AGENDA

Peninsula Corridor Joint Powers Board

Board of Directors Meeting

December 05, 2024, 9:00 am

Please note the primary meeting location differs from the regular location

Primary Meeting Location:
San José City Hall Council Chambers
200 E Santa Clara Street, San Jose, CA 95113

Alternate Meeting Location:
San Mateo County Board of Supervisors Offices
500 County Center, 5th Floor, Redwood City, CA 94063

Members of the public may participate remotely via Zoom at https://us06web.zoom.us/j/87581188408?pwd=OFNUYTVFdExlOXRkR2tQOENXQUhhUT09 or by entering Webinar ID: **875 8118 8408,** Passcode: **033088** in the Zoom app for audio/visual capability or by calling 1-669-900-6833 (enter webinar ID and press **#** when prompted for participant ID) for audio only. The video live stream will be available after the meeting at https://www.caltrain.com/video-board-directors

Members of the public also may participate in person at: San José City Hall Council Chambers, 200 E Santa Clara Street, San Jose, CA 95113 or any other noticed location.

Public Comments: Public comments may be submitted to publiccomment@caltrain.com prior to the meeting's call to order so that they can be sent to the Board as soon as possible, while those received during or after an agenda item is heard will be included into the Board's weekly correspondence and posted online at: https://www.caltrain.com/about-caltrain/meetings.

Verbal public comments will also be accepted during the meeting in person and through Zoom or the teleconference number listed above. Public comments on individual agenda items are limited to one per person PER AGENDA ITEM. Participants using Zoom over the Internet should use the Raise Hand feature to request to speak. For participants calling in, dial *67 if you do not want your telephone number to appear on the live broadcast. Callers may dial *9 to use the Raise Hand feature for public comment. Each commenter will be recognized to speak, and callers should dial *6 to unmute themselves when recognized to speak.

Each public comment is limited to two minutes. The Board Chair has the discretion to manage the Public Comment process in a manner that achieves the purpose of public communication and assures the orderly conduct of the meeting.

December 05, 2024 - Thursday 9:00 am

All items to which Government Code section 84308 applies have been marked with an asterisk.

A double asterisk indicates that one or more Directors of the JPB serve on the governing board of a public agency with which the JPB proposes to contract. Under Government code section 1091(a)((9), this relationship is considered to be a noninterest but it must be disclosed.

PART I OF MEETING (CALL TO ORDER): 9:00 am

1. Call to Order / Pledge of Allegiance / Safety Moment

2. Roll Call

3. Consideration of requests, if any, of Directors to participate remotely due to Emergency Circumstances

4. Request to Change Order of Business

PART II OF MEETING (CLOSED SESSION): 9:05 am estimated

5. Closed Session: Conference with Real Property Negotiator (Gov. Code § 54956.8)

   5.a. Property: 375 Beale Street, San Francisco, CA
   Agency Negotiator: Michelle Bouchard, Executive Director; Li Zhang, Chief of Commercial & Business Development; Nadine Fogarty, Director, Caltrain Real Estate and TOD; James Harrison, General Counsel
   Negotiating parties: Bay Area Headquarters Authority
   Matter under negotiation: Price and terms of payment

   5.b. Property: 166 N. Rollins Road, Millbrae, CA
   Agency Negotiator: Michelle Bouchard, Executive Director; Li Zhang, Chief of Commercial & Business Development; Nadine Fogarty, Director, Caltrain Real Estate and TOD; James Harrison, General Counsel
   Negotiating parties: San Mateo County Transit District
   Matter under negotiation: Price and terms of payment

5.c. Property: 153 Townsend Street, San Francisco, CA
Agency Negotiator: Michelle Bouchard, Executive Director; Li Zhang, Chief of Commercial & Business Development; Nadine Fogarty, Director, Caltrain Real Estate and TOD; James Harrison, General Counsel
Negotiating parties: Ellis Partners and China Basin Ballpark Company, LLC
Matter under negotiation: Price and terms of payment

5.d. Property: 305 Main Street, Redwood City, CA
Agency Negotiator: Michelle Bouchard, Executive Director; Li Zhang, Chief of Commercial & Business Development; Nadine Fogarty, Director, Caltrain Real Estate and TOD; James Harrison, General Counsel
Negotiating parties: Brugger Corporation
Matter under negotiation: Price and terms of payment

5.e. Property: 488 South Almaden Boulevard, San Jose, CA
Agency Negotiator: Michelle Bouchard, Executive Director; Li Zhang, Chief of Commercial & Business Development; Nadine Fogarty, Director, Caltrain Real Estate and TOD; James Harrison, General Counsel
Negotiating parties: Santa Clara Valley Transportation Authority
Matter under negotiation: Price and terms of payment

6. Closed Session: Conference with Legal Counsel – Existing Litigation (§ 54956.9(d)(1)) [Peninsula Corridor Joint Powers Board v. Interstate Grading & Paving, Inc., et al, San Mateo County Superior Court, Case No. 20-CIV-02468

7. Closed Session: Receive Update Regarding JPB Cybersecurity

8. Closed Session: Public Employee Performance Evaluation: General Counsel (Gov. Code § 54957(b)(1))

PART III OF MEETING (REGULAR SESSION): 10:30 am estimated

9. General Counsel Report – Report from Closed Session: A resolution regarding one of the above-listed properties may be presented for Board consideration following the closed session.

10. Public Comment for Items Not on the Agenda

    Comments by each individual speaker shall be limited to two (2) minutes. Items raised that require a response will be deferred for staff reply.

11. Report of the Executive Director — Informational

12. Consent Calendar

Members of the Board may request that an item under the Consent Calendar be considered separately.

12.a.	Approval of Meeting Minutes for November 7, 2024	Motion

Approved by the Finance Committee

12.b.	Authorize the Filing of Applications with the Metropolitan Transportation Commission (MTC) for Programming of Federal Transit Administration (FTA) Formula Funds for Fiscal Year (FY) 2025-2029 Caltrain Priorities Funding**	Resolution
12.c.	Accept Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2024	Motion

Approved by the Technology, Operations, Planning, and Safety (TOPS) Committee

12.d.	Authorize the Executive Director to Execute the Necessary Agreements and Amendments for Reimbursement and to Act as the Project Lead to Deliver Preliminary Engineering and Environmental Clearance Work for the Connecting Palo Alto Project* **	Resolution
12.e.	Award Contract to US Rail Systems for Electrified Rail Support Services*	Resolution

Approved by the Advocacy and Major Projects (AMP) Committee

12.f.	Authorize the Executive Director to Execute an Amended and Restated Interim Agreement with the Transbay Joint Powers Authority to Support Advancement of the San Francisco Downtown Rail Extension Project* **	Resolution

13.	Award Contract to Stadler for Technical Support, Spare Supply, and Materials Management Services*	Resolution
14.	State and Federal Legislative Update and Approval of the 2025 Legislative Program	Motion

15. Reports (Verbal)

15.a.	Report of the Citizens Advisory Committee	Informational
15.b.	Report of the Local Policy Maker Group (LPMG)	Informational

15.c. Report of the Transbay Joint Powers Authority (TJPA) Informational

15.d. Report of the Chair Informational

15.d.i. Proclamation of Appreciation for Brian Shaw Motion

15.d.ii. Receive Report of the Nominating Committee – Election of Officers for 2025 Motion

16. Proclamation of Appreciation for Devora "Dev" Davis Motion

17. Correspondence

18. Board Member Requests

19. Date/Time/Location of Next Regular Meeting: Thursday, January 9, 2025 at 9:00 am.

    The meeting will be accessible via Zoom and in person at the San Mateo County Transit District, Bacciocco Auditorium, 2nd Floor, 1250 San Carlos Avenue, San Carlos, CA.

20. Adjourn

Information for the Public

All items appearing on the agenda are subject to action by the Board. Staff recommendations are subject to change by the Board. If you have questions on the agenda, please contact the JPB Secretary at 650.551.6108. Agendas are available on the Caltrain website at https://www.caltrain.com. Communications to the Board of Directors can be e-mailed to board@caltrain.com.

Free translation is available; Para traducción llama al 1.800.660.4287; 如需翻译 请电 *1.800.660.4287*

Date and Time of Board and Committee Meetings
JPB Board: First Thursday of the month, 9:00 am; JPB Finance Committee: Two Mondays before the Board Meeting, 2:30 pm; JPB Technology, Operations, Planning, and Safety (TOPS) Committee: Two Wednesdays before the Board meeting, 1:30 pm. JPB Advocacy and Major Projects (AMP) Committee: Two Wednesdays before the Board meeting, 3:30 pm. The date, time, and location of meetings may be changed as necessary. Meeting schedules for the Board and Committees are available on the website.

Location of Meeting
Members of the Public may attend this meeting in person or remotely via Zoom. Should Zoom not be operational, please check online at https://www.caltrain.com/about-caltrain/meetings for any updates or further instruction.

Public Comment
Members of the public are encouraged to participate remotely or in person. Public comments may be submitted by comment card in person and given to the JPB Secretary. Prior to the meeting's call to order, public comment may be sent to publiccomment@caltrain.com so that they can be sent to the Board as soon as possible, while those received during or after an agenda item is heard will be included into the Board's weekly correspondence and posted online at: https://www.caltrain.com/about-caltrain/meetings.

Oral public comments will also be accepted during the meeting in person or through Zoom or the teleconference number listed above. Public comments on individual agenda items are limited to one per person PER AGENDA ITEM. Each commenter will be automatically notified when they are unmuted to speak for two minutes or less. The Board Chair shall have the discretion to manage the Public Comment process in a manner that achieves the purpose of public communication and assures the orderly conduct of the meeting.

Accessible Public Meetings/Translation
Upon request, the JPB will provide written agenda materials in appropriate alternative formats, or disability-related modification or accommodation, including auxiliary aids or services, to enable individuals with disabilities to participate in and provide comments at/related to public meetings. Please submit a request, including your name, phone number and/or email address, and a description of the modification, accommodation, auxiliary aid, service or alternative format requested at least 72 hours in advance of the meeting or hearing. Please direct requests for disability-related modification and/or interpreter services to the Title VI Administrator at San Mateo County Transit District, 1250 San Carlos Avenue, San Carlos, CA 94070-1306; or email titlevi@samtrans.com; or request by phone at 650-622-7864 or TTY 650-508-6448.

Availability of Public Records
All public records relating to an open session item on this agenda, which are not exempt from disclosure pursuant to the California Public Records Act, that is distributed to a majority of the legislative body, will be available for public inspection at 1250 San Carlos Avenue, San Carlos, CA 94070-1306, at the same time that the public records are distributed or made available to the legislative body.

Item #11.
12/5/2024

Executive Director's Monthly Report: November 2024

Executive Director Michelle Bouchard

Report prepared for December Board meeting; data current through October 2024.

Who We Are and What We Do

Caltrain Mission: Caltrain is a customer-focused rail system offering safe, reliable, accessible, and sustainable transportation service that enhances quality of life for all.

Caltrain Vision: To be a vital link in the statewide rail network by improving connectivity to other transit systems, contributing to the region's economic vitality, and partnering with local communities to ensure that diverse constituencies receive a world-class travel experience.

Caltrain

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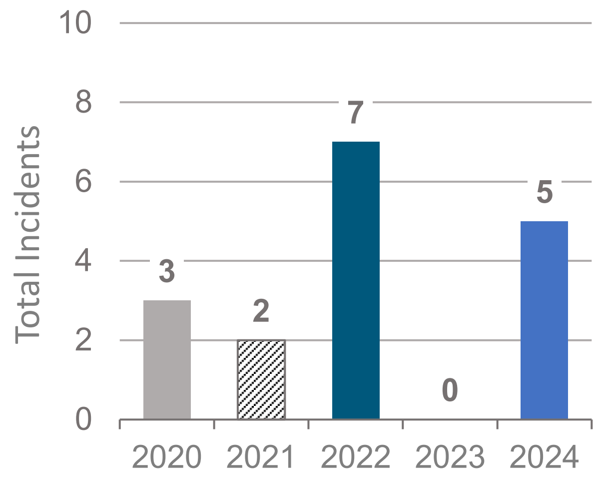
Safety Updates – Injuries and Accidents

Reportable Injury Trends

Reportable Injury Rates (RIR) are based on the number of railroad worker on duty injuries and illnesses per 200,000 employee-hours annually (equivalent of 100 full time employees). The national average RIR is 3.0 across all industries, per the U.S. Bureau of Labor Statistics. Caltrain's cumulative RIR for calendar year 2024 is 2.43.

Strains or sprains constitute the majority (54%) of reportable injuries for Caltrain's operator.

Reportable Rail Equipment Incidents



Reportable railroad accidents/incidents are divided into three groups: (1) Highway-Rail Grade Crossing; (2) Rail Equipment; (3) Death, Injury and Occupational Illness.

Reportable Rail Equipment Incidents from recent years peaked in 2022. There were no reportable incidents in 2023 but there have been 5 incidents thus far in 2024.

Days without a Reportable Injury as of 11/1/2024

Department	Days Without Injury	Date of Last Injury
Dispatch	1,619	5/27/2020
Operations	23	10/9/2024
Maintenance of Equipment	44	9/18/2024
Maintenance of Way	261	2/14/2024
Other	1,619	5/27/2020

Safety Culture Engagement Efforts

Ongoing Safety Culture Transformation

- Safety Champions continue to help create safety messaging, encourage safety concern reporting, model safe behaviors, and obtain feedback from peers.
- Chief Safety Officer issues regular correspondence to Caltrain employees about the importance of continuing to put Safety First and Always. Recent messages covered topics such as learning culture and safety moments.
- Caltrain recently launched a “Safety Leaders of the Quarter” recognition program to acknowledge and celebrate employees who are actively contributing to a positive safety culture. A new group of Safety Leaders (the fourth cohort thus far) was selected and recognized in October 2024.
- Caltrain staff significantly expanded the Rail Safety section of the agency’s intranet including links to key resources such as the hazard reporting log.

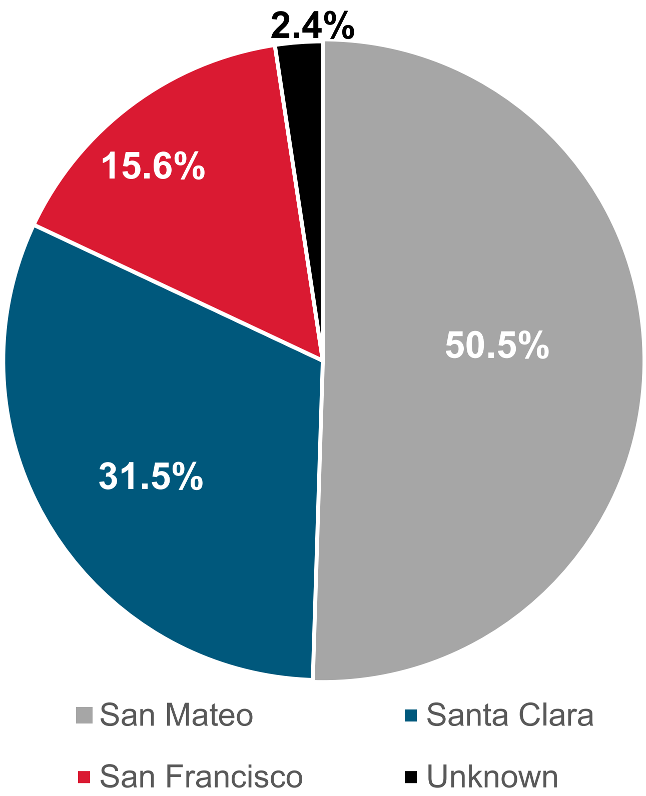
Recent Engagement Activities

- Attended FRA Rail Share Conference
- Shared Google Navigation Enhancements with Grade Crossing Working Group
- Participated in Commuter Rail Safety Committee – presented Caltrain efforts on Roadway Worker Protection, Safety Culture and Grade Crossings
- Engaging cities along corridor to advance tree mitigation efforts
- Attended safety symposium in Pittsburgh, PA to present on Caltrain’s safety culture transformation and discuss best practices with industry peers
- Met with technology companies to discuss GPS navigation safety enhancements for grade crossing areas. Notably, Google introduced an update that now verbally alerts map users when they approach a railroad crossing.
- Launched the internal "Why is Safety Important to Me?" campaign, encouraging employees to share a photo and story that highlights the importance of "Going Home Safely, Every Day." The campaign is featured on digital displays throughout administrative and operations offices.
- Electric train environment communication
- Conducted two additional CPR/AED training sessions for administrative staff, with plans to schedule more
- Conducted joint emergency tabletop exercise between Caltrain/TASI, BART, San Bruno Fire Department and samTrans in June 2024

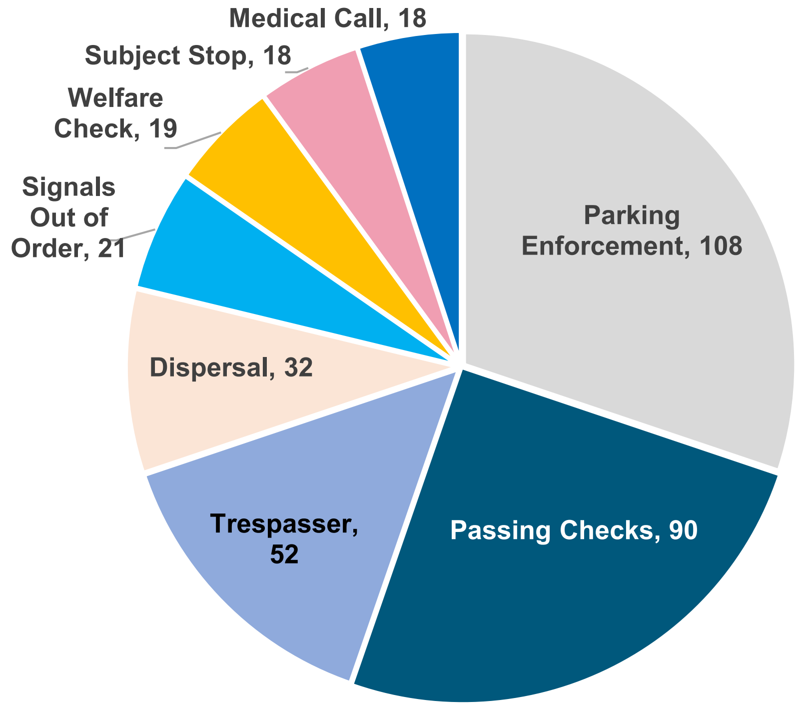
Security Update

The San Mateo County Sheriff's Office Transit Police Bureau is Caltrain's contracted law enforcement provider. The bureau is responsible for policing all Caltrain rail equipment, stations, right-of-ways and facilities throughout San Francisco, San Mateo, and Santa Clara counties.

Calls for Service by County October 2024



Number of Calls by Category October 2024[1]



October 2024 Service Call Data

Overall Average Response Time: **26:13**

Average Response Time for **Priority 1** Calls*: **None**

Average Response Time for **Priority 2** Calls**: **22:24**

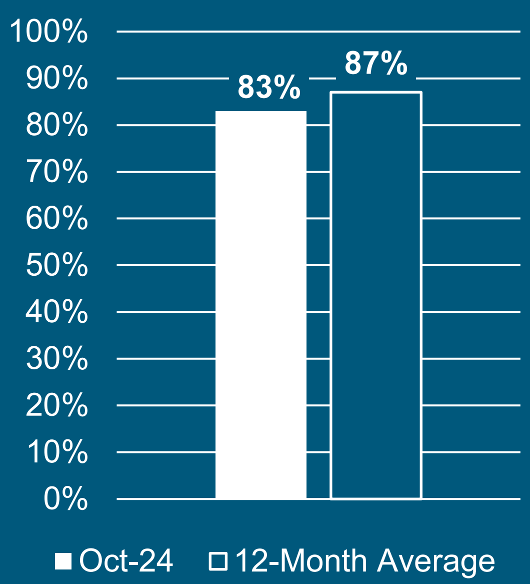
*Priority 1 Calls: *In Progress – Crimes Against Persons*

**Priority 2 Calls: *Just Occurred – Crimes Against Persons/In-Progress Property Crimes*

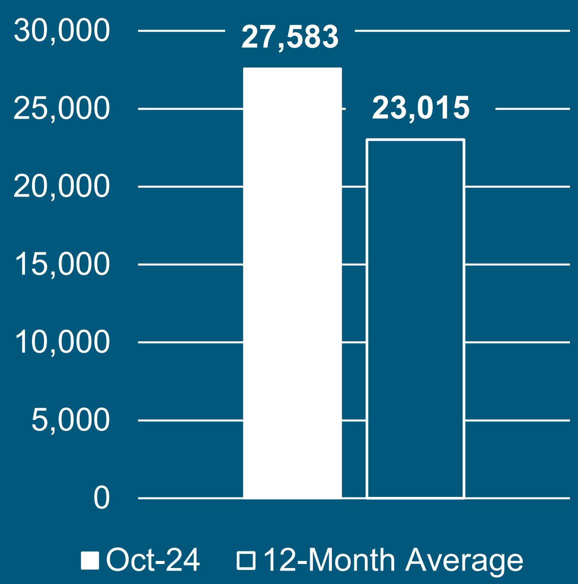
Footnote 1: Total calls for service totaled 473 in September across 19 categories. The pie chart shows the top 8 categories representing 358 calls or 76% of the total.

Performance at a Glance

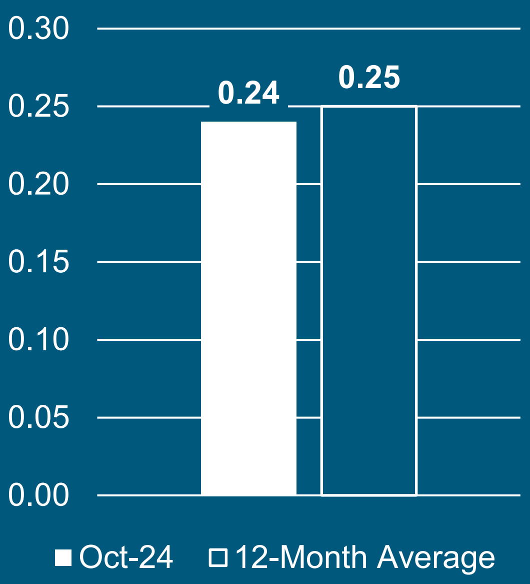
On-Time Performance
Percentage of trains arriving within six minutes of the scheduled time



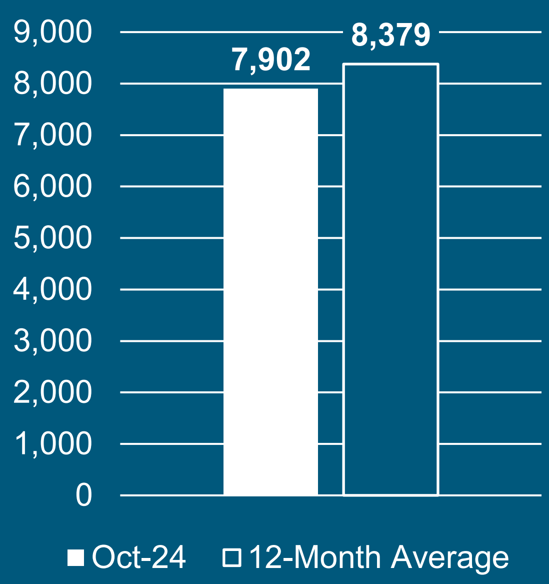
Average Daily Ridership
Average estimated weekday ridership



Farebox Recovery Ratio
Ratio of fare revenue to operating costs

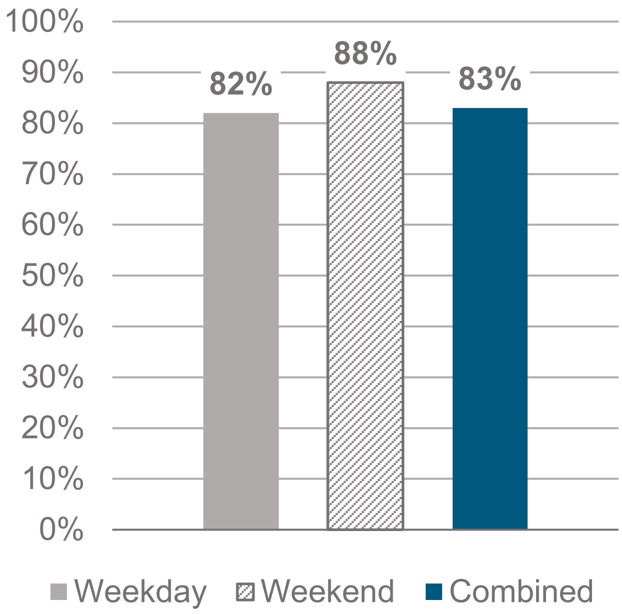


Mean Distance Between Failures
Average miles travelled by locomotives before maintenance/repair is required



On-Time Performance

Performance This Month (Oct-24)

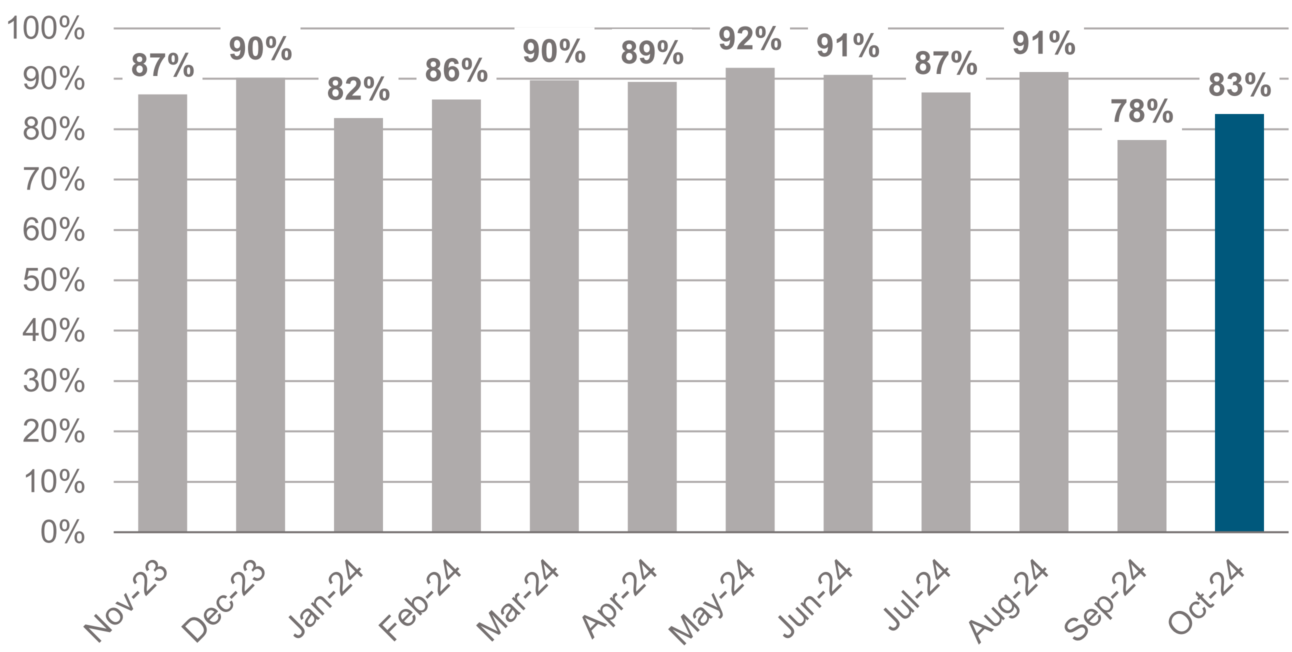


Trains are considered on-time if they arrive within six minutes of the scheduled arrival time at end-line locations (i.e. San Francisco, San Jose Diridon, Tamien, and Gilroy).

The on-time performance (OTP) goal for Caltrain is 95 percent. Combined OTP for the month of September was 78%.

Note that weekend OTP includes holidays.

Monthly On-Time Performance in the Past Year

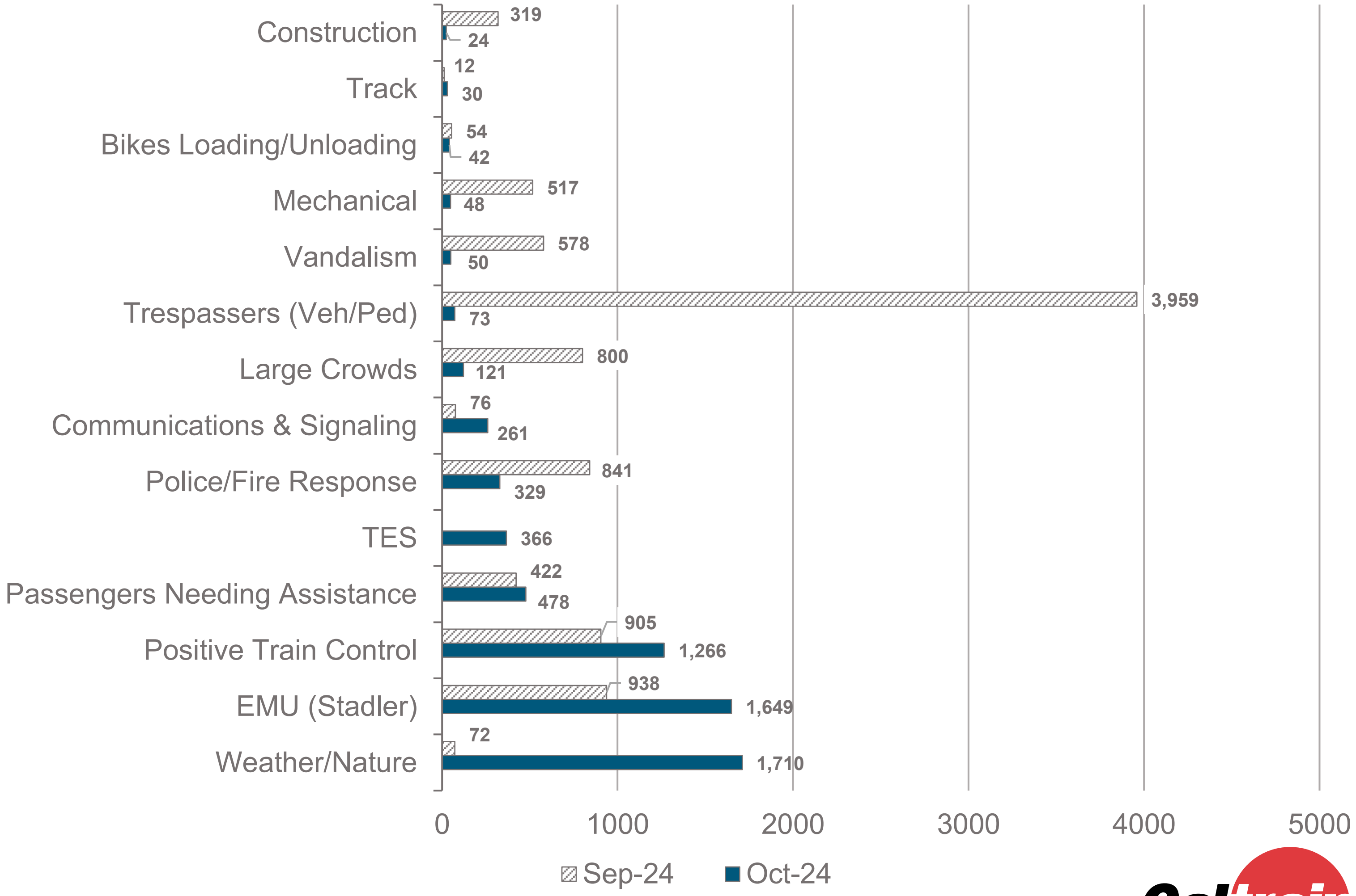


Delays and Cancellations

	Aug-24	Sep-24	Oct-24
Number of Late Trains	224	574	527
Average Minutes Late for Late Trains	29	22	14
Number of Cancelled Trains	12	24	17

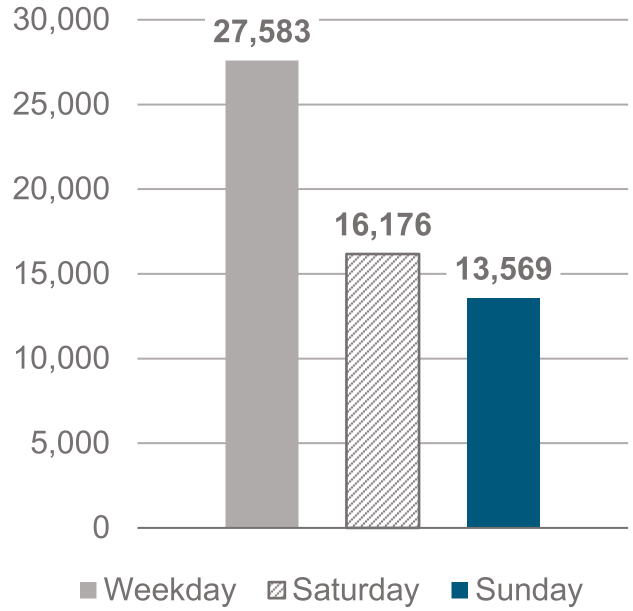
Trains are considered late if they arrive at their end-line destination six minutes or more after the scheduled time. Average Minutes Late represents the average difference in actual arrival time from the scheduled arrival time for late trains. Cancelled Trains includes trains forced to terminate mid-run, as well as those that are annulled before they begin to operate.

Reasons for Train Delays, by Minutes of Delay



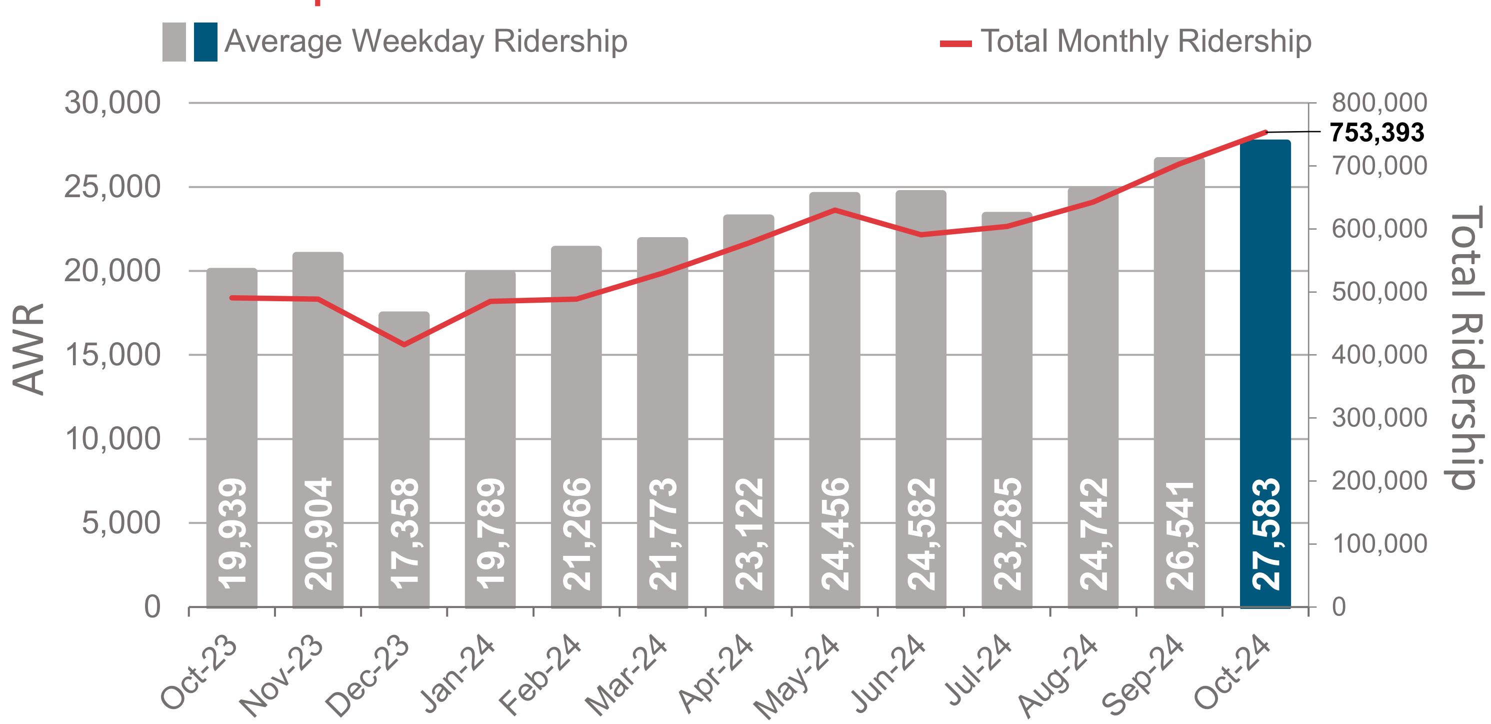
Ridership and Revenue

Average Daily Ridership (Oct-24)



Average weekday ridership (AWR) increased by approximately 24 percent compared to the same month in the prior year as riders continue to return to the Caltrain system for increased work and leisure travel.

Ridership in the Past Year

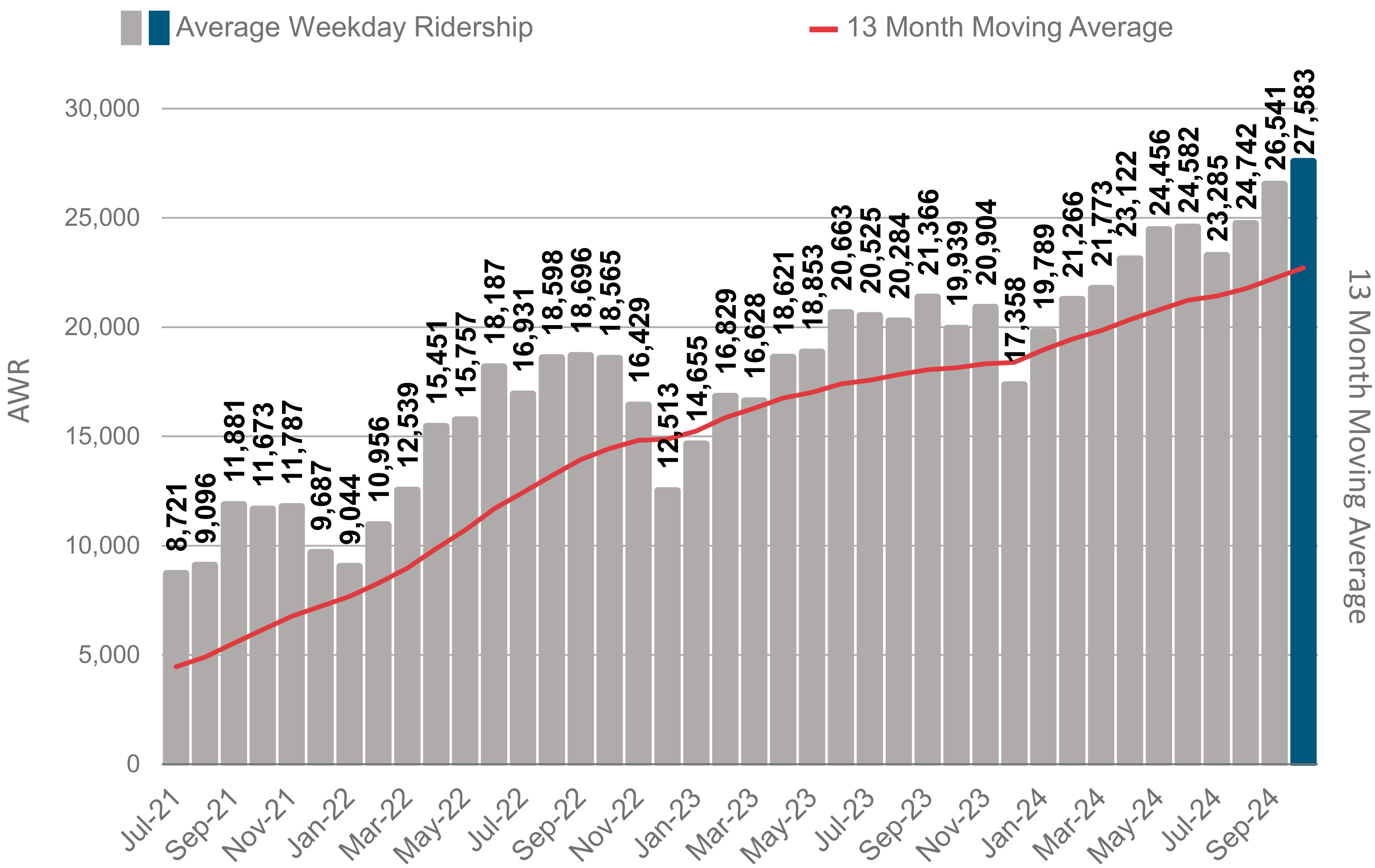


April 2020 through October 2023: Due to pandemic-induced changes in travel patterns, ridership estimates were calculated using a combination of Clipper tap data and limited conductor counts.

November 2023 on: Caltrain implemented a ridership estimation model that is based entirely on fare media sales data.

Ridership and Revenue

Average Weekday Ridership & 13 Month Moving Average: Fiscal Year 2022 to Present



Year Over Year AWR Increase (October 2023 vs. October 2024)	: 38%

Ridership and Revenue

Special Service Ridership Report

San Francisco Station

- Total Special Event ridership at San Francisco Station in October was 18,096, a 97.9% increase compared to 2023 (9,142), and a 1.3% decrease from 2019 (18,336).
  - In October 2024 there were 8 events compared to 7 in 2023 and 7 in 2019.

Palo Alto Station

- Total Special Event ridership at Palo Alto Station in October was 1,100, a 24.3% increase compared to 2023 (885).
  - In October 2024 there was 1 event compared to 2 in 2023. There were no events in 2019.

Stanford Station

- Total Special Event ridership at Stanford Station in October was 459, a 58.6% decrease compared to 2019 (1,110).
  - In October 2024 there were 2 events compared to 2 in 2019. There were no events in 2023.

Mountain View Station

- Total Special Event ridership at Mountain View Station in October was 3,406, a 33.8% increase compared to 2023 (2,546), and a 28.4% decrease from 2019 (4.757).
  - In October 2024 there were 3 events compared to 3 in 2023 and 2 in 2019.

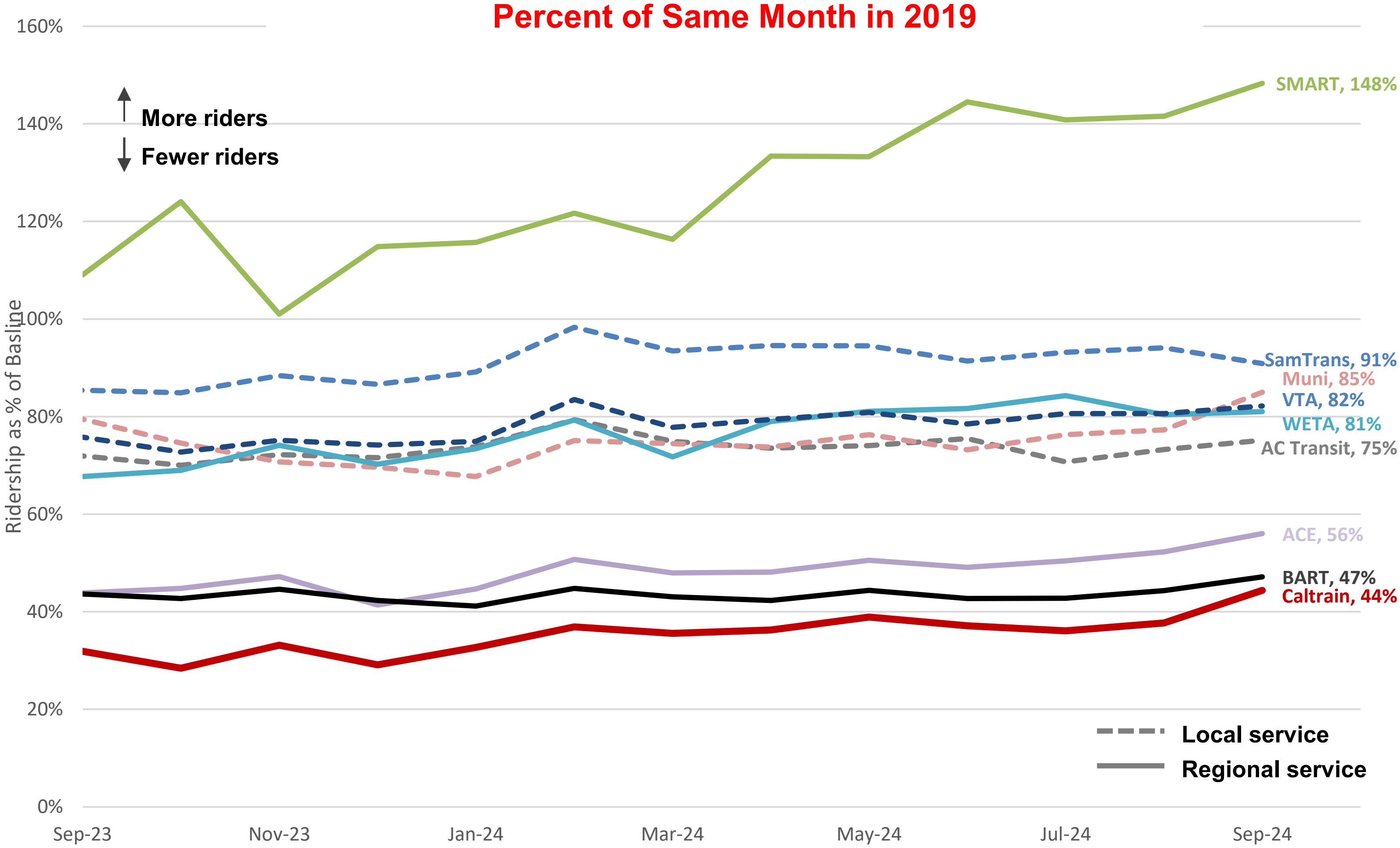
San Jose Diridon Station

- Total Special Event ridership at San Jose Diridon Station in October was 1,537, a 154.5% increase compared to 2023 (604), and a 24.0% increase decrease from 2019 (1,240).
  - In October 2024 there was 1 event compared to 3 in 2023 and 3 in 2019.

