

Revised Agenda Item No. 29

Board of Directors Meeting

April 1, 2015

10:30 a.m.

Location:

San Bernardino Associated Governments
Santa Fe Depot - First Floor Lobby
1170 W. 3rd Street, San Bernardino, California 92410

Discussion Calendar

Transit/Rail

BNSF Redlands Subdivision Transfer of Maintenance Agreement

That the Board, acting in its capacity as the San Bernardino County Transportation Commission:

A. Authorize the Executive Director or his designee to execute an agreement between San Bernardino Associated Governments (SANBAG) and BNSF Railway (BNSF) to transfer maintenance, inspection, and regulatory reporting responsibilities of the Redlands Railroad Subdivision with the advice of and in form approved by the General Counsel.

B. Authorize the Executive Director or his designee to execute an agreement between San Bernardino Associated Governments (SANBAG) and the Southern California Regional Rail Authority (SCRRA) to maintain, inspect, and complete regulatory reporting for the Redlands Railroad Subdivision with the advice of and in form approved by the General Counsel in an amount not-to-exceed \$300,000 for the remainder of Fiscal Year 2014/15 and all of Fiscal Year 2015/16.

This item was revised to add recommendation "B" and to change the authority to delegate from the Metro Valley Study Session to the SANBAG Board of Directors.

Minute Action

AGENDA ITEM: 29

Date: *April 1, 2015*

Subject:

Redlands Subdivision Transfer of Maintenance Agreements

Recommendation:

That the Board, acting in its capacity as the San Bernardino County Transportation Commission:

A. Authorize the Executive Director or his designee to execute Agreement No. 15-1001277 between San Bernardino Associated Governments (SANBAG) and BNSF Railway (BNSF) to transfer maintenance, inspection, and regulatory reporting responsibilities of the Redlands Railroad Subdivision with the advice of and in form approved by the General Counsel.

B. Authorize the Executive Director or his designee to execute Agreement No. 15-1001278 between San Bernardino Associated Governments (SANBAG) and the Southern California Regional Rail Authority (SCRRA) to maintain, inspect, and complete regulatory reporting for the Redlands Railroad Subdivision with the advice of and in form approved by the General Counsel in an amount not-to-exceed \$300,000 for the remainder of Fiscal Year 2014/15 and all of Fiscal Year 2015/16.

Background:

For the Downtown San Bernardino Passenger Rail Project (DSBPRP) and Redlands Passenger Rail Project (RPRP), certain track and signal improvements are required on the Redlands Railroad Subdivision to complete final configuration and operations. Although the Redlands Railroad Subdivision is owned by San Bernardino Associated Governments (SANBAG), it currently is maintained by BNSF Railway (BNSF) per the original Purchase and Sale Agreement. BNSF is also the operating railroad and is responsible for all federal inspection and reporting requirements. The transfer of maintenance, inspection, and regulatory reporting requirements from BNSF to the Southern California Regional Rail Authority (SCRRA) has been discussed and was jointly determined by BNSF, SANBAG, and SCRRA that transfer of maintenance would be more cost effective and would greatly simplify the coordination and maintenance efforts required for the construction of the DSBPRP and the RPRP. A Shared Use Agreement currently exists between SANBAG and BNSF that stipulates SANBAG is responsible to take over maintenance and inspection of the Redlands Railroad Subdivision when passenger revenue service begins on the Subdivision. By assuming maintenance and inspection responsibilities early, SANBAG will realize an additional financial burden, however this burden will be offset by SANBAG being in control of the Subdivision allowing a more efficient and timely completion of current construction of DSBPRP and RPRP.

SCRRA's cost for maintenance, inspection, and reporting for the Redlands Railroad Subdivision is estimated to be \$50,000 for the remainder of Fiscal Year 2014/2015 and \$250,000 for Fiscal Year 2015/2016. These estimated costs are not included in SANBAG's operating subsidy to SCRRA. Since construction of the DSBPRP is anticipated to be completed in early 2017, SANBAG will include the yearly maintenance and inspection costs for the DSBPRP extension as

Entity: CTC

part of SANBAG's operating subsidy to SCRRA starting in the Fiscal Year 2016/2017 budget. Maintenance and inspection costs for the portion of the Redlands Railroad Subdivision east of E street, past the limits of DSBPRP will continue to be completed by SCRRA under a separate purchase order agreement until construction of RPRP begins.

As part of the proposed maintenance transfer agreement between BNSF and SANBAG; and purchase agreement between SCRRA and SANBAG, SCRRA will assume ultimate responsibility for maintenance of all track, signal, structure, and property of the Redlands Subdivision effective on the date SANBAG, SCRRA and BNSF sign a report of a joint field inspection. The joint field inspection is anticipated to occur by the end of April 2015, after the agreements with BNSF and SCRRA are executed. Staff is requesting the Board authorize the Executive Director or his designee to execute agreements with BNSF and SCRRA to complete the transfer of maintenance, inspection, and regulatory reporting requirements on the Redlands Railroad Subdivision to avoid potential construction related claims against SANBAG associated with the ongoing construction projects along the Redlands Subdivision.

Financial Impact:

This item is consistent with the current adopted Fiscal Year 2014/15 Budget.

Reviewed By:

This item has not received prior policy committee or technical advisory committee review.

Responsible Staff:

Mitch Alderman, Director of Transit and Rail Programs

Approved
Board of Directors
Date: April 1, 2015

Witnessed By: