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AGENDA

Peninsula Corridor Joint Powers Board Finance Committee Meeting

April 27, 2026, 2:30 pm

Bacciocco Auditorium, 2nd Floor
1250 San Carlos Avenue, San Carlos, CA 94070

Committee Members: David J. Canepa (Chair), David Cohen (Vice Chair), Greg Wagner

Members of the public may participate remotely via Zoom at <https://us02web.zoom.us/j/88990625276?pwd=s3hgI5cGUx43UCXa5ccPHS7uB7nlbE.1> or by entering Webinar ID: # **889 9062 5276**, Passcode: **949910**, 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 Mateo County Transit District, 1250 San Carlos Avenue, Bacciocco Auditorium - Second Floor, San Carlos, CA, or any other noticed location.

Public Comments: Written public comments may be emailed to publiccomment@caltrain.com or mailed to 1250 San Carlos Avenue, San Carlos, CA 94070, and will be compiled and posted weekly along with any Finance Committee correspondence. Any written public comments received within two hours prior to the start of the meeting will be included in the weekly Finance Committee correspondence reading file, 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 one minute. The Committee 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.

Note: All items appearing on the agenda are subject to action by the Committee. Staff recommendations are subject to change by the Committee.

April 27, 2026 - Monday

2:30 pm

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.

1. Call to Order
2. Roll Call
3. Pledge of Allegiance / Safety Briefing
4. Public Comment on Items Not on the Agenda
Comments by each individual speaker shall be limited to one (1) minute. Items raised that require a response will be deferred for staff to reply.
5. Consent Calendar
Members of the Board may request that an item under the Consent Calendar be considered separately.
 - 5.a. Approval of Meeting Minutes for March 23, 2026 Motion
6. Accept Results of Annual Audit of Measure RR Tax Revenues and Expenditures for the Fiscal Year Ended June 30, 2025 Motion
7. Authorize the Issuance of Peninsula Corridor Joint Powers Board Measure RR Sales Tax Revenue Refunding Bonds in a Principal Amount Not to Exceed \$17,000,000; Approve the Forms of a Fifth Supplemental Indenture of Trust, an Escrow Agreement, a Bond Purchase Agreement, a Preliminary Official Statement and a Continuing Disclosure Agreement to be Executed in Connection Therewith; Authorize the Execution and Delivery Thereof; and Authorize the Taking of All Other Actions Necessary in Connection with the Issuance of Measure RR Sales Tax Revenue Refunding Bonds Motion
8. Authorize Executive Director to Execute Amendment to Extend the Term of the Current Agreement for Law Enforcement Services for Five Years at an Estimated Cost of \$41,076,586 and to Enter into an Agreement for Dispatch Services for Five Years at an Estimated Cost of \$3,007,689 with the San Mateo County Sheriff's Office** Motion
9. Award a Contract to CR Fence Company Inc. for Right of Way Fencing Project for a Total Amount of \$1,738,400 Motion
10. Adopt Resolution Designating Caltrain as a Non-Applicant Public Entity Payee for the Affordable Housing and Sustainable Communities (AHSC) Program Motion

Note: All items appearing on the agenda are subject to action by the Committee. Staff recommendations are subject to change by the Committee.

- 11. Receive Update on GoPass Program Informational
- 12. Receive Energy Procurement Strategy Update Informational
- 13. Committee Member Requests
- 14. Date/Time/**Location** of Next Regular Finance Committee Meeting: Monday, May 18, 2026 at 2:30 pm.
The meeting will be accessible via Zoom and in person at the **San Mateo County Transit District, Public Hearing Room, 5th Floor, 166 North Rollins Road, Millbrae, CA 94030.**
- 15. Adjourn

Information for the Public

All items appearing on the agenda are subject to action by the Committee. Staff recommendations are subject to change by the Committee. 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 of Directors: 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. Written public comments may be emailed to publiccomment@caltrain.com or mailed to 1250 San Carlos Avenue, San Carlos, CA 94070, and will be compiled and posted weekly along with any Finance Committee correspondence. Any written public comments received within two hours prior to the start of the meeting will be included in the weekly Finance Committee correspondence reading file, 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. Online commenters will be automatically notified when they are unmuted to speak. Public comments on individual agenda items are limited to one per person PER AGENDA ITEM. Each public comment is limited to one minute. The Committee 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, at the same time that the public records are distributed or made available to the legislative body.

