Foothill Gold Line

Metro Gold Line Foothill Extension Construction Authority

406 East Huntington Drive, Suite 202
Monrovia, CA 91016-3640

p 626.471.9050 f 626.471.9049
www.foothillgoldline.org

Board Members:

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Appointee,
City of Pasadena

Sam Pedroza
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Alan D. Wapner
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Council Member,
City of Ontario
Appointee, SBCTA

Executive Officer:

Habib F. Balian
Chief Executive Officer

Agenda Item: 4

TO: Chair and Members of the Construction Committee

FROM: Habib F. Balian, Chief Executive Officer

DATE: September 6, 2017

SUBJECT: Approval of Cost of Living Adjustment (COLA)

RECOMMENDATION:

That the Construction Committee recommend to the Board of Directors approval of a fiscal year 2018 Cost of Living Adjustment (COLA) of 2.2% for all current Authority employees.

SUMMARY:

In fiscal year 2001, after reviewing the merit and COLA increase policies of comparative agencies, the Board directed staff to follow the Alameda Corridor Transportation Authority's (ACTA's) methodology that was based on the June Consumer Price Index (CPI) for salary escalation. The Authority methodology has been consistent since inception and uses a universally accepted year-to-year CPI from the U.S. Bureau of Labor Statistics.

In May 2017, the Board of Directors approved a fiscal year 2018 Budget with an allowance for a COLA increase to Authority staff. The actual COLA will be set by Board action.

In accordance with the operating budget assumptions, a COLA adjustment of 2.2% using the Authority's traditionally accepted methodology described above is warranted for all Authority employees.

BUDGET IMPLICATIONS:

The proposed COLA is consistent with the budget assumptions included in the fiscal year 2018 Operating Budget. Funds are available within the Authority Administration line item WBS 2.10.10.10.M, which has a $6.5 million FY18 operating budget.

DISCUSSION:

Since 2001, the Authority has based its COLA adjustments on the official Bureau of Labor Statistics Consumer Price Index Los Angeles- Riverside-Orange County. The fiscal year 2018 calculation was made based on this same index. The index of 240.522 for June 2016 and 245.900 for June 2017 represents an escalation rate of 2.2%.

The Authority's methodology is based on a year-to-year analysis of a universally accepted Consumer Price Index and is logical, accurate, and fiscally sound. A recent analysis by an outside agency recommends using an "annual to annual" methodology not currently used by the Authority which would result in a 1.8% COLA adjustment.

The Authority separates COLA adjustments from merit increases. Some other agencies combine or blend these two, using different vocabulary and mechanisms to achieve a very similar result. For example, the Alameda Corridor-East Construction Authority adds the COLA percentage to their pay ranges based on the Consumer Price Index but salary adjustments are merit based on a positive annual review.

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Based upon the Authority's traditionally accepted methodology, the COLA of 2.2% for fiscal 2018 appears reasonable. If approved by the Board, the Authority's salary ranges will be adjusted by the allowable calculated Cost-of-Living Adjustment (COLA).

