Alameda Corridor Transportation Authority

Program & Operating Budget
Fiscal Year 2021/2022

Adopted

June 10, 2021

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ALAMEDA CORRIDOR TRANSPORTATION AUTHORITY
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June 10, 2021

Governing Board
Alameda Corridor Transportation Authority

I am pleased to transmit the Fiscal Year 2021/2022 (FY22) Budget for the Alameda Corridor Transportation Authority incorporating both operating and capital expenses. FY22 will be ACTA's nineteenth full fiscal year of operations.

At the end of FY21, the Corridor will have carried an estimated 80.8 million twenty-foot equivalent units (TEUs). An additional 14.1 million fee-generating, off-corridor TEUs will have been moved to and from rail loading facilities beyond the Corridor. Total fees collected from inception are approximately $1.77 billion through June 2021. Another $107 million is anticipated in FY22.

About 285,200 trains moved through the Corridor by the close of FY21, and to date an estimated 925,000 tons of carbon dioxide and 9,400 of other pollutants have been removed from the air through Corridor rail efficiency and reduced vehicle idling at grade crossings.

ACTA is committed to the region's quality of life goals, which include reduced highway congestion, improved traffic safety, and better air quality. ACTA plays a key role in the efficient movement of goods that is critical to a vibrant local, regional and national economy. The San Pedro Bay Ports are the gateway for about 40% of the waterborne imports into this country via U.S. ports. The economic impact of these two ports on the entire nation is measurable and indisputable. The ongoing challenge is to preserve this economic mainstay while enhancing it in an environmentally responsible manner.

Debt Service

ACTA's annual debt service was originally structured to increase each year in anticipation of steady year-over-year port volume growth. However, port loaded container volumes (imports and exports), which had grown steadily through calendar year 2007, dropped 20% by 2009 due to the recession. Although volumes increased markedly in 2010, it took until 2014 to get back to the 2007 peak volume. Port congestion issues in 2015 resulted in a 3% reduction in port loaded container volumes. Because of the several year stall in growth, ACTA's ability to pay the annual debt service from revenue alone was challenging.

ACTA was able to make debt service payments through FY11 without port financial assistance, using: 1) pre-2007 revenue surpluses, 2) remaining bond funds by canceling certain non-critical capital projects, and 3) debt service reductions by calling certain bonds using unspent bond proceeds. However, $12 million in port advances were required in total for FY12 and FY13.

No further advances were required in FY14 through 21. These were avoided by refunding certain existing bonds in FY12 and FY13 at lower interest rates through both the federal government and a public offering respectively, as well as by the release of certain surplus debt service reserve funds that were then used to pay debt service. A successful refunding (2016 Bonds) was accomplished in FY16 with the goal to eliminate the need for port advances through FY26, provided port loaded container volumes grow by more than 4 percent per year. Tariffs and COVID-19 have challenged that proviso and ACTA will need to take additional refinancing actions prior to and after 2026.

Administration

Since ACTA's operating expenses are paid from the same revenue as debt service, managing administrative expenses continues to be a budget objective. Between FY11 and FY14 net operating expenses were halved. For FY22, the budgeted net operating expenses of $6.9 million are approximately 2.4% lower than FY21 budget.

Capital Program

ACTA's capital program has been markedly reduced over the past several years by project deferrals and cancellations. Due to project funding shortfalls and other issues, both the expressway extension to the SR-47 Project and the Cerritos Channel Rail Bridge Project were indefinitely postponed.

Pursuant to cooperative agreements with Caltrans, ACTA is obliged to perform design support during construction, environmental mitigation oversight, property acquisition, and utility coordination for the Heim Bridge replacement portion of the SR-47 Project, most all of which is reimbursable by Caltrans and is nearling completion.

We offer the attached budget for your consideration.

Respectfully submitted,

Michael C. Leue, P.E.
Chief Executive Officer

ACTA History & Budget Overview

ACTA History & Budget Overview

The Alameda Corridor Transportation Authority (ACTA) was established in 1989 as a Joint Powers Authority of the cities of Long Beach and Los Angeles. Throughout the 1990's, planning, financing, and engineering efforts dominated ACTA's agenda. Construction began in 1997 with the Los Angeles River Bridge Project, and accelerated shortly thereafter when full project funding was secured. The original project was completed and the Corridor opened for Revenue Service on April 15, 2002. The Pacific Coast Highway Grade Separation Project and the Anaheim Pump Station Project, follow-on ACTA efforts, were completed in March 2004 and June 2005, respectively.

Recent Activity

ACTA spent many years transitioning from a construction agency to an operating entity. More recently, ACTA has been solely focused on managing Corridor operations and maintenance, collecting revenue, and servicing debt. ACTA is also working with Caltrans to advance work on the SR-47 Heim Bridge Replacement Project.

Expenses

For FY22, budgeted net operating expenses are $6.9 million. ACTA continues to control costs while meeting all of the objectives of the Authority. There is a decrease in budgeted expenses for FY22, due in part to the addition of a new ACTA employee, higher benefit costs, but decrease of information technology for implementing new accounting system that was completed in 2021.

Debt Restructuring

In June 2012, ACTA finalized a debt restructuring with the US Department of Transportation – Federal Rail Administration (FRA) on a Railroad Rehabilitation and Infrastructure Financing (RRIF) transaction. The benefits of the 2.46% rate financing were first realized during FY13 together with the principal savings from maturity date extensions.

In February 2013, ACTA closed a traditional refunding of the remaining callable 1999A Bonds at a blended true interest cost rate of 3.01%. The transactions saved ACTA about $2.5 million annually in interest in Bond Years (October 1 - September 30) 2013 – 2018 and $5.5 million in Bond Years 2019 – 2029.

In April 2016, the Governing Board authorized the defeasance and restructuring of certain ACTA 2004A Bonds in order to better match debt service with anticipated revenue. In May 2016, ACTA sold $34,280,000 of Tax-Exempt First Subordinate Lien 2016A Bonds, and $556,860,000 of Tax-Exempt Second Subordinate Lien 2016B Bonds. The restructuring caused a portion of the 2004A debt service due in years 2016 through 2025 to be deferred to years 2034 through 2037. The 2016 Bonds were sold with a net premium of $95.9 million, and the sale generated proceeds of about $687.1 million.

