



JPB Board of Directors  
Meeting of December 5, 2025

**Supplemental Reading File**

**#   Subject**

1. Guadalupe River Bridge Replacement Project (GRBRP) Board Executive Monthly Progress Report – October 2025
2. Receive Update on Battery Electric Multiple Unit (BEMU) Project – Oct 2025
3. Receive Update on Electric Multiple Unit Option Cars (EMU Option 1 and 2) Projects – October 2025

**JPB Finance Committee Supplemental Reading File – November 17, 2025**

**#   Subject**

1. Receive Quarterly Fuel Hedge Report Fiscal Year 2026 Quarter 1

# **Guadalupe River Bridge Replacement Project (GRBRP)**



## **Executive Monthly Progress Report**

**October 31, 2025**

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# Guadalupe River Bridge Replacement Project

## Monthly Progress Report

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## **1.0 EXECUTIVE SUMMARY**

### **1.1 Introduction**

Caltrain will extend and replace two bridges over the Guadalupe River in The City of San José (Santa Clara County) just north of Caltrain Tamien Station. The Project is technically and logistically complex due to the age of the existing structures, their geographical location over a river, and the need to obtain and comply with multiple permits issued by various federal, state, and regional agencies.

The Project involves the full replacement of a northbound bridge (Main Track Bridge 1 or "MT-1"), a partial replacement, including seismic improvements, of the southbound bridge (Main Track Bridge 2 or "MT-2") and modifications to the existing Guadalupe River channel. The improvements address the structural deficiencies of the MT-1 bridge and the geomorphic instability of the Guadalupe River channel in the vicinity of the MT-1 and MT-2 bridges to provide for long-term public safety and service reliability. The Project will enhance surrounding aquatic and upland habitats on the Project site, will purchase habitat credits from the Santa Clara Valley Habitat Agency and will partner with the Midpeninsula Regional Open Space District on a restoration project at Hick's Creek to satisfy mitigation requirements resulting from the environmental impact arising from the Project.

### **1.2 Background and Recent Accomplishments**

In 2023, Caltrain completed demolition and extension of the MT2 bridge, relocation of all signaling cables from the MT1 bridge to the new MT2 bridge, relocation of all privately-owned utilities from the MT1 bridge to the new MT2 bridge and placement of the new MT2 bridge into passenger service. Due to constructability issues with the existing environmental permits, the construction work was paused in 2024 while Caltrain worked to amend the environmental permits to align with the revised approach for completing the project.

While the Construction work was paused, Caltrain issued three limited notices to proceed (LNTPs) to Walsh in February 2025. The LNTPs enabled Walsh to begin fabricating materials (e.g., rebar and casings), procure pipes for river diversion, and mobilize workers, subcontractors, and equipment to commence work on June 15. Caltrain completed a thorough assessment of all aspects of the program including cost, schedule, risks, and organization and completed a global settlement with the Construction Contractor. Caltrain received JPB board approval for the re-baselined project budget and schedule in June of 2025. Upon receipt of the amended permits, Caltrain provided notice to proceed (NTP) to Walsh to resume construction in June 2025.

In the month of October, Walsh completed the 2025 dry season scope of work, removed the river diversion and restored flow to the Guadalupe River prior to October 15<sup>th</sup>, as required by regulatory permits. In early October, work was performed to backfill temporary excavations, install erosion control measures within the river channel and install temporary sheet pile walls. Temporary sheet pile walls, installed in accordance with regulatory permits, will allow work to continue in the wet season while isolating the constructing from the river flows. Throughout the month of October, construction continued behind the sheet piles on MT1 pier 4 and abutments 1 and 5. The remaining work for reconstruction of the MT1 bridge, installation of seismic retrofit piles for the MT2 bridge, widening the Guadalupe River channel, and implementing environmental mitigation in the form of habitat restoration and enhancements as part of HMMP on-site

work will continue through the completion date of March 2027.

### **1.3 Resource Agency Permitting Status**

The team worked with the resource agencies and secured revised permits for the Project in time to commence construction on June 15, 2025, the beginning of the 4-month “dry” construction season, followed by limited construction activities in the “wet season” (October 15, 2025 – June 15, 2026). The following permits were received including conditions and mitigation requirements:

- San Francisco Bay Regional Water Quality Control Board (RWQCB) revised 401 Water Quality Certification
- U.S. Army Corps of Engineers (USACE) Section 404 reverification and the existing 408 permit is sufficient for Caltrain to resume bridge construction
- The California Department of Fish and Wildlife (CDFW) 1600 Streambed Alteration Agreement.
- Santa Clara Valley Water District (SCVWD) bridge construction encroachment permits extension and amendment.

The Habitat Mitigation Management Plan (HMMP) was revised substantially due to comments from SCVWD. The Environmental Team is actively working toward finalizing the HMMP, which will satisfy both on-site and off-site mitigation requirements. The following are highlights of habitat mitigation effort:

- On site HMMP package was submitted for agency review and approval on July 18, 2025. In August, partial comments were received from the permitting agencies. JPB continues to coordinate with agencies on the remaining comments and gain approval of the HMMP package. While this activity has fallen behind schedule, the team remains optimistic that approval of the HMMP will be acquired in time to complete construction by March 2027.
- Upon approval of the HMMP package, JPB will seek to Amend the USACE 408 permit for on-site mitigation work.
- Obtain SCVWD HMMP Encroachment Permit #2 for approval to perform on-site habitat mitigation within the district’s land.

Offsite compensatory mitigation was selected through the Santa Clara Valley Habitat Agency (Habitat Agency) and the Mid-Peninsula Open Space District (Midpen).

- Participating in Special Entity (PSE) agreement through the Habitat Agency
- Midpen Board approved the Hick’s Creek Mitigation project on July 9<sup>th</sup>
  - A Cooperative Mitigation Agreement is currently being drafted between Midpen and JPB.
  - In August, JPB executed a contract with ICF to perform design and permitting services for the Hick’s Creek Mitigation project.
  - CEQA Addendum approval is needed for Offsite Mitigation.
  - JPB and FTA to complete NEPA evaluation for Offsite Mitigation.

### **1.4 Project Cost and Budget**

On June 5, 2025, the JPB board approved to amend the Guadalupe River Bridge Replacement Project Budget from \$63,698,593 to \$171,389,598. As of October 2025, the project is on budget:

- The current project total cost at completion (EAC) is the same as the Board approved budget of \$171.38 million.
- As of October 2025, the project cost is on track to complete the project.
- No drawdown occurred to the Contractors Risk Allowance and project contingency of \$7.6 million.

### **1.5 Project Progress and Schedule**

After June 2025 NTP was issued, a nesting blue bird within the project delayed the start of water diversion work. However, the project team has been working with the Contractor on resequencing to minimize the critical path impact.

As of October 31, 2025, the overall bridge construction completion is 60% and the current project schedule is still on track with the contractors' substantial completion date of March 2027 for the Guadalupe River Bridge Replacement and Habitat Mitigation work on the Guadalupe Bridge Site. Additional work will be ongoing through 2027 for completion of an offsite habitat mitigation project at the Hick's Ranch site owned by Mid-peninsula Regional Open Space District.

### **1.6 This Month's Accomplishments**

The project team has completed the following notable activities for the month of October 2025:

- Removed land bridge and river diversion fill material from river channel
- Backfilled temporary excavations, restored grades, installed rip rap and other erosion control measures within the river channel to prepare for returning the river to flow for the wet season
- Installed temporary pump bypass for the river flow to support removal of the river diversion
- Installed exterior cofferdams, removed interior cofferdams, and removed 3 -36' river diversion piping.
- Removed temporary pump bypass and exterior cofferdams, restoring the river to flow for the wet season.
- Continued work on MT1 Piers 2 and 3
- Installed bird deterrent measures on newly installed MT1 Span 2.
- Completed installation of sheet pile walls to isolate wet season construction zones from the flowing river.
- Continued installation of CIDH Piles for MT1 Pier 4, Abutment 1 and abutment 5
- Continued temporary and final site grading activities
- Continued to coordinate with Valley Water staff on the onsite HMMP design reviews.
- Advanced design site surveys and design work with ICF for the offsite Hick's Creek project design.
- Hosted quarterly update meeting with the Environmental Permitting Agencies, including FTA.

