



## **California High-Speed Rail** **Briefing: August 17-18, 2022 Board Meeting** **Agenda Item #9**

**TO:** Board Chair Richards and Authority Board Members

**FROM:** Garth Fernandez, Central Valley Regional Director

**DATE:** August 17, 2022

**RE:** SR46 Grade Separation Improvement Project Interagency Agreement

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### **Summary**

Staff recommends that the Board authorize the Chief Executive Officer (CEO), or Designee of the CEO, to execute a new Interagency Agreement with the California Department of Transportation (Caltrans) in the amount of \$ 77,000,000 to fulfill the California High-Speed Rail Authority's (Authority) obligation to construct improvements along State Route 46 (SR 46) pursuant to the Settlement Agreement with Kern County, which was executed on January 17, 2017.

### **Background**

On January 17, 2017, the County of Kern, and the California High-Speed Rail Authority (Authority) entered into a Settlement Agreement to fully resolve the lawsuit, County of Kern v. California High-Speed Rail Authority (Sacramento County Court Case No. 34-2014-80001863). As one of the conditions of the settlement, the Authority agreed to widen State Route (SR) 46 "to four lanes, two in each direction, extending to the west no further than F Street and extending to the east no further than SR 43/J Street" in Wasco, and replace the BNSF grade separation as part of Construction Package (CP) 4 (SR46 Grade Separation Improvement Project).

Caltrans is separately developing a safety roundabout project at the intersection of SR 46 and SR 43/J Street, within the limits of the SR46 Grade Separation Improvement Project.

The Authority added the design of the SR46 Widening Project scope of work to the CP4 contract via a change order dated 07/17/2018. The completion of the SR 46 improvement project is not required for the completion of the Authority's operating corridor. Assessing the risk relative to property acquisition and the completion of the two projects separately, the project team determined that the SR 46 Grade Separation Improvements would best be moved from the California Rail Builders (CBR) contract scope of work to a separate new contract with Caltrans.

In November 2021, the United States Department of Transportation awarded a \$24 million grant to the Authority for the SR 46 project through the Rebuilding American Infrastructure with Sustainability and Equity (RAISE) program.

## **Prior Board Action**

At the December 2021 Board meeting, the Board approved an updated Expenditure Authorization that included the RAISE grant and the SR 46 project.

## **Discussion:**

Approval of this new Interagency Agreement with Caltrans will fulfill the Authority's obligation to construct the SR 46 improvements pursuant to the Settlement Agreement with Kern County.

## **Scope of Work**

The execution and funding of a new Interagency Agreement with Caltrans will facilitate Caltrans's performance on the following Scope of Work:

- Completion of SR 46 roadway design package (currently at 60%).
- Acquisition of all ROW necessary for the project.
- Management of 3<sup>rd</sup> Party Agreements, utility design, and relocations. (Except PG&E's electrical facilities).
- Construction of the SR 46 widening, a new BNSF Underpass, pump station, and associated drainage.

## **Contract Term and Budget**

The term of this Agreement will be from September, 1 2022, - July 30, 2028, and the maximum amount of the contract will be up to \$77 million. Separate Caltrans funds will be the source of funding for the Caltrans scope of work (roundabout).

Partnering with Caltrans and combining the Roundabout and the SR 46 Grade Separation Improvement Project is an opportunity to efficiently deliver the two projects. Caltrans has agreed to enter into a contract for the completion of the design, Right-of-way, construction and management of the project through close out. The terms of the new Interagency Agreement have also been reviewed and agreed to by both parties.

A separate agreement with the Authority, USDOT (FHWA) and Caltrans is currently being negotiated to outline the commitments on deliverables and reporting requirements for the RAISE Grant. Caltrans will act as the lead agency for deliverables and reporting. Authority is also negotiating a separate reimbursement agreement with the City of Wasco for the demolition of the former Wasco Farmworker Housing facility.

## **Legal Approval**

This Agreement was negotiated with the assistance of, and under review of, the Authority's Legal Office and this item complies with Authority policy.

## **Budget and Fiscal Impact**

The funds associated with this request include State Proposition 1A and Cap and Trade funds and the \$24 Million RAISE Grant awarded to the Authority in November 2021. The request is consistent with the Expenditure Authorization approved at the December 2021 Board meeting.

**2022/23 Fiscal Year Budget**

| Contract Name | Contract Number | Current FY Contract Budget | Budget Change | Funding Source |
|---------------|-----------------|----------------------------|---------------|----------------|
| SR46          | PP-SR46         | -\$13,355,221              | \$0           | State/RAISE    |
| Caltrans SR46 | TBD             | \$13,355,221               | \$0           | State/RAISE    |
| Total         |                 |                            | \$0           |                |

**Total Program Budget**

| Contract Name | Contract Number/Budget Allocation | Current Total Program Contract Budget | Budget Change | Funding Source |
|---------------|-----------------------------------|---------------------------------------|---------------|----------------|
| SR46          | PP-SR46                           | -\$77,000,000                         | \$0           | State/RAISE    |
| Caltrans SR46 | TBD                               | \$77,000,000                          | \$0           | State/RAISE    |
| Total         |                                   |                                       | \$0           |                |

| REVIEWER INFORMATION   | SIGNATURE   |
|--|---|
| Reviewer Name and Title:<br>Brian Annis<br>Chief Financial Officer | Signature verifying budget analysis:<br>Signed 8/9/2022 |
| Reviewer Name and Title:<br>Alicia Fowler<br>Chief Legal Counsel   | Signature verifying legal analysis:<br>Signed 8/9/2022  |

**Recommendations**

Staff recommends that the Board approve the execution of this Interagency Agreement with Caltrans in an amount not-to-exceed \$77 million.

**Attachments**

Powerpoint Presentation