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	Half 1	Half 2
1999	157.8	158.1	158.3	160.1	159.7	158.9	159.2	159.8	160.7	160.7	160.6	160.9		158.8	160.3
2000	161.3	162.4	163.9	164.0	164.4	164.3	165.0	165.3	166.3	166.9	166.6	166.7	164.8	163.4	166.1
2001	167.3	168.3	169.1	169.6	170.5	171.9	171.3	171.1	171.5	171.0	170.7	169.7	170.2	169.5	170.9
2002	171.5	172.8	173.8	174.8	175.4	174.7	175.0	175.6	176.3	176.5	177.0	176.7	175.0	173.8	176.2
2003	177.8	179.6	181.6	180.9	179.9	179.6	179.6	180.5	181.9	181.2	180.5	180.2	180.3	179.9	180.7
2004	181.7	183.4	184.9	185.2	186.8	187.4	186.8	186.5	187.8	189.8	190.3	188.5	186.6	184.9	188.3
2005	188.5	190.3	192.1	194.2	194.6	193.7	194.6	196.4	199.0	200.0	198.4	196.5	194.9	192.2	197.5
2006	198.3	199.9	200.8	202.9	205.0	204.2	204.5	205.0	205.3	203.5	203.3	202.9	203.0	201.9	204.1
2007	204.5	206.6	208.9	210.2	211.1	209.6	209.4	209.2	209.8	211.3	212.8	212.3	209.7	208.5	210.8
2008	213.8	214.2	216.5	217.9	219.7	222.4	223.2	221.2	220.3	218.7	214.1	211.0	217.8	217.4	218.1
2009	212.5	213.2	213.0	213.4	214.4	216.1	216.1	216.6	217.3	217.5	216.6	216.2	215.3	213.8	216.7
2010	217.3	217.1	218.2	218.5	218.8	218.2	218.4	218.8	218.4	219.3	218.7	219.6	218.4	218.0	218.9
2011	221.5	222.8	225.8	227.1	226.8	225.5	224.3	224.7	226.1	226.1	225.8	224.4	225.1	224.9	225.2
2012	226.2	227.6	230.3	230.0	230.2	228.9	228.4	230.2	231.1	233.4	230.4	228.9	229.6	228.9	230.4
2013	230.7	233.0	233.2	232.0	232.4	232.4	232.2	232.2	232.8	232.7	231.6	231.6	232.2	232.3	232.2
2014	232.6	233.9	235.5	235.7	236.6	236.9	237.0	236.5	236.5	235.9	233.9	232.3	235.3	235.2	235.3
2015	231.1	233.0	236.0	235.7	238.8	237.8	239.9	238.8	237.3	237.5	237.2	236.8	236.6	235.4	237.9
2016	238.6	238.3	239.1	239.5	240.3	240.5	240.6	240.3	240.9	241.9	240.8	240.8	240.1	239.4	240.9
2017	242.7	244.3	244.9	245.4	246.2	245.9								244.9	

Calcs	a	b	c=a-b	d=c/b
FY2001	164.3	158.9	5.4	3.4%
FY2002	171.9	164.3	7.6	4.6%
FY2003	174.7	171.9	2.8	1.6%
FY2004	179.6	174.7	4.9	2.8%
FY2005	187.4	179.6	7.8	4.3%
FY2006	193.7	187.4	6.3	3.4%
FY2007	204.2	193.7	10.5	5.4%
FY2008	209.6	204.2	5.4	2.7%
FY2009	222.4	209.6	12.8	6.1%
FY2010	216.1	222.4	-6.3	-2.8%
FY2011	218.2	216.1	2.1	1.0%
FY2012	225.5	218.2	7.2	3.3%
FY2013	228.9	225.5	3.5	1.5%
FY2014	232.4	228.9	3.5	1.5%
FY2015	236.9	232.4	4.5	1.9%
FY2016	237.8	236.9	0.9	0.4%
FY2017	240.5	237.8	2.7	1.1%
FY2018	245.9	240.5	5.4	2.2%
Total using June to June method				44.6%

	e	f	g=e-f	h=g/f	I	j	k=I-j	l=k/I	m=(h+l)/
FY2001	163.4	158.8	4.6	2.9%	160.3	156.5	3.8	2.4%	2.7%
FY2002	169.5	163.4	6.1	3.7%	166.1	160.3	5.8	3.6%	3.7%
FY2003	173.8	169.5	4.3	2.5%	170.9	166.1	4.8	2.9%	2.7%
FY2004	179.9	173.8	6.1	3.5%	176.2	170.9	5.3	3.1%	3.3%
FY2005	184.9	179.9	5.0	2.8%	180.7	176.2	4.5	2.6%	2.7%
FY2006	192.2	184.9	7.3	3.9%	188.3	180.7	7.6	4.2%	4.1%
FY2007	201.9	192.2	9.7	5.0%	197.5	188.3	9.2	4.9%	5.0%
FY2008	208.5	201.9	6.6	3.3%	204.1	197.5	6.6	3.3%	3.3%
FY2009	217.4	208.5	8.9	4.3%	210.8	204.1	6.7	3.3%	3.8%
FY2010	213.8	217.4	-3.7	-1.7%	218.1	210.8	7.3	3.5%	0.9%
FY2011	218.0	213.8	4.2	2.0%	216.7	218.1	-1.4	-0.6%	0.7%
FY2012	224.9	218.0	6.9	3.2%	218.9	216.7	2.2	1.0%	2.1%
FY2013	228.9	224.9	4.0	1.8%	225.2	218.9	6.3	2.9%	2.3%
FY2014	232.3	228.9	3.4	1.5%	230.4	225.2	5.2	2.3%	1.9%
FY2015	235.2	232.3	2.9	1.3%	232.2	230.4	1.7	0.8%	1.0%
FY2016	235.4	235.2	0.2	0.1%	235.3	232.2	3.1	1.4%	0.7%
FY2017	239.4	235.4	4.0	1.7%	237.9	235.3	2.6	1.1%	1.4%
FY2018	244.9	239.4	5.5	2.3%	240.9	237.9	3.0	1.3%	1.8%
Total using fiscal year annual-to-annual method									43.9%

