	Multiple	Multiple Environmental
17	San Juan Creek Bridge	Orange	Structures	Construction

SCRRRA Project Portfolio Summary



SCRRRA Capital Program

- The State of Good Repair portfolio consists of 188 active projects, with budgets totaling \$647M
- The New Capital portfolio consists of 81 active projects, with budgets totaling \$1.2B
- In addition, SCRRRA staff manages 64 Third Party projects requiring extensive coordination with external agencies
- Expenses shown through FY2024-25 Quarter ending Sep 2024.

Subdivision: Antelope Valley Line

Asset Type: Track, Structures, & Signals

Antelope Valley Line - Track, Structures & Signals

Map of Project:



Project Scope Summary:

- The Track, Structures and Signals SoGR program includes the rehabilitation and replacement of existing Metrolink-owned and maintained track, structures, signal systems, and grade crossing warning systems.

Project Benefit:

- Maintain State of Good Repair.
- Improve Service Reliability.
- Reduce Operating Costs.
- Reduce Train Accidents.

Project Status and Continuing Activities:

- Replacement of CP Harold completed in Oct 2024.
- Valley Sub Structures design RFP released to Engineering Bench
- Wood tie to Concrete Tie conversions started in Jan 2024 at select locations and was completed.
- Tunnel 25 Feasibility study shared with LA Metro. Metrolink working on FY26 budget request to continue progress on project.
- Signal Construction CTO is in progress with anticipated construction completion date of Dec 2024 for FY 19-20 projects and Dec 2025 for FY 21-22.
- Signal design CTOs for CP Portal & CP Canyon began Jan 2024, scheduled for completion by Dec 2025.

Project Notes of Interest:

- FY2023-24 projects added this report.

Project Risk:

- Annual investment on the Antelope Valley Line is needed to prevent track infrastructure from degrading to a point where Metrolink service is no longer reliable to ensure the safety of our passengers due to slow orders.

Safety:

- 23 curves with high rates of wear are being monitored for excessive wear, these locations are monitored continually.
- Thermal Misalignment identified at Bridge 30.94. Speed restriction in place temporarily until old steel ties can be replaced with new steel ties.

Schedule Summary

Milestone	Actual/[Forecast]	
	Start	End
Reprogrammed	Aug-23	[Jun-26]
FY2018-19	Nov-18	Dec-23
FY2019-20	Nov-19	[Dec-24]
FY2021-22	Jul-22	[Jun-26]
FY2022-23	Apr-23	[Jun-27]

Budget Status (\$000s)

Project Category	Budget	Expend
2019	1,342	1,154
2020	14,375	12,131
2022	15,595	6,434
2023	6,000	216
2024	16,498	18
Reprogrammed	3,100	1,237
Total	56,911	21,190

Funding Sources (\$000s)

Federal	7,000
Local	49,911
Total	56,911

Project Manager: Aaron Azevedo

azevedoa@scrra.net

Public Affairs Contact: Laurene Lopez

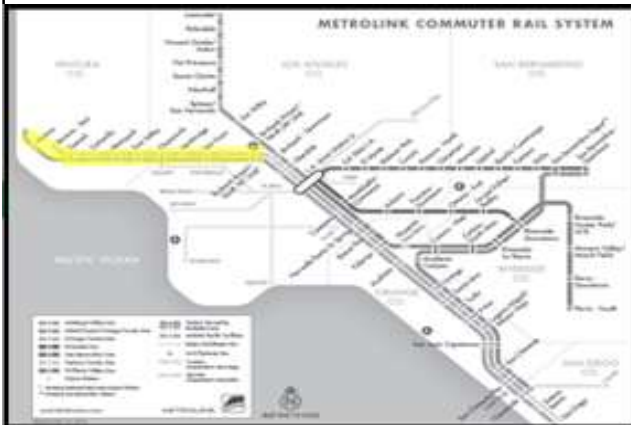
lopezl@scrra.net

Subdivision: Ventura County Line

Asset Type: Track, Structures, & Signals

Ventura County Line - Track, Structures & Signals

Map of Project:



Project Scope Summary:

- The Track, Structures and Signals SoGR program includes the rehabilitation and replacement of existing Metrolink-owned and maintained track, structures, signal systems, and grade crossing warning systems.

Project Benefit:

- Maintain State of Good Repair.
- Improve Service Reliability.
- Reduce Operating Cost.
- Reduce Train Accidents.

Project Status and Continuing Activities:

- Additional signal design CTOs are in progress with anticipated design completion of Jun 2024, work planned to be complete by Dec 2025.

- Pacific Surfliner Corridor Rehabilitation and Reliability Project: CTO executed and NTP Issued for IFB Packaging.
- Arroyo Simi Bridges identified to have budget overrun concerns. Staff is currently working with Grants, VCTC, and designer with resolving budget issues. Design progressing to 90%. Applied for LCTAP grant to bridge the funding gap.

Project Notes of Interest:

- The Ventura Line is split between Ventura and LA Counties; projects are funded by appropriate Member Agency.

Project Risk:

- No risk items to report.

Safety:

- No safety items to report; however, homeless encampments are being monitored near proposed culvert replacement projects.

Schedule Summary

Milestone	Actual/[Forecast]	
	Start	End
FY2016-17	Jul-17	Dec-23
FY2018-19	Nov-18	[Oct-25]
FY2019-20	Nov-19	Jun-23
FY2020-21	Jul-21	Dec-23
FY2021-22	Jul-22	[Dec-26]

Budget Status (\$000s)

Project Category	Budget	Expend
2019	12,782	2,947
2020	9,633	5,893
2021	3,746	620
2022	2,845	789
2024	11,686	31
Total	40,692	10,280

Funding Sources (\$000s)

Federal	23,293
State	6,677
Local	10,722
Total	40,692

Project Manager: Aaron Azevedo

azevedoa@scrra.net

Public Affairs Contact: Laurene Lopez

lopezl@scrra.net

Subdivision: Orange County Line

Asset Type: Track, Structures, & Signals

Orange County - Track, Structures & Signals

Map of Project:



Project Scope Summary:

- The Track, Structures and Signals SoGR program includes the rehabilitation and replacement of existing Metrolink-owned and maintained track, structures, signal systems, and grade crossing warning systems.

Project Benefit:

- Maintain State of Good Repair.
- Improve Service Reliability.
- Reduce Operating Cost.
- Reduce Train Accidents.

Project Status and Continuing Activities:

- Completed WCNSS Crossing upgrade at Del Obispo in June 2024. Verdugo Crossing house rehab delayed due to material procurement issues, but rescheduled for Nov 2024.
- Received Environmental Clearance for FY20 Culverts Rehabilitation Project. Staff is finalizing the permitting.
- Additional signal design CTOs are executed with anticipated design completion of Jun 2024. Additional signal construction CTO is in progress with anticipated construction completion date of Dec 2024 to Dec 2025 due to long material lead-time.
- RFP Sent to Engineering Bench for Slope Stability and Culvert design work. CTO executed NTP scheduled for Nov 2024.
- FY24 Funds came in, and Staff is beginning project setup for the planned work under the FY24 program.
- NEPA-CE for Calafia culvert re-establishment project under review by FTA. Response to review comments from FTA was provided in Sep 2023. Staff checking-in with FTA regularly.