ACTA History & Budget Overview (cont'd.)

ACTA's remaining capital project effort involves fulfilling its obligations to Caltrans under cooperative agreements for the SR-47 Project. Although Caltrans is administering the construction of the Heim Bridge Replacement portion of the project, ACTA is providing design support during construction, utility and right-of-way management support, as well as implementing environmental mitigation measures. This support is currently scheduled to continue at least through calendar year 2021. Although the Expressway portion of the project received favorable court decisions in an environmental litigation matter, this portion of the project has been deferred indefinitely due to funding issues and re-assessment of the project.

Budget Year Goals

- Facilitate efficient, safe and sustainable movement of goods, while maximizing revenue sources, ensuring revenue collection, building market confidence and seeking strategic financing.

Budget Assumptions

- Actual revenue, coupled with the port projection of port twenty-foot equivalent units (TEUs), serves as the basis for revenue projections for FY22.
- Use and Operating Agreement Consumer Price Index (CPI) fee adjustment is assumed to be 4.5% beginning January 1, 2022.
- Alameda Corridor Engineering Team (ACET) activity levels are limited to involvement in the SR-47 Project, transfer of Corridor property to the ports and other jurisdictions, maintenance and operations support, and certain ACTA administrative support.
- Cost projections for Maintenance-of-Way are based on the 2021 calendar year budget approved by the Port of Los Angeles, Port of Long Beach, the BNSF Railway Company, and the Union Pacific Railroad through a Notice of Mutual Agreement which was approved in December 2020.
- The Maintenance-of-Way (MOW) contractor meets budgeted amounts.
- The Railroads continue to provide dispatching and security services at no cost to ACTA.
- The Railroads pay for all rail maintenance costs based on a proportionate share, as calculated from data provided by both Railroads.
- Reserve Account (i.e., capital replacement fund) is replenished to the $15 million requirement for all potential non-rail maintenance costs and capital replacements.
- ACTA's revenue collection and monitoring costs, as well as administrative costs, are paid from Use Fees and Container Charges and other amounts made available through the Annual Accounting, including other port advances, if necessary.
- Interest earnings are calculated assuming rates and fund balances at 2021 levels.

Budget Overview

The Budget for FY22 consists of operating expenses totaling $156.8 million, including $4.9 million in Expenses for Public Benefit related to the SR-47 Project. Right-of-way, utility, and design support during construction work will continue in FY22 on the Heim Bridge Replacement portion of SR-47 pursuant to cooperative agreements with Caltrans.

Debt service payments of $116.5 million are scheduled for FY22 which includes $84.7 million for interest and $31.7 million for principal reduction.

ACTA's administrative, revenue collection and monitoring costs, and professional services costs have been budgeted at $6.9 million, which is about 2.4% percent less than the FY21 Budget. The decrease was mainly due to the cost of a new accounting system implementation that was completed in 2021 and offset by the increase of salaries and benefits.

Corridor MOW costs are budgeted at $16.7 million. The Railroads are directly responsible for most of the maintenance costs, making cash payments of $7.9 million for rail maintenance. To the extent funds are available, non-rail maintenance costs are paid from the Reserve Account (funded by Use Fees and Container Charges). Otherwise, the Railroads are required to also pay for non-rail maintenance costs. The FY22 Budget assumes that the Reserve Account continues to have more than sufficient balances for non-rail maintenance costs and capital replacements.

Budget Analysis

Budget Analysis

General and Administrative: The budget for general and administrative expenses includes salaries and benefits, office expenses, management expenses, software maintenance and management information technology support, travel, bank and investment costs, and ACET support. Salaries and benefits are projected to have the largest increases. Details of the Administrative Expenses and ACET support are shown on the Operating Budget by Expense Type on page 25.

Professional Services: These costs include legal, audit, government affairs, maintenance and necessary improvements of ACTA's revenue assessment and verification system (RAVS) and PierPASS system, environmental clean-up, and other consultant services. A minor amount of legal costs are allocated to SR-47 Project or specialized/reimbursable work as billed, with the remainder of the costs paid out of Administrative Funds.

The professional services budget is projected to increase in FY22. The increase is mainly due to increased professional services related to costs of a financial advisor, accounting implementation consultant, and OPEB validation service.

EPA Order and Pass Thru: An EPA 311 Order was issued in January 2011 with regard to an oil spill from an oil company pipeline crossing under the Corridor. A settlement was reached by all parties in September 2015. Any related expenses now budgeted are to assist the oil company with any further work and are fully reimbursable. Miscellaneous pass-through costs are also accumulated and then billed to the responsible parties.

Maintenance and Operations: There are three categories of Maintenance and Operations costs for the Corridor. Each is explained below. The two Ports and two Railroads make all decisions on matters related to the maintenance, operations, and capital investments on the Corridor, including the selection of the maintenance contractor and the security provider. The annual Maintenance-of-Way (MOW) and the Operations & Maintenance (O&M) Budgets are approved by the Ports and Railroads through a formal mutual agreement process by the end of November for the following calendar year. ACTA, on behalf of the Ports and Railroads, administers the MOW contract, implements the approved budgets, and monitors the Corridor maintenance contractor.

Maintenance-of-Way Costs

This first category includes three components:

<u>*Rail Component*</u>

This component consists of maintenance of real property, track, ballast, signals, crossing and protection devices, pole lines, communication facilities and equipment, and track storm drains outside the Trench. The Railroads are solely responsible for paying the maintenance costs of the Rail Component. ACTA bills each railroad a pro rata share of the budgeted costs on a monthly basis and actual amounts are reconciled at the end of the year.

Budget Analysis (cont'd.)

<u>*Non-Rail Component*</u>

This component consists of maintenance of the retaining walls, embankments, barrier walls, fences, bridge structures, drainage facilities inside the trench, and emergency drop ladders, telephones, and alarms for the trench, as well as portions of the Washington Boulevard and Henry Ford Avenue grade separations. The costs for the Non-Rail Component are paid from the Reserve Account established through the Amended and Restated Use and Operating Agreement (the written agreement between ACTA, the Ports, and the Railroads governing Corridor operations dated December 15, 2016). ACTA's Maintenance Contractor submits monthly invoices for the work performed, and funds are withdrawn from the Reserve Account monthly to cover the costs.