**Peninsula Corridor Joint Powers Board
Finance Committee**

1250 San Carlos Avenue, San Carlos, CA 94070

DRAFT Minutes of March 23, 2026

Members Present: Greg Wagner, David Canepa (Chair)

Members Absent: David Cohen (Vice Chair)

Staff Present: M. Bouchard, A. Feng, J Guaracino, J. Harrison, O. Quintanilla-Lopez,
M. Tseng

1. Call to Order

Chair Canepa called the meeting to order at 2:30 pm.

2. Roll Call

Margaret Tseng, JPB Secretary, called the roll and confirmed a quorum was present.

3. Pledge of Allegiance / Safety Briefing

Chair Canepa led the Pledge of Allegiance and delivered the safety briefing.

4. Public Comment on Items not on the Agenda

Roland, commented on the Pennsylvania Avenue Extension Contract.

5. Consent Calendar

5.a. Approval of Meeting Minutes for February 23, 2026

Motion/Second: Wagner/Canepa

Ayes: Wagner, Canepa

Noes: None

Absent: Cohen

6. Amend and Increase the Fiscal Year 2026 Capital Budget from \$107,560,168 to \$132,109,168

Oscar Quintanilla-Lopez, Director, Budgets & Financial Analysis, provided the presentation that included nine new projects covering safety, station improvements, service planning, and GoPass program incentives.

Staff provided further clarification in response to the Committee comments and questions, explaining that mid-year amendments add projects or funds as they become available.

Motion/Second: Wagner/Cohen
Ayes: Wagner, Canepa
Noes: None
Absent: Cohen

Public Comment

Roland commented on the use of Measure B capacity funds for the Palo Alto safety project.

7. Authorize Reimbursement Agreement with the San Mateo County Transit District for Provision of Closed Circuit Television (CCTV) Project Management Services**

Jerry Guaracino, Chief Safety Officer, provided the presentation that included the following:

- Cost sharing agreement (50/50) between agencies through a joint procurement
- Development of a CCTV master plan and project support
- Contract awarded with multi-year term

Motion/Second: Wagner/Cohen
Ayes: Wagner, Canepa
Noes: None
Absent: Cohen

8. Committee Member Requests - There were none.

9. Date/Time of Next Regular Finance Committee Meeting: Monday, April 27, 2026 at 2:30 pm.

10. Adjourn - The meeting adjourned at 2:45 pm

**Peninsula Corridor Joint Powers Board
Staff Report**

To: JPB Finance Committee

Through: Michelle Bouchard, Executive Director

From: Kate Jordan Steiner, Chief Financial Officer

For: May 2026 JPB Board of Directors Meeting

Subject: **Accept Results of Annual Audit of Measure RR Tax Revenues and Expenditures for the Fiscal Year Ended June 30, 2025**

Finance Committee
Recommendation

Technology, Operations, Planning,
and Safety Committee
Recommendation

Advocacy and Major Projects
Committee Recommendation

Purpose and Recommended Action

The Citizens Advisory Committee (CAC) is the independent oversight committee for the Measure RR sales tax. The CAC held a public hearing on Wednesday, March 18, 2026, to receive public comments on the Annual Audit of Measure RR Revenues and Expenditures for the Fiscal Year (FY) Ended June 30, 2025 (Measure RR 2025 Audit). After the conclusion of the hearing, the CAC voted to accept the FY25 Measure RR Audit and to issue its report, as required by the terms of Measure RR.

Given the CAC's oversight role and its approval of the Measure RR audit, staff recommends that the Peninsula Corridor Joint Powers Board (JPB) Board of Directors (Board) accept the Measure RR 2025 Audit.

Discussion

On August 6, 2020, the JPB and its member agencies adopted and sought voter approval to implement a resolution imposing a one-eighth of one percent retail transactions and use tax to fund operating and capital expenses of the JPB's rail service (Measure RR Resolution). The voters in the City and County of San Francisco, and the Counties of San Mateo and Santa Clara approved Measure RR on November 3, 2020. The Measure RR Resolution, Resolution No. 2020-40 requires the JPB to have an independent auditor annually audit the receipts and expenditures of Measure RR tax proceeds, and under the express terms of Measure RR, the CAC services as the independent oversight committee for the Measure RR sales tax.