### **1.7 Upcoming Work**

For the next month, the GRBRP team has set additional goals as described below:

- Continue MT1 bridge construction activities that are outside of the channel.
- Continue to work with permitting agencies to gather feedback and finalize the

- onsite HMMP design
- Continue to work toward Hick’s Creek offsite mitigation final design
- Ongoing work to finalize agreement with Mid-peninsula Regional Open Space District for use of Hick’s Ranch for the offsite mitigation project
- Host monthly status meetings with the Environmental Permitting Agencies.
- Hold quarterly status meeting with Funding Partners
- Finalize next dry season construction schedule including additional access request.

## 1.8 Risk Management

As of October 2025, the top critical items and related actions are listed below.

**Table 1-1. Key Risks and Actions**

<b>Risk Descriptions</b>	<b>Mitigation Actions</b>
Bird nesting impact to construction work	<ul style="list-style-type: none"> <li>• Walsh provided a recovery schedule to defer some MT2 work to 2026 dry season and maintains current substantial completion date.</li> <li>• Bird deterrents are installed on new bridge structures to prevent nesting over the 2025-2026 wet season.</li> <li>• Walsh advanced all contract required tree removals in 2025 dry season to eliminate locations for nesting birds.</li> <li>• Biological monitors scan sites regularly to prevent development of new nests.</li> </ul>
Work needed to execute construction deviates from what is permitted:	<ul style="list-style-type: none"> <li>• Ongoing work with the construction contractor to review work plans and confirm alignment with permit conditions prior to work proceeding.</li> <li>• The construction team closely coordinates with the environmental team to understand the intent of permit conditions and if needed, engage permitting agencies for clarity.</li> <li>• Where exceptions are required, work with the contractor to come up with detailed work plans and mitigations to address agency concerns.</li> <li>• For fueling issues, worked with the contractor to find alternate locations for fueling away from VW property and developed a fueling plan that is acceptable by Caltrain.</li> </ul>
Unforeseen subsurface or structural conditions	<ul style="list-style-type: none"> <li>• Advanced potholing, when possible, to uncover potential utility conflicts and differing structural conditions (MT2)</li> </ul>
Unpredictable Water or weather conditions	<ul style="list-style-type: none"> <li>• River Diversion and Temp Sheet pile for wet season work designs incorporate appropriate capacities to handle expected water levels.</li> <li>• Monitoring forecast to allow time to sufficiently prepare for weather events</li> <li>• Response plan was developed with Construction Contractor to mitigate “over-topping” of river diversion in case of weather event that will affect water levels in river.</li> <li>• Adjusting schedule for river diversion removal activities to avoid forecasted weather that could result in high flows and impacts to environment.</li> </ul>
Delays to approval of onsite HMMP	<ul style="list-style-type: none"> <li>• Worked with permitting agencies to review draft HMMP and capture edits needed in advance of permit needs.</li> <li>• Previously set date of July 18th for submission to permitting agencies to allow for revisions to be addressed and sufficient time for permit issuance before the work needs to begin in the dry season of 2026.</li> <li>• Engage executive staff level support to contact Permitting agencies who have been unresponsive.</li> </ul>



	<ul style="list-style-type: none"><li>• Provided draft HMMP plans to Walsh to confirm baseline schedule assumptions and to prepare for advertisements to subcontractors. To maintain schedule, draft HMMP (90% complete) will be used to advance bidding process. Any changes resulting from agency reviews will be addressed via addendum to the subcontractor.</li></ul>
Reductions to onsite HMMP require additional mitigation that cannot be achieved with the current Hick's Creek Offsite mitigation project	<ul style="list-style-type: none"><li>• Working with Santa Clara Valley Water District to find mutually agreeable solutions to include as much mitigation scope on their property as possible.</li><li>• Evaluating Hick's Creek Offsite mitigation project for additional opportunities to satisfy requirements.</li><li>• Evaluating other options for offsite mitigation opportunities.</li></ul>

# Guadalupe River Bridge Replacement Project

## Monthly Progress Report – October 2025

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### 2.0 SAFETY

Walsh Construction provides a full-time safety manager on the project who oversees and implements the Health and Safety program for the project. Walsh's safety manager continues to provide relevant training, host safety meetings, safety related inspections, reporting and managing responses to safety issues. This role will continue for the duration of the project.

Walsh reports the following safety activities for the month of October 2025:

Period	Man Hours	Safety Meetings	Inspections	Observations	Close Calls	Incidents
October 2025	8,551	26	47	60	1	3
Cumulative (from June 2025)	47,016	98	104	236	6	16

#### **Safety Event Synopsis:**

- 10.02.25: First Aid: Walsh employee slipped in mud, fell and suffered a sprained right ankle.
- 10.02.25: Close Call: Walsh employee stepped on a sharp object, it punctured the boot's sole, however, it did not break the employee's skin.
- 10.03.25: First Aid: Employee suffered minor lacerations and bruises to mid-back.
- 10.29.25: Motor Vehicle Incident: Subcontract truck struck a parked piece of equipment backing into the McLellan yard.

There are no OSHA reportable incidents and no Caltrain ROW incidents.

#### **Definitions:**

Incident: Any event occurring on or in the vicinity of the Work Site involving personnel, property or equipment associated with the Work which results in personal injury to any person or damage to any property.

Close Call: Any event resulting in no injury or no damage, but which had potential to result in injury or damage to persons or property.

Observation: The act of watching and recording specific workplace activities, conditions, and behaviors as they occur. The intent is to identify safe and unsafe actions, conditions, and positive safety behaviors, with the goal of preventing incidents before they occur. The process is driven by behaviors, actions and workspace conditions observed by the person(s) conducting the observation.

Inspection: The act of conducting a specific or multiple element job site evaluation of a workplace, equipment, or operational process aimed at identifying potential hazards, ensuring compliance with safety regulations, and promoting a safe working environment. Typically, a checklist based upon regulatory standards is used during the process.

### **3.0 PROJECT SCHEDULE**

#### **3.1 Introduction**

The JPB has approved project re-baseline schedule as part of project reset with a Substantial Completion date of March 03, 2027, and Final Acceptance of March 31, 2027. The off-site habitat mitigation work will carry through 2027 for completion at Hick's Ranch site owned by Mid-peninsula Regional Open Space District.

As of October 31, 2025, the overall delay to the critical path is 0 days. The contractor re-sequenced water division work to minimize schedule impact caused by bird nesting. Bridge Construction will be completed in two dry seasons.

Milestone 1 (MT-1 Installation of Steel Girder Span 2) was completed on time on September 25, 2025.

#### **3.2 Re-Baseline Schedule**

Guadalupe River Bridge Replacement (GRBR) project re-baseline schedule was established. The following are the status of major Milestones as of October 31, 2025.

<b>Major Milestones</b>	<b>Re-Baseline Date</b>	<b>Forecast Date</b>	<b>Notes</b>
2025 Dry Season Mobilization	06/15/2025	06/15/2025A	Completed
Interim Milestone 1 (Completion of MT1 Steel Girder)	09/27/2025	09/25/2025A	Completed
2025-2026 Wet Season (outside of river channel) <ul style="list-style-type: none"><li>• MT1 Foundation and Super Structure</li><li>• MT2 Pier 4 Work</li></ul>	01/23/2026	01/23/2026	
2026 Dry Season—Milestone 2 (All in-channel work) <ul style="list-style-type: none"><li>• MT1 Deck &amp; Finishes</li><li>• MT2 Finishes</li></ul>	10/15/2026	10/15/2026	
2026-2027 Wet Season-Complete Final Planting – On-Site Mitigation	02/09/2027	02/09/2027	
Substantial Completion	03/03/2027	03/03/2027	
Completion of Off-Site Mitigation	12/27/2027	12/27/2027	

**Table 3-1. Re-baseline Schedule**

#### **3.3 Critical Path Analysis**

The critical path goes through MT1 Abutments 1 and 5 works before linking to MT2 Piers 2, 3 and 4 retrofit. The critical path continues through the 2026 dry season and includes completing the remaining MT1 and MT2 bridge work, and final HMMP work.

