



ITEM ID: 2024-254-0

TRANSMITTAL DATE: July 19, 2024

MEETING DATE: July 26, 2024

TO: Board of Directors

FROM: Arnold Hackett, Chief Financial Officer

SUBJECT: Amend FY2024-25 Budget to carryforward remaining funding approved in prior years for the three San Clemente Landslide Projects

Issue

Continuing activities at the three San Clemente slide locations, Cyprus Shores, Casa Romantica, and Mariposa require the remainder of funds approved for each project in prior year budgets to be carried forward to the FY25 Budget.

Recommendation

Audit and Finance Committee recommended (5-0) that the Board approve the Amendment to the FY2024-25 Budget to carryforward the funding for continuing expenses of the San Clemente Projects at Cyprus Shores (Mile Post (MP) 206.8), Casa Romantica (MP 204.6), and Mariposa (MP 204.2), projects #205305, #205306, #205307, respectively.

Strategic Commitment

This report aligns with the Strategic Business Plan commitment of:

- **Safety is Foundational:** We will stay on the leading edge by deploying new technologies and processes to enhance the safety and security of our riders, our fellow employees, and the communities we serve. Immediate response to slide incidents in San Clemente were emblematic of our ongoing commitment to safety.

Background

San Clemente #1 (Cyprus Shores)

An active landslide was identified on September 11, 2021, at Mile Post (MP) 206.8 in the City of San Clemente. On October 22, 2021, the Board adopted an Amendment to the FY22 Budget to add \$5.0M for emergency work. In FY23, \$4.5M was added in an additional Amendment bringing the total budgeted amount to \$9.5M.

San Clemente #2 (Casa Romantica)

On June 23, 2023, the Board authorized emergency work in response to a landslide to protect the track at MP 204.6 in San Clemente and approved an Amendment of \$6.0M to cover the emergency work.

San Clemente #3 (Mariposa)

On February 23, 2024, the Board adopted an Amendment to the FY24 Budget to add \$9.2M to the FY24 Budget to provide funds for emergency work at MP 204.2 in San Clemente. Orange County Transportation Authority has requested \$300K to be reserved for their expenses.

Although the immediate problems are believed to be under control and service in all areas has resumed, additional funds are needed to continue to monitor the tracks for movement.

All funds have been provided by Orange County Transportation Authority and the State of California.

Discussion

The amounts by which the FY25 Budget would be amended are as follows:

San Clemente #1 (Cyprus Shores MP 206.8) Project #205305	\$1,666,191
San Clemente #2 (Casa Romantica MP 204.6) Project #205306	\$2,912,911
San Clemente #3 (Mariposa MP 204.2) Project #205307	\$4,003,301

Budget Impact

San Clemente #1 (Cyprus Shores)

Approval of this amendment will carryforward "San Clemente #1" in FY25 below the operating line by \$1,666,191.

San Clemente #2 (Casa Romantica)

Approval of the amendment will carryforward "San Clemente #2" in FY25 below the operating line by \$2,912,911.

San Clemente #3 (Mariposa)

Approval of the amendment will carryforward "San Clemente #3" in FY25 below the operating line by \$4,003,301.

Next Steps

This budget amendment requires approval from each Member Agency's Board of Directors.

Prepared by: Christine Wilson, Assistant Director, Finance

Approved by: Arnold Hackett, Chief Financial Officer