Public Transit Ridership Recovery in the Bay Area

The below chart estimates pandemic ridership recovery by comparing each month's total ridership to that of the same pre-pandemic month in 2019.

Total Monthly Ridership as a Share of Pre-Pandemic Levels
Percent of Same Month in 2019



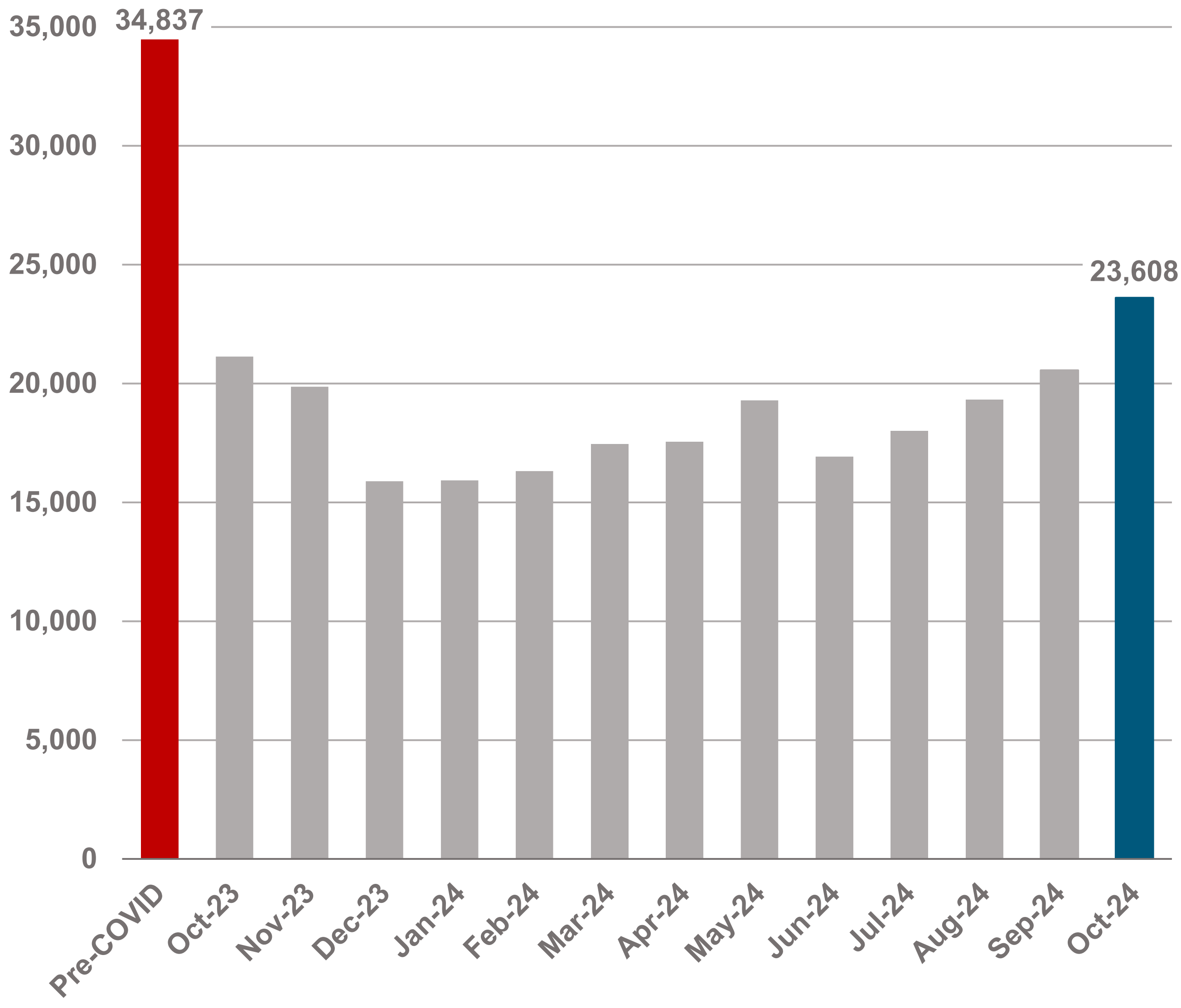
Notes:
- As of August 2024, ridership recovery percentages for each agency are calculated in comparison to the same month from 2019.
- Starting in November 2023, Caltrain ridership estimates use a fare media sales-based model. Prior to then, Caltrain ridership estimates were based on a combination of conductor counts & Clipper data.
- Ridership data for all other agencies retrieved from the National Transit Database.

Total Monthly Ridership Estimates (in thousands)

Transit Operator	23-Sep	23-Oct	23-Nov	23-Dec	24-Jan	24-Feb	24-Mar	24-Apr	24-May	24-Jun	24-Jul	24-Aug	24-Sep
Muni	13,625	14,007	12,556	12,409	12,773	12,831	14,042	13,851	14,601	13,279	13,810	14,521	14,575
BART	4,706	4,963	4,456	4,046	4,258	4,338	4,617	4,677	4,918	4,562	4,659	4,963	5,085
AC Transit	3,521	3,699	3,278	3,045	3,245	3,303	3,484	3,490	3,492	3,071	3,092	3,498	3,678
VTA	2,395	2,511	2,264	2,115	2,203	2,238	2,397	2,419	2,545	2,238	2,345	2,519	2,596
SamTrans	904	949	851	786	817	816	906	891	957	795	813	948	962
Caltrain	505	491	489	416	485	489	530	578	630	591	604	643	703
WETA	236	198	214	175	150	160	155	172	217	224	247	276	267
SMART	69	71	66	67	66	62	68	80	85	80	89	93	93
ACE	55	63	54	42	57	58	60	63	71	55	62	70	70

Ridership and Revenue

Monthly BART Transfers at Millbrae in the Past Year

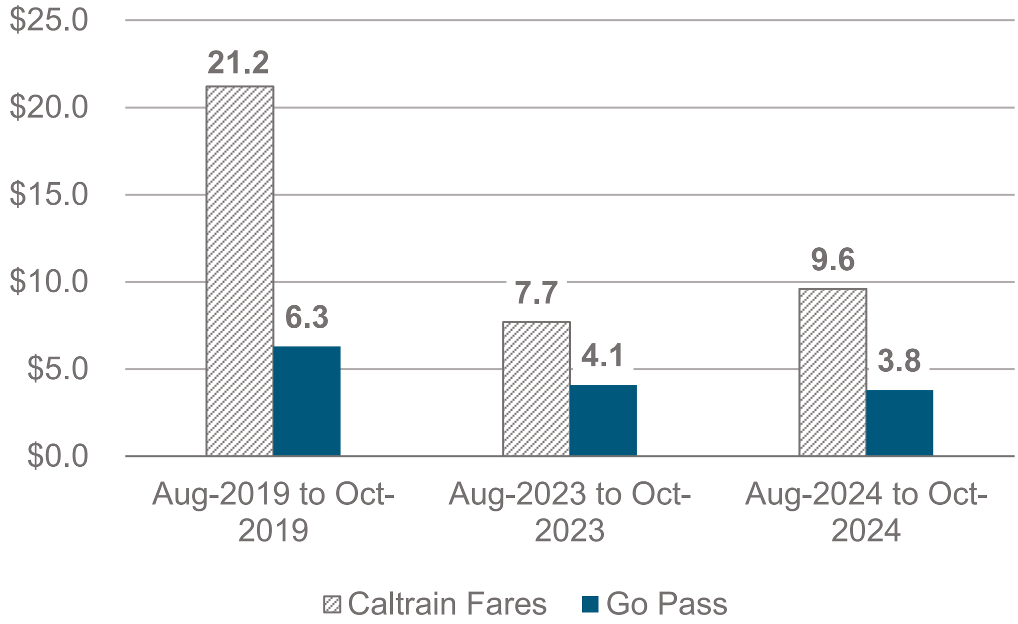


BART Transfers at Millbrae represents the total number of BART-to-Caltrain and Caltrain-to-BART transfers, as measured by Clipper Card data.

Pre-COVID data is provided for comparison purposes and represents average monthly transfers during the one-year period from March 2019 to February 2020.

Ridership and Revenue

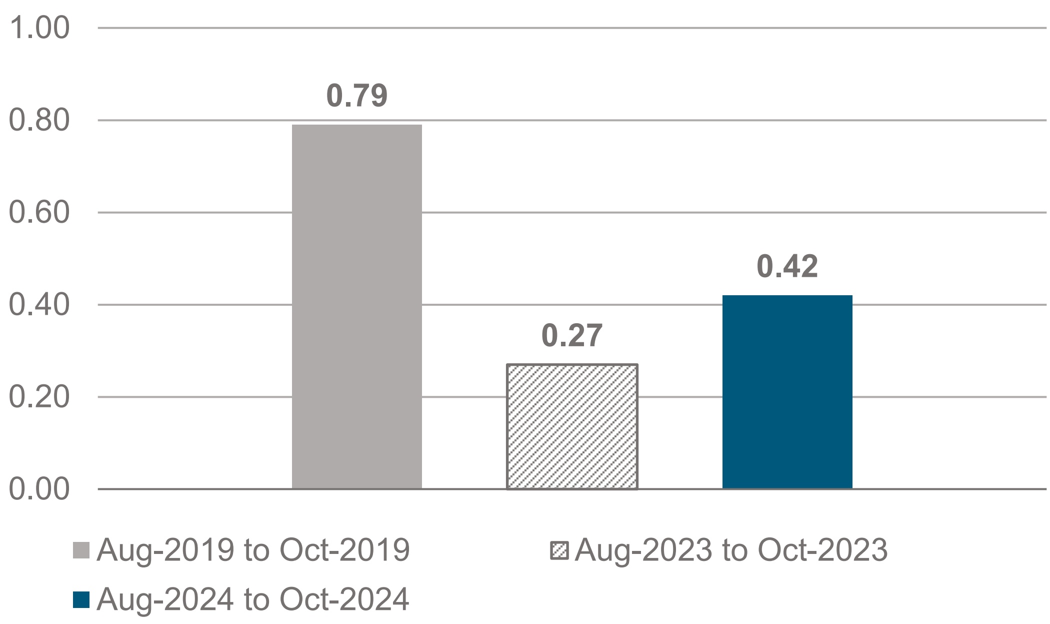
Total Fare Revenues ($M) - Past 3 Months Comparison



Fare revenue comes in the form of one-way tickets, daily or monthly passes ("Caltrain Fares"), and the Go Pass program.

Fare revenue is generally more stable than ridership due to many riders paying for monthly passes, which provide consistent revenue regardless of usage.

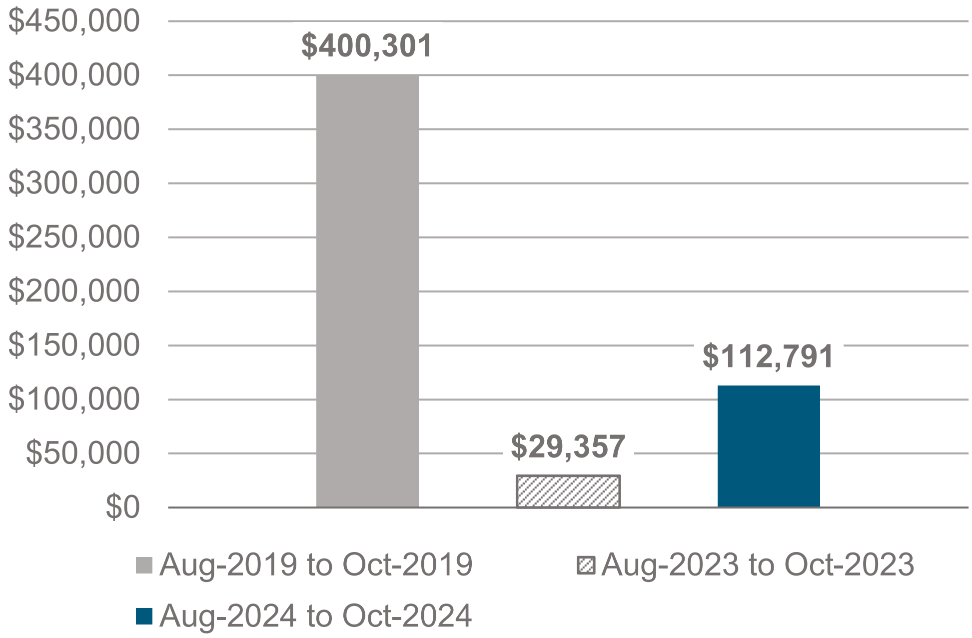
Farebox Recovery Ratio (3-Month Rolling Average)



Farebox Recovery Ratio represents how much of the cost of providing service is covered by customer fares. A higher ratio indicates that a greater share of costs are covered by riders.

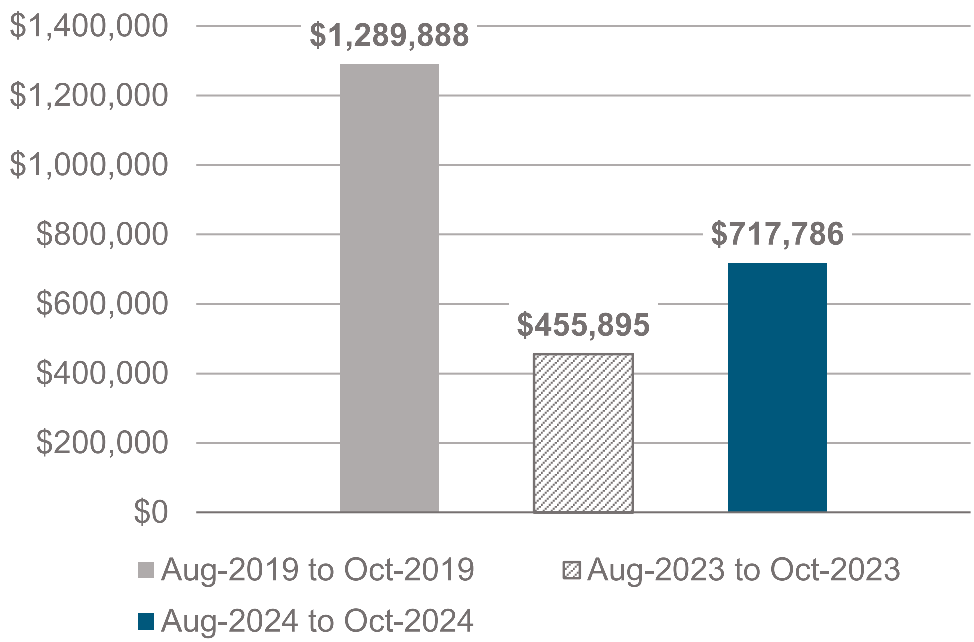
Ridership and Revenue

Advertising Revenue (3-Month Rolling Average)



Advertising Revenue declined substantially for transit agencies throughout the country with the onset of the COVID-19 pandemic.

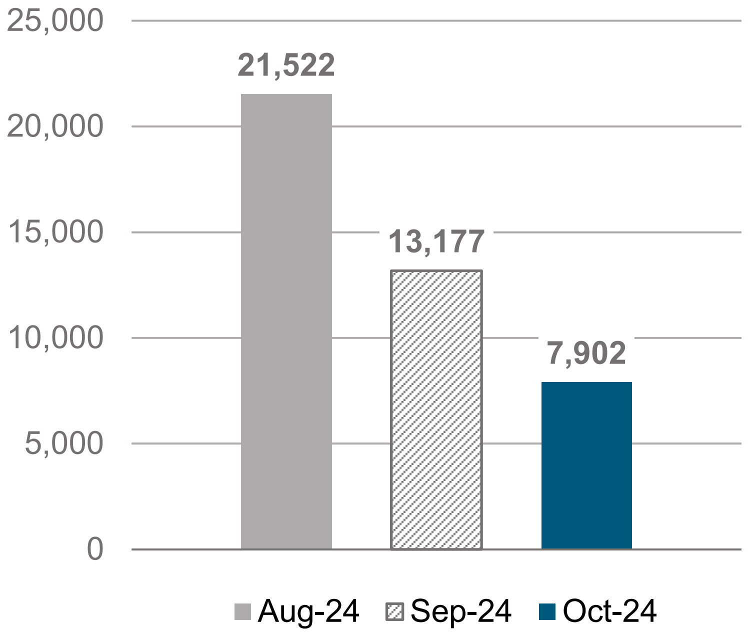
Parking Revenue (3-Month Rolling Average)



Parking Revenue is generated by purchases of daily and monthly parking permits for parking at Caltrain-owned lots.

Maintenance Performance

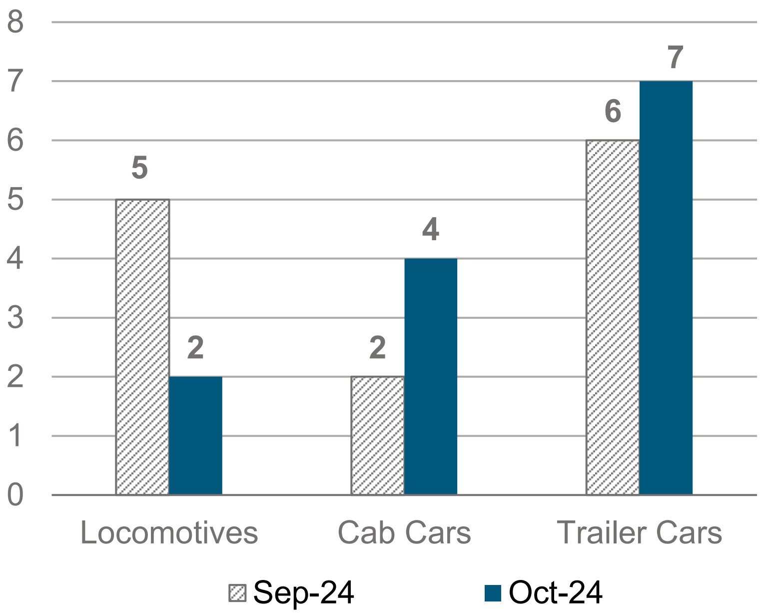
Mean Distance Between Failure (Locomotives)



Mean Distance Between Failure (MBDF) is a measure of fleet reliability that represents the average distance traveled by revenue vehicles before maintenance or repair is required. A higher value indicates an improvement in reliability. Data is measured in miles.

The graph to the left represents MDBF for all diesel passenger locomotives in Caltrain's fleet. Future reporting will incorporate EMU reliability data.

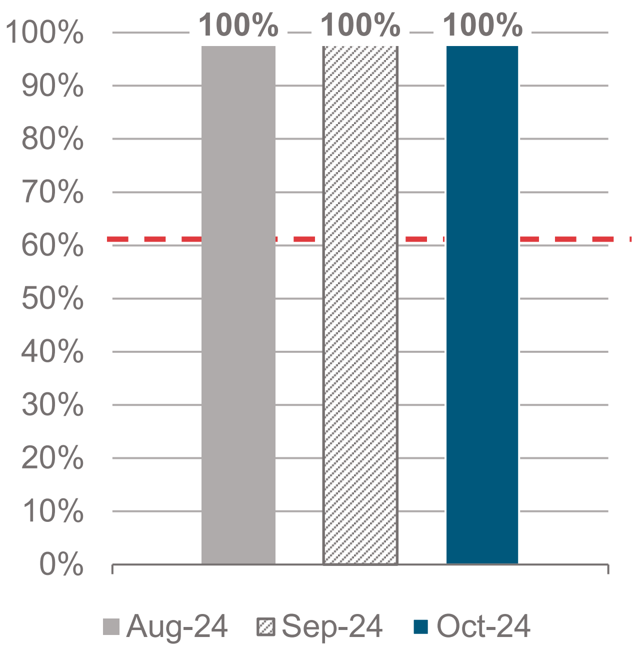
Equipment in Maintenance/Repair



Equipment in Maintenance/Repair represents the number of diesel locomotives and passenger cars that are out of service on an average day each month due to routine and preventative maintenance or other repairs. Future reporting will incorporate EMU maintenance/repair data.

Maintenance Performance

Equipment Availability (Locomotives)

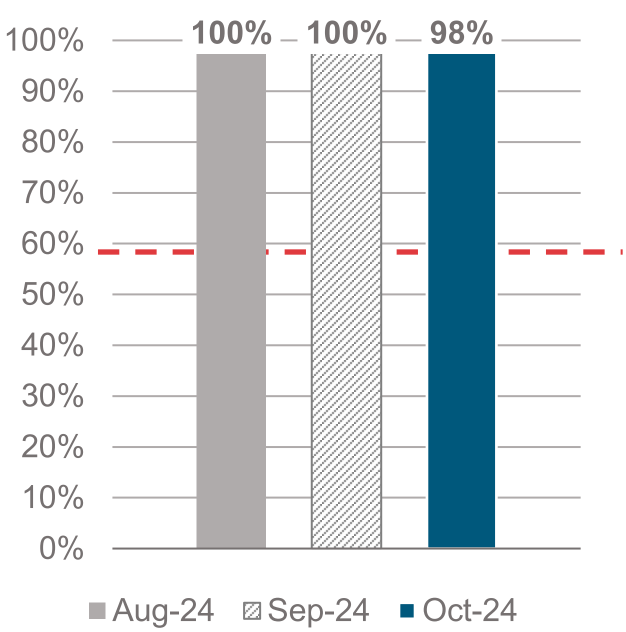


Equipment Availability is the number of cars or locomotives available for service on an average day each month as a percentage of the daily equipment required to run base service.

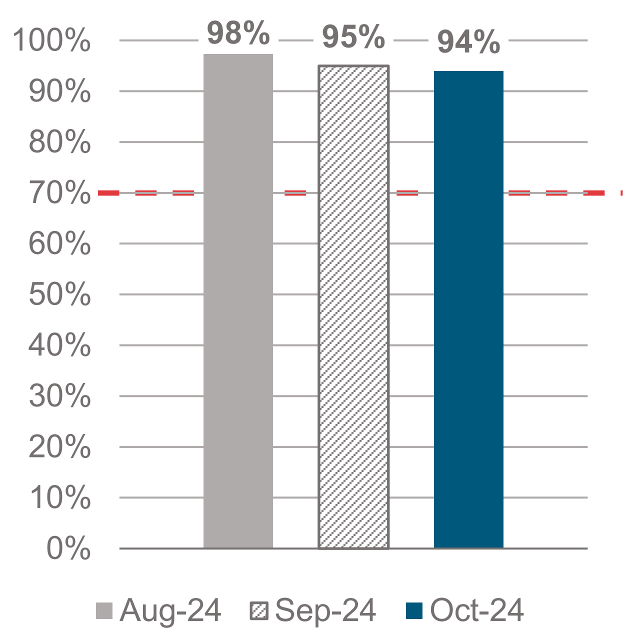
Post-electrification, Caltrain will retain 41 Bombardier passenger cars and 9 diesel locomotives to operate South County service and maintain fleet resiliency.

The graphs on this page represent diesel equipment data. Future reporting will be updated to reflect the addition of EMUs into Caltrain's mixed revenue fleet. Fourteen (14) EMUs are needed to operate the new weekday electric service.

Equipment Availability (Cab Cars)



Equipment Availability (Trailer Cars)



Note: The dotted red line (– – – –) on each graph represents the target line (i.e., the percentage of each equipment type required to run base service on an average weekday).

Service and Program Updates

First Month of Electrified Caltrain Service Sees 750,000 Riders

Caltrain's newly electrified service has attracted new riders, as the agency reports its best ridership numbers since the beginning of the COVID-19 pandemic.

Caltrain had over 753,000 passengers last month, marking a 54% increase from October 2023. Average Weekday Ridership stood at nearly 27,000, a 38% increase from last October. Additionally, current weekend ridership has overtaken pre-COVID levels, with Saturdays seeing a 169% increase and Sundays a 142% increase from last October.

Comparing August to October—the last month of primarily diesel service vs. the first month of all-electric—total ridership increased by 17%, with average weekend ridership growing by 38%. In a typical year, monthly ridership begins to decline after August; this year, it's increased by more than 100,000 riders.

Caltrain Diesel Fleet to Bring Passenger Rail Service to Peru

Caltrain will send its retired diesel fleet to the Municipality of Lima, Peru to continue operating passenger service.

The agreement between Caltrain and Lima will support Peru in its sustainability and mobility improvements. The retired trains will enable thousands of riders to enjoy a new regional commuter rail line that provides significant environmental benefits by reducing automobile traffic and greenhouse gas emissions.

The U.S. Department of State, U.S. Department of Commerce, and the Bay Area Air Quality Management District (BAAMQD) supported this agreement for its environmental and mobility benefits, and for its ability to strengthen ties between the United States and Peru.

Communications and Marketing Update

Press Releases & Earned Media

Press Releases:

- Caltrain Connects to Fleet Week in San Francisco
- Caltrain Delivers Sharks Fans to SAP Center All Season
- Take Caltrain to See the Warriors at Chase Center
- Caltrain Joins the Great ShakeOut
- Take Caltrain to See the Rematch Game Between the 49ers and Chiefs at Levi's Stadium
- Take Caltrain to See the Warriors Home Opener at Chase Center
- Caltrain Seeks Six Representatives for Bicycle and Active Transportation Advisory Committee

Earned Media:

- Caltrain Marks A New Era in Rail Transportation - Metro Magazine
- In San Mateo, train noise a new ongoing concern - San Mateo Daily Journal
- $24.6 Million Federal Grant Fuels San Francisco's Downtown Rail Extension to Salesforce Transit Center - Hoodline
- Effort Launched to Save Caltrain F40PH-2 - Railfan and Railroad
- Waymo offers $3 credit for San Francisco riders going to public transit stations - Tech Crunch
- Federal Railroad Administration awards $2.4B in grants to 122 projects - Trains.com

Digital Communications Activities

Caltrain Digital Marketing

- **Electrification Update**: October marked the first full month of electric service. There were some significant delays in the first few weeks after launch, but overall, the sentiment was positive, and many people were excited to experience the new trains. In addition, this month, Caltrain reached its highest average weekday, average weekend, and total monthly ridership since before the COVID-19 pandemic.

Communications and Marketing Update

Caltrain Digital Marketing, cont'd

- **Events**: There were multiple events that occurred throughout the month that were highlighted, including the return of the San Jose Sharks and the Golden State Warriors. Caltrain has partnered with both venues to help promote riding public transit to their fans.
- **Digital Communications**: One of the largest projects completed in October was the athletic partnership between Caltrain and San Jose Earthquakes' player Jeremy Ebobisse. This partnership began at the end of the soccer season and will restart once the soccer season commences.
- **Messaging Highlights:**
  - Fleet Week
  - Dollar Youth Fare
  - Anime Impulse
  - Athletic Partnership – Jeremy Ebobisse from SJ Earthquakes
  - Sharks Season Return – SAP Center
  - Warriors Season Return – Chase Center
  - Halloween
- **Social Metrics: (Year to Year)**

Metric	September 2024	September 2023
Impressions	1,723,966	994,891
Engagements	68,314	37,043
Post Link Clicks	4,913	9,487

Note: An impression is anytime our content (post, webpage, IG photo) is seen in a user's feed or browser. Engagement is any action taken, such as a click, like, retweet or comment. These data do not include any web metrics.

Capital Projects Update

Project: MP-36 Locomotive Mid-Life Overhaul Project

Project Description	Status Summary			
	Safety	Schedule	Budget	Funding
This project involves performing mid-life overhaul of six MP-36-3C Locomotives. The mid-life overhaul includes complete disassembly of the main diesel engine, overhauling by reconditioning re-usable main frame components and re-assembly with new engine components and replacement of Separate Head-End Power (SEP-HEP) unit and all electrical components of the SEP-HEP compartment. All areas of the locomotive car body, trucks, wheels and electrical components shall be reconditioned to like-new condition or replaced with new material. The project work is occurring off-site at the contractor's facility location. The 6 locomotives to be overhauled are Locomotive #'s 923, 924, 925, 926, 927 & 928. In order to maintain daily service, only 1 to 2 of these locomotives are released at a time for overhaul work that is expected to take approximately 8 months per locomotive. Due to this restriction, the overall completion of this work is expected to take approximately 4 years.	Green	Green	Green	Green

Project Phase: 6 – Construction/Implementation

Project Costs (in thousands of dollars)

	Current Budget	Committed to Date	Expended + Accruals	Estimated Completion
Totals	14,833	14,522	13,023	12/30/24
Percentages	100%	97.9%	87.8%	

Project Highlights – Recent and Upcoming Work

October: Locomotive 923 is pending shipment to CEMOF due to track issues.

November: Ship locomotive 923 to CEMOF the week of November 18, 2024.

Note: The Capital Projects information is current as of October 31, 2024, and is subject to change prior to the December 2024 Board meeting.

Statuses: Green – Green, Yellow – Yellow, Red – Red

Capital Projects Update

Project: Guadalupe River Bridge Replacement

Project Description	Status Summary			
	Safety	Schedule	Budget	Funding
JPB has extended the MT-2 railroad bridge and will replace the MT-1 railroad bridge over the Guadalupe River in San Jose. The project is located north of Willow Street and east of State Route (SR) 87 between Tamien and San Jose Diridon stations.	Green	Red	Red	Green

Project Phase: 6 – Construction/Implementation

Project Costs (in thousands of dollars)

	Current Budget	Committed to Date	Expended + Accruals	Estimated Completion
Totals	63,699	34,871	34,268	12/31/26
Percentages	100.00%	54.7%	53.8%	

Project Highlights – Recent and Upcoming Work

October: JPB staff and Walsh implemented an Erosion and Sediment Control Plan and Debris Removal Plan, effectively winterizing the site for the 2024-2025 wet season. JPB staff hosted weekly meetings with interested resource agencies to communicate the status of the ongoing implementation of both plans and solicit feedback. JPB staff also met with individual resource agencies to coordinate potential offsite habitat mitigation solutions.

November: JPB staff will meet with resource agencies to obtain feedback on proposed approaches for offsite habitat mitigation, river diversion and dewatering, construction work hours, and other elements to be included in permit applications to be submitted in the coming months. In the meantime, JPB staff and Walsh will maintain erosion control measures at the project site.

Schedule - To align the project's construction approach and environmental permits, prior environmental permits must be amended. The resulting construction approach, allowable work hours, timelines for amended permits, and resulting project schedule are the subject of ongoing discussions with environmental permitting authorities. At this time, it is apparent that project completion will be delayed. JPB staff will continue to work with environmental permitting authorities to determine the revised project approach and will provide an updated schedule to the Board.

Budget - Based on preliminary forecasts, the environmental permitting challenges above will result in cost increases in excess of the current approved project budget. Anticipated drivers of cost increases are construction delays, escalation, and extended overhead, including JPB's costs for environmental and construction oversight.

Note: The Capital Projects information is current as of October 31, 2024, and is subject to change prior to the December 2024 Board meeting.

Statuses: Green – Green Yellow – Yellow Red – Red

Capital Projects Update

Project: Broadband Wireless Communications

Project Description	Status Summary			
	Safety	Schedule	Budget	Funding
The project will design a broadband wireless communications system along the Caltrain corridor for the wayside train maintenance diagnostics and passenger Wi-Fi service. The project will investigate leveraging the existing infrastructure such as the Overhead Contact System (OCS) poles and JPB fiber network to communicate with passing trains. Wayside antennas may be mounted on the OCS poles at a constant interval to communicate with moving trains that will be equipped with radios and antennas.	Green	Yellow	Green	Green

Project Phase: 6 – Construction/Implementation

Project Costs (in thousands of dollars)				Estimated Completion
	Current Budget	Committed to Date	Expended + Accruals	
Totals	30,441	25,117	24,967	01/24/25
Percentages	100.00%	82.5%	82.0%	

Project Highlights – Recent and Upcoming Work

October: All the items on the trackside punch list have been completed by the contractor. The additional radio antenna was installed in Millbrae and is working as intended to improve the radio coverage for the trains. An issue with the train roof antenna was discovered and the cause of the issue is believed to be Electro-magnetic Interference. A remedy is now being developed to correct the issue.

November: Correct the issue for the train roof antenna and rerun the dynamic test and final acceptance tests.

Note: The Capital Projects information is current as of October 31, 2024, and is subject to change prior to the December 2024 Board meeting.

Statuses: – Green – Yellow – Red

Capital Projects Update

Project: Bayshore Station Bridge Painting

Project Description	Status Summary			
	Safety	Schedule	Budget	Funding
This project will perform rehabilitation of the coatings of the existing steel pedestrian overpass bridge at the Bayshore Station in Brisbane. The bridge's paint coatings need rehabilitation due to surface rust. This work combined with a complete repainting of the bridge will bring the structure to a state of good repair.	●	●	●	●

Project Phase: 7 – Start-up/Turnover

Project Costs (in thousands of dollars)				Estimated Completion
	Current Budget	Committed to Date	Expended + Accruals	
Totals	6,870	6,149	5,924	12/31/2024
Percentages	100.00%	89.5%	86.2%	

Project Highlights – Recent and Upcoming Work

October: Paid the final invoice for the construction contract.

November: Complete the project close-out

Note: The Capital Projects information is current as of October 31, 2024, and is subject to change prior to the December 2024 Board meeting.

Statuses: ● – Green ● – Yellow ● – Red

Capital Projects Update

Project: Churchill Avenue Grade Crossing

<table>
<tr><th rowspan="2">Project Description</th><th colspan="4">Status Summary</th></tr>
<tr><th>Safety</th><th>Schedule</th><th>Budget</th><th>Funding</th></tr>
<tr><td>The scope includes the widening of the sidewalk to accommodate heavy bike and pedestrian traffic from local schools; relocate the pedestrian crossing gates due to the widened sidewalk; install new pavement marking and markers for vehicular traffic at the Churchill Avenue grade crossing in Palo Alto. Implement a total of 17 seconds of advance signal preemption time.</td><td>● Green</td><td>● Green</td><td>● Green</td><td>● Green</td></tr>
</table>

Project Phase: 6 – Construction/Implementation

Project Costs (in thousands of dollars)

	Current Budget	Committed to Date	Expended + Accruals	Estimated Completion
Totals	2,520	1,625	1,273	6/30/2025
Percentages	100.00%	64.5%	50.5%	

Project Highlights – Recent and Upcoming Work

October: TASI installed the new pedestrian gates. Went to the Management Committee to re-baseline the project schedule and received approval. Signed the amendment for the Caltrans funding agreement to extend the expiration date to 12/31/26.

November: TASI to implement the advance signal preemption when the city of Palo Alto is ready to perform the interconnection test with their traffic signal.

Note: The Capital Projects information is current as of October 31, 2024, and is subject to change prior to the December 2024 Board meeting.

Statuses: ● – Green ● – Yellow ● – Red

Caltrain

Capital Projects Update

Project: San Mateo Grade Crossing Improvements

Project Description	Status Summary			
	Safety	Schedule	Budget	Funding
This project will design and implement safety improvements including quad gates or exit gates at the 4th and 5th Ave grade crossings in San Mateo. This project will make the two grade crossings safer for the train, motorist and pedestrians.	Green	Green	Green	Green

Project Phase: 6 – Construction/Implementation

Project Costs (in thousands of dollars)

	Current Budget	Committed to Date	Expended + Accruals	Estimated Completion
Totals	5,471	4,428	3,278	5/29/2025
Percentages	100.00%	80.9%	59.9%	

Project Highlights – Recent and Upcoming Work

October: Stacy Witbeck completed their work at 4th and 5th Ave. TASI received the new signal houses from the wiring shop in Southern California. TASI completed the installation of all the new exit gates and pedestrian gates at 4th and 5th Ave. Went to the Management Committee and received approval to re-baseline the project schedule.

November: Stacy & Witbeck will complete the punch list work at 4th and 5th Ave. TASI to set the new signal houses in place at 4th and 5th Ave.

Note: The Capital Projects information is current as of October 31, 2024, and is subject to change prior to the December 2024 Board meeting.

Statuses: Green – Green, Yellow – Yellow, Red – Red

Capital Projects Update

Project: Next Generation Visual Messaging Sign (VMS)

Project Description	Status Summary			
	Safety	Schedule	Budget	Funding
Full replacement of existing obsolete VMS at 22 selected stations between San Francisco and Tamien. The current VMS signs are no longer supported by the manufacturer and the predictive arrival and departure system (PADS) is becoming obsolete. Research will be done to determine whether it's best to replace the signs that will work with the current predictive arrival and departure system (PADS) or replace signs for the next generation passenger information system.	Green	Green	Green	Green

Project Phase: 6 – Construction/Implementation

Project Costs (in thousands of dollars)

	Current Budget	Committed to Date	Expended + Accruals	Estimated Completion
Totals	6,800	5,621	5,435	6/15/2025
Percentages	100.00%	82.7%	79.9%	

Project Highlights – Recent and Upcoming Work

October: Option 1's VMS replacement is completed.
VMS replacement at Option 2 stations continues, troubleshooting for certain VMS is ongoing.

November: Complete option 2 stations VMS replacement.

Note: The Capital Projects information is current as of October 31, 2024, and is subject to change prior to the December 2024 Board meeting.

Statuses: Green – Green; Yellow – Yellow; Red – Red

Capital Projects Update

Project: San Francisquito Creek Bank Stabilization

Project Description	Status Summary			
	Safety	Schedule	Budget	Funding
Stabilize and protect the northern bank of the San Francisquito Creek to prevent erosion from undermining the northern abutment of Caltrain's existing San Francisquito Creek Bridge, the northern foundations of the Alma Street Bicycle Bridge owned by the City of Palo Alto, and an existing drainage outfall owned by the City of Menlo Park.	Green	Red	Green	Green

Project Phase: 6 – Construction/Implementation

Project Costs (in thousands of dollars)				Estimated Completion
	Current Budget	Committed to Date	Expended + Accruals	
Totals	8,988	2,309	1,714	02/13/2026
Percentages	100.00%	25.7%	19.1%	

Project Highlights – Recent and Upcoming Work

October: Significant progress was made in aligning environmental and engineering design documents required for permitting, as well as deliverables needed for IFB. NMFS (National Marine Fisheries Service) outlined a 135-day review period, which is now a critical path item. In response, the project team is working diligently to provide all necessary documentation to meet the calculated submission deadline. The Engineer of Record conducted an in-stream field inspection and provided preliminary assessment indicating that the temporary stabilization measures implemented in November 2023 are sufficient to protect the bridge for the 2024-2025 winter.

November: JPB staff will continue coordinating with CDFW, RWQCB, and USACE to secure the necessary environmental permits for the permanent bank stabilization project. The design team is advancing the engineering design to complete deliverables for environmental permitting and IFB. Concurrently, JPB staff is exploring strategies to solicit qualified construction contractors to ensure smooth project execution. The team continues to evaluate the permit approvals and IFB timelines against the allowable in-stream work windows.

Note: The Capital Projects information is current as of October 31, 2024, and is subject to change prior to the December 2024 Board meeting.

Statuses: Green – Green   Yellow – Yellow   Red – Red

Capital Projects Update

Project: San Mateo Replacement Parking Track

Project Description	Status Summary			
	Safety	Schedule	Budget	Funding
The project involves the preparation of an amendment to the previously-obtained environmental clearance report and final design of a "set out track" to replace the one that was removed in the Bay Meadows area to facilitate the construction of the 25th Ave. Grade Separation Project. The track, which will be located between 10th and 14th Aves., will be accessed from 9th Ave., approximately 1,000 feet in length and have a single switch. Electrification is not part of the base funding plan. Supplemental funding will be needed to electrify the replacement parking track.	Green	Green	Green	Green

Project Phase: 6 – Construction/Implementation

Project Costs (in thousands of dollars)	Current Budget	Committed to Date	Expended + Accruals	Estimated Completion
Totals	10,128	7,621	7,219	05/31/2025
Percentages	100.00%	75.2%	71.3%	

Project Highlights – Recent and Upcoming Work

October: In coordination with Caltrans, Grants team executed program supplement agreement for LPP funds. Significant ongoing activities in October included construction of the screen wall, the irrigation system and maintenance road among other activities.

November: SWI will continue with installation of irrigation system, maintenance road construction, fencing installation and other construction activities.

Note: The Capital Projects information is current as of October 31, 2024, and is subject to change prior to the December 2024 Board meeting.

Statuses: – Green – Yellow – Red

Capital Projects Update

Project: Mini-High Platforms

Project Description	Status Summary			
	Safety	Schedule	Budget	Funding
The project scope will include installation of the precast platforms and modifications as needed to the existing infrastructure as needed to accommodate the installation. Grounding and bonding will be required at all of the stations within the areas that will be electrified. Project will allow for more efficient ADA access to passenger vehicles for patrons decreasing dwell time thus improving service for all passengers and reducing operating costs.	Green	Green	Green	Green

Project Phase: 6 – Construction/Implementation

Project Costs (in thousands of dollars)				Estimated Completion
	Current Budget	Committed to Date	Expended + Accruals	
Totals	7,271	4,477	3,336	09/17/25
Percentages	100.00%	61.6%	45.9%	

Project Highlights – Recent and Upcoming Work

October: Continued the installation of Mini-Highs platforms at multiple stations.

November: Continue the installation of Mini-Highs platforms at multiple stations. Complete pre-coordination with UPRR to line up flagging.

Note: The Capital Projects information is current as of October 31, 2024, and is subject to change prior to the December 2024 Board meeting.

Statuses: ● – Green ● – Yellow ● – Red

Acknowledgements

This report is made possible by contributions from the following groups and individuals.

Caltrain Planning
Dahlia Chazan, Chief
Ted Burgwyn, Director, Rail Network and Operations Planning
Catherine David, Manager, Operations Planning
Nick Atchison, Planning Analyst III

Communications Division
Tasha Bartholomew, Manager, Media Relations
Robert Casumbal, Director, Marketing & Research
Jeremy Lipps, Manager, Digital Communications
Stephanie Torres, Social Media Specialist

Finance Administration
Bruce Thompson, Manager, Fare Program Operations
Don Esse, Senior Operations Financial Analyst
Dapri Hong, Budget Analyst III

Rail Administration / Rail Operations & Maintenance
John Hogan, Chief Operating Officer
Patrice Givens, Administrative Analyst II
Graham Rogers, Project Manager SOGR
Sam Sargent, Director, Strategy & Policy
Henry Flores, Director, Rail Vehicle Maintenance
Jason Dayvault, Business Operations Project Manager

Rail Design & Construction
Rob Barnard, Chief
Jonathan Tillman. Director Capital Programs Management
Robert Cheung, Project Controls Deputy Director
Sowmya Karipe, Project Controls Specialist

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Mike Meader, Caltrain Safety Chief
Elizabeth Araujo, TASI
Margie Godinez, TASI
Sarah Doggett, MTC
Victoria Moe, San Mateo County Sheriff's Office

Peninsula Corridor Joint Powers Board
Board of Directors
1250 San Carlos Avenue, San Carlos, CA 94070
DRAFT Minutes of November 7, 2024

Members Present:	Margaret Abe-Koga (arrived at 9:20 am), Pat Burt, Monique Zmuda, Steve Heminger (Vice Chair), Devora "Dev" Davis (Chair)
Members Present via Teleconference:	Rico E. Medina
Members Absent:	Jeff Gee, Ray Mueller, Shamann Walton
Staff Present:	J. Baker, M. Bouchard, C. Fromson, J. Harrison, L. Lumina-Hsu, D. Ryan, M. Tseng

1. **Call to Order / Pledge of Allegiance / Safety Moment** – Chair Davis called the meeting to order at 9:00 am, led the Pledge of Allegiance, and delivered the safety briefing.

2. **Roll Call**
   Acting District Secretary Margaret Tseng called the roll and confirmed a Board quorum was present.

3. **Consideration of requests, if any, of Directors to participate remotely due to Emergency Circumstances** – There were none.

4. **Request to Change Order of Business**

   Public comments
   Aleta Dupree, Team Folds, commented on the new headquarters locations, spoke in support of the Millbrae location, and commented on the Public Employee Performance Evaluations.

5. **Closed Session: Public Employee Performance Evaluation: Executive Director (Gov. Code § 54957(b)(1))**

6. **Closed Session: Public Employee Performance Evaluation: General Counsel (Gov. Code § 54957(b)(1))**

7. **Closed Session: Conference with Real Property Negotiator (Gov. Code § 54956.8)**
   7.a. Property: 375 Beale Street, San Francisco, CA
   7.b. Property: 166 N. Rollins Road, Millbrae, CA
   7.c. Property: 153 Townsend Street, San Francisco, CA
   7.d. Property: 305 Main Street, Redwood City, CA
   7.e. Property: 488 South Almaden Boulevard, San Jose, CA

8. **General Counsel Report – Report Out from Above Closed Session**
   James Harrison, Legal Counsel, reported that there were no reportable actions.

9. **Public Comment for Items Not on the Agenda**
   Dennis Bogusz commented on train horn noise frequency and sound level.

   Aleta Dupree, Team Folds, commented on electrified train schedule.

   Vaughn Wolffe commented on schedule syncing with other train transit agencies to encourage people traveling long distance to ride the trains.