**Guadalupe River Bridge Replacement Project**  
**Monthly Progress Report – October 2025**

## 4.0 COST AND BUDGET

### 4.1 Introduction

The JPB approved a revised Project budget of \$171.38 million. Table 4-1 depicts a summary level of project budget, costs, and estimate at completion based on the latest project cost update as of October 31, 2025.

### 4.2 Project Budget and Cost

**Table 4-1. Budget Summary by Project**

Description of Work	Current Budget (A) <sup>1</sup>	Cost This Month (B) <sup>2</sup>	Cost To Date (C) <sup>3</sup>	Estimate To Complete (D)	Estimate At Completion (E) = (C) + (D)	Variance at Completion (F) = (A) – (E)
Guadalupe River Bridges Replacement	\$171,389,598	\$8,846,447	\$86,157,949	\$85,231,649	\$171,389,598	\$0
<b>GRB TOTAL</b>	<b>\$171,389,598</b>	<b>\$8,846,447</b>	<b>\$86,157,949</b>	<b>\$85,231,649</b>	<b>\$171,389,598</b>	<b>\$0</b>

<sup>1</sup> Column A "Current Budget" includes re-baseline and executed change orders and awarded contracts.

<sup>2</sup> Column B "Cost This Month" represents the cost of work performed this month.

<sup>3</sup> Column C "Cost to Date" includes actual (amount paid) and accruals (amount of work performed) to date.

Table 4-2 depicts project budget, costs, and estimate at completion summarized by major elements of work. This budget table provides additional details for the project and is broken down by major work elements for the project, minor contracts, environmental, designer, project management oversight, HMMP and other indirect support costs.

**Table 4-2. Budget Summary by Major Elements**

Description of Work	Re-Baseline Budget (A)	Current Budget (B)	Cost This Month (C)	Cost To Date (D)	Estimate To Complete (E)	Estimate At Completion (F) = (D) + (E)
Walsh Construction Contract	\$89,787,026	\$89,787,026	\$6,700,000	\$50,452,281	\$39,334,745	\$89,787,026
Design Services during Construction	\$2,312,930	\$2,312,930	\$68,718	\$1,076,231	\$1,236,699	\$2,312,930
Environmental Support (Including Compliance, Monitoring, Legal & Permit Fees)	\$14,124,097	\$13,753,300	\$298,587	\$7,923,350	\$6,010,948	\$13,934,298
Offsite Habitat Mitigation (HMMP) - Incl 100% Design	\$12,250,000	\$12,620,798	\$39,830	\$91,041	\$12,348,759	\$12,439,800
Management Oversight & Support	\$23,180,900	\$23,180,900	\$828,619	\$13,515,791	\$9,665,109	\$23,180,899
Others (TASI & Bus Bridge Support, ICAP)	\$16,834,453	\$16,834,453	\$910,693	\$7,823,311	\$9,011,142	\$16,834,453
PRIOR COSTS - Planning/Engineering & CalMod Improvements	\$5,275,945	\$5,275,945	\$0	\$5,275,945	\$0	\$5,275,945
Contingency	\$7,624,247	\$7,624,247	\$0	\$0	\$7,624,247	\$7,624,247
<b>Grand Total</b>	<b>\$171,389,598</b>	<b>\$171,389,598</b>	<b>\$8,846,447</b>	<b>\$86,157,949</b>	<b>\$85,231,649</b>	<b>\$171,389,598</b>

### 4.3 Contractor's Risk Allowance Pool

Caltrain and Walsh continued to implement new mechanisms to support a collaborative approach to project delivery. The parties jointly completed a detailed review of project risks and mitigation strategies, acknowledging that certain risks may materialize under specific conditions. To address this, both parties agreed to establish an allowance pool to cover additional costs related to risk mitigation following the start of construction in June 2025.

As part of the global reset, a \$4 million Risk Allowance Pool was created to proactively and collaboratively manage risks with the contractor. This pool is intended to compensate the contractor for additional costs incurred if identified risks are realized. Table 4-3 summarizes the current month's drawdown from the Risk Allowance Pool, the cumulative drawdown to date, and the remaining balance by risk category.

**Table 4-3. Risk Allowance Pool Status as of October 2025**

Risk Allowance Pool Category	Risk Amount	Current Month	Executed to Date	Remaining Balance
Differing Site Conditions	\$390,750	\$0	\$0	\$390,750
Bird Deterrent Mitigation	\$250,000	\$0	\$0	\$250,000
Permit Requirements	\$1,000,000	\$0	\$0	\$1,000,000
Track Access Impacts	\$360,000	\$0	\$0	\$360,000
Water Management	\$250,000	\$0	\$0	\$250,000
Warehouse Storage	\$297,000	\$0	\$0	\$297,000
Isolation Casings	\$600,000	\$0	\$0	\$600,000
Phytophthora Management	\$750,000	\$0	\$0	\$750,000
Contingency	\$102,250	\$0	\$0	\$102,250
<b>Total</b>	<b>\$4,000,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$4,000,000</b>

In addition to the established Risk Allowance Pool with Walsh, the re-baseline budget includes a project contingency of \$7.6 million to cover potential changes and unknowns not related to Walsh. As of October 2025, the total project contingency is \$7.6 million. Table 4-4 summarizes the current remaining and forecasted contingency balance as of the latest monthly update.

**Table 4-4. Overall Project Contingency**

	Project Contingency		
	Allocated (A)	Unallocated (B)	Subtotal C = (A+B)
<b>Project Contingency</b>	\$7,624,247	\$0	\$7,624,247
Drawn Contingency	\$0	\$0	\$0
<b>Remaining Contingency</b>	\$7,624,247	\$0	\$7,624,247
Pending Changes	\$0	\$0	\$0
<b>Forecasted Remaining Contingency</b>	\$7,624,247	\$0	\$7,624,247

#### 4.4 Contract Incentives

The Global Re-set included incentives based on Early Interim Milestone Completion. Table 4-5 provides a status of Contractor incentives Budgeted, Awarded, and remaining Balance. There is \$420,000 drawn from contract incentives as of October 2025.

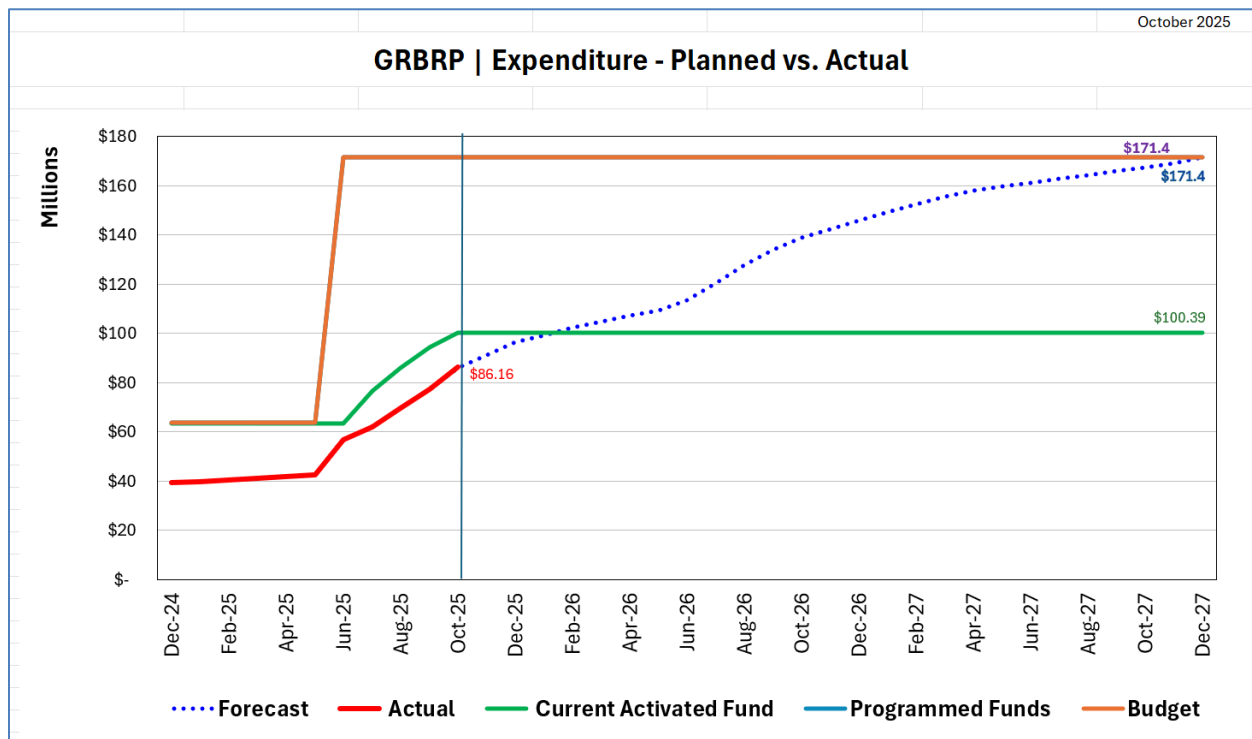
**Table 4-5. Construction Contractor Incentives**