<u>*ACTA Component*</u>

This component consists of maintenance of ACTA's Automatic Equipment Identification (AEI) Reader network along the tracks that collect data to support the revenue collection system. ACTA's Maintenance Contractor submits monthly invoices for the work performed on the AEI network and ACTA pays the invoices from Administrative Funds. Note that upgrades to the AEI Reader network are budgeted and allocated between the ACTA Component and the Rail Component.

Annual Capital Costs

This second category consists of additions, betterments, and upgrades or replacements made to the Corridor non-rail components and to rail components that exceed the limits set forth in the most current Capital Expense Guidelines approved by the Ports and the Railroads effective January 1, 2018. The Capital Budget work is primarily performed by ACTA's Maintenance Contractor and is paid from the Reserve Account.

Corridor Operating and Other MOW Costs

This third category consists of other Corridor operating costs such as certain insurance, utility, permits, and MOW support costs which are paid for the most part by the Railroads on a monthly basis and actual amounts are reconciled at the end of the calendar year. In addition, dispatching and security services are provided by and paid directly by the Railroads and are, therefore, not reflected in the total MOW expenses paid through ACTA.

Maintenance-of-Way costs for FY22 are budgeted using the approved, amended MOW and O&M Budgets for CY21.

Debt Service Payments: Debt service payments each fiscal year occur on October 1st (interest and principal) and April 1st (interest only). There are $52.5 million, $0.0 million, $2.1 million, $28.6 million, and $33.4 million in 1999, 2004, 2012, 2013, and 2016 Series bond debt service payments respectively scheduled during FY22. Of the total of $116.5 million, principal repayments due October 1, 2021 are $31,745,591.

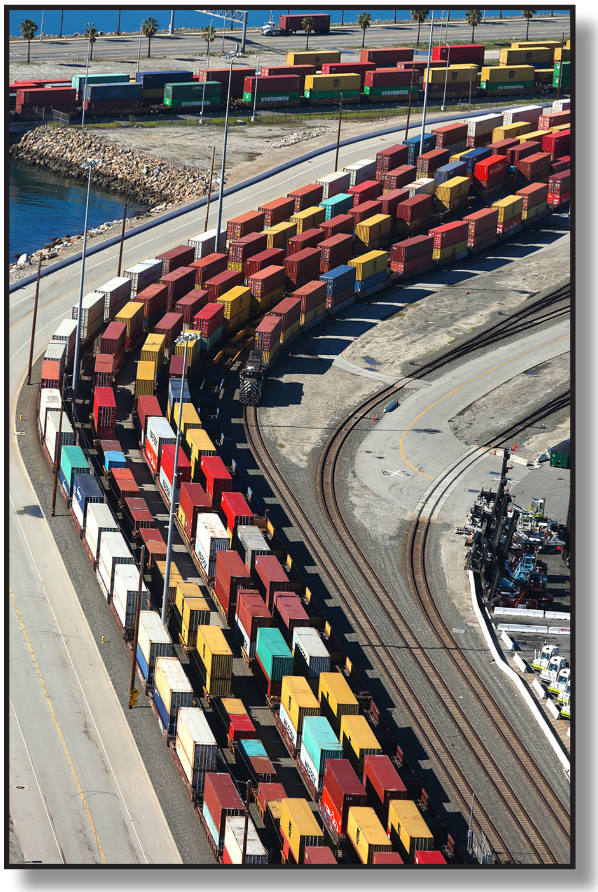
Debt Service by Bond Series for FY2022

($ in millions)

Year	1999	2004	2012	2013	2016	Total
Principal	$ 7.35	$ -	$ -	$ 18.71	$ 5.68	$ 31.74
Interest	$ 45.10	$ -	$ 2.06	$ 9.89	$ 27.67	$ 84.72
Total	$ 52.45	$ -	$ 2.06	$ 28.60	$ 33.35	$ 116.46

Port Advances: No further advances were required in FY14 through 21. These were avoided by refunding certain existing bonds in FY12 and FY13 at lower interest rates through both the federal government and a public offering respectively, as well as by the release of certain surplus debt service reserve funds that were then used to pay debt service. A successful refunding (2016 Bonds) was accomplished in FY16 with the goal to eliminate the need for port advances through FY26, provided port loaded container volumes grow by more than 4 percent per year. Tariffs and COVID-19 have challenged that proviso and ACTA will need to take additional refinancing actions prior to 2026. Plans for refinancing actions are underway and expected to occur in CY22.

Debt Summary



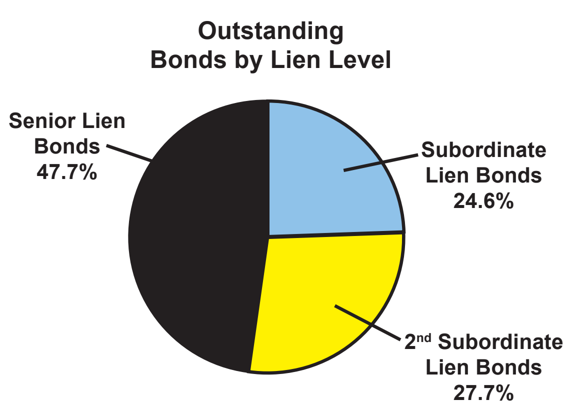
Debt Summary

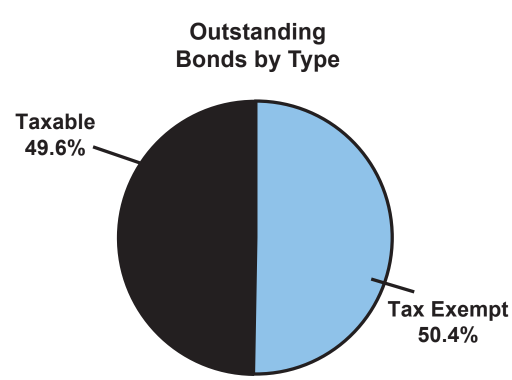
As of June 30, 2021, ACTA's total outstanding debt is anticipated to be $1.47 billion in revenue bonds. ACTA's debt portfolio includes a combination of senior, subordinate, 2nd subordinate, taxable, and tax- exempt serial and capital appreciation bonds. The bonds are secured by a pledge of ACTA's Use Fees and Container Charges paid by the two major railroads, Union Pacific Railroad and BNSF Railway Company, serving Southern California. ACTA paid off tax-exempt subordinate lien revenue bonds Series 1999B on October 1, 2006, and the taxable subordinate lien 1999D Bonds on October 1, 2014.

