



BOARD OF DIRECTORS AGENDA

LOSSAN RAIL CORRIDOR AGENCY BOARD OF DIRECTORS MEETING

Monday, October 21, 2019
11:00 a.m. – 1:00 p.m.

Gold Coast Transit District
Board Room
1901 Auto Center Drive
Oxnard, California

Teleconference Sites:

Burbank City Hall
275 East Olive Avenue
Closed Session Room – 1st Floor
Burbank, CA

California Department of Transportation, Lanatt Street Warehouse
3390 Lanatt Street
Conference Room 1B/HQ – 1st Floor
Sacramento, CA

Orange County Transportation Authority
600 South Main Street
Conference Room 1234 – 12th Floor
Orange, CA

Poway City Hall
13325 Civic Center Drive
City Manager's Office
Conference Room 2118 – 2nd Floor
Poway, CA

San Diego Metropolitan Transit System
1255 Imperial Avenue
Executive Committee Conference Room – 10th Floor
San Diego, CA

Solana Beach City Hall
635 South Highway 101
Mayor's Conference Room – 1st Floor
Solana Beach, CA



BOARD OF DIRECTORS AGENDA

The public is welcome to attend and testify at any of the LOSSAN member agency locations listed above, all of which are accessible to the public. For more information, please contact LOSSAN Rail Corridor Agency staff, at (714) 560 5676 or e-mail oprado@octa.net, for specific meeting room locations at least 72 hours in advance of the meeting.

Any person with a disability who requires a modification, accommodation or agenda materials in an alternative format in order to participate in the meeting should contact the LOSSAN Clerk of the Board, telephone 714-560-5676, no less than two (2) business days prior to this meeting to enable LOSSAN to make reasonable arrangements to assure accessibility to this meeting.

Agenda Descriptions

The agenda descriptions are intended to give members of the public a general summary of items of business to be transacted or discussed. The posting of the recommended actions does not indicate what action will be taken. The Board of Directors may take any action which it deems to be appropriate on the agenda item and is not limited in any way by the notice of the recommended action.

Public Comments on Agenda Items

Members of the public may address the Board of Directors regarding any item. Please complete a speaker's card and submit it to the Clerk of the Board or notify the Clerk of the Board the item number on which you wish to speak. Speakers will be recognized by the Chairman at the time the agenda item is to be considered. A speaker's comments shall be limited to three (3) minutes.

All documents relative to the items referenced in this agenda are available for public inspection at www.lossan.org or through the LOSSAN Clerk of the Board's office at the OCTA Headquarters, 600 South Main Street, Orange, California.



BOARD OF DIRECTORS AGENDA

2019 BOARD OF DIRECTORS

(revision as of 7/26/19)

County	Members	Alternates
San Luis Obispo: 1 vote	Fred Strong Council Member, City of Paso Robles Member, San Luis Obispo Council of Governments	Jeff Lee Mayor, City of Grover Beach Member, San Luis Obispo Council of Governments Andy Pease Vice Mayor, City of San Luis Obispo Member San Luis Obispo Council of Governments
Santa Barbara: 1 vote	Gregg Hart Supervisor, 2nd District Santa Barbara County Board of Supervisors Member, Santa Barbara County Association of Governments	Cathy Murillo Mayor, City of Santa Barbara Member, Santa Barbara County Association of Governments
Ventura: 1 vote	Bryan MacDonald Council Member, City of Oxnard Member, Ventura County Transportation Commission	Jim White Representative, Ventura County Transportation Commission
Los Angeles: 2 votes	Jess Talamantes Council Member, City of Burbank Member, Los Angeles County Metropolitan Transportation Authority John Fasana Mayor, City of Duarte Member, Los Angeles County Metropolitan Transportation Authority	David Perry Representative, Los Angeles County Metropolitan Transportation Authority Mary Lou Echternach Representative, Los Angeles County Metropolitan Transportation Authority
Orange: 2 votes	Al Murray (Chairman) Executive Director, City of Tustin Chamber of Commerce Representing, Orange County Transportation Authority Tim Shaw Council Member, City of La Habra Member, Orange County Transportation Authority	Laurie Davies Mayor Pro Tem City of Laguna Beach Member, Orange County Transportation Authority Mark A. Murphy Mayor, City of Orange Member, Orange County Transportation Authority



BOARD OF DIRECTORS AGENDA

County	Members	Alternates
Riverside: 1 vote	Dana Reed (Vice Chairman) Council Member, City of Indian Wells Member, Riverside County Transportation Commission	(Vacant)
San Diego: 2 votes	Jewel Edson Deputy Mayor, City of Solana Beach Member, North County Transit District Caylin Frank Council Member, City of Poway Member, San Diego Metropolitan Transit System Ellie Haviland Deputy Mayor, City of Del Mar Member, San Diego Association of Governments	Priya Bhat-Patel Mayor Pro Tem, City of Carlsbad Member, North County Transit District Bill Sandke Mayor Pro Tem, City of Coronado Member, San Diego Metropolitan Transit System Ron Morrison Vice Mayor, City of National City Member, San Diego Association of Governments
Ex-Officio Members: Amtrak	(Vacant)	
California Department of Transportation	Kyle Gradinger Representative, California Department of Transportation	
California High-Speed Rail Authority	(Vacant)	
Southern California Association of Governments	Alan D. Wapner Council Member, City of Ontario Member, Southern California Association of Governments	

BOARD OF DIRECTORS AGENDA

Call to Order

Pledge of Allegiance

1. Public Comments

At this time, members of the public may address the Board of Directors regarding any items within the subject matter jurisdiction of the Board of Directors, but no action may be taken on off-agenda items unless authorized by law. Comments shall be limited to three (3) minutes per speaker, unless different time limits are set by the Chairman subject to the approval of the Board of Directors.

Special Calendar

There are no Special Calendar Matters.

Consent Calendar (Items 2 through 6)

All items on the Consent Calendar are to be approved in one motion unless a Board Member or a member of the public requests separate action or discussion on a specific item.

2. Approval of Minutes

Approval of the minutes of the LOSSAN Agency Board of Directors meeting of September 16, 2019.

3. 2020 Transit and Intercity Rail Capital Program Call for Projects

Michael Litschi

Overview

The California State Transportation Agency plans to issue a call for projects in October 2019 for the 2020 Transit and Intercity Rail Capital Program, which provides funding for transit, commuter rail, and intercity rail projects that help reduce greenhouse gas emissions. An overview of the program and the strategy for submission of projects on the Los Angeles - San Diego - San Luis Obispo rail corridor is provided for review.

Recommendation

Receive and file as an information item.

BOARD OF DIRECTORS AGENDA

4. **Fiscal Year 2018-19 Fourth Quarter Budget Status Report**

Jason Jewell

Overview

The Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency's Fiscal Year 2018-19 Budget was approved by the Board of Directors on March 29, 2018 and amended on June 18, 2018, in conjunction with the approval of the annual business plan for fiscal years 2018-19 and 2019-20. This report provides a summary of financial activities and performance through the fourth quarter of fiscal year 2018-19, covering the months of April, May, and June.

Recommendation

Receive and file as an information item.

5. **Los Angeles - San Diego - San Luis Obispo Rail Corridor Trends for the Third Quarter of Federal Fiscal Year 2018-19**

Roger M. Lopez

Overview

A report on ridership, revenue, and on-time performance trends for passenger rail services on the Los Angeles - San Diego - San Luis Obispo rail corridor, including the Pacific Surfliner, Metrolink, and COASTER, covering the third quarter of federal fiscal year 2018-19, is presented for consideration by the Board of Directors.

Recommendation

Receive and file as an information item.

6. **Proposed 2020 Board of Directors and Committee Meetings Schedule**

Jennifer L. Bergener

Overview

The Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency staff has developed a proposed Board of Directors and Committee meetings schedule for calendar year 2020 that was reviewed and approved by the Executive Committee, reflects prior informal direction from the Board of Directors, and is consistent with the development of key deliverables and actions for calendar year 2020.



BOARD OF DIRECTORS AGENDA

6. (Continued)

Recommendation

Approve the 2020 Board of Directors and Committee meetings schedule for the Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency.

Regular Calendar

7. **Amendment to the Federal Fiscal Year 2018-19 Operating Agreement with Amtrak for the Pacific Surfliner Intercity Passenger Rail Service**

Jason Jewell

Overview

In order to provide continued operation of the Pacific Surfliner intercity passenger rail service as included in the Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency business plan for fiscal years 2019-20 and 2020-21, it is necessary to amend the current federal fiscal year 2018-19 Amtrak operating agreement to include additional funding capacity. Consistent with prior approval and direction from the Board of Directors, staff is currently underway with negotiations with Amtrak for an operating agreement for federal fiscal year 2019-20. However, final terms are still under discussion and the current agreement must be extended to allow for the continuation of Amtrak Pacific Surfliner intercity passenger rail service until a new operating agreement is executed, with a maximum extension through March 30, 2020.

Recommendation

Authorize the Managing Director to amend the current operating agreement with Amtrak (Agreement No. L-7-0008) for the continued operation of the Pacific Surfliner intercity passenger rail service in an amount not to exceed \$18,600,000.

Discussion Items

8. **Managing Director's Report**

9. **Board Members' Report**

10. **Closed Session**

There is no Closed Session scheduled.



BOARD OF DIRECTORS AGENDA

11. Adjournment

The next regularly scheduled meeting of this Board will be held:

Monday, November 18, 2019

11:15 a.m. – 12:30 p.m.

Orange County Transportation Authority Headquarters

Board Room – Conference Room 07

550 South Main Street

Orange, California



MINUTES

Board of Directors' Meeting

Call to Order

The September 16, 2019 Board of Directors (Board) meeting of the Los Angeles - San Diego - San Luis Obispo (LOSSAN) Rail Corridor Agency (Agency) was called to order by Chairman Murray at 11:20 a.m., at the Orange County Transportation Authority (OCTA) Headquarters, Board Room – Conference Room 07, 550 South Main Street, Orange, California.

Chairman Murray announced that several of the Directors would participate in today's meeting via teleconferencing, and all votes would be taken by roll call.

Directors Present: Al Murray, Chairman
 Dana Reed, Vice Chairman
 Jewel Edson, NCTD (teleconference)
 John Fasana, Metro
 Caylin Frank, SDMTS (teleconference)
 Gregg Hart, SBCAG (teleconference)
 Ellie Haviland, SANDAG
 Bryan MacDonald, VCTC (teleconference)
 Tim Shaw, OCTA
 Fred Strong, SLOCOG
 Jess Talamantes, Metro (teleconference)
 Kyle Gradinger, Caltrans, Ex-Officio
 Alan D. Wapner, SCAG, Ex -Officio (teleconference)

Directors Absent: None

Staff Present: Jennifer L. Bergener, Managing Director
 Olga Prado, LOSSAN Agency Clerk of the Board
 Cassie Trapesonian, Assistant General Counsel

Pledge of Allegiance

The pledge of allegiance was led by Director Haviland.

1. Public Comments

There were no public comments.

Special Calendar

There were no Special Calendar Matters.

Consent Calendar (Items 2 through 6)

2. Approval of Minutes

A motion was made by Vice Chairman Reed, seconded by Director Strong, and following a roll call vote, declared passed 10-0, to approve the minutes of the LOSSAN Board of Directors meeting of July 15, 2019.

3. Fiscal Years 2019-20 and 2020-21 Business Plan and Fiscal Year 2019-20 Budget Update

A motion was made by Vice Chairman Reed, seconded by Director Strong, and following a roll call vote, declared passed 10-0, to receive and file as an information item.

4. Approval to Release Request for Proposals for Pacific Surfliner Videography and Photography Services

A motion was made by Vice Chairman Reed, seconded by Director Strong, and following a roll call vote, declared passed 10-0, to:

- A. Approve the proposed evaluation criteria and weightings for Request for Proposals 9-1432 for selection of a consultant to provide videography and photography services for the Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency.
- B. Approve the release of Request for Proposals 9-1432 for Pacific Surfliner videography and photography services for the Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency for a one-year initial term with two, two-year option terms.

5. Approval to Release Request for Proposals for Pacific Surfliner Creative Services

This item was pulled by Director Talamantes who inquired what the original contract terms included, which firm holds the contract, contractor, and why it was determined not to exercise the option years in the current contract.

Emilia Doerr, Marketing & Communications Officer, responded that the contract was originally awarded to Civilian, Inc. Ms. Doerr added that the LOSSAN Agency is restructuring its contracts for a more efficient scope focusing on creative services, and to utilize more of its in-house marketing capabilities.

Jennifer L. Bergener, Managing Director, stated that the procurement is open and fully competitive for qualified firms to bid. Ms. Bergener added that when staff previously procured services for this agenda item and for Item 4 on today's agenda, both services were combined, and it has now been determined that it is better to break these efforts apart. She added that it was entirely possible that the same firm could bid on both efforts and be successful, or there could be two different firms selected for each of these efforts.

A motion was made by Director Talamantes, seconded by Chairman Murray, and following a roll call vote, declared passed 10-0, to:

- A. Approve the proposed evaluation criteria and weightings for Request for Proposals 9-1542 for the selection of a consultant to provide creative services for the Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency.
- B. Approve the release of Request for Proposals 9-1542 for creative services for the Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency for a one-year initial term with two, two-year option terms.

6. Business Class Refresh Project - State Rail Assistance Program Funding

This item was pulled by Chairman Murray who inquired if staff could conduct a customer service survey to help measure the refresh project's success. Chairman Murray added that he was very optimistic that the business class refresh project will be very productive, and the survey will help the Board evaluate this project.