Incentives	Budgeted (A)	Awarded (B)	Projected Remaining to Award (C)	Projected Balance Remaining (D)=(A)-(B)-(C)
<b>Interim Milestone</b>				
Install Steel Girders on MT1 Span 2	\$540,000	\$420,000	\$0	\$120,000
In-Channel Work	\$540,000	\$0	\$540,000	\$540,000
<b>Total Contract Incentive</b>	<b>\$1,080,000</b>	<b>\$420,000</b>	<b>\$540,000</b>	<b>\$660,000</b>

#### 4.5 Project Cash Flow and Funding

The remaining project expenditures are cash flowed in Figure 4-1.

**Figure 4.1. Expenditure – Funding Cash Flow**



#### 4.6 Issues

**Table 4-7. Cost and Funding Issues Identified, and Actions Taken for October 2025**

Issues	Actions
None	<ul style="list-style-type: none"> <li>N/A</li> </ul>

## **5.0 CHANGE MANAGEMENT**

### **5.1 Introduction**

The change management process establishes a formal administrative work process associated with the initiation, documentation, coordination, review, approval, and implementation of changes during the design and construction of GRB. The change management process accounts for the impacts of the changes and ensures prudent use of contingency.

### **5.2 Construction Change Orders / Risk Allowance Pool**

#### **5.2.1 Executed Risk Allowance/CCO Items**

- CCO-30 – Global Re-set

#### **5.2.2 Approved Risk Allowance/Change Order Items:**

- None as of October 2025

#### **5.2.3 Upcoming Risk Allowance Items or Change Orders**

- Risk allowance usage requested by Walsh through the month of October is \$1,463,996 and is currently pending review and approval.
- Pending Risk allowance usage for:
  - CIDH pile modifications
  - Removal of Fallen tree in river obstructing installation of river diversion
  - Additional generator for river diversion pumping and double handling of equipment to accommodate Valley Water fueling restrictions
  - Demo of additional unforeseen concrete at existing MT1 piers
  - Removal of unforeseen buried concrete
  - Additional pumps needed for river diversion
  - Added ATS system to support dewatering needs
  - Bird Deterrent additional scope
  - Bat mitigation measures
  - Costs related to nesting bluebird delay in June
  - Additional compensation due to impacts related to regulatory permit impacts in 2025 Dry Season

### **5.3 Issues**

**Table 5-1. Change Management Issues Identified, and Actions Taken for October 2025**

<b>Issues</b>	<b>Actions</b>
River Diversion cofferdams have not sealed completely and are resulting in greater seepage quantities than anticipated. There is no direct impact on critical path work.	<ul style="list-style-type: none"><li>• Working with the contractor to develop a plan for improvements and in compliance with permits.</li><li>• Use of risk allowance anticipated to compensate Walsh for work that is beyond the baseline assumptions including additional dewatering pumps and an additional ATS system.</li><li>• Will hold a “lessons learned” meeting with the contractor and environmental staff to discuss improvements for future work.</li></ul>

**Guadalupe River Bridge Replacement Project**  
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Valley Water added an unexpected permit condition about fueling at the very last minute before construction. No fueling on VW property was not included in previous permits.

- Worked with Walsh to develop fueling plans for approval by JPB for fueling non-mobile equipment within JPB ROW.
- Monitoring potential impacts on productivity due to fueling restrictions related to mobile equipment and working with the contractor to mitigate where possible.
- Use of risk allowance to compensate Walsh for work that is beyond baseline assumptions.



**Peninsula Corridor Joint Powers Board  
Staff Report**

To: JPB Board of Directors

Through: Michelle Bouchard, Executive Director

From: Sherry Bullock, Interim Chief, Design and Construction, and CalMod Program Director

For: December 2025 Board of Directors Meeting

Subject: **Receive Update on Battery Electric Multiple Unit (BEMU) Project – Oct 2025**



Finance Committee  
Recommendation



Technology, Operations, Planning,  
and Safety Committee  
Recommendation



Advocacy and Major Projects  
Committee Recommendation

**Purpose and Recommended Action**

This report includes an informational update that requires no action by the Board of Directors (“Board”) of the Peninsula Corridor Joint Powers Board (“JPB” or “Caltrain”).

Staff will provide monthly updates covering Battery Electric Multiple Unit (BEMU)-related activities during the reporting month and a preview of activities anticipated to take place during the current month.

**Discussion**

The battery electric multiple unit pilot project (BEMU Pilot) is a research and development project with the end goal of producing a BEMU qualified to run on the general railroad system, and on Caltrain’s right-of-way including the Gilroy Extension specifically under battery power.

The BEMU is a change order option train ordered from Caltrain’s EMU contract and is a shorter version of a fully capable EMU paired to a battery cab car designed to run in daily round-trip service from Gilroy to San Jose. The BEMU has four cars, three of which accommodate passengers with a total of 280 seats. The BEMU will be charged under the overhead catenary system (OCS) either stationary or in service, travel to Gilroy and have its charge “topped off” during overnight layover in Gilroy at the standard 480 volt (V) train plug before returning north.

Stadler is responsible for design, procurement, manufacturing, installation, testing and commissioning of the BEMU. The BEMU will be equipped with Positive Train Control (PTC) and qualified on both the non-electrified portion of Caltrain service on Union Pacific Railroad (UPRR) territory as well as the Caltrain Right-of-way electrified portion. BEMU PTC will require detailed documentation and approval by the Federal Railroad Administration.

## Monthly Update

1. Project Schedule – Battery Electric Multiple Unit (BEMU) project baseline schedule was established on April 22, 2024. The following are the status of major Milestones as of October 31, 2025.
2. Preliminary Design Review (PDR) Completion is delayed due to carbody redesign - The preliminary Battery B (BB) carbody analyses yielded positive results. Once the design was refined, including increasing the battery capacity (and therefore the battery weight), however, the carbody analyses revealed weaknesses in the structure. To resolve this, equipment had to be rearranged within the BB car, the structure modified/reinforced, and the analyses redone. This caused a delay in completion of PDR and commencement of final design. Staff will work with Stadler on schedule recovery to minimize impact to BEMU carbody structure production and final assembly. The BEMU delivery schedule and on-site schedule remains unchanged.

<u>Key Project Activity</u>	<u>Notice to Proceed (NTP) + months estimated in Change Order</u>	<u>Planned Completion (Baseline)</u>	<u>Progress as of 10/31/2025</u>	<u>Progress On Track?</u>	<u>Notes</u>
Stadler Notice to Proceed	0	08/25/23	Completed	Completed	
Approval of Master Program schedule	3	04/22/24	Completed	Completed	
Conceptual Design Review (CDR)	12	04/18/25	Completed	Completed	
Preliminary Design Review (PDR)	16	08/15/25	12/15/2025	Delayed	Delay due to carbody redesign
Final Design Review (FDR)	20	12/12/25	In Planning	Delayed to 6/2026	Delay due to carbody redesign
Battery First Article Inspection	30	04/10/26	In Planning	Delayed to 6/2026	Delay due to carbody redesign
Completed Carshells	40	05/01/26	In Planning	Delayed (date TBD)	Delay due to carbody redesign
Authorization to Ship to Transportation Test Center	45	06/25/27	In Planning	On Track	
Completion of Testing at TTC	50	12/10/27	In Planning	On Track	
Conditional Acceptance – BEMU Ready for Revenue Service	55	10/23/28	In Planning	On Track	
Final Acceptance	60	11/20/28	In Planning	On Track	