In late June 2012, ACTA completed a refunding transaction with the US DOT Federal Railroad Administration, in which ACTA issued $83.7 million in taxable senior lien bonds (2012 Bonds) in order to call and redeem certain 1999A Bonds. The 1999A Bonds were redeemed on July 24, 2012. An additional conventional refunding of all remaining callable 1999A Bonds was completed in February 2013 when $248.3 million in 2013A Bonds were issued to redeem $288.9 million in outstanding 1999A Bonds. The remaining outstanding 1999A Bonds are not callable. In May 2016, ACTA issued $591.1 million in tax-exempt subordinate bonds (2016A and 2016B Bonds). A portion of the $687.1 million in proceeds were utilized to refund and/or to defease to maturity certain outstanding 2004A Convertible Capital Appreciation Bonds and 2004 Capital Appreciation Bonds.

Total Debt Service

Fiscal Year	Principal	Interest	Total
2022	$ 31,745,591	$ 84,717,305	$ 116,462,896
2023	37,813,264	84,247,682	122,060,946
2024	70,485,000	55,455,612	125,940,612
2025	75,415,000	51,528,289	126,943,289
2026	79,570,000	47,296,433	126,866,433
2027-2031	471,209,686	639,932,237	1,111,141,923
2032-2036	394,606,433	798,369,588	1,192,976,021
2036-2038	311,724,733	196,178,767	507,903,500
Total	$ 1,472,569,707	$ 1,957,725,913	$ 3,430,295,620





Debt Summary (cont'd.)

Use Fees and Container Charges for FY22 are not expected to be sufficient to cover the annual debt service obligation of $116.5 million. According to Use and Operating Agreement, the Ports are obligated for up to 40 percent of the annual debt service obligation on the outstanding bonds should shortfalls arise. ACTA requested a debt service shortfall advance of approximately $5.9 million ($2.95 million per port) in August 2011, which caused the Use Fees and Container Charges for loaded waterborne containers to increase by $1.12 per TEU beginning December 1, 2011, pursuant to a 2006 settlement with the Railroads involving transloading. A shortfall advance payment of similar size also was paid by the ports for October 1, 2012 debt service. No shortfall advance payment is anticipated for October 1, 2021.

Alameda Corridor Transportation Authority

Aggregate Annual Debt Service - 2021-2037

After Oct 1, 2011 Bond Call, Jul 24, 2012 RRIF Refunding, 2013A Bond Refunding & 2016A/B Bond Restructuring