Jennifer L. Bergener, Managing Director, stated that the request will be taken as direction and staff will return to the Board with the full schedule for the business class upgrade and refresh project.

6. (Continued)

Director Hart echoed Chairman Murray's idea about the customer service survey. He asked Ms. Bergener to bring a future agenda item to the Board to provide a broader overview of the LOSSAN Agency's strategic plan for the use of State Rail Assistance (SRA) formula funds.

Ms. Bergener responded that staff will bring forward to the Board, an agenda item to highlight where the SRA and the Transit and Intercity Rail Capital Program (TIRCP) funds are anticipated to be programmed. Ms. Bergener added that staff provides updates on the overall program to the State as required by those funding sources and by the LOSSAN Agency's interagency transfer agreement.

A motion was made by Chairman Murray, seconded by Vice Chairman Reed, and following a roll call vote, declared passed 10-0, to:

- A. Approve the use of \$300,000 in fiscal year 2018-19 State Rail Assistance formula funds for the business class refresh project.
- B. Authorize the managing director to negotiate and execute all necessary agreements to facilitate the utilization of State Rail Assistance funding as described herein.

Regular Calendar

7. Corridor Optimization Update and Additional Scope

Jennifer L. Bergener, Managing Director, provided opening comments and introduced Roger M. Lopez, Manager of Planning and Analysis. Ms. Bergener stated that there are several tasks under the optimization effort that are interrelated, some will feed into the forthcoming TIRCP call for projects, and some are intended to provide immediate operating improvements along the corridor. Ms. Bergener added that this item's components and Item 8's on the agenda are related.

Mr. Lopez provided an update on the current status of the LOSSAN Agency's optimization effort as follows:

- The optimization effort was kicked-off in early February and was headed by a team from Deutsche Bahn Engineering & Consulting USA, Inc.
- The focus of this effort is the development of operating plans that will reflect the planned future service levels of the Pacific Surfliner, and included in that, are reviews of the capital investments that will be necessary to implement those service expansions.

7. (Continued)

- A schedule was developed to accelerate the effort to approximately 18 - 20 months.
- The acceleration was necessary given the role that the deliverables will play, especially as it relates to capital investments.
- There are five main tasks as part of the optimization effort, and a brief update on the status of each task and percentage of completion was provided.
- LOSSAN Agency staff was approached by its partners at the North County Transit District (NCTD) about the possibility of incorporating additional scope elements into the existing optimization effort.
- The goal for NCTD is to identify the preferred service alternative with the intent of increasing SPRINTER service that would allow improved connectivity between SPRINTER and the wider LOSSAN network, and then develop estimates on the capital projects that will be necessary to implement those increased service levels.
- The scope addition was at the request of a stakeholder, and to ensure full transparency, the amendment is being brought before the Board for approval.
- The scope is consistent with the overall goals of Tasks 3 and 4, and the time that NCTD will save by incorporating it into the LOSSAN Agency's efforts will allow NCTD to use the deliverables as it develops its own TIRCP applications.

A discussion ensued as follows:

- Director Talamantes offered the City of Burbank as a potential site for a stakeholder engagement meeting.
- Director Edson thanked everyone on behalf of NCTD for considering this item and felt this is a win-win situation for everyone.
- Director Hart also offered a location in Santa Barbara as a potential site for a stakeholder outreach meeting as there is a lot of interest in this optimization effort in the central coast area.
- Vice Chairman Reed asked if staff could provide the Board assurance that it is receiving complete cooperation from all the sources.
- Ms. Bergener responded that LOSSAN Agency staff held separate meetings with the host railroads to discuss their thoughts, ideas, and concerns. Staff has now started to schedule subsequent meetings with the rest of the member agencies and stakeholders, and at this point, is receiving full cooperation.
- Director Haviland supports this item and expressed her concerns about adding elements to the scope, contracting the project time frame, and ensuring that all tasks are done on time. She also inquired if the San Diego Association of Governments (SANDAG) has been contacted and if a schedule is being worked on.

7. (Continued)

- Ms. Bergener responded that LOSSAN Agency staff had an initial discussion regarding the TIRCP process with the Technical Advisory Committee at its last meeting, and NCTD hosted a meeting last week with staff from various agencies to discuss specific concepts with respect to capital projects. She added that LOSSAN Agency staff is now working on setting up the additional meetings.
- Ms. Bergener asked for support from the Board and the member agencies to provide staff the projects that each anticipates submitting to the TIRCP.

A motion was made by Chairman Murray, seconded by Director Strong, and following a roll call vote, declared passed 10-0, to:

- A. Authorize the Managing Director to negotiate and execute an Amendment to Agreement No. L-8-0017 between the Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency and Deutsche Bahn Engineering & Consulting USA, Inc., in the amount of \$86,026, for additional scope associated with performing corridor optimization services.
- B. Authorize the Managing Director to negotiate and execute an Agreement with North County Transit District for the reimbursement of the costs associated with the additional scope.

8. Pacific Surfliner On-Time Performance Analysis

Roger M. Lopez, Manager, Planning and Analysis, provided a PowerPoint presentation on this item as follows:

- Average Endpoint On-Time Performance (OTP) – Systemwide;
- Average Endpoint OTP: Detail by Train;
- Delay Analysis: Federal Fiscal Year (FFY) 2018-19, Quarter 3 (Q3) Year over Year;
- Delay Analysis FFY Q3 – Distribution by Host
- Initial Terminal Performance: FFY Q3;
- Delay Distribution – By Location;
- Train 777 – Delay Analysis;
- Conclusions – Q3; and
- Questions.

8. (Continued)

A discussion ensued as follows:

- Clarification on Slide 7 of the PowerPoint (Delay Distribution – By Location), and the cause for the increase in delay between the City of Fullerton and the Los Angeles County line was due to two fires in the BNSF Railway territory during this reporting period.
- The significant increase in delays between Old Town San Diego and Solana Beach is due to ongoing construction. Each schedule change is done in October and April of each year and staff tries to account for what is known at that point and makes schedule adjustments as needed.
- Inquiry as to when is it decided to eliminate a “poor performing” train.
- There are some trains that have poor OTP but generate good ridership and for those, staff looks for opportunities to improve the schedule, particularly if the issue is short-term because of construction.
- As it relates to trains 774, 777, and 785, which travel beyond the limits of Los Angeles, staff is working on ways to improve the OTP of those trains, such as performing en route cleaning or fueling in a different way to allow the train to turn around faster.
- The LOSSAN Agency is not at a place where it would terminate any of these trains but does look through the biannual scheduling process for every opportunity to improve OTP.
- Late train delays are very difficult for commuters on trains 792 and 759 on the north end of the corridor as these can often be more than an hour late, which causes a catastrophic effect on those commuters’ ability to get to work.
- Expressed appreciation to staff for the deep analysis of the delay issues in the north end of the corridor, and for working with Union Pacific Railroad (UPRR) on the signal issues which are the primary cause for the delays.

No action was taken on this receive and file information item.

9. Pacific Surfliner Ridership Trend Analysis

Roger M. Lopez, Manager, Planning and Analysis, provided a presentation on the Pacific Surfliner Ridership trend analysis as follows:

- In the fall of 2018, an initial analysis of the impacts of schedule changes associated with the implementation of peak-period service was performed.
- Since April of 2018, on average, the Pacific Surfliner has lost approximately 7.5 percent or roughly 19,000 riders per month. The decline in the Metrolink Rail 2 Rail ridership has nearly doubled, which indicates that the train adjustments are impacting both morning and evening commuters.

9. (Continued)

- Revenue has fared somewhat better, only losing on average less than half a percent, primarily due to items like the expanded business class, refresh of the Café car offerings, and the changes to the fare structure.
- The overall goal of the analysis was to see where ridership is being lost, try to isolate the reasons why some trains have challenges, and to identify ways to make changes moving forward.
- The impact to ridership throughout the year was not linear. The schedule adjustments in April 2018 had impacts on the overall system ridership; however, in October 2018, the ridership loss increased significantly following the schedule changes.
- Southbound and northbound average monthly ridership by train was provided.
- There will be additional schedule changes in October 2019 and the implementation of the 13th roundtrip. Staff will continue to monitor the performance as changes are implemented and will update the Board before the April 2020 schedule change about additional findings.

A discussion ensued as follows:

- LOSSAN Agency staff considers the Coast Starlight schedule as adjustments are made to Pacific Surfliner schedules and tries to ensure that as new or modified service is introduced, a space between those train connections is created.
- The LOSSAN Agency's Del Mar Races and Comic-Con International season is the agency's busiest time of the summer season. There is a slight dip in ridership when school starts, which picks up again around the Thanksgiving Holiday.
- The 13th roundtrip will only travel between San Diego and Los Angeles and will create another option, making transit in general a more viable option for riders.
- Staff continues its ongoing efforts with UPRR to initiate another roundtrip north of Los Angeles. This would include one to Goleta and the second to San Luis Obispo.
- Positive conversations with UPRR and at this point, UPRR has agreed to a program of projects that would enable the LOSSAN Agency to operate the two additional roundtrips. Staff is currently working with UPRR on the schedule for the implementation of those elements.
- At this point, there is no time frame related to the re-creation of the Coast Daylight. Staff has not lost sight of this effort, continues to have discussions, and is working closely with San Luis Obispo Council of Governments (SLOCOG) staff.

9. (Continued)

- Staff is currently focusing on the reinstatement of the bifurcated trains, is working to implement the 13th roundtrip in October 2019, and a potential 14th roundtrip in April 2020.

No action was taken on this receive and file information item.

10. Quarterly Marketing Update

Emilia Doerr, Marketing & Communications Officer, provided a PowerPoint presentation on this item as follows:

- Performance Summary;
- Pacific Surfliner Market Café;
- KDOC-TV Summer of Fun Promo (a short promotional video clip was shown);
- Rail Safety;
- Major League Baseball (a short promotional audio clip was played);
- Launch of New PacificSurfliner.com;
- Comic-Con & Del Mar Racing;
- Customer Engagement; and
- Looking Ahead;

A discussion ensued as follows:

- Vice Chairman Reed inquired if a connectivity agreement with Disneyland existed and if it was being marketed.
- The LOSSAN Agency has an ongoing promotion with Disneyland through the end of 2019 that includes a discount on the Disneyland Theme Park admission with an Amtrak reservation.
- In addition to the partnership with Disneyland, a Transit Transfer Program is still in place with OCTA and with the Anaheim Resort Transportation, which takes passengers directly from the train station to the theme park.
- The Transit Transfer Program is highlighted on the website and it is performing well.

No action was taken on this receive and file information item.

Discussion Items

11. Managing Director's Report

Jennifer L. Bergener, Managing Director, reported on the following:

- TIRCP Guidelines:
 - The guidelines were released on Friday, September 13th, and are set to walk agencies through the issuance and award of a five-year program that spans from 2020-2025.
 - The guidelines are in the comment period now through October 15th.
 - There will be workshops held in Southern California on November 5th and 6th, and the project applications are due January 16th.
 - The notice of award will be provided in April 1, 2020, which is also the deadline for the LOSSAN Agency to submit its annual business plan for approval.

- Tomorrow, Ms. Bergener and staff will travel to Hartford, CT, to attend the quarterly States-Amtrak Intercity Passenger Rail committee meetings where she currently serves as Chair.

Several topics will be discussed, including the LOSSAN Agency bylaws, status of equipment purchases, and other relevant information, and a report out to the Board will be provided as part of the next weekly report.

- Today's meeting location change was due to a necessary rail closure (bus bridge), and the October LOSSAN Agency Board meeting will now take place in Oxnard.
- Staff is working toward the implementation of the 13th roundtrip, which is scheduled to take place with the October schedule change.
- Staff is also initiating discussions with Amtrak and the host railroads for a 14th roundtrip, and the goal is to implement the 14th roundtrip in April 2020.
- Aside from some unplanned delays, the intercity service has performed as was expected during the bus bridge.
- Ms. Bergener will be a panelist at the annual Mobility 21 Transportation Summit next week to discuss alternative fuels, and will take the opportunity to talk about alternative fuel engines as has been recently discussed with the State's executive leadership.

11. (Continued)

- As it relates to the potential sea level rise and the viability of the LOSSAN corridor, various owners on the corridor are having discussions or performing studies, including NCTD, OCTA, and Metrolink.
- LOSSAN Agency staff just started sea level rise discussions with UPRR for its portion of the corridor. The LOSSAN Agency does not have its own independent effort but is coordinating and is a stakeholder in each of the aforementioned efforts. Santa Barbara would be under the jurisdiction of UPRR.
- Amtrak was asked to model the 14th roundtrip as a complete roundtrip from San Diego to San Luis Obispo. This will be contingent upon the conclusion of discussions with UPRR about the sequencing of introducing new service and the implementation of capital projects.

12. Board Members' Report

Director Hart reported that the Santa Barbara County Association of Governments (SBCAG) Traffic Solutions Division hosted events to promote train ridership, and there were approximately 300 attendees. SBCAG staff provided tutorials to attendees and the event was successfully covered by local media. In the future, SBCAG may include an agenda item for a LOSSAN Agency Board meeting to share the results of the events, as well to present on service work that SBCAG has been doing about train service.

Director Gradinger reported that the California Department of Transportation (Caltrans) has a new Director, Toks Omishakin, who is expected to arrive in Sacramento in October. In addition, Secretary David Kim was confirmed, 38-0, by the State Senate last Wednesday as Caltrans' Secretary of Transportation.