Project Notes of Interest:

- No notes of interest to report.

Project Risk:

- Rehab work requiring Absolute Work Windows on the Orange Line are limited to 5-7 weekends per year, in conjunction with North County Transit District's schedule.

Safety:

- The ground anchor installation at MP206.8 (Cyprus Shores, San Clemente), which is being led by OCTA, is complete with remaining punchlist items and site restoration work.

Schedule Summary		
Milestone	Actual/[Forecast]	
	Start	End
FY2017-18	Jul-18	[Jun-24]
FY2018-19	Apr-19	Dec-23
FY2019-20	Apr-20	[Apr-24]
FY2020-21	Jul-21	[Apr-24]
FY2021-22	Jul-22	[Jun-26]

Budget Status (\$000s)		
Project Category	Budget	Expend
2019	2,691	2,083
2020	684	548
2021	3,258	363
2022	8,920	5,436
2023	9,364	224
2024	10,618	13
Reprogrammed	1,061	914
Total	36,596	9,581

Funding Sources (\$000s)	
Federal	36,596
Total	36,596

Project Manager: Aaron Azevedo
azevedoa@scrra.net
Public Affairs Contact: Laurene Lopez
lopezl@scrra.net

Subdivision: San Bernardino Line

Asset Type: Track, Structures, & Signals

San Bernardino Line - Track, Structures & Signals

Map of Project:



Project Scope Summary:

- The Track, Structures and Signals SoGR program includes the rehabilitation and replacement of existing Metrolink-owned and maintained track, structures, signal systems, and grade crossing warning systems.

Project Benefit:

- Maintain State of Good Repair.
- Improve Service Reliability.
- Reduce Operating Cost.
- Reduce Train Accidents.

Project Status and Continuing Activities:

- Signal design CTOs were completed Jun 2024 for FY21 projects.
- Additional signal Construction CTOs are in progress with anticipated construction completion date of Dec 2024 to Dec 2025 for FY 22 projects.
- Additional crossings and rail work identified under FY22 project funds. Fairplex Crossing completed in September 2024. Rail replacement scheduled in Nov 2024.
- Contract was executed for FY20 Structure Rehab and construction mobilization started in Oct 2023.
- Bridge strengthening and waterproofing work occurred at Bridge 29.62 in August 2024. Working on closeout.
- MP 35.9 culvert replacement occurred in June 2024.

Schedule Summary

Milestone	Actual/[Forecast]	
	Start	End
FY2018-19	Apr-19	[Dec-24]
FY2019-20	Mar-20	[Feb-24]
FY2020-21	Jul-21	[Oct-24]
FY2021-22	Jul-22	[Jun-26]

Project Notes of Interest:

- The Fiscal Year Rehab budget is approved on an annual basis by the Member Agencies, MTA and SBCTA via a 60%/40% funding allocation split, respectively.

Budget Status (\$000s)

Project Category	Budget	Expend
2019	7,952	7,411
2020	16,067	12,967
2021	4,547	3,705
2022	9,048	4,402
2024	10,249	2
Total	47,863	28,488

Project Risk:

- No risk items to report.

Safety:

- Bridge 19.79 required a special bridge inspection due to the condition of the Bridge Deck. Special Inspection occurred in September, temporary repairs were recommended and scheduled. More frequent inspections recommended for the bridge until a permanent improvement is designed and funded.

Funding Sources (\$000s)

Federal	17,428
State	1,442
Local	28,993
Total	47,863

Project Manager: Aaron Azevedo

azevedoa@scrra.net

Public Affairs Contact: Laurene Lopez

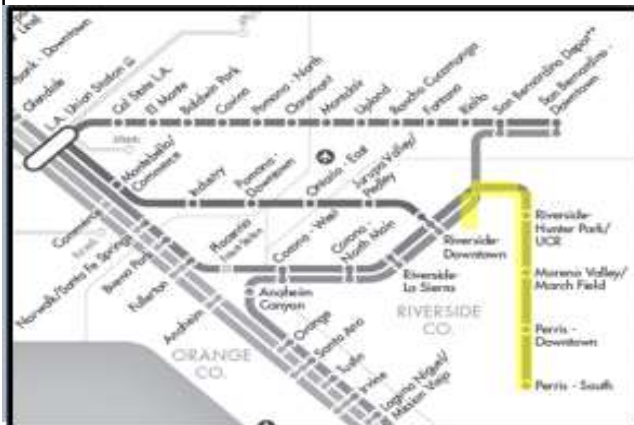
lopezl@scrra.net

Subdivision: Perris Valley Line

Asset Type: Track, Structures, & Signals

Perris Valley Line - Track, Structures & Signals

Map of Project:



Project Scope Summary:

- The Track, Structures and Signals SoGR program includes the rehabilitation and replacement of existing Metrolink-owned and maintained track, structures, signal systems, and grade crossing warning systems.

Project Benefit:

- Maintain State of Good Repair.
- Improve Service Reliability.
- Reduce Operating Cost.
- Reduce Train Accidents.

Project Status and Continuing Activities:

- NEPA-CE for PVL Box Springs and CP Citrus is under review by FTA. 30% Design submittal review comments from SCRRA are being addressed by the Designer.
- Signal design CTO completed Jun 2024. Began RFP for signal installation work at Riverside switch.

Project Notes of Interest:

- The Fiscal Year budget is approved on an annual basis by the Member Agency, RCTC.
- FY2023-24 Project FTA Funding pending environmental clearance and not including in funding in this report.

Project Risk:

- RCTC is considering expanding the Scope of Work to address global issues outside of the Railroad Right of Way related to the project.

Safety:

- No safety items to report.

Schedule Summary		
Milestone	Actual/[Forecast]	
	Start	End
FY2018-19	Jul-19	Jun-23
FY2020-21	Jul-21	[Dec-24]
FY2021-22	Jul-22	[Jun-26]

Budget Status (\$000s)		
Project Category	Budget	Expend
2019	2,880	2,808
2021	4,506	2,129
2022	2,015	53
Total	9,401	4,990

Funding Sources (\$000s)	
Federal	9,401
Total	9,401

Project Manager: Aaron Azevedo
azevedoa@scrra.net
Public Affairs Contact: Laurene Lopez
lopezl@scrra.net

Subdivision: River

Asset Type: Track, Structures, & Signals

River Corridor - Track, Structures & Signals

Map of Project:



Project Scope Summary:

- The Track, Structures and Signals SoGR program includes the rehabilitation and replacement of existing Metrolink-owned and maintained track, structures, signal systems, and grade crossing warning systems.