Year	Senior Lien Bonds Tax Exempt Series 1999 A	Taxable Series 1999 C	Taxable RRIF 2012 Bonds	Tax Exempt Series 2013 A	Aggregate Senior Lien Debt Service	Subordinate Lien Bonds Tax Exempt Series 1999 B	Taxable Series 1999 D	Aggregate Subordinate Series 1999 Service	Subordinate Lien Bonds Tax Exempt Series 2004 A	Taxable Series 2004 B	Aggregate Subordinate Series 2004 Service	Subordinate Lien Bonds Tax Exempt Series 2016 A	Total Subordinate Debt Service	2nd Subordinate Lien Bonds Tax Exempt Series 2016 B	Total Debt Service Repayment	Annual Debt Service Bond Year & Calendar Year	Annual Debt Service Fiscal Year
10/1/2021	-	42,535,840	1,032,454	23,888,225	67,456,519				-	-	-	6,488,850.00	6,488,850	13,087,125	87,032,494	117,044,346	
4/1/2022	-	9,915,840	1,026,812	4,710,475	15,653,127				-	-	-	690,150.00	690,150	13,087,125	29,430,402		116,462,896
10/1/2022	-	43,060,840	1,032,454	24,700,475	68,793,769				-	-	-	11,520,150.00	11,520,150	13,087,125	93,401,044	122,831,446	
4/1/2023	-	9,915,840	1,026,812	4,210,725	15,153,377				-	-	-	419,400.00	419,400	13,087,125	28,659,902		122,060,946
10/1/2023	-	43,570,840	11,582,454	25,545,725	80,699,019				-	-	-	5,364,400.00	5,364,400	13,087,125	99,150,544	127,810,446	
4/1/2024	-	8,805,225	899,868	3,677,350	13,382,443				-	-	-	320,500.00	320,500	13,087,125	26,790,068		125,940,612
10/1/2024	-	45,215,225	10,894,868	26,427,350	82,537,443				-	-	-	6,580,500.00	6,580,500	13,087,125	102,205,068	128,995,136	
4/1/2025	-	7,603,695	774,801	3,108,600	11,487,096				-	-	-	164,000.00	164,000	13,087,125	24,738,221		126,943,289
10/1/2025	-	46,958,695	10,189,058	27,353,600	84,501,353				-	-	-	6,724,000.00	6,724,000	13,087,125	104,312,478	129,050,699	
4/1/2026	-	6,304,980	659,375	2,502,475	9,466,830				-	-	-		-	13,087,125	22,553,955		126,866,433
10/1/2026	-	48,804,980	9,467,998	28,317,475	86,590,453				-	100,675,000	100,675,000		100,675,000	13,087,125	200,352,578	222,906,533	
4/1/2027	-	4,902,480	551,370	1,915,250	7,369,100				-	-	-		-	13,087,125	20,456,225		220,808,803
10/1/2027	-	50,757,480	8,724,400	29,265,250	88,747,130				-	100,675,000	100,675,000		100,675,000	13,087,125	202,509,255	222,965,480	
4/1/2028	-	3,389,265	452,394	1,305,000	5,146,659				-	-	-		-	13,087,125	18,233,784		220,743,039
10/1/2028	-	52,829,265	7,952,394	30,240,000	91,021,659				-	100,670,000	100,670,000		100,670,000	13,087,125	204,778,784	223,012,568	
4/1/2029	-	1,757,745	359,157	665,391	2,782,293				-	-	-		-	13,087,125	15,869,418		220,648,202
10/1/2029	-	55,022,745	7,171,131	31,250,391	93,444,266				57,015,000	43,660,000	100,675,000		100,675,000	13,087,125	207,206,391	223,075,809	
4/1/2030	-		275,624		275,624				-	-	-		-	13,087,125	13,362,749		220,569,140
10/1/2030	37,625,000	57,375,000	6,332,138		101,332,138				100,665,000	-	100,665,000		100,665,000	13,087,125	215,084,263	228,447,012	
4/1/2031	-		201,351		201,351					-	-		-	13,087,125	13,288,476		228,372,740
10/1/2031	38,000,000	57,950,000	5,502,458		101,452,458					100,670,000	100,670,000		100,670,000	13,087,125	215,209,583	228,498,059	
4/1/2032	-		136,715		136,715					-	-		-	13,087,125	13,223,840		228,433,422
10/1/2032	38,380,000	58,530,000	4,641,715		101,551,715					100,670,000	100,670,000		100,670,000	13,087,125	215,308,840	228,532,679	
4/1/2033	-		81,080		81,080					-	-		-	13,087,125	13,168,205		228,477,045
10/1/2033	38,765,000	59,115,000	3,756,526		101,636,526					100,675,000	100,675,000		100,675,000	13,087,125	215,398,651	228,566,856	
4/1/2034	-		36,002		36,002						-		-	13,087,125	13,123,127		228,521,777
10/1/2034	39,155,000	59,705,000	2,851,199		101,711,199						-		-	142,952,125	244,663,324	257,786,451	
4/1/2035	-		1,472		1,472						-		-	10,140,500	10,141,972		254,805,296
10/1/2035	39,545,000	60,300,000	121,480		99,966,480						-		-	145,900,500	245,866,980	256,008,952	
4/1/2036	-		-		-						-		-	6,871,500	6,871,500		252,738,480
10/1/2036	39,940,000	60,905,000	-		100,845,000						-		-	149,166,500	250,011,500	256,883,000	
4/1/2037	-		-		-						-		-	3,548,500	3,548,500		253,560,000
10/1/2037	40,340,000	61,515,000	-		101,855,000						-		-	152,488,500	254,343,500	257,892,000	254,343,500
	$ 311,750,000	$ 956,745,980	$ 97,735,559	$ 269,083,756	$ 1,635,315,295	$ -	$ -	$ -	$ 157,680,000	$ 647,695,000	$ 805,375,000	$ 38,271,950	$ 843,646,950	$ 951,333,375	$ 3,430,295,620	$ 3,460,307,472	$ 3,430,295,620

Revenue Summary

Revenue Summary

Use Fees and Container Charges

Use Fees and Container Charges are derived from ACTA's right to impose a charge on the Railroads, pursuant to the Alameda Corridor Amended and Restated Use and Operating Agreement (UOA) dated December 15, 2016. The Railroads pay Use Fees for using the Rail Corridor and Container Charges for loaded waterborne containers originating or terminating at the ports' facilities that do not use the Corridor, but are transported by rail into or out of Southern California. Proceeds of the Use Fees and Container Charges are pledged to bondholders to repay ACTA's outstanding debt and for certain other eligible expenses and reimbursements.

The revenues for FY22 from Use Fees and Container Charges are expected to be $107.1 million, which is 5% below the FY21 estimated actual amount of $112.8 million. At the time the Governing Board considered and adopted the FY22 budget, the impact of proposed tariffs and related economic trends were not clear. ACTA is continuing to monitor potential impacts to the budget. ACTA's revenue is correlated with the San Pedro Bay Port TEU volume, with ACTA's share currently averaging 25%.

ACTA currently assesses the Railroads $26.72 in Use Fees or Container Charges (effective January 1, 2021) per twenty-foot equivalent unit (TEU) for loaded waterborne containers. Approximately 91.5% of Use Fees and Container Charges revenue comes from loaded waterborne containers.

Empty waterborne containers that pass through the Ports and use the Corridor are assessed $6.40 per TEU. Approximately 5.2% of the revenue comes from empty waterborne containers.

Containers that utilize the Corridor, but are not associated with the ports, are given the designation of non-waterborne. Non-waterborne containers that use the Corridor, whether full or empty, are assessed $6.40 per TEU. Full flatcars, auto-racks, box cars and other railcars that originate or terminate at the Ports and utilize the Corridor are charged $12.80 per railcar. About 3.3% of the revenue comes from non-waterborne and other railcar charges.

The FY22 revenue projection includes an estimated 4.5% CPI fee adjustment effective January 1, 2022 pursuant to the Use and Operating Agreement.

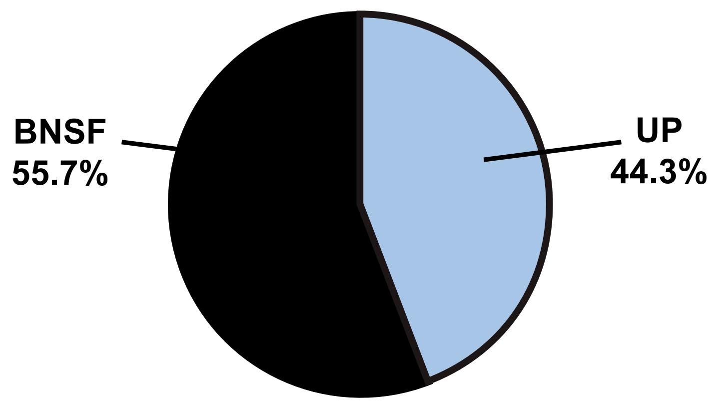
Railroad Payments

BNSF and Union Pacific Railroads

The Maintenance and Operations (M&O) charges established under the Use and Operating Agreement are pro rata charges to the Railroads for the annual cost of maintenance, operations, and repair of the Corridor. The M&O activities are described on page 29.