Director Haviland reported that later this month, the SANDAG Board will be asked to approve several items of interest to the LOSSAN Agency Board. One of the items is funding for additional COASTER trains in order to add additional commuter service, and the other is a new regional rail advanced planning study along the LOSSAN corridor in San Diego.

Director Strong reported that SLOCOG, working as the managing agency to the Coast Rail Coordinating Council, is moving ahead with UPRR and the State on extending service to San Jose.



MINUTES

Board of Directors' Meeting

12. (Continued)

Director Strong added that in his other capacities with various transportation agencies, he has been working closely with Go Rail and there have been expressed concerns that the chemical industry is trying to amend the Staggers Rail Act of 1980 and want the Federal Railroad Administration (FRA) to take over scheduling and rates for all freight rail lines and to allow, without restriction, the parking of hazardous chemical tank cars anywhere along the rails in California. Director Strong urged the Board to join Go Rail in trying to get the FRA to not approve the changes.

Chairman Murray thanked everyone for adjusting their schedule for today's Board meeting location due to the last minute rail closures.

13. Closed Session

There was no Closed Session scheduled.

14. Adjournment

The meeting of the LOSSAN Agency's Board adjourned at 12:38 p.m. The next regularly scheduled meeting of this Board will be held:

Monday, October 21, 2019

11:00 a.m. – 1:00 p.m.

Gold Coast Transit District

Board Room

1901 Auto Center Drive

Oxnard, CA 93036

ATTEST:

Al Murray
LOSSAN Chairman

Olga Prado
LOSSAN Clerk of the Board



October 21, 2019

To: Members of the Board of Directors

From: Jennifer L. Bergener, Managing Director

Subject: 2020 Transit and Intercity Rail Capital Program Call for Projects

Overview

The California State Transportation Agency plans to issue a call for projects in October 2019 for the 2020 Transit and Intercity Rail Capital Program, which provides funding for transit, commuter rail, and intercity rail projects that help reduce greenhouse gas emissions. An overview of the program and the strategy for submission of projects on the Los Angeles – San Diego – San Luis Obispo rail corridor is provided for review.

Recommendation

Receive and file as an information item.

Background

The California State Transportation Agency (CalSTA) released draft guidelines for the 2020 Transit and Intercity Rail Capital Program (TIRCP) on September 13, 2019. The TIRCP was created by Senate Bill (SB) 862 (Chapter 36, Statutes of 2014) and modified by SB 9 (Chapter 710, Statutes of 2015) to provide grants from the Greenhouse Gas Reduction Fund to support transformative capital improvements that will modernize California's intercity, commuter, and urban rail systems, and bus and ferry transit systems, while significantly reducing emissions of greenhouse gases, vehicle miles traveled, and traffic congestion.

The goal of the TIRCP is to provide funding for capital improvements and operational enhancements on public transit services in California that achieve the following objectives:

- Reduce emissions of greenhouse gases
- Expand and improve transit service to increase ridership
- Integrate service of the state's various rail operations, including integration with the high-speed rail system
- Improve transit safety

At least 25 percent of available TIRCP funding is expected to fund projects that provide a direct, meaningful, and assured benefit to disadvantaged communities. Assembly Bill 1550 (Chapter 369, Statutes of 2016) provides further requirements to ensure TIRCP investments meet the needs of priority populations, including disadvantaged communities, low-income communities and low-income households.

Eligible TIRCP applicants include public agencies and joint powers authorities that operate, or have planning responsibility for, existing or planned intercity rail (and associated feeder bus service), commuter rail, commuter bus, bus and urban rail transit, vanpool, and ferry transit services. In addition, private companies may partner with eligible applicants to propose and deliver projects. The Los Angeles – San Diego – San Luis Obispo (LOSSAN) Rail Corridor Agency (Agency), as well each of its member agencies, are eligible to apply for TIRCP funding. The complete draft 2020 TIRCP Guidelines are available at <https://calsta.ca.gov/subject-areas/transit-intercity-rail-capital-prog>.

This call for projects represents the fourth round of the TIRCP, and the LOSSAN Agency has been successful in receiving funding in each of the prior three TIRCP cycles. In 2015 and 2016, the LOSSAN Agency submitted successful TIRCP applications and was awarded a combined total of \$83.7 million. The funding awarded for these two years supported the initiation of the Pacific Surfliner Transit Transfer Program, which was launched in July 2016, and the design and construction of a package of projects, including high-priority capital improvements in San Diego and Orange counties, as well as funding for planning studies. In 2018, the LOSSAN Agency was awarded \$147.9 million to design and implement capitalized access and incentive programs, design and implement security fencing along the rail corridor in San Diego County, and design and construct capacity enhancing projects along the corridor north of Los Angeles. The 2018 TIRCP award represented the largest grant award received by the LOSSAN Agency to date.

Discussion

CalSTA is required to approve a new five-year program of TIRCP projects no later than April 1, 2020. The 2020 TIRCP grant cycle will program projects starting in fiscal year (FY) 2020-21 and ending in FY 2024-25, and will include previously awarded projects from the 2018 TIRCP cycle that have not been fully allocated by the end of FY 2019-20, as well as new projects. An estimate of the total funding available in this TIRCP cycle will be released when the final call for projects is issued on October 18, 2019.

CalSTA intends to fund a small number of transformative projects that will highlight travel and fuel cost savings and significantly reduce vehicle miles traveled, congestion, and greenhouse gas emissions by creating a new transit or rail system, increasing the capacity of an existing transit or rail system, or otherwise significantly increasing the ridership of a transit or rail system. There is no local

match requirement for the TIRCP, though use of existing funding to leverage TIRCP funds will be considered in the evaluation process.

During past meetings and TIRCP workshops, CalSTA has indicated that higher consideration will be given to grant applications that maximize greenhouse gas reductions and travel benefits by combining multiple smaller projects into a comprehensive, regional program of scalable projects that encompasses multiple agencies, with a focus on improving network integration. The current TIRCP cycle also seeks projects that link housing with key destinations that improve accessibility to economic opportunities, as well as projects that are consistent with the goals of the 2018 California State Rail Plan.

The LOSSAN Agency intends to work with member agencies to support TIRCP applications for improvements that have a corridor-wide benefit, furthering efforts already underway to increase capacity, improve reliability and safety, and ultimately reduce greenhouse gas emissions by making the Pacific Surfliner a more attractive travel alternative. In addition, results of the ongoing Corridor Optimization Study may be used to help prioritize candidate projects for TIRCP funding.

CalSTA is scheduled to release final TIRCP guidelines and issue a formal call for projects on October 18, 2019, with applications due on January 16, 2020. Projects recommended for award are currently scheduled to be announced by April 1, 2020.

The Managing Director is authorized through the LOSSAN Agency bylaws to submit grant applications on behalf of the LOSSAN Agency. An initial discussion regarding the 2020 TIRCP program was held at the Technical Advisory Committee (TAC) meeting on September 5, 2019. LOSSAN Agency staff will be following up with member agencies to finalize a package of candidate projects, as well as a timeline and process for completing the TIRCP applications, and will return to the TAC and Board of Directors with an update prior to submittal.

Summary

A call for projects to be funded by the 2020 Transit and Intercity Rail Capital Program is expected to be issued in October 2019. Staff will be working with the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency member agencies and rail corridor right-of-way owners to submit one or more applications to fund improvement along the Los Angeles – San Diego – San Luis Obispo rail corridor that would directly benefit the Pacific Surfliner service.

Attachment

None.

Prepared by:


A handwritten signature in cursive script that reads "Michael Litschi".

Michael Litschi
Manager of Communications and Passenger Experience
(714) 560-5581



October 21, 2019

To: Members of the Board of Directors

From: Jennifer L. Bergener, Managing Director 

Subject: Fiscal Year 2018-19 Fourth Quarter Budget Status Report

Overview

The Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency's Fiscal Year 2018-19 Budget was approved by the Board of Directors on March 29, 2018 and amended on June 18, 2018, in conjunction with the approval of the annual business plan for fiscal years 2018-19 and 2019-20. This report provides a summary of financial activities and performance through the fourth quarter of fiscal year 2018-19, covering the months of April, May, and June.

Recommendation

Receive and file as an information item.

Background

On March 29, 2018, the Los Angeles – San Diego – San Luis Obispo (LOSSAN) Rail Corridor Agency (Agency) Board of Directors (Board) approved the LOSSAN Agency Annual Business Plan for fiscal year (FY) 2018-19 and FY 2019-20 (Business Plan), as well as the FY 2018-19 budget. Included in both the adopted budget and the Business Plan is funding for FY 2018-19 administrative and marketing services in the amount of \$6,174,329, as well as \$36,493,957 for net train operations (including \$500,000 for minor projects and \$1,177,275, for reimbursement from other agencies), and \$8,900,000 for grant programs, bringing the total adopted budget to \$51,568,286. The adopted budget for operations was based on preliminary cost estimates available at the time of adoption.

The LOSSAN Agency received Amtrak's federal FY (FFY) 2018-19 operating revenue and expense forecast on March 30, 2018. The California State Transportation Agency (CalSTA) allowed for the LOSSAN Agency to submit a revised budget and resubmittal of the Business Plan by June 30, 2018, in order to incorporate Amtrak's FFY 2018-19 forecast. A budget amendment was approved

by the Board on June 18, 2018, which adjusted the net train operations budget to \$44,489,186 (including \$500,000 for minor capital projects), to align the budget with the Amtrak forecast. The budget included estimates to implement an additional round trip, one-time positive train control host railroad costs, emergency bus bridge services, design for Coachella special train service, minor capital projects, and a reimbursement from other agencies of \$1,177,275. The gross train operations budget including minor capital is \$45,666,461. The budget amendment also increased grant revenues and expenses by \$1,500,000, and increased administration revenues and expenses by \$258,775, bringing the total budget to \$62,499,565.

Amtrak operates on a FFY of October 1 – September 30; thus, the operating contract has historically been executed on a FFY basis.

Discussion

The LOSSAN Agency bylaws state that a quarterly written report shall be filed with the Board reporting the amount of money held, the amount and source of receipts since the last report, and the amount and recipient of the amounts paid out since the last report. The Quarterly Budget Status Report (Attachment A) provides a detail-level overview of financial activity, including a comparison of budget to actuals and explanations for any budget-to-actual variances through the fourth quarter (April 1, 2019 through June 30, 2019) of FY 2018-19. A summary of these activities is provided below.

Budgeted revenues through the fourth quarter of FY 2018-19 totaled \$62,499,565, which is comprised of \$43,989,186 in state advance operating funds, \$10,400,000 in grant funds (other state funding), \$4,428,904 in State Administrative Funding, \$2,000,000 in State Marketing Funding, \$1,177,275 in reimbursements from other agencies, \$500,000 in State Capital Funding, and \$4,200 for interest revenue.

Actual revenues through the fourth quarter totaled \$38,143,604, versus a budgeted amount of \$62,499,565. The actuals are comprised of operating funds from the state of \$29,686,147, administrative funds of \$2,994,846, marketing funds of \$2,760,356, reimbursements from other agencies of \$1,853,785, other state funding (grant revenue) of \$465,497, Amtrak penalty and assessment revenue of \$200,100, interest revenue of \$182,157, and other revenue of \$715. The majority of the variance is due to lower than anticipated revenues recognized for operating expenses and lower than anticipated revenues recognized for grant funded projects due to lower than anticipated project expenses. The budget versus actual variances are further detailed in Attachment A.

Budgeted expenses through the fourth quarter of FY 2018-19 total \$62,499,565, which is comprised of \$45,166,461 for Amtrak operations, \$10,400,000 for grant programs, \$6,433,104 for administrative and marketing services, and \$500,000

for minor capital projects. Actual expenses through the fourth quarter totaled \$41,153,097, versus a budgeted amount of \$62,499,565. The major areas experiencing budget variances are within net train operating expenses, grant programs, administrative staffing, minor capital projects, and marketing services. These variances are further detailed in Attachment A.

The LOSSAN Agency bylaws also call for a report of all expenditures under \$100,000 to be provided on a quarterly basis. This report is included as Attachment B.

The LOSSAN Agency Board has directed staff to provide a listing of all open agreements, including vendor, description of purchase, contract number, contract amount, amount spent, remaining balance, and expiration date on a quarterly basis. This report is provided in Attachment C.

Summary

Through the fourth quarter of Fiscal Year 2018-19, the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency's actual revenues and expenses are below budget. The majority of the revenue variance is due to lower than anticipated revenues recognized for net train operating expenses and grant-funded projects due to lower than anticipated project expenses. The expense variances are due to the net train operating budget including estimates for an additional round trip and services which didn't incur expenses during Fiscal Year 2018-19, offset by the net Amtrak train expenses and marketing expenses coming in higher than forecast. Additional expense variances are due to vacant administrative positions, and lower than expected activity within grant programs and minor capital projects.

Attachments

- A. Quarterly Budget Status Report, Fourth Quarter of Fiscal Year 2018-19
- B. Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency, Fourth Quarter Financial Activity Report, Fiscal Year 2018-19
- C. Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency, Open Agreements Listing as of June 30, 2019

Prepared by:

A handwritten signature in black ink, appearing to read 'J. Jewell', is written over a light gray rectangular background.