Project Benefit:

- Maintain State of Good Repair.
- Improve Service Reliability.
- Reduce Operating Cost.
- Reduce Train Accidents.

Project Status and Continuing Activities:

- 90% design for Arroyo Seco Bridge to complete by Nov 1, 2024.
- Soto St Bridge Construction completed June 2024, in closeout phase.
- Additional signal construction CTO is in progress for CP Capitol and CP Dayton with construction completion date of Dec 2024 to Dec 2025.
- Turnout Rehab construction at CP San Diego Jct. & CP Chavez is in progress: long lead materials received in Sep 2024, work scheduled to be completed by Dec 2024.

Project Notes of Interest:

- The Fiscal Year SoGR budget is approved on an annual basis by all the Member Agencies.

Project Risk:

- No risk items to report.

Safety:

- No safety items to report.

Schedule Summary		
Milestone	Actual/[Forecast]	
	Start	End
Reprogrammed	Jul-23	[Dec-24]
FY2016-17	Jul-17	[Dec-24]
FY2018-19	Jul-19	[Dec-24]
FY2020-21	Jul-21	Dec-23
FY2022-23	Oct-23	[Jun-27]

Budget Status (\$000s)		
Project Category	Budget	Expend
2019	5,959	3,959
2021	2,748	1,723
2023	6,950	5
2024	4,000	-
Reprogrammed	2,663	195
Total	22,321	5,882

Funding Sources (\$000s)	
Federal	9,994
State	109
Local	12,217
Total	22,321

Project Manager: Aaron Azevedo
azevedoa@scrra.net

Public Affairs Contact: Laurene Lopez
lopezl@scrra.net

Subdivision: Systemwide

Asset Type: Equipment

Bombardier Passenger Car Rebuild

Map of Project:



Project Scope Summary:

- The purpose of this midlife overhaul is to improve passenger comfort and safety, reliability, appearance and upgrade to current standards. The overhaul will replace and upgrade worn and marginal running gear, hardware, systems and components to extend the useful life of the cars. Fifty (50) Gen 1 cars are currently under contract.

Project Benefit:

- Maintain State of Good Repair
- Reduce Operating Cost
- Grow and Retain Ridership
- Increase Service Reliability

Project Status and Continuing Activities:

- 36 cars delivered to LA through Sept 2024.
- 34 cars conditionally accepted and all are in service
- 6 more cars to be delivered by Dec 2024.

Project Notes of Interest:

- The current fleet of 121 Bombardier passenger rail cars consists of (88) Gen 1 cars, (7) Gen 2 cars and (26) Gen 3 cars with delivery dates of 1992, 1997 and 2002, respectively; none have undergone midlife overhaul.
- A contract with Talgo-Systra was executed June 28, 2019 for base order of 50 cars for \$64M.
- Option Order executed with \$30M of FY23 and \$35M of FY24 budget for additional 38 cars - total 88 cars.

Project Risk:

- Out of Scope Repair: increase in the cost and schedule delays due to repairs required to perform by out-of-scope works.
- Change Order Upgrade: system enhancements and design upgrades raising project cost.

Safety:

- No safety items.

Schedule Summary

Milestone	Actual/[Forecast]	
	Start	End
Start of Project	Jan-18	
Procurement (Including Re-Bid)	Mar-18	Jun-19
Final Design/FAI Approval	Jun-19	Sep-21
Pilot Cars (1st & 2nd Car)		Sep-21
Delivery - 28th Car		[Apr-24]
Delivery - 50th Car		[Aug-25]
Closeout (CDRL & Cert of Comp)		[Dec-27]

Budget Status (\$000s)

Project Category	Budget	Expend
Prof. Services (CM, PM, Other)	6,343	5,297
Rolling Stock	114,750	52,367
Agency	3,436	2,404
Project Reserve	1,405	-
Total	125,934	60,067

Funding Sources (\$000s)

Federal	44,597
State	27,929
Local	53,409
Total	125,934

Project Manager: DK Ha

had@scrra.net

Public Affairs Contact: Laurene Lopez

lopezl@scrra.net

Subdivision: Systemwide

Asset Type: Communications

Communication Systems Rehabilitation

Map of Project:



Project Scope Summary:

- Train Control Systems Rehabilitation addresses major subcomponents to sufficiently rehabilitate aging infrastructure and growing backlog of Communication Systems. Annual rehab efforts include: WMS-upgrade, AC, battery, fiber, radio, audio and visual communication information systems rehabilitation.

Project Benefit:

- Maintain State of Good Repair
- Improve service reliability
- Reduce operating cost
- Reduce train accidents

Project Status and Continuing Activities:

- Systemwide Initiatives: WMS Upgrade across all subdivisions and is expected to be completed by October 2024; Completion pushed to December 2024
- Valley: Designs for VHF Radio Upgrade and CIS Upgrades at Sun Valley, Acton, Newhall, Sylmar, Burbank Downtown Station and Glendale Stations are all in-progress; Santa Clarita Station CIS Upgrade is in construction.
- San Gabriel: Communication Fiber design from San Bernardino to Rancho Cucamonga Station and VHF Radio Upgrade Designs are underway.
- Ventura: Construction of Phase I Fiber buildout from CP Colonia to CS Moorpark completed April 2024; Phase II Fiber Buildout from CS Moorpark to CP Las Posas is in-progress. The CIS Upgrade at Burbank Airport is in design.
- River: Communication shelter Pole Rehab completed June 2024.
- Orange Line: CIS Upgrade at Buena Park Station completed Apr 2024; Fiber Witness Post Rehab and Fiber Installation to
- Perris Valley: Fiber Installation to Intermediates is in-progress.

Schedule Summary		
Milestone	Actual/[Forecast]	
	Start	End
FY2019-20	Dec-19	[Jun-24]
FY2020-21	Jul-21	[Jun-24]
FY2021-22	Sep-22	[Jun-25]
FY2022-23	24-Mar	[Dec-26]
FY2023-24	24-Jul	[Jun-27]

Budget Status (\$000s)		
Project Category	Budget	Expend
FY2018-19	50	50
FY2019-20	2,304	2,222
FY2020-21	3,284	3,089
FY2021-22	4,925	1,015
FY2022-23	3,666	125
FY2023-24	4,395	-
Total	18,624	6,501

Funding Sources (\$000s)	
Federal	9,748
State	429
Local	8,446
Total	18,624

Project Notes of Interest:

- Projects are funded on an annual basis by Member Agency per line/county.
- FY23 projects have been approved and ready for use.

Project Risk:

- Limited line-specific funding due to focus on systemwide projects, may delay completion of current initiatives.
- CIS Upgrades are needed at Stations that are not along adjacent Metrolink maintained track, along the 91 and Riverside Lines and on the LA portion of the Orange line. There is not an established funding mechanism for Annual Requests in these locations.

Safety:

- No known safety issues at this time.