M&O charges incurred by the Railroads for the purpose of maintaining or repairing the Corridor track and track support structures are prorated based on gross ton miles. Maintenance and repair of signals and communications systems, dispatching, and all other charges not specifically relating to the track and track support structures are prorated based on train miles. ACTA expects to receive $7.9 million during FY21.

Corridor Use By Railroad
Gross Ton Miles based on Calendar Year 2020



Schedule of
Functional Expenses

Schedule of Functional Expenses

Operating Budget By Expense Type

	BUDGET FY22	ACTUAL ESTIMATE FY21	BUDGET FY21	% CHANGE BUDGET TO EST. ACTUAL	% CHANGE BUDGET TO BUDGET
Revenues					
Operating Revenues					
Use Fees & Container Charges	$ 107,114,222	112,797,111	91,972,066	-5.0%	16.5%
Maintenance-of-Way Charges	8,661,444	8,198,901	8,042,411	5.6%	7.7%
Total Operating Revenues	115,775,666	120,996,012	100,014,477	-4.3%	15.8%
Other Revenues					
Pier Pass	60,000	60,000	60,000	-	-
Office Rental & Other Income	125,840	83,099	112,095	51.4%	12.3%
EPA Income	156,203	137,225	133,227	13.8%	17.2%
Public Benefit Income	4,854,562	580,759	5,109,861	735.9%	-5.0%
Investment Income	2,247,894	1,900,283	1,926,793	18.3%	16.7%
Subtotal Other Revenues	7,444,499	2,761,366	7,341,976	169.6%	1.4%
Total Sources of Funds	123,220,165	123,757,378	107,356,453	-0.4%	14.8%
Expenses					
Salaries	1,768,849	1,657,751	1,665,436	-6.7%	-6.2%
Benefits	1,060,518	869,945	1,014,921	-21.9%	-4.5%
Office Expenses	488,372	406,129	470,435	-20.3%	-3.8%
Other Management Expenses	91,200	44,776	74,295	-103.7%	-22.8%
Information Technologies	266,316	560,947	763,152	52.5%	65.1%
Bank & Investment	164,000	145,220	161,500	-12.9%	-1.5%
ACET Administrative Support	1,440,038	1,321,678	1,376,970	-9.0%	-4.6%
Audit	207,475	197,956	223,480	-4.8%	7.2%
Legal	880,000	707,890	880,000	-24.3%	0.0%
Governmental Affairs	78,676	66,292	78,676	-18.7%	0.0%
Professional Services	443,077	333,176	350,388	-33.0%	-26.5%
Pass Thru Expenses & EPA Order	156,203	137,225	133,227	-13.8%	-17.2%
Expenses for Public Benefit	4,854,562	580,759	5,109,861	-735.9%	5.0%
Total Administrative Expenses	11,899,287	7,029,744	12,302,342	-69.3%	3.3%
MOW Expenses Rail - Contractors	6,072,179	5,396,704	5,343,664	-12.5%	-13.6%
MOW Expenses Rail - Capital	-		-	-	-
MOW Expenses Rail - Other	2,589,265	2,802,196	2,698,747	7.6%	4.1%
Total M&O - Rail	8,661,444	8,198,901	8,042,411	-5.6%	-7.7%
MOW Expenses Non-rail - Contractors	1,798,620	1,941,197	1,729,435	7.3%	-4.0%
MOW Expenses Non-rail - Capital	5,888,775	5,858,086	6,184,281	-0.5%	4.8%
MOW Expenses Non-rail - Other	179,543	184,734	168,013	2.8%	-6.9%
Total M&O - Non-Rail	7,866,938	7,984,017	8,081,728	1.5%	2.7%
MOW Expenses - ACTA	139,442	138,342	94,439	-0.8%	-47.7%
Total Maintenance of Way Expenses	16,667,824	16,321,260	16,218,578	-2.1%	-2.8%
Subtotal Administrative and M&O Expenses	28,567,111	23,351,004	28,520,920	-22.3%	-0.2%
Financing Expenses					
Current Payments - Serial Bonds	59,720,051	53,242,118	61,516,977	-12.2%	2.9%
Current Payments - CAB Debt	24,997,255	24,103,912	24,103,912	-3.7%	-3.7%
Accrued Interest - CAB Debt & Discount Amortization	22,335,332	30,344,941	12,686,829	26.4%	-76.1%
Subtotal Financing Expenses	107,052,638	107,690,971	98,307,718	0.6%	-8.9%
Depreciation and Amortization Expenses					
Depreciation	20,984,164	21,019,477	20,982,164	0.2%	-
Cost of Issuance	-	-	-	-	-
Subtotal Depreciation and Amortization Expenses	20,984,164	21,019,477	20,982,164	0.2%	-
Total Operating Expenses	156,603,913	152,061,452	147,810,802	-3.0%	-5.9%
Income (loss)	$ (33,383,748)	$ (28,304,075)	$ (40,454,349)	-17.9%	17.5%