### 3. Cost – Spend vs Budget with Actuals and Accruals through October 31, 2025

Project 100782 BEMU - Budget and Cost (As of October 31, 2025)

	(A)	(B)	(C)	(D)		(E)	(F) = (C - E)	(G) = (D / E)
Project Cost Analysis	Original Budget (US\$MM)	Approved Changes (Contractor) (US\$MM)	Project Current Budget (US\$MM)	Expended and Accruals To-Date (US\$MM)	To-Go (US\$MM)	Estimated at Completion (EAC) (US\$MM)	Variance at Completion (US\$MM)	% Expended of EAC
Contractor - STADLER	\$ 60.98	\$ 0.56	\$ 61.54	\$ 18.24	\$ 43.30	\$ 61.54	\$ -	29.64%
Other Contracts	\$ 1.31	\$ 0.06	\$ 1.38	\$ 0.06	\$ 1.31	\$ 1.38	\$ -	4.69%
Program Mngt. & Admin Costs	\$ 9.64		\$ 9.64	\$ 0.34	\$ 9.18	\$ 9.52	\$ 0.12	3.62%
Project Contingency	\$ 7.47	\$ (0.63)	\$ 6.84		\$ 6.77	\$ 6.77	\$ 0.08	0.00%
ICAP	\$ 0.60		\$ 0.60	\$ 0.02	\$ 0.78	\$ 0.80	\$ (0.20)	2.13%
<b>Total BEMU Project</b>	<b>\$ 80.00</b>	<b>\$ -</b>	<b>\$ 80.00</b>	<b>\$ 18.67</b>	<b>\$ 61.33</b>	<b>\$ 80.00</b>	<b>\$ (0.00)</b>	<b>23.33%</b>

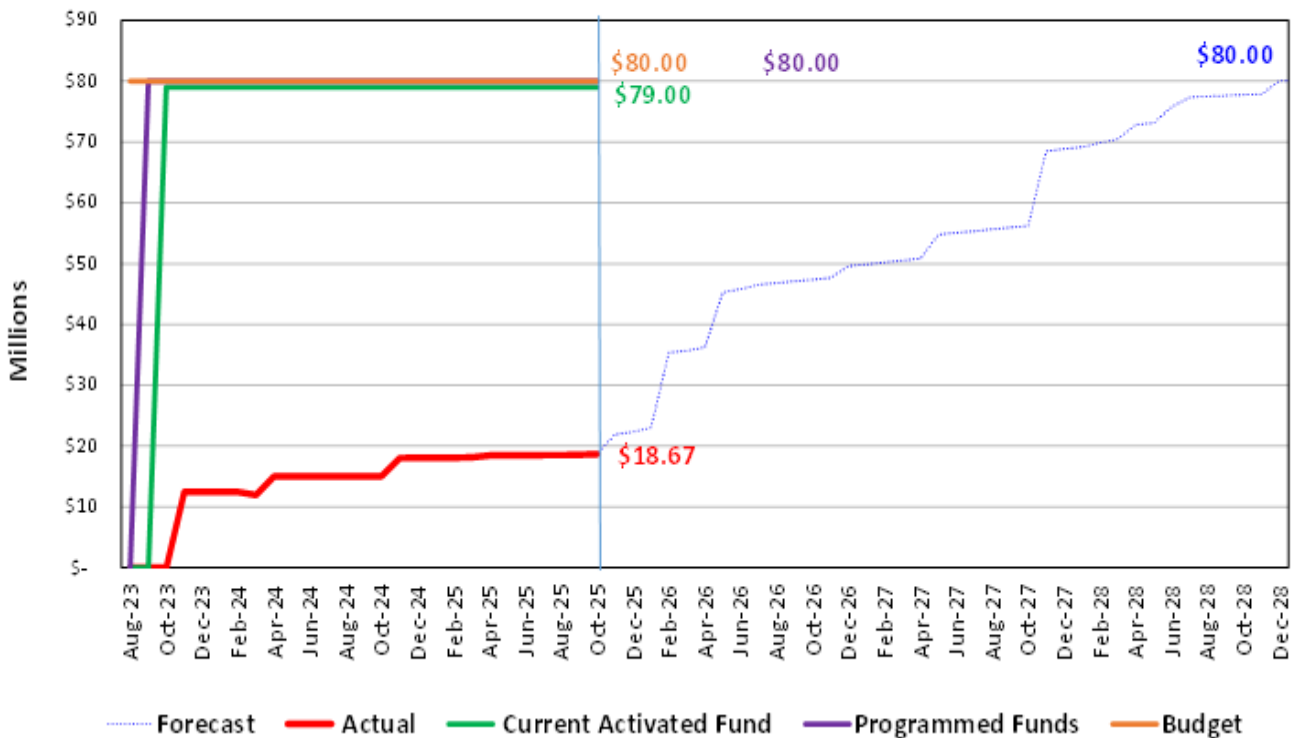
Note:

- 1). Expended and Accruals To-Date is through October 31, 2025;
- 2). Program Mngt. & Admin Costs includes JPB project oversight costs, TASI support and Other Direct Costs for BEMU trainset;
- 3). Other Contracts includes \$1M for Wayside Upgrades;

### 4. Cost Curve:

OCTOBER 2025

#### BEMU | Expenditure - Planned vs. Actual



## **5. Major Activities for October 2025:**

- Began Preliminary Design Review (PDR) activities:
  - Reviewed PDR packages as submitted.
  - Attended PDR meetings at Stadler US.
- Held monthly progress meeting.
- Held on-going technical coordination meetings (biweekly).
- Held on-going safety coordination meetings (monthly).
- Held carbody redesign progress meeting.
- Reviewed the grounding concept, various electrical drawings, interior key and lock concept, emergency evacuation and rescue concept, fire safety analysis and the monthly progress report and schedule.

## **6. Upcoming Key Activities:**

- Follow-up on action items from the September Federal Rail Administration (FRA) meeting.
- Complete PDR packages review and acceptance by Caltrain.
- Continue reviewing safety submittals (and other submittals as needed).
- Introduce BEMU project to UPRR (at Project Management level) and start coordination efforts.

## **7. Change Management:**

- In August 2023, the JPB approved a change order for not to exceed \$60,976,504 to Stadler US Inc., contract No. 14-PCJPB-P-056 for an option of one four-car Battery Electric Multiple Unit (BEMU) trainset.
- A change order (CCO #57) was fully executed for BEMU convenience outlets, which were not included in the BEMU train order. The change order amount is \$40,019.18. This change will be covered by the contingency and there is no change to the project budget.
- A change order (CCO #60) in the amount of \$520,500 to increase the traction battery capacity from the baseline 1.9 megawatt hour (MWh) requirement to 2.3 MWh was

fully executed. This change will be covered by the contingency and there is no change to the project budget.

- A Purchase Order in the amount of \$65,000 for PTC radio licenses and PTC control messaging licenses (2 licenses) has been issued to Meteorcomm under BEMU project. This change will be covered by the contingency and there is no change to the project budget.

## **8. Risk Management:**

The following are top risks for implementation of Battery Electric Multiple Unit (BEMU) project:

Risk Descriptions	Mitigation Actions
1. Redesign of the battery car body will cause schedule delays	Review schedule with Stadler and perform schedule impact and find ways to keep baseline project completion schedule intact.
2. Potential supply chain issue down the road	Tracking procurement lead time and monitoring closely

## **9. FRA Coordination Status:**

- A meeting with the FRA took place on September 11 in Washington, DC. The meeting focused on establishing points of contact and introducing the BEMU project to the FRA. Presentations and discussions included the project schedule and progress, the conceptual design, the safety program, and the general plan for meeting applicable FRA requirements (including concurrence with the FRA industry letters regarding alternative fuel vehicles).
- A follow-up meeting will be held in early 2026.

### **Budget Impact**

There is no impact on the budget.