Project Manager: DeAndre Conley
conleyd@scrra.net

Public Affairs Contact: Jeanette Flores
floresj@scrra.net

On-Board Train Control Systems Rehabilitation

Map of Project:



Project Scope Summary:

- Systemwide On-Board Train Control Systems Rehabilitation addresses PTC, Centralized Train Control systems and equipment to sufficiently rehabilitate aging infrastructure and growing backlog, including Software and Hardware for locomotives and cab cars.

Project Benefit:

- Maintain State of Good Repair
- Improve service reliability
- Reduce operating cost
- Reduce train accidents

Project Status and Continuing Activities:

- Global Positioning System Upgrade: Pilot phase in works which consists of upgraded one of each model of SCRRRA rolling stock fleet. Upgrade process to take an estimation of 2 years on all operational units.
- TMC Upgrade: all operations units have been upgraded. 8 remaining TMC's to be upgraded. Estimate time of completion to be end of 2024.
- Next Gen Data Radio: Procurement of new Data Radios pending MCC rollout plan.
- Upgrades of PTC Simulators: Procurement of new Simulator software and hardware bring existing simulators location at LAUS to a state of good repair.

Project Notes of Interest:

- An annual budget of \$2.5M is typically allotted for On-Board Train Control Systems Rehabilitation initiatives.
- FY23 Funding executed April 2024.
- FY24 Funding executed July 2024
- Current Initiatives: 1) Upgrade of Train Management Computer TMC-4 to TMC-5 on 115 units plus 15 spares; 2) Procurement and Installation of upgraded Global Positioning System across the Metrolink rolling stock.

Project Risk:

- Procurement - potential delays to Hardware acquisition and shipping delays that are out of Metrolink control.

Safety:

- No known safety concerns at this time.

Schedule Summary

Milestone	Actual/[Forecast]	
	Start	End
FY2018-19	Apr-19	Jun-23
FY2020-21	Jul-21	[Dec-24]
FY2021-22	Sep-22	[Dec-25]

Budget Status (\$000s)

Project Category	Budget	Expend
2021	2,300	2,154
2022	2,500	26
2023	2,500	9
2024	2,500	-
Total	9,800	2,189

Funding Sources (\$000s)

Federal	5,145
Local	4,655
Total	9,800

Project Manager: Jairo Rodriguez

rodriguezj@scrra.net

Public Affairs Contact: Jeanette Flores

floresj@scrra.net

Subdivision: Systemwide

Asset Type: PTC

Back-Office Train Control Systems Rehabilitation

Map of Project:



Project Scope Summary:

- Addresses PTC, Centralized Train Control systems and equipment to sufficiently rehabilitate aging infrastructure and growing backlog; this includes upgrading and or replacing dispatching workstation equipment, Train Control software and hardware, and Back Office systems backup equipment. Testing enhanced field and office software (CAD, BOS, ITCM, etc.) in preparation of implementation into the production environment.

Project Benefit:

- Maintain State of Good Repair
- Increased reliability of train control network
- Increased safety and business continuity

Project Status and Continuing Activities:

- Ongoing engineering, IT, and back office support for Train Control rehab.
- CTC over ITCM SOW in process
- Purchased additional Dell workstations & laptops
- Requisition created for the purchase of UPS batteries and server rack at the MOC data center
- Recently purchased Cisco network routers and switches from Q2 are being configured and tested.
- PTC Network Engineering Administrator continuing to support rehab of back office and field routers/switches.
- Continuing to plan for FY2025 purchases and rehab of back office production equipment

Schedule Summary

Milestone	Actual/[Forecast]	
	Start	End
FY2018-19	Apr-19	[Apr-24]
FY2020-21	Jul-21	[Sep-24]
FY2021-22	Dec-22	[Dec-25]

Budget Status (\$000s)

Project Category	Budget	Expend
2019	2,925	2,814
2021	2,520	2,349
2022	2,500	377
2023	2,500	256
2024	2,500	-
Total	12,945	5,795

Funding Sources (\$000s)

Federal	6,385
Local	6,560
Total	12,945

Project Notes of Interest:

- Back-Office PTC Rehabilitation funded annually by Member Agencies (all-share);
- Metrolink adhering to FRA regulations & industry interoperability requirements with partners;
- Annual funding required due to a phased rehab approach.

Project Risk:

- Internal staffing and manpower. Back office in need of additional dedicated resources. Currently relying on consultants.

Safety:

- Minimize risk of train control and revenue service interruption
- Reduced probability of train control equipment and hardware failure and service interruption.
- Software upgrades with safety enhancement features.

Project Manager: Sasank Kudtipudi

kudtipudis@scrra.net

Public Affairs Contact: Jeanette Flores

floresj@scrra.net

Rolling Stock State of Good Repair

Map of Project:



Project Scope Summary:

- The Rolling Stock State of Good Repair program includes annual allotments for the rehabilitation and replacement of existing Rolling Stock Equipment and its components.

Project Benefit:

- Maintain State of Good Repair
- Increase system utilization
- Improve service reliability
- Reduce operating cost

Project Status and Continuing Activities:

- Rotem HVAC Overhaul: 80 of 136 HVAC units overhauled; 18/68 control panels overhauled; Amendment #3 executed for option order of 24 additional car sets to be overhauled.
- Bombardier HVAC Overhaul (180 units): 172 of 180 HVAC units overhauled; Amendment #6 executed for time extension to March-2025. Remaining 87 Bombardier HVAC Units: 13 of 87 units overhauled
- Rotem Emergency Window Gasket Replacement. RFP re-posted 7/10/24. Received one bid and under review.
- Rotem Emergency Window Gasket Replacement. RFP re-posted 7/10/24. Received one bid and under review.
- Cab Car DVR & Camera Replacement: Evaluating bids on RFP.
- Rotem Door Overhaul: 1) End-Door System Replacement - 35/137 cars completed; 2) Bel Fuse Power Supply - completed; 3) Lanka Exterior Staff Key - completed; 4) Data Logger - SOW package sent to procurement.
- Other Initiatives In-Progress: Passenger Seat Enhancement - Deliveries in progress.

Project Notes of Interest:

- Program consists of rolling, multi-year fundings, with combination of multi-year, continuation of projects (HVAC Overhauls) and some single-year funded projects.
- An additional \$11.6M was approved for FY23, which will be added to Dashboard following execution of FTA Grants.

Project Risk:

- Unsuccessful IFBs across multiple projects have continued to slow project progress.

Safety:

- No safety items.