Schedule of Functional Expenses

Operating Budget By Funds

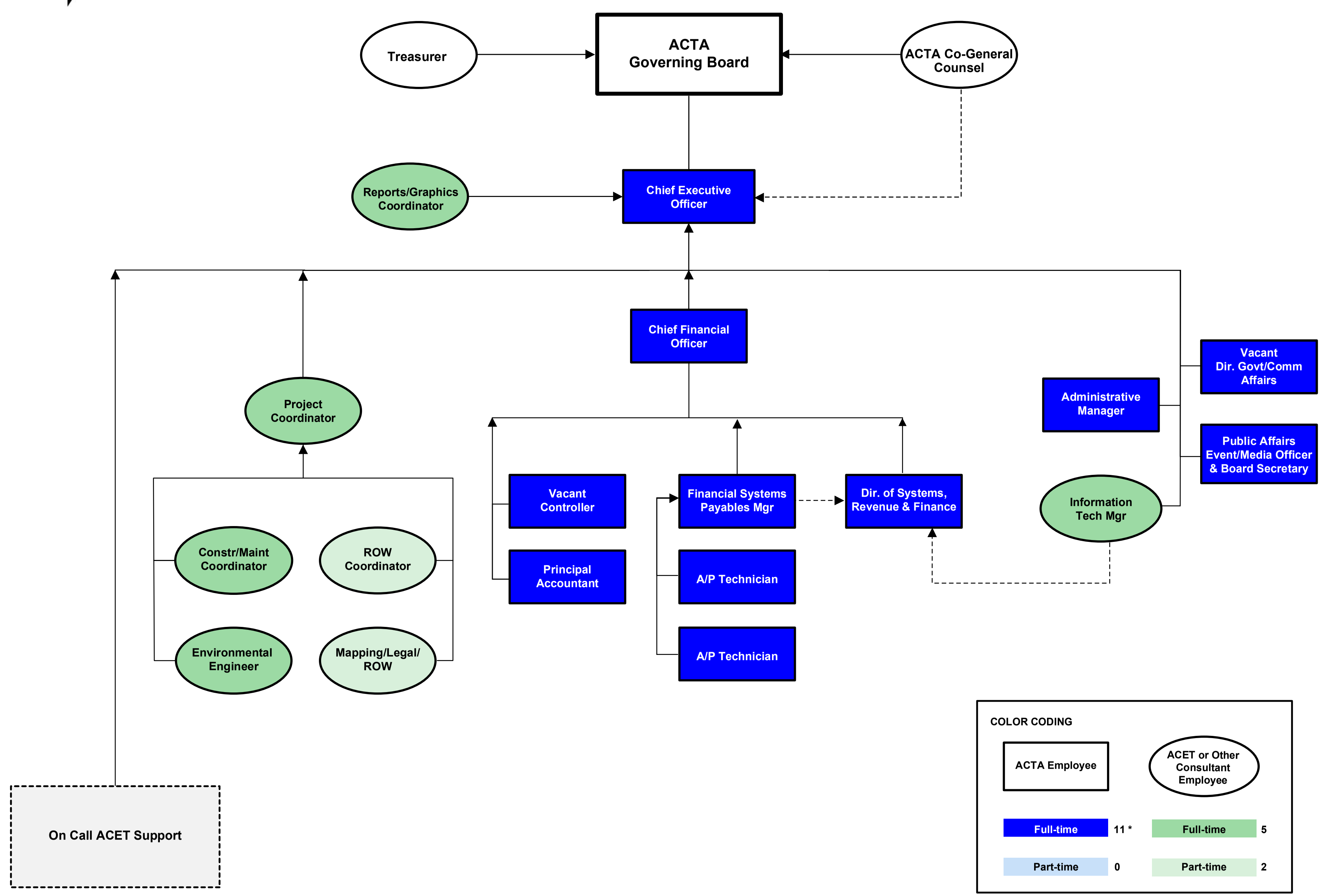
	BUDGET FY22	ACTUAL ESTIMATE FY21	BUDGET FY21	% CHANGE BUDGET TO EST. ACTUAL	% CHANGE BUDGET TO BUDGET
Revenues					
Operating Revenues					
Use Fees & Container Charges	$ 107,114,222	112,797,111	91,972,066	-5.0%	16.5%
Maintenance-of-Way Charges	8,661,444	8,198,901	8,042,411	5.6%	7.7%
Total Operating Revenues	115,775,666	120,996,012	100,014,477	-4.3%	15.8%
Other Revenues					
Pier Pass	60,000	60,000	60,000	-	-
Office Rental & Other Income	125,840	83,099	112,095	51.4%	-12.3%
EPA Income	156,203	137,225	133,227	13.8%	-17.2%
Public Benefit Income	4,854,562	580,759	5,109,861	735.9%	5.0%
Investment Income	2,247,894	1,900,283	1,926,793	18.3%	-16.7%
Subtotal Other Revenues	7,444,499	2,761,366	7,341,976	169.6%	-1.4%
Total Sources of Funds	123,220,165	123,757,378	107,356,453	-0.4%	-14.8%
Expenses					
Administrative Costs	6,888,522	6,311,761	7,059,254	-9.1%	2.4%
Railroads - M&O	8,661,444	8,198,901	8,042,411	-5.6%	-7.7%
Reserve - M&O	7,866,938	7,984,017	8,081,728	1.5%	2.7%
Financing Fees - M&O	139,442	138,342	94,439	-0.8%	-47.7%
Expenses for Public Benefit	4,854,562	580,759	5,109,861	-735.9%	5.0%
Revenue Fund-Current Payments-Serial Bonds	59,720,051	53,242,118	61,516,977	-12.2%	2.9%
Revenue Fund-Current Payments-CAB Debt	24,997,255	24,103,912	24,103,912	-3.7%	-3.7%
Pass Thru Expenses & EPA Order	156,203	137,225	133,227	-13.8%	-17.2%
Total Expenses	113,284,417	100,697,035	114,141,809	-12.5%	0.8%
Non Cash Expenses					
Accrued Interest - CAB Debt	22,335,332	30,344,941	12,686,829	26.4%	-76.1%
Depreciation	20,984,164	21,019,477	20,982,164	0.2%	-
Subtotal Interest, Depreciation and Amortization Expenses	43,319,496	51,364,418	33,668,993	15.7%	-28.7%
Total Operating Expenses	156,603,913	152,061,452	147,810,802	-3.0%	-5.9%
Income (loss)	$ (33,383,748)	$(28,304,075)	$(40,454,349)	-17.9%	17.5%

ACTA's Staff Compensation
FY22

	Full-time Equivalents	Salaries	Benefits	Total S&B
Admin Management	1.0	$ 295,400	$ 122,820	$ 418,220
Revenue Collection	1.5	272,133	154,421	$ 426,554
Accounting & Audit	3.0	543,772	314,172	$ 857,944
A/P & Investments	2.5	261,211	152,019	$ 413,230
Governmental Affairs	2.0	306,229	164,695	$ 470,924
Human Resource & Office Staff	1.0	90,104	67,490	$ 157,594
Office Overhead	0.0	-	84,902	$ 84,902
	11.0	$ 1,768,849	$ 1,060,519	$ 2,829,368