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Executive Officer:

Habib F. Balian
Chief Executive Officer

Agenda Item: 5

TO: Chair and Members of the Construction Committee

FROM: Habib F. Balian, Chief Executive Officer

DATE: September 6, 2017

SUBJECT: Adoption of Foothill Extension Financial Plan for Phase 2A and Phase 2B - Revision 14

RECOMMENDATION:

That the Construction Committee recommend that the Board of Directors adopt the Foothill Extension Financial Plan for Phase 2A and Phase 2B - Revision 14 of $2,307.7 million.

SUMMARY:

In January 2017, the Board of Directors adopted the Foothill Extension Financial Plan 13. This Foothill Extension Financial Plan Revision 14 refers to the financial plan for both the close-out of the Pasadena to Azusa (Phase 2A) segment and the Glendora to Montclair (Phase 2B) segment underway. The Foothill Extension Financial Plan Revision 14 incorporates all new estimate information.

The attached proposed Foothill Extension Financial Plan Revision 14 incorporates the current assessment of changes to project revenues and expenditures that accurately reflect the most recent project outlook including an increase in Metro project costs, Measure M 3% local match and additional grade separations. Overall, the total proposed Foothill Extension Financial Plan Revision 14 for Phase 2A and Phase 2B increases to $2,307.7 million this includes the estimated project cost of the complete Phase 2B from Glendora to Montclair of $1,526 million. The estimated project cost to complete the Los Angeles County portion of Phase 2B from Glendora to Claremont is $1,456 million, which includes the two additional grade separations expected to be required by the CPUC.

On the revenue side, Foothill Extension Financial Plan Revision 14 increases to $2,307.7 million; changes in the major budget categories between Foothill Extension Financial Plan Revision 13 and Foothill Extension Financial Plan Revision 14 are illustrated in the table below. Measure R Phase 2B, Other Cap & Trade, Other Crossings and Cities have increased while LA County Source Not Yet Identified has decreased.

On the expenditure side, Foothill Extension Financial Plan Revision 14 increases to $2,307.7 million. Changes in the major budget categories between the Foothill

Extension Financial Plan Revision 13 and Foothill Extension Financial Plan Revision 14 are illustrated in the table below. Master Cooperative Agreements and Construction – Phase 2B costs have increased while Project Reserves has decreased.

Milestones in Foothill Extension Financial Plan Revision 14 that have occurred since Foothill Extension Financial Plan Revision 13 are:

- Phase 2A in closeout phase.
- No material lawsuits pending.
- Phase 2B is ongoing.

Foothill Extension Project Financial Plan - Revision 14 Summary

REVENUES	Adopted Rev 13	Proposed Rev 14	Proposed Variance
SCAG	1.0	1.0	0.0
Interest Income	2.0	2.0	0.0
Bridge Replacement	13.9	13.9	0.0
Phase 1 Carryover	4.0	4.0	0.0
Maintenance and Operation Facility	0.0	0.0	0.0
Cities	0.0	42.2	42.2
Real Estate - Phase 2	0.0	0.0	0.0
State SHA	0.0	0.0	0.0
Measure R – Phase 2A	741.0	741.0	0.0
Measure R – Phase 2B	69.5	96.5	27.0
SBCTA	70.0	70.0	0.0
Federal TCSP	2.9	2.9	0.0
Federal Bus Intermodal Plan	9.0	9.0	0.0
Federal New Starts 2004 MTA Passthrough	4.0	4.0	0.0
Federal New Starts 2005 MTA Passthrough	0.5	0.5	0.0
Federal New Starts 2006 Corridor Study	2.5	2.5	0.0
Measure M	1019.0	1019.0	0.0
Other (Cap & Trade)	78.0	249.2	171.2
Other Grade Separations	0.0	50.0	50.0
LA County Source Not Yet Identified	138.0	0.0	(138.0)
Total Foothill Extension Revenues	**2,155.3**	**2,307.7**	**152.4**