Schedule Summary		
Milestone	Actual/[Forecast]	
	Start	End
FY2018-19	Apr-19	[Jun-25]
FY2019-20	Apr-20	[Jul-26]
FY2020-21	Sep-21	[Apr-26]
FY2021-22	Dec-22	[Jun-27]

Budget Status (\$000s)		
Project Category	Budget	Expend
2019	7,332	1,750
2020	3,225	2,583
2021	10,991	3,374
2022	2,200	820
2023	16,600	7
2024	15,385	20
Total	55,732	8,553

Funding Sources (\$000s)	
Federal	25,761
State	1,674
*Local	28,294
Total	55,732

Project Manager: Neil Brown
browna@scrra.net
Public Affairs Contact: Jeanette Flores
floresj@scrra.net

Subdivision: Systemwide

Asset Type: Track & ROW Maintenance

Track Maintenance

Map of Project:



Project Scope Summary:

- Systemwide Track Preventative Maintenance addresses recurring requirements to sufficiently maintain aging rail and track infrastructure. Rail Grinding prolongs the life of rail and minimize defects. Production Track Surfacing restores track profiles and cross sections. Orange Track Work rehabilitates infrastructure impacted by weather.

Project Benefit:

- Maintain State of Good Repair
- Improve service reliability
- Reduce operating cost
- Reduce train accidents

Project Status and Continuing Activities:

- Rail Grinding: 6-days of grinding completed in Apr 2024 (Orange, Olive, River & San Gabriel Subs). Next grinding will be in December 2024.
- Track surfacing continues systemwide.
- Orange Track Work: CCC comments received, preparing response to CCC. Completed 1,200-ft of track rehabilitation near Harvard Ave in September. Execution of new WD for drainage work on the Orange is in process.

Project Notes of Interest:

- Rail Surfacing was incorporated into the annual SOGR request with Systemwide Rail Grinding beginning in FY2020-2021.
- Track rehabilitation is identified by the Metrolink Rehabilitation Plan (MRP) and aligns with the combined track & signals maintenance RFP scope and implementation. Rail Grinding and surfacing addresses "rolling contact fatigue" (RCF) resulting in rail life savings. This work also addresses noise concerns and positively impacts ride quality.

Project Risk:

- If the program is not implemented in full, the remaining work that is beyond the rehabilitation limits will be added to the backlog in future years. Per FRA CFR 213 standards slow orders may be required if the project is not completed and may result in delays to passenger service.

Safety:

- No issues to report.

Schedule Summary		
Milestone	Actual/[Forecast]	
	Start	End
FY2018-19 - Systemwide	Apr-19	Jan-22
FY2019-20 - Systemwide	Mar-20	Dec-22
FY2020-21 - Systemwide	Jul-21	Jun-23
FY2020-21 - Orange	Sep-21	[Dec-24]
FY2021-22 - Systemwide	Dec-21	[Mar-24]

Budget Status (\$000s)		
Project Category	Budget	Expend
2020	979	979
2021	6,104	3,876
2022	3,500	2,364
2023	3,500	14
2024	3,500	0
Total	17,583	7,233

Funding Sources (\$000s)	
Federal	11,978
State	141
Local	5,464
Total	17,583

Project Manager: Fia AhSue
ausuef@scrra.net

Public Affairs Contact: Laurene Lopez
lopezl@scrra.net

Cell: T20

Comment: Aurangabadkar, Tanmai (Contractor)

Why are we talking about work completed in April 2024?

11/7/2024 4:10 PM

Southern California Optimized Rail Expansion (SCORE) Phase 1 - SCRRA Implemented Projects

Map of Project:



Project Scope Summary:

Implement rail infrastructure necessary to support expanded commuter rail passenger services, consisting of 30 minute peak hour peak direction service on the Ventura, San Bernardino, Orange County, and Antelope Valley Lines.

Project Benefit:

- Increased capacity and service
- Grow and retain ridership
- Operational flexibility

Project Status and Continuing Activities:

- Obtained SCRRA Board and SBCTA Commission approvals for the MOU Agreement for the Lilac to Sycamore Double Track Project
- Serve the Order of Possession, and commence the Independent Appraisal, for the Delaware ROW Acquisition on Simi Valley
- Obtained DEER Permit and Encroachment Permit approvals from Caltrans on the Marengo Siding project
- Development of the IFB for the San Gabriel Sub projects (El Monte Station, Marengo Siding and Rancho Cucamonga Siding) has commenced
- Construction & Maintenance (C&M) Agreements with stakeholders are being negotiated for the San Gabriel Sub projects
- GO 88-Bs are in development and review for the San Gabriel Sub projects

Project Notes of Interest:

- SCORE Phase 1 - approximately \$2.4 billion in secured funding to date for infrastructure projects consisting of additions or improvements to track, signals, stations, and maintenance facilities.
- \$107M TIRCP Supplemental 2023 Cycle 6 awarded for funding shortfalls for Simi Valley, El Monte, and BNSF Fullerton-Esperanza.
- \$30 million CRISI award funds the construction of a 4.8-mile third mainline track between CP Atwood and CP Esperanza on the BNSF San Bernardino Subdivision.
- \$107M TIRCP 2020 award for the Antelope Valley Line Capacity and Service Improvements Program.
- \$19.77M TIRCP grant awarded for construction of the Rail Yard Rehabilitation and Modernization (RYRM) portion of LinkUS Project.
- AVL Capacity Improvements was transitioned from Metro to Metrolink to lead Final Design and Construction; OCMF currently led by OCTA will be transitioned to Metrolink to lead Final Design and Construction upon completion of environmental phase.
- \$800K secured for construction of the wall adjacent to the Marengo Siding Project.

Project Risk:

- **Construction Cost Increase/Risks** - Design on major construction projects is substantially complete. There is anticipated higher than expected costs due increased material costs, increase cost for ROQ acquisitions, utility relocation and overall inflation. Team is analyzing solutions and determining ways to fill funding gaps
- **Timing of CTC Allocations and Delay in Receiving Program Supplements** - Identify timeframe to request allocations to avoid schedule delays or work stoppage due to cash flow issues; make direct contact with CTC staff. Ensure that draft Program Supplements are provided to SCRRA within 2 weeks of the CTC allocation approval. It has been 2.5 months since approval for the latest program supplement.
- **ROW Acquisitions** - Prioritize/phase ROW parcel acquisition based on critical path and establish workflow. Regularly inform member agencies and Caltrans of work progress towards ROW Certification. Manage ROW tracking matrix regularly and address open items.
- **Utility Coordination and Relocation** - A utility tracking matrix has been established to manage coordination efforts and progress; ongoing discussion with utility owners on funding agreements and relocation design.