Alameda Corridor Transportation Authority

Functional ACTA/ACET Organizational Chart



* FY22 Budget was approved for 10.5 FTEs but it should have been 11 FTEs

Maintenance & Operations - By Calendar Year 2021

	Rail Cost	Non-Rail Cost	ACTA-Rail Cost	Total
Maintenance of Way Contractor's Costs				
Contract Manager	$ 217,307	$ 77,610	$ 15,522	$ 310,439
Track Supervisor	183,813	61,271	-	245,084
Safety Supervisor	49,017	196,067	-	245,084
Office Manager	80,061	28,593	5,719	114,373
Office Assistant	22,874	91,498		114,372
Track Inspector	147,514	49,171	-	196,685
Track Foreman	147,514	49,171	-	196,685
Assistant Foreman	145,078	48,359	-	193,437
Track Laborers	676,666	225,555	-	902,221
Equipment Operators	272,719	90,906	-	363,625
Welder	380,379	-	-	380,379
Welder Helper	180,444	-	-	180,444
Laborer (Graffiti/Pump Station)	-	180,444	-	180,444
Track Superintendent	136,474	136,474	-	272,948
Pump Station Maintenance	-	10,939	-	10,939
Pump Station Repairs & Supplies	-	31,050	-	31,050
AEI & Other Misc. Maintenance	191,344	-	115,888	307,232
Rail Flaw Detection	52,763	-	-	52,763
Graffiti Control	-	24,139	-	24,139
Weed Abatement	49,104	12,276	-	61,380
Safety Training	26,775	4,725	-	31,500
Safety Management	21,038	3,713	-	24,751
Vehicles	194,050	66,668	1,031	261,749
Safety Supervisor Truck	2,392	9,569	-	11,961
Full Time Equipment	204,336	51,084	-	255,420
Maintenance Program Rail Grinding	514,809	-	-	514,809
Track Materials / Supplies / Rentals	386,760	-	-	386,760
Signal Maintenance	1,479,737	-	-	1,479,737
Ladder / Fence / Traffic Support	-	265,650	1,282	266,932
Security (Trench Cameras)	17,941	6,408	-	24,349
Security & Yard / Office Maintenance & Support	207,900	-	-	207,900
Underwater Bridge Inspection (Not until 2023)	-	-	-	-
Trench Ditch Cleaning	-	50,400	-	50,400
Replace Signal Wire on Corridor	24,150	-	-	24,150
Railroad Reporting & Record Keeping Software System	42,000	-	-	42,000
Railroad Emergency Drill Exercise	-	-	-	-
AEI Readers Upgrade	10,500	-	-	10,500
Bridge Inspections	6,720	26,880	-	33,600
Total Contractor's Costs	6,072,179	1,798,620	139,442	8,010,238
Annual Capital Cost				
Surfacing Unit	-	415,881	-	415,881
Surfacing Mobilization	-	62,457	-	62,457
Reballast Program (Labor)	-	109,712	-	109,712
Reballast Program (Operated Equipment)	-	150,737	-	150,737
Ballast (1,000 Tons)	-	58,300	-	58,300
Capital Program Rail Grinding	-	514,809	-	514,809
Replace 20 Frogs	-	771,002	-	771,002
Replace 40 Switch Point and Stock Rail Combinations	-	461,895	-	461,895
Insulated Joint Replacement		456,541		456,541
Pump Station Upgrades	-	213,500	-	213,500
Trench Emergency Ladder / Stair Study & Repairs	-	129,000	-	129,000
Rehab Henry Ford Crossing-Near PHL Offices N of Bridge		439,984		439,984
Signal Battery Replacement	-	110,000	-	110,000
Replace Crucero Diamond		566,095		566,095
Curve Rail Replacement (12,000 LF)	-	776,462	-	776,462
Fixed Trench Ladders	-	420,000	-	420,000
Misc. Trench Structure Repairs	-	63,000	-	63,000
Replacement of M23A Switches	-	30,800	-	30,800
Signal Module VHLC Replacements to XLC	-	138,600	-	138,600
Total Capital Cost	-	5,888,775	-	5,888,775
Corridor Operating & Other MOW Cost				
Insurance (Annual Amount)	1,600,000	-	-	1,600,000
Utilities	179,916	-	-	179,916
Storm Water Discharge Permits, Water Testing & Support Services	75,000	-	-	75,000
Provide 3rd Party Security Monitoring & Support Services	3,500	-	-	3,500
M&O or Capital Reserve Support Service	388,629	129,543	-	518,172
Communication Network Upgrades, Alarm / Phone Renewals	30,000	-	-	30,000
Rehab Henry Ford Crossing @ CP Dominguez (Engineering & Permits)	-	50,000	-	50,000
PRE Signal Plan Updates for Various Control Points	100,000	-	-	100,000
Extraordinary ROW Cleanup	125,000	-	-	125,000
AEI Readers Upgrade	87,220	-	52,780*	140,000
Total Operating & Other MOW	2,589,265	179,543	52,780	2,821,588
Total MOW Paid through ACTA	$ 8,661,444	$ 7,866,938	$ 192,222	$ 16,720,601
Corridor Operating & Other MOW Cost Paid Directly by Railroads				
Dispatching [1]	662,386	-	-	662,386
Security - Labor [2]	1,455,116	-	-	1,455,116
Security - Equipment [3]	281,540	-	-	281,540
Total Other MOW Paid Directly by Railroads	2,399,042	-	-	2,399,042
Subtotal Maintenance & Operations	$ 11,060,486	$ 7,866,938	$ 192,222	$ 19,119,643
Contingency-Unallocated				$ 300,000
Total Maintenance & Operations				$ 19,419,643

[1,2,3] These costs are for memorandum purposes only and are internal Railroad costs not paid by ACTA.

* AEI Reader upgrade was inadvertently excluded in the Operating Budget.

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Images courtesy of Port of Los Angeles & Port of Long Beach.