Prepared By: Sherry Bullock	Interim Chief, Design and Construction, and	11/19/2025
	CalMod Program Director	
Greg Cameron	BEMU Commercial Project Manager	11/07/2025

**Peninsula Corridor Joint Powers Board  
Staff Report**

To: JPB Board of Directors

Through: Michelle Bouchard, Executive Director

From: Sherry Bullock, Interim Chief, Design and Construction, and CalMod Program Director

For: December 2025 Board of Directors Meeting

Subject: **Receive Update on Electric Multiple Unit Option Cars (EMU Option 1 and 2) Projects – October 2025**



Finance Committee  
Recommendation



Technology, Operations, Planning,  
and Safety Committee  
Recommendation



Advocacy and Major Projects  
Committee Recommendation

**Purpose and Recommended Action**

This report includes an informational update that requires no action by the Board of Directors (“Board”) of the Peninsula Corridor Joint Powers Board (“JPB” or “Caltrain”).

Staff will provide monthly updates covering Electric Multiple Unit Option Cars (EMU Option 1 and 2)-related activities during the reporting month and a preview of activities anticipated to take place during the current month.

**Discussion**

In 2016, Caltrain executed a contract with Stadler USA, Inc., to procure Electric Multiple Unit (EMU) trains to serve Caltrain passengers upon completion of the Peninsula Corridor Electrification Project (PCEP), which will electrify the corridor from San Francisco to San Jose. The Stadler contract included two option periods. The option offers Caltrain the opportunity to purchase additional EMU trainsets at a substantially lower cost than would be available if Caltrain were to undertake a new procurement. In addition to costs savings, the option allows Caltrain to move closer to the goal of a zero-emission corridor while improving service and reliability for Caltrain passengers.

- The EMU Option 1 is a change order option train ordered from Caltrain’s EMU contract that adds 37 Option cars to the contract. This comprises of (a): 16 additional cars to be inserted into the Base contract 16, six (6)-car trainsets to provide fully integrated and tested seven (7)-car trainsets and (b): three additional seven (7)-car trainsets. In December 2018, the JPB approved change order for not to exceed \$172,800,047 to Stadler US Inc., contract No. 14-PCJPB-P-056 for an option that adds 37 Option cars to the contract.

- The EMU Option 2 is a change order option train ordered from Caltrain's EMU contract that adds 28 Option cars to the contract. In August 2023, the JPB approved change order for not to exceed \$183,217,581 to Stadler US, Inc., contract No. 14-PCJPB-P-056 for an option that adds 28 Option cars to the contract. This comprises of four (4) seven-car trainsets.

Stadler is responsible for design, procurement, manufacturing, installation, testing and commissioning of the EMU Option cars as well as mock-ups, spare parts, special tools, test equipment, manuals, training, and related parts and services. Purchasing additional Option Cars will support the Caltrain Business Plan, reduce diesel trips on the JPB's corridor, and enhance seating capacity on the JPB's commuter rail service, all in furtherance of helping the State achieve transportation, safety and climate goals.

Caltrain has commenced fully electrified EMU service since September 2024, currently total of 16 seven-car EMU trainsets have been final accepted and in service. This monthly report will provide status of trainsets 17 through 19 as the remaining Option 1 scope and trainsets 20 through 23 as the remaining Option 2 scope.

Currently all 19 EMUs are delivered on site; trainset 17 has reached final acceptance; trainset 19 burn-in was completed in October of 2025.

## Monthly Update

### 1. Project Schedule – Major Milestones for EMU Option 1 project as of October 31, 2025:

<u>Key Project Activity</u>	<u>Planned Completion</u> (Baseline)	<u>Progress as of</u> <u>10/31/2025</u>	<u>Progress</u> <u>On Track?</u>	<u>Notes</u>
Return of the Executed Change Order	12/22/18	Completed	Completed	
Approval of Master Program schedule		Completed	Completed	
Submission of Major Systems Purchase Orders		Completed	Completed	
Completion of Carbody – Trainsets 1 thru’ 19	11/20/22	Completed	Completed	
Authorization to Ship from Contractor’s Facility - Trainsets 1 thru’ 17	08/20/24	Completed	Completed	
Authorization to Ship from Contractor’s Facility - Trainset 18	04/23/25	Completed	Completed	
Authorization to Ship from Contractor’s Facility - Trainset 19	06/22/25	Completed	Completed	
Notice of Conditional Acceptance - Trainsets 1 thru’ 17	01/07/25	Completed	Completed	
Notice of Conditional Acceptance – Trainset 18	05/23/25	Completed	Completed	
Notice of Conditional Acceptance – Trainset 19	07/21/25	Completed on 10/21/25	Completed	Delay is acceptable to accommodate Overhead Catenary System (OCS) Monitoring System Change Order
Notice of Final Acceptance - Trainset 17	03/24/25	Completed	Completed	
Notice of Final Acceptance - Trainset 18	07/04/25	11/15/2025	Delayed	Late due to open items



<u>Key Project Activity</u>	<u>Planned Completion (Baseline)</u>	<u>Progress as of 10/31/2025</u>	<u>Progress On Track?</u>	<u>Notes</u>
Notice of Final Acceptance - Trainset 19	09/21/25	In Planning	Delayed	Delay is acceptable to accommodate OCS Monitoring System Change Order; and open items
Final Milestone: Conditional Acceptance of 19 trainsets	07/21/25	Completed on 10/21/25	Completed	Delay is acceptable to accommodate OCS Monitoring System Change Order

## 2. Project Schedule – Major Milestones for EMU Option 2 project as of October 31, 2025:

In 2024, Stadler announced a potential delay due to a force majeure event (flooding) at their aluminum extrusion supplier's facility. This storm event had ceased aluminum global production temporarily. This project was one of many Stadler projects affected by the event. In October 2025, Caltrain received notice from Stadler, and the effect of this force majeure has now been fully realized, and production has been stabilized. There was overall six months impact on car shell production, Stadler is implementing aggressive mitigation during final assembly to reduce the overall schedule impact by two and a half months.

<u>Key Project Activity</u>	<u>Planned Completion (Baseline)</u>	<u>Progress as of 10/31/2025</u>	<u>Progress On Track?</u>	<u>Notes</u>
Return of the Executed Change Order	08/14/23	Completed	Completed	
Approval of Master Program Schedule	11/08/23	Completed	Completed	
Submission of Major Systems Purchase Orders	05/09/24	Completed	Completed	
Completion of EMU Carshells – Trainset 20*	12/24	Completed	Completed	
Completion of EMU Carshells – Trainset 21*	05/25	Completed	Completed	
Completion of EMU Carshells – Trainset 22	09/12/25	10/15/25	Delayed	Delay due to Force Majeure (flooding at aluminum extrusion factory)
Completion of EMU Carshells – Trainset 23*	02/26	11/30/25	On Track	
Authorization to Ship from Contractor's Facility - Trainset 20*	03/26	07/15/26	Delayed	Delay due to Force Majeure (flooding at aluminum extrusion factory)

<u>Key Project Activity</u>	<u>Planned Completion (Baseline)</u>	<u>Progress as of 10/31/2025</u>	<u>Progress On Track?</u>	<u>Notes</u>
Authorization to Ship from Contractor's Facility - Trainset 21*	03/26	In Planning	On Track	
Authorization to Ship from Contractor's Facility - Trainset 22*	01/27	In Planning	On Track	
Authorization to Ship from Contractor's Facility - Trainset 23*	01/27	In Planning	On Track	
Notice of Conditional Acceptance - Trainset 20	04/26	In Planning	On Track	
Notice of Conditional Acceptance - Trainset 21	04/26	In Planning	On Track	
Notice of Conditional Acceptance - Trainset 22	02/27	In Planning	On Track	
Notice of Conditional Acceptance - Trainset 23	02/27	In Planning	On Track	
Notice of Final Acceptance - Trainset 20	05/26	In Planning	On Track	
Notice of Final Acceptance - Trainset 21	05/26	In Planning	On Track	
Notice of Final Acceptance - Trainset 22	03/27	In Planning	On Track	
Notice of Final Acceptance - Trainset 23	03/27	In Planning	On Track	
*Baseline dates corrected to match baseline schedule as published in the original Option 2 Change Order				