10. **Report of the Executive Director**
    Michelle Bouchard, Executive Director, provided a report which included the following:
    - Weekly On-Time Performance (OTP) since electrification hard launch
    - Addressed known issues and action items, reduced train horn decibel levels to the lowest legal requirement and followed strict legal compliance requirements, and localized grade crossing tools that can be installed
    - Low Carbon Fuel Standards (LCFS) credits received and accounted for in strategic financial plan
    - Google and Waze GPS (global positioning system) navigation updates completed after meeting with companies and scheduled a meeting with Apple
    - Grade crossing enhancements at grade level crossings incorporating new technologies of LIDAR (Light Detection and Ranging), CCTV (closed caption television), Analysis and Alert (AI)
    - Pilot installation of bike decals on platforms at Palo Alto and Redwood City stations
    - Locomotives and gallery cars fleet disposition update with Lima, Peru municipality interest in 90 gallery cars and 20 retired diesel locomotives; vehicles to be used only for passenger service to ensure maximum reduction of air pollution
    - 10-year Capital Investment Program (CIP) reprioritizes projects that will deliver the greatest benefit

    The Board Members had a robust discussion, and staff provided further clarification in response to the following Board comments and questions regarding the following:
    - Grade crossing optimization
    - Contingency planning for restoration of up to five trains an hour at major stations
    - Storage, transfer, and delivery costs of diesel locomotives and terms and conditions under negotiation with Lima, Peru municipality

    <u>Public Comment</u>
    Aleta Dupree, Team Folds, commented on train horn, emergency stop reduction, and mini-high platforms.

Jeff Carter commented on electrified trains, bike car seating, and train horn noise levels.

Adrian Brandt commented on bike decals on platforms, grade crossing optimization systems, and wheel flat spots.

Adina Levin, Friends of Caltrain and Seamless Bay Area, commented on electrified train service, Wi-Fi, and CIP level boarding project.

Ms. Bouchard clarified staff is working on the wireless crossing function, the inhibit function is not currently turned on as the function needs to complete testing, with an aim to have it in service by end of November.

11. Consent Calendar

11.a. Meeting Minutes of October 3, 2024
11.b. Appointment of the Citizens Advisory Committee Representative and Alternate for Santa Clara County
11.c. Accept Statement of Revenues and Expenses for the Period Ending June 30, 2024, and Approve Retroactive Amendment to the Fiscal Year 2024 Operating Budget *Approved by Resolution 24-60*
11.d. Accept Statement of Revenues and Expenses for the Period Ending September 30, 2024
11.e. Authorize Executive Director to Execute Agreement with SamTrans to Add Rail Safety Direct Service Positions* **
11.f. Adoption of Caltrain 10-Year Capital Improvement Plan (CIP) *Approved by Resolution 24-61*
11.g. Authorize an Amendment to the Contract with Allied Universal for Security Guard Services to Extend the Term by 18 Months and Increase the Contract Amount by $1,977,976* *Approved by Resolution 24-62*
11.h. Receive Railyards Preliminary Business Case Update and Authorize Execution of Caltrain/Prologis Cooperation Agreement* *Approved by Resolution 24-63*
11.i. Authorize Execution of a Cooperative Agreement with Diridon Partner Agencies to Establish Interim Project Organization Structure* ** *Approved by Resolution 24-64*

Motion/Second: Burt/Heminger
Ayes: Abe-Koga, Burt, Medina, Zmuda, Heminger, Davis
Noes: None
Absent: Gee, Mueller, Walton

<u>Public Comment</u>
Jeff Carter commented on the CIP level boarding project and expressed concern federal funding for public transit improvements.

Adrian Brandt commented on the level boarding project, wheelchair user access, and available amenities on train cars.

12. State and Federal Legislative Update

Casey Fromson, Chief of Staff, Jason Baker, Director of Government and Communication Affairs, and Devon Ryan, Government Affairs Officer provided the presentation that included the following information:

- Select Committee framework approved forwarding all scenarios to the Commission for their review
- Overview of Caltrain funding over 15 years and addressing Caltrain's 10-year deficit for each regional measure scenario
- Reviewed the new San Francisco Municipal Transportation Agency (SFMTA)/Operator Proposal option
- Bay Area Rapid Transit (BART) favorability poll for all agencies resulted in Caltrain total favorable at 58 percent and unfavorable at 11 percent (within the three countries serviced by Caltrain)
- Caltrain-only measure examples by sales tax and/or parcel tax will need authorization legislation
- Reviewed timeline for a 2026 ballot measure including expected Metropolitan Transportation Commission (MTC) polling in December 2024

The Board Members had a robust discussion and staff provided further clarification in response to the Board comments and questions, which included the following:

- Caltrain updated deficit numbers will be presented as part of the update to the Strategic Plan to the JPB Finance Committee in November
- Caltrain-only authorization decision discussion and coalition building (ad hoc meeting before Finance Committee)
- Regional measure scenarios prioritization
- Regional measure polling, future economic circumstances, and revenue shortfalls due to reduced ridership
- Contingency plan to fund a public transit agency and measure ballots conflicts
- Per county measure coordination for Caltrain and local transit agencies for a successful path

<u>Public Comment</u>

Aleta Dupree, Team Folds, spoke in support of funding Caltrain.

Adina Levin spoke in support of funding that meets Caltrain needs and commented on risks of various funding measures and running measures for each agency per county.

Jeff Carter spoke in support of funding and commented on fare revenue.

Adrian Brandt spoke in support of regional funding measure.

13. Reports

13.a. Report of the Citizens Advisory Committee – Adrian Brandt provided the report which included the following:

- Appointment of Alternate member from San Francisco County
- Rail safety and crossing violations including crossing signs indicating vehicle code and fines
- Proposed pilot program at Burlingame Broadway Crossing with camera enforcement for a proactive approach
- Traffic signal preemption to clear tracks prior to gates activation
- Anti-trespassing panels to prevent cars accidentally driving on the tracks
- Train schedule feedback and external factors out of Caltrain's control that impacted the train performance such as heat wave, power outages, vandalism
- Bike boarding signage improvements

13.b. Report of the Chair - Chair Davis stated will meet with Directors Walton and Gee on ad hoc nominating committee to bring forward in December; reinstating Board of Directors meeting locations to other counties as represented per quarter and at least once a year; and fare checks and enforcement, train cleanliness, and branding on train car.

13.c. Report of the Local Policy Maker Group (LPMG) - Chair Burt reported CIP update, evolution of corridor crossing strategy for low priority grade separation package improvements to improve capacity and circulation, and horn noise reduction. Mr. Burt expressed appreciation for San Carlos Councilperson Ron Collins, for his active and valuable role on LPMG for over 12 years and thanked him for his lasting contributions.

13.d. Report of the Transbay Joint Powers Authority (TJPA) – Deferred to next meeting.

<u>Public Comment</u>

Jeff Carter commented on status of automatic passenger counters (APC) for detailed ridership numbers. Ms. Bouchard confirmed to provide update.

14. Correspondence – Available online.

15. Board Member Requests – Director Abe-Koga requested Caltrain staff to work with Santa Clara Valley Transportation Agency (VTA) staff to value engineer the Rengstorff grade separation project and for the project to be agendize to discuss how to reign in the cost rather than continually find funding.

16. Date/Time/Location of Next Regular Meeting: Thursday, December 5, 2024 at 9:00 am at San José City Hall Council Chambers, 200 E Santa Clara Street, San Jose, CA 95113

17. Adjourn – The meeting adjourned at 12:19 pm.

Peninsula Corridor Joint Powers Board
Staff Report

To: JPB Board of Directors

Through: Michelle Bouchard, Executive Director

From: Kate Jordan Steiner, Chief Financial Officer

Subject: **Authorize the Filing of Applications with the Metropolitan Transportation Commission (MTC) for Programming of Federal Transit Administration (FTA) Formula Funds for Fiscal Year (FY) 2025-2029 Caltrain Priorities Funding**

☒ Finance Committee Recommendation ☐ Technology, Operations, Planning, and Safety Committee Recommendation ☐ Advocacy and Major Projects Committee Recommendation

Purpose and Recommended Action

Staff recommends the Board authorize the Executive Director, or their designee, to:

1. File fund programming applications with the MTC for up to $222,886,635 in FY2025 through FY2029 Formula Program funds for procurement of four 7-car Electric Multiple Units (EMU), systemwide track rehabilitation, and systemwide communications and signal rehabilitation.
2. Commit up to $55,721,659 in local matching funds; and
3. Take such actions as may be necessary to give effect to this resolution, including executing any agreements, certifications and assurances, or other documentation required in order to receive the FTA funds.

Discussion

Staff is proposing to submit fund programming applications to the MTC for FY2025-2029 FTA Formula funds to support the projects listed in Table 1. The selection of projects was based on the approval of resolution 2023-54 by the Board authorizing exercise of contract option with Stadler USA, Inc. to procure additional EMU and BEMU trainsets, as well as state of good repair needs identified in. The amount of funding programming available to the JPB is determined by MTC based on funding availability and the amount of each state of good repair needs Caltrain has. The exact funding amounts for each fiscal year will be determined by annual congressional appropriations and FTA's subsequent formal apportionment of those funds to the region.

Table 1

Project	Federal Funds	Local Funds	Total
Systemwide Track Rehab and Related Structures	$50,858,579	$12,714,645	$63,573,224
Signal/Communication Rehab and Upgrades	$26,428,056	$6,607,014	$33,035,070
Caltrain Railcar Replacement – EMU Procurement	$145,600,000	$36,400,000	$182,000,000

Budget Impact

For FY2025, FTA funding and local match amounts are included in the current Capital Budget. Funds programmed to the JPB for FY2026-2029 will be included during the budget development process in those years.

Prepared By:	Heather Salem	Manager, Grants and Fund Programming	650.730.8099
	Evelyn Ng	Director, Grants and Fund Management	650.399.5869

Resolution No. 2024-

Board of Directors, Peninsula Corridor Joint Powers Board
State of California

* * *

Authorizing the Filing of an Application for FTA Formula Program and Surface Transportation Programs Funding for Caltrain Capital Projects and Committing the Necessary Local Match for Caltrain Capital Projects and Stating the Assurance of the Peninsula Corridor Joint Powers Board to Complete the Project

Whereas, Infrastructure Investment and Jobs Act, or the Bipartisan Infrastructure Law (BIL, Public Law 117-58) continues and establishes new Federal Transit Administration formula programs (23 U.S.C. § 53) and continues the Surface Transportation Program (23 U.S.C. § 133); and

Whereas, pursuant to BIL, and the regulations promulgated there under, eligible project sponsors wishing to receive Federal Transit Administration (FTA) Section 5307 Urbanized Area, Section 5337 State of Good Repair, or Section 5339 Bus and Bus Facilities (collectively, FTA Formula Program) grants or Surface Transportation Program (STP) grants for a project shall submit an application first with the appropriate metropolitan transportation planning organization (MPO), for review and inclusion in the MPO's Transportation Improvement Program (TIP); and

Whereas, the Metropolitan Transportation Commission is the MPO for the San Francisco Bay region; and

Whereas, Peninsula Corridor Joint Powers Board (JPB) is an eligible project sponsor for FTA Formula Program or STP funds; and

Whereas, the JPB wishes to submit a grant application to MTC for funds from the FY2020-21 FTA Formula Program or STP funds, for the following projects:

	Federal Funds	Local Funds	Total
Systemwide Track Rehab and Related Structures	$50,858,579	$12,714,645	$63,573,224
Signal/Communication Rehab and Upgrades	$26,428,056	$6,607,014	$33,035,070
Caltrain Railcar Replacement – EMU Procurement	$145,600,000	$36,400,000	$182,000,000

Whereas, MTC requires, as part of the application, a resolution stating the following:

1. The commitment of necessary local matching funds (18-50 percent for FTA Formula Program funds, depending on project type, and 11.47 percent for STP funds); and
2. That the sponsor understands that the FTA Formula Program and STP funding is fixed at the programmed amount, and therefore any cost increase cannot be expected to be funded from FTA Formula Program or STP funds; and
3. The assurance of the sponsor to complete the project as described in the application, and if approved, as the programmed in MTC’s TIP; and
4. That the sponsor understands that FTA Formula Program funds must be obligated within three years of programming and STP funds must be obligated by January 31 of the year that the project is programmed for in the TIP, or the project may be removed from the program.

Now, Therefore, Be It Resolved by the Board of Directors that the JPB is authorized to execute and file an application for funding under the FTA Formula Program and/or Surface Transportation Program in the amount of $222,886,635 for Systemwide Track Rehabilitation, Systemwide Signal and Communication Rehabilitation, and Procurement of Replacement Railcars; and

Be It Further Resolved that the Board of Directors by adopting this resolution does hearby state that:

1. The JPB will provide $55,721,659 in local matching funds; and
2. The JPB understands that the FTA Formula Program and STP funding for the project is fixed at $222,886,635, and that any cost increases must be funded by the JPB from local matching funds, and that the JPB does not expect any cost increases to be funded with FTA Formula Program and Surface Transportation Program funds; and
3. Systemwide Track Rehabilitation, Systemwide Signal and Communication Rehabilitation, and Procurement of Replacement Railcars will be built as described in this resolution and, if approved, for the amount shown in the Metropolitan Transportation Commission (MTC) Transportation Improvement Program (TIP) with obligation occurring within the timeframe established below; and
4. The program funds are expected to be obligated by January 31 of the year the project is programmed for in the TIP; and
5. The JPB will comply with FTA requirements and all other applicable Federal, State and Local laws and regulations with respect to the proposed project; and

Be It Further Resolved, that the JPB is an eligible sponsor of projects in the program for FTA Formula Program and STP funds; and

Be It Further Resolved, that the JPB is authorized to submit an application for FTA Formula Program and STP funds for Systemwide Track Rehabilitation, Systemwide Signal and Communication Rehabilitation, and Procurement of Replacement Railcars; and

Be It Further Resolved, that there is no legal impediment to the JPB making applications for FTA Formula Program and STP funds; and

Be It Further Resolved, that the JPB agrees to comply with the requirements of MTC's Transit Coordination Implementation Plan as set forth in MTC Resolution 3866; and

Be It Further Resolved that a copy of this resolution will be transmitted to the MTC prior to MTC programming the FTA Formula Program or Surface Transportation Program funded projects in the Transportation Improvement Program (TIP); and

Be It Further Resolved that the MTC is requested to support the application for the project described in the resolution and to program the project, if approved, in MTC's TIP.

Regularly passed and adopted this 5th day of December, 2024 by the following vote:

Ayes:

Noes:

Absent:

____
Chair, Peninsula Corridor Joint Powers Board

Attest:

____
Acting JPB Secretary

Peninsula Corridor Joint Powers Board
Staff Report

To:	JPB Board of Directors
Through:	Michelle Bouchard, Executive Director
From:	Kate Jordan Steiner, Chief Financial Officer
Subject:	**Accept Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2024**

☒ Finance Committee Recommendation ☐ Technology, Operations, Planning, and Safety Committee Recommendation ☐ Advocacy and Major Projects Committee Recommendation

Purpose and Recommended Action

Staff proposes the committee recommend the Board accept the Peninsula Corridor Joint Powers Board's (JPB) Fiscal Year (FY) 2024 Annual Comprehensive Financial Report (ACFR).

Discussion

Annually, staff is responsible for preparation of an annual report on the financial position and financial results of the JPB. The JPB contracts with an independent auditor, Brown Armstrong Accountancy Corporation, to conduct yearly audits of the Financial Statements (prepared by JPB staff) in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States of America. The independent auditor has provided an unmodified, or "clean" opinion on the Financial Statements.

The JPB presents these audited financial statements, along with the auditor's opinion thereupon, in a comprehensive document called the Annual Comprehensive Financial Report (ACFR). The ACFR serves as the JPB's primary source of disclosure to the public and to the financial community regarding the status of the JPB's finances.

The ACFR is prepared in accordance with the guidelines set forth by the Government Accounting Standards Board and is organized into three sections – Introductory, Financial, and Statistical Sections.

- The **Introductory** Section includes a Transmittal Letter and provides general information on the JPB's structure, personnel, and economic outlook.
- The **Financial** Section includes audited financial statements which provide detailed financial information as well as comparative financial data. The Management Discussion & Analysis (MD&A) is also found in the Financial Section. Along with the Transmittal Letter, the MD&A is of most interest to those looking for a narrative annual review of the JPB's finances.

- The **Statistical** Section provides a broad range of data covering key financial trends including revenue and debt capacity, economic and demographic data and operating information.

The introductory section and the statistical section presented in the ACFR are not required by California Government Code to be reported as part of the audited financial statements of the JPB. These sections are required when producing an ACFR which the JPB chooses to provide detailed information about the financial condition of the JPB in a form that is understandable to our customers and constituents.

Together, all sections of the ACFR provide the detail as well as the perspective with which to assess the JPB's financial condition.

The ACFR is prepared and presented to the Government Finance Officers Association for their review, evaluation and to apply for the certificate of Achievement for Excellence in Financial Reporting. The JPB has received an award for every year that the report was submitted.

The ACFR draft being presented at the JPB Finance Committee meeting on November 18, 2024, is the final draft. The complete signed package will be presented at the JPB Board meeting on December 5, 2024.

Budget Impact

There is no impact on the Budget.

Prepared by:	Annie To	Director, Accounting	650-622-7890

Item #12.c.
12/5/2024

Peninsula Corridor Joint Powers Board
San Carlos, California

A Joint Powers Authority
Established by Agreement among:

City and County of San Francisco
San Mateo County Transit District
Santa Clara Valley Transportation Authority

Caltrain

DRAFT

Annual Comprehensive Financial Report

Fiscal Years Ended June 30, 2024 and 2023

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PENINSULA CORRIDOR
JOINT POWERS BOARD

San Carlos, California

Annual Comprehensive Financial Report
Fiscal Years Ended June 30, 2024 and 2023

Prepared by the Finance Division

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Section I

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INTRODUCTORY

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PENINSULA CORRIDOR JOINT POWERS BOARD

LETTER OF TRANSMITTAL

__________, 2024

To the Board of Directors of the Peninsula Corridor Joint Powers Board and the Citizens of San Francisco, San Mateo, and Santa Clara Counties
San Carlos, California

Annual Comprehensive Financial Report Year Ended June 30, 2024 (FY24)

We are pleased to present the Annual Comprehensive Financial Report (ACFR) of the Peninsula Corridor Joint Powers Board (JPB or Caltrain) for the period from July 1, 2023 through June 30, 2024 (FY24). The JPB is the governing body for the Caltrain commuter rail transit service between San Francisco, San Jose, and Gilroy. This transmittal letter provides a summary of Caltrain's finances, services, achievements, and economic prospects for readers without a technical background in accounting or finance. FY24 reflects continued challenges as Caltrain moves forward in its recovery from the pandemic. This letter will address those impacts where appropriate.

Management assumes sole responsibility for all the information contained in this report, including the presentation and the adequacy of all disclosures. To the best of our knowledge, we believe this report to be complete and reliable in all material respects. To provide a reasonable basis for making this representation, we have established a comprehensive system of internal controls designed to protect the Caltrain's assets from potential losses, to identify and record transactions accurately, and to compile the information necessary to produce financial statements in conformity with generally accepted accounting principles. Because the cost of internal controls should not exceed the likely benefits, the Caltrain's internal control system intends to provide reasonable, but not absolute, assurance that the financial statements are free from material misstatement.

To test the performance of the internal control system, Caltrain contracted for independent auditing services from Brown Armstrong Accountancy Corporation, a certified public accounting (CPA) firm licensed to practice in the State of California. The auditor expressed an opinion that the Caltrain's financial statements are fairly stated in all material respects and in compliance with accounting principles generally accepted in the United States of America. This conclusion is the most favorable kind, commonly known as an “unmodified” or “clean” opinion.

Management provides a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the independent auditors’ report.

PROFILE OF THE ORGANIZATION

Purpose

The JPB is responsible for the Caltrain passenger rail service on the San Francisco Peninsula and south into Santa Clara County. JPB owns and operates the rail system that has been a central part of Peninsula communities since 1865. Caltrain currently serves 31 stations and is operated on 77 miles track from San Franciso to Gilroy, of which JPB owns 51 miles and Union Pacific owns 26 miles. Spanning San Francisco, San Mateo, and Santa Clara counties, Caltrain directly serves 20 cities and provides critical connections to other transit services.

Core Values

The JPB is dedicated to providing a safe, reliable, and sustainable passenger transportation service that enhances the quality of life for all. Our core values of safety, excellence, resilience, integrity, equity and inclusion, and sustainability guide everything Caltrain does. The railroad prioritizes safety, first and always, for passengers and employees, strive for operational excellence, and ensure resilience through continuous improvement and innovation. The JPB operates with integrity, fostering trust and transparency, and is committed to equity and inclusion, ensuring all individuals have access to our services. Additionally, the railroad focuses on sustainability, implementing environmentally responsible practices to support the region's long-term health and economic vitality.

Entity

The JPB is a Joint Powers Authority that is legally and financially independent from its three member agencies, namely the San Mateo County Transit District (District), the Santa Clara Valley Transportation Authority (VTA), and the City and County of San Francisco (CCSF) and is not a component unit of any other organization. Furthermore, the JPB has no component unit organizations under its control. Therefore, this ACFR and the financial statements contained within represent solely the activities, transactions, and status of the JPB.

History

In 1980, after two years of negotiations, the California Department of Transportation (Caltrans) and the Southern Pacific Transportation Company (Southern Pacific) executed a purchase-of-service agreement for maintaining passenger rail service between San Francisco and San Jose. Service under this agreement began in 1980 with Southern Pacific operating the trains while receiving subsidies to cover its operating costs from Caltrans and the three member agencies and with Caltrans providing contract administration, service planning, marketing, engineering, scheduling, fare management, customer support, and performance monitoring.

In 1988, CCSF, the District, and VTA commissioned a study that recommended transferring responsibility for the rail service from the state to the local level. The three member agencies accomplished this objective in October 1991, executing a new joint powers agreement that formed the current JPB. Two months later, the JPB purchased the rail right-of-way between San Francisco and San Jose (Mainline) and perpetual trackage rights between San Jose and Gilroy (Gilroy Extension) from Southern Pacific.

The JPB holds title to all right-of-way property located in the County of San Francisco and the County of Santa Clara. The District expects to complete the conveyance of its tenant in common interest on the right-of-way property in the County of San Mateo to the JPB by the end of 2024. In addition, the JPB holds trackage rights that extend south from the end of its property ownership in San Jose to Gilroy over a rail line owned by the Union Pacific Railroad. Those rights include the rights to operate five daily two-way train pairs.

The JPB assumed responsibility for the operation of Caltrain service from Caltrans in 1992. Amtrak served as the JPB's contracted rail operator until May 2012. The JPB, at its September 2011 meeting, authorized the award of a new operating contract to TransitAmerica Services, Inc. (TASI). The contract carried a 5-year base term with the ability to execute 5 additional one-year options. In 2017, the JPB exercised all 5 of the option years, extending the contract with TASI to June 2022. In January 2021, the JPB extended the contract through June 2027 in order to enable the completion of construction of the Federal Transit Administration (FTA)-funded corridor electrification project and subsequent start-up of service in the electrified environment.

Caltrain has grown to become the seventh largest commuter railroad in the country, the largest carrier of bikes of any American transit system, and the nation's most efficient railroad pre-pandemic as measured by farebox recovery.

Governance

The JPB is a joint powers authority formed by and between three member agencies - the San Mateo County Transit District, the Santa Clara Valley Transportation Authority, and the City and County of San Francisco -- pursuant to California Government Code sections 6500 et seq.

The joint powers agreement executed by the three member agencies establishes a nine-person Board of Directors (Board) that governs the operations, maintenance, repair, improvements, and expansion of Caltrain. Each of the three Member Agencies appoints three persons to serve on the Board. The JPB also created a nine-person Citizens Advisory Committee (CAC) composed of three citizens from each JPB county. The principal objective of the CAC is to articulate the interests and needs of current and future customers.

On August 4, 2022, the JPB, the District, VTA, and CCSF approved a Memorandum of Understanding (MOU) relating to the JPB's governance. The MOU established a permanent, separate Executive Director position for Caltrain while authorizing five additional management positions for the agency: Chief of Staff, Director of Government and Community Affairs, Director of Budgets and Financial Analysis, Director of Real Estate, and Director of Grants and Fund Management. Prior to the 2022 MOU, the General Manager of the District served as the Executive Director of Caltrain. Following the 2022 MOU, the Executive Director, distinct from the District General Manager, reports directly to the Caltrain Board of Directors. The District provides shared services to Caltrain as discussed below. The MOU also provides for repayment of the District's initial investment in the Caltrain Right-of-Way; upon repayment, the District is required to reconvey its tenancy in common interest in the Right-of-Way to the JPB. The repayment has been completed in FY24 and the District is in the process of reconveying its interest to the JPB.

Administration

The joint powers agreement as first executed in 1991, and as amended and restated in 1996, and as modified by the 2022 MOU, designates the District as the Managing Agency to provide management, administrative, and staff services for Caltrain under the direction and oversight of the JPB. Caltrain reimburses the District for the direct and administrative costs incurred in providing the Managing Agency services. Some administrative costs are determined by overhead rates approved by the FTA. Currently, the District provides the following services for the JPB:

The *Communications Division* is responsible for customer service and experience, government and community affairs, marketing, sales, advertising, distribution services, public information, fare media, media relations, digital communications and website development, creative services, and community outreach.

The *Finance Division* is responsible for financial accounting and reporting, capital and operating budget development and administration, payroll and vendor disbursements, investments and cash management, debt management, revenue control, purchasing, contract administration, grant administration, financial planning, fare administration, and insurance.

The *Division of Innovation and Technology (DoIT)* is tasked with overseeing and managing the District's innovation and technology functions. This includes critical areas such as Cybersecurity, Technology Infrastructure, Data Center Management IT Applications and Software, Database Administration, Network Administration, and Systems Administration.

The *People and Culture Division* is responsible for Office of Civil Rights (OCR), Employee and Labor Relations (ER), and Human Resources (HR) Services. OCR consists of Civil Rights and EEO, Diversity, Equity, Inclusion & Belonging (DEIB), Disadvantage and Small Business Enterprise (DBE/SBE) Administration, Contract (Labor) Compliance, and Title VI. ER consists of Employee and Labor Relations, Drugfree and Pull Notice Programs, Training and Development, and Employee Engagement. Human Resources consists of Benefits, Classification and Compensation, Employee Services (Day-to-Day Administration), Human Capital Management System (HCM), HR Policies, Leave of Absences (LOA), Retirement, Talent Acquisition (Recruitment), HR Strategies, and HR/Rail Shared Services.

Caltrain

Caltrain operates under the direction of the Caltrain Executive Director and is responsible for Caltrain operations and maintenance oversight (including administration of the rail service-operating contract), state-of-good-repair, operations planning, engineering, rail safety, capital project planning, and delivery including design, construction, and integration of electrified service. The Caltrain Modernization Program (CalMod) is responsible for the implementation of the Peninsula Corridor Electrification Project (PCEP) that will upgrade the performance, operating efficiency, capacity, safety and reliability of Caltrain's commuter rail service. Electrified Caltrain revenue service began in September 2024.

Budgetary Control

State law requires the JPB to adopt an annual budget by resolution of the Board. In FY23, the Board adopted an amendment to the JPB Balanced Budget and Financial Reserve Policy to require appropriating funds for operating and capital budgets on a biennial basis each even numbered fiscal year, beginning with fiscal year 2024 and 2025. Instituting a biennial budget for both the operating and capital budgets allowed the agency to focus on longer-term financial planning for operation of an electrified railroad while facilitating coordination with members agencies on capital improvements and obligations. The Board monitors budget-to-actual performance through monthly staff reports. The Financial Section of this report includes a supplemental schedule that compares actual results on a budgetary basis of accounting to the final adopted budgets.

The Board has delegated the authority to transfer budget amounts between divisions and departments to the Executive Director or his/her designee. However, any increase to the expenditure budget as a whole requires the approval of the Board. In addition, the JPB uses an encumbrance system to reduce budget balances by issuing purchase orders to avoid over-commitment of resources.

The JPB employs the same basis of controls and accounting principles for both budgeted and actual revenues and expenditures. Proceeds from the sale of capital assets, unrealized investment gains and losses, and inter-fund transfers are not included in the budget. As a special purpose organization established pursuant to joint powers legislation, the JPB is not subject to the State of California's Gann Act requiring adherence to an annual appropriation limit.

FINANCIAL AND ECONOMIC OUTLOOK

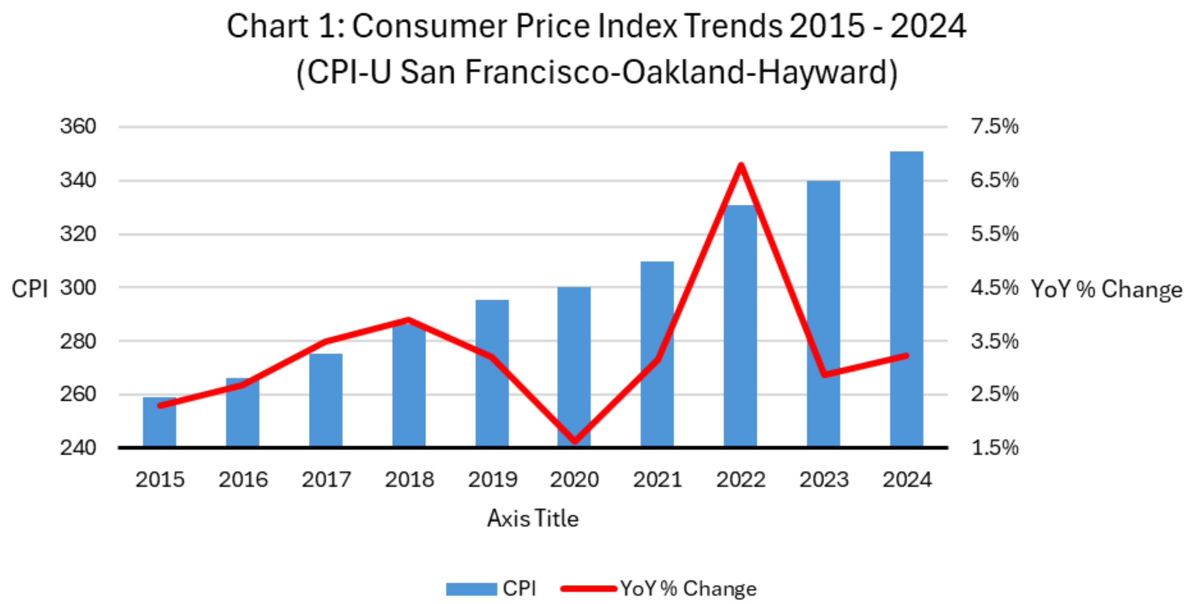
Caltrain continues to operate a 104-train weekday schedule, including hourly all-stop local trains throughout the day as well as a number of peak-hour limited and express trains to provide faster travel times and several different service options to increase ridership demand. On September 25, 2023, Caltrain implemented a schedule change to improve transfers with the Bay Area Rapid Transit District (BART) at the Millbrae Transit Center, provide faster local trains on weekday evenings, and add a fourth roundtrip train to Gilroy.

Caltrain has taken additional steps to enhance affordability and drive ridership – for example, providing a 50% discounted fare promotion in both September 2021 and April 2022 in addition to implementing and expanding a donation program for unused institutional pass products. A Ridership Recovery Task Force was created to develop specific customer acquisition strategies including community partnerships, brand campaigns, engagement events, and fare products. Current Caltrain fare promotions include a 3-Day Pass that allows for unlimited trips over three consecutive days, targeted at the hybrid commuter; $1 one-way youth rides for Clipper Youth Card holders, targeted at families and the next generation of Caltrain customers; a Family Day Pass, allowing two adults and up to four youths to ride together for the cost of two adults and one youth; and a pay for three and the fourth rides free Group Day Pass. The one-way youth rides promotion resulted in a 43% increase in ridership compared to the prior year. Due to this success, Caltrain is expanding this youth program to offer $1 one-way fares through all payment methods, and a new $2 day pass available on ticket vending machines and the Caltrain mobile app beginning in September 2024.

Local Economy

The Bay Area continues to rebound from the pandemic. Pricing pressures caused by inflation are still a concern. According to the U.S. Bureau of Labor Statistics' bimonthly report, as of June 2024, inflation in the San Francisco Bay Area sits at 3.2 percent, above the United States at 3.0 percent. Current Consumer Price Index (CPI) trends suggest optimism in the future for the economy, but the Federal Reserve continues to hold a hawkish stance, with commitment to easing inflationary pressures in the United States.

From 2015 to 2024, the CPI shows a steady upward trend, indicating a consistent increase in the cost of the items in the basket of goods represented in the index. The CPI rose from 259.1 in 2015 to 351.1 in 2024, reflecting an overall upward inflationary trend. The inflation has consistently risen over the past decade, though the pace has fluctuated. In 2020, the CPI growth rate reached its lowest point in a decade at 1. 6%. This prompted the Federal Reserve to implement quantitative easing, a policy aimed at stimulating the economy during the COVID-19 crisis. The impact of the Fed's loose monetary policy became apparent in 2022, when CPI experienced its most significant increase from 2015 to 2024, rising by 6. 8% year-over-year. To combat high inflation, the Federal Reserve began raising interest rates in 2022, which led to a deceleration in CPI growth to around 3% in 2023 and 2024. However, despite the rate hikes, inflation remains on an upward trajectory. Chart 1 reflects CPI trends from 2015-2024.



The Bay Area shows an overall decline in total jobs across most industries in the first half of the calendar year 2024 (CY24) driven by losses in technology, professional and business services industries. Looking forward to the second half of CY24, with the Federal Reserve's rate stance, the growth numbers in the labor market, and challenges within a stagnating commercial real estate market in San Francisco, as well as limited number of new builds in the residential housing market in the San Francisco County, San Mateo County, and Santa Clara County, there is high potential for economic pressures to stagger the growth of all industries in the Bay Area.

According to the California Employment Development Department's (EDD) June report, the unemployment rate in the San Jose-Sunnyvale-Santa Clara Metropolitan Statistical Area increased to 4.1 percent, up from 3.5 percent in May. Total jobs in the region increased by 3,900, driven by growth in information technology, and professional and business services. The largest job losses in the area occurred in the private education and health services, and the government losing a combined total of 2,700 jobs.

Similarly, the California EDD reports a decrease in total jobs in the San Francisco-Redwood City-South San Francisco metropolitan division by 0.6 percent, a total of 6,700 jobs lost year-over-year. The greatest job losses in the region occurred in information technology losing 10,100 jobs, and professional and business services losing 7,400 jobs, reflecting layoffs observed throughout 2023 and 2024.These job losses were offset by year-over-year growth of 4,600 jobs in private education and health services and 3,600 jobs in leisure and hospitality.

As per the California EDD in June of 2024, unemployment rates in San Francisco County, San Mateo County, and Santa Clara County were 3.6 percent, 3.5 percent, and 4.1 percent respectfully. The total civilian labor force in Santa Clara County increased by 3,000 jobs from June 2023 to June 2024. In the same period, the total civilian labor force in San Francisco County and San Mateo County is down 0.6 percent, 6,700 jobs, and the unemployment rate has grown 0.3 percent from 3.2 percent in the same period.

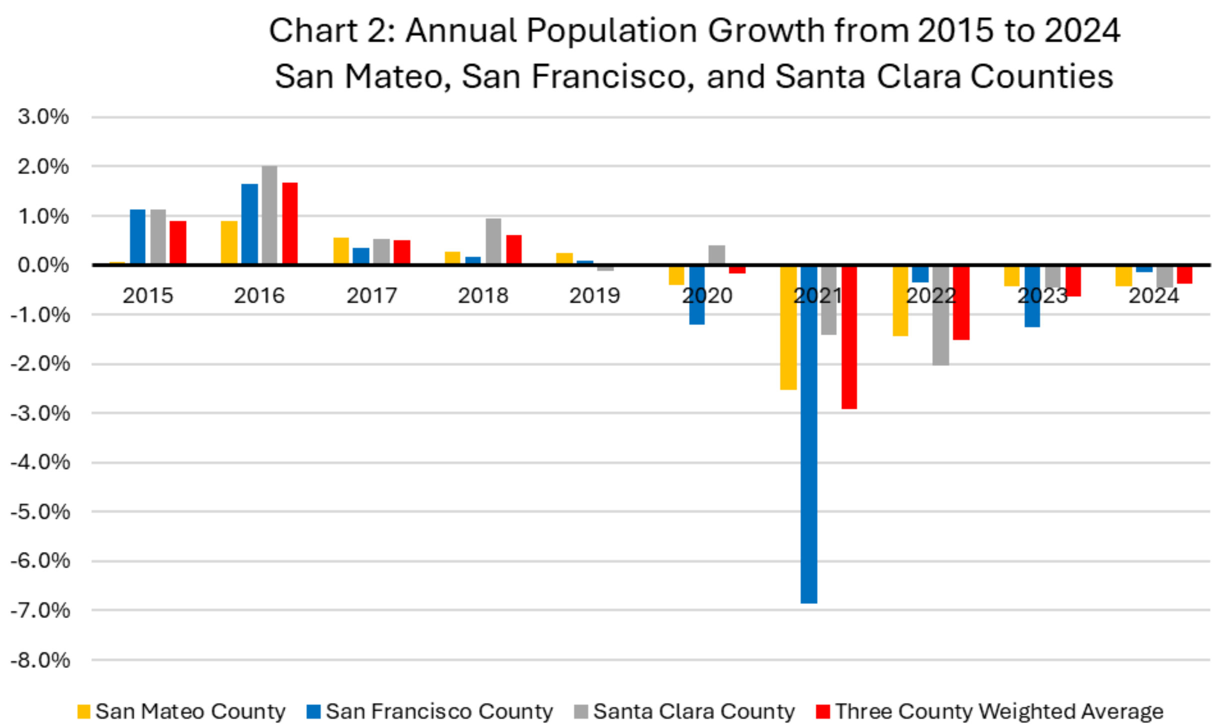
The pandemic, and the changes it brought to the workplace as we knew it, has had a more dramatic impact on Caltrain's ridership than any occurrence in its history. With ridership dropping by 97 percent in the early days of the shelter-in-place order, the pandemic posed a unique and serious challenge to Caltrain as the service adapted to the new normal. Caltrain's historical reliance on farebox revenues made the agency especially vulnerable to that drop, resulting in substantial budget deficits.

Fortunately, Caltrain's ridership continues to trend upward. In September 2024, weekday ridership exceeded 26,000 on average, and is above 43% of pre-pandemic levels overall. Weekend ridership had been growing at a higher rate in spite of a series of partial weekend closures in 2023 and 2024 to accelerate work on PCEP, which has impacted ridership growth due to the need for customers to transfer to substitute bus service. With the completion of PCEP, weekend service continues to be a bright spot for Caltrain's recovery. In September 2024, Saturday ridership was approximately 105% and Sunday ridership approximately 154% of pre-pandemic levels.

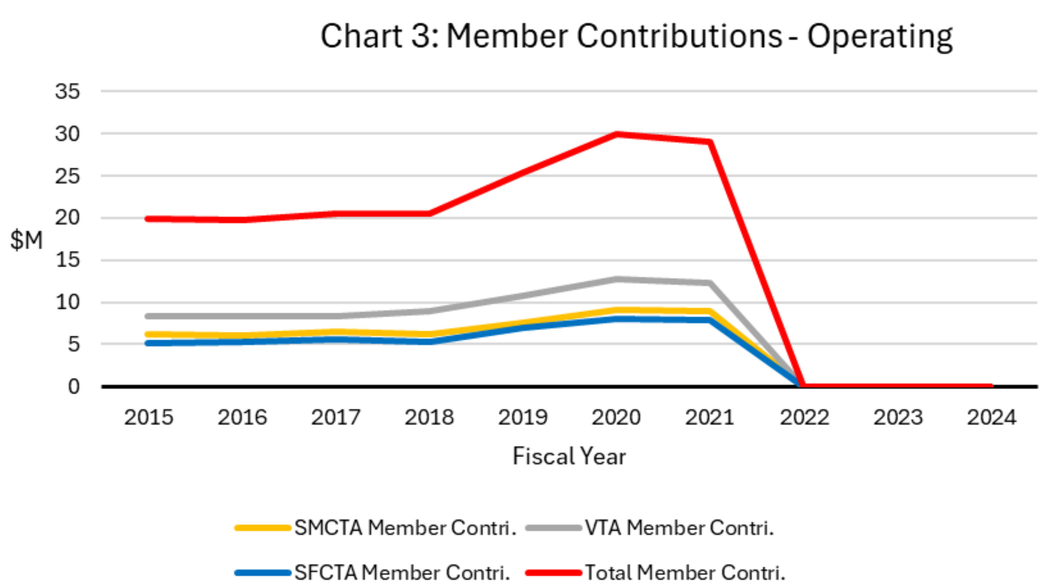
Housing affordability in the entire Bay Area remains a constant concern moving forward into the second half of 2024. According to the California Association of Realtors, the pricing for existing single-family housing, was down 6 percent, while San Francisco County, San Mateo County, and Santa Clara County were up 20.4 percent, 13.4 percent, and 13.7 percent respectfully. Single-family home prices in all three counties continue to rise year-to-year. As of May 2024, Santa Clara County is leading the percent price increase in the Bay Area with a year-to-year gain of 17.4 percent, followed by San Mateo County at 15.7 percent, and San Francisco County at an increase of 2.2 percent. As inflationary pressures, high interest rates, and a limited number of new buildings permitted within the Bay Area, people interested in owning a home are looking for affordable housing in different areas.

Recent annual comprehensive financial reports across from the three California counties that encompass Caltrain service area reveal significant increases in per capita personal income. According to the reports, in FY23, San Francisco County reported an estimated per capita income of 169,758 dollars, marking a 2.7 percent rise from the previous year's 165,259 dollars. Santa Clara County, for FY2022, saw a per capita income of 144,399 dollars, reflecting a 4.1 percent increase from FY2021's 138,724 dollars. Meanwhile, San Mateo County maintained its position as one of California's wealthiest regions, recording a per capita income of 165,300 dollars in FY2022, a 3 percent rise from 2021's 160,485 dollars.

As shown in chart 2, Annual Population Growth from 2015 to 2024, San Mateo, San Francisco, and Santa Clara Counties, San Francisco, San Mateo, and Santa Clara counties have all experienced decline in overall population growth since 2021. The projections for 2024 indicate that this trend will continue, though at a slower pace compared to the previous years. Due to the high cost of living and greater ability to work remotely, the overall population growth in all three counties is expected to be stagnant with minimal growth in the foreseeable future.



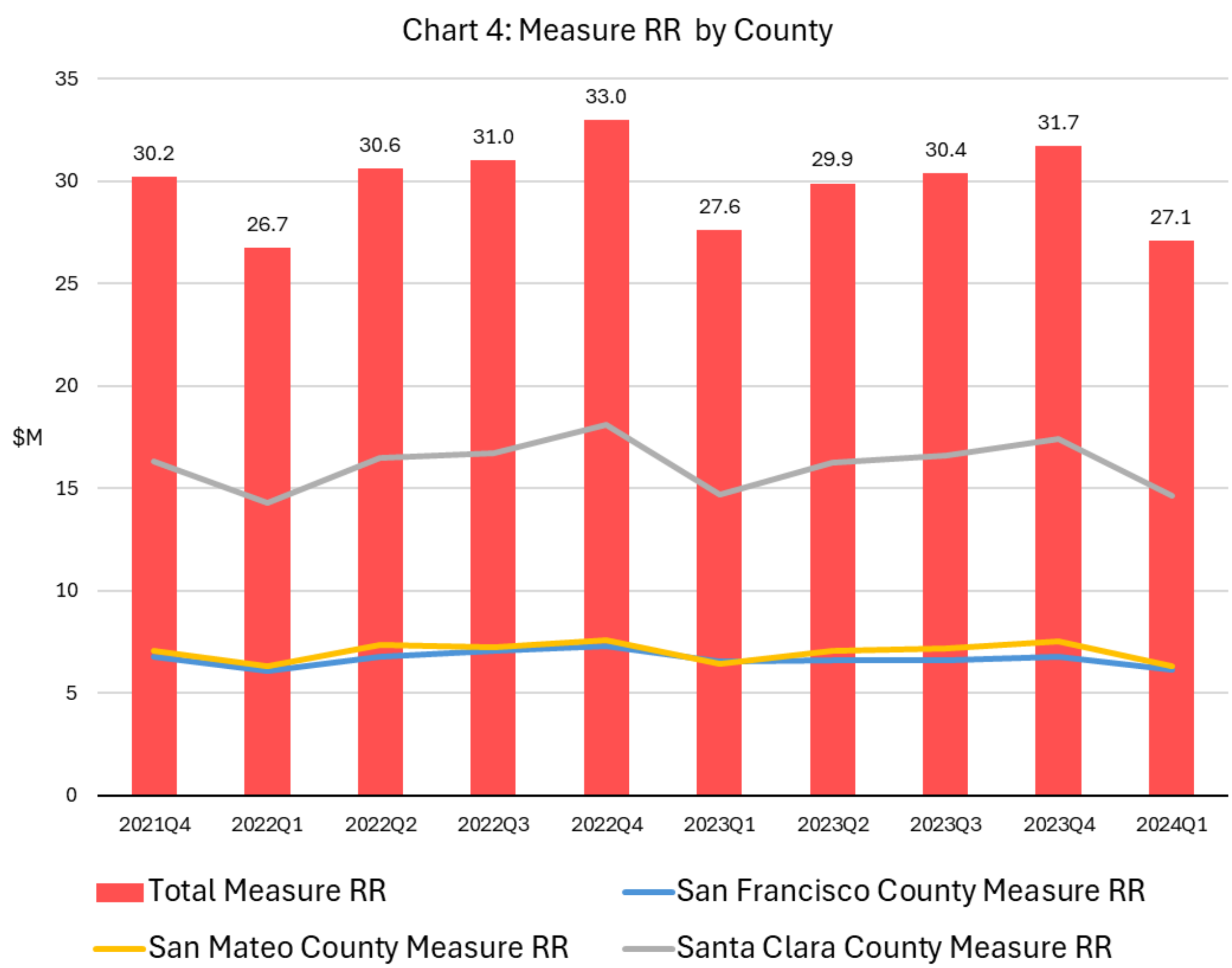
As shown in Chart 3 Member Contributions – Operating, from 2015 to 2021, combined annual member contributions from SMCTA, VTA, and SFCTA to Caltrain were between approx. $20M-$30M, growing by 46 percent over the period. Total member contributions in 2015 amounted to $19.8M and increased to $29.0M in 2021. 2022 marked a dramatic decrease in contributions from the member agencies, when Caltrain began to receive revenues from Measure RR.