In its capacity as the independent oversight committee, the CAC is responsible for verifying that the tax proceeds are invested in a way that is consistent with the purpose of the tax by:

1. Receiving the annual independent audit of the receipt and expenditure of tax proceeds;
2. Holding a public hearing; and
3. Issuing an annual report to provide the public with information regarding how the tax proceeds have been spent.

The CAC held a public hearing on the audit on March 18, 2026, and voted to accept the FY25 Financial Statement, which confirms that the Measure RR revenues and expenditures were handled appropriately as contemplated by the ballot language, for the fiscal year ended June 30, 2025.

Budget Impact

There is no budget impact for accepting this Measure RR 2025 Audit.

Prepared By: Danny Susantin Acting Director, Accounting

4/15/2026



Peninsula Corridor Joint Powers Board

Citizens Advisory Committee

Report on Measure RR Tax Revenues and Expenses

Fiscal Year 2025 (July 2024 – June 2025)

The Citizens Advisory Committee (CAC) of the Peninsula Corridor Joint Powers Board (JPB) is pleased to provide its annual report on the expenditure of tax proceeds from the Measure RR Funds. This report covers the Fiscal Year 2025, from July 1, 2024, through June 30, 2025. With regards to Measure RR, the principal duties of the CAC are to ensure that the tax proceeds have been expended for the purpose set forth in the Measure RR ballot language and to provide a report on the independent audit conducted pursuant to the ballot language and the JPB Resolution which placed Measure RR on the ballot.

The CAC comprises nine members representing the City and County of San Francisco and the Counties of San Mateo and Santa Clara. Under the CAC's charter, as amended by the JPB through Resolution No. 2022-03, the CAC serves as the independent oversight committee for the Measure RR sales tax. In its capacity as the independent oversight committee, the CAC is responsible for providing information to the taxpayers of the three counties in the following ways:

- Receive the JPB's annual audit report on receipts and expenditures of Measure RR tax proceeds.
- Hold an annual public hearing on the audit report.
- Issue an annual report of the CAC on the audit results to provide the public with information regarding how the tax proceeds are being spent.

The Board of Directors of the JPB is responsible for the prioritization and distribution of funds received pursuant to the provisions of Measure RR. The independent audit conducted by the JPB and the CAC's report are intended to provide additional accountability concerning the expenditure of these proceeds by the JPB.

The JPB's annual audit report on receipts and expenditures of Measure RR tax proceeds for the fiscal year ended June 30, 2025, was conducted by Brown Armstrong, CPAs, an independent accounting firm. This firm has several years of experience conducting independent audits of the financial statements of the JPB. In its audit, Brown Armstrong, CPAs provided what is known as an unmodified opinion (often referred to as a "clean" opinion) on the Measure RR financial statements as prepared by the JPB staff. The CAC holds a public hearing on the audit report on March 18, 2026. A copy of the audit report is attached as Appendix A.

Section 1. Measure RR Funding Priorities

In 2020, voters in the City and County of San Francisco, County of San Mateo, and County of Santa Clara approved Measure RR, which levies a one-eighth (1/8) of one percent (0.125%) retail transactions and use tax for thirty (30) years in all three areas. 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 the JPB rail service and to support the operating and capital needs required to implement the Service Vision adopted by the JPB on October 3, 2019, as part of the Caltrain Business Plan.

In accordance with the Board of Directors of the JPB's Resolution No. 2020-41, the tax revenues from Measure RR will be prioritized as follows:

- To support the operation of Caltrain service levels throughout the corridor from San Francisco to Gilroy as necessary to sustain and expand the service.
- To support the infrastructure, rolling stock, and capital projects necessary to advance the expansion of the Caltrain peak hour service.
- To develop and implement programs to expand access to the Caltrain service and facilitate the use of the system by passengers of all income levels.
- To help leverage other local, regional, state, and federal investments to advance capital projects necessary to implement the Caltrain Business Plan's 2040 Service Vision, adopted by the JPB on October 3, 2019.
- To provide the JPB with a steady stream of funding to support the annual operating, maintenance, and capital needs of an electrified Caltrain service with increased frequency and capacity.