### 3. Cost – Spend vs Budget with Actuals and Accruals through October 31, 2025

#### Project 100400 EMU Option Car 1 - Budget and Cost (As of October 31, 2025)

	(A)	(B)	(C)	(D)	(E) = (G) - (D)	(F)	(G) = (C) - (F)	(H) = (D) / (F)
Project Cost Analysis	Original Budget (US\$MM)	Approved Changes (Contractor) (US\$MM)	Project Current Budget (US\$MM)	Expended and Accruals To-Date (US\$MM)	To-Go (US\$MM)	Estimated at Completion (EAC) (US\$MM)	Variance at Completion (US\$MM)	% Expended of EAC
Contractor - STADLER	\$ 172.80	\$ 6.25	\$ 179.05	\$ 170.51	\$ 8.54	\$ 179.05	\$ 0.00	95.23%
Program Mngt. & Admin Costs	\$ 2.00		\$ 2.00	\$ 0.86	\$ 0.72	\$ 1.58	\$ 0.42	54.44%
Project Contingency	\$ 7.84	\$ (6.66)	\$ 1.18		\$ 1.60	\$ 1.60	\$ (0.42)	0.00%
ICAP	\$ -	\$ 0.41	\$ 0.41	\$ 0.37	\$ 0.04	\$ 0.41	\$ -	90.73%
Potential Changes			\$ -		\$ -	\$ -	\$ -	
Total EMU Option Car 1 Project	\$ 182.64	\$ (0.00)	\$ 182.64	\$ 171.74	\$ 10.89	\$ 182.64	\$ (0.00)	94.03%

Note:

- 1). Expended and Accruals To-Date is through October 31, 2025;
- 2). Program Mngt. & Admin Costs includes JPB project oversight costs, TASI support and Other Direct Costs for EMU Option Car 1 trainsets;

#### Project 100778 - EMU Option 2 - Budget and Cost (As of October 31, 2025)

	(A)	(B)	(C)	(D)	(E) = (F) - (D)	(F)	(G) = (C) - (F)	(G) = (D) / (F)
Project Cost Analysis	Original Budget (US\$MM)	Approved Changes (Contractor) (US\$MM)	Project Current Budget (US\$MM)	Expended and Accruals To-Date (US\$MM)	To-Go (US\$MM)	Estimated at Completion (EAC) (US\$MM)	Variance at Completion (US\$MM)	% Expended of EAC
Contractor - STADLER	\$ 183.22	\$ -	\$ 183.22	\$ 79.91	\$ 103.31	\$ 183.22	\$ -	43.61%
Other Contracts	\$ -	\$ 0.29	\$ 0.29	\$ 0.29	\$ -	\$ 0.29	\$ -	100.00%
Program Mngt. & Admin Costs	\$ 9.67		\$ 9.67	\$ 3.46	\$ 6.21	\$ 9.67	\$ 0.00	35.79%
Project Contingency	\$ 26.43	\$ (0.29)	\$ 26.14		\$ 26.14	\$ 26.14	\$ (0.00)	0.00%
ICAP	\$ 0.68		\$ 0.68	\$ 0.19	\$ 0.49	\$ 0.68	\$ 0.00	28.59%
Potential Changes			\$ -		\$ -	\$ -	\$ -	
Total EMU Option Car 2 Project	\$ 220.00	\$ -	\$ 220.00	\$ 83.85	\$ 136.15	\$ 220.00	\$ (0.00)	38.12%

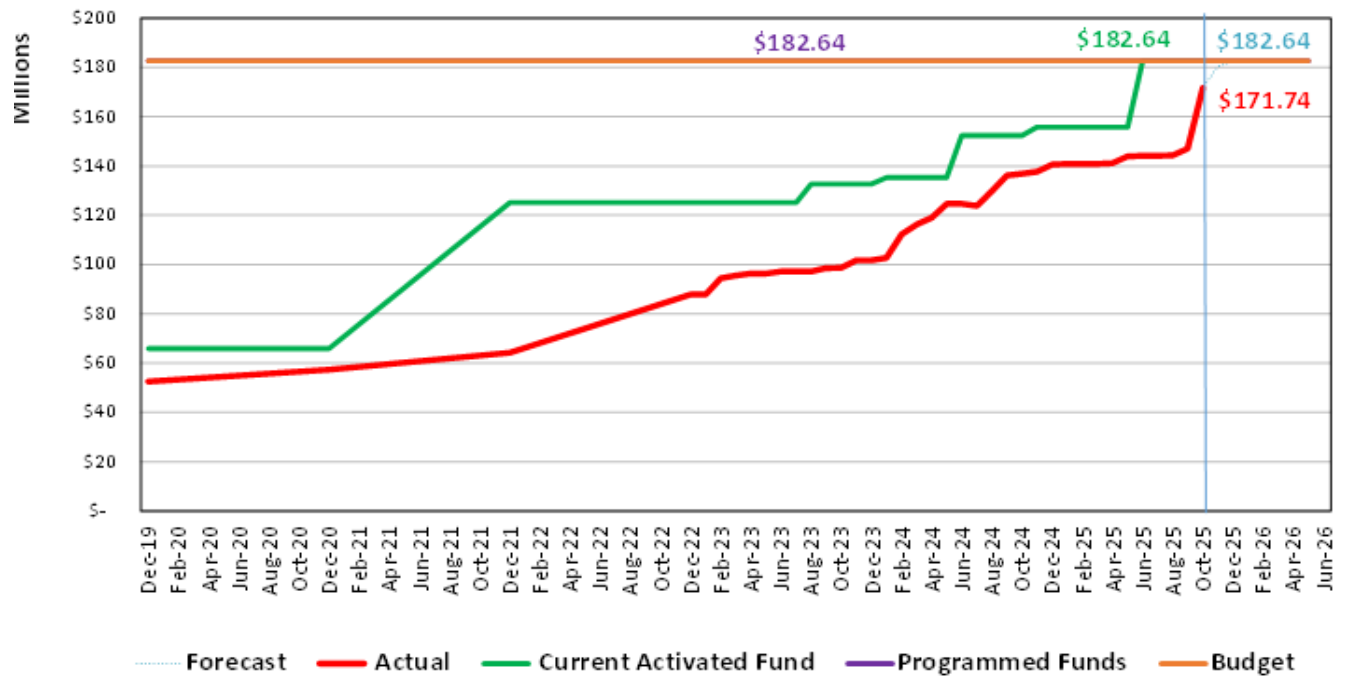
Note:

- 1). Expended and Accruals To-Date is through October 31, 2025;
- 2). Program Mngt. & Admin Costs includes JPB project oversight costs, TASI support and Other Direct Costs for EMU Option Car 2 trainsets;