EXPENDITURES	Adopted Rev 13	Proposed Rev 14	Proposed Variance
Program Management and Admin	128.1	128.1	0.0
Master Cooperative Agreement	6.0	48.2	42.2
Real Estate Phase 2A including ROW Acq.	21.0	21.0	0.0
Utility Relocation	0.0	0.0	0.0
Hazardous Material/Environmental Services	0.0	0.0	0.0
Special Programs	0.3	0.3	0.0
Procurement / Vehicles	60.0	60.0	0.0
Construction - IFS	19.8	19.8	0.0

EXPENDITURES *(cont.)*	Adopted Rev 13	Proposed Rev 14	Proposed Variance
Construction – Phase 2A	331.9	331.9	0.0
Construction – Phase 2B	1374.0	1484.7	110.7
Construction - Parking Structures	44.3	44.3	0.0
Construction - M&O	47.0	47.0	0.0
Maintenance and Operation Facility Land	22.0	22.0	0.0
MTA Project Costs	64.0	64.0	0.0
Project Reserve	9.5	9.0	(0.5)
Contingency (Financing)	27.4	27.4	0.0
Total Foothill Extension Expenditures	**2,155.3**	**2,307.7**	**152.4**

BUDGET IMPLICATIONS:

The total Foothill Extension Financial Plan Revision 14 increases to $2,307.7 million.

DISCUSSION:

Below is an explanation of changes to the Foothill Extension Financial Plan Revision 14 by major category.

Revenues — $2,307.7 Million ($152.4 million increase):

SCAG - $1.0 Million (no variance)
To date, the Authority has received $0.93 million from SCAG related to the Alternatives Analysis work.

Interest Income - $2.0 Million (no variance)
The interest income budget has no change. This amount reflects the estimated interest income through the project.

Bridge Replacement - $13.9 Million (no variance)
To date, the Authority has received $13.9 million for bridge replacement.

Phase I Carryover - $4.0 Million (no variance)
To date, the Authority has transferred $4.0 million from Phase I to the Foothill Extension.

Maintenance and Operation Facility - $0 Million (no variance)
Maintenance and Operation Facility has no change.

Cities - $42.2 Million ($42.2 million increase)
Per Metro's policy, Cities are responsible for a 3% local match. The $42.2 million reflects the potential 3% contribution from the cities. The Measure M 3% local match will be satisfied by one of several options including grants and in-kind contributions from the six Phase 2B cities.

Real Estate - $0 Million (no variance)
The Real Estate budget reflects the expected Phase 2 real estate contribution from the MTA or other sources. The MTA previously paid and purchased the existing Foothill Extension ROW in the 1990's and

subsequently transferred to the Authority. The Authority does not expect additional real estate revenue.

State SHA - $0 Million (no variance)
The State SHA has no change.

Measure R – Phase 2A - $741.0 Million (no variance)
The Measure R – Phase 2A budget stays the same at $741.0 million for Phase 2A.

Measure R – Phase 2B - $96.5. Million ($27.0 million increase)
The Measure R – Phase 2B budget increase from $69.5 million to $96.5 million from additional unspent Phase 2A financing funds remaining from Metro.

SBCTA - $70.0 Million (no variance)
The SBCTA budget remains the same at $70.0 million.

Federal TCSP - $2.9 Million (no variance)
The Federal TCSP budget remains unchanged, which reflects the appropriated and committed amount to date.

Federal Bus Intermodal Plan - $9.0 Million (no variance)
The Federal Bus Intermodal Plan budget remains the same at $9.0 million, which reflects the amount in the recent Transportation bill for Bus and Bus Facilities of three years at three million per year.

Federal New Starts 2004 - $4.0 Million (no variance)
The Federal New Starts 2004 budget remains unchanged, which reflects the appropriated and committed amount to date.

Federal New Starts 2005 - $0.5 Million (no variance)
The Federal New Starts 2005 budget remains unchanged, which reflects the appropriated and committed amount to date

Federal New Starts 2006 Corridor Study - $2.5 Million (no variance)
The Federal New Starts 2006 budget remains the same at $2.5 million which includes the second-year corridor study.

Federal TCSP - $2.9 Million (no variance)
The Federal TCSP budget remains the same at $2.9 million which includes the Authority's environmental work for Phase 2B.

Measure M - $1,019.0 Million (no variance)
The Measure M budget remains the same at $1,019.0 million.