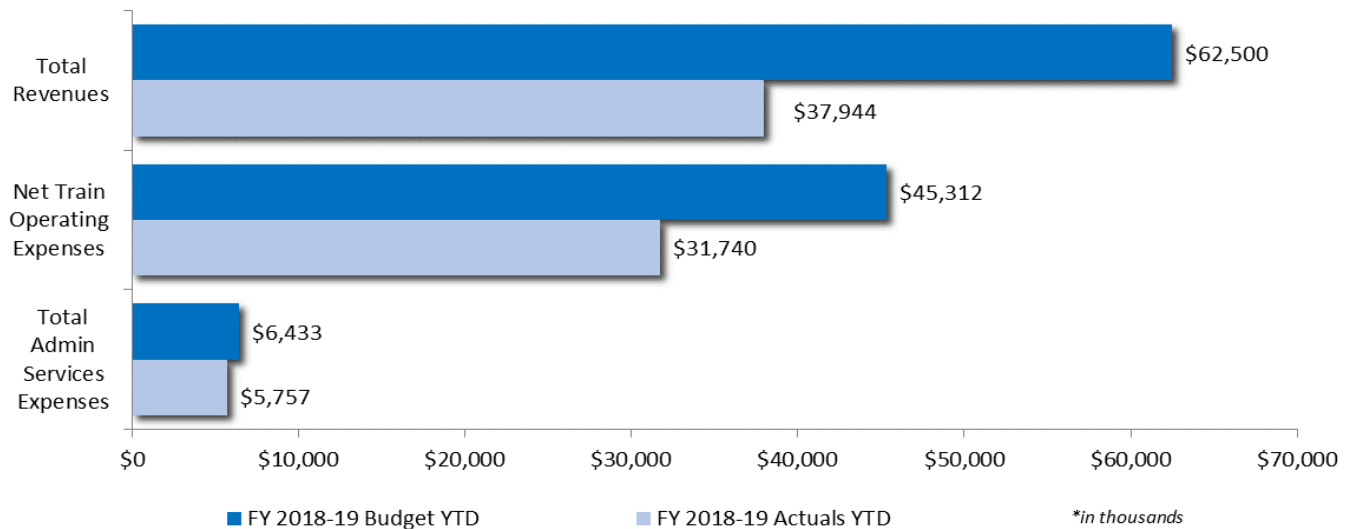
Jason Jewell
Finance and Administration Manager
(714) 560-5086



Quarterly Budget Status Report

Fourth Quarter of Fiscal Year 2018-19

FY 2018-19 Budget to Actuals Year-To-Date



OVERVIEW

On March 29, 2018, the Board of Directors (Board) approved the Los Angeles – San Diego – San Luis Obispo (LOSSAN) Rail Corridor Agency (Agency) Business Plan for Fiscal Year (FY) 2018-19 and FY 2019-20 (Business Plan), as well as the FY 2018-19 budget. Included in the Business Plan and budget is funding for FY 2018-19 administrative and marketing services in the amount of \$6,174,329, as well as \$36,493,957 for net train operations (including \$500,000 for minor capital projects and \$1,177,275 reimbursement from other agencies), and \$8,900,000 for grant programs, bringing the total adopted budget to \$51,568,286. The adopted budget for operations was based on preliminary cost estimates available at the time of adoption.

The LOSSAN Agency received Amtrak's federal FY (FFY) 2018-19 operating revenue and expense forecast on March 30, 2018. The California State Transportation Agency (CalSTA) allowed for a revised budget and resubmittal of the business plan by June 30, 2018, in order to incorporate Amtrak's FFY 2018-19 forecast. A budget amendment was subsequently approved by the Board on June 18, 2018, which adjusted the net train

operations budget to \$44,489,186 (including \$500,000 for minor capital projects), to align the budget with the Amtrak forecast. The budget included estimates to implement an additional round trip, one-time positive train control host railroad costs, emergency bus bridge services, design for Coachella special train service, minor capital projects, and a reimbursement from other agencies of \$1,177,275. The gross train operations budget including minor capital is \$45,666,461. The budget amendment also increased grant revenues and expenses by \$1,500,000, and increased administration revenues and expenses by \$258,775, bringing the total budget to \$62,499,565.

The LOSSAN Agency submitted a revised FY 2018-19 and FY 2019-20 Business Plan to CalSTA on June 18, 2018 for approval, which was subsequently approved by CalSTA on September 11, 2018. The net train operating funding level approved by CalSTA included the FFY 2018-19 Amtrak forecast amount for train operations at \$26,442,664, less \$1,177,275 revenue cost share for re-timed trains from the Santa Barbara County Association of Governments. The approved funding also included \$8,065,754 to implement additional round trips from

San Diego to San Luis Obispo, as well as funding for emergency bus bridge services (\$120,000) and design for Coachella special train service (\$300,768). The FFY 2018-19 Amtrak forecast amount for train operations of \$26,442,664, was based on the current service levels at the time of execution, and does not include additional round trips, bus bridge service or Coachella special train service. Included in the FY 2018-19 LOSSAN Agency working budget is \$9,000,000 for one-time positive train control (PTC) host railroad costs. The state has funded this from FY 2017-18 funds.

Amtrak operates on an FFY of October through September, thus the operating contract has historically been executed on a FFY basis. The LOSSAN Agency operates on a FY between July and June.

The FY 2018-19 adopted budget assumes the California Department of Transportation Division of Rail and Mass Transportation will directly fund equipment capital charges for the Amtrak-owned railcars and locomotives used on the three state-supported corridors. As a result, equipment capital charges are not included in the operating agreement between Amtrak and the LOSSAN Agency.

This report highlights the major variances between the budget and actual revenues and expenses through the fourth quarter of FY 2018-19.

REVENUES

Budgeted revenues through the fourth quarter of FY 2018-19 are \$62,499,565, which is comprised of \$43,989,186 in state advance operating funds, \$10,400,000 in other state funding,

\$4,428,904 in state administrative funding, \$2,000,000 in state marketing funding, \$1,177,275 in reimbursements from other agencies, \$500,000 in state capital funding, and \$4,200 for interest revenue.

Actual revenues through the fourth quarter totaled \$38,143,604, versus the budgeted amount of \$62,499,565. The actuals are comprised of state operating funds of \$29,686,147, state administrative funding of \$2,994,846, state marketing funding of \$2,760,356, reimbursements from other agencies of \$1,853,785, other state funding (grant revenue) of \$465,497, Amtrak penalty and assessment revenue of \$200,100, interest revenue of \$182,157, and other revenue of \$715.

The major areas experiencing budget variances are within State operating funding, other State funding and State administrative funding. The majority of the variance within State operating funding is due to budgeted revenues including \$9,000,000 for one-time PTC host railroad funds and funding for the implementation of additional round trips from San Diego to San Luis Obispo, in the amount of \$8,065,754. One-time revenues for host railroad PTC were received in the amount of \$8,943,777, however it has been deferred to FY 2019-20 and will be recognized when the payment occurs, which is anticipated during FY20. An agreement between the LOSSAN Agency and Union Pacific is anticipated to be executed which will allow the LOSSAN Agency to pay for these costs. In addition, state funds for additional round trips were not received due to the additional round trips not being implemented during FY 2018-19. This is offset by approximately \$3.2 million in prior year deferred revenue that is recognized in the current period in order to offset fourth quarter operating expenses.

REVENUES	FY 2018-19 Adopted Budget	FY 2018-19 Working Budget	FY 2018-19 Working Budget Year To Date	FY 2018-19 Actuals Year To Date	\$ Variance Year To Date	% Variance Year To Date	Percent of Budget Used to Date
State Administrative Funding	\$ 4,170,129	\$ 4,428,904	\$ 4,428,904	\$ 2,994,846	\$ (1,434,058)	N/A	67.6%
State Marketing Funding	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,760,356	\$ 760,356	N/A	138.0%
State Operating Funding	\$ 34,816,682	\$ 43,989,186	\$ 43,989,186	\$ 29,686,147	\$ (14,303,039)	-33%	67.5%
Other State Funding ¹	\$ 8,900,000	\$ 10,400,000	\$ 10,400,000	\$ 465,497	\$ (9,934,503)	-96%	4.5%
Reimbursements from other Agencies	\$ 1,177,275	\$ 1,177,275	\$ 1,177,275	\$ 1,853,785	\$ 676,510	N/A	157.5%
State Capital Funding ²	\$ 500,000	\$ 500,000	\$ 500,000	\$ -	\$ (500,000)	N/A	0.0%
Amtrak Penalty & Assessment Revenue	\$ -	\$ -	\$ -	\$ 200,100	\$ 200,100	N/A	N/A
Net State/Other Agency Funded	\$ 51,564,086	\$ 62,495,365	\$ 62,495,365	\$ 37,960,731	\$ (24,534,634)	-39%	60.7%
Interest Revenue	\$ 4,200	\$ 4,200	\$ 4,200	\$ 182,157	\$ 177,957	4237%	4337.1%
Other Revenue	\$ -	\$ -	\$ -	\$ 715	\$ 715	N/A	N/A
Total Revenues	\$ 51,568,286	\$ 62,499,565	\$ 62,499,565	\$ 38,143,604	\$ (24,355,961)	-39%	61.0%

¹ Includes Transit & Intercity Rail Capital Program, California Transit Security Grant Program, State Rail Assistance and State Transportation Improvement Program Funds

² Includes State Minor projects funding

Working budget is the adopted budget plus any amendments approved during the year.

The variance in other state funding of \$9,934,503 is attributed to the deferral of revenues that are not used in the current period to offset expenses for State Rail Assistance (SRA) funds (of approximately \$4.9 million), Transit and Intercity Rail Capital Program (TIRCP) funds (of approximately \$2.4 million) State Transportation Improvement Program (STIP) funds (of \$1.5 million), and for California Office of Emergency Services (CalOES) funds (of approximately \$1.2 million) for various corridor-wide projects, due to lower than anticipated project expenses. Generally accepted accounting principles set forth the rule that revenues are recognized and recorded when an expense is incurred. Actual revenue is only recognized up to the amount of actual expenses. The remainder of revenue that is not used to offset actual expenses is deferred until future expenses are incurred. Once the FY 2018-19 audit is complete, a final reconciliation of expenses and revenues will be completed in cooperation with the State. Any surplus or deficit of funds will be handled in accordance with the provisions specified in the interagency transfer agreement and the master fund transfer agreement.

State administrative funding is underrunning the budget by \$1,434,058. This is due to State administrative funding received during the year of \$4,098,415 vs. the budgeted amount of \$4,428,904. Per the State master funding agreement, current FY administrative funding is reduced by any unspent funds from the previous FY, which was approximately \$335,500 for FY 2018. The additional revenue variance of approximately \$1 million is due to the deferral of revenues that were not used in the current period to offset current expenses.

The variance in revenues for state capital funding is due to no minor capital project expenses through the fourth quarter. This funding is reimbursement based. Further detail is provided in the operating expense variance analysis section.

The state marketing funding variance is attributed to recognizing marketing surplus funds in the amount of \$760,356, to offset marketing expenses. The use of prior year marketing surplus funds was previously approved by the State, and consistent with business plan assumptions.

The variance in reimbursements from other agencies is attributed to additional operating subsidy funds and discounted fare reimbursements from the Santa Barbara County Association of Governments related to re-timed train service from Ventura to Santa Barbara/Goleta retroactive to the start of the service beginning in April 2018.

Interest revenue is also tracking higher than budgeted. The LOSSAN Agency executed a new banking agreement in November 2018, in which a higher interest rate on a repurchase agreement investment was negotiated. The LOSSAN Agency Board and the State approved the use of these funds to partially offset administrative expenses in FY 2019-20.

OPERATING EXPENSES

Budgeted expenses through the fourth quarter of FY 2018-19 total \$62,499,565, which is comprised of \$45,166,461 for net Amtrak operations, \$10,400,000 for grant programs, \$6,433,104 for administrative and marketing services, and \$500,000 for minor capital projects. Actual expenses through the fourth quarter totaled \$41,153,097 versus a budgeted amount of \$62,499,565. The major areas experiencing budget variances are within net train operating expenses, grant programs, administrative staffing, minor capital projects, and marketing.