#### 4. Cost Curve:

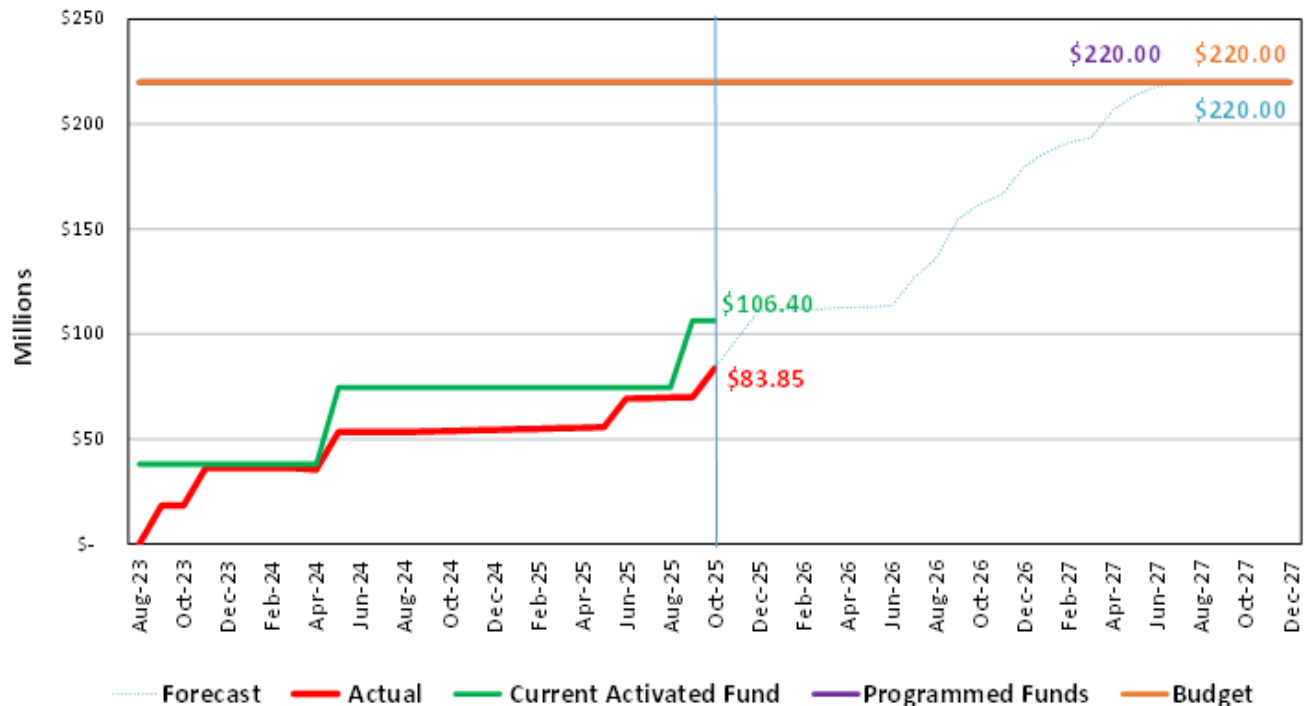
OCTOBER 2025

##### EMU Option Cars 1 | Expenditure - Planned vs. Actual



OCTOBER 2025

##### EMU Option Cars 2 | Expenditure - Planned vs. Actual



## **5. Major Activities for October 2025:**

- Trainset (TS) 19 burn-in testing completed
- TS 19 conditionally accepted and placed in revenue service
- Carshell production completed for TS 22
- Carshell production continued for TS 23
- Car assembly continued for TS 20 in Salt Lake City (started in September)
- Field modification to resolve wheel flat issue completed

## **6. Upcoming Key Activities:**

- Test Overhead Catenary System (OCS) inspection system (CATVue) on TS 19
- Complete production of TS 23 carshells
- Continue car assembly for TS 20
- Begin car assembly for TS 21
- Close open items related to automatic passenger count system, passenger information systems and American with Disabilities Act (ADA)-compliant ramps

## **7. Change Management:**

- A total of \$6.25 million in change orders have been issued under EMU Option 1 project.
  - Performance Bond - \$920,000
  - Change Order (CCO) 022 - Add Flip up seats into bike cars - \$1.96 million
  - CCO 026 - Update Virtual Reality Experience - \$43,000
  - CCO 040 - Special Tools - \$110,000
  - CCO 042 - Project Time Extension Milestone 1 - \$2.67 million
  - CCO 044 - Passenger Convenience Outlet Current Limit - \$239,000

- CCO 049 - Pre-Revenue Services – Stadler Rail Service (SRS) EMU Maintenance - \$201,000
- CCO 054 - Bridge Plate Changes - Trainsets 1 through 19 - \$99,000
- CCO 056 - OCS Monitoring System - \$725,700
- CCO 059 - Repairs to Trainset 6 - \$5.14 million
- CCO 062 - Downtown Rail Extension (DTX) Special Track Evaluation – \$148,000
- The above changes were covered by the project contingency and there is no change to the project budget. Change Order 056 - OCS Monitoring System is funded by Rail Operations and Maintenance. Change Order 059 - Repairs to Trainset 6 is funded by Rail Operations and insurance reimbursement. Change Order 062 – DTX Special Track Evaluation is funded by Portal DTX project.
- A change notice was issued for passenger Wi-Fi (Option 2).
- A change notice was issued for passenger Wi-Fi antenna/grounding rework (Option 1)
- A Purchase Order in the amount \$291,000 for PTC radio licenses and PTC control messaging licenses (eight licenses plus one spare) has been issued to Meteorcomm under EMU Option 2 project.

Upcoming Changes:

- Option 1: PTC radio and control messaging licenses estimated at \$194,000 for six licenses.

## 8. Risk Management:

The following are top risks for implementation of EMU Option projects:

Risk Descriptions	Mitigation Actions
1. In July 2024, the aluminum extrusion supplier claimed force majeure due to flooding. This is delaying the start of some carshell production for Option 2.	Make up a portion of the lost time during final assembly.
2. Potential supply chain issue down the road.	Tracking procurement lead time and monitoring closely.

## 9. Federal Railroad Administration (FRA) Coordination Status:

- None required at this time (option car designs are the same as base EMUs, which is already FRA approved).

### **Budget Impact**

There is no impact on the budget. New potential changes will be covered by the Project Contingency.

Prepared By: Sherry Bullock	Interim Chief, Design and Construction, and	11/20/2025
	CalMod Program Director	
Greg Cameron	EMU Commercial Project Manager	11/07/2025

**Peninsula Corridor Joint Powers Board  
Staff Report**

To: JPB Finance Committee

Through: Michelle Bouchard, Executive Director

From: Kate Jordan Steiner, Chief Financial Officer

For: December 2025 JPB Board of Directors Meeting

Subject: **Receive Quarterly Fuel Hedge Report Fiscal Year 2026 Quarter 1**



Finance Committee  
Recommendation



Technology, Operations, Planning,  
and Safety Committee  
Recommendation



Advocacy and Major Projects  
Committee Recommendation

**Purpose and Recommended Action**

Staff propose that the Board review and receive into the record the presentation providing an update on the fuel hedging strategy for Caltrain.

**Discussion**

The purpose of this presentation is to provide an update on the performance of the Diesel Fuel Hedging Program (Program) established for Caltrain. The Program, implemented in partnership with Linwood Capital, LLC was designed to reduce expense volatility caused by fluctuations in diesel fuel prices, thereby supporting financial stability in operations.

In September 2024 Caltrain launched fully electric service between San Francisco and San Jose; however, Caltrain still provides diesel service between San Jose and Gilroy.

Caltrain's diesel fuel hedging program, managed in partnership with Linwood Capital, LLC, was initiated in May 2020. The primary objective of this program has been to mitigate budget volatility stemming from fluctuations in diesel fuel prices, thereby enhancing financial stability and predictability for Caltrain's operations.

Following electrification of Caltrain in October 2024, diesel fuel consumption declined significantly, leading to the wind-down of the diesel fuel hedge program. By the end of the Fiscal Year 2025 (FY25) Quarter (Q4), the hedge account was fully liquidated, with a final disbursement of \$4,369,988.20 issued to Caltrain. Following the close of FY25Q4, a recommendation was presented to management to reinstate the fuel hedging program, and management approved the reinstatement. During FY26Q1, Caltrain did not immediately enter into fuel hedge contracts, as staff observed a continuing downward trend in diesel prices and recommended waiting for further price declines before executing any positions. This approach



was intended to optimize hedge timing and secure more favorable pricing once the market stabilized at lower levels.

In October 2025, following the close of FY26Q1, as diesel fuel prices declined, Caltrain reinstated its fuel hedge program. Shortly after the contracts were executed, fuel prices spiked due to supply chain disruptions and sanctions from the Russia-Ukraine war. Caltrain is currently hedged for 294,000 gallons of diesel, covering the period from October 2025 through January 2027, with a current net unrealized gain of approximately \$47,000 as of the end of October 2025.

### **Update on Hedging Electricity**

At present, there is no viable mechanism for Caltrain to hedge electricity costs as a retail customer. Effective hedging would require access to the wholesale energy market through long-term power purchase agreements (PPAs), which is not currently available to Caltrain. However, since retail electricity rates are already partially insulated from market volatility through utility-level PPAs and other instruments, they inherently function as a hedged cost. Staff will continue to explore long-term strategies and opportunities to hedge electricity costs, with a note that access to the wholesale market is essential for any meaningful hedging program.

### **Fiscal Year 2026 Performance**

- As of FY26Q1, the fuel hedging program had no realized gains or loss.
- There was no hedging activity in FY26Q1.
- Subsequently in October 2025, after the close of FY26Q1, fuel hedging was resumed.

### **Prospective**

Following the electrification of Caltrain services in October 2024, diesel fuel consumption has significantly decreased from an average of 325,923 gallons to 32,329 gallons per month.

### **Subsequent Fuel Hedge Asset Information as of October 31, 2025:**

During FY26Q1, \$250,000 was deposited into the hedging account. At the end of October 2025, the current value of the hedging account is \$297,000, reflecting a \$47,000 gain since the fuel hedging program was reinstated.

### **Budget Impact**

This is an informational item. There is no budget impact.