Measure RR

In 2020, the voters of San Francisco, San Mateo, and Santa Clara Counties approved a ballot measure, known as Measure RR, which levies a one-eight (1/8) of one percent (0.125%) retail transactions and use tax for a period of thirty (30) years in all three counties. This tax provides the first and only dedicated funding source for Caltrain. The purpose of Measure RR is to fund the operating and capital expenses of Caltrain rail service and to support the operating and capital needs required to implement the Long-Range Service Vision adopted by the Board as part of the Caltrain Business Plan. The revenue from Measure RR in FY23 was $121.6 million, with FY24 projected to be about $119.3 million, a decline of about 2% due to high interest rates and more cautionary consumer spend.

As shown in Chart 4, Measure RR sales tax revenue growth for San Francisco, San Mateo, and Santa Clara Counties started strong in 2022, with all three counties showing increases of nearly 10% or $2.8M in 2022 Q4, marked the beginning of the high inflation. Since 2022 Q4, the growth began to decline, and this downward trend continued through most of 2023. In 2023 Q4, San Francisco, San Mateo, and Santa Clara Counties experienced the most significant declines in the recent periods, with San Francisco falling by -6.9%, San Mateo by -1.0%, Santa Clara County by -3.8%, and overall, nearly -4% or $1.3M decline for the region. The recent declines in Measure RR sales tax revenue can be attributed to many economic factors, including protracted high inflation and the interest rate hikes induced by the Federal Reserves, which keep economy on a gradual cooling path.



Caltrain's Citizens Advisory Committee (CAC), in its capacity as the independent oversight committee for the Measure RR sales tax, is responsible for providing information to the taxpayers of the three counties to ensure that the tax proceeds have been expended for the purposes set forth in the Measure RR ballot language. On March 20, 2024, the CAC held a public hearing on the annual Measure RR audit report conducted by Brown Armstrong, Accountancy Corporation, an independent accounting firm. On May 15, 2024, the CAC approved the annual Measure RR report.

Caltrain is heavily reliant on passenger fares to maintain operations, making the service especially vulnerable to a ridership downturn. Farebox revenue was over 70 percent of operating revenue in the years preceding the pandemic. Measure RR allows Caltrain to invest in the operation and expansion of faster, more frequent electrified service with the added capacity necessary to accommodate expected increases in ridership demand in the decades to come. It will also allow the system to advance equity policies to help ensure Caltrain is accessible and affordable to all members of the communities it serves.

Long-Term Financial and Strategic Planning

In 2017, Caltrain launched a Business Plan process that provided a major update to Caltrain's plans, policies, and financial projections given the financial performance of Caltrain at that time. As part of the Business Plan process, in October 2019, the Caltrain Board of Directors unanimously adopted a Long-Range Service Vision for the railroad, which provides high-level policy guidance to evolve the Caltrain corridor and service from a traditional commuter railroad to a regional rail system operating at transit-level frequencies throughout the day.

In fall of 2020, the Caltrain Board of Directors adopted an Equity, Connectivity, Recovery, and Growth Policy Framework to direct Caltrain's focus on pandemic response and recovery in the near-term, while still supporting longer-term progress towards achieving the Service Vision. Caltrain continues to collaborate with its regional partners, in particular the rail operators, to provide a better customer experience and greater value to corridor communities.

Due to lasting impacts of the pandemic on ridership, revenue, and traditional funding sources, Caltrain has continued to face significant financial challenges, including an ongoing structural deficit in its operating budget. In November 2022, Caltrain began the process of developing a Strategic Financial Plan in response to the ongoing impacts of the pandemic on Caltrain's finances. The objective of the Strategic Financial Plan was to forecast Caltrain's operating position over the next ten years while sustaining a competitive and attractive level of service; maintaining a commitment to equity; building ridership by holding fares steady; and completing electrification. A special Board workshop was conducted on April 6, 2023, to present the Strategic Financial Plan, which concluded that Caltrain can effectively manage its operating costs and use its financial resources to delay the fiscal cliff by two years until FY26, but Caltrain still needs significant additional funding to support both operations and its capital investments moving forward. The updated Strategic Financial Plan in June 2024 estimated a cumulative 10-year operating deficit as high as $542 million based on numerous revenue and cost assumptions.

Caltrain continues to review and update the Strategic Financial Plan to assess what changes may be merited given the financial performance of Caltrain since April 2023. Factors that influence the system's projected operating results include, but are not limited to, ridership, Measure RR revenues, service levels, fare policy and pass programs, incremental impacts of electrified service on operating revenues and costs, and cost containment strategies, among other factors. In March 2024, Caltrain hired its first Chief of Commercial and Business Development, charged with overseeing the implementation of the Strategic Financial Plan, among other important responsibilities.

Caltrain's current capital program focuses on maintaining assets in a state-of-good-repair, enhancing the reliability of the system, and delivering electrified service from San Francisco to San Jose in September 2024. The capital program also reflects Caltrain's ongoing planning for the next generation of system improvements that are needed through the fiscal year 2025 timeframe to expand system capacity and continue preparations for the Caltrain/High Speed Rail (HSR) blended system. Caltrain will complete the railroad's first formal 10-year Capital Improvement Plan (CIP) in the third quarter of 2024. The CIP will provide the organization with a roadmap to the agency's investments in capital projects and programs, improve the organization's understanding of Caltrain's long-term funding needs, and support the implementation of new potential funding strategies.

MAJOR INITIATIVES

Caltrain Electrification

PCEP is the most transformative capital investment and operations improvement in Caltrain's history. The project has electrified the Caltrain Corridor from San Francisco's 4th and King Station to approximately Tamien Station. In September 2024, mainline Caltrain service transitioned from diesel-hauled to Electric Multiple Unit (EMU) trains, enabling faster and more frequent zero emission passenger rail service. PCEP includes electrification and other projects that will upgrade the performance, efficiency, capacity, safety, and reliability of Caltrain's service. Electrification provides the foundation for future improvements, including full conversion to a zero-emission fleet, platform and station improvements, the extension of service to Downtown San Francisco, and other projects that allow Caltrain to grow and evolve with the Bay Area.

Battery-Equipped Electric Multiple Unit Train Pilot Project

Caltrain will pilot a first-in-the-nation bi-level dual electric and battery powered train to expand zero-emission service on the South Santa Clara County portion of the corridor. Caltrain received an $80 million award from the California State Transportation Agency (CalSTA) for one battery-equipped electric multiple unit train (BEMU) and the associated R&D so that Caltrain will be operable with zero-emission trains on both electrified service area of the corridor as well as the portion of the corridor from Tamien Station in San Jose to Gilroy that does not yet have overhead electrified lines. The BEMU train, purchased on a contract option with Stadler, will charge while the train runs on overhead power in the electrified service areas and then use battery charge to travel "off-wire" on non-electrified track areas. This will lead the way for Caltrain to operate a fully zero-emission service in the future.

Regional Service Coordination

Caltrain is at the heart of the Peninsula transportation network and collaborates with other Bay Area transit agencies to provide connections between systems. These connections are with the District (SamTrans), the San Francisco Municipal Transportation Agency (SFMTA/Muni), BART, VTA, Capitol Corridor, Altamont Corridor Express (ACE), Dumbarton Express, and the Alameda-Contra Costa Transit District (AC Transit) as follows:

- SamTrans Bus Service: Passengers may connect to SamTrans at most stations in San Mateo County.
- Muni Light Rail and Muni Bus: Passengers may connect to the Muni Light Rail N-Judah and T-Third lines and the Muni Bus lines 30 and 45 across from the San Francisco Caltrain Station.
- BART: Passengers may connect to BART at the Millbrae Transit Center.
- VTA Light Rail: Caltrain passengers may connect to the VTA system at the Mountain View station and the Diridon and Tamien stations in San Jose.
- VTA Bus Service: Passengers may connect to VTA buses at most stations in Santa Clara County.
- Amtrak's Capitol Corridor: Passengers may connect to Caltrain at the San Jose Diridon station.
- ACE: Passengers may connect to Caltrain at the Santa Clara and San Jose Diridon stations.
- Dumbarton Express: Passengers may connect to the DB Express at the Palo Alto station.

In addition to service connectivity, Caltrain is one of the Bay Area transit agencies that is a partner in Clipper, an electronic fare payment card. The program is coordinated by the Metropolitan Transportation Commission, which is the region's planning organization.

State-of-Good-Repair Program

This program includes system-wide, scheduled improvements on infrastructure, tracks, bridges, signal and communication equipment, stations, right-of-way fencing, ticket vending equipment, and preventative maintenance and strategic replacement of the Caltrain rolling stock. In order to ensure these assets are kept in a state-of-good-repair, replacement and rehabilitation of these assets must be done at intervals recommended by industry or manufacturer standards. Failure to maintain this program could lead to higher costs of operating these assets due to higher maintenance costs and operational delays that occur when these assets are out of service or in a state of disrepair.

Projects underway in FY24 include: Guadalupe River Bridge Replacement in San Jose which began construction in FY23, and advanced work on the spans; the San Francisquito Creek Bridge Conceptual Design & Community Engagement, which has been redefined to undertake additional alternative analyses – in FY25, these efforts will focus on working through design alternatives; the Migration to Digital Voice Radio System installed new equipment and developed testing procedures; and the Broadband Wireless Communication System project, which installed equipment on the EMU trains in advance of their launch into revenue service, as well as supporting infrastructure along the alignment.

Rolling stock activities completed in FY23 include various component replacements on locomotives and cars to improve reliability, safety, and customer experience. Of note, a complete mid-life overhaul project is currently in progress on six MP-36-3C locomotives that will remain in service following electrification. Through FY24, all but two vehicles have been overhauled and returned. The final two will be completed in early FY25.

Caltrain Safety Improvements

Caltrain safety improvements include station redesign, grade crossing improvements, construction of grade separations, right-of-way fencing, and closed-circuit camera systems. In addition to these capital projects, Caltrain is improving safety through a focused safety culture development program, safety performance dashboards, roadway worker protection enhancements, and risk-based hazard management.

Ongoing improvements to stations include the demolition of existing narrow center platforms and construction of new platforms, installation of center fencing between the existing mainline tracks through the platform area, and installation of new pedestrian underpasses and/or signalized pedestrian at-grade crossings with pedestrian gates. The South San Francisco Station is an example of such a station project.

The grade crossing improvement program was developed to make grade crossings in San Francisco, San Mateo, and Santa Clara Counties safer for both vehicular and pedestrian traffic. Projects are developed using a hazard analysis tool. Grade crossing improvement projects undertaken in FY24 included: Churchill Avenue in Palo Alto which is making modifications to sidewalks, crossing gates, and signals; San Mateo grade crossings at 4th Ave. and 5th Ave where quad gates and exit gates will be installed; TASI was contracted and has begun working on grade crossing safety enhancement for the following – 16th Street (San Francisco), Mission Bay (San Francisco), East Meadow (Palo Alto), Whipple Ave (Redwood City), and Ravenswood (Menlo Park).

Grade separation projects aim to improve safety by separating vehicle traffic from rail crossings. Caltrain is working with numerous other cities to help plan, design, and eventually construct grade separations at some of the busiest intersections along the rail line. In FY24, those efforts included: the Broadway Burlingame Grade Separation project that progressed towards final design while working to align with budget limitations; the Mountain View Transit Center and Grade Separation project that completed 65% design, and is awaiting City determination on advancement of this project or Rengstorff in light of budget limitations; the Rengstorff Grade Separation project that completed 65% design and began procurement process for a Construction Manager General Contractor (CMGC); South Linden and Scott that continued preliminary design and is working to establish a Service Agreement to advance; the Bernardo Avenue Undercrossing advanced preliminary design; the City of Palo Alto continued contemplation of grade separations at Meadow Drive, Churchill Avenue, and Charleston Drive; the Middle Avenue Undercrossing advanced preliminary design and began procurement for CMGC services; and the following projects which are in the planning stage – Glenwood Ave, Oak Grove, Whipple Avenue, and the North Fair Oaks Bicycle and Pedestrian Crossing.

The safety-fencing project is an ongoing annual project to install high security fencing along the right-of-way to deter trespassing as well as illegal dumping.

The emphasis on safety culture development is evident by the creation of Caltrain's core value: Safety First and Always. Bi-weekly and monthly safety culture messaging; safety moments at all meetings; a Safety Champions program; and development of safety reporting, training, communication, and recognition programs further emphasize safety as our primary core value. Caltrain has also created the Caltrain Executive Safety Committee that meets monthly to ensure compliance to the Caltrain Safety Plan.

A renewed emphasis on data-based decision making has led to the development of Safety Performance dashboards that include both lagging and leading performance indicators, enabling a more proactive approach to safety that will help reduce the chance of injury and damage to property.

Roadway Worker Protection (RWP) has also been a focus in the aftermath of a train collision incident in March 2022. Gaps were discovered in RWP programs that contributed to the San Bruno incident, and Caltrain has closed those gaps through revised RWP training; changed to a safer fouling distance – 10 feet from the rail and 10 feet from the overhead wires; improved processes for issuing track and time protection; and investment in a software based enhanced employee protection system that adds yet another layer of RWP.

Finally, Caltrain has created an enterprise-wide Hazard/Risk Register and Risk Based Hazard Management processes that are being integrated into many Caltrain processes to ensure risk is being considered in prioritization and decision making across all departments.

FUTURE OF CALTRAIN – SYSTEM EXPANSION AND CONNECTIONS

Prior to California High Speed Rail's (CHSRA) anticipated arrival, additional system upgrades must also be planned, funded, and constructed to enable a blended system These include high-speed rail station modifications and the Transbay Joint Powers Authority's (TJPA) rail extension from the Caltrain 4th and King station to the new Salesforce Transit Center in downtown San Francisco. The blended system may also necessitate passing tracks that allow high-speed rail trains to bypass the Caltrain trains; grade crossing upgrades, including potential grade separations; a storage and maintenance facility; and other system upgrades such as expanded platforms that allow for longer trains and level boarding.

Caltrain, in partnership with VTA, the City of San Jose, MTC, and CHSRA is developing a Diridon Station Business Case to prepare for the transformation of San Jose's downtown transit hub. Diridon Station is an integral part of California's transportation network, currently serving Caltrain, Capitol Corridor, Altamont Corridor Express (ACE), Amtrak intercity passenger rail, and VTA light rail and bus service. The station must accommodate future expanded services in the region, including CHSRA and BART. The Business Case is developing alternatives for station reconfiguration, expansion, and upgrades to provide adequate capacity, functionality, and connectivity for customers. Caltrain, with our Diridon Station partners, will work with the community to select a preferred station alternative for environmental clearance in the coming years.

Prior to the onset of the pandemic, Caltrain operated 92 diesel locomotive-hauled trains per day on weekdays between San Francisco and San Jose with limited service further south to Gilroy. In the peak period, it operated 5 trains per peak hour per direction. The railroad expanded service to 104 trains per day at the end of August 2021 with an emphasis on more frequent service during off-peak and evening hours, with 4 trains per hour per direction in the peak periods. In September 2024, with the completion of PCEP, Caltrain implemented a new 104 trains per weekday schedule with trains every 30 minutes during midday and evening periods, more than doubling the number of stations with 15 to 20 minutes service during peak hours, and faster travel times for all customers. Weekend service doubled from hourly to half-hourly. The FTA Full Funding Grant Agreement for PCEP required service levels of 114 trains per weekday. Caltrain will continue to operate at 104 trains per weekday under an FTA waiver which will last until the earlier of December 31, 2027, or the date the railroad achieves an average weekday ridership level of 63,598 trips, which was the 2019 pre-pandemic average. If Caltrain has not achieved this goal by December 31, 2027, it may request and extension of the waiver.

As discussed above, the Long-Range Service Vision (Service Vision) was adopted by the JPB to guide the long-range development of the Caltrain rail service and supporting plans, policies, and projects. The Service Vision was based on detailed technical analysis undertaken by Caltrain and its partner agencies as part of the Caltrain Business Plan process. The Service Vision directs the railroad to plan for substantially expanded rail service that in the long-term will address the local and regional mobility needs of the corridor while supporting local economic development activities. When fully realized, this service will provide:

- A mixture of express and local services operated in an evenly spaced, bidirectional pattern.
- Accommodation of California High Speed Rail, Capitol Corridor, Altamont Corridor Express, and freight services in accordance with the terms of existing agreements.
- Incremental development of corridor projects and infrastructure.
- Continued planning for a potential “higher” growth level of service as well as potential new regional and mega-regional connections.

The Service Vision will be periodically reaffirmed to ensure that it continues to provide relevant and useful guidance to the railroad. Such reaffirmations will occur in regular intervals of no less than five years and in response to significant changes to JPB or partner projects that materially influence the substance of the Service Vision.

FINANCIAL POLICIES

The JPB uses a comprehensive set of internal and board adopted financial policies. These policies address items such as cash management, reserves, and debt management. The policies are reviewed regularly by staff and are brought to the Board for amendment and/or re-adoption as necessary.

AWARDS AND ACKNOWLEDGMENTS

Caltrain staff and its contracted service providers bring an effective combination of skill, experience and dedication to carrying out the agency's mission. Together, they plan, develop, and finance the creation of a modern, coordinated multimodal transportation system offering convenient access to the many areas of the Bay Area and beyond.

The Government Finance Officers Association (GFOA) recognized the JPB's 2023 Annual Comprehensive Financial Report for excellence in financial reporting and the Certificate of Achievement appears immediately following this transmittal letter. To be awarded a certificate, a report must be easy to read and efficiently organized, while satisfying both generally accepted accounting principles and applicable legal requirements. We believe our 2024 Annual Comprehensive Financial Report also meets the requirements for a Certificate of Achievement and have submitted it to the GFOA for evaluation. We would like to thank our independent audit firm, Brown Armstrong Accountancy Corporation, for its timely and expert guidance in this matter.

The Annual Comprehensive Financial Report requires the dedicated effort of many individuals working together as a team. We would like to extend our grateful recognition to all the individuals who assisted in both the preparation of this report and the processing of financial transactions throughout the fiscal year. Finally, we wish to thank the Board of Directors for their interest and support in the development of a reliable financial management and reporting system.

Respectfully submitted,

Michelle Bouchard Executive Director	Kate Jordan Steiner Chief Financial Officer

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Peninsula Corridor Joint Powers Board
California

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morrill

Executive Director/CEO

Representing City and County of San Francisco:

Steve Heminger, Vice Chair

Monique Zmuda

Shamann Walton

Representing San Mateo County Transit District:

Jeff Gee

Rico E. Medina

Ray Mueller

Representing Santa Clara Valley Transportation Authority:

Devora "Dev" Davis, Chair

Margaret Abe-Koga

Pat Burt

DRAFT

EXECUTIVE MANAGEMENT

EXECUTIVE DIRECTOR

Michelle Bouchard

EXECUTIVE OFFICERS

Robert Barnard, Deputy Chief, Design and Construction

Dahlia Chazan, Chief, Caltrain Planning

Tabby Davenport, Director, Safety and Security

Emily Beach, Chief Communications Officer

John Hogan, Chief Operating Officer, Rail

Kate Jordan Steiner, Chief Financial Officer

Nate Kramer, Chief People & Culture Officer

Mehul Kumar, Chief Information & Technology Officer

Michael Meader, Chief Safety Officer

Margaret Tseng, Executive Officer, Acting District Secretary

Pranaya Shrestha, Chief Officer, Caltrain Planning, CalMod

Casey Fromson, Chief of Staff

Li Zhang, Chief of Commercial and Business Development

GENERAL COUNSEL

Olson Remcho, LLP

James Harrison, Esq.

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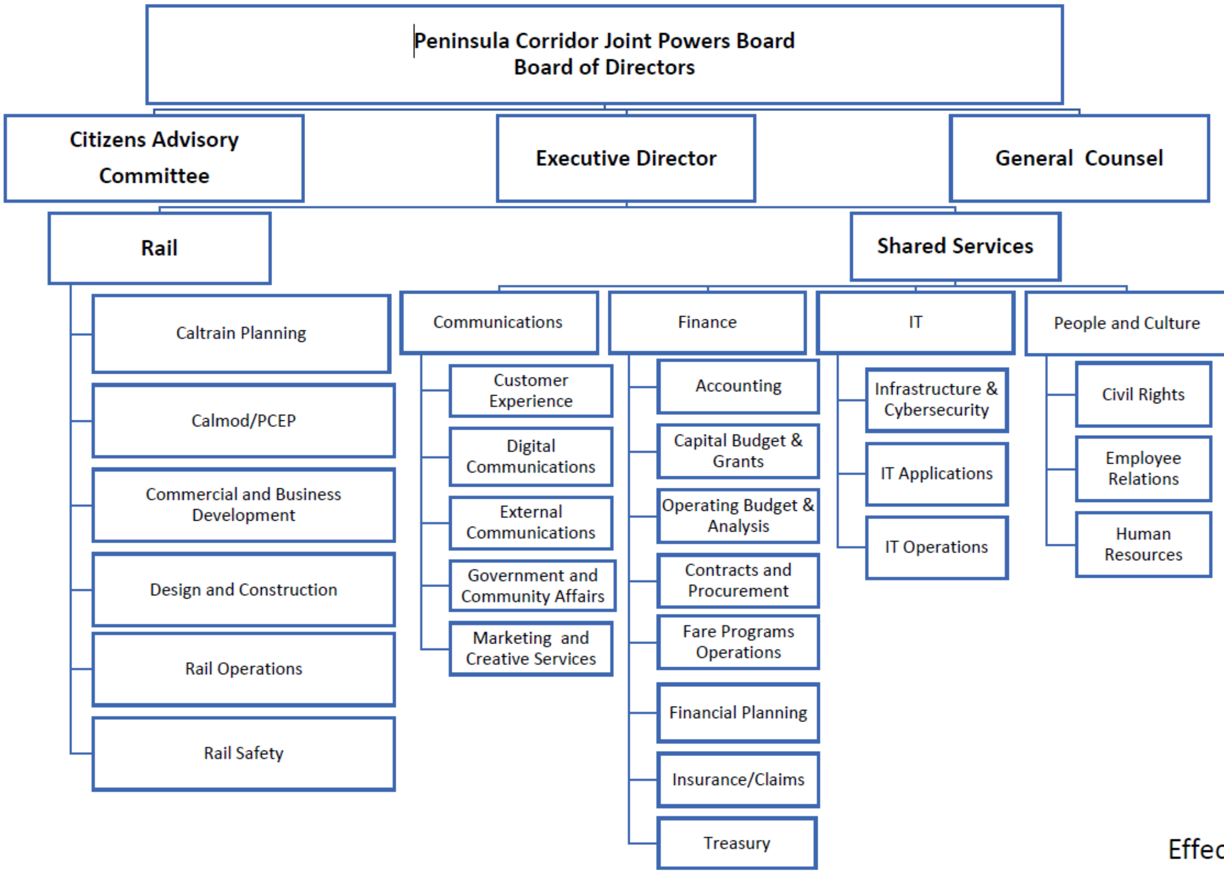
PENINSULA CORRIDOR JOINT POWERS BOARD

ORGANIZATION CHART



Effective 07/2024

DRAFT

PENINSULA CORRIDOR JOINT POWERS BOARD

MAP

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TABLE OF CREDITS

The following individuals contributed to the production of the fiscal year 2024 Annual Comprehensive Financial Report:

Finance:

Chief Financial Officer	Kate Jordan Steiner
Director, Accounting	Annie To
Manager, Financial Reporting	Danny Susantin, CPFO
Manager, Treasury Debt & Investment	Kevin Beltz, CPFO

Audit Firm:

Brown Armstrong Accountancy Corporation	
Partner	Ryan L. Nielsen, CPA
Manager	Melissa L. Cabezzas, CPA

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Section II

FINANCIAL

Independent Auditor's Report

Management's Discussion and Analysis

Basic Financial Statements:

- Statements of Net Position
- Statements of Revenues, Expenses, and Changes in Net Position
- Statements of Cash Flows
- Notes to the Financial Statements

Supplementary Information

- Supplementary Schedule of Revenues and Expenses – Comparison of Budget to Actual (Budgetary Basis)
- Notes to Supplementary Schedule

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the
Peninsula Corridor Joint Powers Board
San Carlos, California

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the Peninsula Corridor Joint Powers Board (JPB) as of and for the fiscal years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the JPB's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the JPB, as of June 30, 2024 and 2023, and the respective changes in financial position, and cash flows thereof for the fiscal years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the JPB and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the JPB's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the JPB's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the JPB's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the JPB's basic financial statements. The accompanying supplementary schedule of revenues and expenses – comparison of budget to actual (budgetary basis) is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary schedule of revenues and expenses – comparison of budget to actual (budgetary basis) is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated __________, 2024, on our consideration of the JPB's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the JPB's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the JPB's internal control over financial reporting and compliance.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Bakersfield, California
__________, 2024

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MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion and analysis of the Peninsula Corridor Joint Powers Board's (JPB) financial performance provides an overview of the JPB's activities for the fiscal year ended June 30, 2024, with comparisons to prior fiscal years ended June 30, 2023, and June 30, 2022. We encourage readers to consider the information presented here in conjunction with the transmittal letter contained in the Introductory Section and with the statements and related notes contained in the Financial Section.

FINANCIAL HIGHLIGHTS

- At June 30, 2024, the JPB's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by $3,911.0 million (net position). Of this amount, $352.5 million represents unrestricted net position, which may be used to meet the JPB's ongoing obligations. At June 30, 2023, the JPB's assets exceeded its liabilities and deferred inflows of resources by $3,446.3 million. Of this amount, $141.8 million represents unrestricted net position.
- The JPB's total net position increased by $464.7 million and $217.9 million in fiscal years 2024 and 2023, respectively, mainly because of capital contributions.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Financial Section of this report presents the JPB's financial statements as two components: basic financial statements and notes to the financial statements. It also includes supplementary information.

Basic Financial Statements

The *Statement of Net Position* presents information on assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between them reported as *net position*. Changes in net position over time may provide an indicator as to whether the financial position of the JPB is improving or deteriorating.

The *Statement of Revenues, Expenses, and Changes in Net Position* reports how net position has changed during the fiscal year. It compares related operating revenues and operating expenses connected with the JPB's principal business of providing rail service. Operating expenses include the cost of direct services to passengers, administrative expenses, contracted services, and depreciation on capital assets. All other revenues and expenses are reported as nonoperating.

The *Statement of Cash Flows* reports inflows and outflows of cash, classified into four major categories:

- *Cash flows from operating activities* include transactions and events reported as components of operating income in the statement of revenues, expenses, and changes in net position.
- *Cash flows from noncapital financing activitie*s include operating grant proceeds and operating subsidy payments from third parties as well as other nonoperating items.
- *Cash flows from capital and related financing activities* include the borrowing and repayment (principal and interest) of capital-related debt, the acquisition and construction of capital assets, and the proceeds of capital grants and contributions.
- *Cash flows from investing activities* include proceeds from the sale of investments, receipt of interest, and changes in the fair value of investments subject to reporting as cash equivalents. Outflows in this category include the purchase of investments.

Notes to the Financial Statements

Various notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements and are found immediately following the financial statements to which they refer.

Other Information

This report also presents certain *supplementary* information concerning compliance with the JPB's annual budget. This *supplementary* information, as well as associated notes, can be found immediately following the *basic financial statements* and the accompanying notes.

Analysis of Basic Financial Statements

Total assets increased by $500.1 million or 13.0% to $4,335.1 million at June 30, 2024, compared to June 30, 2023, and increased by $93.8 million or 2.5% at June 30, 2023, compared to June 30, 2022. The increase for fiscal year 2024 was mainly due to activities in construction in progress and due from other governmental agencies. The increase for fiscal year 2023 was mainly due to activities in construction in progress. Current assets increased by $222.0 million or 74.3% to $520.8 million in fiscal year 2024. In fiscal year 2023, current assets decreased by $204.2 million or 40.6% compared to fiscal year 2022. The increase for fiscal year 2024 was due to an increase in cash and cash equivalents and due from other governmental agencies. The decrease for fiscal year 2023 was due to decreases in cash and cash equivalents and restricted investment with fiscal agents.

Total capital assets, net of accumulated depreciation and amortization increased by $278.2 million or 7.9% at June 30, 2024, to $3,814.2 million from $3,536,.1 million on June 30, 2023, and increased by $298.0 million or 9.2% from $3,238.1 million at June 30, 2023, compared to June 30, 2022. Investments in capital assets, before depreciation and amortization, consist of acquisitions and improvements to the right-of-way ($1,439.6 million or 28.5%), rail vehicles ($339.5 million or 6.7%), facilities and equipment ($148.8 million or 2.9%), office equipment ($13.8 million or 0.3%), intangible asset – trackage rights ($8.0 million or 0.2%), right-to-use lease assets ($4.5 million or 0.1%), and construction in progress ($3,102.9 million or 61.4%) in fiscal year 2024.

In fiscal year 2023, investments in capital assets, before depreciation and amortization, consist of acquisitions and improvements to the right-of-way ($1,439.5 million or 30.5%), rail vehicles ($338.4 million or 7.2%), facilities and equipment ($149.5 million or 3.1%), office equipment ($13.8 million or 0.3%), intangible asset – trackage rights ($8.0 million or 0.2%), right-to-use lease assets ($1.9 million or 0.0%), and construction in progress ($2,775.1 million or 58.8%).

Total deferred outflows of resources decreased by $1.0 million to $0.0 million at June 30, 2024, compared to June 30, 2023. The fiscal year 2024 decrease was due to a decrease in unrealized loss related to fuel-hedge derivatives.

Total liabilities increased by $34.6 million or 9.0% to $417.2 million at June 30, 2024, compared to June 30, 2023, and decreased by $127.8 million or 25.0% to $382.6 million at June 30, 2023, compared to June 30, 2022. The fiscal year 2024 increase was mainly due to an increase in the revolving credit. The fiscal year 2023 decrease was mainly due to a decrease in the revolving credit facility and accounts payable and accrued liabilities offset by an increase in unearned revenue.

Total deferred inflows of resources decreased by $0.2 million or 2.5% at June 30, 2024, to $6.9 million from $7.0 million on June 30, 2023, and increased by $4.7 million or 199.1% from $2.4 million at June 30, 2022. The fiscal year 2024 decrease was due to a decrease in leases. The fiscal year 2023 increase was due to an increase in leases.

Total net position was $3,911.0 million at June 30, 2024, which represents an increase of $464.7 million or 13.5% from June 30, 2023, and $3,446.3 million at June 30, 2023, which represents an increase of $217.9 million or 6.7% from June 30, 2022. The increase was largely due to capital contributions received associated with the Caltrain electrification project. Net investment in capital assets was $3,558.5 million at June 30, 2024, representing 91.0% of the total net position; $3,304,5 million at June 30, 2023, representing 95.9% of total net position; and $2,947.8 million at June 30, 2022, representing 91.3% of total net position. The JPB’s net investment in capital assets represents right-of-way improvements, rail vehicles, lease assets, and facilities and equipment, less any related outstanding debt that was used to acquire those assets. The JPB uses these capital assets to provide a variety of services to its customers. Accordingly, these assets are not available for future spending. Although the JPB’s investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The remaining balances of $352.5 million, $141.8 million, and $280.6 million were unrestricted at June 30, 2024, 2023, and 2022, respectively, and may be used to meet the JPB’s ongoing obligations to its citizens and creditors.

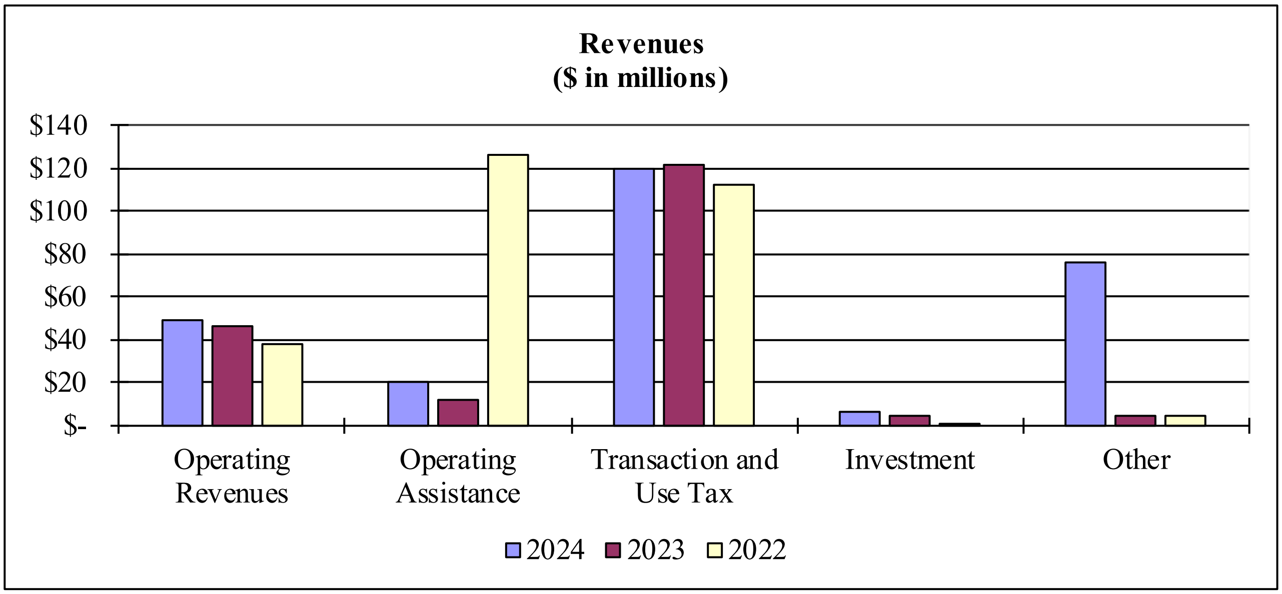
NET POSITION
(in thousands)

	2024	2023	2022
Assets:			
Current assets	$ 520,808	$ 298,846	$ 503,067
Capital assets, net of depreciation/amortization	3,814,244	3,536,086	3,238,071
Total assets	4,335,052	3,834,932	3,741,138
Deferred outflows of resources:			
Derivatives	-	977	-
Total deferred outflows of resources	-	977	-
Liabilities:			
Current liabilities	194,855	158,855	285,008
Long-term liabilities	222,364	223,754	225,412
Total liabilities	417,219	382,609	510,420
Deferred inflows of resources:			
Derivatives	40	-	1,826
Leases	6,816	7,031	525
Total deferred inflows of resources	6,856	7,031	2,351
Net position:			
Net investment in capital assets	3,558,514	3,304,463	2,947,760
Unrestricted	352,463	141,806	280,607
Total net position	$ 3,910,977	$ 3,446,269	$ 3,228,367

Revenue Highlights

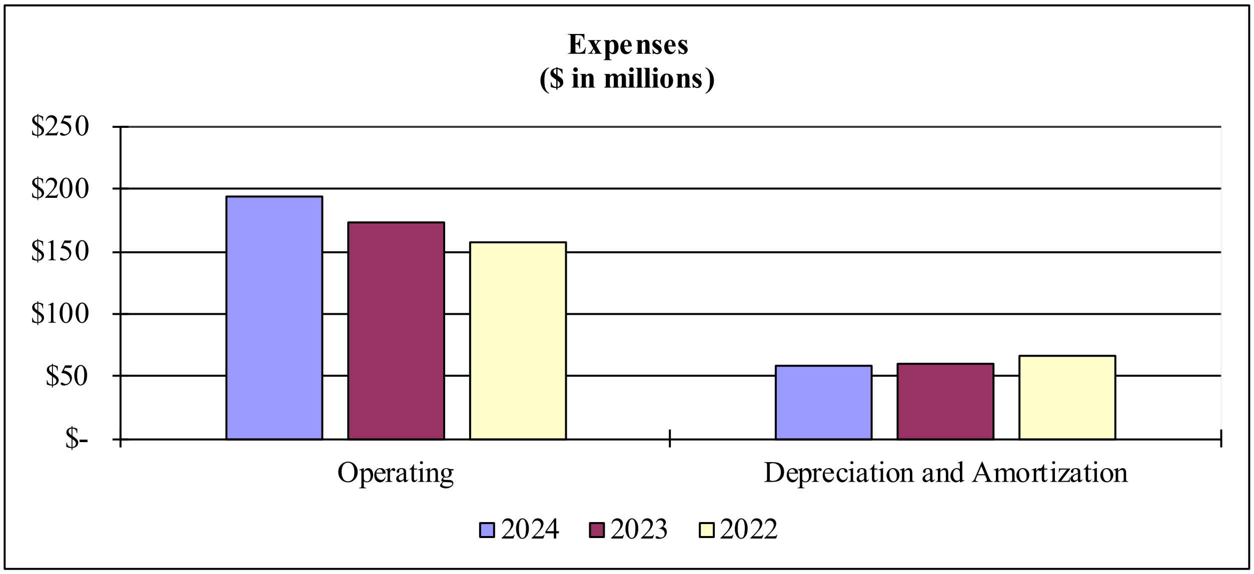
Operating revenues increased to $49.7 million in fiscal year 2024, a $3.1 million or 6.6% increase from fiscal year 2023 and increased to $46.7 million in fiscal year 2023, a $9.0 million or 23.8% increase from fiscal year 2022. The increase in fiscal year 2024 was mostly due to an increase in passenger fares. The increase in fiscal year 2023 was mostly due to an increase in passenger fares.

Nonoperating revenues increased by $80.4 million or 56.4% to $222.9 million at June 30, 2024, compared to June 30, 2023, and decreased by $101.3 million or 41.6% in fiscal year 2023 compared to fiscal year 2022. The increase in fiscal year 2024 was mainly due to other income. The decrease in fiscal year 2023 was mainly due to the federal, state, and local operating assistance.



Expense Highlights

Total operating expenses of $194.2 million in fiscal year 2024 were $20.9 million or 12.1% higher than fiscal year 2023, and in fiscal year 2023, $16.2 million or 10.3% higher than fiscal year 2022. The total expense increase in fiscal year 2024 was mostly due to increases in contract services, insurance, and wages and benefits. The total expense increase in fiscal year 2023 was mostly due to increases in contract services and insurance. Depreciation and amortization for fiscal year 2024 was $57.8 million, a $2.8 million or 4.5% decrease over fiscal year 2023. In fiscal year 2023, depreciation and amortization were $60.6 million, a $5.1 million or 7.8% decrease over fiscal year 2022. The decrease in depreciation and amortization expenses in fiscal year 2024 was due to less assets capitalized and depreciated.



CHANGES IN NET POSITION
(in thousands)

	2024	2023	2022
Operating revenues:			
Passenger fares	$ 46,896	$ 43,330	$ 33,236
Parking, shuttle, and pass revenues	2,299	2,239	2,778
Advertising	232	821	412
Other	315	275	1,268
Total operating revenues	49,742	46,665	37,694
Operating expenses:			
Contract services	128,756	117,289	108,946
Insurance	16,480	11,855	6,148
Fuel	15,440	15,995	13,491
Parking, shuttle, and pass expenses	1,577	1,507	3,254
Professional services	3,081	2,445	2,944
Wages and benefits	18,113	14,063	11,356
Utilities and supplies	3,254	2,836	5,118
Maintenance services	1,059	773	609
Temporary services, rent, and other	6,478	5,808	5,298
Debt fees	-	716	-
Total operating expenses	194,238	173,287	157,164
Operating loss before depreciation and amortization	(144,496)	(126,622)	(119,470)
Depreciation and amortization	(57,830)	(60,582)	(65,656)
Operating loss	(202,326)	(187,204)	(185,126)
Nonoperating revenues (expenses)			
Federal, state, and local operating assistance	20,646	11,644	126,118
Transaction and use tax	119,614	121,645	112,620
Rental income	1,605	1,300	1,237
Investment income	6,426	4,838	679
Nonoperating expenses	(2,252)	(2,351)	(2,210)
Expense for noncapitalized projects	(40,902)	(31,059)	(19,954)
Other income	74,610	3,059	3,172
Total nonoperating revenues (expenses)	179,747	109,076	221,662
Net income (loss) before capital contributions	(22,579)	(78,128)	36,536
Capital contributions	487,287	296,030	468,612
Change in net position	464,708	217,902	505,148
Net position - beginning of year	3,446,269	3,228,367	2,723,219
Net position - end of year	$ 3,910,977	$ 3,446,269	$ 3,228,367

Capital Program

The JPB incurred capital expenses of $322.9 million and recognized related revenue in the form of capital contributions of $487.3 million in fiscal year 2024, which was a $191.3 million or 64.6% increase in capital contributions in fiscal year 2024 over fiscal year 2023. The fiscal year 2024 capital sources mainly consisted of federal grants ($112.5 million or 23.1%), state grants ($325.7 million or 66.8%), and local assistance including the three member agencies ($49.1 million or 10.1%). The JPB incurred capital expenses of $356.4 million and recognized related revenue in the form of capital contributions of $296.0 million in fiscal year 2023, which was a $172.6 million or 36.8% decrease in capital contributions in fiscal year 2023 over fiscal year 2022. The JPB's capital contributions are comprised of federal grants, state grants, and local assistance including the member agencies which are on a reimbursement basis and therefore tied to the related capital expenses. The reason for the increase in fiscal year 2024 was due to more activities on Peninsula Corridor Electrification projects. The reason for the decrease in fiscal year 2023 compared to fiscal year 2022 was due to less activities on right-of-way improvement projects.

Following is a summary of the JPB's major capital expenses for fiscal year 2024:

- Peninsula Corridor Electrification program ($237.5 million)
- Caltrain modernization program ($32.7 million)
- Grade crossing improvements and separations ($18.4 million)
- Communications ($17.8 million)
- Bridge improvements ($15.9 million)

Additional information about the JPB's capital activities appears in Note 6 – Capital Assets in the notes to the financial statements.

Debt

At the end of fiscal year 2024, the JPB had $50.57 million in outstanding 2019 Series A Farebox Revenue bonds, including the unamortized premium, $1.5 million less than the bonds outstanding at the end of fiscal year 2023. In February 2019, the JPB issued $56,218,000 in 2019 Series A Farebox Revenue Bonds; this issuance used $24,087,000 of the proceeds to fully pay and legally defease the 2007 Series A Farebox Revenue Bonds and used $11,363,000 to fully payoff the 2015 Series A Farebox Revenue Bonds. In addition, $20,768,000 of the proceeds were used for building acquisitions. Principal on the 2019 Series A Farebox Revenue Bonds is payable on October 1, 2021, and annually thereafter on October 1, of each year through 2049.

At the end of fiscal year 2024, the JPB had $169.6 million in outstanding 2022 Series A Measure RR Sales Tax Revenue Bonds (Green Bonds – Climate Bond Certified), $1.1 million less than the bonds outstanding at the end of fiscal year 2023. In February 2022, the JPB issued $140,000,000 in 2022 Measure RR Sales Tax Revenue Bonds (Green Bonds – Climate Bond Certified) Series A along with a premium of $32,179,642. $150,463,899 of the proceeds are allocated to certain improvements to the Caltrain system, including electrification; $21,000,000 of the proceeds were set aside to fund capitalized interest costs of the bonds. Principal on the 2022 Series A Measure RR Sales Tax Revenue Bonds (Green Bonds – Climate Bond Certified) is payable on June 1, 2025, and annually thereafter on June 1 of each year through 2051.

More information regarding the JPB's long-term debt activity can be found in Note 9 – Revenue Bonds Payable in the notes to the financial statements.

Economic Factors and Next Year's Budget

The JPB Board of Directors (Board) approved the Fiscal Year 2025 Operating Budgets on June 1, 2023. The Fiscal Year 2025 Operating Budgets continue to support a high level of service and reliability that the community has come to expect from Caltrain, as it makes every effort to control costs.

The Fiscal Year 2025 Operating Budgets consist of $208.7 million and $238.1 million in revenues and expenses, respectively. The major components of revenue include operating revenue of $63.7 million, primarily from Caltrain fares, Go Pass, and other income, and $145.1 million in contributed revenue, which mainly includes Measure RR funds, State Transit Assistance formula funds, Low-Carbon Transit Operations Program funds, and State Rail Assistance funds. Operating expenses are projected to be $190.2 million with the Rail Operator Contract, Overhead Contact System and Traction Power System maintenance, electricity for electric trains, security service costs, fuel costs, facilities and equipment maintenance costs, utility costs, insurance, claims, and reserves costs making up a significant part of the budget. Administrative expenses are projected to be $40.1 million.

The Fiscal Year 2025 Capital Budget was also approved on June 1, 2023, and amended on August 1, 2024. The $132.7 million Capital Budget consists primarily of critical infrastructure and equipment state-of-good-repair (SOGR), operational improvements, grade separations, electrification, and planning. The fiscal year 2025 Capital Budget will be funded by federal, state, regional, and local grants as well as funds provided by the member agencies and others. The adopted budget includes $15.0 million contributions from the member agencies.

Some of the highlights of the capital budget include:

- Guadalupe Bridges Replacement.
- Burlingame Broadway Grade Separation.
- San Mateo Parking Track OCS.
- South Linden Ave & Scott St Grade Separation.
- Rail Activation Start Up: Overhead Catenary System Improvements.
- Rail Activation Start Up: Maintenance of Way.
- CCTV Phase 1.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the JPB's finances and to demonstrate accountability for the funds it manages. Please direct any questions about this report or requests for additional information about the JPB's finances to: Peninsula Corridor Joint Powers Board, Attn: Chief Financial Officer, 1250 San Carlos Avenue, San Carlos, California 94070-1306.