The actuals are comprised of net train operating expenses of \$31,740,032, total administrative services (including marketing) of \$5,756,806, and grant program expenses of \$3,656,259. The majority of the variance in net train operating expenses is due to the budget including approximately \$8 million for funding capacity for additional round trips which were not implemented during FY 2018-19. In addition, the net train operating expense budget includes \$8.9 million for one-time PTC costs associated with the Union Pacific owned Santa Barbara subdivision, which were not paid out during FY 2018-19. This is offset by actual net Amtrak expenses coming in higher than forecast by approximately \$4.8 million through the fourth quarter. The fourth quarter experienced both ridership and revenue declines, averaging approximately 4.6 percent less in ridership and 1.1 percent less in revenue over the same time period in the previous FY. Total revenue was below forecast by \$1.4 million (ticket revenue was below forecast \$3.2 million offset by positive food and beverage revenue of \$1.8 million). Amtrak route costs came in over forecast in the areas of car and locomotive maintenance by \$1.7 million, due to Charger locomotive maintenance costs unexpected by the LOSSAN Agency and not disclosed by either Amtrak or the California Department of Transportation. Fuel costs came in over forecast by approximately \$880k due to diesel fuel costs per gallon averaging higher than budgeted. Stations costs came in over forecast by approximately \$900k,

Fourth Quarter of FY 2018-19

EXPENSES							
	FY 2018-19 Adopted Budget	FY 2018-19 Working Budget	FY 2018-19 Working Budget Year To Date	FY 2018-19 Actuals Year To Date	\$ Variance Year To Date	% Variance Year To Date	FY 2018-19 Percent of Budget Used to Date
Administrative Budget Line Items							
Administration - Staffing	\$ 3,831,179	\$ 4,089,954	\$ 4,089,954	\$ 2,747,177	\$ 1,342,777	33%	67.2%
Legal Services	\$ 50,000	\$ 50,000	\$ 50,000	\$ 24,714	\$ 25,286	51%	49.4%
Travel	\$ 26,950	\$ 26,950	\$ 26,950	\$ 23,964	\$ 2,986	11%	88.9%
Marketing	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,760,206	\$ (760,206)	-38%	138.0%
Insurance	\$ 57,000	\$ 57,000	\$ 57,000	\$ 67,349	\$ (10,349)	N/A	118.2%
Contracted services (Audit, Planning, On Call)	\$ 200,000	\$ 200,000	\$ 200,000	\$ 122,678	\$ 77,322	39%	61.3%
Dues & Memberships	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ -	N/A	100.0%
Net State Funded Services	\$ 6,170,129	\$ 6,428,904	\$ 6,428,904	\$ 5,751,087	\$ 677,817	11%	89.5%
Banking Services	\$ 4,200	\$ 4,200	\$ 4,200	\$ 1,856	\$ 2,344	56%	44.2%
Total Admin Services	\$ 6,174,329	\$ 6,433,104	\$ 6,433,104	\$ 5,752,943	\$ 680,161	11%	89.4%
Non Budgeted Expenses							
Other Business Expenses	\$ -	\$ -	\$ -	\$ 3,863	\$ (3,863)	N/A	N/A
Non Budgeted Admin Services	\$ -	\$ -	\$ -	\$ 3,863	\$ (3,863)	N/A	N/A
Total Administrative Services	\$ 6,174,329	\$ 6,433,104	\$ 6,433,104	\$ 5,756,806	\$ 676,298	11%	89%
	FY 2018-19 Adopted Budget	FY 2018-19 Working Budget	FY 2018-19 Working Budget Year To Date	FY 2018-19 Actuals Year To Date	\$ Variance Year To Date	% Variance Year To Date	FY 2018-19 Percent of Budget Spent to Date
Operating/Capital Budget Line Items							
Net Train Operating Expenses	\$ 35,993,957	\$ 45,166,461	\$ 45,166,461	\$ 31,740,032	\$ 13,426,429	30%	70.3%
Minor Projects	\$ 500,000	\$ 500,000	\$ 500,000	\$ -	\$ 500,000	N/A	0.0%
Grant Programs ¹	\$ 8,900,000	\$ 10,400,000	\$ 10,400,000	\$ 3,656,259	\$ 6,743,741	65%	35.2%
Total Operating/Capital Budget	\$ 45,393,957	\$ 56,066,461	\$ 56,066,461	\$ 35,396,291	\$ 20,670,170	37%	63.1%
Total Budget	\$ 51,568,286	\$ 62,499,565	\$ 62,499,565	\$ 41,153,097	\$ 21,346,468	34%	65.8%
¹ Includes Transit & Intercity Rail Capital Program, California Transit Security Grant Program, State Rail Assistance and State Transportation Improvement Program Funds							
Working budget is the adopted budget plus any amendments approved during the year. Actuals year to date include encumbrances.							

The administrative staffing line item budget variance is driven by five administrative positions which remained vacant throughout the first quarter of the FY. Three of the five vacant positions were filled during the second quarter. The LOSSAN Planning & Analysis Manager position was filled internally by LOSSAN Agency staff during the third quarter, creating a vacancy for a LOSSAN Transportation Analyst, Principal. The LOSSAN Marketing Specialist, Principal was filled during the fourth quarter. The vacant positions remaining at the end of the fourth quarter include the LOSSAN Transportation Analyst, Principal and the LOSSAN Mechanical and Equipment Manager.

These positions were filled during the first quarter of FY 2019-20. Marketing expenses came in higher than budgeted by \$760,206, due to a major media marketing campaign and major league baseball partnership commitments during the fourth quarter. Prior year marketing surplus funds were utilized to cover the additional marketing program expenses, as previously approved by CalSTA and included within the FY 2018-19 LOSSAN Agency Board adopted budget assumptions, and consistent with the LOSSAN Agency and managing agency budget policy. Minor capital project expenses came in lower than budgeted by \$500,000 due to no qualifying project expenses through the fourth quarter. Station facility and safety project expenses that have been incurred during FY19 have been funded by CalOES and SRA funds. The LOSSAN Agency has yet to undertake additional projects that would qualify for minor capital funding, but anticipates doing so in FY20.



Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency
Fourth Quarter Financial Activity Report
Fiscal Year 2018-19

Date	Payee	Debit	Credit	Balance
April				
4/1/2019	Bank Account Balance Forward			29,843,289.81
4/2/2019	Deputy Managing Director Travel	278.69		29,843,011.12
4/9/2019	Bank of the West - Credit Card Charges Various	989.10		29,842,022.02
4/9/2019	OCTA Administrative Services January - February	208,046.21		29,633,975.81
4/9/2019	Amtrak Train Service - May Advance	2,319,488.00		27,314,487.81
4/16/2019	City of Glendale - Transit Transfer Program	1,572.94		27,312,914.87
4/16/2019	Making Waves - Web Marketing Services	46,170.00		27,266,744.87
4/16/2019	Pastilla Inc. - Creative Design & Strategic Communication	4,622.50		27,262,122.37
4/16/2019	Woodruff, Spradlin & Smart - February - Legal Services	4,456.40		27,257,665.97
4/22/2019	Bank of the West - March Bank Fees	120.37		27,257,545.60
4/23/2019	Facebook - Advertising	14,101.81		27,243,443.79
4/23/2019	Google - Advertising	35,109.30		27,208,334.49
4/23/2019	Strategic Planning & Customer Experience Manager - Travel	225.60		27,208,108.89
4/23/2019	ACE Agency - Professional Marketing Services	3,525.00		27,204,583.89
4/30/2019	Bank of the West - Interest		25,129.70	27,229,713.59
May				
5/1/2019	Bank Account Balance Forward			27,229,713.59
5/1/2019	Amtrak - Station Upgrades	307.03		27,229,406.56
5/1/2019	OCTA Administrative Services February - March	215,160.83		27,014,245.73
5/1/2019	Woodruff, Spradlin & Smart - March - Legal Services	1,916.80		27,012,328.93
5/7/2019	Deputy Managing Director Travel	630.68		27,011,698.25
5/7/2019	Operations, Compliance & Safety Manager - Travel	270.87		27,011,427.38
5/7/2019	Goal Productions - Videography	200.00		27,011,227.38
5/7/2019	Gold Coast Transit District - Transit Transfer Program	556.01		27,010,671.37
5/7/2019	San Luis Obispo Regional Transit Authority - Transit Transfer Program	6.64		27,010,664.73



Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency
Fourth Quarter Financial Activity Report
Fiscal Year 2018-19

Date	Payee	Debit	Credit	Balance
5/7/2019	South County Transit District - Transit Transfer Program	2.10		27,010,662.63
5/7/2019	ACE Agency - Professional Services	6,150.00		27,004,512.63
5/10/2019	Bank of the West - Credit Card Charges Various	1,896.73		27,002,615.90
5/14/2019	Finance and Administration Officer - Travel	179.87		27,002,436.03
5/14/2019	Making Waves - Web Marketing Services	6,973.50		26,995,462.53
5/14/2019	Senior Accounting Analyst - Travel	115.64		26,995,346.89
5/14/2019	Amtrak Train Service - February Operating	2,465,438.40		24,529,908.49
5/14/2019	Amtrak Train Service - March Operating	916,230.17		23,613,678.32
5/20/2019	Bank of the West - April Bank Fees	104.55		23,613,573.77
5/21/2019	Google - Advertising	36,579.68		23,576,994.09
5/21/2019	Transportation Planning & Analysis Manager - Travel	72.00		23,576,922.09
5/21/2019	Monarch Sport LLC - Pacific Surfliner Marketing	7,467.50		23,569,454.59
5/21/2019	PGI Pacific Graphics	12,309.41		23,557,145.18
5/21/2019	ACE Agency - Professional Services	3,000.00		23,554,145.18
5/28/2019	Santa Barbara Metropolitan Transit District -Transit Transfer Program	150.00		23,553,995.18
5/31/2019	Bank of the West - Interest		21,671.28	23,575,666.46
June				
6/1/2019	Bank Account Balance Forward			23,575,666.46
6/4/2019	Joanna Capelle - Professional services	260.00		23,575,406.46
6/4/2019	Civilian - Pacific Surfliner Marketing	20,545.00		23,554,861.46
6/4/2019	Facebook - Advertising	50,729.26		23,504,132.20
6/4/2019	City of Glendale - Transit Transfer Program	956.66		23,503,175.54
6/4/2019	Goal Productions - Videography	21,946.50		23,481,229.04
6/4/2019	Making Waves - Web Marketing Services	67,200.00		23,414,029.04
6/4/2019	Monarch Sport LLC - Pacific Surfliner Marketing	8,555.00		23,405,474.04
6/4/2019	Amtrak - Station Upgrades	9,040.48		23,396,433.56
6/4/2019	OCTA Administrative Services March-April	234,262.50		23,162,171.06
6/4/2019	Woodruff, Spradlin & Smart - April - Legal Services	208.60		23,161,962.46



Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency
Fourth Quarter Financial Activity Report
Fiscal Year 2018-19

Date	Payee	Debit	Credit	Balance
6/6/2019	Amtrak Train Service - June Operating	2,272,872.00		20,889,090.46
6/11/2019	Bank of the West - Credit Card Charges Various	5,076.25		20,884,014.21
6/11/2019	Finance and Administration Officer - Travel	217.34		20,883,796.87
6/11/2019	KDOC - Pacific Surfliner Marketing	65,000.00		20,818,796.87
6/13/2019	Deposit - Caltrans Operating Funds		2,964,646.00	23,783,442.87
6/13/2019	Deposit - Caltrans Administrative Funds		1,878,962.95	25,662,405.82
6/18/2019	Gold Coast Transit District - Transit Transfer Program	362.18		25,662,043.64
6/18/2019	Monarch Sport LLC - Pacific Surfliner Marketing	83,377.50		25,578,666.14
6/18/2019	Santa Barbara Metropolitan Transit District -Transit Transfer Program	8,498.50		25,570,167.64
6/20/2019	Bank of the West - May Bank Fees	104.71		25,570,062.93
6/25/2019	Big West Conference - Advertising	30,000.00		25,540,062.93
6/25/2019	Facebook - Advertising	42,595.70		25,497,467.23
6/25/2019	Google - Advertising	32,757.16		25,464,710.07
6/25/2019	Monarch Sport LLC - Pacific Surfliner Marketing	84,082.50		25,380,627.57
6/25/2019	Siemens Mobility Inc. - Charger Locomotive Paint	436,834.70		24,943,792.87
6/28/2019	Bank of the West - Interest		18,566.37	24,962,359.24

**Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency
Open Agreements Listing as of June 30, 2019**

AGREEMENT NUMBER	VENDOR	DESCRIPTION	EFFECTIVE	TERMINATES	CONTRACT AMOUNT	AMOUNT PAID TO DATE	CONTRACT BALANCE	CONTRACT STATUS
C-4-1816	Woodruff Spradlin & Smart	Professional legal services. Piggyback off of Orange County Transportation Authority's (OCTA) contract.	7/1/15	6/30/29	\$160,000	\$134,373	\$25,627	OPEN
C-5-3490	Joanna Capelle	Professional services for financial programming, coordination and reporting services relating to grants. Piggyback off of OCTA's contract.	9/4/15	9/30/19	\$44,550	\$13,455	\$31,095	OPEN
L-5-0001	California Department of Transportation	Interagency Transfer Agreement Between California Department of Transportation and Los Angeles-San Diego-San Luis Obispo (LOSSAN) Rail Corridor Agency (Agency) (Amended into L-8-0009)	7/1/15	6/30/21	N/A	N/A	N/A	OPEN
L-5-0002	N/A	Joint Powers Agreement Concerning the LOSSAN Agency	N/A	N/A	N/A	N/A	N/A	OPEN
L-5-0006	Goal Productions	Consultant Services for Professional Video services for the LOSSAN Agency - Pacific Surfliner.	5/16/16	12/31/19	\$230,000	\$219,738	\$10,262	OPEN
L-6-0003	Southern California Regional Rail Authority (SCRRA), Amtrak	Cooperative Agreement with SCRRA, Amtrak for Rail 2 Rail Program.	7/1/15	6/30/19	No Funds Flow Through LOSSAN	N/A	N/A	OPEN
L-6-0005	Santa Barbara Metropolitan Transit District	Cooperative Agreement with Santa Barbara Metropolitan Transit District for Pacific Surfliner Transit Transfer Agreement	6/6/16	6/30/21	\$184,000	\$48,499	\$135,501	OPEN
L-6-0006	San Luis Obispo Transit	Cooperative Agreement with San Luis Obispo Transit for Pacific Surfliner Transit Transfer Agreement.	7/1/16	6/30/21	\$10,000	\$20	\$9,980	OPEN
L-6-0007	South County Transit	Cooperative Agreement with South County Transit for Pacific Surfliner Transit Transfer Agreement.	6/1/16	6/30/21	\$5,000	\$30	\$4,970	OPEN
L-6-0009	OCTA	Cooperative Agreement with OCTA for Pacific Surfliner Transit Transfer Agreement.	6/6/16	6/30/21	\$95,000	\$45,378	\$49,622	OPEN
L-6-0010	Anaheim Resort Transit	Cooperative Agreement with Anaheim Resort Transit for Pacific Surfliner Transit Transfer Agreement.	6/2/16	6/30/21	\$124,000	\$35,274	\$88,726	OPEN
L-6-0012	Ventura County Transportation Commission	Cooperative Agreement with Ventura County Transportation Commission for Pacific Surfliner Transit Transfer Agreement	6/1/16	6/30/21	\$15,000	\$7,196	\$7,804	OPEN
L-6-0013	Gold Coast Transit	Cooperative Agreement with Gold Coast Transit for Pacific Surfliner Transit Transfer Agreement.	7/1/16	6/30/21	\$20,000	\$3,028	\$16,972	OPEN
L-6-0015	San Luis Obispo Regional Transportation Authority	Cooperative Agreement with San Luis Obispo Regional Transportation Authority for Pacific Surfliner Transit Transfer Agreement.	6/1/16	6/30/21	\$18,000	\$35	\$17,965	OPEN
L-6-0016	Glendale Beeline	Cooperative Agreement with Glendale Beeline for Pacific Surfliner Transit Transfer Agreement.	6/22/16	6/30/21	\$7,500	\$5,497	\$2,003	OPEN
L-6-0017	North County Transit District	Cooperative Agreement with North County Transit District for Transit Transfer Agreement	6/6/16	6/30/21	\$95,000	\$6,365	\$88,635	OPEN
L-6-0023	Amtrak and OCTA	Cooperative Agreement with OCTA and Amtrak for Emergency bus bridge agreement. Funds flow between Amtrak and OCTA.	7/10/17	5/31/21	\$50,000	N/A	N/A	OPEN

**Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency
Open Agreements Listing as of June 30, 2019**

AGREEMENT NUMBER	VENDOR	DESCRIPTION	EFFECTIVE	TERMINATES	CONTRACT AMOUNT	AMOUNT PAID TO DATE	CONTRACT BALANCE	CONTRACT STATUS
L-7-0008	Amtrak	Operating Agreement with Amtrak for the provision of passenger rail service for Fiscal Years 2017-18 and 2018-19	10/1/17	9/30/19	\$58,172,017	\$47,934,351	\$10,237,666	OPEN
L-7-0011	Marsh Risk and Insurance Services	Consultant services to provide Insurance brokerage services	7/1/17	6/30/22	\$50,000	\$20,000	\$30,000	OPEN
L-7-0013	Amtrak	Security Projects for LOSSAN Corridor with AMTRAK	3/12/18	Project Completion	\$1,887,000	\$127,875	\$1,759,125	OPEN
L-7-0014	Union Pacific Rail Road Corporation	Corridor analyst reimbursement agreement for proposed additional Pacific Surfliner intercity passenger rail service (Capacity analysis)	12/8/17	At Completion	\$35,000	\$17,500	\$17,500	OPEN
L-7-1917	Making Waves USA, Inc.	Consultant services for website design and development services for the LOSSAN Agency - Pacific Surfliner	3/28/18	3/15/20	\$650,000	\$566,268	\$83,732	OPEN
L-8-0001	Bank of the West	Commercial Banking Services	9/6/18	8/31/23	\$25,000	\$330	\$24,670	OPEN
L-8-0003	Monarch Sport LLC	Pacific Surfliner Field Marketing	7/16/18	6/1/20	\$50,000	\$49,978	\$22	OPEN
L-8-0005	Ace Agency	Pacific Surfliner Public Relations	8/8/18	6/30/20	\$50,000	\$36,914	\$13,086	OPEN
L-8-0006	Pacific Graphics	Specialty Printing Services for the Pacific Surfliner	6/26/18	6/30/20	\$50,000	\$47,287	\$2,713	OPEN
L-8-0007	Meringcarson	Email Marketing and Passenger Communications Program	1/7/19	12/31/19	\$49,800	\$0	\$49,800	OPEN
L-8-0008	Pastilla	Creative Design and Strategic Communications Program	10/9/18	8/31/19	\$50,000	\$17,149	\$32,851	OPEN
L-8-0009	California Department of Transportation	Interagency Transfer Agreement Between State of California Department of Transportation and LOSSAN Agency	7/1/18	6/30/21	N/A	N/A	N/A	OPEN
L-8-0010	OCTA	Managing Agency Agreement for OCTA to provide administrative services to LOSSAN	7/1/18	6/30/21	Reimbursable Agreement	\$2,335,035	N/A	OPEN
L-8-0011	Civilian, Inc.	Creative Services and Advertising Marketing for Pacific Surfliner	1/9/19	12/31/19	\$1,000,000	\$8,300	\$991,700	OPEN
L-8-0012	Monarch Sport LLC	Field Marketing and Community Outreach Services for Pacific Surfliner	2/21/19	12/31/19	\$600,000	\$192,315	\$407,685	OPEN
L-8-0013	North County Transit District, Amtrak	Rail to Rail Cooperative Agreement with LOSSAN, NCTD, and Amtrak	8/1/18	7/31/20	No Funds Flow Through LOSSAN	N/A	N/A	OPEN
L-8-0014	Sparkloft Media	Pacific Surfliner Social Media Marketing	11/2/18	3/31/20	\$50,000	\$0	\$50,000	OPEN
L-8-0015	PR Newswire Assn LLC	PR Newswire Services	10/3/18	9/4/21	\$63,080	\$19,802	\$43,278	OPEN

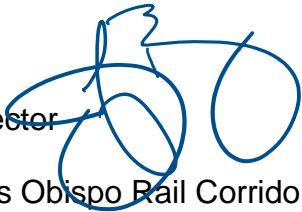
Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency
Open Agreements Listing as of June 30, 2019

AGREEMENT NUMBER	VENDOR	DESCRIPTION	EFFECTIVE	TERMINATES	CONTRACT AMOUNT	AMOUNT PAID TO DATE	CONTRACT BALANCE	CONTRACT STATUS
L-8-0017	Deutsche Bahn Engineering & Consulting	Corridor Optimization consultant services	1/14/19	12/31/21	\$990,238	\$0	\$990,238	OPEN
L-8-0019	Civilian, Inc.	Media planning and buying services	9/24/18	9/23/19	\$50,000	\$20,545	\$29,455	OPEN
L-8-0020	IT Works Inc DBA Volanno	WiFi Landing Page Services	10/19/2018	6/30/2019	\$10,503	\$10,503	\$0	OPEN
L-8-0021	SMA	License and maintenance for Viriato software	5/14/2019	4/30/2020	\$195,480	\$0	\$195,480	OPEN
L-8-0022	Trenolab	License and maintenance for TRENO Analysis software	4/25/2019	4/30/2020	\$24,000	\$0	\$24,000	OPEN
L-8-0023	Deutsche Bahn Engineering & Consulting	Database maintenance, administration of the server, and first level support for the Viriato software	4/25/2019	4/30/2020	\$60,000	\$0	\$60,000	OPEN
L-8-0025	Siemens Mobility	Sole source change order to update paint scheme and exterior decals on twelve charger locomotives.	1/3/2019	Project Completion	\$436,841	\$436,835	\$6	OPEN
L-9-0003	WSP USA Inc.	Consultant services for San Diego Layover Facility	3/21/2019	3/31/2020	\$299,600	\$0	\$299,600	OPEN
L-9-0004	HDR Engineering Inc.	Consultant services to prepare the project report and environmental document for the Central Coast Layover Facility	5/29/2019	11/30/2020	\$2,005,588	\$0	\$2,005,588	OPEN
L-9-0006	Crowe LLP	Audit Services for fiscal years ending 6/30/2019 through 6/30/2021	4/2/2019	3/31/2022	\$71,400	\$10,000	\$61,400	OPEN
L-9-0007	Santa Barbara County Association of Governments	Cooperative agreement for the provision of peak-period Pacific Surfliner service between Los Angeles and Santa Barbara/Goleta	4/1/2018	3/31/2020	\$2,854,549	REIMBURSEMENT TO LOSSAN	N/A	OPEN
L-9-0008	Amtrak	Construction and/or construction management services in support of non-public works minor capital projects.	3/12/2018	Project Completion	\$499,886	\$169,920	\$329,966	OPEN



October 21, 2019

To: Members of the Board of Directors

From: Jennifer L. Bergener, Managing Director 

Subject: Los Angeles – San Diego – San Luis Obispo Rail Corridor Trends for the Third Quarter of Federal Fiscal Year 2018-19

Overview

A report on ridership, revenue, and on-time performance trends for passenger rail services on the Los Angeles – San Diego – San Luis Obispo rail corridor, including the Pacific Surfliner, Metrolink, and COASTER, covering the third quarter of federal fiscal year 2018-19, is presented for consideration by the Board of Directors.

Recommendation

Receive and file as an information item.

Background

The 351-mile Los Angeles – San Diego – San Luis Obispo (LOSSAN) rail corridor travels through a six-county coastal region in Southern California and is the busiest state-supported intercity passenger rail corridor in the United States. The LOSSAN rail corridor includes 41 stations and more than 150 daily passenger trains, with an annual ridership of more than 2.9 million on Pacific Surfliner intercity passenger rail trains and 4.5 million on Metrolink and COASTER commuter trains.

Discussion

This report provides an update on the performance of the passenger rail services on the LOSSAN rail corridor by presenting the current trends of the service in three specific areas: usage (ridership and passenger miles), efficiency (revenue and farebox recovery), and quality (on-time performance (OTP) and customer satisfaction). The report includes the Pacific Surfliner intercity passenger rail service, as well as commuter rail service on Metrolink's Ventura County Line (VCL) and Orange County Line (OCL), and the North County Transit District's COASTER system. Amtrak national data is included for comparative purposes. The reporting

period is the third quarter of federal fiscal year (FFY) 2018-19, covering the months of April, May, and June 2019.

Usage

For the third quarter of FFY 2018-19, total LOSSAN rail corridor ridership on the three services was 2,076,014, a 1.1 percent decrease when compared to the same period of the previous year. A 24-month ridership chart for the LOSSAN rail corridor, with the specific performance of each service, can be found in Figure 1.1.

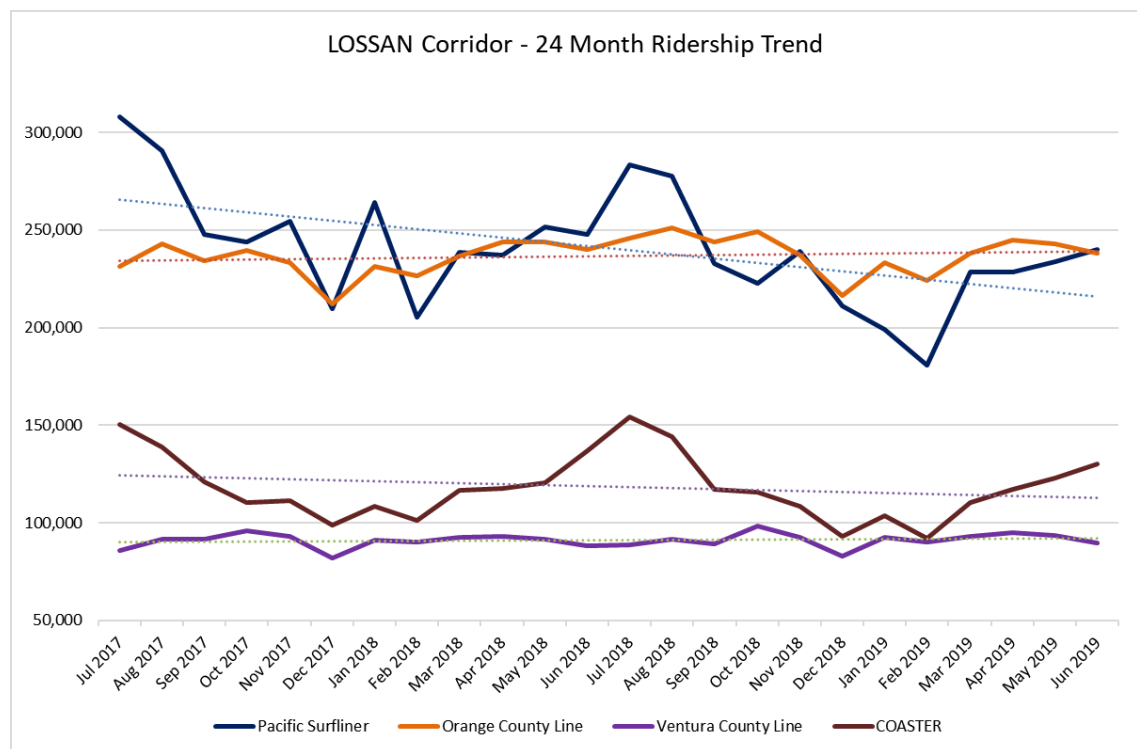


Figure 1.1

The 24 months of ridership data included in Figure 1.1 provides a more accurate indicator of the overall change in ridership along the corridor. Due to seasonal variances, a complete ridership trend is difficult to discern from a single 12-month period. Including 24 months of data accounts for the seasonal variation and provides sufficient information to allow for the development of a linear trendline for each service. A summary table of the ridership, revenue, and OTP for the LOSSAN rail corridor can be found in Attachment A. In addition to this overall corridor data, details on the performance of each service are provided below.