Other – Cap & Trade $249.2 Million ($171.2 million increase)
The Other budget increases from $78.0 million to $249.2 million. Previously the Other funds from Metro were anticipated to be Prop A, Prop C or a combination of both. Currently the Other funds budget source are Cap & Trade funds.

Other – Grade Separations $50.0 Million ($50.0 million increase)
The Other – Grade Separations budget increases from $0.0 million to $50.0 million. The Authority is working with the PUC to determine the necessity of potential grade crossings at Bonita & Cataract and White Avenue. The estimated costs for each of these crossings is $25 million.

LA County Source Not Yet Identified - $0 Million ($138.0 million decrease)
The LA County Source Not Yet Identified decreases from $138 million to $0.

Expenditures — $2,307.7 Million ($152.4 million increase):

Program Management & Administration - $128.1 Million (no variance)
Program Management and Administration budget remains the same at $128.1 million. This includes a combination of Authority Administration and Program Management work to reflect the current status of the project and the Authority's best estimate at this time.

Master Cooperative Agreements - $48.2 Million ($42.2 increase)
The Master Cooperative Agreements budget increases from $6.0 million to $42.2 million which is the 3% local match requirement from Metro for Cities.

Real Estate Phase 2A - $21.0 Million (no variance)
The Real Estate Phase 2A budget remains the same at $21.0 million. This amount is the current estimated cost to purchase additional properties necessary to complete the line based on our engineers' estimate including legal fees and environmental evaluations. Property acquisitions have been defined. All major properties have been acquired.

Utility Relocation - $0.0 Million (no variance)
The Utility Relocation budget remains the same at zero as that amount is included in the Contractors construction costs listed below in Construction – Phase 2A/M&O.

Hazardous Material and Environmental Services - $0.0 Million (no variance)
The Hazardous Material and Environmental Services budget remains the same at zero as that amount is included in the Contractors construction costs listed below in Construction – Phase 2A/M&O.

Special Programs - $0.3 Million (no variance)
The Special Programs budget remains the same at $0.3 million. This amount is attributable to the Authority's Arts Program.

Procurement / Vehicles -$60.0 Million (no variance)
The Procurement budget remains the same at $60.0 million, which is the expected cost of purchasing fifteen light rails vehicles for the Foothill Extension at $4.0 million each.

Construction IFS - $19.8 Million (no variance)
The Construction IFS budget remains the same at $19.8 million which is the current expectation of the project by the Authority. This IFS project is completed.

Construction Phase 2A - $331.85 Million (no variance)
The Construction Phase 2A budget stays the same at $331.85 million, which is the current expectation of the project by the Authority.

Construction Phase 2B - $1,484.7 Million ($110.7 million increase)
The Construction Phase 2B budget increases from $1,374.0 million to $1,484.7 million which is the current estimate of the Phase 2B project by the Authority.

The Measure M 3% local match is noted above in Master Cooperative Agreements with the Cities.

The estimated substantial completion date for Phase 2B construction is 2025.

The current budget for Phase 2B including Montclair is as follows:

Item	Amount
Design-Build	$748
ROW	$71
Prof Services / Cities	$264
Project Contingency	$182
Metro Costs	$221
Sub-Total:	**$1,486**
Planning	$40
Total:	**$1,526**

Construction 2C - $0.0 (no variance)
The Construction 2C budget remains the same at zero. The proposed Alternative Analysis work will not be completed at this time. This work originally was to be funded with 100% third party funding and zero Authority dollars.

Construction Parking Structures - $44.25 Million (no variance)
The Construction Parking Structures budget remains the same at $44.25 million which is the current expectation of the project by the Authority.

Construction M&O – $47.0 Million - (no variance)
The Construction M&O budget remains the same at $47.0 million. This amount represents the Authority's 25% share of with Metro responsible for the other 75% share. The Authority received a bid which validates this amount as reasonable.

Maintenance and Operation Facility Land - $22.0 Million (no variance)
The Maintenance and Operation Facility budget remains the same at $22.0 million to properly reflect the current status based on our engineers' current

Maintenance and Operation Facility Land - $22.0 Million (no variance)
The Maintenance and Operation Facility budget remains the same at $22.0 million to properly reflect the current status based on our engineers' current estimates. This amount is the Authority's 25% share of the M&O land costs. Metro's 75% share will come from a different revenue source directly from MTA.