Section 2. Overview of Caltrain Funding Sources

In Fiscal Year 2019, before the pandemic, Caltrain received \$103 million from fare revenue, roughly 72% of its total revenue base. This marked Caltrain as one of the nation's transit systems with the highest farebox recovery. In the past, farebox revenue, though affected by downturns in the economy, was a more stable revenue source for transit agencies than sales tax, which is a major revenue source for many transit agencies in the Bay Area. However, during and since the pandemic, transit systems that used to rely heavily on ridership and fare revenues have been hit the hardest in the Bay Area and have yet to see their revenue base return.

Caltrain's farebox revenue in Fiscal Year 2025 was \$58.6 million, less than 30% of total operating expenses. Pandemic-era federal funding for transit operations ceased after Fiscal Year 2022, leaving a significant financial gap. For Caltrain, the passage of Measure RR, while not originally intended as the primary source of operating funds, has replaced fare revenue as the largest revenue component. Without Measure RR, the system could not operate even lifeline service. Since many office jobs have not yet returned to in-person work at pre-pandemic levels many people riding Caltrain rely on the system as their only means of transportation to jobs, school, and appointments.

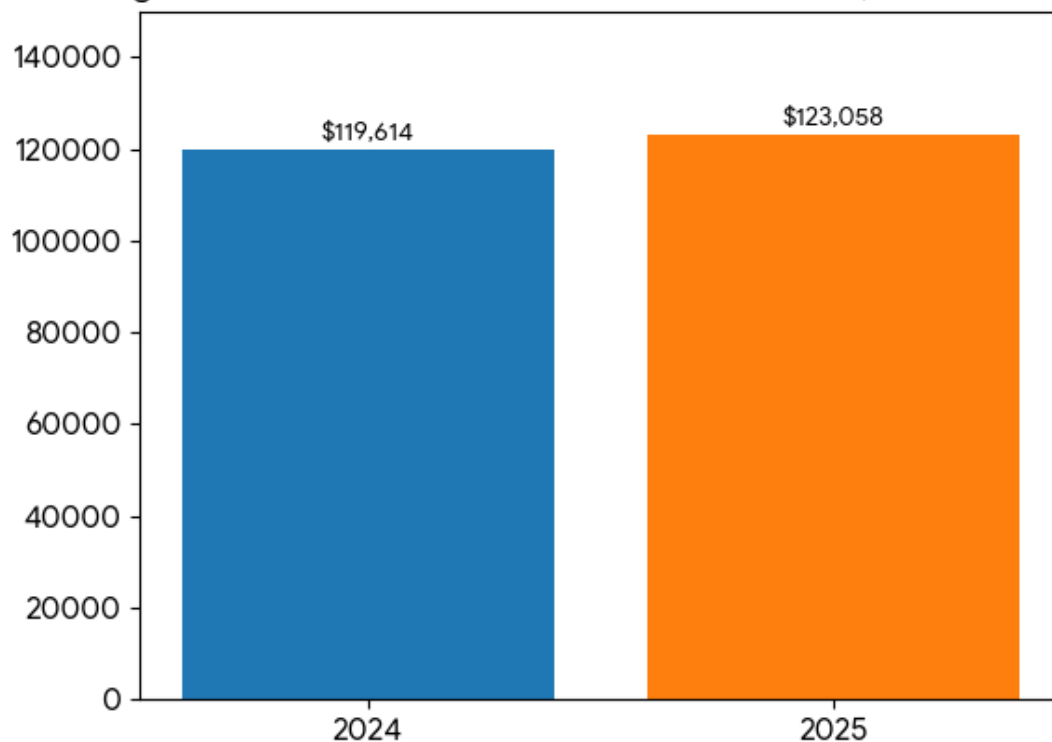
While this audit focuses on Fiscal Year 2025, the ongoing trend of reduced farebox revenue underscores the necessity of continued reliance on Measure RR funding to sustain Caltrain's operations in the coming years.

Section 3. Fiscal Year 2025 (FY25) Revenues and Expenses

A. Measure RR Revenues

A total of \$123.1 million in Measure RR transaction and use tax was realized and recorded in FY25, representing a 2.9% increase from FY24 as shown in figure 1. Of this total, \$101.5 million was received before June 30, 2025, and \$21.6 million was received in July and August 2025.