BASIC FINANCIAL STATEMENTS

PENINSULA CORRIDOR JOINT POWERS BOARD

STATEMENTS OF NET POSITION (in thousands)
JUNE 30, 2024 AND 2023

	2024	2023
ASSETS:		
Current assets:		
Cash and cash equivalents (Note 3)	$ 90,906	$ 22,980
Restricted cash (Note 3)	134,086	6,505
Total cash and cash equivalents	224,992	29,485
Due from other governmental agencies	190,983	169,431
Receivables - transaction and use tax	20,797	20,886
Receivables from member agencies (Note 16)	31,740	22,113
Accounts receivable - other, net of allowance	15,348	10,640
Lease receivable	6,995	7,105
Inventory	9,653	8,291
Prepaid items	1,398	2,386
Commodity derivative contracts	270	778
Restricted investments with fiscal agents (Note 3)	18,632	27,731
Total current assets	520,808	298,846
Noncurrent assets:		
Capital assets:		
Depreciable (Note 6)		
Right-of-way improvements	1,202,363	1,202,236
Rail vehicles	339,502	338,413
Facilities and equipment	148,840	145,879
Office equipment	13,817	13,765
Less accumulated depreciation	(1,242,918)	(1,186,380)
Depreciable assets, net	461,604	513,913
Nondepreciable		
Construction in progress (Note 2L)	3,102,854	2,775,062
Right-of-way (Note 6)	237,254	237,254
Intangible assets - trackage rights (Note 6)	8,000	8,000
Nondepreciable assets	3,348,108	3,020,316
Right-to-use lease assets, net (Note 15)	4,532	1,857
Total noncurrent assets	3,814,244	3,536,086
Total assets	4,335,052	3,834,932
DEFERRED OUTFLOWS OF RESOURCES:		
Derivatives (Note 12)	-	977
Total deferred outflows of resources	-	977

The accompanying notes are an integral part of the financial statements.

PENINSULA CORRIDOR JOINT POWERS BOARD

STATEMENTS OF NET POSITION (in thousands) (Continued)
JUNE 30, 2024 AND 2023

	2024	2023
LIABILITIES:		
Current liabilities:		
Accounts payable and accrued liabilities	83,562	72,140
Interest payable	1,079	1,150
Self-insurance claims liabilities (Note 10)	3,430	2,274
Unearned member contributions (Note 16)	23,170	28,979
Unearned revenue	29,831	29,785
Revolving credit facility (Note 17)	46,700	20,964
Current portion of long-term debt (Note 9)	5,234	2,609
Current portion of lease liabilities (Note 15)	1,790	899
Other	59	55
Total current liabilities	194,855	158,855
Noncurrent liabilities:		
Self-insurance claims liabilities - long-term (Note 10)	4,294	2,572
Revenue bonds payable - long-term (Note 9)	214,930	220,162
Lease liabilities - long-term (Note 15)	3,140	1,020
Total noncurrent liabilities	222,364	223,754
Total liabilities	417,219	382,609
DEFERRED INFLOWS OF RESOURCES:		
Derivatives (Note 12)	40	-
Leases	6,816	7,031
Total deferred inflows of resources	6,856	7,031
NET POSITION:		
Net investment in capital assets	3,558,514	3,304,463
Unrestricted	352,463	141,806
Total net position	$ 3,910,977	$ 3,446,269

The accompanying notes are an integral part of the financial statements.

PENINSULA CORRIDOR JOINT POWERS BOARD

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
(in thousands)
FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023

	2024	2023
OPERATING REVENUES:		
Passenger fares	$ 46,896	$ 43,330
Parking, shuttle, and pass revenues	2,299	2,239
Advertising	232	821
Other	315	275
Total operating revenues	49,742	46,665
OPERATING EXPENSES:		
Contract services (Note 13A)	128,756	117,289
Insurance	16,480	11,855
Fuel	15,440	15,995
Parking, shuttle, and pass expenses	1,577	1,507
Professional services	3,081	2,445
Wages and benefits	18,113	14,063
Utilities and supplies	3,254	2,836
Maintenance services	1,059	773
Temporary services, rent, and other	6,478	5,808
Debt fees	-	716
Total operating expenses before depreciation and amortization	194,238	173,287
Depreciation and amortization	57,830	60,582
Total operating expenses	252,068	233,869
Operating loss	(202,326)	(187,204)
NONOPERATING REVENUES (EXPENSES):		
Federal, state, and local operating assistance (Note 7)	20,646	11,644
Transaction and use tax	119,614	121,645
Rental income	1,605	1,300
Investment income	6,426	4,838
Interest expense	(2,252)	(2,351)
Expense for noncapitalized projects	(40,902)	(31,059)
Other income	74,610	3,059
Total nonoperating revenues (expenses), net	179,747	109,076
Income (Loss) before capital contributions	(22,579)	(78,128)
Capital contributions (Note 11)	487,287	296,030
Change in net position	464,708	217,902
NET POSITION:		
Beginning of year	3,446,269	3,228,367
End of year	$ 3,910,977	$ 3,446,269

The accompanying notes are an integral part of the financial statements.

PENINSULA CORRIDOR JOINT POWERS BOARD

STATEMENTS OF CASH FLOWS (in thousands)
FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	$ 44,971	$ 39,500
Rent and other cash receipts	76,214	4,360
Payments to vendors for services	(172,131)	(160,073)
Payments to employees	(18,115)	(14,063)
Net cash used for operating activities	(69,061)	(130,276)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Operating grants received	20,646	11,644
Transaction and use tax	119,704	122,377
Net cash provided by noncapital financing activities	140,350	134,021
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition and construction of capital assets	(361,555)	(449,074)
Capital contributions from grants	450,344	287,647
Proceeds from (payments on) the revolving credit facility	25,736	(74,752)
Payment of capital debt	(3,508)	(3,180)
Proceeds from revenue bond	-	-
Interest paid on capital debt	(2,323)	(2,366)
Net cash provided by (used for) capital and related financing activities	108,694	(241,725)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investment	9,098	56,712
Investment income received	6,426	4,838
Net cash provided by investing activities	15,524	61,550
Net increase (decrease) in cash and cash equivalents	195,507	(176,430)
Cash and cash equivalents, beginning of year	29,485	205,915
Cash and cash equivalents, end of year	$ 224,992	$ 29,485

The accompanying notes are an integral part of the financial statements.

PENINSULA CORRIDOR JOINT POWERS BOARD

STATEMENTS OF CASH FLOWS (in thousands) (Continued)
FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023

	2024	2023
RECONCILIATION OF OPERATING LOSS TO NET CASH USED FOR OPERATING ACTIVITIES:		
Operating loss	$ (202,326)	$ (187,204)
Adjustments to reconcile operating loss to net cash used for operating activities:		
Depreciation and amortization	57,830	60,582
Rent and other cash receipts	76,214	4,358
Effect of changes in:		
Receivables	(4,709)	(7,096)
Lease receivables	(64)	(70)
Prepaid items	988	(2,386)
Inventory	(1,362)	(207)
Commodity derivative contracts	1,486	1,091
Accounts payable and accrued liabilities	4	(1)
Claims liabilities	2,878	657
Net cash used for operating activities	$ (69,061)	$ (130,276)
NONCASH INVESTING AND CAPITAL ACTIVITIES:		
Change in fair value of investments	$ 40	$ (977)
Noncash capital contributions	-	-
Net noncash investing and capital activities	$ 40	$ (977)

The accompanying notes are an integral part of the financial statements.

INDEX TO THE NOTES ***Pages***

Notes are essential to present fairly the information contained in the overview level of the basic financial statements. Narrative explanations are intended to communicate information that is not readily apparent or cannot be included in the statements and schedules themselves, and to provide additional disclosures as required by the Governmental Accounting Standards Board.

NOTE 1 – ORGANIZATION

In 1987, representatives of the City and County of San Francisco (CCSF), the San Mateo County Transit District (District), and the Santa Clara Valley Transportation Authority (VTA) formed the Peninsula Corridor Joint Powers Board (JPB) to plan for the full transfer of administrative and financial responsibility for the Caltrain rail service from the State of California to the local level. In October 1991, a Joint Powers Agreement (Agreement) signed by the three parties (Member Agencies) stipulated the JPB membership and powers, specified financial commitments for each member, and detailed other administrative procedures, including designating the District as the Managing Agency.

The JPB acquired the rail corridor right-of-way between San Francisco and San Jose (Mainline) and perpetual trackage rights between San Jose and Gilroy (Gilroy Extension) from Southern Pacific Transportation Company in December 1991, with contributions provided by the District, the San Mateo County Transportation Authority, VTA for Gilroy trackage rights only, and the California Transportation Commission. The JPB holds title to the Mainline located in all three counties. Because the District advanced an initial contribution in the amount of $82 million on behalf of all the Member Agencies to complete the funding package to acquire the right-of-way, the JPB and the District are currently tenants in common as to all right-of-way property located in San Mateo County. However, pursuant to a memorandum of understanding (MOU) between the JPB and the Member Agencies executed in 2022, the District is required to convey its interest in the right-of-way to the JPB upon payment by the Metropolitan Transportation Commission to the District of $19.6 million. The District received these funds in full in September 2023.

Under a 2008 agreement between the JPB and the three Member Agencies, the District is authorized to serve as Managing Agency of the JPB until it no longer chooses to do so. The District continues to serve as Managing Agency, as modified by the 2022 MOU, which transfers some authority to the JPB.

The JPB assumed an expanded role in July 1992 as the State of California Department of Transportation (Caltrans) and the District coordinated the transfer of Caltrain operations and administration to the JPB. The JPB selected the National Railroad Passenger Corporation (Amtrak) as the contract operator, and Amtrak operated the rail service from July 1, 1992, through May 25, 2012. TransitAmerica Services, Inc., (TASI) assumed operations and maintenance of the service on May 26, 2012.

The JPB is governed by a nine-member Board of Directors (Board) representing the three Member Agencies. The base term of the Agreement establishing the JPB expired in 2001, but the Agreement provides that it continues on a year-to-year basis, with a Member Agency's withdrawal requiring a minimum one-year advance written notice to the JPB and the other Member Agencies.

To enhance public involvement, the JPB established a Citizen Advisory Committee (CAC) composed of three representatives from each of the JPB counties. The CAC's principal function is to assist the JPB by articulating the interests and needs of transit users and potential customers.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

The accompanying financial statements include the financial activities of the JPB only.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. <u>Implementation of Governmental Accounting Standards Board (GASB) Statements</u>

Effective this Fiscal Year

GASB Statement No. 91 – In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*. The objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with commitments extended by issuers, arrangements associated with conduit debt obligations, and related note disclosures by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this statement are effective for reporting periods beginning after December 15, 2022, or fiscal year 2023/2024. There is no net effect to the financial statements.

GASB Statement No. 99 – *Omnibus 2022*. The requirements of this statement are effective as follows:

- The requirements related to the extension of the use of London Inter-Bank Offered Rate (LIBOR), accounting for Supplemental Nutrition Assistance Program (SNAP) distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in GASB Statement No. 34, as amended, and terminology updates related to GASB Statement No. 53 and GASB Statement No. 63 are effective upon issuance.
- The requirements related to leases, public-private and public-public (PPPs), and subscription-based information technology arrangements (SBITAs) are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.
- The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of GASB Statement No. 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

There is no net effect to the financial statements.

GASB Statement No. 100 – *Accounting Changes and Error Corrections*. The requirements of this statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. There is no net effect to the financial statements.

Effective in Future Fiscal Years

GASB Statement No. 101 – *Compensated Absences*. The requirements of this statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged. The JPB will implement GASB Statement No. 101 if and where applicable.

GASB Statement No. 102 – *Certain Risk Disclosures.* The requirements of this statement are effective for fiscal years beginning after June 15, 2024, and all fiscal years thereafter. The JPB will implement GASB Statement No. 102 if and where applicable.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Implementation of Governmental Accounting Standards Board Statements (Continued)

Effective in Future Fiscal Years (Continued)

GASB Statement No. 103 – *Financial Reporting Model Improvements.* The requirements of this statement are effective for fiscal years beginning after June 15, 2025, and all fiscal years thereafter. The JPB will implement GASB Statement No. 103 when and where applicable.

C. Basis of Accounting

The JPB accounts for its transactions in a single enterprise fund and maintains its records using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

D. Cash and Cash Equivalents

For purpose of the statement of cash flows, the JPB considers all highly liquid investments with an initial maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents also include amounts invested in the Local Agency Investment Fund (LAIF) and the San Mateo County Investment Pool (see Note 3).

E. Accounts Receivable – Other

During the course of normal operations, the JPB carries various receivable balances for services and rent. At June 30, 2024 and 2023, the allowances for doubtful accounts included in accounts receivable – other, were $178,945 and $176,769, respectively.

F. Inventories

Inventories consist principally of spare parts that are recorded when purchased and expensed when used. Inventories are stated at average cost which approximates market and are maintained by TASI as part of its contractual agreement.

G. Investments

Investment transactions are recorded on the trade date at fair value. Fair value is defined as the amount that the JPB could reasonably expect to receive for an investment in a current sale from a willing buyer and is based on current market prices.

H. Restricted Investments with Fiscal Agents

Provisions of the JPB's trust agreements related to its farebox and Measure RR transaction and use tax revenue bonds require that certain restricted investments accounts be established. These accounts are held by the fiscal agent and include funds for payment of principal and interest on the farebox and Measure RR transaction and use tax revenue bonds.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Restricted and Unrestricted Resources

When both restricted and unrestricted resources are available for the same purpose (e.g., construction projects), the JPB's policy is to use all available restricted resources first before unrestricted resources are utilized.

J. Capital Assets

Capital assets are recorded at historical cost or appraised value. However, donated capital assets are recorded at estimated acquisition value at the date of donation plus ancillary charges, if any. The JPB defines capital assets as assets with a cost greater than $5,000 and an estimated useful life in excess of one year. Donated assets are recorded at acquisition value on the date donated. Major additions and replacements are capitalized. Maintenance repairs and additions of a minor nature are expensed as incurred.

K. Depreciation and Amortization

Depreciation and amortization are calculated using the straight-line method over the following estimated useful lives:

- Right-of-way improvements – 3 to 40 years
- Rail vehicles – 10 to 36 years
- Facilities and equipment – 4 to 35 years
- Office equipment – 3 to 5 years
- Right-to-use lease assets – varies

L. Construction in Progress*

(In thousands)	2024	2023
Caltrain Modernization program	$ 2,664,980	$ 2,394,982
Bridge improvements	33,588	18,379
Rolling stock - purchase/improvements	33,546	32,408
Grade crossing and separations	247,951	229,584
System-wide track improvements	618	263
Station improvements	91,598	87,699
Safety	4,590	3,521
Communications	25,983	8,226
Total Construction in Progress	$ 3,102,854	$ 2,775,062

Caltrain Modernization program includes purchases of new Electric Multiple Unit (EMU) trains.
*In FY 2024, PG&E reimbursed Caltrain $87,586,392 for capital expenses incurred in a prior year and were recorded as a reduction in total Construction in Progress.

M. Bond Issuance Costs

Bond issuance costs are expensed upon the issuance of related debt.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Unearned Member Contributions

Unearned member contributions are the result of advances from the Member Agencies. To the extent that these amounts exceed committed funds (see Note 16), they may be refunded to the Member Agencies or used to offset future required contributions.

O. Unearned Revenue

Unearned revenue represents fares, rents, and state assistance amounts received which have not yet been earned. Advance ticket sales are included as unearned revenue until earned.

P. Member Agency Assistance

Amounts received from Member Agencies for operations are recognized as revenues when operating and administrative expenses are incurred. Amounts received from Member Agencies for acquisition of assets or matching grants are recognized as capital contributions when capital expenses are incurred.

Q. Federal, State, and Local Operating Assistance

Federal, state, and local operating assistance are recorded as revenue when operating expenses are incurred.

R. Wages and Benefits

Personnel costs of the JPB represent the allocated costs of District employees addressing JPB functions in the District's capacity as Managing Agency. Participation in pension plans, compensated absences, and postretirement health care benefits for these employees are administered by the District.

S. Operating/Nonoperating Revenues and Expenses

The JPB distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from directly providing services in connection with the JPB's principal operations of commuter rail service. These revenues are primarily passenger fares and parking, shuttle, and pass revenues. Operating expenses include the cost of sales and services, administrative expenses, contracted services, and depreciation on capital assets. All other revenues and expenses (including member contributions) not meeting this definition are reported as nonoperating revenues and expenses.

T. Use of Estimates

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures at the date of the financial statements.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

U. Deferred Outflows and Deferred Inflows of Resources

In addition to assets, the statements of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then.

In addition to liabilities, the statements of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

V. Fair Value Measurements

Accounting principles generally accepted in the United States of America provide guidance for determining a fair value measurement for reporting purposes, applying fair value to investments, and disclosures related to a hierarchy established by accounting principles generally accepted in the United States of America. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs include inputs that are directly observable for the investment including quoted prices for similar investments and inputs that are not directly observable but are derived from observable market data through correlation; and Level 3 inputs are significant unobservable inputs.

W. Reclassifications

For the fiscal year ended June 30, 2024, certain classifications have been changed to improve financial statement presentation. For comparative purposes, prior year balances have been reclassified to conform with the fiscal year 2024 presentation.

X. Subsequent Events

Subsequent events have been evaluated through __________, 2024, the date these financial statements were available to be issued.

NOTE 3 – CASH AND INVESTMENTS

The JPB's investments are carried at fair value, as required by accounting principles generally accepted in the United States of America. The JPB adjusts the carrying value of its investments to reflect their fair value at each fiscal year-end and includes the effects of these adjustments in income for that fiscal year.

The JPB is in compliance with the Board approved Investment Policy and California Government Code requirements.

The JPB's cash and investments as of June 30 are classified in the statements of net position as follows (in thousands):

NOTE 3 – CASH AND INVESTMENTS (Continued)

	2024	2023
Cash and cash equivalents	$ 90,906	$ 22,980
Restricted cash	134,086	6,505
Restricted investments with fiscal agents	18,632	27,731
Total Cash and Investments	$ 243,624	$ 57,216

	2024	2023
Cash on hand	$ 1	$ 1
Deposits with financial institutions	177,046	28,592
Investments	66,577	28,623
Total Cash and Investments	$ 243,624	$ 57,216

Investments Authorized by the California Government Code and the JPB's Investment Policy

The table below identifies the investment types that are authorized for the JPB by the California Government Code or the JPB's investment policy, when more restrictive, that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the JPB, rather than the general provisions of the JPB's investment policy.

NOTE 3 – CASH AND INVESTMENTS (Continued)

Authorized Investment Type	Minimum Credit Rating	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Obligations	None	15 years	100%	N/A
U.S. Agency Securities	None	15 years	100%	N/A
Banker's Acceptances	None	180 days	40%	30%
Commercial Paper ($500 Mil. Min. Assets). Local agencies with less than $100M of investment assets under management may invest no more than 25% of the agency's money in eligible commercial paper	A1/P1/F1	270 days	40%	10%
Negotiable Certificates of Deposit	None	5 years	30%	N/A
Repurchase Agreements	None	1 year	100%	N/A
Reverse Repurchase Agreements	None	92 days	20%	N/A
Medium-term Notes	A	5 years	30%	10%
Shares of beneficial interest issued by diversified management companies	None	N/A	20%	10%
Local Government Investment Pools	None	N/A	100%	N/A
Asset-backed and Mortgage-backed securities	AA	5 years	20%	N/A
Municipal Obligations	None	10 years	100%	N/A
Supranational Obligations	AA	5 years	30%	N/A
Local Agency Investment Fund (LAIF)	None	N/A	None	$75M
San Mateo County Investment Pool	None	N/A	Up to the current state limit	N/A

Investments Authorized by Debt Agreements

Investments of debt proceeds held by bond trustees are governed by provisions of the debt agreements, rather than the general provisions of the California government code or the JPB's investment policy. These provisions allow for the acquisition of investment agreements with maturities of up to 30 years and money market funds.

Disclosure Relating to Interest Rate Risk

Interest rate risk is the risk incurred when changes in market interest rates adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the JPB manages its exposure to interest rate risk is by purchasing a combination of short and long-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

NOTE 3 – CASH AND INVESTMENTS (Continued)

The JPB's weighted average maturity of its investment portfolio at June 30, 2024, was as follows (in thousands):

Investment Type	Amount	Weighted Average Maturity (in years)
LAIF	$ 378	0.59
San Mateo County Investment Pool	585	1.64
CAMP	42,960	0.10
Treasury Bills - RJO'Brien	4,021	0.10
Held by Bond Trustee:		
Money Market Mutual Funds	18,633	-
Total Investment Portfolio	$ 66,577	
Portfolio Weighted Average Maturity		0.13

The JPB's weighted average maturity of its investment portfolio at June 30, 2023, was as follows (in thousands):

Investment Type	Amount	Weighted Average Maturity (in years)
LAIF	$ 337	0.71
San Mateo County Investment Pool	555	1.65
Held by Bond Trustee:		
Money Market Mutual Funds	27,731	-
Total Investment Portfolio	$ 28,623	
Portfolio Weighted Average Maturity		1.29

NOTE 3 – CASH AND INVESTMENTS (Continued)

Disclosures Relating to Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the JPB's investment policy, or debt agreements, and the actual rating as of June 30, 2024 and 2023, for each investment type (in thousands):

		Rating as of June 30, 2024		
Investment Type	Amount	S&P Rating AAA	S&P Rating AAA	Not Rated
LAIF	$ 378	$ -	$ -	$ 378
San Mateo County Investment Pool	585	-	-	585
CAMP	42,960	42,960	-	-
Treasury Bills - RJO'Brien	4,021	-	4,021	-
Held by Bond Trustee:				
Money Market Mutual Funds	18,633	18,633	-	-
Total	$ 66,577	$ 61,593	$ 4,021	$ 963

		Rating as of June 30, 2023		
Investment Type	Amount	S&P Rating AAA	S&P Rating AAA	Not Rated
LAIF	$ 337	$ -	$ -	$ 337
San Mateo County Investment Pool	555	-	-	555
Held by Bond Trustee:				
Money Market Mutual Funds	27,731	-	27,731	-
Total	$ 28,623	$ -	$ 27,731	$ 892

Concentration of Credit Risk

The investment policy of the JPB contains limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. The JPB does not have any investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent five percent or more of the JPB's total investments at June 30, 2024, or June 30, 2023.

Fair Value Measurements

Fair value measurements are categorized based on the valuation inputs used to measure fair value: Level 1 inputs are quoted prices in active markets for identical asset assets; Level 2 inputs include inputs that are directly observable for the investment including quoted prices for similar investments and inputs that are not directly observable but are derived from observable market data through correlation; and Level 3 inputs are significant unobservable inputs. Investments in LAIF and the San Mateo County Investment Pool are uncategorized as deposits and withdrawals are made on the basis of $1 and not fair value.

NOTE 3 – CASH AND INVESTMENTS (Continued)

Fair Value Measurements (Continued)

The following is the JPB's fair value hierarchy table as of June 30, 2024 (in thousands):

Investment Type	Total	Level 1 Inputs	Level 2 Inputs	Uncategorized
LAIF	$ 378	$ -	$ -	$ 378
San Mateo County Investment Pool	585	-	-	585
CAMP	42,960	-	42,960	-
Treasury Bills - RJO'Brien	4,021	4,021	-	-
Money Market Mutual Funds	18,633	-	18,633	-
Total Investments by Fair Value Type	$ 66,577	$ 4,021	$ 61,593	$ 963

The following is the JPB's fair value hierarchy table as of June 30, 2023 (in thousands):

Investment Type	Total	Level 1 Inputs	Level 2 Inputs	Uncategorized
LAIF	$ 337	$ -	$ -	$ 337
San Mateo County Investment Pool	555	-	-	555
Money Market Mutual Funds	27,731	-	27,731	-
Total Investments by Fair Value Type	$ 28,623	$ -	$ 27,731	$ 892

Custodial Credit Risk

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the JPB will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, the JPB will not be able to recover the value of its investment or collateral securities that are in possession of another party. The California Government Code and the JPB's Investment Policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments. The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The fair value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure the JPB's deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits.

As of June 30, 2024 and 2023, the JPB had $243,624,358 and $57,215,535, respectively, of deposits with financial institutions. Additionally, the JPB is required to hold certain capital fund amounts in interest bearing accounts. These balances are in excess of the $250,000 FDIC limit; however due to California State Law, the excess balances are collateralized with pledged securities by the financial institutions holding the JPB's deposits.

NOTE 3 – CASH AND INVESTMENTS (Continued)

Investment in San Mateo County Investment Pool

The JPB is a voluntary participant that invested in the San Mateo County Treasurer's Investment Pool (County Pool) at June 30, 2024 and 2023, in the amount of $585,377 and $554,663, respectively.

The County Pool is a governmental investment pool managed and directed by the elected San Mateo County Treasurer. It is not registered with the Securities and Exchange Commission. The fair value of the JPB's investment in this pool is reported in the accompanying financial statements at amounts based upon the JPB's pro-rata share of the fair value provided by the County Pool for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Pool, which are recorded on an amortized cost basis.

Investment in State Investment Pool

The JPB is a voluntary participant in LAIF which is regulated by the California Government Code under the oversight of the Treasurer of the State of California. LAIF is not registered with the Securities and Exchange Commission. The fair value of the JPB's investment in this pool is reported in the accompanying financial statements at amounts based upon the JPB's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

As of June 30, 2024, the JPB had a contractual withdrawal value of $378,405 in the pool. As of June 30, 2023, the JPB had a $336,793 contractual withdrawal value in the pool.

NOTE 4 – GILROY EXTENSION

The JPB holds trackage rights that extend south from the end of its property ownership in San Jose to Gilroy over a rail line owned by the Union Pacific Railroad. Those rights include the rights to operate five two-way train pairs. In addition, the Santa Clara Valley Transportation holds the rights to operate five additional train pairs to Gilroy.

NOTE 5 – CONTRIBUTED ASSETS FROM CALTRANS

In order to facilitate the purchase of the Mainline and the Gilroy Extension on a timely basis, and to provide for an orderly transition to local administration in a manner that would assure no service interruption, Caltrans and the JPB executed an agreement memorializing various commitments. Caltrans granted the JPB the right to use and control various real and personal property. These properties included: stations, locomotives, passenger cars ("rolling stock"), inventories, and other property associated with Caltrain service. The agreement required that Caltrans transfer all of its rights, titles, and interests in these properties to the JPB, in accordance with Public Utilities Code Section 99234.7.

NOTE 5 – CONTRIBUTED ASSETS FROM CALTRANS (Continued)

On April 4, 1996, the JPB's Board approved a resolution accepting transfer of rolling stock and station sites subject to certain terms and conditions outlined in the resolution. The transfer of rolling stock to the JPB was completed in December 1996, and the transfer of station sites was completed in May 1997. The rolling stock and station sites transferred were recorded at their appraised value as contributed capital in the amount of $106,710,000 and $60,432,365, respectively. Station sites consist principally of land and were capitalized as right-of-way.

NOTE 6 – CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2024, was as follows (in thousands):

	Balance June 30, 2023	Additions and Transfers	Deletions and Transfers	Balance June 30, 2024
Depreciable and amortized capital assets:				
Right-of-way improvements	$ 1,202,236	$ 127	$ -	$ 1,202,363
Rail vehicles	338,413	1,089	-	339,502
Facilities and equipment	145,879	3,053	(92)	148,840
Office equipment	13,765	52	-	13,817
Total depreciable and amortized capital assets	1,700,293	4,321	(92)	1,704,522
Accumulated depreciation/amortization for:				
Right-of-way improvements	807,602	43,984	-	851,586
Rail vehicles	281,841	7,872	-	289,713
Facilities and equipment	83,292	4,706	(92)	87,906
Office equipment	13,645	68	-	13,713
Total accumulated depreciation/amortization	1,186,380	56,630	(92)	1,242,918
Capital assets non-depreciable/nonamortizable:				
Right-of-way	237,254	-	-	237,254
Construction in progress	2,775,062	332,112	(4,320)	3,102,854
Intangible asset - trackage rights	8,000	-	-	8,000
Total non-depreciable/nonamortizable capital assets	3,020,316	332,112	(4,320)	3,348,108
Capital assets, net	$ 3,534,229	$ 279,803	$ (4,320)	$ 3,809,712

NOTE 6 – CAPITAL ASSETS (Continued)

Capital asset activity for the fiscal year ended June 30, 2023, was as follows (in thousands):

	Balance June 30, 2022	Additions and Transfers	Deletions and Transfers	Balance June 30, 2023
Depreciable and amortized capital assets:				
Right-of-way improvements	$ 1,199,128	$ 4,048	$ (940)	$ 1,202,236
Rail vehicles	338,072	341	-	338,413
Facilities and equipment	145,177	702	-	145,879
Office equipment	13,750	15	-	13,765
Total depreciable and amortized capital assets	1,696,127	5,106	(940)	1,700,293
Accumulated depreciation/amortization for:				
Right-of-way improvements	761,680	46,862	(940)	807,602
Rail vehicles	273,766	8,075	-	281,841
Facilities and equipment	78,725	4,567	-	83,292
Office equipment	13,467	178	-	13,645
Total accumulated depreciation/amortization	1,127,638	59,682	(940)	1,186,380
Capital assets non-depreciable/nonamortizable:				
Right-of-way	236,968	286	-	237,254
Construction in progress	2,424,021	356,147	(5,106)	2,775,062
Intangible asset - trackage rights	8,000	-	-	8,000
Total non-depreciable/nonamortizable capital assets	2,668,989	356,433	(5,106)	3,020,316
Capital assets, net	$ 3,237,478	$ 301,857	$ (5,106)	$ 3,534,229

Depreciation/amortization expense for the fiscal years ended June 30, 2024 and 2023 was $56,629,037 and $59,680,437, respectively.

NOTE 7 – OPERATING ASSISTANCE

Member Agencies provided operating funding to the JPB prior to fiscal year 2023. Net operating and administrative costs were apportioned on the basis of mutually agreed contribution rates, updated on an annual basis prior to fiscal year 2023. In fiscal years 2024 and 2023, due to the funding from Measure RR transaction and use tax, the JPB did not request member agencies contributions. Funding allocations for the fiscal years ended June 30 were:

	2024	2023
District - Operating	0.00%	0.00%
VTA - Operating	0.00%	0.00%
CCSF - Operating	0.00%	0.00%

NOTE 7 – OPERATING ASSISTANCE (Continued)

Federal, state, and local operating assistance revenue amounts included in the statements of revenues, expenses, and changes in net position for the fiscal year ending June 30 were (in thousands):

	2024	2023
Member Agency local funds	$ -	$ 84
Assembly Bill 434 operating assistance	-	40
State transit assistance	20,646	11,520
Total	$ 20,646	$ 11,644

NOTE 8 – CAPITAL ASSISTANCE

Capital expenses are primarily funded by federal and state grants, equal annual contributions from all three Member Agencies, and proceeds from Revenue Bonds (See Note 9 – Revenue Bonds Payable). Costs of capital replacement and enhancement projects that are not covered by outside funding sources are allocated to the Member Agencies based upon the terms of the Joint Powers Agreement.

A. Member Agencies

On an annual basis, the Board determines the amount to be contributed to a Capital Contingency Fund (CCF) to cover unanticipated necessary capital improvements. The total amount contributed to the CCF was $0 and $1,325,000 for the fiscal years ended June 30, 2024 and 2023, respectively.

In fiscal years 2024 and 2023, the JPB received capital reimbursements and capital advances from the Member Agencies totaling $36,005,877 and $37,648,269, respectively. The unexpended amounts at June 30, 2024 and 2023, are shown as Unearned Member Contributions. (See Note 16 – Related Parties.)

B. Federal and State Grants

At June 30, 2024 and 2023, the JPB had federal, state, and local grants/allocations that provide funding for Caltrain capital projects. Capital additions for the fiscal years ended June 30, 2024 and 2023, applicable to these projects were $487,286,585 and $296,030,449, respectively. The related federal participation was $112,497,616 and $92,120,447 for fiscal years ended June 30, 2024 and 2023, respectively.

The JPB had receivables of $47,847,562 and $23,778,148 at June 30, 2024 and 2023, respectively, for qualifying capital project expenditures under Federal Transit Administration (FTA) grant contracts in excess of reimbursements, which is reported as due from other governmental agencies. In addition, the JPB has receivables of $130,334,896 and $145,479,734 at June 30, 2024 and 2023, respectively, for qualifying capital project expenditures under various state grants, which also is reported as due from other governmental agencies.

NOTE 8 – CAPITAL ASSISTANCE (Continued)

B. Federal and State Grants (Continued)

Under the terms of the grants, proceeds from equipment sold during its useful life are refundable to the federal government in proportion to the related capital grant funds received, unless the net book value or proceeds from sale are under grant-prescribed limits.

NOTE 9 – REVENUE BONDS PAYABLE

Composition and Changes

The JPB generally incurs long-term debt to finance projects or purchase assets, which will have useful lives equal to or greater than the related debt. The JPB's debt issues and transactions are summarized below and discussed in detail thereafter.

Long-term debt activity for the fiscal year ended June 30, 2024, was as follows (in thousands):

	Balance June 30, 2023	Additions	Retirements	Balance June 30, 2024	Current Portion
2019 Series A Revenue Bonds	$ 45,340	$ -	$ 1,235	$ 44,105	$ 1,300
Add: Unamortized premium, net	6,727	-	264	6,464	264
2022 Series A Revenue Bonds	140,000	-	-	140,000	2,560
Add: Unamortized premium, net	30,704	-	1,110	29,595	1,110
Total long-term debt	$ 222,771	$ -	$ 2,609	$ 220,164	$ 5,234

Long-term debt activity for the fiscal year ended June 30, 2023, was as follows (in thousands):

	Balance June 30, 2022	Additions	Retirements	Balance June 30, 2023	Current Portion
2019 Series A Revenue Bonds	$ 46,515	$ -	$ 1,175	$ 45,340	$ 1,235
Add: Unamortized premium, net	6,991	-	264	6,727	264
2022 Series A Revenue Bonds	140,000	-	-	140,000	-
Add: Unamortized premium, net	31,814	-	1,110	30,704	1,110
Total long-term debt	$ 225,320	$ -	$ 2,549	$ 222,771	$ 2,609

Description of the JPB's Long-Term Debt Issues

A. 2019 Series A Farebox Revenue Bonds

In February 2019, the JPB issued $47,635,000 in 2019 Series A Farebox Revenue Bonds along with a premium of $8,111,446 and other sources related to the defeasance of prior bond issuances netted proceeds of $56,217,759; $24,087,000 of the proceeds were used to fully pay and legally defease the 2007 Series A Farebox Revenue Bonds and $11,363,000 were used to fully payoff 2015 Series A Farebox Revenue Bonds. $20,768,000 of the proceeds are allocated for building acquisitions or to finance other improvements to Caltrain. The 2019 Series A Farebox Revenue Bonds carry a fixed

NOTE 9 – REVENUE BONDS PAYABLE (Continued)

Description of the JPB's Long-Term Debt Issues (Continued)

A. 2019 Series A Farebox Revenue Bonds (Continued)

coupon of 5.0 percent with interest due on April 1 and October 1 of each year through October 1, 2037. Principal on the 2019 Series A Farebox Revenue Bonds is payable on October 1, 2021, and annually thereafter on October 1 of each year through 2049.

The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of $84,342. The JPB completed the refunding to reduce its total debt service payments over the next 11.9 years (average life of the refunded 2007 Series A Farebox Revenue Bonds) by $3.4 million and to obtain an economic gain (difference between the present values of the old and new debt service payments) of $3.6 million (present value of prior debt and net present value savings).

The 2019 Series A Farebox Revenue Bonds are special obligations of the JPB payable from and secured by a pledge of farebox revenues. For pledge purposes, the term "farebox revenues" means the amounts generated and collected in connection with the operation of Caltrain, including passenger fares; parking, shuttle, and pass revenues; and other revenues from operations. Farebox revenues does not include grants from the state or the federal government. The amount and terms of pledged revenue are the outstanding secured debt service as noted on the debt service requirement schedule in the following paragraph.

B. 2022 Series A Measure RR Sales Tax Revenue Bonds (Green Bonds – Climate Bond Certified)

In February 2022, the JPB issued $140,000,000 in 2022 Measure RR Sales Tax Revenue Bonds (Green Bonds – Climate Bond Certified) Series A along with a premium of $32,179,642. $150,463,899 of the proceeds are allocated to certain improvements to the Caltrain system, including electrification; $21,000,000 of the proceeds were set aside to fund capitalized interest costs of the bonds; and $715,743 of the proceeds were allocated to the cost of issuance of the bonds. The 2022 Series A Measure RR Sales Tax Revenue Bonds (Green Bonds – Climate Bond Certified) carry a coupon of 5.0% with interest payable semiannually on June 1 and December 1, commencing June 1, 2022. Principal payments on the 2022 Series A Measure RR Sales Tax Revenue Bonds (Green Bonds – Climate Bond Certified) begins June 1, 2025, and are payable annually thereafter on June 1 of each year through 2051.

The 2022 Series A Measure RR Sales Tax Revenue Bonds (Green Bonds – Climate Bond Certified) are limited obligations of the JPB payable from and secured by certain revenues from sales and use tax on taxable transactions within the City and County of San Francisco, San Mateo County, and Santa Clara County, at a rate of one-eighth of one percent (1/8%) after deducting amounts payable to the California Department of Tax and Fee Administration (CDTFA) in connection with the collection and disbursement of the sales tax pursuant to the agreement between the CDTFA and the JPB.

C. Pledged Revenues and Annual Debt Service Payments

The amount of farebox pledged revenues recognized during the fiscal years ended June 30, 2024 and 2023, were $49,743,197 and $46,665,873, respectively. The amount of Measure RR Sales Tax pledged revenues recognized during the fiscal years ended June 30, 2024 and 2023, were

NOTE 9 – REVENUE BONDS PAYABLE (Continued)

Description of the JPB's Long-Term Debt Issues (Continued)

C. Pledged Revenues and Annual Debt Service Payments (Continued)

$119,614,442 and $121,645,143, respectively. The total debt service requirement for the 2019 Series A Farebox Revenue Bonds and for the 2022 Series A Measure RR Sales Tax Revenue Bonds (Green Bonds – Climate Bond Certified) for the fiscal years ended June 30, 2024 and 2023, was $10,471,125 and $10,471,375, respectively; the first payment on the 2019 Series A Farebox Revenue Bonds debt was October 1, 2019, with repayment of principal starting October 1, 2021, and continuing as laid out in the table below. Annual principal and interest payments for the 2019 Series A Farebox Revenue Bonds were as follows (in thousands):

Year Ending June 30:	Principal	Interest	Total
2025	$ 1,300	$ 2,173	$ 3,473
2026	1,365	2,106	3,471
2027	1,435	2,036	3,471
2028	1,510	1,963	3,473
2029	1,585	1,885	3,470
2030-2034	9,240	8,118	17,358
2035-2039	10,390	5,532	15,922
2040-2044	6,695	3,516	10,211
2045-2049	8,595	1,615	10,210
2050	1,990	50	2,040
Total	$ 44,105	$ 28,994	$ 73,099

The 2022 Series A Measure RR Sales Tax Revenue Bonds (Green Bonds – Climate Bond Certified) were the first bonds issued by the JPB as Green Bonds as certified by Climate Bonds Initiative (CBI) and verified by Kestrel Verifiers under the standards of the 2015 Paris Agreement. The bonds were issued with ratings of AA+ by Standard & Poor's Rating Services (S&P) and AAA by Kroll Bond Rating Agency, LLC (KBRA). The first principal payment for the 2022 Series A Measure RR Sales Tax Revenue Bonds (Green Bonds – Climate Bond Certified) debt is scheduled for June 1, 2025. Annual debt service payments are as follows:

Year Ending June 30:	Principal	Interest	Total
2025	$ 2,560	$ 7,000	$ 9,560
2026	2,690	6,872	9,562
2027	2,825	6,738	9,563
2028	2,965	6,596	9,561
2029	3,110	6,448	9,558
2030-2034	18,060	29,744	47,804
2035-2039	23,050	24,755	47,805
2040-2044	29,420	18,386	47,806
2045-2049	37,545	10,259	47,804
2050-2051	17,775	1,344	19,119
Total	$ 140,000	$ 118,142	$ 258,142

NOTE 10 – INSURANCE PROGRAMS

The JPB is exposed to various risks of loss including, but not limited to, those related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The JPB is self-insured for a portion of its public liability and damage to property. As of June 30, 2024 and 2023, coverage provided by self-insurance and excess coverage (purchased by or for the JPB) is generally summarized as follows:

Type of Coverage	Self-Insured Retention	Excess Insurance
Railroad Liability	$2,000,000 Self Insured Retention	$323,000,000 Per Occurrence/ Annual Aggregate ($200,000,000 carried by the JBP and $100,000,000 carried by the Caltrain operator, TASI) plus an additional $23,000,000 xs $300,000,000 carried by JPB for a total of $323,000,000
Real and Personal Property	$750,000 Maximum Self-Insured Retention	$400,000,000
Public Official Liability	$75,000 Self-Insured Retention	$15,000,000 Aggregate
Special Events	$25,000 Self-Insured Retention Per Occurrence	$2,000,000 Per Occurrence / $4,000,000 Aggregate
Environmental Liability	$50,000 Self-Insured Retention	$10,000,000 2-Year Policy Aggregate (FY25-FY26)
Federal Employees Liability Act (FELA)	$1,000,000 Self-Insured Retention	$100,000,000 Annual Aggregate

The JPB carries Liability limits of $323 million with a $2 million self-insured retention (SIR). All rolling stock is insured at full replacement cost. Total insurable values (TIV) covering all rolling stock, real and personal property, tunnels, bridges and stations exceeds $2 billion. The JPB carries a $400,000,000 loss limit per occurrence real and personal property with a maximum $750,000 deductible. Terrorism coverage is included both property and liability. The JPB purchases $100 million limits Federal Employers Liability Act (FELA) with a $1 million SIR. A 2-year environmental pollution policy with aggregate limits of $10 million and a $50,000 deductible is purchased every other year. Earthquake coverage remains cost prohibitive to purchase. To date, there have been no significant reductions in any of the JPB's insurance coverage. Settlements have not exceeded coverages for each of the past three fiscal years.

The unpaid claims liabilities are based on the results of actuarial studies and include amounts for claims incurred but not reported. Claims liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts, and other economic and social factors. Annual expense is charged using various allocation methods that include actual costs, trends in claims experience, and number of participants. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expense regardless of whether allocated to specific claims. It is the JPB’s practice to obtain full actuarial studies annually. Changes in the balances of self-insured claims liabilities for public liability and property damage for the fiscal years ended June 30, 2024 and 2023, were as follows (in thousands):

NOTE 10 – INSURANCE PROGRAMS (Continued)

	2024	2023
Self-insured claims liabilities, beginning of year	$ 4,846	$ 4,189
Incurred claims and changes in estimates	6,901	2,801
Claim payments and related costs	(4,023)	(2,144)
Total self-insured claims liabilities	7,724	4,846
Less current portion	3,430	2,274
Noncurrent portion	$ 4,294	$ 2,572

NOTE 11 – CAPITAL CONTRIBUTIONS

The JPB receives capital grants and contributions from the federal, state, and local governments for the acquisition and improvement of capital assets. Capital grants and contributions used for capital purposes are recorded as capital contributions and the cost of the related assets is included in capital assets.

Depreciation and amortization on assets acquired with capital contributions is included in the statements of revenues, expenses, and changes in net position. Capital contributions earned for the fiscal years ended June 30 were as follows (in thousands):

	2024	2023
Contributions from the federal government	$ 112,498	$ 92,120
Contributions from the state	325,679	156,737
Contributions from local governments	49,110	47,173
Total	$ 487,287	$ 296,030

NOTE 12 – HEDGE PROGRAM

In order to create more certain future diesel fuel costs and to manage the budget risk caused by uncertain future diesel fuel prices, the JPB established a diesel fuel hedging program. The hedging instruments used are New York Harbor Ultra Low Sulfur Diesel ("NYHRBRULSD") futures contracts with a notional amount of 42,000 gallons each as listed on the NYMEX. As of June 30, 2024, the JPB had 17 futures contracts covering the period from July 2024 to September 2024. As of June 30, 2023, the JPB had 106 futures contracts covering the period from July 2023 to June 2024.

The JPB enters into futures contracts to hedge its price exposures to diesel fuel which is used in its vehicles to provide transportation. These contracts are derivative instruments. The effectiveness of the hedge is determined according to GASB Statement No. 53 (Accounting and Financial Reporting for Derivative Instruments) rules, which require a statistically strong relationship between the price of the futures contracts and the JPB's cost of diesel fuel from its supplier in order to insure that the futures

NOTE 12 – HEDGE PROGRAM (Continued)

contracts effectively hedge the expected cash flows associated with diesel fuel purchases/exposures. The JPB applies hedge accounting for derivatives that are deemed effective hedges. Under hedge accounting, the increase (decrease) in the fair value of a hedge is reported as a deferred cash flow on the statements of net position. For the reporting period, all of the JPB's derivatives meet the effectiveness tests. Net gains/losses from completed hedges become an element of diesel fuel cost.

For diesel fuel futures contracts, the fair values are determined according to exchange settlement prices and the prices at which the futures contracts were purchased where each contract has a volume of 42,000 gallons. The following is a summary of the fair values and notional amounts of derivative instruments (diesel futures contracts) outstanding as of June 30, 2024 and 2023 (in thousands).