MTA Project Costs - $64.0 Million (no variance)
The MTA Project Costs budget remains the same at $64.0 million to properly reflect the part of the amount per the proposed Measure R Funding agreement between the Construction Authority and the LACMTA.

Contingency (Financing) -$27.4 Million (no variance)
The Contingency or Finance budget remains the same at $27.4 million. This is reflected in the Funding Agreement amendment between the Metro Gold Line Foothill Extension and LACMTA at the request of Metro.

Project Reserve - $9.0 Million ($0.5 million decrease)
The Project Reserve budget decreases from $9.5 million to $9.0 million.

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Executive Officer:

Habib F. Balian
Chief Executive Officer

Agenda Item: 6

TO: Chair and Members of the Construction Committee

FROM: Habib F. Balian, Chief Executive Officer

DATE: September 6, 2017

SUBJECT: Receive and File: SCRRA Update

RECOMMENDATION:

That the Construction Committee receive and file this report.

SUMMARY:

It is likely that a material risk to the Foothill Gold Line's schedule and budget will arise as a result of SCRRA's involvement in the Project

BACKGROUND:

Right-of-Way Ownership and the FRA

The Glendora to Montclair extension of the Foothill Gold Line (the "Project") will generally be built within existing railroad right-of-way that was acquired by Metro and is currently held in trust by the Construction Authority. This railroad right-of-way has existing tracks that are used by BNSF and Metrolink for their operations. These existing tracks are generally in the center of the right-of-way and require relocation prior to construction of the light rail portion of the project. Of the 12.3-mile project, approximately 10 miles of the project requires the relocation of tracks used by BNSF only and approximately two miles requires relocation of tracks used by both BNSF and Metrolink.

In the mid-1990s, SCRRA was created as a joint powers authority. Around that time, Metro designated SCRRA to have responsibility for compliance with Federal Railroad Administration (FRA) requirements in the right-of-way (ROW) in which SCRRA operates, but Metro retained ownership of the ROW. According to 49 CFR 213.5, this designation does not relieve Metro of its responsibility for compliance. To undertake its delegated role, SCRRA subcontracts engineering design and compliance review to a third-party consultant.

The Pasadena to Azusa portion of the Foothill Gold Line contained the relocation of approximately three miles of existing track used by BNSF. During that phase of

the project, Construction Authority staff worked with SCRRA to ensure successful relocation of those tracks.

Responsibility for Design Review / Project Risk

Since the summer of 2015, it has become apparent that the obligation to work with SCRRA, rather than Metro on a Metro-owned facility is likely to create a material risk to the Project's schedule and budget. As the Construction Authority has entered into the advanced planning phase of the Glendora to Montclair phase of the project, SCRRA has not provided the appropriate level of cooperation or partnering that is required to make the Glendora to Montclair project a success. If this pattern of engagement continues, the Project could encounter material delays, delay-related cost overruns, as well as design and construction costs that would not otherwise have been incurred were it not for SCRRA's involvement. Examples include:

- SCRRA submitted an engorged funding request for design review of Project. SCRRA's budget request to review the Construction Authority's designs in FY18 alone was $2.7M; while Construction Authority's total budget to design the *entire* project is only $9M in FY18.
- SCRRA has created and mandated arbitrary grade crossing requirements before there is any indication that the light rail design would require such measures (e.g., SCRRA created a rule that if there are more than three tracks in a given location, then the Construction Authority must provide a grade separation regardless of whether it is technically required).
- SCRRA is duplicating and largely redesigning the Project, submitting 1,173 comments to the June 2017 Advance Conceptual Engineering (ACE) compared to 195 comments from Metro and 55 comments from SBCTA.
- SCRRA presents "moving targets" by making agreements and then rescinding those same agreements (agreed to grade crossing configurations at certain crossings and then rescinded agreement and required additional analysis).
- SCRRA requires a very different standard of acceptable work for itself versus what it requires of the Construction Authority.
- SCRRA is unwilling to perform work pursuant to a work authorization with prepayment, insisting that a planning agreement must first be executed. A prepaid work authorization is a very common way to get work started and was accepted by Caltrans without any hesitation.

If this lack of cooperation and partnering continues throughout the Project there will be significant schedule and cost ramifications to the Construction Authority, as well as likely to Metro based on Metro's involvement in funding the project plus Metro's continuing responsibility for FRA design-compliance as ultimate owner of the right-of-way. SCRRA's pattern of Project involvement must change in order to avoid risking significant schedule and cost impacts to the Project.