



BRIEFING: June 6, 2013 Board Meeting Agenda Item #3

TO: Chairman Richard and Board Members

FROM: Ben Tripousis

DATE: May 17, 2013

RE: Proposal to Amend the Memorandum of Understanding (MOU) with the San Joaquin Regional Rail Commission (SJRRC) to Transfer Leadership and Funding for Altamont Corridor Planning to the SJRRC

Background

In 2008, as part of the Bay Area to Central Valley Program EIR/EIS, the Authority made a commitment to pursue project development for improvements in the Altamont Corridor. These improvements were aimed at providing a regional rail connection between the northern San Joaquin Valley and the Bay Area to complement the high-speed rail system which uses the Pacheco Pass route to San Francisco via San Jose. The San Joaquin Regional Rail Commission (SJRRC) which operates the existing Altamont Corridor Express (ACE) service in the Altamont Corridor has been the Regional Partner to the Authority for this work since it began in November 2008. The relationship between SJRRC and the Authority was formalized in MOUs which were executed in May 2009 and June 2011.

A new/updated agreement is needed to reflect current policies defined in the 2012 Business Plan, plans developed by the Northern California Rail Partners Working Group, and the Authority's Early Investment Strategy for a Blended System in Northern California. The SJRRC has agreed to manage the future work in the Altamont Corridor on behalf of the Authority. This arrangement would be formalized in the proposed Amended Second MOU (ATTACHMENT A) which authorizes the Authority to transition this work effort to the SJRRC. The MOU also authorizes the SJRRC to utilize State funds to carry out a five year work plan (ATTACHMENT B) for improvements to and extension of the ACE system.

Discussion

Since 2008, the Authority has led the Altamont Corridor Rail Project, while the SJRRC has acted as one of the Authority's regional partners in planning for the Project. In the last two years, progress on the Project has been limited due to the need for the Authority to focus on its primary task – initial construction of the Initial Operating Segment (IOS) in the Central Valley. The Legislature appropriated \$36.4 million for the Altamont Corridor in SB 1029.

Both the Authority and the SJRRC are committed to improving ACE service on this corridor, and have determined that having the SJRRC lead the work is appropriate and will help ensure maintained progress.

To reflect this change in leadership, the Altamont Corridor work should be adjusted and made consistent with the 2012 Business Plan. Resources on this corridor should be focused on delivering near-term incremental improvements to the existing ACE service that can be achieved by 2018 (when the initial high-speed rail construction segment is completed) and by 2022 (when the high-speed rail initial operating segment is to be operational). This work should include connecting the ACE service to the Authority's initial northern terminus in Merced by 2022.

The following principles, consistent with and/or included in the referenced documents above are among the points of agreement that have been included in the Amended Second MOU and are being recommended for approval as part of the new/updated agreement with the SJRRC.

- The purpose of the agreement is to transfer leadership from the Authority to SJRRC while providing access to the funding appropriated in the California State Budget for the Altamont Corridor.
- The improvements proposed for the corridor would be phased so that in the near term the ACE service can continue to be provided using standard weight passenger consists.
- SJRRC's initial EIR/EIS work and planning will focus on improving and extending ACE service to downtown Modesto and then to downtown Merced to meet with the northern terminus of the Initial Operating Segment of the HST system.
- SJRRC's "ACEforward" workplan (ATTACHMENT B) is consistent with, and carries out a portion of the connectivity to the Altamont Corridor identified in the Authority's Revised 2012 Business Plan.
- The Authority will make available up to \$2,000,000.00 from previously appropriated funding, or more as funding becomes available to the Authority. The funds will be applied to planning and environmental work within the Region by the SJRRC (as described in detail in ATTACHMENT B). In subsequent years, the Authority will to the extent of available funds, make available additional funds to the SJRRC to further the purposes of the Amended Second MOU. SJRRC will actively seek grants and other funding from local, State and Federal sources so as to improve and to expand the existing ACE service in the Region. Annually or more often as needed the Authority and SJRRC will coordinate their legislative programs to avoid conflict or duplication.
- The Authority's "Altamont Corridor – Central Valley to San Francisco Bay Area" contract with AECOM (HSR 08-03) for EIR/EIS, engineering, planning, and other services will be transferred to the SJRRC effective on the signed date of the Amended Second MOU. This transfer is necessary to expedite SJRRC's EIR/EIS work, maintain continuity, take full advantage of previous work in the Altamont Corridor, and reduce costs.

Next Steps and Timetable

SJRRC will initiate a scoping process for the environmental review of the project as defined above and in ATTACHMENTS A and B. The Environmental Impact Report has a planned completion date of June 2016. Ultimately, SJRRC plans to have initial improvements completed for increased capacity and extension to Modesto by 2018. Final capacity improvements and extension to Merced are planned to be operational by 2022. Once completed, the service will operate up to 10 or more round trip trains per day.

Recommendations

Authority and SJRCC representatives have conducted numerous coordination meetings to outline a future work plan, identify potential funding, and prepare for a transition of management leadership to the SJRRC for the Altamont Corridor. The SJRRC has designated a lead manager who, in coordination with the Executive Director, will oversee the contract and work plan for the project once the Amended Second MOU is signed. Authority staff recommends that the Board authorize the Executive Director to execute the Amended Second MOU on behalf of the Authority.

Attachments

- A. CHSRA/SJRRC Draft Amended Second Memorandum of Understanding, May 2013
- B. *ACEforward* Work Plan