Safety:

- No issues to report

Schedule:

- No schedule issues

Program Manager

María Leible
leiblem@scrra.net

Public Affairs Contact

Jeanette Flores
FloresJ@scrra.net

Schedule Summary*		
Milestone	Actual / [Forecast]	
	Start	End **
Start of Project (Phase 1)	Aug-18	
Design (5%/30%/60%/Final)	Sep-18	[Jan-27]
Environmental	Oct-18	Apr-24
ROW Agreements / Acquisition	Mar-20	[Apr-27]
Advertise - Award	Aug-19	[Oct-27]
Construction - Early Construction ***	Jan-20	Nov-23
Construction	Feb-21	[Jun-29]
Closeout		[Jun-30]

*Based on 6/30/24 Master Schedule Rebaseline
 **Serra Siding is in the environmental phase for an extended period and is not included in the schedule. Dates capture the addition of new projects (AVL, Sequoia, Cogswell) and have caused overall completion dates to shift.
 ***OC Interim Setout Track work and Signal Projects

Budget Status (\$000s)		
Project Category	Budget ⁽¹⁾	Expend
Design/Design Support	64,962	30,246
Materials	5,518	302
Construction	286,039	17,788
Maintenance	4,922	326
Third Party (RR Work Order)	203,924	71
Prof. Services (CM, PM, Other)	138,959	31,632
MIS	101	101
Agency	46,092	17,703
Project Reserve	32,843	-
Total	783,358	98,169

(1) Budgets have not been fully developed. Unallocated budgets are shown under Project Reserve. Budgets for the Rail Car Rebuild and RYRM projects are excluded.

Funding Sources (\$000s)	
Federal ⁽²⁾	\$81,528
State ⁽³⁾	\$617,804
Local ⁽⁴⁾	\$84,026
Other	\$0
Total⁽⁵⁾	\$783,358

(2) FRA-SGR, FHWA CARS, CRISI Grants
 (3) TIRCP, AHSC, STA Grants
 (4) LACMTA (Measure M, Measure R), City of Simi Valley
 (5) The funding shown does not include funds allocated directly to member agencies. SCRRA support for these projects will be added once agreements are finalized

Subdivision: Orange County Line

Asset Type: Track, Structures, & Signals

San Juan Creek Bridge

Map of Project:



Project Scope Summary:

- Construction of replacement for the existing 300-ft span thru-plate girder San Juan Creek Bridge built circa 1900 at MP 197.9 in the City of San Juan Capistrano on the LOSSAN rail corridor. The LOSSAN rail corridor serves Metrolink commuter trains (operated by SCRRRA), Amtrak intercity trains, and BNSF Railway freight trains and is identified as the second most heavily traveled intercity passenger rail corridor in the nation. The new bridge is a three-span 350-foot TPG bridge adjacent to the existing bridge to minimize impact to rail traffic and reduce construction complication and costs.

Project Benefit:

- Increase safety and prevent delays to customers
- Avoid interruption of freight train service
- Increase load capacity of the superstructure to meet high-wide heavy requirements and agreements with Freight partners

Project Status and Continuing Activities:

- Awarded San Juan Creek Bridge Contract in Dec 2023.
- NTP issued to Flatiron in March 2024. 1st Dry Season work occurred on the project, with dry season work completed on September 14, 2024. Contractor is now building the retaining wall outside of the channel
- Staff working on Coop Agreement with OCPW to extend Sheet Pile wall into OCPW R/W.

Project Notes of Interest:

- Design was completed under separate rehabilitation project (516621); remaining funds from that project will be transfer to capital project.
- Construction funding secured under a Co-op Agreement between SCRRRA and OCTA.
- The LOSSAN rail corridor serves Metrolink commuter trains (operated by SCRRRA), Amtrak intercity trains, and BNSF Railway freight trains and is identified as the second most heavily traveled intercity passenger rail corridor in the nation.

Project Risk:

- Schedule Delays: Activities in the river can only be performed during Dry Season per Environmental clearance.

Safety:

- None so far.

Schedule Summary		
Milestone	Actual/[Forecast]	
	Start	End
Environmental Approval	Apr-19	Jan-20
Design (SCRRRA Lead)	Dec-15	May-20
ROW Acquisition (OCTA Lead)	Dec-22	May-23
Construction Bid & Award (SCRRRA)	Jul-23	Dec-23
Construction (SCRRRA)	Dec-23	[Jun-26]
Closeout	[Jul-26]	[Dec-26]

Budget Status (\$000s)		
Project Category	Budget	Expend
Design and Design Support	1,119	176
Construction (Incl. Flagging)	44,474	9,061
Maintenance	3,507	43
Prof. Services (CM, PM, Other)	3,993	1,297
Agency	1,075	234
Project Reserve	5,206	-
Total	59,374	10,812

Funding Sources (\$000s)	
Federal	36,796
State	22,578
Total	59,374

Project Manager: Aaron Azevedo
azevedoa@scrra.net
Public Affairs Contact: Jeanette Flores
floresj@scrra.net

METROLINK

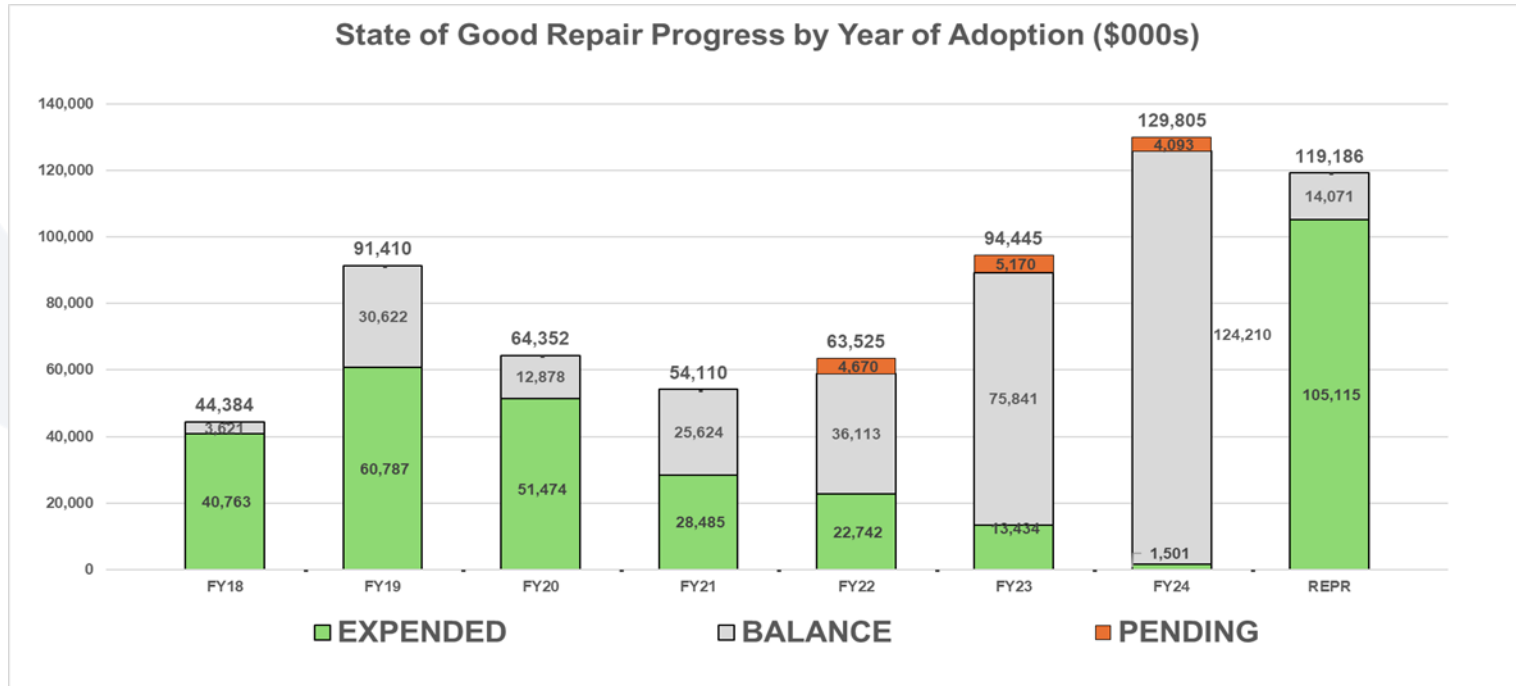
Capital Program Status Report

Receive and file.