	2024 Change in Fair Value		Fair Value June 30, 2024		
	Classification	Amount	Classification	Amount	Notional
Effective Cash Flow Hedges					
Futures Contracts	Deferred Inflow	$ 1,018	Derivative Instruments	$ 40	714 Gallons

	2023 Change in Fair Value		Fair Value June 30, 2023		
	Classification	Amount	Classification	Amount	Notional
Effective Cash Flow Hedges					
Futures contracts	Deferred Inflow	$ (2,804)	Derivative Instruments	$ (977)	4,452 Gallons

Credit Risk

The JPB is exposed to credit risk in the amount of the derivative's fair value. When the fair value of any derivative has a positive market value, the risk is that the counterparty will not fulfill its obligations. The counterparty for diesel futures contracts is the New York Mercantile Exchange Clearinghouse. Futures do not have credit risk because the clearing house guarantees against default risk by taking both sides of all transactions where positions are marked-to-market on a daily basis. Futures contracts are highly regulated by the Commodity Futures Trading Commission.

Basis Risk

The JPB is exposed to basis risk on its expected fuel hedge contracts because the future fuel purchases are based on a pricing point different from the pricing point at which the future contracts are expected to settle NYHRBRULSD.

Market Risk

The JPB is exposed to market risk arising from adverse changes in the market prices of the commodity.

NOTE 13 – COMMITMENT AND CONTINGENCIES

A. Operating Contract

The JPB Board awarded a contract to TASI of St. Joseph, MO, at the September 1, 2011 Board meeting. TASI provides rail operations, maintenance, and support services for a base term of five years plus five months of mobilization, with five, one-year option terms. Mobilization efforts began on October 1, 2011, and TASI began its service on May 26, 2012. The contract with TASI has been extended to 2027. Amtrak continued to provide services through the mobilization period.

This is a Cost Plus Performance Fee based contract. All direct costs are reimbursable and TASI has the opportunity to earn up to $4.5 million per year as a performance fee. The first year budget plus mobilization costs were negotiated prior to the contract award. A performance fee program and quantifiable metrics are discussed and agreed upon annually by the parties in key areas such as safety and on-time performance. These metrics are measured quarterly with the exception of adherence to the budget which will be measured annually. TASI's reported results are also independently verified and validated by a third party consultant. The expenses billed to the JPB by TASI for providing rail operation services for the fiscal years ended June 30, 2024 and 2023, are recorded as Contract Services in the statements of revenues, expenses, and changes in net position.

B. Litigation

As of June 30, 2024, the JPB had accrued amounts that management believes are adequate to resolve claims and lawsuits which arose during the normal course of business. A few claims and lawsuits remain outstanding for which the JPB cannot determine the ultimate and resulting liability, if any. However, the JPB's management and its counsel believe the ultimate outcome of these claims and lawsuits will not materially impact the JPB's financial position.

Caltrain Collision with Hi-Rail Maintenance Vehicles on March 10, 2022

On March 10, 2022, at approximately 10:30 a.m., a southbound Caltrain train struck three stationary on-track (or hi-rail) maintenance vehicles at milepost (MP) 11.6 on main track 2 near San Bruno, California. The maintenance vehicles were on-track to pick-up catenary poles for installation along the right-of-way (ROW) as part of the Peninsula Corridor Electrification Project (PCEP). Balfour Beatty Infrastructure, Inc. (BBII) is the PCEP contractor, and TransitAmerica Services, Inc. (TASI) provides signaling services on the ROW. The National Transportation Safety Board (NTSB) issued a final report stating that the TASI roadway worker-in-charge released exclusive track occupancy while the hi-rail vehicles were still on the track. The locomotive derailed, and all three maintenance vehicles were destroyed. Leaking fuel from the hi-rail maintenance vehicles resulted in a fire that spread to one of the passenger rail cars. Fourteen people reported injuries: 12 passengers, one train crew member (a TASI employee), and one maintenance contractor (a BBI employee). Of these, seven were transported to local hospitals, and seven were treated and released at the scene.

The time for filing lawsuits has run, and the following plaintiffs filed lawsuits in San Mateo Superior Court related to the incident against the JPB and other entities:

- Phillip Merlino and Carolina Campnuevo: Mr. Merlino, a BBI employee, was injured in the accident and is seeking damages related to the accident, and his wife, Ms. Campnuevo, has brought a cause of action for loss of consortium.

NOTE 13 – COMMITMENT AND CONTINGENCIES (Continued)

B. Litigation (Continued)

Caltrain Collision with Hi-Rail Maintenance Vehicles on March 10, 2022 (Continued)

- William Bryan: Mr. Bryan was the TASI locomotive engineer on the Caltrain train involved in the incident. He seeks damages related to the incident.
- The following passengers on the Caltrain train have also brought suit seeking damages related to the incident:
  - Mary Liu
  - Lawrence Walton
  - Isaac Ortiz
  - Victor Morales

The JPB tendered all claims and lawsuits arising out of the March 10, 2022, accident to TASI and, subject to a reservation of rights, TASI agreed to indemnify and defend the JPB in these cases. The JPB has also agreed to defend and indemnify several other entities named in the lawsuit, and then the JPB tendered those requests to TASI, which accepted them subject to a reservation of rights. In addition, since July 2024, Westchester/Chubb, the insurance carrier that issued a $25 million railroad protective liability (RRPL) insurance policy to the JPB for PCEP, has been defending the JPB and TASI in these cases, and assigned Stephanie Quinn of Quinn, Covarrubias, to act as defense counsel for the JPB and TASI.

These cases have all been related but not consolidated. To date, none of the cases have settled. Several of the cases have had or will have mediations in October 2024. No trial dates in the cases have been set.

In addition to these lawsuits, BBII notified the JPB in 2022 that it incurred losses of approximately $2 million as a result of the incident, including labor costs BBII and its subcontractors incurred related to suspension of PCEP work on the ROW, and workers compensation payments, and sought reimbursement for those losses.

William Rogers, et al. v. JPB, et al. **(San Mateo Superior Court, Case No. 23-CIV-03335)**

On August 25, 2022, at approximately 1:00 a.m., William Rogers, an employee of Modern Rail Systems (MRS), which is a subcontractor to BBII under the PCEP contract, was performing work near MP 31.7, near Palo Alto, California. While walking across a bridge adjacent to the tracks to reach a signal house, the employee fell approximately 25 feet through the wooden deck structure, onto the Oregon Expressway below the bridge. Mr. Rogers was injured and transported to Stanford Medical Center. On July 20, 2023, Mr. Rogers and his wife Sarah Rogers filed suit against the JPB in San Mateo County Superior Court. Mr. Rogers seeks damages related to the accident and Ms. Rogers has filed a claim for loss of consortium. Plaintiffs also named TASI, Herzog Transit Services (TASI's parent company), and SMCTD as defendants, although the plaintiffs subsequently dismissed SMCTD from the case. The Rogers also seek an award of punitive damages against TASI and Herzog. The JPB has agreed to defend and indemnify TASI and Herzog, subject to a reservation of rights, and excluding any punitive damages. The parties have conducted some discovery and Mr. Rogers and a Caltrain engineer have been deposed.

NOTE 13 – COMMITMENT AND CONTINGENCIES (Continued)

B. Litigation (Continued)

***William Rogers, et al. v. JPB, et al.* (San Mateo Superior Court, Case No. 23-CIV-03335)** (Continued)

In May 2024, the Rogers submitted a settlement demand to the JPB and the parties participated in mediation on June 27, 2024, but made no substantive progress. The parties have agreed to an additional mediation session on October 31, 2024.

Until July, the JPB and TASI had been represented by Todd Master of Ridley Master. In late July, Westchester/Chubb, which provided the $25 million RRPL insurance policy discussed above, notified the JPB that it was taking over defense of the case and assigned Ms. Quinn of Quinn, Covarrubias, to act as defense counsel for the JPB and TASI.

Damage to EMU trains on February 1, 2024

On February 1, 2024, two new Electric Multiple Unit (EMU) train cars, which run on JPB's new electrification system, were damaged at the JPB's Central Equipment & Maintenance Facility (CEMOF) when they were hit by another train car that had come loose from its stationary blocks. The EMUs are currently being repaired in Utah by Stadler, the maker of the trains. The initial estimate for the cost of repair is approximately $5.5 million. The JPB has tendered the claim to its property insurer, Great American. The property policy has a $500,000 deductible.

***Elouise Brown, et al. v. Caltrain, et al.* (San Francisco Superior Court Case No. GGC-23-610742)**

On April 15, 2024, Elouise Brown, Brenda Lanzarain, and Timothy Brown, filed suit against the JPB, SMCTD, the City and County of San Francisco (CCSF), and the Department of Transportation, alleging the wrongful death of Andrew Brown, who was struck by a Caltrain train at approximately 6:15 a.m. on November 4, 2022, when he walked across the tracks at Milepost 2.40 near Evans Street and Shelby Street in San Francisco. The plaintiffs allege they are relatives of the decedent. The JPB has agreed to defend and indemnify SMCTD and CCSF, and the JPB and those parties are represented by Jenny Li of Ridley Master. Trial has been set for January 20, 2026.

NOTE 13 – COMMITMENT AND CONTINGENCIES (Continued)

C. PTMISEA Grants

The Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006, approved by the voters as Proposition 1B on November 7, 2006, includes a program of funding in the amount of $4 billion to be deposited in the Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA). Of this amount, $3.6 billion in the PTMISEA is available to project sponsors in California for allocation to eligible public transportation projects. The following table shows the changes in activity related to the PTMISEA grant funds during the fiscal years as well as the remaining commitment as of June 30, 2024 and 2023 (in thousands):

	PTMISEA South Terminal Project (Fund 3605)	PTMISEA Community Based Overlay Signal System (Fund 3607)	PTMISEA Rolling Stock State-of-Good-Repair (Fund 3623)	PTMISEA Rolling Stock State-of-Good-Repair (Fund 3634)
Total Allocations as of June 30, 2023	$ -	$ -	$ -	$ -
Adjustments	-	-	-	-
Net Expenditures	-	-	-	-
Unspent balance at June 30, 2024	$ -	$ -	$ -	$ -

	PTMISEA Electrification Improvements (Fund 3638)	PTMISEA Community Based Overlay Signal System (Fund 3647)	PTMISEA Interest Earned (Fund 3636)
Total Allocations as of June 30, 2023	$ -	$ 15	$ 9
Adjustments	-	-	-
Interest Earned, Net of Bank Charges	-	-	-
Net Expenditures	-	(1)	-
Unspent balance at June 30, 2024	$ -	$ 14	$ 9

NOTE 13 – COMMITMENT AND CONTINGENCIES (Continued)

C. PTMISEA Grants (Continued)

	PTMISEA South Terminal Project (Fund 3605)	PTMISEA Community Based Overlay Signal System (Fund 3607)	PTMISEA Rolling Stock State-of-Good-Repair (Fund 3623)	PTMISEA Rolling Stock State-of-Good-Repair (Fund 3634)
Total Allocations as of June 30, 2022	$ 875	$ 210	$ 692	$ 130
Adjustments	-	-	-	(1)
Net Expenditures	(875)	(210)	(692)	(129)
Unspent balance at June 30, 2023	$ -	$ -	$ -	$ -

	PTMISEA Electrification Improvements (Fund 3638)	PTMISEA Community Based Overlay Signal System (Fund 3647)	PTMISEA Interest Earned (Fund 3636)
Total Allocations as of June 30, 2022	$ 36	$ 317	$ 221
Adjustments	(1)	-	-
Interest Earned, Net of Bank Charges	-	-	2
Net Expenditures	(35)	(302)	(214)
Unspent balance at June 30, 2023	$ -	$ 15	$ 9

NOTE 14 – LEASING TRANSACTIONS

In February 2002, the JPB entered into a leasing transaction (the 2002 Lease Transaction) with respect to 38 Nippon Sharyo trailer cars, 14 Nippon Sharyo cab cars, and 13 GM F40PH-2 locomotives (collectively, the "Equipment"). The JPB leased the Equipment to a trust under a Head Lease and simultaneously leased back the Equipment under a Sublease. The leasing transaction terminated and restructured a portion of "a 1996 leasing transaction" (the "1996 Transaction") that had not been previously terminated. The JPB received net proceeds in the amount of $2,392,510, which represents the difference between the appraised value of the Equipment and the termination cost associated with the remaining portion of the 1996 Transaction and certain required deposits and expenses. The Equipment remains on the books of the JPB at its original cost and is being depreciated over the original useful life determined at the date of acquisition. The net proceeds have been recorded as Lease-Leaseback income for the fiscal year ended June 30, 2002. The JPB has an option to purchase the Equipment for an agreed upon purchase price in January 2026.

At the outset of the lease, a portion of the Head Lease payment was deposited under agreements with two debt payment undertakers whose repayment obligations are guaranteed, as the case may be, by Assured Guaranty Municipal Corporation ("AGM") as successor to Financial Security Assurance ("FSA"), or Swiss Reinsurance Corporation ("Swiss Re"). Another portion of the Head Lease payment was deposited under an agreement with an equity payment undertaker whose repayment obligations are guaranteed by AGM as successor to FSA. The repayment obligations of AGM and Swiss Re under their respective debt undertaking agreements are due in amounts and at times that correspond to the JPB's scheduled payments under the Sublease. The repayment obligations of AGM under the equity payment agreement are due in amounts and at times that correspond to the JPB's purchase option dates under the 2002 Lease Transaction.

NOTE 14 – LEASING TRANSACTIONS (Continued)

At the time of the 2002 Lease Transaction, FSA was rated "Aaa/AAA" by Moody's Investors Service ("Moody's") and Standard & Poor's Ratings Services ("S&P"). Although the debt and equity payment undertaking arrangements do not represent a legal defeasance of the JPB's obligations under the Sublease, management believes that these transactions are structured in such a way that it is not probable that the JPB will need to access other monies to make Sublease payments or pay the purchase option prices in 2026. Therefore, the assets and the Sublease obligations are not recorded on the financial statements of the JPB as of June 30, 2024 and 2023.

The terms of the 2002 Lease Transaction require the JPB to replace AGM and Swiss Re within certain timeframes if their ratings are downgraded below certain rating minimums. On January 17, 2013, Moody's downgraded AGM to "A2", which is below the threshold of "Aa3" under the 2002 Lease Transaction with respect to AGM's role as surety provider and guarantor of the equity payment agreement. The current Moody's AGM rating of "A1" remains below the required threshold. The equity investor under the 2002 Lease Transaction has provided forbearance letters to the JPB with respect to replacing AGM since the Moody's downgrade to below "Aa3" and has not demanded that the JPB replace AGM. In December 2022, the equity investor agreed to waive the downgrade provision so long as AGM is rated at least "AA-" by S&P and "A1" by Moody's.

Failure of the JPB to replace AGM following a downgrade by either Moody's or S&P to below the applicable rating threshold within specified timeframes could allow the equity investor to issue a default notice to the JPB. Because replacement of AGM is not practicable, the JPB could become liable to pay termination costs as provided in certain schedules of the 2002 Lease Transaction. The scheduled termination costs as of June 30, 2024, less the accreted value under the equity payment agreement, would approximate $4.1 million.

NOTE 15 – GASB STATEMENT NO. 87, *LEASES*

The JPB, as a lessee, has entered into various leases for office space, tower space, land, and parking with lease terms expiring between fiscal year 2025 and 2028 with some leases containing options to renew.

The JPB, as a lessor, has entered into lease agreements for mainly commercial and ground lease transactions. The lease terms are expiring between fiscal year 2025 and 2122 with some leases containing options to renew.

The JPB adopted GASB Statement No. 87, *Leases*, In fiscal year 2023 with a conversion date of July 1, 2020. In accordance with the adopted standard, the JPB, as a lessee, is required to recognize intangible right-to-use lease assets and corresponding lease liabilities, and as a lessor, lease receivables and deferred inflows of resources, for all leases that are not considered short-term. The JPB has adopted the following policies to assist in determining lease treatment according to the standard (unless otherwise specified, the following policies pertain to agreements in which the JPB acts as lessee, and agreements in which the JPB acts as lessor):

Basis of Lease Classification – The maximum possible lease term(s) is non-cancelable by both lessee and lessor, and is more than 12 months will not be considered short-term.

Term – At the time of lease commencement or conversion, the term of the lease will include possible extension periods that are deemed to be reasonably certain given all available information, regarding the likelihood of renewal.

NOTE 15 – GASB STATEMENT NO. 87, *LEASES* (Continued)

Discount Rate – Unless explicitly stated in the lease agreement, known by the JPB, or the JPB is able to determine the rate implicit within the lease, the discount rate used to calculate lease right-to-use lease assets and liabilities in the case of agreements in which the JPB acts as lessee, or deferred inflows of resources and related lease receivable, in the case of agreements in which the JPB acts as lessor, is the annual 110% Applicable Federal Rates (AFR). The Short-term annual 110% AFR applies to a lease term that is less than three years, the Mid-term annual 110% AFR applies to a lease term that is between three to nine years, and the Long-term annual 110% AFR applies to a lease term that is longer than nine years. The Short-term annual 110% AFR was 2.62% for July 2022 and 5.28% for July 2023, the Mid-term annual 110% AFR was 3.30% for July 2022 and 4.23% for July 2023, and the Long-term annual 110% AFR was 3.54% for July 2022 and 4.38% for July 2023. The July 2022 and July 2023 AFR were used for applicable leases beginning in fiscal years 2023 and 2024, respectively.

Variable Payments – Variable payments based on the future performance of the lessee or lessor or usage of the underlying asset are not included in the measurement of lease assets or liabilities. For fiscal years 2023 and 2024, as a lessee, all leases are based on fixed payments and do not have variable payment components. For fiscal years 2023 and 2024, as a lessor, all leases are based on fixed payments and variable payments based on the Consumer Price Index (CPI).

Residual Value Guarantees – There were no residual guarantees included in the measurement of lease assets and liabilities, or deferred inflow of resources and lease receivables, for fiscal years 2023 and 2024.

Remeasurement – There were no remeasurements for fiscal years 2023 and 2024 due to (1) early termination which included a termination fee, (2) reduction in monthly lease payment, and (3) a change in the discount rate.

Lease related assets by major class of underlying assets at June 30 were as follows (in thousands):

	Balance at June 30, 2023	Additions	Reductions	Balance at June 30, 2024
Right-to-use lease assets:				
Office space	$ 953	$ -	$ -	$ 953
Land	-	3,875	-	3,875
Parking	1,196	-	-	1,196
Tower space	15	-	-	15
Total right-to-use lease assets	2,164	3,875	-	6,039
Accumulated amortization for:				
Office space	103	635	-	738
Land	-	323	-	323
Parking	199	239	-	438
Tower space	5	3	-	8
Total accumulated amortization	307	1,200	-	1,507
Total right-to-use lease assets, net	$ 1,857	$ 2,675	$ -	$ 4,532

NOTE 15 – GASB STATEMENT NO. 87, *LEASES* (Continued)

	Balance at June 30, 2022	Additions	Reductions	Balance at June 30, 2023
Right-to-use lease assets:				
Office space	$ 1,066	$ 953	$ (1,066)	$ 953
Land	-	-	-	-
Parking	-	1,196	-	1,196
Tower space	4	15	(4)	15
Total right-to-use lease assets	1,070	2,164	(1,070)	2,164
Accumulated amortization for:				
Office space	472	697	(1,066)	103
Land	-	-	-	-
Parking	-	199	-	199
Tower space	5	4	(4)	5
Total accumulated amortization	477	900	(1,070)	307
Total right-to-use lease assets, net	$ 593	$ 1,264	$ -	$ 1,857

As a lessee, the JPB recognized $1,201,383 and $901,199 of lease related amortization expense in fiscal years 2024 and 2023, respectively. The JPB also recognized $80,014 and $30,269 of lease related interest expense in fiscal years 2024 and 2023, respectively.

As a lessor, the JPB recognized $191,088 and $64,476 in lease related interest revenue in fiscal years 2024 and 2023, respectively. The JPB also recognized revenues from lease related deferred inflows of resources of $215,269 and $215,269 in fiscal years 2024 and 2023, respectively.

Lease related obligations consist of the following:

	Balance June 30, 2023	Additions	Retirements	Balance June 30, 2024	Current Portion
Lease liabilities	$ 1,919	$ 3,910	$ 899	$ 4,930	$ 1,790
Total long-term debt	$ 1,919	$ 3,910	$ 899	$ 4,930	$ 1,790

	Balance June 30, 2022	Additions	Retirements	Balance June 30, 2023	Current Portion
Lease liabilities	$ 632	$ 1,919	$ 632	$ 1,919	$ 899
Total long-term debt	$ 632	$ 1,919	$ 632	$ 1,919	$ 899

NOTE 15 – GASB STATEMENT NO. 87, *LEASES* (Continued)

A summary of the combined remaining principal and interest amounts by fiscal year for the lease liabilities are shown below:

Year Ending June 30:	Principal	Interest	Total
2025	$ 1,790	$ 199	$ 1,989
2026	1,684	117	1,801
2027	1,410	32	1,442
2028	46	-	46
2029	-	-	-
Total	$ 4,930	$ 348	$ 5,278

NOTE 16 – RELATED PARTIES

A. Operating Expenses Paid to the District

The District serves as the Managing Agency of the JPB, providing management and administrative personnel and facilities (see Note 1). The District is compensated based on actual costs incurred and administrative overhead. Total expenses billed to the JPB by the District, which were included as operating expenses in the accompanying statements of revenues, expenses, and changes in net position, were as follows (in thousands):

	2024	2023
Wages and fringe benefits	$ 17,940	$ 13,280
Overhead	173	783
Total	$ 18,113	$ 14,063

B. Receivables from Member Agencies

The JPB is owed amounts from Member Agencies for grants and prior obligations. The balances at June 30 are as follows (in thousands):

	2024	2023
District	$ 10,644	$ 4,883
VTA	14,096	8,254
CCSF	7,000	8,976
Total	$ 31,740	$ 22,113

C. Payables to the District

Amounts due to the District as Managing Agency at June 30, 2024 and 2023, total $5,719,699 and $5,595,981, respectively, and are included in accrued liabilities.

NOTE 16 – RELATED PARTIES (Continued)

D. Unearned Member Contributions

The JPB recognizes Member Agencies' advances as contributed capital when expenses are incurred or assets are purchased. Accordingly, some Member Agencies' payments are classified as Unearned Member Contributions. The balances at June 30 were as follows (in thousands):

	2024	2023
District	$ 17,923	$ 16,464
VTA	3,252	11,115
CCSF	1,995	1,400
Total	$ 23,170	$ 28,979
Committed for:		
Centralized traffic control system	$ 1	$ 1
Farebox capital	1	1
Capital Contingency Fund	2,493	2,334
Capital contribution, Member's local match	20,675	26,643
Total Committed	23,170	28,979
Uncommitted funds:		
District	-	-
VTA	-	-
CCSF	-	-
Total Uncommitted	-	-
Total	$ 23,170	$ 28,979

NOTE 17 – REVOLVING CREDIT FACILITY

Cash flow projections for the Peninsula Corridor Electrification Project (PCEP) forecast funding gaps between the time payments are due for work performed and the timing of receipts from the funding sources associated with such work, most of which are available on a reimbursement basis. At its highest point, the funding gap is currently projected to be approximately $120 million.

In December 2016, the JPB secured the 2016 Credit Facility to assist the JPB in meeting its cash flow needs in connection with the PCEP. The amount outstanding under the 2016 Credit Facility may not exceed $170 million at any one time. This Credit Facility commitment was reduced March 31, 2019, to a level not to exceed $120 million. Funds drawn will be applied to fund cash flow mismatch with respect to the PCEP and the 2018 TIRCP Grant Projects and/or to enable the JPB to access the 2018 TIRCP Grant awarded to the JPB to fund a portion of the 2018 TIRCP Grant Projects. Funds drawn by the JPB pursuant to the 2016 Credit Facility constitute loans made to the JPB by the provider of the 2016 Credit Facility.

NOTE 17 – REVOLVING CREDIT FACILITY (Continued)

On August 16, 2021, the JPB replaced the existing Credit Facilities with two new Credit Facilities. The new Credit Facilities were issued in the amounts of $100 million each for PCEP project funding (PCEP Credit Facility) and Working Capital funding (Working Capital Facility). The terms on the new Credit Facilities is set forth in the Fee and Pricing Agreements for each credit line. There are two ongoing fees associated with the revolving credit facilities: an undrawn and a draw fee. For those amounts available to the JPB but undrawn and not used at a particular time, the Lender will charge a commitment fee equal to 0.23 percent times the undrawn amount. For those amounts drawn and used under the revolving credit facility, the Lender will charge a draw fee (i.e., and interest rate). The draw fee for Tax Exempt draws is equal to the following formula: The Secured Overnight Financing Rate (SOFR) plus an Applicable Tax-Exempt Margin, which currently stands at 0.36% based on the Current S&P rating of AA+. The draw fee for Taxable draws is equal to the Secured Overnight Financing Rate (SOFR) plus an applicable Taxable Margin, which currently stands at 0.45% based on the current S&P rating of AA+. As of June 30, 2024, there was no outstanding (drawn) revolving credit line balances on the PCEP Credit Facility and $46,700 million for the Tax-Exempt Facility.

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SUPPLEMENTARY INFORMATION

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PENINSULA CORRIDOR JOINT POWERS BOARD

SUPPLEMENTARY SCHEDULE OF REVENUES AND EXPENSES – COMPARISON OF BUDGET TO ACTUAL (BUDGETARY BASIS)
(in thousands)
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Budget (Unaudited)	Actual	Variance with Final Budget
OPERATING REVENUES:			
Passenger fares	$ 46,712	$ 46,896	$ 184
Parking, shuttle, and pass revenues	2,193	2,299	106
Advertising	542	232	(310)
Other	218	315	97
Total operating revenues	49,665	49,742	77
OPERATING EXPENSES:			
Contract services	128,708	128,756	(48)
Insurance	11,550	16,480	(4,930)
Fuel	15,211	15,440	(229)
Parking, shuttle, and pass expenses	1,601	1,577	24
Professional services	2,043	3,081	(1,038)
Wages and benefits	17,583	18,113	(530)
Utilities and supplies	3,010	3,254	(244)
Maintenance services	944	1,059	(115)
Temporary services, rent, and other	8,602	6,478	2,124
Debt fees	-	-	-
Total operating expenses	189,252	194,238	(4,986)
Operating loss	(139,587)	(144,496)	(4,909)
NONOPERATING REVENUES (EXPENSES):			
Federal, state, and local operating assistance	20,179	20,646	467
Transaction and use tax	118,400	119,614	1,214
Rental income	1,027	1,605	578
Investment income	4,826	5,038	212
Interest expense	(3,471)	(2,252)	1,219
Expense for noncapitalized projects	-	(40,902)	(40,902)
Other income	656	74,610	73,954
Total nonoperating revenues (expenses), net	141,617	178,359	(36,742)
Net loss	2,030	33,863	31,833
CAPITAL OUTLAY:			
Capital assistance	521,176	487,287	(33,889)
Capital debt financing	-	(155,175)	(155,175)
Capital expenditures	(521,176)	(332,112)	189,064
Net capital outlay	-	-	-
Deficiency of Revenues and Nonoperating Income under Expenses, Capital Outlay, and Debt Principal Payment	$ 2,030	$ 33,863	$ 31,833

PENINSULA CORRIDOR JOINT POWERS BOARD

NOTES TO SUPPLEMENTARY SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 1 – BUDGETARY BASIS OF ACCOUNTING

The Peninsula Corridor Joint Powers Board (JPB) prepares its budget on a basis of accounting that differs from accounting principles generally accepted in the United States of America (GAAP). The actual results of operations are presented in the supplementary schedule on the budgetary basis to provide a meaningful comparison of actual results with budget. In addition, certain budget amounts have been reclassified to conform to the presentation of actual amounts in the supplementary schedule. Budgeted amounts presented are the final adopted budget. The primary difference between the budgetary basis of accounting and GAAP concerns capital assets. Depreciation and amortization expense per GAAP and amortization of lease are not budgeted and budgeted capital expenses are not recorded as an expense per GAAP. In addition, unrealized gains and losses under Governmental Accounting Standards Board (GASB) Statement No. 31 are not recognized on a budgetary basis as well as some long-term expenses such as bond related payments. The capital expense budget does not include the carry-over budget from 2023.

NOTE 2 – RECONCILIATION OF BUDGETARY BASIS TO GAAP BASIS

Deficiency of Revenues and Nonoperating Income under Expenses, Capital Outlay, and Debt Principal Payment		$ 33,863
Reconciling Items		
Capital expenditures	$ 332,112	
Depreciation and amortization	(57,830)	
Capital debt financing	155,175	
GASB Statement No. 31 unrealized gain/loss	15	
Bond premium amortization	1,373	
Subtotal reconciling items		430,845
Change in net position, GAAP basis		$ 464,708

Section III

STATISTICAL

Financial Trends

- Net Position and Changes in Net Position

Revenue Capacity

- Revenue Base and Revenue Rate
- Principal Revenue Payers

Debt Capacity

- Ratio of Outstanding Debt
- Bonded Debt
- Direct and Overlapping Debt
- Debt Limitations
- Pledged Revenue Coverage
- Sales Tax Receipts

Demographics and Economic Information

- Population, Income, and Unemployment Rates
- Principal Employers

Operating Information

- Farebox Recovery and Passenger Miles
- Employees (Full-Time Equivalents)
- Capital Assets

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STATISTICAL SECTION

The Statistical Section of the Peninsula Corridor Joint Powers Board (JPB) Annual Comprehensive Financial Report represents detailed information as a context for understanding the information in the financial statements, note disclosures, and supplementary information for assessing the JPB's economic condition.

Financial Trends

These schedules contain trend information to assist readers in understanding and assessing how the JPB's financial position has changed over time.

Revenue Capacity

These schedules contain information to assist readers in understanding and assessing the factors affecting the JPB's ability to generate passenger fares.

Debt Capacity

These schedules assist readers in understanding and assessing the JPB's debt burden and its capacity to issue future debt.

Demographic and Economic Information

These schedules present socioeconomic indicators to assist readers in understanding the environment within which the JPB's financial activities take place.

Operating Information

These schedules contain contextual information about the JPB's operations and resources to assist readers in using financial statement information as a tool to understand and assess the JPB's economic condition.

PENINSULA CORRIDOR JOINT POWERS BOARD

FINANCIAL TRENDS – NET POSITION AND CHANGES IN NET POSITION
FISCAL YEARS 2015 THROUGH 2024 (in thousands)

	2024	2023	2022	2021	2020
OPERATING REVENUES:					
Passenger fares	$ 46,896	$ 43,330	$ 33,236	$ 32,440	$ 76,094
Parking, shuttle, and pass revenues	2,299	2,239	2,778	1,547	6,045
Advertising	232	821	412	114	1,469
Other	315	275	1,268	1,108	849
Total operating revenues	49,742	46,665	37,694	35,209	84,457
OPERATING EXPENSES:					
Contract services	128,756	117,289	108,946	122,030	107,037
Insurance	16,480	11,855	6,148	8,473	4,166
Fuel	15,440	15,995	13,491	7,088	9,311
Parking, shuttle, and pass expenses	1,577	1,507	3,254	3,211	5,591
Professional services	3,081	2,445	2,944	11,061	5,535
Wages and benefits	18,113	14,063	11,356	13,068	17,355
Utilities and supplies	3,254	2,836	5,118	2,083	2,059
Maintenance services	1,059	773	609	503	1,391
Temporary services, rent, and other	6,478	5,808	5,298	3,330	4,579
Debt fees	-	716	-	-	-
Total operating expenses	194,238	173,287	157,164	170,847	157,024
Operating loss before depreciation and amortization	(144,496)	(126,622)	(119,470)	(135,638)	(72,567)
Depreciation and amortization	(57,830)	(60,582)	(65,656)	(65,112)	(66,966)
Operating loss	(202,326)	(187,204)	(185,126)	(200,750)	(139,533)
NONOPERATING REVENUES:					
Federal, state, and local operating assistance	20,646	11,644	126,118	129,634	63,044
Transaction and use tax	119,614	121,645	112,620	-	-
Rental income	1,605	1,300	1,237	1,125	534
Investment income	6,426	4,838	679	334	495
Other income	74,610	3,059	3,172	4,085	1,201
Total nonoperating revenues	222,901	142,486	243,826	135,178	65,274
NONOPERATING EXPENSES:					
Interest expense	(2,252)	(2,351)	(2,210)	(2,890)	(2,641)
Expense for noncapitalized projects	(40,902)	(31,059)	(19,954)	-	-
Total nonoperating expenses	(43,154)	(33,410)	(22,164)	(2,890)	(2,641)
Net loss before capital contributions	(22,579)	(78,128)	36,536	(68,462)	(76,900)
Capital contributions	487,287	296,030	468,612	434,567	361,303
Change in net position	464,708	217,902	505,148	366,105	284,403
NET POSITION:					
Beginning of year	3,446,269	3,228,367	2,723,219	2,355,685	2,071,282
Prior period adjustment per GASB 87[1]	-	-	-	1,429	-
Beginning of year, as restated	3,446,269	3,228,367	2,723,219	2,357,114	2,071,282
End of year	$ 3,910,977	$ 3,446,269	$ 3,228,367	$ 2,723,219	$ 2,355,685
COMPONENTS OF NET POSITION:					
Net investment in capital assets	$ 3,558,514	$ 3,304,463	$ 2,947,760	$ 2,652,168	$ 2,312,715
Unrestricted	352,463	141,806	280,607	71,051	42,970
Net position, end of year	$ 3,910,977	$ 3,446,269	$ 3,228,367	$ 2,723,219	$ 2,355,685

[1] Per Governmental Accounting Standards Board (GASB) Statement No. 87 effective as of fiscal year 2022, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.
Source: Current and prior years' Annual Comprehensive Financial Reports.
This table presents revenues and expenses, contributions, depreciation and amortization, and net position components.

2019	2018	2017	2016	2015
$ 102,668	$ 97,050	$ 92,429	$ 86,959	$ 83,351
7,894	7,790	7,911	7,226	5,990
1,050	1,016	370	190	227
1,165	1,180	1,321	1,057	1,194
112,777	107,036	102,031	95,432	90,762
99,541	92,899	89,639	82,942	78,240
4,129	1,188	7,105	35	6,593
11,184	10,322	8,613	8,312	12,118
5,280	5,916	5,629	6,104	5,316
2,068	2,178	1,514	1,618	1,255
16,765	13,911	13,561	12,943	11,501
2,189	2,063	2,179	2,172	2,068
1,643	1,668	1,508	1,054	1,039
4,528	2,782	2,886	2,664	1,981
-	-	-	-	-
147,327	132,927	132,634	117,844	120,111
(34,550)	(25,891)	(30,603)	(22,412)	(29,349)
(78,890)	(100,097)	(83,922)	(93,540)	(75,300)
(113,440)	(125,988)	(114,525)	(115,952)	(104,649)
35,070	25,346	25,489	25,078	27,578
-	-	-	-	-
1,901	2,070	1,861	1,781	1,764
714	93	28	111	242
3,210	1,198	2,413	613	1,006
40,895	28,707	29,791	27,583	30,590
(3,224)	(1,499)	(1,302)	(1,300)	(1,192)
-	-	-	-	-
(3,224)	(1,499)	(1,302)	(1,300)	(1,192)
(75,769)	(98,780)	(86,036)	(89,669)	(75,251)
405,162	321,303	246,767	131,329	115,225
329,393	222,523	160,731	41,660	39,974
1,741,889	1,519,366	1,358,635	1,316,975	1,277,001
-	-	-	-	-
1,741,889	1,519,366	1,358,635	1,316,975	1,277,001
$ 2,071,282	$ 1,741,889	$ 1,519,366	$ 1,358,635	$ 1,316,975
$ 2,030,255	$ 1,707,243	$ 1,484,730	$ 1,323,485	$ 1,282,932
41,027	34,646	34,636	35,150	34,043
$ 2,071,282	$ 1,741,889	$ 1,519,366	$ 1,358,635	$ 1,316,975

PENINSULA CORRIDOR JOINT POWERS BOARD

REVENUE CAPACITY – REVENUE BASE AND REVENUE RATE
FISCAL YEARS 2015 THROUGH 2024

	2024	2023	2022	2021	2020
Passenger fares (in thousands)	$ 46,896	$ 43,330	$ 33,236	$ 32,440	$ 75,789
Revenue Base					
Number of passengers (in thousands)	7,302	6,678	4,055	1,296	13,684
Source: National Transit Database (NTD)					
Four-zone fare structure					
Full adult fare:					
One-way (Ticket Machine)	$ 10.50	$ 10.50	$ 10.50	$ 10.50	$ 10.50
One-way (Clipper Card)	9.95	9.95	9.95	-	-
Day Pass	21.00	21.00	21.00	21.00	21.00
8-ride [1]	-	-	-	-	-
Monthly Pass	238.80	238.80	238.80	298.50	298.50
Eligible discount fare:					
One-way (Ticket Machine)	$ 4.75	$ 4.75	$ 4.75	$ 4.75	$ 4.75
One-way (Clipper Card)	4.60	4.60	4.60	-	-
Day Pass	9.50	10.50	10.50	10.50	10.50
8-ride [1]	-	-	-	-	-
Monthly pass	110.40	110.40	110.40	138.00	138.00

[1] 8-ride tickets replaced 10-ride tickets effective on March 2, 2009. 8-ride tickets were discontinued on October 1, 2017.

Source: ACFRs, Caltrain codified tariff, and Caltrain board reports on passenger counts; National Transit Database.

This table presents passenger fares, number of passengers, and four-zone revenue fare structure.

FY2024 Caltrain ridership is preliminary and subject to change

2019	2018	2017	2016	2015
$ 102,668	$ 97,050	$ 92,429	$ 86,959	$ 83,351
17,797	18,944	18,743	19,233	18,567
$ 10.50	$ 10.50	$ 9.75	$ 9.75	$ 9.25
-	-	-	-	-
21.00	21.00	19.50	19.50	18.50
-	-	68.10	68.10	64.75
298.50	278.60	243.80	243.80	232.00
$ 4.75	$ 4.75	$ 4.75	$ 4.75	$ 4.50
-	-	-	-	-
10.50	10.50	9.75	9.75	9.25
-	-	34.05	34.05	32.25
138.00	128.80	121.90	121.90	116.00

PENINSULA CORRIDOR JOINT POWERS BOARD

REVENUE CAPACITY – PRINCIPAL REVENUE PAYERS
FISCAL YEAR ENDED JUNE 30, 2024

The JPB does not have major revenue payers as most of the operating revenues are derived from passenger fares.

PENINSULA CORRIDOR JOINT POWERS BOARD

DEBT CAPACITY – RATIO OF OUTSTANDING DEBT
FISCAL YEARS 2015 THROUGH 2024 (in thousands)

Fiscal Year	Revenue Bonds (in thousands)[1]	Personal Income for San Mateo County[2]	As a Percent of Personal Income
2024	$ 220,164	$ 121,059	181.865%
2023	222,771	117,533	189.539%
2022	225,320	114,109	197.460%
2021	54,890	110,787	49.546%
2020	55,153	107,560	51.276%
2019	55,417	101,056	54.838%
2018	34,496	96,306	35.819%
2017	34,514	89,223	38.683%
2016	34,532	81,489	42.376%
2015	34,551	78,525	44.000%

[1] Source: Current and prior years' Annual Comprehensive Financial Reports.

[2] Data include retroactive revisions by the U.S. Department of Commerce, Bureau of Economic Analysis. Personal Income and Per Capital Personal Income data for 2022, 2023, and 2024 is based on an estimated three percent annual increase over 2021.

Source data for table is the FY23 San Mateo County Annual Comprehensive Financial Report.

This table presents the capacity of the JPB to issue Revenue Bonds based on the total personal income for San Mateo County.

PENINSULA CORRIDOR JOINT POWERS BOARD

DEBT CAPACITY – BONDED DEBT
FISCAL YEARS 2015 THROUGH 2024 (in thousands)

Fiscal Year	Revenue Bonds	Operating Contributions / Transaction and Use Tax	As a Percent of Operating Contributions / Transaction and Use Tax
2024	$ 220,164	$ 119,614	184.1%
2023	222,771	121,645	183.1%
2022	225,320	112,620	200.1%
2021	54,890	28,538	192.3%
2020	55,153	28,035	196.7%
2019	55,417	25,448	217.8%
2018	34,496	20,448	168.7%
2017	34,514	20,448	168.8%
2016	34,532	19,727	175.0%
2015	34,551	19,829	174.2%

Source: Current and prior years' Annual Comprehensive Financial Reports.

This table presents the capacity of the JPB to issue Revenue Bonds based on the total member contributions from the District, VTA, and CCSF and the Measure RR transaction and use tax since fiscal year 2023.

DEBT CAPACITY – DIRECT AND OVERLAPPING DEBT
FISCAL YEAR ENDED JUNE 30, 2024

The JPB does not have overlapping debt with other governmental agencies.

PENINSULA CORRIDOR JOINT POWERS BOARD

DEBT CAPACITY – DEBT LIMITATIONS
FISCAL YEAR ENDED JUNE 30, 2024

The JPB does not have a legal debt limit.

PENINSULA CORRIDOR JOINT POWERS BOARD

DEBT CAPACITY – PLEDGED REVENUE COVERAGE
FISCAL YEARS 2015 THROUGH 2024 (in thousands)

Fiscal Year	Pledged Revenue	Debt Service (Farebox Revenue Bonds) Principal	Interest	Total	Debt Coverage
2024	$ 49,742	$ 1,235	$ 2,236	$ 3,511	14
2023	46,665	1,175	2,296	3,471	13
2022	37,694	1,120	2,354	3,474	11
2021	35,206	-	2,382	2,382	15
2020	84,458	-	2,283	2,283	37
2019	112,777	-	1,451	1,451	78
2018	107,036	-	1,282	1,282	83
2017	102,031	-	1,292	1,292	79
2016	95,433	-	1,282	1,282	74
2015	90,763	-	1,148	1,148	79

Year	Pledged Revenue	Debt Service (Measure RR Sales Tax Revenue Bonds) Principal	Interest	Total	Debt Coverage
2024	$ 119,614	$ -	$ 7,000	$ 7,000	17
2023	121,645	-	7,000	7,000	17
2022	112,620	-	1,731	1,731	65

Source: Current and prior years' Annual Comprehensive Financial Reports.

These tables present the relationship between total farebox and Measure RR transaction and use tax revenues and total principal and interest payments, as well as the JPB's ability to meet its debt obligations.

PENINSULA CORRIDOR JOINT POWERS BOARD

SALES TAX RECEIPTS – COUNTY OF SAN MATEO
FISCAL YEARS 2023 AND 2014 (in thousands)

	2023			2014		
Major Industry Group	Rank	Percent of Sales Receipts	Amount	Rank	Percent of Sales Receipts	Amount
County And State Pool	1	20.5%	$ 44,900	3	13.4%	$ 20,334
Autos And Transportation	2	16.8%	36,872	2	17.7%	26,816
General Consumer Goods	3	15.0%	32,866	1	21.0%	31,760
Business And Industry	4	14.2%	31,221	5	11.1%	16,782
Restaurants And Hotels	5	13.2%	28,993	4	12.7%	19,185
Building And Construction	6	8.2%	17,907	7	8.3%	12,611
Fuel And Service Stations	7	7.6%	16,663	6	10.8%	16,337
Food And Drugs	8	4.4%	9,709	8	5.1%	7,710
Transfers And Unidentified	9	0.1%	271	9	0.0%	62
Total			**$ 219,402**			**$ 151,597**

Source: County-wide sales tax receipts provided for the County of San Mateo by Major Industry Group by Hinderliter, de Llamas and Associates (HDL).

PENINSULA CORRIDOR JOINT POWERS BOARD

SALES TAX RECEIPTS – CITY AND COUNTY OF SAN FRANCISCO
FISCAL YEARS 2023 AND 2014 (in thousands)

	2023			2014		
Major Industry Group	**Rank**	**Percent of Sales Receipts**	**Amount**	**Rank**	**Percent of Sales Receipts**	**Amount**
Restaurants And Hotels	1	25.4%	$ 50,038	2	24.8%	$ 44,909
County And State Pool	2	23.6%	46,586	3	16.4%	29,606
General Consumer Goods	3	18.9%	37,398	1	26.8%	48,563
Business And Industry	4	9.6%	18,876	4	10.2%	18,527
Food And Drugs	5	5.7%	11,204	6	5.8%	10,563
Building And Construction	6	5.6%	11,042	7	4.9%	8,818
Fuel And Service Stations	7	5.5%	10,858	5	6.1%	11,074
Autos And Transportation	8	5.5%	10,827	8	4.8%	8,777
Transfers And Unidentified	9	0.3%	530	9	0.1%	158
Total			**$ 197,359**			**$ 180,995**

Source: County-wide sales tax receipts provided for the City and County of San Francisco by Major Industry Group by Hinderliter, de Llamas and Associates (HDL).

PENINSULA CORRIDOR JOINT POWERS BOARD

SALES TAX RECEIPTS – COUNTY OF SANTA CLARA
FISCAL YEARS 2023 AND 2014 (in thousands)

	2023			2014		
Major Industry Group	**Rank**	**Percent of Sales Receipts**	**Amount**	**Rank**	**Percent of Sales Receipts**	**Amount**
Business And Industry	1	27.9%	$ 161,526	1	24.1%	$ 94,270
County And State Pool	2	18.8%	108,732	3	14.8%	58,002
General Consumer Goods	3	13.6%	78,663	2	19.7%	76,806
Autos And Transportation	4	13.3%	76,938	4	12.1%	47,450
Restaurants And Hotels	5	11.2%	65,061	5	10.7%	41,636
Building And Construction	6	6.7%	39,029	7	7.1%	27,928
Fuel And Service Stations	7	5.0%	28,965	6	7.5%	29,369
Food And Drugs	8	3.3%	18,829	8	3.9%	15,293
Transfers And Unidentified	9	0.2%	1,039	9	0.0%	36
Total			**$ 578,782**			**$ 390,790**

Source: County-wide sales tax receipts provided for the County of Santa Clara by Major Industry Group by Hinderliter, de Llamas and Associates (HDL).