Pacific Surfliner

Part of the overall decline in LOSSAN rail corridor ridership can be attributed to the Pacific Surfliner (San Luis Obispo to San Diego) intercity passenger rail service ridership, which decreased during the third quarter of FFY 2018-19 by 4.6 percent when compared to the same period last year as is demonstrated in Figure 1.2. Ridership in this report includes Metrolink and COASTER pass holders utilizing the Rail 2 Rail (R2R) Program, which allows Metrolink monthly pass holders and COASTER passengers to ride Pacific Surfliner trains within the stations identified on their valid fare media, subject to certain restrictions. As prior analysis has demonstrated, the impact of lower R2R ridership as well as the ridership decreases associated with implementation of the peak-period service between Ventura and Santa Barbara counties, have continued through this reporting period.

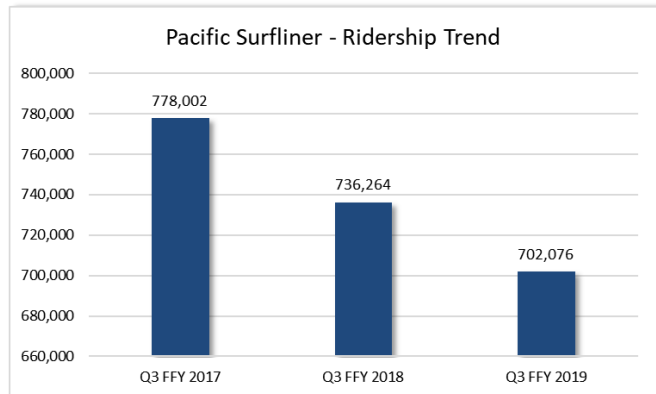


Figure 1.2

Metrolink

Overall LOSSAN rail corridor ridership was positively impacted by the minor ridership increase experienced by Metrolink's VCL as demonstrated in Figure 1.3. The VCL, which serves East Ventura to Los Angeles, saw a ridership increase of 2.0 percent when compared to the third quarter last year. The OCL, which serves Los Angeles to Oceanside, saw a 0.3 percent decrease in ridership over the same report period in the prior year.

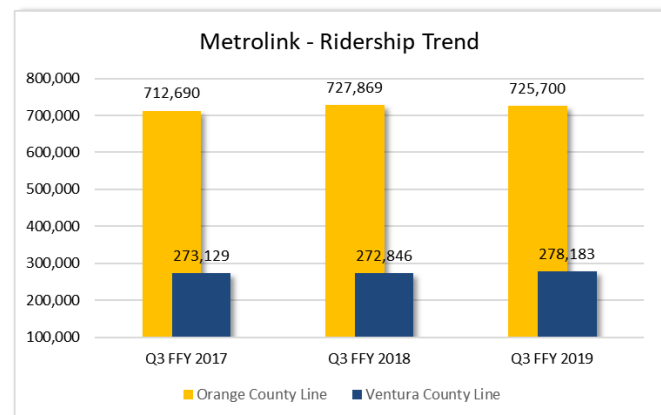


Figure 1.3

Metrolink pass holders riding Pacific Surfliner trains, utilizing the R2R Program, averaged 1,114 per weekday for the third quarter of FFY 2018-19, which is a decrease of 5.7 percent compared to the same period last year. As noted previously, the elimination of train 761 as part of the peak-period retiming effort

between Ventura and Santa Barbara counties has negatively impacted overall R2R ridership, eliminating a heavily utilized morning commuter connection.

COASTER

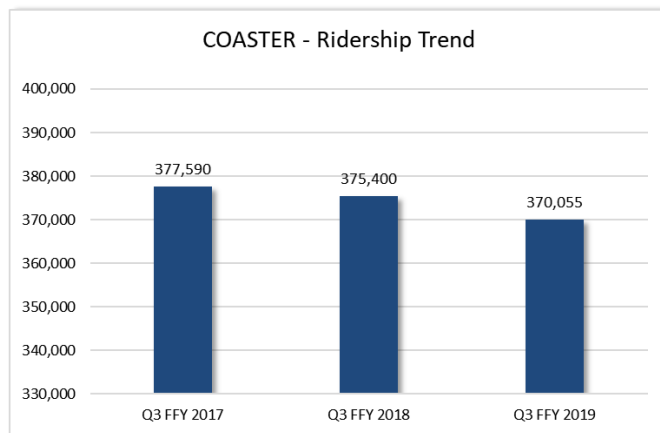


Figure 1.4

COASTER (serving Oceanside to San Diego) ridership decreased by 1.4 percent during the third quarter of FFY 2018-19, when compared to the same period the prior year as shown in Figure 1.4.

During the third quarter of FFY 2018-19, there were an average of 39 total COASTER pass holders per day on Pacific Surfliner trains, utilizing the R2R program. This was a

decrease of 77 percent when compared to last year. This decrease is consistent with the forecasted loss associated with the elimination of an additional two COASTER stations from the R2R Program in October 2018.

Amtrak System

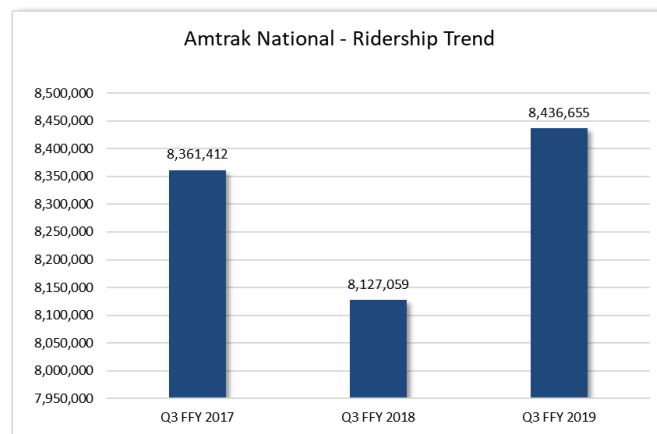


Figure 1.5

Amtrak service nationwide had a cumulative ridership increase of 3.8 percent for the third quarter of FFY 2018-19 compared with the same period the prior year, as demonstrated in Figure 1.5.

Amtrak's Coast Starlight (Seattle to Los Angeles) likewise saw ridership increase by 10.7 percent in the third quarter compared with the same period last year. The

Capitol Corridor (Auburn/Sacramento to Oakland and San Jose) and the San Joaquins Corridor (Sacramento/Oakland to Bakersfield) are the other two California State-supported intercity passenger rail services operated by Amtrak, and although serving significantly different markets, do provide a comparison to the Pacific Surfliner service. Ridership on the Capitol Corridor increased by 4.1 percent

and San Joaquins ridership increased by 4.4 percent in the third quarter compared to the same period last year.

Passenger Miles

A passenger mile is defined as one passenger traveling one mile. As an example, 10 passengers, each traveling 100 miles, would then generate 1,000 passenger miles. This metric depicts the growth in passenger usage and distance traveled.

The Pacific Surfliner generated over 63 million passenger miles during the third quarter of FFY 2018-19, which is a 1.3 percent decrease compared to the same period in the prior year. The decrease in passenger miles is less than anticipated based on what was experienced in overall ridership. Factoring in the average pounds of carbon dioxide emissions per passenger mile in a private automobile versus riding on passenger rail, those 63 million passenger miles resulted in a reduction of over 22,600 metric tons of greenhouse gases. A visualization of the impact this has on the environment is always helpful. The pollution eliminated is the equivalent of burning over 2.5 million gallons of gasoline.

Efficiency

Revenue

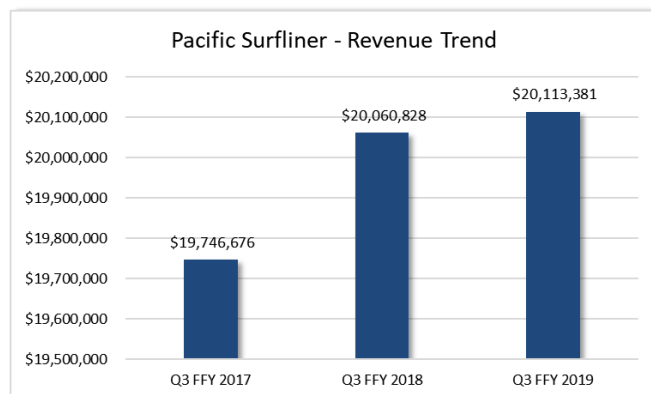


Figure 1.6

Despite the significant loss in ridership, the Pacific Surfliner's ticket revenue continues to outpace ridership losses. For the third quarter of FFY 2018-19 overall revenue increased by 0.3 percent when compared with the same period in the prior year as shown in Figure 1.6.

For the Capitol Corridor, total revenue increased by 8.5 percent for the third quarter, the San Joaquin rail corridor saw an increase of 5.2 percent, and the Coast Starlight increased by 27.1 percent.

Farebox Recovery

The Pacific Surfliner is legislatively required to achieve a minimum of 55 percent farebox recovery. As a performance measure, farebox recovery is normally calculated on an annual basis. Expenses throughout the year are not linear and

can cause significant fluctuations in the farebox recovery ratio from quarter to quarter.

The California Department of Transportation (Caltrans) Division of Rail and Mass Transportation (DRMT) reports quarterly to the California Transportation Commission (CTC) on all state-supported corridors via the *California Department of Transportation's Intercity Passenger Rail Operations Report*. This report focuses on a rolling 12-month report period instead of the quarter. On June 26, 2019, Caltrans DRMT reported to the CTC on the 12 months ending March 2019 (the most recent available data) and indicated that the Pacific Surfliner realized a 73.2 percent farebox recovery ratio for that time period.

Quality

OTP

The methodologies for calculating OTP vary significantly between intercity and commuter rail services. Commuter trains are considered late if trains arrive six or more minutes late to the terminal location. Pacific Surfliner trains are considered late if trains arrive 15 or more minutes after scheduled arrival times.

In the third quarter of FFY 2018-19, average endpoint Pacific Surfliner OTP was 75.5 percent, which was a 9.9 percent decrease over the prior year. All-station OTP, which is calculated by combining and averaging OTP at each station, averaged 78.5 percent. By comparison, the endpoint OTP on the Capitol Corridor averaged 88.3 percent, and the San Joaquins averaged 65.3 percent during the report period. Amtrak system-wide endpoint OTP averaged 76.0 percent for the third quarter. A monthly OTP trend for the Pacific Surfliner can be seen in Figure 1.7.

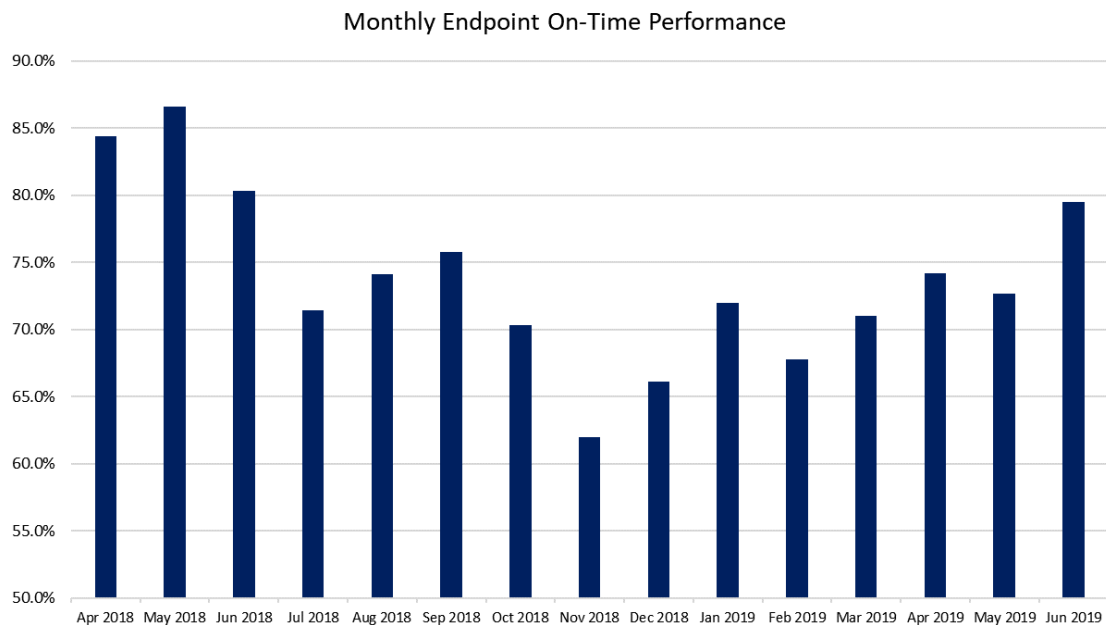


Figure 1.7

The LOSSAN Rail Corridor Agency (Agency) continues to work collaboratively with the host railroads to identify operational improvements that can favorably impact OTP. Primarily this is accomplished via the quarterly Corridor Improvement Team (CIT) meetings. The improvement of OTP in recent months is a direct result of the efforts of the CIT. The issues impacting OTP, continue to primarily be mechanical challenges associated with the implementation of positive train control and the introduction of new Charger locomotives, commuter and passenger train interference on the south end of the rail corridor, as well as signal issues on the north end. The LOSSAN Agency continues to work with the host railroads and Amtrak to address these issues.

Customer Satisfaction

Amtrak reports an Electronic Customer Satisfaction Index (eCSI) score monthly for all routes, in which a 'very satisfied' percentage is calculated out of 100 passengers via surveying. For the third quarter of FFY 2018-19, the Pacific Surfliner scored an average eCSI of 85.3 percent, which represents a decrease of 3.1 percent over the same period the prior year.