Capital Program Status Overview

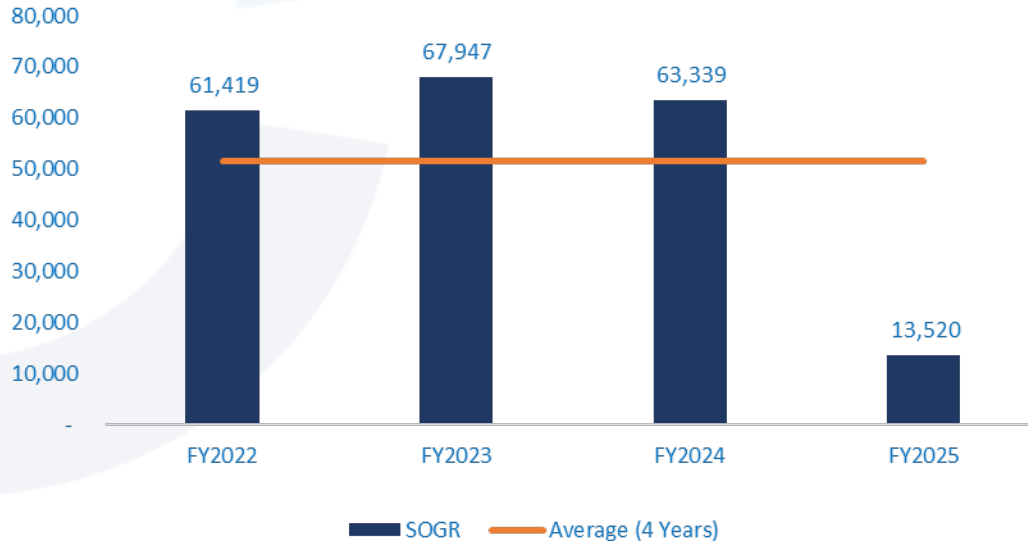
- Funding Awarded from FY18 to FY24 including reprogrammed is \$661M.
- Expended \$324M of funding Awarded from FY18 to FY24 to Sep 30, 2024.



Capital Program Status Overview

Expenditures through Sep 30, 2024

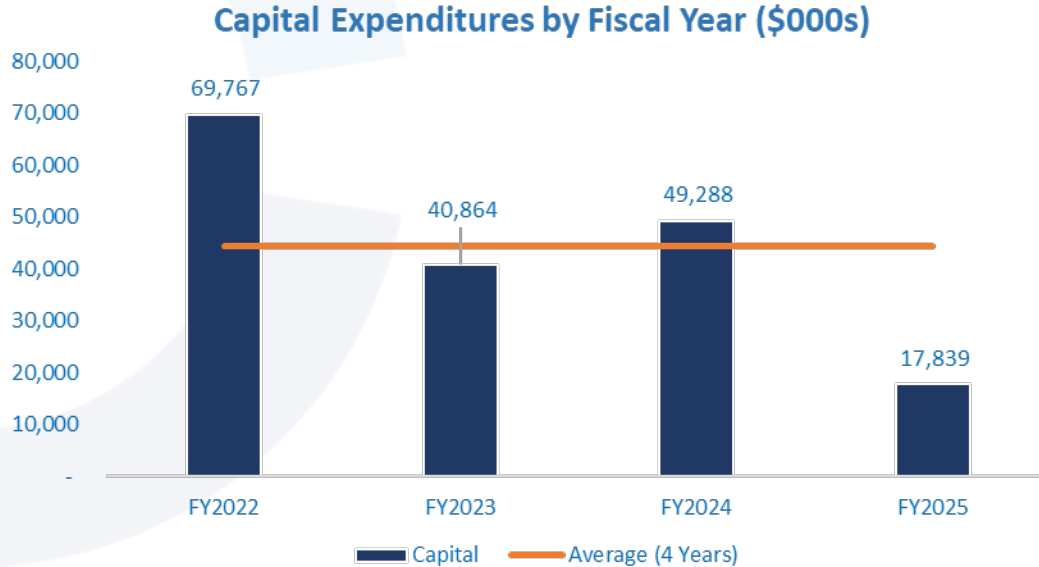
SoGR Expenditures By Fiscal Year (\$'000s)