PENINSULA CORRIDOR JOINT POWERS BOARD

DEMOGRAPHICS AND ECONOMIC INFORMATION – POPULATION, INCOME, AND UNEMPLOYMENT RATES – COUNTY OF SAN MATEO
FISCAL YEARS 2015 THROUGH 2024

Fiscal Year	Population [1]	Total Personal Income (in millions) [2]	Per Capita Personal Income [2]	Average Unemployment Rates [3]
2024	734,481 *	$ 129,401 *	$ 175,366 *	3.50%
2023	737,644	125,632 *	170,259 *	3.10%
2022	740,821	121,973 *	165,300 *	2.10%
2021	751,596	118,420	160,485	5.00%
2020	771,061	108,470	142,264	10.80%
2019	774,231	100,799	131,180	2.20%
2018	772,372	96,226	124,705	2.50%
2017	770,256	89,149	115,556	2.90%
2016	765,895	81,488	106,115	3.30%
2015	759,155	78,525	102,639	3.30%

[1] Data include retroactive revisions by the State of California Department of Finance, Demographic Research Unit.

[2] Data include retroactive revisions by the U.S. Department of Commerce Bureau of Economic Analysis.

[3] Data include retroactive revisions by the State of California Employment Development Department. Unemployment rates are non-seasonally adjusted for June.

*2024 Population estimate is based on 0.42% decline from 2022 to 2023.

*Total Personal Income and Per Capital Personal Income data for 2022, 2023 and 2024 is based on an estimated three percent annual increase over 2021. Source data for table is FY23 San Mateo County ACFR.

Source: County of San Mateo fiscal year 2023 Annual Comprehensive Financial Report.

This table highlights San Mateo County's total population, total personal and per capita income, and percentage of unemployed residents.

DEMOGRAPHICS AND ECONOMIC INFORMATION – POPULATION, INCOME, AND UNEMPLOYMENT RATES – CITY AND COUNTY OF SAN FRANCISCO
FISCAL YEARS 2015 THROUGH 2024

Fiscal Year	Population [1]	Total Personal Income (in millions) [2]	Per Capita Personal Income [2]	Average Unemployment Rates [3]
2024	787,829 *	$ 141,355 *	$ 174,851 *	3.60%
2023	798,206	137,238	169,758	2.70%
2022	808,437	133,601	165,259	3.30%
2021	811,253	131,601	161,532	6.90%
2020	870,939	122,788	141,072	4.80%
2019	881,549	117,636	133,442	2.30%
2018	880,696	115,445	131,083	2.60%
2017	879,166	106,007	120,576	3.10%
2016	876,103	96,161	109,760	3.40%
2015	862,004	89,533	103,867	4.00%

[1] US Census Bureau. Fiscal years 2020, 2021, and 2022 were updated from last year's ACFR with newly available data.

[2] US Bureau of Economic Analysis. Fiscal years 2020, 2021, and 2022 were updated from last year's ACFR with newly available data.

[3] California Employment Development Department.

*2024 Population estimate is based on 1.3% decline from 2022 to 2023.
*Personal Income and Per Capital Personal Income data for 2024 is based on an estimated three percent annual increase over 2023. Source data for table is FY23 San Francisco County ACFR.

This table highlights City and County of San Francisco's total population, total personal and per capita income, and percentage of unemployed residents.

DEMOGRAPHICS AND ECONOMIC INFORMATION – POPULATION, INCOME, AND UNEMPLOYMENT RATES – COUNTY OF SANTA CLARA
FISCAL YEARS 2015 THROUGH 2024

Year	Population [1]		Total Personal Income (in millions) [2]		Per Capita Personal Income [2]		Average Unemployment Rates [3]
2024	1,877,403	*	$ 290,268	*	$ 153,193	*	4.10%
2023	1,886,079		281,813	*	148,731	*	3.70%
2022	1,894,783		273,605		144,399		2.20%
2021	1,934,171		268,316		138,724		5.20%
2020	1,961,969		235,835		123,661		10.70%
2019	1,954,286		223,625		115,997		2.60%
2018	1,956,598		209,020		107,877		2.90%
2017	1,938,180		190,002		98,032		3.50%
2016	1,927,888		170,673		88,920		4.00%
2015	1,889,638		158,729		82,756		4.60%

[1] Data include retroactive revisions by the State of California Department of Finance, Demographic Research Unit.

[2] US Department of Commerce - Bureau of Economic Analysis. Actual data is available through 2022. Years 2023 and 2024 data are preliminary and assume a 3% increase over prior year.

[3] California Employment Development Department.

*2024 Population estimate is based on 0.46% decline from 2022 to 2023.

*Total Personal Income and Per Capital Personal Income data for 2023 and 2024 is based on an estimated three percent annual increase over 2022. Source data for table is FY23 Santa Clara County ACFR

This table highlights Santa Clara County's total personal and per capita income, and percentage of employed residents.

Source: Santa Clara County FY2023 ACFR.

PENINSULA CORRIDOR JOINT POWERS BOARD

DEMOGRAPHICS AND ECONOMIC INFORMATION – PRINCIPAL EMPLOYERS – COUNTY OF SAN MATEO
FISCAL YEARS 2022 AND 2014

		2022*			2014		
Employers in San Mateo County	**Business Type**	**Number of Employees**	**Rank**	**Percent of Total County Employment**	**Number of Employees**	**Rank**	**Percent of Total County Employment**
Meta (Facebook Inc.)	Social Network	21,000	1	4.75%	3,957	5	0.96%
Oracle Corp.	Hardware and Software	12,140	2	2.75%	6,750	3	1.63%
Genentech Inc.	Biotechnology	10,000	3	2.26%	9,800	2	2.37%
United Airlines	Airline	8,700	4	1.97%	10,000	1	2.42%
County of San Mateo	Government	5,794	5	1.31%	5,472	4	1.32%
Gilead Sciences Inc.	Biotechnology	4,500	6	1.02%	3,115	8	0.75%
Visa USA/Visa International	Global Payments Technology	4,092	7	0.93%	3,500	7	0.85%
Alaska Airlines	Airline	4,000	8	0.91%			
YouTube	Online Video-Streaming Platform	2,400	9	0.54%			
Electronic Arts Inc.	Video Game Developer and Publisher	1,770	10	0.40%			
Kaiser Permanente	Healthcare	n/a		n/a	3,900	6	0.94%
Mills-Peninsula Health Services	Healthcare	n/a		n/a	2,500	9	0.61%
San Mateo Community College	College	n/a		n/a	2,285	10	0.56%
Total		74,396		16.84%	51,279		12.41%

* The latest information available for principal employers in the County.

This table presents the top 10 principal employers in San Mateo County for 2022 and 2014.

Source: San Francisco Business Times - 2023 Book of Lists; California Employment Development Department (provided by San Mateo County Controller's office) from the FY2023 County of San Mateo ACFR.

PENINSULA CORRIDOR JOINT POWERS BOARD

DEMOGRAPHICS AND ECONOMIC INFORMATION – PRINCIPAL EMPLOYERS – CITY AND COUNTY OF SAN FRANCISCO
FISCAL YEARS 2021 AND 2012

	2021*			2012*		
Employers in San Francisco City and County	Number of Employees	Rank	Percent of Total City Employment	Number of Employees	Rank	Percent of Total City Employment
City and County of San Francisco	35,802	1	6.38%	25,458	1	5.33%
University of California, San Francisco	29,500	2	5.26%	22,664	2	4.74%
Salesforce	10,603	3	1.89%	4,000	9	0.84%
San Francisco Unified School District	10,322	4	1.84%	8,189	5	1.71%
Sutter Health	6,100	5	1.09%			
Wells Fargo & Co	5,899	6	1.05%	8,300	4	1.74%
Uber Technologies Inc.	5,500	7	0.98%			
Allied Universal	4,095	8	0.72%			
Kaiser Permanente	3,921	9	0.70%	3,581	10	0.75%
First Republic Bank	3,042	10	0.54%			
PG&E Corporation				4,415	7	0.92%
California Pacific Medical Center				8,559	3	1.79%
Gap, Inc				6,000	6	1.26%
State of California				4,184	8	0.88%
Total	114,784		20.45%	95,350		19.96%
Total City and County Employment	561,308			477,650		

* The latest information available for principal employers in the County.

This table presents the top 10 principal employers in San Francisco City and County for 2021 and 2012.

Source: FY2023 County of San Francisco ACFR. City and County of San Francisco data is provided by Office of the Controller's Payroll and Personnel Services Division. The University of California, SF data is from the Data Source Corporate Personnel Data Warehouse. All other data is obtained from the San Francisco Business Times Book of Lists.

PENINSULA CORRIDOR JOINT POWERS BOARD

DEMOGRAPHICS AND ECONOMIC INFORMATION – PRINCIPAL EMPLOYERS – COUNTY OF SANTA CLARA
FISCAL YEARS 2023 AND 2014

	2023*			2014		
Company or Organization	**Estimated Number of Employees**	**Rank**	**Percent of Total County Employment**	**Estimated Number of Employees**	**Rank**	**Percent of Total County Employment**
Google LLC	44,244	1	4.40%	11,000	6	1.25%
Tesla Motors Inc.	30,000	2	2.98%			
Apple Inc.	25,000	3	2.49%	15,000	3	1.71%
Meta Platforms Inc. (formerly Facebook Inc.)	22,515	4	2.24%			
County of Santa Clara	21,590	5	2.15%	16,408	2	1.87%
Cisco Systems Inc.	18,500	6	1.84%	16,819	1	1.91%
Stanford University	16,963	7	1.69%	14,641	4	1.66%
Stanford Health Care (formerly Hospital & Clinics)	10,847	8	1.08%	8,451	7	0.96%
University of California Santa Cruz	8,671	9	0.86%			
City of San Jose	8,134	10	0.81%	5,650	10	0.64%
Kaiser Permanente Northern California	n/a			13,500	5	1.53%
Lockheed Martin Space Systems Co.	n/a			6,400	8	0.73%
Intel Corporation	n/a			5,800	9	0.66%
Total - Top 10 Employers	206,464			113,669		
Total County Employment	1,005,500			865,900		

* The latest information available for principal employers in the County.

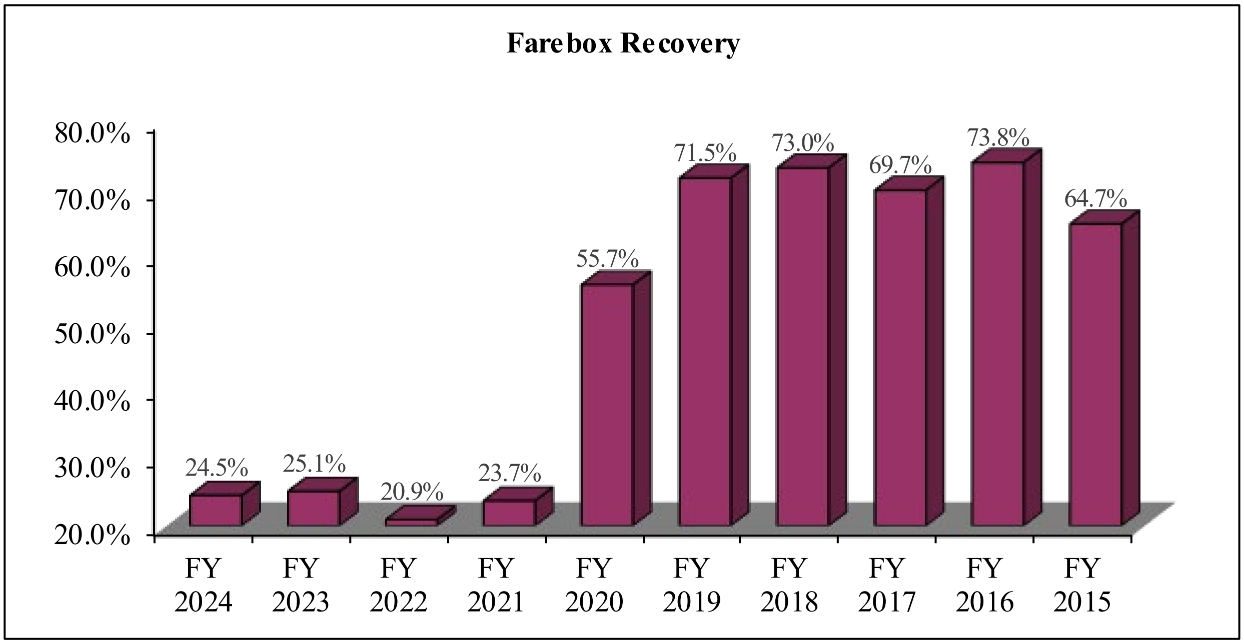
This table presents the top 10 principal employers in Santa Clara County for 2023 and 2014.

Source: County Employment Data is from California Employee Development Department. FY2023 Estimated number of employees is from Silicon Valley/San Jose Business Journal July 21-27-2023 from the FY2023 County of Santa Clara ACFR.

OPERATING INFORMATION – FAREBOX RECOVERY AND PASSENGER MILES
FISCAL YEARS 2015 THROUGH 2024

FAREBOX RECOVERY

The farebox recovery table shows the relationship between total passenger fares and operating expenses. The Board of Directors (Board) adopted a farebox recovery rate goal minimum of 65 percent effective December 2018. The COVID-19 pandemic has significantly impacted ridership and farebox.

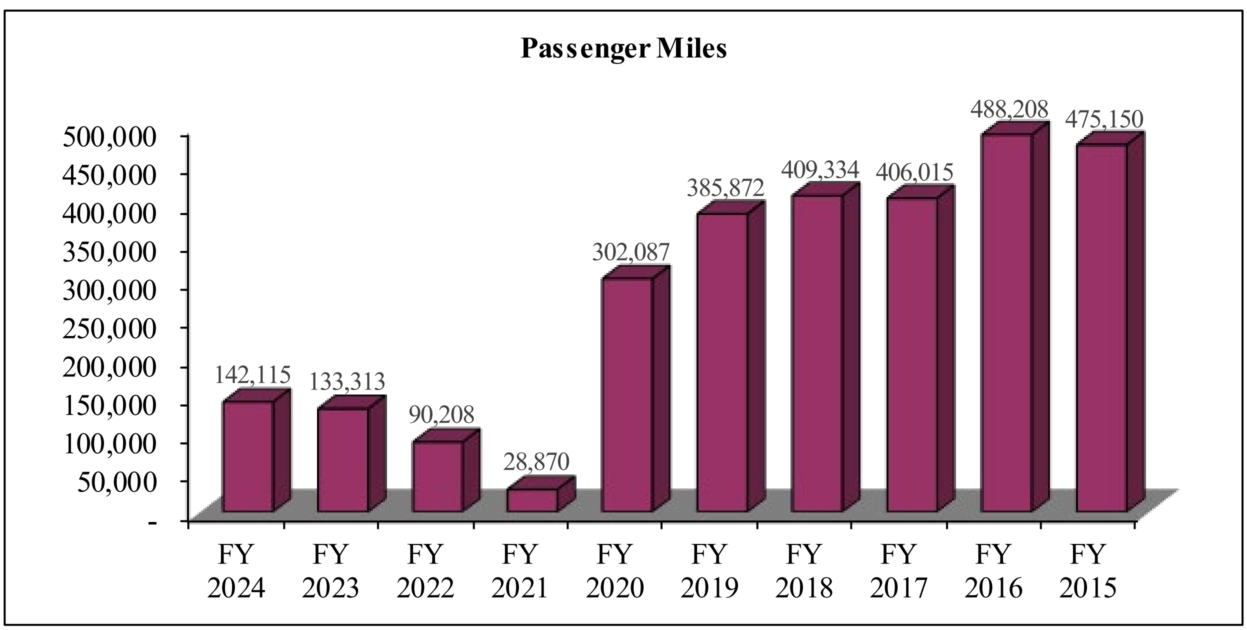


PASSENGER MILES

(in thousands)

Total passenger miles

Caltrain moved to a 104 weekday train schedule at the end of August 2021.



Source: The JPB's National Transportation Database.

PENINSULA CORRIDOR JOINT POWERS BOARD

OPERATING INFORMATION – EMPLOYEES (FULL-TIME EQUIVALENTS)
FISCAL YEARS 2015 THROUGH 2024

	FULL-TIME EQUIVALENTS (FTEs)									
DIVISION	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
BUS OPERATORS	1.20	-	-	-	-	-	-	-	-	-
CALTRAIN MODERNIZATION PROGRAM	6.50	-	-	-	-	-	-	-	-	-
COMMUNICATIONS	26.45	-	-	-	-	-	-	-	-	-
FINANCE	23.48	-	-	-	-	-	-	-	-	-
PEOPLE AND CULTURE	4.78	-	-	-	-	-	-	-	-	-
PLANNING	3.98	-	-	-	-	-	-	-	-	-
RAIL OPERATIONS	143.11	-	-	-	-	-	-	-	-	-
SAFETY AND SECURITY	5.75	-	-	-	-	-	-	-	-	-
EXECUTIVE	1.60	4.61	0.90	0.90	0.90	0.52	0.52	0.56	0.70	0.76
PUBLIC AFFAIRS	-	-	-	-	-	-	-	-	5.35	4.80
OPERATIONS, ENGINEERING, AND CONSTRUCTION	-	128.91	94.12	95.19	79.13	84.38	62.60	42.88	51.64	49.64
PLANNING AND DEVELOPMENT	-	7.61	7.79	8.08	8.09	7.00	6.70	8.45	6.43	5.95
FINANCE AND ADMINISTRATION	-	26.12	26.21	27.74	28.96	28.10	29.86	33.71	29.44	29.40
CALTRAIN MODERNIZATION PROGRAM	-	8.00	9.00	9.00	9.00	9.00	17.45	8.25	9.95	5.95
CUSTOMER SERVICE AND MARKETING	-	21.12	18.20	18.41	17.34	15.09	16.79	24.01	11.27	11.14
TOTAL FTEs	216.85	196.37	156.22	159.32	143.42	144.09	133.92	117.85	114.78	107.64

Note: The organization went through a reorganization in FY2024.

This table presents the total full-time equivalents (FTEs) by division.

Source: JPB's annual capital and operating budget.

PENINSULA CORRIDOR JOINT POWERS BOARD

OPERATING INFORMATION – CAPITAL ASSETS (in thousands)
FISCAL YEARS 2015 THROUGH 2024

	2024	2023	2022	2021	2020
Depreciable and amortized capital assets					
Right-of-way improvements	$ 1,202,363	$ 1,202,236	$ 1,199,128	$ 1,188,736	$ 1,192,985
Rail vehicles	339,502	338,413	338,072	337,025	333,025
Facilities and equipment	148,840	145,879	145,177	145,065	145,121
Office equipment	13,817	13,765	13,750	13,767	13,354
Total depreciable and amortized capital assets	1,704,522	1,700,293	1,696,127	1,684,593	1,684,485
Accumulated depreciation and amortization					
Right-of-way improvements	(851,586)	(807,602)	(761,680)	(710,610)	(666,113)
Rail vehicles	(289,713)	(281,841)	(273,766)	(265,139)	(258,608)
Facilities and equipment	(87,906)	(83,292)	(78,725)	(74,279)	(70,530)
Office equipment	(13,713)	(13,645)	(13,467)	(13,306)	(13,229)
Total accumulated depreciation and amortization	(1,242,918)	(1,186,380)	(1,127,638)	(1,063,334)	(1,008,480)
Non-depreciable capital assets					
Right-of-way	237,254	237,254	236,968	236,968	236,340
Construction in progress	3,102,854	2,775,062	2,424,021	1,840,831	1,447,512
Intangible asset - trackage rights*	8,000	8,000	8,000	8,000	8,000
Total non-depreciable capital assets	3,348,108	3,020,316	2,668,989	2,085,799	1,691,852
Capital assets, net	$ 3,809,712	$ 3,534,229	$ 3,237,478	$ 2,707,058	$ 2,367,857

* Per GASB Statement No. 51 effective as of fiscal year 2009, trackage rights are a non-depreciable capital asset. The activity for fiscal year 2009 has been restated to reflect the change.

Source: Annual Comprehensive Financial Reports.

This table presents the total non-depreciable capital assets, total depreciable capital assets, and total accumulated depreciation and amortization.

2019	2018	2017	2016	2015
$ 1,183,600	$ 1,170,025	$ 1,131,890	$ 1,033,142	$ 972,866
333,787	333,572	312,738	300,680	284,023
136,599	130,231	130,942	128,365	128,584
14,529	18,129	2,669	1,085	1,084
1,668,515	1,651,957	1,578,239	1,463,272	1,386,557
(632,433)	(579,398)	(515,275)	(452,151)	(399,280)
(246,236)	(230,537)	(206,161)	(190,840)	(161,494)
(66,271)	(61,357)	(57,522)	(52,459)	(48,396)
(13,927)	(9,105)	(1,342)	(928)	(854)
(958,867)	(880,397)	(780,300)	(696,378)	(610,024)
233,711	226,973	226,972	226,972	226,972
1,124,618	735,025	486,333	356,152	305,977
8,000	8,000	8,000	8,000	8,000
1,366,329	969,998	721,305	591,124	540,949
$ 2,075,977	$ 1,741,558	$ 1,519,244	$ 1,358,017	$ 1,317,482

Peninsula Corridor Joint Powers Board
Staff Report

To:	JPB Board of Directors
Through:	Michelle Bouchard, Executive Director
From:	Dahlia Chazan, Chief, Planning
Subject:	**Authorize the Executive Director to Execute the Necessary Agreements and Amendments for Reimbursement and to Act as the Project Lead to Deliver Preliminary Engineering and Environmental Clearance Work for the Connecting Palo Alto Project**

☐ Finance Committee Recommendation ☒ Technology, Operations, Planning, and Safety Committee Recommendation ☐ Advocacy and Major Projects Committee Recommendation

Purpose and Recommended Action

Staff recommends that the Board of Directors (Board) of the Peninsula Corridor Joint Powers Board (JPB or Caltrain):

1) Authorize the Executive Director, or designee, to execute a Cooperative Agreement (Agreement) for reimbursement with the City of Palo Alto (City) and the Valley Transportation Authority (VTA) to act as the project lead to deliver preliminary engineering and environmental clearance work for the Connecting Palo Alto Project (Project) for $17,000,000 of reimbursable Caltrain expenses; and
2) Amend the Project budget from $106,676 to $17,106,676, to include additional $17,000,000 reimbursable expenses from the Agreement.

Discussion

The City of Palo Alto is the project sponsor for a proposed grade crossing separation project of the Caltrain right-of-way (“ROW”) at Churchill Avenue, Meadow Drive, and Charleston Road in Palo Alto. The Project envisions separating these roads from the Caltrain rail alignment at these three current at-grade crossings, respectively located at mileposts 30.88, 32.86, and 33.20. Additionally, the Project would include a new bicycle and pedestrian undercrossing at Seale Avenue. Because of their proximity, the crossings at Meadow Drive and Charleston Road are being studied together. The crossing at Churchill Avenue is linked to a bicycle and pedestrian undercrossing planned at Seale Avenue.

Caltrain previously entered into a service agreement with the City, authorized by the Board on June 1, 2023, for $106,677. This agreement provided a framework for Caltrain staff to assist the City in the development and review of five conceptual designs for this project, with the goal of selecting alternatives for each crossing to be advanced to the preliminary engineering and environmental review phase. In June 2024, Palo Alto’s City Council confirmed the following alternatives for further study, which will be the focus of this Agreement:

- Churchill Avenue Partial Underpass alternative, paired with a bicycle and pedestrian undercrossing at Seale Avenue
    - Churchill Avenue Closure as a backup
- Meadow Drive/Charleston Road Hybrid
- Meadow Drive/Charleston Road Underpass

The scope of work for this Agreement is to refine these alternatives with the intention of selecting preferred alternatives at each location. The Project will then advance to perform preliminary engineering to 35 percent design and National Environmental Protection Act (NEPA) and California Environmental Quality Act (CEQA) clearance work. Caltrain will be the lead for all technical work. Caltrain will also lead the public engagement process, in close coordination with the City.

VTA has allocated $14,000,000 through Measure B for this work and the City has secured $6,000,000 through the Federal Railroad Administration (FRA) Rail Crossing Elimination Program, for a total project budget of $20,000,000. The parties have budgeted $17,000,000 from the total project budget for Caltrain's work on the Project.

Budget Impact

The execution of the Agreement with the City of Palo Alto will provide funding for the project beginning in Fiscal Year 2025 and increase the total project budget by $17,000,000 from $106,676 to $17,106,676. A separate capital budget amendment item will be presented to the board for approval in January.

Prepared By:	Michael Rabinowitz	Principal Planner	(650) 551-6150

Resolution No. 2024-

Board of Directors, Peninsula Corridor Joint Powers Board
State of California

* * *

Authorize the Executive Director to Execute the Necessary Agreements and Amendments for Reimbursement and to Act as the Project Lead to Deliver Preliminary Engineering and Environmental Clearance Work for the Connecting Palo Alto Project

Whereas, the Peninsula Corridor Joint Powers Board (JPB) is a public agency existing under the laws of the State of California and operates commuter rail passenger service ("Caltrain") along a seventy-seven (77) mile route between San Francisco and Gilroy, California; and

Whereas, the Santa Clara Valley Transportation Authority (VTA), is a public agency existing under the laws of the State of California and is a member agency of the JPB and is authorized to design, fund, and construct transportation improvements in and near the County of Santa Clara; and

Whereas, the City of Palo Alto, is a California charter city and municipal corporation ("City"), is the sponsor of the Connecting Palo Alto Project; and

Whereas, on November 8, 2016, the voters of Santa Clara County enacted 2016 Measure B for 30 years to pay for nine transportation-related program categories ("2016 Measure B"); and

Whereas, on October 5, 2017, the VTA Board of Directors established the 2016 Measure B Program and adopted the 2016 Measure B Program Category Guidelines; and

Whereas, 2016 Measure B includes a "Caltrain Grade Separations" program category for the purpose of funding grade separation projects along the Caltrain corridor in the cities of Sunnyvale, Mountain View, and Palo Alto, separating the Caltrain tracks from roadways to provide increased safety benefits for drivers, bicyclists, and pedestrians and also reduce congestion at the intersections ("Grade Separation Program Projects"); and

(00488531)

Whereas, the implementation of the Grade Separation Program Projects will enable Caltrain to operate more frequent service without negatively impacting local traffic while also making rail operations safer by separating rail operations from local streets; and

Whereas, the JPB is responsible for the safe and reliable operation of its train service and the passengers who use it, and the JPB retains responsibility for the final design and construction of Grade Separation Program Projects occurring on its right of way; and

Whereas, VTA is responsible for the allocation and use of the 2016 Measure B funding for the Grade Separation Program Projects and will provide oversight, guidance, and support throughout all applicable phases of the Grade Separation Program Projects; and

Whereas, the City of Palo Alto is responsible for the provision of non-2016 Measure B Contribution Requirement to sponsor Grade Separation Program Projects within Palo Alto; and

Whereas, the JPB, the City and VTA desire to grade-separate the Churchill Avenue, Meadow Drive and Charleston Road at-grade crossings. The City, VTA and JPB staff believe that the best approach is for the JPB to act as the lead implementing agency, with VTA providing funding and oversight and the City serving as the project sponsor and funding partner to advance the project through preliminary engineering and CEQA/NEPA environmental clearance; and

Whereas, the Caltrain FY2024 Capital Budget includes $106,677 for the Connecting Project, and once the City Council accepts the Cooperative Agreement under preparation between the VTA, City, and JPB, the Executive Director may execute the Cooperative Agreement for the VTA and City to provide funding for JPB to act as the project lead to deliver preliminary engineering and environmental clearance work; and

Whereas, the JPB, City and VTA desire to proceed with the next phase of the project including completion of preliminary engineering and environmental clearance, which is estimated to be approximately $20,000,000, with Caltrain allotted $17,000,000, with costs covered solely by the City and VTA; and

Whereas, the Staff Coordinating Council recommends the Board:

1. Authorize the Executive Director, or designee, to execute a Cooperative Agreement for reimbursement with the City of Palo Alto and the Valley Transportation Authority to Act as the project lead to deliver preliminary engineering and environmental clearance work for the Connecting Palo Alto Project for $17,000,000 of reimbursable Caltrain expenses; and
2. Amend the Project budget from $106,677 to $17,106,677, to include additional $17,000,000 reimbursable expenses from the Agreement.

Now, Therefore, Be It Resolved that the Board of Directors of the Peninsula Corridor Joint Powers Board hereby authorize the Executive Director, or designee, execute the necessary agreements to receive funds for reimbursable Caltrain expenses to support the completion of preliminary engineering and design and CEQA/NEPA environmental clearance for the Connecting Palo Alto project for $17,000,000 of reimbursable Caltrain expenses; and

Be It Further Resolved that the Board of Directors authorizes the amendment of the project budget from $106,677 to $17,106,677.

Regularly passed and adopted this 5th day of December 2024 by the following vote:

Ayes:

Noes:

Absent:

Chair, Peninsula Corridor Joint Powers Board

Attest:

Acting JPB Secretary

(00488531)

Peninsula Corridor Joint Powers Board
Staff Report

To: JPB Board of Directors

Through: Michelle Bouchard, Executive Director

From: Dave Covarrubias, Deputy Chief Financial Officer; John Hogan, Chief Operating Officer, Rail

Subject: **Award Contract to US Rail Systems for Electrified Rail Support Services**

☐ Finance Committee Recommendation ☒ Technology, Operations, Planning, and Safety Committee Recommendation ☐ Advocacy and Major Projects Committee Recommendation

Purpose and Recommended Action

Staff proposes the JPB Technology, Operations, Planning, and Safety (TOPS) Committee recommend that the Board of Directors (Board) of the Peninsula Corridor Joint Powers Board (JPB):

1. Award a single-source contract to US Rail Systems of Los Angeles, California (US Rail Systems) to provide Electrified Rail Support Services (Services) for a total not-to-exceed amount of $1,545,620 for a two-year term.
2. Authorize the Executive Director or designee to execute a contract with US Rail Systems in full conformity with the terms and conditions set forth in the negotiated agreement, and in a form approved by legal counsel.

Discussion

The Peninsula Corridor Electrification Project (PCEP) is substantially complete and Caltrain has launched electrified revenue service, with responsibility for the traction electrification system now transferred from the electrification contractor to the JPB. TransitAmerica Services, Inc. (TASI) will perform day-to-day operations and maintenance activities. As neither the JPB nor TASI has direct experience in the role of Owner's Engineer for electrified service, the JPB requires additional expertise to perform the requisite related functions and has an immediate need for experienced personnel with specialized expertise and knowledge of traction power systems to support the initial stages of electrified service. It will take time for the JPB to recruit full-time employees who have such specialized knowledge and skillsets.

In April 2024, per Resolution 2024-30, the Board authorized the award of a contract for these same services for two years to United Engineering & Construction Management of Los Angeles, California (United ECM) for a total not-to-exceed amount of $1,694,335. However, due to the departure of key personnel, who left to join US Rail Systems, has rendered United ECM unable to fulfill the immediate need to provide the Services to support Caltrain. Consequently, the contract with United ECM is no longer viable and the JPB terminated the contract before any work was undertaken or expenses incurred.

Single Source Justification

US Rail Systems' proposal demonstrates that it is uniquely qualified to serve as the Owner's Engineer of the electrified services, and to provide the necessary resources to help manage the PCEP contractor handover, including ongoing staff training and development of standard operating procedures to ensure safe and reliable operations for electrified train service.

Staff evaluated US Rail Systems experience, qualifications, and expertise to provide the Services and determined they aligned well with the scope of services requirements. US Rail Systems has an experienced bench of employees who have worked on high-speed and electrified rail systems in Europe and are able to bring this experience to Caltrain's rail modernization implementation. In addition, their personnel worked with PCEP's design-build contractor, Balfour Beatty Infrastructure, Inc., during construction as the technical lead for Caltrain's traction power, Overhead Catenary System (OCS), and Supervisory Control and Data Acquisition (SCADA) systems, giving them unique insight into Caltrain's systems. Furthermore, US Rail Systems understanding of traction power systems, regulatory compliance, and best practices is commendable. Retaining the expertise of US Rail Systems will significantly mitigate the risks of major disruptions to electrified operations. Conversely, working with a new firm that is unfamiliar with Caltrain's traction power, OCS, and SCADA systems during this work could present a substantial risk.

Price Analysis

Staff conducted a price analysis of US Rail Systems negotiated price proposal and determined that the price is fair and reasonable. This negotiated price was about $150,000 less than the original contract price with United ECM.

Budget Impact

Funds to support this contract are included in the Fiscal Year 2025 Adopted Operating Budget and will be included in subsequent years' operating budget.

Prepared By:	Terry Loo	Procurement Administrator II	650.508.7730
	Scot Sidler	Director of OCS	650.551.6121

Resolution No. 2024 –

Board of Directors, Peninsula Corridor Joint Powers Board
State of California

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Awarding a Single Source Contract to US Rail Systems to Provide Electrified Rail Support Services for a Total Not-To-Exceed Amount of $1,545,620 for a Two-Year Term

Whereas, the Peninsula Corridor Joint Powers Board (JPB or Caltrain) has completed the Peninsula Corridor Electrification Project (PCEP) and launched electric train service in September 2024; and

Whereas, Caltrain has urgent and immediate needs for experienced staff with the specialized expertise and knowledge of traction power systems to help oversee PCEP contractor handover performance and safe operation of the Traction Electrification System within the Caltrain rail network; and

Whereas, staff from US Rail Systems of Los Angeles, California (US Rail Systems) has worked with the PCEP design-build contractor, Balfour Beatty Infrastructure, Inc., during construction as the technical lead for Caltrain's traction power, Overhead Catenary System (OCS), and Supervisory Control and Data Acquisition (SCADA) systems, giving them unique insight into Caltrain's systems; and

Whereas, staff determined that US Rail Systems possesses the requisite depth of knowledge and experience to successfully perform the required Services; and

Whereas, contracting with a firm who is unfamiliar with Caltrain's traction power, OCS, and SCADA systems during this initial period could present a substantial risk; and

Whereas, staff performed a price analysis of US Rail Systems price proposal, engaged in negotiations, and determined that the agreed upon price is fair and reasonable; and

Whereas, staff recommends that the Board of Directors (Board) award a single-source contract to US Rail Systems to provide the Services for a total not-to-exceed amount of $1,545,620 for a two-year term due to the specialized skillsets of US Rail Systems, and their unique knowledge of Caltrain's traction power system.

Now, Therefore, Be It Resolved that the Board of Directors of the Peninsula Corridor Joint Powers Board hereby awards a single-source contract to US Rail Systems to provide Electrified Rail Support Services for a total not-to-exceed amount of $1,545,620 for a two-year term; and

Be It Further Resolved that the Board authorizes the Executive Director or designee to execute a contract on behalf of the JPB with US Rail Systems in full conformity with all the terms of and conditions set forth in the negotiated agreement, and in a form approved by legal counsel.

Regularly passed and adopted this 5th day of December, 2024 by the following vote:

Ayes:

Noes:

Absent:

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Chair, Peninsula Corridor Joint Powers Board

Attest:

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Acting JPB Secretary

#2015888v1

Peninsula Corridor Joint Powers Board
Staff Report

To:	JPB Board of Directors
Through:	Michelle Bouchard, Executive Director
From:	Dahlia Chazan, Chief, Caltrain Planning
	Sherry Bullock, Program Director
Subject:	**Authorize the Executive Director to Execute an Amended and Restated Interim Agreement with the Transbay Joint Powers Authority to Support Advancement of the San Francisco Downtown Rail Extension Project**

☐ Finance Committee Recommendation ☐ Technology, Operations, Planning, and Safety Committee Recommendation ☒ Advocacy and Major Projects Committee Recommendation

Purpose and Recommended Action

Staff recommends that the Board of Directors (“Board”) of the Peninsula Corridor Joint Powers Board (“Caltrain”) authorize the Executive Director, or designee, to:

1. Execute an Amended and Restated Interim Agreement between the Transbay Joint Powers Authority ("TJPA") and Caltrain to support advancement of the San Francisco Downtown Rail Extension Project (“DTX” or “The Portal”), to remain in effect until the parties complete their negotiation of, and adopt, a Master Cooperative Agreement.
2. Amend the Caltrain Fiscal Year 2025 Capital Budget to authorize the receipt of $3,939,106 from TJPA as reimbursement for the costs of undertaking the scope of work described in the Amended and Restated Interim Agreement.

The Amended and Restated Agreement revises and extends the current Interim Agreement, (which has an effective date of September 1, 2023, and expires on December 13, 2024) to provide a decision-making process and delivery roles for Caltrain and TJPA, a staffing plan, and a budget and reimbursement mechanism to support Caltrain’s continued and enhanced engagement on the DTX Project. The Amended and Restated Interim Agreement will be effective December 14, 2024.

Discussion

The DTX Project will connect Caltrain’s regional rail system and the future California High-Speed Rail Authority’s statewide system to the Salesforce Transit Center in downtown San Francisco. TJPA, the project sponsor, is seeking funding for the project through the Federal Transit Administration (“FTA”) Capital Investment Grants Program New Starts program.

For New Starts projects, the FTA requires completion of two phases, Project Development and Engineering, in advance of receipt of a Full Funding Grant Agreement (“FFGA”). The DTX Project was in the Project Development phase from December 2021 until May 2024, when FTA approved DTX's entry into the Engineering phase. TJPA has developed a schedule to support potential FFGA approval in July 2027.

Before an FFGA can be requested, TJPA and Caltrain must enter into a Master Cooperative Agreement ("MCA"). The MCA is considered a critical Third-Party Agreement by the FTA and must outline the specific operating roles and responsibilities and shares of operating costs between the two agencies.

In September 2023, Caltrain and TJPA approved an Interim Agreement to govern TJPA and Caltrain's cooperation in advancing the DTX Project until the MCA is executed, and amended the Interim Agreement to extend until December 13, 2024.

TJPA and Caltrain are targeting completion of the MCA in 2026. Caltrain and TJPA have continued to negotiate elements of the MCA, including design support and coordination; procurement and construction coordination; financial commitments; operations, maintenance, and rehabilitation; and asset disposition. However, as described at the September TJPA and Caltrain Joint Ad Hoc Committee meeting, the current MCA draft has significant unresolved issues. As a result, TJPA and Caltrain have agreed to extend and amend the current Interim Agreement to facilitate cooperation until the MCA is executed.

The scope of the Amended and Restated Interim Agreement includes the following items:

1) <u>Project Delivery Roles</u>: role of the Integrated Project Delivery Team ("IPDT") and joint decision-making process within the IPDT.
2) <u>Staffing, Budget, and Reimbursement</u>: a staffing plan, description of resource needs, and a reimbursement mechanism, all for Caltrain's work prior to the MCA.[1] The agreement includes also an estimated budget for the next 12 months of work through September 2025 and a process for determining future year budgets.
3) <u>Joint Workplan</u>: process for negotiation and execution of other necessary agreements and the MCA.
4) <u>4th and King Yard Project (4KY Project)</u>: a reimbursement mechanism and concurrence on delivery approaches related to the 4KY Project.

Project Delivery Roles

Staff and consultants from Caltrain will be integrated into an IPDT for design and construction of the DTX Project. The IPDT will report to the respective Executive Directors of Caltrain and TJPA, and operate pursuant to a framework developed by the parties. The IPDT will be the primary staff-level decision-making body with the responsibility and authority to manage the DTX Project so that it can be delivered within the approved scope, budget, and schedule. The

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[1] The proposed Amended and Restated Interim Agreement contains one exception to full reimbursement for Caltrain's work: Costs associated with Caltrain's attendance at several types of meetings (including associated costs such as travel time) are not reimbursable by TJPA. Staff recommends agreeing to this exception as a compromise with TJPA.

IPDT will not supersede the authorities of the TJPA Board or the Peninsula Corridor Joint Powers Board.

Staffing, Budget, and Reimbursement

The Amended and Restated Interim Agreement includes a staffing plan to implement the joint workplan. TJPA will reimburse Caltrain for actual Caltrain staff and consultant costs for the DTX Project during the term of the Amended and Restated Interim Agreement. The types of costs and amount are summarized in the following table.

Work Description	FY25 US$
Portal Program Management IPDT	$ 485,267
Concept of Operations, Operations and Operations Planning	$ 250,520
Communications, Government Affairs and Policy	$ 151,206
MCA and O&M funding	$ 179,247
4KY	$ 1,227,416
Portal Procurement Technical Reviews and Support	$ 691,704
Utility and Third-Party Support	$ 51,730
Real Estate	$ 68,310
Project Controls, Invoice, ODCs & Administration	$ 396,636
Legal	$ 120,000
Contingency	$ 174,314
ICAP	$ 142,757
Total	$ 3,939,106

Joint Workplan

The Joint Workplan outlines the scope of work for both agencies over the term of the Amended and Restated Interim Agreement. It includes the following tasks: 1) review of procurement documents and participation in contractor selection; 2) review and conduct studies to support design, procurement, environmental and grant documents; 3) complete work to support FTA deliverables, governance framework development, and Caltrain and TJPA Board items; and 4) reach interim agreements supporting progress toward a comprehensive MCA, including an agreement regarding the 4KY Project.

The 4KY Project includes, in part, track, and related facilities partially within Caltrain's property interests in the City and County of San Francisco. In advance of a separate agreement regarding the 4KY Project and/or execution of the MCA, Caltrain and TJPA agree that the Amended and Restated Interim Agreement will govern TJPA's responsibility for covering Caltrain's costs related to development of a future 4KY Project agreement and Caltrain's work associated with delivery of the 4KY Project.

Staff is bringing key points from the Amended and Restated Interim Agreement to the Board Ad Hoc on DTX MCA negotiations, the November AMP Committee, and the December Board to request a capital budget amendment to accept reimbursement funds from TJPA and authority for the Executive Director to execute the Amended and Restated Interim Agreement.

Budget Impact

The project budget for Caltrain support of the DTX project was originally approved by the Board in FY22 with a partial budget of $311,329. During adoption and amendment of the FY23 Capital

Budget, $4,019,545 was added to this project funded by (a) general capital funds ($500,000) and (b) the Transbay Joint Powers Authority (TJPA) through a Letter of Agreement (LOA) between Caltrain and TJPA ($3,519,545), which was replaced by the Interim Agreement in September 2023. The September 1, 2023, Interim Agreement included $5,018,239 of reimbursable expenses in the Interim Agreement, increasing the total DTX project budget to $9,349,113. The execution of the Amended and Restated Interim Agreement between Caltrain and TJPA will provide additional funding of $3,939,106; accordingly, staff request that the Board authorize an amendment to the Capital Budget in that amount.

Prepared By:	Dahlia Chazan	Chief, Caltrain Planning	650-508-6225
	Sherry Bullock	Program Director	650.622.7866

Resolution No. 2024 –

Board of Directors, Peninsula Corridor Joint Powers Board
State of California

* * *

Authorize the Executive Director to Execute an Amended and Restated Interim Agreement between the Transbay Joint Powers Authority and the Peninsula Corridor Joint Powers Board to Support Advancement of the San Francisco Downtown Rail Extension Project

Whereas, the San Francisco Downtown Rail Extension ("DTX" or "The Portal") Project will connect Caltrain's regional rail system and the future California High-Speed Rail Authority's statewide system to the Salesforce Transit Center in downtown San Francisco; and

Whereas, the DTX Project is seeking funding for the project through the Federal Transit Administration ("FTA") Capital Investment Grants ("CIG") Program New Starts program; and

Whereas, in 2022, the Peninsula Corridor Joint Powers Board ("Caltrain") and Transbay Joint Powers Authority ("TJPA") negotiated and executed a Letter of Agreement ("LOA") describing the parties' cooperation to complete all work needed to meet critical milestones in the DTX Accelerated Work Plan, negotiate a Master Cooperative Agreement ("MCA") between TJPA and Caltrain, and authorizing reimbursement from TJPA to Caltrain for such efforts; and

Whereas, the MCA will address key topics, including design support and coordination; procurement and construction coordination; financial commitments; operations, maintenance and rehabilitation; and asset disposition; and

Whereas, in September 2023, Caltrain and TJPA approved an Interim Agreement to govern TJPA and Caltrain's cooperation in advancing the DTX Project and negotiations of the MCA until the MCA is executed, the current Interim Agreement will expire on December 13, 2024; and

Whereas, the Amended and Restated Interim Agreement, if approved, will be effective retroactive to December 14, 2024, and will continue to govern TJPA and Caltrain's cooperation until the MCA is executed, which is targeted for 2026; and

Whereas, the Amended and Restated Interim Agreement outlines the role of a Project Delivery Team, joint decision-making process for decisions leading up to a MCA, a staffing plan, a description of resource needs, a budget for Caltrain's work on the DTX Project prior to entering into an MCA, and a reimbursement mechanism, along with a proposed schedule for negotiation and execution of the MCA; and

Whereas, the execution of the Amended and Restated Interim Agreement between Caltrain and TJPA will provide additional funding that will increase the project budget by $3,939,106 in reimbursable expenses; and

Now, Therefore, Be It Resolved, that the Board of Directors authorize the Executive Director, or designee, to execute an Amended and Restated Interim Agreement with terms that substantially conform to those described herein with TJPA to support advancement of the DTX Project; and

Be It Further Resolved that the Board of Directors of the Peninsula Corridor Joint Powers Board authorizes the amendment of Caltrain's Capital Budget to reflect the receipt of $3,939,106 from TJPA, pursuant to the Amended and Restated Interim Agreement; and

Be It Further Resolved that the Board of Directors of the Peninsula Corridor Joint Powers Board authorizes the Executive Director, or designee, to take any other actions necessary to give effect to the resolution.