Detailed analysis of the eCSI data show somewhat of a shift in the drivers related to the overall score. The top five biggest drivers for customer dissatisfaction are *all* issues related to the reliability of onboard Wi-Fi service, with the ability to stay connected being number one.

Additional Performance Indicators

Food and Beverage Sales

The LOSSAN Agency's focus on improving service quality and the customer experience has prompted additional attention to the food and beverage selections offered in the Pacific Surfliner Café car. Continual effort is being made to ensure that menu items are meeting the expectations of our passengers. As part of that effort, LOSSAN Agency staff closely monitors food and beverage sales in an effort to gauge the success of what is being offered and to highlight items that need to be adjusted.

<i>Sales Category</i>	<i>Quarter 3 FFY 2017-18</i>	<i>Quarter 3 FFY 2018-19</i>	<i>Increase</i>
Baked Goods	\$118,238	\$117,491	-0.6%
Beer	\$286,827	\$297,332	3.7%
Beverages	\$341,591	\$363,278	6.3%
Dairy Products	\$7,914	\$10,643	34.5%
Packaged Snack Foods	\$905,850	\$968,782	6.9%
Fresh Prepared Foods	\$167,535	\$188,254	12.4%
Liquor	\$128,078	\$147,774	15.4%
Miscellaneous Merchandise	\$6,197	\$6,113	-1.4%
Salads	\$15,395	\$24,955	62.1%
Wine	\$428,371	\$504,064	17.7%
	\$2,405,995	\$2,628,685	9.3%

Figure 1.8

For the third quarter of FFY 2018-19, food and beverage sales increased by an amazing 9.3 percent over the same quarter in the prior year. This growth is especially significant considering the overall loss in ridership experienced during the report period. Details on the performance of each specific sales category are included in Figure 1.8.

Amtrak Thruway Bus Service

Pacific Surfliner rail service is supplemented by Amtrak's network of Thruway buses that connect passengers throughout the LOSSAN rail corridor. The bus routes function as part of the Pacific Surfliner service and include:

- Route 4: Los Angeles to Santa Barbara/Goleta. Two daily one-way trips.
- Route 17: Santa Barbara to San Luis Obispo to Oakland (where it connects with Capitol Corridor). Eleven daily one-way trips.
- Route 39: Fullerton to Palm Springs and Coachella Valley. Four daily one-way trips.

For the third quarter of FFY 2018-19, ridership on these three routes totaled 24,273 riders, which was a decrease of 8.2 percent when compared to the same period in the prior year.

Summary

This report provides an update of trends for the usage, efficiency, and quality of the passenger rail services on the Los Angeles – San Diego – San Luis Obispo rail corridor, including the Pacific Surfliner, Metrolink, and COASTER for the third quarter of federal fiscal year 2018-19. During the third quarter, total Los Angeles – San Diego – San Luis Obispo rail corridor ridership decreased by 1.1 percent compared to the same period last year. Ridership on the Pacific Surfliner decreased by 4.6 percent, while revenue realized a 0.3 percent increase when compared to the same period last year.

Attachment

- A. Los Angeles – San Diego – San Luis Obispo Rail Corridor Performance Summary, Third Quarter Federal Fiscal Year 2018-19

Prepared by:

A handwritten signature in black ink, appearing to read 'Roger M. Lopez', with a long horizontal line extending to the right.

Roger M. Lopez
Manager, Planning and Analysis
(714) 560-5438

**Los Angeles – San Diego – San Luis Obispo Rail Corridor Performance Summary
Third Quarter Federal Fiscal Year 2018-19**

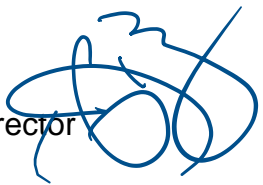
<u>Service</u>	<u>Ridership (total)</u>	<u>Ridership - Growth Over Same Quarter Previous Year</u>	<u>Revenue (total)</u>	<u>Revenue - Growth Over Same Quarter Previous Year</u>	<u>Endpoint OTP (3 mo. avg)</u>
Pacific Surfliner	702,076	-4.6%	\$ 20,113,381	0.3%	75.5%
Metrolink Ventura County Line	278,183	2.0%	---	---	94.7%
Metrolink Orange County Line	725,700	-0.3%	---	---	91.1%
COASTER	370,055	-1.4%	---	---	92.3%
LOSSAN Total/Average	2,076,014	-1.1%			88.4%

Amtrak Nationwide	8,436,655	3.8%	\$ 629,438,076	6.2%	76.0%
Capitol Corridor	458,705	4.1%	\$ 8,890,608	8.5%	88.3%
San Joaquin	284,939	4.4%	\$ 8,238,448	5.2%	65.3%
Coast Starlight	110,789	10.7%	\$ 10,877,288	27.1%	52.7%



October 21, 2019

To: Members of the Board of Directors

From: Jennifer L. Bergener, Managing Director 

Subject: Proposed 2020 Board of Directors and Committee Meetings Schedule

Overview

The Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency staff has developed a proposed Board of Directors and Committee meetings schedule for calendar year 2020 that was reviewed and approved by the Executive Committee, reflects prior informal direction from the Board of Directors, and is consistent with the development of key deliverables and actions for calendar year 2020.

Recommendation

Approve the 2020 Board of Directors and Committee meetings schedule for the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency.

Background

Each year, the Los Angeles – San Diego – San Luis Obispo (LOSSAN) Rail Corridor Agency (Agency) Board of Directors (Board) reviews and approves a proposed meeting schedule for the Board, Executive Committee, and Technical Advisory Committee (TAC) meetings for the following calendar year. A proposed meeting schedule for calendar year 2020 has been considered and approved by the Executive Committee and presented for Board of Directors consideration.

Discussion

The proposed schedule for 2020 maintains regular Board meetings which have historically been and are proposed to continue to be held the third Monday of each month.

To avoid conflicts with federal holidays, the February Board meeting is proposed to be held the third Tuesday of the month. No meetings are proposed for the months of January, April, July, August, October, and December.

Board meetings will rotate between the Los Angeles County Metropolitan Transportation Authority's Board chambers and the Orange County Transportation Authority headquarters, unless otherwise noted. Prior practices have been to hold two of the meetings, one in the southern portion of the corridor and one in the northern portion of the corridor. Staff will request Board Member and member agency feedback in selecting the months and locations for these meetings.

Executive Committee meetings are proposed to be held the months of March, May, June, and November. Additional meetings may be added to the schedule as needed.

TAC meetings are proposed to be held the months of February, March, May, June, September, and November, prior to scheduled Board meetings.

The Chairman of the Board retains the right to call a Special meeting at any time should unforeseen circumstances arise which warrant a meeting. The complete proposed 2020 LOSSAN Board and Committee meetings calendar is included as Attachment A.

Summary

Staff has developed a proposed 2020 LOSSAN Board and Committee meetings calendar for the LOSSAN Agency Board's review and approval.

Attachment

- A. LOSSAN Board of Directors Calendar – 2020 Board and Committee Meetings and Holidays – Draft 10.21.19



LOSSAN BOARD OF DIRECTORS CALENDAR

2020 Board and Committee Meetings and Holidays

ATTACHMENT A

Draft 10.21.19

JANUARY						
SUN	MON	TUE	WED	THU	FRI	SAT
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

FEBRUARY						
SUN	MON	TUE	WED	THU	FRI	SAT
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29

MARCH						
SUN	MON	TUE	WED	THU	FRI	SAT
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

APRIL						
SUN	MON	TUE	WED	THU	FRI	SAT
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

MAY						
SUN	MON	TUE	WED	THU	FRI	SAT
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

JUNE						
SUN	MON	TUE	WED	THU	FRI	SAT
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

JULY						
SUN	MON	TUE	WED	THU	FRI	SAT
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	


AUGUST						
SUN	MON	TUE	WED	THU	FRI	SAT
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					


SEPTEMBER						
SUN	MON	TUE	WED	THU	FRI	SAT
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			


OCTOBER						
SUN	MON	TUE	WED	THU	FRI	SAT
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

NOVEMBER						
SUN	MON	TUE	WED	THU	FRI	SAT
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

DECEMBER						
SUN	MON	TUE	WED	THU	FRI	SAT
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

 LOSSAN Board of Directors regular meeting
11:15 a.m. - 12:45 p.m.
Meetings will take place at the OCTA headquarters unless otherwise noted

 Executive Committee
TBD

 Technical Advisory Committee
12:30 p.m. - 2:30 p.m.

 LOSSAN Agency Observed Holidays



October 21, 2019

To: Members of the Board of Directors

From: Jennifer L. Bergener, Managing Director

Subject: Amendment to the Federal Fiscal Year 2018-19 Operating Agreement with Amtrak for the Pacific Surfliner Intercity Passenger Rail Service

Overview

In order to provide continued operation of the Pacific Surfliner intercity passenger rail service as included in the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency business plan for fiscal years 2019-20 and 2020-21, it is necessary to amend the current federal fiscal year 2018-19 Amtrak operating agreement to include additional funding capacity. Consistent with prior approval and direction from the Board of Directors, staff is currently underway with negotiations with Amtrak for an operating agreement for federal fiscal year 2019-20. However, final terms are still under discussion and the current agreement must be extended to allow for the continuation of Amtrak Pacific Surfliner intercity passenger rail service until a new operating agreement is executed, with a maximum extension through March 30, 2020.

Recommendation

Authorize the Managing Director to amend the current operating agreement with Amtrak (Agreement No. L-7-0008) for the continued operation of the Pacific Surfliner intercity passenger rail service in an amount not to exceed \$18,600,000.

Background

On August 21, 2017, the Los Angeles – San Diego – San Luis Obispo (LOSSAN) Rail Corridor Agency (Agency) Board of Directors (Board) authorized the Managing Director to negotiate and execute an agreement with Amtrak to provide for the continued operation of the Pacific Surfliner intercity passenger rail service for a term of two years, in an amount not to exceed \$33,006,040, for federal fiscal year (FFY) 2017-18, and in an amount not to exceed \$32,325,567, for FFY 2018-19, subject to updated forecasts provided by Amtrak and future

funding approvals by the State of California and the LOSSAN Agency Board. The agreement was executed and effective as of October 1, 2017, and valid through September 30, 2019.

On September 17, 2018, the LOSSAN Agency Board authorized the Managing Director to amend the Amtrak operating agreement for FFY 2018-19 in an amount not to exceed \$33,596,762. This amendment incorporated a revised funding amount for FFY 2018-19 consistent with Amtrak's FFY 2018-19 operating forecast and the LOSSAN Board-adopted fiscal year (FY) 2018-19 budget.

On June 17, 2019, the LOSSAN Agency Board authorized the Managing Director to amend the Amtrak operating agreement for FFY 2018-19 in an amount not to exceed \$4,871,316. This amendment included funding for rail car upgrades, business class enhancements and additional FFY 2018-19 net Amtrak operating costs.

The remaining funding capacity for net train operations on the current operating agreement is expected to be fully utilized. An increase in funding capacity is necessary in order to allow for the continuation of the Amtrak Pacific Surfliner intercity passenger rail service under the current agreement until a new FFY 2019-20 agreement is executed, with a maximum continuation through March 30, 2020.

Discussion

On July 15, 2019, the LOSSAN Agency Board authorized the Managing Director to negotiate and execute an agreement with Amtrak to provide for the continued operation of the Pacific Surfliner intercity passenger rail service for a term of one year, in an amount not to exceed \$31,678,283, for FFY 2019-20. Authorization for FFY 2020-21 is subject to further negotiations with Amtrak and contingent upon subsequent funding approvals by the State of California. LOSSAN Agency staff is currently negotiating a FFY 2019-20 operating agreement with Amtrak, which include discussions to secure horizon train equipment for the exclusive use on the Pacific Surfliner service in exchange for a daily lease rate.

The current operating agreement contains a continuation clause that allows for continued operations of the Pacific Surfliner service until a new FFY 2019-20 operating agreement has been executed, not to extend past March 30, 2020. The agreement stipulates that the LOSSAN Agency will provide monthly advance operating payments to Amtrak equal to the prior year actuals plus three percent. Actual costs are then reconciled and trued up on a monthly basis within 45 days of the prior month, consistent with the current process. Consistent with prior year trends, staff is estimating a monthly operating payment of \$3,100,000, which includes the three percent increase. The total maximum increase in

funding is estimated to be \$18,600,000, which will provide funding capacity up to a maximum of six months through March 30, 2020. This amount is consistent with the FY 2019-20 LOSSAN Agency Board-approved budget and FY 2019-20 and FY 2020-21 annual business plan, approved by the California State Transportation Agency. A master fund transfer agreement has previously been executed between the LOSSAN Agency and the California Department of Transportation Division of Rail and Mass Transportation, which provides operating funding in accordance with the Interagency Transfer Agreement through June 2021, subject to the State legislature's annual budget approval process.

Summary

LOSSAN Agency staff is currently negotiating a new federal fiscal year 2019-20 operating agreement with Amtrak. In order to provide continued operation of the Pacific Surfliner intercity passenger rail service as included in the LOSSAN Agency business plan for FY 2019-20 and FY 2020-21, staff recommends amending the current operating agreement with Amtrak in an amount not to exceed \$18,600,000, to provide additional funding capacity up to a maximum of six months through March 30, 2020.

Attachment

None.

Prepared by:



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Finance and Administration Manager
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