State of Good Repair budget = \$647M - 188 active projects

Capital Program Status Overview

Expenditures through Sep 30, 2024



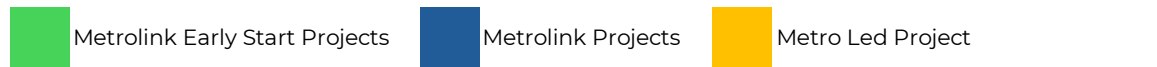
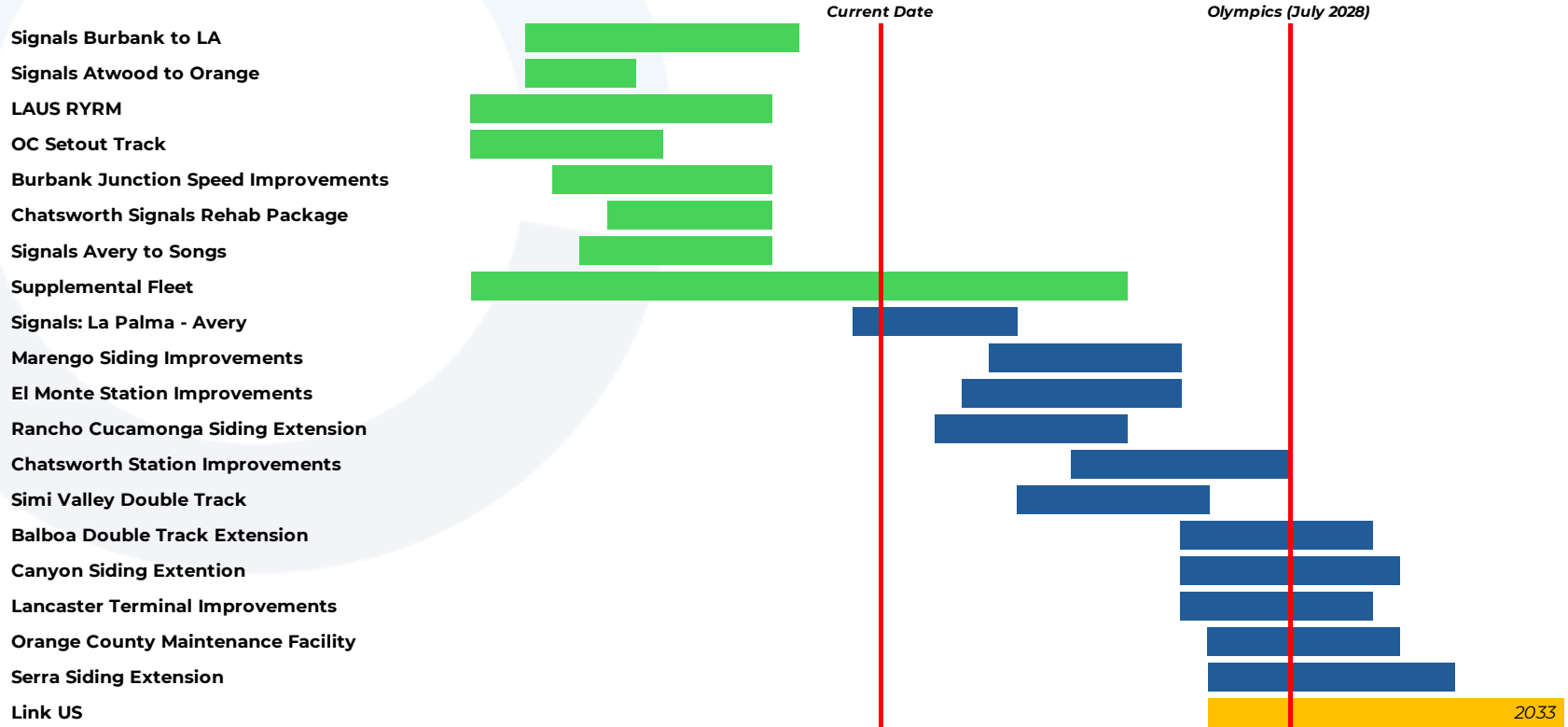
New Capital budget = \$1.2B - 81 active projects

Capital Program Accomplishments

SCORE

- Antelope Valley Line
 - Balboa Double Track Extension Project - commenced engagement with property and utility owners
 - Canyon Siding Project – completed 100% design comment resolution
 - Lancaster Terminal Improvements Project – commenced and advanced the 100% design submission
- Orange County Line
 - Signal Respacing La Palma to Avery Project - commenced and progressed construction
- San Bernardino Line
 - Cogswell Rd Grade Crossing Project - completed 60% design
- Ventura County Line
 - Completed 100% design on the Sequoia Avenue Grade Crossing Project
- General
 - Evaluated proposals for SCORE Construction Request for Qualifications Package.

SCORE: Phase 1 Construction Schedule **Schedule** METROLINK



Capital Program Accomplishments

- **Bombardier Passenger Car Rebuild**
 - 36 cars delivered to LA through Sept 2024.
 - 6 more cars to be delivered by Dec 2024
- **Rolling Stock SoGR**
 - Rotem HVAC Overhaul: 80 of 136 units overhauled.
 - Bombardier HVAC Overhaul: 172 of 180 HVAC units overhauled.



Capital Program Accomplishments

Antelope Valley Line SoGR Track

- Signal Construction CTO is in progress with anticipated construction completion date of Dec 2024 for FY 19-20 projects and Dec 2025 for FY 21-22.

Ventura Line

- Additional signal design CTOs are in progress and work planned to be complete by Dec 2025.

San Bernardino Line

- Additional signal Construction CTOs are in progress with anticipated construction completion dates from Dec 2024 to Dec 2025.



Capital Program Accomplishments

San Juan Creek Bridge Replacement Project

- NTP issued to FlatIron in March 2024. 1st Dry Season work occurred on the project, with dry season work completed on September 14, 2024



METROLINK

Before



After

Capital Program Accomplishments

River Corridor SoGR Track

- Additional signal construction CTO is in progress for CP Capitol and CP Dayton with construction completion date of Dec 2024 to Dec 2025.

Perris Valley Line

- Signal design CTO completed Jun 2024. Began RFP for signal installation work at Riverside switch.

Orange Line

- Verdugo Crossing house rehab scheduled for Oct 2024. Delayed due to material procurement issues but rescheduled for Nov 2024.



METROLINK

Thank you.



ITEM ID: 2024-356-0

TRANSMITTAL DATE: December 6, 2024

MEETING DATE: December 13, 2024

TO: Board of Directors

FROM: Noelia Rodriguez, Chief of Staff

SUBJECT: Election of Officers for 2025-2026 Term

Issue

Board elections for 2025 Chair, Vice-Chair, and 2nd Vice-Chair are required as the current term of officers expires at the end of this month.

Recommendation

It is recommended that the Board hold elections to be effective January 1, 2025, for the positions of:

1. Chair
2. Vice-Chair
3. 2nd Vice-Chair

Background

As background, the Joint Powers Agreement section 5.9 states:

The GOVERNING BOARD shall elect from its members a Chairman and Vice Chairman at its first meeting and thereafter at the first meeting held in each succeeding calendar year, the AUTHORITY shall elect or re-elect its Chairman and Vice Chairman. In the event that the Chairman or Vice Chairman so elected ceases to be a member of the AUTHORITY, the resulting vacancy shall be filled at the next meeting of the AUTHORITY held after each vacancy occurs. In the absence or inability of the Chairman to act, the Vice Chairman shall act as Chairman. The Chairman, or in his absence the Vice Chairman, shall preside at and conduct all meetings of the AUTHORITY.

The Board-approved Bylaws section 2.4 states:

The Chair and Vice-Chair shall rotate between the member agency county transportation commissions as follows:

Year	Chair	Vice-Chair	Second Vice-Chair
2025	Orange	Riverside	Ventura
2027	Riverside	Ventura	Los Angeles
2029	Ventura	Los Angeles	San Bernardino
2031	Los Angeles	San Bernardino	Orange
2033	San Bernardino	Orange	Riverside

As indicated in the Bylaws, the rotation for calendar year 2025 shall be:
 Chair – representative from Orange County Transportation Authority (OCTA)
 Vice-Chair – representative from Riverside County Transportation Commission (RCTC)
 2nd Vice-Chair – representative from Ventura County Transportation Commission (VCTC)

Discussion

With the continuation of the Committee structure, it is logistically necessary for elections of Chair, Vice-Chair, and 2nd Vice-Chair to occur in December, effective January 1, to establish new Committee assignments. This will ensure that new Committee assignments are communicated and scheduled appropriately, confirming a quorum will be achieved for each meeting.

Budget Impact

There is no budgetary impact as a result of this report.

Prepared by: Michelle Pena, Board Clerk

Approved by: Noelia Rodriguez, Chief of Staff