Regularly passed and adopted this 5th day of December, 2024 by the following vote:

Ayes:

Noes:

Absent:

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Chair, Peninsula Corridor Joint Powers Board

Attest:

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Acting JPB Secretary

Peninsula Corridor Joint Powers Board
Staff Report

To:	JPB Board of Directors	
Through:	Michelle Bouchard, Executive Director	
From:	Dave Covarrubias Deputy Chief Financial Officer	John Hogan Chief Operating Officer, Rail
Subject:	**Award Contract to Stadler for Technical Support, Spare Supply, and Materials Management Services**	

☐ Finance Committee Recommendation ☒ Technology, Operations, Planning, and Safety Committee Recommendation ☐ Advocacy and Major Projects Committee Recommendation

Purpose and Recommended Action

Staff recommends that the Board of Directors (Board) of the Peninsula Corridor Joint Powers Board (JPB):

1. Award a single-source contract to Stadler US, Inc., of Westfield, NJ (Stadler) to provide Technical Support, Spare Supply, and Materials Management Services (Services) for a total not-to-exceed amount of $71,640,363 for a five-year term.
2. Authorize the Executive Director or designee to execute a contract with Stadler in full conformity with the terms and conditions set forth in the negotiated agreement, and in a form approved by legal counsel.

Discussion

As part of the Peninsula Corridor Electrification Project (PCEP), the JPB entered into Contract No. 14-PCJPB-P-056 with Stadler to manufacture and deliver Electric Multiple Unit (EMU) Vehicles. During the testing phase of the electrified service, staff determined that neither the JPB nor Transit America Services, Inc. (TASI), the JPB's contract operator, have sufficient direct experience maintaining EMU trainsets. The Rail Activation Committee (RAC) identified the need to supplement TASI's maintenance services with additional expertise, including technical support, training, and material management support, as TASI does not have expertise in maintaining an EMU fleet or a comprehensive software system or database for managing EMU maintenance.

TASI also lacks the familiarity with the supply chain needed to timely deliver spare parts for the EMUs, some of which have lead times over a year; the RAC identified the extended lead time for spare parts and the weak supply chain on its list of risks for revenue service. During testing of the EMUs, staff confirmed the need to provide TASI's maintenance crew, who only have experience maintaining diesel trains, with dedicated, on-site technical support to prevent service downtimes arising from maintenance issues.

Stadler's technical support team has provided on-site pre-revenue service support to rail operations and maintenance, and with the 16 EMUs having entered full Revenue Service on September 21, 2024, and seven more to be delivered in 2025 and 2026, the JPB will need to continue to ensure the full fleet of electric vehicles is properly maintained, including through adequate technical support, and spare supply and material management services. Stadler is uniquely qualified to integrate technical support, asset management, and materials and supplies management and procurement to serve Caltrain's needs to operate and maintain its new electric fleet to minimize the risk of maintenance-related service interruption.

It is therefore critical that the JPB execute a separate Technical Support and Spare Supply Agreement ("Contract" or "TSSSA") to access Stadler's technical expertise for EMU operations and maintenance in support of daily electrified service. The support services include training and the use of Stadler's proprietary software and information system, specifically its Stadler Rail Maintenance System (SRMS) and Rail Data Services (RDS). The contract also includes an option to use SRMS for Caltrain's legacy fleet and Battery EMU (BEMU).

Additionally, to maintain the integrity of EMU system and same level of the performance during revenue service, the JPB must ensure that it has an adequate supply of spare parts, materials and consumables for its EMU fleets; as the Original Equipment Manufacturer (OEM), Stadler is uniquely qualified to manage and procure spare parts and materials for the EMU fleet.

Technical Support

As part of the technical support services, Stadler will provide 24/7 on-site technical support at CEMOF to JPB's maintenance contractors and staff regarding Scheduled Maintenance, failures, and events with minor damage and limited complexity. The on-site support technicians will also assist JPB and maintenance contractors in developing skills in fault finding and rectification, and Stadler will conduct fault finding on complex issues involving EMUs. In the event of major damage to the EMUs, such as complex failures or accidents, Stadler will perform heavy repairs as On-Call Services. Technical support will also include fielding calls to the Help Desk, local in-person support as needed, and access to international technical expertise within the Stadler Group. Stadler will also develop a training program so that JPB and its contractors acquire the necessary knowledge, skills, and capacity to resolve maintenance issues, so that TASI can continue to perform the services for which it is contracted.

Spare Parts Supply and Materials Management

Under the proposed agreement, Stadler will supply JPB with all materials required for Scheduled Maintenance and Corrective Maintenance. Stadler will also provide on-site materials handling in San Francisco and CEMOF. In addition, Stadler will develop an Initial Maintenance Plan for the EMUs based on manufacturer recommendations and train usage patterns. Thereafter, Stadler will develop and propose a comprehensive Maintenance Plan to JPB, reviewed by JPB on an annual basis.

Single Source Justification

The JPB has an urgent need for ongoing skilled maintenance and efficient maintenance systems to protect the investment in the new trainsets and ensure the future success of the electrified service.

JPB staff is very familiar with the international market through EMUs production and delivery. Staff undertook a risk assessment of a public procurement for these services, evaluating the following major factors: price certainty, supply chain management, procurement timeline, logistics management, qualifications to provide technical support, compliance with FRA requirements, and vendor status as the OEM.

After conducting this thorough risk assessment, staff determined that Stadler is the only vendor qualified to integrate all of the different components (technical support, proprietary material management software to track maintenance needs, and perform supply and procurement management) necessary to ensure proper maintenance and continuous rail service, including by avoiding unscheduled maintenance and a lack of availability of spare parts, and by providing training for the maintenance of the EMUs. The JPB's entire material supply management process will be realized within Stadler's proprietary software, SRMS, which has several unique features to maintain the performance of the JPB's fleet:

- A maintenance registration module that captures all corrective maintenance.
- Rapid capture and recording/registration of faults to restore trainset efficiency and take corrective measures.
- A data analysis service that identifies reliability issues in the fleet, systematic defects, excessive maintenance effort or low maintenance availability.
- Configuration management will also be managed directly through the SRMS.

To maintain the integrity of the EMU system, preserve the warranty, and maintain the same level of performance during revenue service, the JPB must keep adequate spare parts, materials and consumables for the fleet. This service is integrated into SRMS, making Stadler the best vendor to procure spare parts for the EMUs from the OEMs, at a fair price and as the parts are needed.

As the manufacturer, Stadler has established relationships with suppliers of the parts needed to manufacture EMUs and maintains an inventory of spare parts; Stadler is therefore able to procure the parts with shorter lead times and better pricing. Stadler has been experiencing supply chain issues since COVID, but over the years, Stadler has adopted mitigation measures to minimize the impact of global market supply chain issues to support the JPB's maintenance needs.

As the only manufacturer of these KISS EMUs, Stadler has the requisite experience and skills to provide technical support, spare supply, and materials management services, as well as the experience to train TASI to provide future maintenance. Conversely, working with a new firm that is unfamiliar with JPB's EMUs and the spare parts, materials, and consumables required to adequately maintain the EMUs and the warranties under the EMU contract could present a substantial risk to JPB's rail operations and maintenance.

Budget Impact

For FY2025, funds needed to support this contract are included in the JPB's FY2025 Operating Budget. Funds needed for future years will be included in future subsequent year's operating and capital budget requests.

The JPB conducted a comprehensive independent estimate of its overall O&M costs, including all labor/technical support, spare part supply and material management, first in 2023 based on the 19 trainsets planned at the time; later in 2024, staff updated the 2023 cost estimate based on a total of 23 trainsets (the current order from Stadler). The cost estimate for materials/services (to be provided by Stadler) is higher than the Stadler's TSSSA price proposal for similar costs and services for 23 trainsets. The costs will be accounted for in the updated 10-Year Strategic Financial Plan.

In addition, the JPB will benefit from the guaranteed fixed price approach in the contract, which reduces price uncertainly for the JPB, especially for the overhaul work required in years 4 and 5 of the contract (the overhaul work will include a fixed price per unit which includes labor and parts). Staff conducted a price analysis of Stadler's proposed price and determined that the price is fair and reasonable.

The JPB will review the level of work and staffing required for these functions on an annual basis to ensure that the JPB's requirements are met efficiently.

Prepared By:	Cathie Silva	Procurement Administrator III	650.622.7857
	Sherry Bullock	Program Director, CalMod	650.622.7866

Resolution No. 2024 –

Board of Directors, Peninsula Corridor Joint Powers Board
State of California

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Awarding a Contract to Stadler US, Inc. to Provide Technical Support, Spare Supply, and Materials Management Services for Electric Multiple Unit Trainsets for a Total Not-To-Exceed Amount of $71,640,363 for a Five-Year Term

Whereas, the Peninsula Corridor Joint Powers Board (JPB or Caltrain) entered into Contract No. 14-PCJPB-P-056 with Stadler US, Inc., of Westfield, NJ (Stadler) to manufacture and deliver Electric Multiple Unit (EMU) Vehicles as part of the Peninsula Corridor Electrification Project (PCEP), with options for additional purchases and maintenance services; and

Whereas, 16 EMUs entered full Revenue Service on September 21, 2024, and 7 more are to be delivered in 2025 and 2026; and

Whereas, the JPB will need to ensure the full fleet of electric vehicles is properly maintained, including through adequate technical support, spare supply, and materials management services (Services); and

Whereas, it is critical that the JPB execute a separate Technical Support and Spare Supply Agreement to access Stadler's technical expertise for EMU operations and maintenance in support of daily electrified service; and

Whereas, Stadler support service includes training and use of Stadler's proprietary software and information, specifically its Stadler Rail Maintenance System (SRMS) and Rail Data Services (RDS); and

Whereas, Stadler will also provide 24/7 on-site technical support at CEMOF to JPB's maintenance contractors and staff, and in the event of major damage to the EMUs, Stadler will perform heavy repairs as On-Call Services; and

Whereas, to maintain the integrity of EMU system and same level of the performance during revenue service, the JPB must keep adequate spare parts, materials and consumables that have been used for manufacturing the current EMU fleets; and

Whereas, Stadler will develop an Initial Maintenance Plan and thereafter propose a comprehensive Maintenance Plan to JPB, reviewed by JPB on an annual basis; and

Whereas, the maintenance services provisions in the original contract are outdated, and neither the JPB nor TransitAmerica Services, Inc. (TASI), Caltrain's contract operator, have direct experience maintaining EMU trainsets; and

Whereas, as the only manufacturer of these EMUs, staff determined that Stadler has the requisite experience and skills to provide technical support, spare supply, and materials management services, as well as the experience to train TASI to provide future maintenance; and

Whereas, after thorough risk assessment, staff determined that Stadler is the only vendor qualified to integrate all of the different components (technical support, proprietary material management software to track maintenance needs and perform supply and procurement management) to ensure proper maintenance and continuous service, including by avoiding unscheduled maintenance, and a lack of availability of spare parts, and by providing training for the maintenance of the EMUs; and

Whereas, working with a new firm that is unfamiliar with Caltrain's EMUs and the spare parts, materials, and consumables required to adequately maintain the EMUs and the warranties under the EMU contract could present a substantial risk to Caltrain's rail operations and maintenance; and

Whereas, staff conducted a price analysis of Stadler's proposed price and determined that the price is fair and reasonable; and

Whereas, staff recommends that the Board of Directors (Board) award a single-source contract to Stadler to provide the Services for a five-year term for a total not-to-exceed amount of $71,260,100.

Now, Therefore, Be It Resolved that the Board of Directors of the Peninsula Corridor Joint Powers Board hereby awards a single-source contract to Stadler US, Inc. to provide Technical Support, Spare Supply, and Materials Management Services for a total not-to-exceed contract amount of $71,260,100 for a five-year term; and

Be It Further Resolved that the Board hereby authorizes the Executive Director or designee to execute a contract with Stadler in full conformity with the terms and conditions set forth in the negotiated agreement, and in a form approved by legal counsel.

Regularly passed and adopted this 5th day of December 2024 by the following vote:

Ayes:

Noes:

Absent:

Chair, Peninsula Corridor Joint Powers Board

Attest:

Acting JPB Secretary

2000605.2

Peninsula Corridor Joint Powers Board
Staff Report

To:	JPB Board of Directors
Through:	Michelle Bouchard, Executive Director
From:	Casey Fromson, Chief of Staff
Subject:	**State and Federal Legislative Update and Approval of the 2025 Legislative Program**

☐ Finance Committee Recommendation ☐ Technology, Operations, Planning, and Safety Committee Recommendation ☒ Advocacy and Major Projects Committee Recommendation

Purpose and Recommended Action

The 2025 Legislative Program will establish the principles that will guide the legislative and regulatory advocacy efforts. Based on those principles, staff coordinates closely with our Federal and State advocates on a wide variety of issues that are considered in Congress and the State legislature. The attached reports highlight the recent issues and actions that are relevant to the Board.

Staff proposes the Committee recommend the Board:

1. Receive the attached State and Federal Legislative Updates
2. Approve 2025 Legislative Program

Discussion

The Legislative Program will include information on Caltrain priorities for the coming state and federal legislative sessions, as well as priorities at regional and local levels. The update will also include an update regarding discussions on a regional transportation revenue measure.

Budget Impact

None.

Prepared By:	Devon Ryan	Government & Community Affairs Officer	650.730.6172
	Isabella Conferti	Government & Community Affairs Specialist	650.647.3498

Shaw Yoder Antwih Schmelzer & Lange

November 11, 2024

TO: Board of Directors, Peninsula Corridor Joint Powers Board (Caltrain)

FM: Matt Robinson, Michael Pimentel, and Alchemy Graham, Shaw Yoder Antwih Schmelzer & Lange

RE: STATE LEGISLATIVE UPDATE – December 2024

General Update

On November 7, shortly after Donald Trump won the presidential election, Governor Newsom convened a special session of the Legislature to determine how best to protect the rights of Californians over the next four years under another Trump presidency. Specifically, the special session will focus on bolstering the state's legal funding used to support future lawsuits against the Trump administration to protect California's civil rights, reproductive freedom, climate action, and immigrant families. This is the first of many actions that the Newsom Administration plans to take in partnership with the Legislature to build up California's defenses against an incoming federal administration that has, on several occasions, threatened certain actions against the state.

The special session will convene on December 2, which is also when the Legislature will come in for the first Organizational Session of the 2025-26 Legislative Session, and when newly elected Members will be sworn into the Legislature. Legislators will return to Sacramento to officially begin the legislative session on Monday, January 6, 2025. You can find the official deadlines for the upcoming legislative year linked here.

California Air Resources Board's Low Carbon Fuel Standard

On November 8, the California Air Resources Board adopted major amendments to the Low Carbon Fuel Standard (LCFS), concluding a years long regulatory process that involved hundreds of stakeholders.

The LCFS was created by CARB in 2009 to reduce the carbon intensity (CI) of transportation fuels used in California. Under the program, regulated parties, generally fuel producers and suppliers, are required to meet an annual CI level established by CARB. Fuels that have a CI higher than the annual CI level produce a deficit, and fuels with a CI below the annual CI level generate a credit. Fuel producers and suppliers can reach compliance under the LCFS by producing or supplying cleaner fuels, applying excess credits generated in a previous year, or by purchasing credits from other regulated parties or market participants to eliminate deficits. Under the LCFS, transit agencies operating modes, including electrified fixed guideway systems, are eligible to generate credits for the electricity they consume in their operations. When the credits generated by a transit agency are sold to a fuel producer or supplier that faces a deficit, these credits generate new revenue for the transit agency. Among other things, the amendments adopted by CARB on November 8 further reduce LCFS's annual CI level and implement a series of other changes to the program's reporting requirements.

Caltrain's operating budget for electrified service assumes the agency's participation in the program. Following the start of Caltrain's electrified service, SYASL advised Caltrain on the agency's initial engagement of CARB on participation in the program, and helped the agency navigate CARB's processes, resulting ultimately, in Caltrain joining the program in the pathway the agency preferred. This preferred pathway will maximize Caltrain's revenue generation from the program.

California Election Results

California's general election was held on November 5, where all 80 Assembly seats were on the ballot along with 20 of the 40 Senate seats. Currently, Democrats have a supermajority in both houses and these are projected to be maintained. However, Republicans did gain some ground in the State Capitol with incumbent Senator Josh Newman (D) losing his race to candidate Steven Choi (R), although the race is still too close to call. Additionally, results on a number of the statewide ballot propositions suggest some voter shifts on issues including public safety (Prop 36) and the economy (Prop 32).

Below, you will find a point-in-time report of the election results of Assembly and Senate races that are pertinent to Caltrain, and statewide measures that were on the ballot this year. Ballot counts are still being finalized at the time of this drafting, so although we do not expect the numbers to change drastically, the final percentages reported may be different from those listed below. There are several legislative seats that are still too close to call, but those races fall outside of the Caltrain delegation.

Key Assembly Races

District	Candidate	Notes
19	**Catherine Stefani (D) - 61.3%**	Previously held by Phil Ting, who termed out.
	David E. Lee (D) - 38.7%	
21	**Diane Papan (D) - 72.2%**	
	Mark Gilham ® - 27.8%	
23	**Marc Berman (D) - 61%**	
	Lydia Kou (R) - 39%	
24	**Alex Lee (D) - 63%**	
	Bob Brunton (R) - 37%	
25	**Ash Kalra (D) - 65.5%**	
	Ted Stroll (R) - 34.5%	
26	**Patrick Ahrens (D) - 57.8%**	Previously held by Evan Low, who ran for Congress.
	Tara Sreekrishnan (D) - 42.2%	
28	**Gail Pellerin (D) - 66.5%**	
	Liz Lawler (R) - 33.5%	
29	**Robert Rivas (D) - 64.4%**	
	J.W. Paine (R) - 35.6%	

Key Senate Races

District	Candidate	Notes
11	**Scott Wiener (D) - 76.7%**	
	Yvette Corkrean (R) - 23.3%	
13	**Josh Becker (D) - 71.3%**	
	Alexander Glew (R) - 28.7%	
15	**Dave Cortese (D) - 66.4%**	
	Robert Paul Howell (R) - 33.6%	
17	**John Laird (D) - 66.2%**	
	Tony Virrueta (R) - 33.8%	

Ballot Measure Results

Please recall that Californians voted on Prop. 1, which was the vehicle for the mental health bond, during the primary election in March. Below is the current breakdown for the November ballot propositions:

- **Prop. 2**, which would institute a $10 billion education bond, is passing with 56.9% of voters supporting the proposition.
- **Prop. 3**, which would reaffirm the right of same-sex couples to marry, is passing with 61.1% of voters supporting the proposition.
- **Prop. 4**, which would institute a $10 billion climate bond, is passing with 57.9% of voters supporting the proposition.
- **Prop. 5**, also known as ACA 1 / ACA 10, would have lowered the voting threshold for local bonds and is failing with 55.8% of voters rejecting the proposition.
- **Prop. 6**, which would have ended indentured servitude in state prisons, is failing with 54.9% of voters rejecting the proposition.
- **Prop. 32**, which would have raised the state minimum wage to $18 an hour, is failing with 52% of voters rejecting the proposition.
- **Prop. 33**, which would have allowed local governments to impose rent controls, is failing with 61.6% of voters rejecting the proposition.
- **Prop. 34**, which would require certain health care providers to use nearly all revenue from Medi-Cal Rx on patient care, is passing with 51.5% of voters supporting the proposition.
- **Prop. 35**, which would make existing tax on managed health care insurance plans permanent, is passing with 66.8% of voters supporting the proposition.
- **Prop. 36**, which would increase penalties for theft and drug trafficking, is passing with 70.4% of voters supporting the proposition.

CalSTA's Transit Transformation Task Force Holds Sixth Meeting

The California State Transportation Agency convened for its sixth meeting on October 28 in Monterey. This meeting, the third of several geared toward informing a report of recommendations required to be submitted to the Legislature by October 2025, focused on: changes to land use and housing policies that could improve public transit use; potential of transit-oriented development and value capture of property around transit stations as a source of sustainable revenue for transit operations; and strategies to provide first- and last-mile access to transit.

As we have highlighted for you in our last few reports, the California Transit Association (the trade organization to which Caltrain belongs) is leading engagement in the Task Force discussions on behalf of California transit agencies. To inform the positions it takes at Task Force meetings, the Association has engaged its membership on the challenges / barriers they face in delivering improvements to transit service and has convened an internal Transit Transformation Advisory Committee to develop policy recommendations (for breaking past these challenges) for submittal to the Task Force.

Relative to the October 28 meeting, the Association, with the support of its Advisory Committee, developed recommendations for transmittal to the Task Force on the topics outlined above. These recommendations were shared with CalSTA and Association members on October 28.

The Task Force is subject to the state's open meeting requirements for state bodies, known as Bagley-Keene, and as such, all agenda materials are available on CalSTA's website.

Bills of Interest

SB 925 (Wiener) City and County of San Francsico Merchandising Sales – SUPPORT

This bill would have authorized the City and County of San Francisco to adopts an ordinance prohibiting the sale of specified merchandise on public property without a permit, if the ordinance included specified written findings, including, among other things, that there has been a significant pattern of merchandise being the subject of retail theft and then appearing for sale on public property within the City and County of San Francisco. Pursuant to this bill, the ordinance would have been required to be adopted by the City and County of San Francisco to, among other things, identify a local permitting agency that is responsible for administering a permit system. The bill would have also authorized the ordinance to provide that selling merchandise without a permit is punishable as an infraction, and that subsequent violations after 2 prior convictions is an infraction or a misdemeanor punishable by imprisonment in the county jail not exceeding 6 months. ***This bill was held on the Suspense File in the Assembly Appropriations Committee.***

SB 960 (Wiener) Complete Streets Projects on the State Highway System – WATCH
This bill would require the targets and performance measures adopted by the California Transportation Commission to include within the SHOPP asset management plan targets and measures reflecting state transportation goals and objectives, including for complete streets assets that reflect the existence and conditions of bicycle, pedestrian, and transit priority facilities on the state highway system. This bill would also require Caltrans' performance report to include a description of complete streets facilities, including pedestrian, bicycle, and transit priority facilities on each project. ***This bill was signed on September 27.***

SB 1031 (Wiener) Bay Area Transportation Regional Measure / Transit Consolidation – OPPOSE UNLESS AMENDED
This bill would have served as the authorizing vehicle for the Metropolitan Transportation Commission to propose a revenue measure to the voters in its jurisdiction to fund the operation, expansion, and transformation of the San Francisco Bay area's public transportation system, as well as other transportation improvements. This bill would have also charged the California State Transportation Agency with developing a plan to consolidate the 27 transit agencies in the San Francisco Bay Area. Recent amendments to the bill include an "enhanced coordination" component alongside the current consolidation component. ***This bill was not heard in the Assembly Transportation Committee*.**

AB 1837 (Papan) Bay Area Transit Coordination – SUPPORT
This bill would have created the Regional Network Management Council and would have required the Metropolitan Transportation Commission to facilitate the creation of the Council. ***This bill was not heard in the Senate Transportation Committee.***

AB 2503 (Lee) CEQA Exemptions for Railroad Electrification – SUPPORT
This bill would expand existing CEQA exemptions to include public projects for the institution or increase of other passenger rail service, which will be exclusively used by zero emission trains on existing public rights-of-way or existing highway rights-of-way. This bill is targeted at providing a CEQA exemption for catenary power systems. ***This bill was signed on September 27.***

AB 2824 (McCarty) Transit Employee Assaults – WATCH
This bill would have enhanced penalties for individuals who commit assault or battery against a public transit operator or employee. This bill would have also allowed transit agencies to prohibit individuals convicted of assault or battery from entering transit facilities and vehicles using a more streamlined process. This bill is sponsored by the California Transit Association. ***This bill was not heard in the Assembly Public Safety Committee*.**

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Caltrain
Federal Report
November 2024

Republicans Win White House, Senate, and Likely House in November Elections

- Early on November 6, former President Donald Trump was elected as the next President of the United States. The former President defeated Vice President Kamala Harris, winning all the crucial swing states on his path to victory. Harris called the former President on the afternoon of the 6^{th} to concede the race and reiterated her commitment to a smooth transition of power.

- Joining the next President in Washington will be a new Senate Republican majority and a likely House Republican majority. Democrats were hopeful that despite the outcome of the race for the White House, they would win a slim majority in the House. However, the outcomes of the race appear to defy much of the polling. With Republicans in charge of Congress, they will control federal spending and policy for the next two years.

- Trump has promised sweeping changes to the administrative state, among other declarations. Trump and his Republican allies have long been skeptical of federal spending and could attempt to cut funding for federal transportation programs.

- The Holland & Knight team will provide additional updates on the Trump Administration and next Congress in a webinar on November 21.

Congressional Update

Rep. Graves to Seek Top Spot on Transportation & Infrastructure Committee

- House Transportation & Infrastructure (T&I) Committee Chair Sam Graves (R-MO) is seeking a waiver from House Republican leadership to retain his position as the top Republican on the committee for the 119^{th} Congress. Currently, House Republican conference rules limit members to three consecutive terms as chair or ranking member of a committee.

- The chances of Graves receiving a waiver are unclear, as Rep. Rick Crawford (R-AR), current Chair of the Subcommittee on Highways and Transit, has announced his candidacy for chairman of the full committee. Graves has maintained that he will continue to seek support from the Republican conference to remain in the top spot and has already received some endorsements from members of the committee.

- Next Congress, the House T&I committee will begin working on the next surface transportation bill, and Graves has argued he is best positioned to pass the bill given his track record with past authorizations.

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Administration Update

DOT Announces $3 Billion in Available Funding Through the RAISE Grant Program

- On November 1, the Department of Transportation (DOT) announced $1.5 billion in available funding through the Rebuilding American Infrastructure with Sustainability and Equity (RAISE) grant program. RAISE supports surface transportation projects with a significant local and/or regional impact.

- DOT seeks to fund projects that address adverse environmental impacts (e.g., reducing GHG emissions, addressing environmental justice, etc.) and supporting disadvantaged communities.

- In this round, $1.5 million is reserved for consideration of FY 2024 projects that received "Project of Merit" distinction but were not awarded. FY 2024 Projects of Merit must email RAISEgrants@dot.gov by December 2, 2024, if they would like for their FY 2024 application to be considered under this reserved funding.

- All other applications for 2025 RAISE funding are due by January 30, 2025. For more information, please refer to the Funding Opportunity Announcement via Grants.gov.

DOT Holds Transportation Advisory Committee Meeting

- On October 17, DOT's Transforming Transportation Advisory Committee (TTAC) held its quarterly meeting. The purpose of TTAC is to provide the Secretary of Transportation with recommendations on the needs and best approaches to improving transportation innovation nationwide.

- DOT representatives highlighted the growing role of AI in transportation and how it can be used to improve project delivery. Additionally, committee members discussed the deployment of ADS and how new technology can change the transit landscape.

FTA Announces New Rail Transit Safety Rule

- On October 31, the Federal Transit Administration (FTA) announced a final rule setting new standards for rail transit agencies. This final rule applies to rail transit agencies (RTAs) covered by the State Safety Oversight (SSO) program. The FTA released a proposed rule in March and received over 7,000 comments. The new rule would require rail transit agencies to adopt and implement an SSOA-approved Roadway Worker Protection Program (RWP) to improve worker safety.

- The new requirements include a variety of measures aimed at keeping rail transit workers safe. Covered transit agencies must establish minimum RWP program elements, which includes safety briefings for workers and updating safety manuals. Additionally, agencies must establish a training program that addresses all transit workers responsible for on-

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track safety by position. Now published in the Federal Register, the final rule takes effect on December 2, 2024.

Round-Up of Open Grant Opportunities

- FY24 Federal-State Partnership for Intercity Passenger Rail Grant Program. $1.057 billion available. All applications due December 16, 2024.
- RAISE Grant Program. $1.5 billion available. All applications due January 30, 2024.
- Promoting Resilient Operations for Transformative, Efficient, and Cost-Saving Transportation (PROTECT) Program. $876 million available. All applications due February 24, 2024.

Caltrain
2025 Draft Legislative Program

Purpose
Legislative and regulatory actions have the potential to significantly benefit Peninsula Corridor Joint Powers Board / Caltrain (Agency) programs and services. They also have the potential to present serious challenges that threaten the Agency's ability to meet the county's most critical transportation demands.

The 2025 Legislative Program establishes the principles that will guide the Agency's legislative and regulatory advocacy efforts through the 2025 calendar year, including the second half of the 2024-25 State legislative session and 119th Congress. The program is intended to be broad enough to cover the wide variety of issues that are likely to be considered during that time and flexible enough to allow the Agency to respond swiftly and effectively to unanticipated developments.

Objectives
The 2025 Legislative Program is organized to guide the Agency's actions and positions in support of three primary objectives:
- Maintain and enhance funding opportunities to support the Agency's programs and services;
- Seek a regulatory environment that streamlines project delivery and maximizes the Agency's ability to meet transportation service demands; and
- Reinforce and expand programs that build and incentivize public transportation ridership, improve quality transportation choices, and better incorporate Caltrain service with other agencies in the Bay Area.

Issues
The Legislative Program is structured to apply these core objectives to a series of regional, state, and federal issues falling in these categories:
- Funding
- Project and Program Implementation
- Legislative and Regulatory Actions

Within these categories are a detailed list of specific legislative initiatives and corresponding set of policy strategies.

Should other issues surface that require the Board's attention, actions will be guided by the three policy objectives listed above. If needed, potential action on issues that are unrelated to these policy goals will be brought to the Board for consideration.

Advocacy Process
Staff will indicate during monthly legislative updates recommended positions for pending bills. Once the Board has an opportunity to review the recommended position, staff will communicate the position to the relevant entity (such as the bill author, agency, or coalition). In rare circumstances, should a position on a bill be needed in advance of a Board meeting, staff will confer with the Board Chair. If legislation falls

outside of the scope of the Board's adopted Legislative Program, Board approval will be required prior to the Agency taking a position.

Public Engagement Strategies
Staff, led by the Communications Division and its legislative consultants, will employ a variety of public engagement strategies to support the 2025 Legislative Program, including:

- Direct Engagement

Engage policymakers directly and sponsor legislation, submit correspondence and provide public testimony that communicates and advances the Agency's legislative priorities and positions.

- Coalition-based Engagement

Engage local and regional stakeholders to build awareness about specific issues and participate in local, regional, statewide and national coalitions organized to advance positions that are consistent with the 2025Legislative Program.

- Media Engagement

Build public awareness and communicate the Agency's legislative priorities by issuing press releases, organizing media events, and through the use of social media.

The adopted legislative program will guide the Agency's legislative advocacy efforts until approval of the next program.

- Interagency Engagement

Partner with other transportation agencies at various levels to promote coordinated policy positions and influence broader regulatory and legislative agendas.

- Regulatory Engagement

Establish and maintain strong, long-term connections with key regulatory agencies and their teams.

Issue 1 – Funding

The following strategies and actions will guide the Agency's efforts to protect existing transportation commitments from federal, state, regional, and local sources; secure additional federal, state, regional, and local funding for the Agency's benefit; and provide enhanced options allowing the Agency to seek additional funding support.

General

A. Work with the Caltrain Federal and Legislative Delegation, federal and state agencies, regional agencies, transit systems and transit associations to identify and advance opportunities for funding that would support the Agency's transportation priorities and operations.

B. Protect against the elimination or diversion of any State, Federal, or regional funds that support the agency's transportation needs.

C. Advocate for funding and policies to support crossing safety improvement projects, including grade separation projects.

D. Support legislation and regional action that ensures transit agency emissions-reducing transportation projects, programs, and services are eligible for funding.

E. Support funding for workforce development, retention, recruitment, and housing to attract and retain quality personnel.

F. Work to ensure state and federal funds are made available to transportation agencies to achieve state and federal greenhouse gas reduction, air quality, and climate goals.

G. Advocate for state, federal and regional tax revenue related to transportation, including aviation, to be made available to public transit agencies.

H. Advocate for flexible funding mechanisms that can adapt to changing transit demands.

I. Ensure all remaining funds committed to Caltrain's Electrification Project and subsequent rail vehicle option trainsets, including the Battery-Equipped Electric Multiple Unit Pilot Project, are maintained and received.

J. Support state and federal funding requests by partner agencies regarding key projects to improve the Caltrain corridor and regional connectivity.

Federal

K. Direct advocacy for additional resources to secure federal funding for transit operations and capital, including through discretionary and competitive federal programs.

L. Advocate to maintain the highest funding levels for federal infrastructure and rail investments, and advocate for federal funding through IIJA, IRA, and other federal programs for the agency's priorities.

M. Support funding for positive train control (PTC) operations and regulatory streamlining.

State and Regional

N. Direct advocacy to secure dedicated state funding for transit operations and capital, and work to ensure committed funds materialize in the FY 2025-26 State Budget for these purposes.

O. Support the full funding of all state programs that support the agency's operations and capital programs.

P. Advocate for new regional and local funding tools to support public transportation operations, infrastructure and services and work to ensure the agency is prioritized and appropriately funded as part of any potential regional funding measure.

    a. If a legislative authorization pathway for a funding measure is pursued, such a vehicle should include:

        i. Appropriate levels of funding for Caltrain operations;

        ii. Flexibility;

        iii. Simplicity; and

        iv. Focus on voters.

Q. Participate in the California State Transportation Agency (CalSTA) and the Metropolitan Transportation Commission (MTC) SB 125 implementation and Transit Transformation Task Force efforts and support the work of the California Transit Association in this regard.

R. Support efforts to provide funding for the deployment of zero emission transit vehicles and infrastructure, including working with the CalSTA, California Air Resources Board (CARB), and California Energy Commission (CEC) on funding program requirements.

S. Work to secure additional cap-and-trade revenues to support the Agency's operations and capital needs and protect existing cap-and-trade appropriations for transit operations and capital projects.

T. Support efforts to amend the State Constitution to reduce the voter threshold required for the State or a city, county, special district or regional transportation agency to impose a special tax for transportation projects or programs and monitor local efforts to use the initiative process to place measures on the ballot with lower voter thresholds.

U. Enable the option for the agency to seek sustainable local funding for the agency's transit operations, including the ability to place a transit funding measure on the ballot within the agency's service territory.

Issue 2 – Project and Program Implementation

The following strategies and actions will guide the Agency's efforts to improve mobility in the region and support policies that benefit transit systems and transit riders.

General

A. Collaborate with regional partners to unite business, community, and transportation stakeholders in advocating for equitable transportation and mobility solutions across the Bay Area.

B. Support efforts that allow for public private partnerships that benefit the implementation of transit capital projects, operations, or related mobility improvement options.

C. Advocate for the development of new and innovative first and last-mile travel options, ensuring commuters have access between major transit centers and their final destinations.

D. Advocate for expanded Transportation Demand Management (TDM) tools and funding, encouraging broader adoption of TDM strategies.

E. Work to address regulatory challenges that limit Caltrain's ability to optimize capacity and service benefits.

F. Support the implementation of the projects and policies in the Caltrain Business Plan.

G. Support funding and regulations that are consistent with Caltrain's equity and growth policy.

H. Continue working to ensure that federal and state regulations and programs support the operation and future enhancements of Caltrain's electrified service.

State and Regional

I. Support state funding incentives, streamlining processes, and policies that promote transit-oriented development, while not placing new conditions on committed funding.

J. Ensure state and regional agencies incorporate relevant elements of the Caltrain Business Plan and subsequent plan updates in their long-term planning efforts.

K. Consistent with existing agreements between Caltrain and the California High-Speed Rail Authority (CHSRA), support projects and efforts and funding opportunities to enhance connectivity and support future Blended System service on the Caltrain corridor.

Issue 3 – Legislative and Regulatory Actions

The following strategies and actions will guide the Agency's engagement with Congress, the Federal Government, the State Legislature, and the Governor's Administration on legislation and regulations to the benefit of the Agency.

General

A. Advocate for removing barriers and increasing flexibility in transportation operations, planning, and project delivery.

B. Ensure new transit requirements foster better connections between systems without creating unintended consequences for key transit riders and stakeholders.

C. Engage the State of California, federal and state delegation, sister agencies and transportation associations to ensure the certification of federal transit grants owed to the Agency is not delayed now or in the future due to PEPRA implementation.

D. Ensure all planning, development, or policy proposals are consistent with the Agency's policies and planning priorities.

State and Regional

E. Participate in the implementation of CARB's zero-emission rail regulation and ensure Caltrain continues to benefit from the state's Low Carbon Fuel Standard (LCFS) program.

F. Work with partners on regional coordination to enhance the transit experience in the Bay Area, including on elements of the MTC's Blue Ribbon Transit Recovery Task Force's Bay Area Transit Transformation Action Plan.

G. Closely monitor efforts to modernize the California Environmental Quality Act (CEQA) without compromising environmental goals, and support proposals that advantage transportation projects, including bicycle, pedestrian, rail and transit-oriented development projects.

H. Advocate for policies that provide funding to support the Agency's transportation services associated with the implementation of SB 375 and Plan Bay Area.

I. Work with the California State Legislature and Caltrain's energy distribution and supply partners to develop a solution, which may include legislation, that ensures Caltrain receives fair credit for the energy generated through regenerative braking of electric trains.

CITIZENS ADVISORY COMMITTEE (CAC)
PENINSULA CORRIDOR JOINT POWERS BOARD (JPB)
SAN MATEO COUNTY TRANSIT DISTRICT ADMINISTRATIVE BUILDING
Bacciocco Auditorium, 2nd Floor
1250 San Carlos Avenue, San Carlos CA 94070

DRAFT MINUTES OF NOVEMBER 20, 2024

MEMBERS PRESENT:	L. Acosta, A. Kalkarni (Alternate), R. Kutler, P. Leung, K. Linquist, A. Lohe (arrived at 5:57pm), M. Pagee (Alternate), R. Sarathy (arrived at 5:57pm), P. Wickman (Alternate), A. Brandt (Vice Chair)
MEMBERS ATTENDED VIA TELECONFERENCE:	None
MEMBERS ABSENT:	D. Albohm
STAFF PRESENT:	Q. Barbosa, J. Hogan, A. Marx, A. Myles-Primakoff, J. Navarrete, D. Ryan, S. Sargent

Acting Chair Adrian Brandt called the meeting to order at 5:40 pm and led the Pledge of Allegiance.

APPOINTMENT OF CAC MEMBER

- Kristopher Linquist, Santa Clara County
- Leonard Acosta, Santa Clara County
- Ashish Kulkarni (Alternate), Santa Clara County

Acting Chair Adrian Brandt introduced the newly appointed Santa Clara County CAC members and they each provided a brief background of their interest in Caltrain.

CONSIDERATION OF REQUESTS
There were none.

APPOINTMENT OF NOMINATING COMMITTEE
Members Leung, Kutler, and Alternate Member Pagee were appointed to the Nominating Committee for 2025 Chair and Vice Chair positions.

APPROVAL OF MEETING MINUTES OF OCTOBER 16, 2024
Motion/Second: Leung / Kutler
Ayes: Kutler, Leung, Pagee, Wickman, Brandt
Abstain: Acosta, Kalkarni, Linquist
Absent: Albohm, Lohe, Sarathy

PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA

Steve Ferrari spoke in support of Caltrain's new service and shared positive experience with staff and on time performance. Mr. Ferrari commented on observed increased ridership and regional transit signage at San Jose Diridon.

CHAIRPERSON'S REPORT

Acting Chair Brandt reported on Link21, The Portal (Downtown Extension), Capitol Corridor South Bay Connect, and on his observations of the gate activations.

BROWN ACT TRAINING AND PRESENTATION

Anna Myles-Primakoff, General Counsel, and Quentin Barbosa, Associate, provided the Brown Act Training and presentation.

The Committee Members had a discussion and staff provided further clarification in response to the Committee comments and questions, which included the following:

- Members must use both audio and visual technology and must publicly disclose whether any individual over the age of 18 is present at the remote location.

Public Comment

Jeff Carter commented on the Brown Act training and presentation.

2025 DRAFT LEGISLATIVE PROGRAM

Devon Ryan, Government Affairs Officer, provided the presentation which included the following:

- The Legislative Program is structured to apply these core objectives to a series of regional, state, and federal issues falling in these categories:
    - Funding
    - Project and Program Implementation
    - Legislative and Regulatory Actions

The Committee Members had a discussion and staff provided further clarification in response to the Committee comments and questions, which included the following:

- Sale of Gallery Cars and Locomotives to Lima, Peru
- Low Carbon Fuel Standard Program
- Regenerative Braking and Energy Feedback
- Operating Deficit and Alternative Funding Sources
- Transit-Oriented Development (TOD)

Public Comment

Jeff Carter commented on the future of funding on public transit, the sale of train cars to Peru and on regenerative braking.

STAFF REPORT

John Hogan, Chief Operating Officer, provided the report that included the following:

- Crossing Optimization Project overview provided by Aaron Marx
- On Time Performance
- Vehicle on the tracks delay improvements
- Minor schedule change tentatively scheduled in January
- Bike Boarding Decal Pilot
- Flat Wheel Updated
- New Train Delivery Schedule

Sam Sargent, Director of Strategy and Policy, provided an update on the Fleet Disposition project.

The Committee Members had a discussion and staff provided further clarification in response to the Committee comments and questions, which included the following:

- Flat wheel and train handling
- Restrooms and facilities
- Wi-Fi and connectivity
- Infrastructure and project updates
    - Mini high project
    - Bike boarding decal
    - Holiday train update
- Committee positive experience with onboard announcements

Public Comment

Doug DeLong commented on the whistle mic activation at crossings.

Jeff Carter commented on improved incident delays and on time performance, holiday train, additional restrooms, and bike car boarding.

Daniel Karpelevitch commented on bike boarding decal pilot and the proof of payment system.

COMMITTEE COMMENTS

- Train sale and decommissioning costs
- Train horn noise and train experience
    - Noise levels have been adjusted
    - Suggestion for a quiet car or family car
- Santa Clara construction work
- Holiday train
- CAC Secretary to provide details for end of the year Citizen's Advisory Committee Meetings

Public Comment
Jeff Carter commented on the history of the gallery cars.

DATE, TIME, AND LOCATION OF NEXT REGULAR MEETING
December 18, 2024, at 5:40 pm, via Zoom teleconference or at the Bacciocco Auditorium, 2nd Floor, 1250 San Carlos Avenue, San Carlos, CA.

ADJOURNMENT
Meeting adjourned at 7:58 pm

Proclamation

RESOLUTION OF APPRECIATION FOR BRIAN SHAW

Whereas, Brian Shaw has served as an advocate and trusted advisor to Caltrain for over a decade as a member of the Peninsula Corridor Joint Powers Board (Caltrain) Citizens Advisory Committee; and

Whereas, Brian Shaw has provided intelligent and energetic leadership to the Citizens Advisory Committee for nearly eight years as Chair; and

Whereas, during his time on the Citizens Advisory Committee, Caltrain has experienced ridership growth, expanded service levels, weathered the impacts of a global pandemic, completed the Positive Train Control Project, and completed the Peninsula Corridor Electrification Project, among other major initiatives; and

Whereas, Brian Shaw has guided the Citizens Advisory Committee through discussions on these initiatives, created a collaborative environment for his fellow committee members, and provided thoughtful recommendations to the Caltrain Board of Directors; and

Whereas, Brian Shaw has guided the Citizens Advisory Committee in its role as the Measure RR oversight committee with consistency and care; and

Whereas, his dedication to public transportation and his commitment to the success of Caltrain have left an indelible mark on the railroad, contributing to the success of key initiatives that will benefit the public for decades.

Now, Therefore, Be It Resolved that the Peninsula Corridor Joint Powers Board of Directors does hereby recognize and honor Brian Shaw for his outstanding leadership of the Community Advisory Committee, and contributions to Caltrain.

Regularly passed and adopted this 5th day of December, 2024.

Caltrain

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Chair, Peninsula Corridor Joint Powers Board

Proclamation

RESOLUTION OF APPRECIATION FOR DEVORA "DEV" DAVIS

Whereas, Devora "Dev" Davis served with distinction as Chair of the Peninsula Corridor Joint Powers Board (Caltrain) in 2021 and 2024, presiding over many major achievements and milestones; and

Whereas, during her tenure on the Board, Caltrain broke ground on and completed its historic Electrification Project, as well as navigated the COVID-19 pandemic; and

Whereas, Chair Davis fought for the purchase of the first battery electric train in U.S. history, which will provide a modern, electrified rail connection to South Santa Clara County, while also helping other agencies throughout California explore the benefits of train service; and

Whereas, Chair Davis pushed for restoring the fourth weekday South County train, which now provides additional service and flexibility to South Santa Clara County residents and has been embraced by the community it serves; and

Whereas, Chair Davis strongly supported the introduction of the $1 Youth Fare, offering more young people a chance to enjoy the benefits of transit; and

Whereas, as a strong advocate for transit-oriented development, Chair Davis has advanced the Diridon Plaza Project, which will revitalize the area around San Jose Diridon Station, creating a new population of potential passengers and an exciting new travel destination; and

Whereas, Chair Davis embraced fiscal responsibility by passing a two-year budget for Fiscal Years 2024 and 2025, keeping Caltrain's budgets balanced as the agency recovered from the pandemic, allowing Caltrain to lay out a pathway for the agency's future; and

Whereas, Chair Davis has endeavored to support the needs of cyclists, inviting the bike community to participate in the design of the new trains and voting to install eLockers throughout the system, offering users of active transportation a greater degree of flexibility; and

Whereas, Chair Davis has been instrumental in promoting Caltrain's safety culture, supporting safety-focused policies that protect Caltrain employees and the public; and

Now, Therefore, Be It Resolved that the Peninsula Corridor Joint Powers Board of Directors does hereby recognize and honor Devora "Dev" Davis for her hard work and dedication to this body, Caltrain, and the tens of thousands of people who depend on it.

Regularly passed and adopted this 5th day of December, 2024.

Caltrain

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Vice Chair, Peninsula Corridor Joint Powers Board