Figure 1: Measure RR Transaction and Use Tax (In Thousands)



B. Measure RR Allocations and Expenses

A total of \$128.3 million was spent primarily on operating expenses and critical agency initiatives, as shown in Figure 2. The excess expenditure of \$3.5 million over FY25 revenue was funded by unused reserves from FY24. The Measure RR funds recorded in FY25 were used as follows:

1. There was no new fund allocated in FY25 for capital programs. All FY25 capital programs expenses were funded by FY24 unused reserved.
2. \$125.3 million was spent on operating expenses.
3. \$0.8 million was spent on Business Strategy and Policy Development; \$0.7 million was spent on Historic Stations State of Good Repair (SOGR); \$0.6 million was spent on Grade Crossing Safety Improvement.
4. \$1.0 million was spent on various capital programs as shown in Figure 2 below.
5. -\$1.3 million for Rail Program Integration and Predictive Arrival Departure System (PADS) Gap Coverage Improvement projects reflect the reclassification of prior year's costs from Measure RR to eligible Transit and Intercity Rail Capital Program (TIRCP) bond proceeds and other state grant funding.

Figure 2: Measure RR Expenditures (In Thousands)

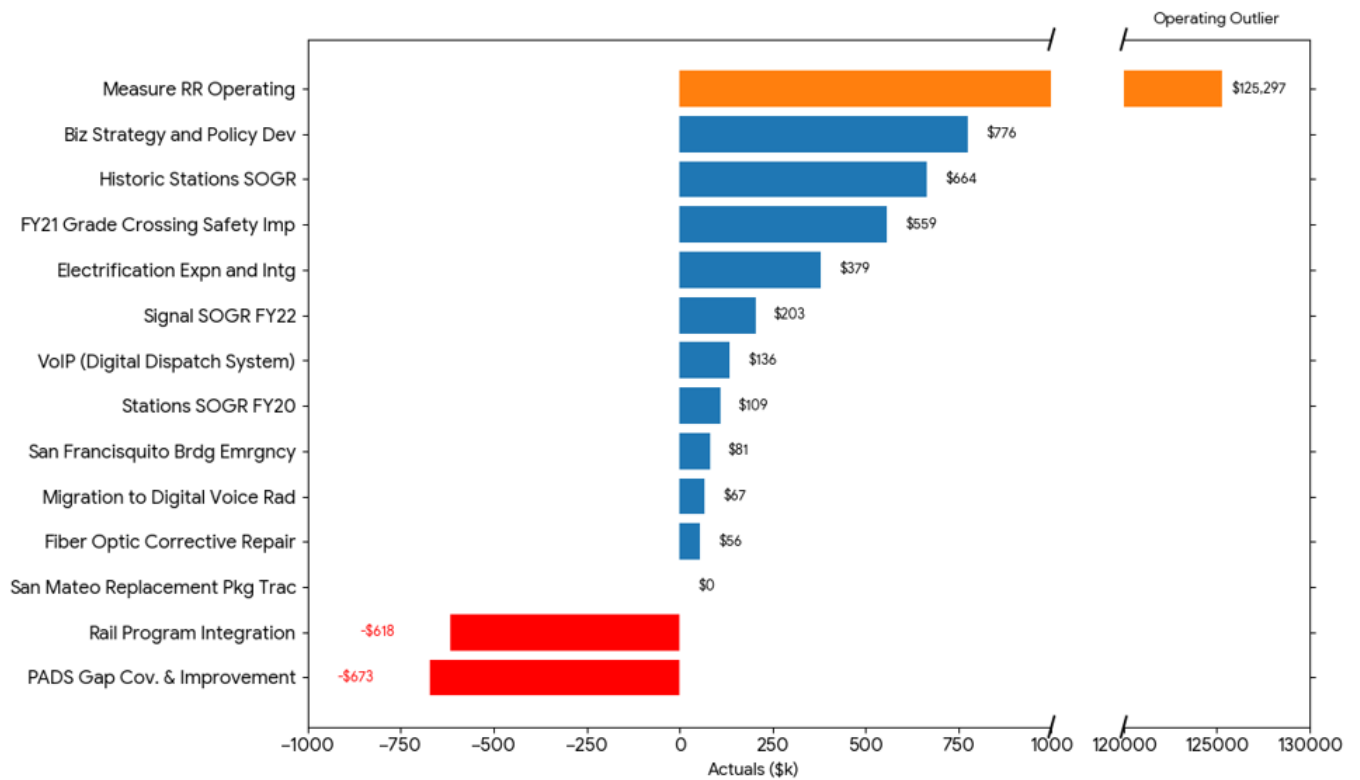
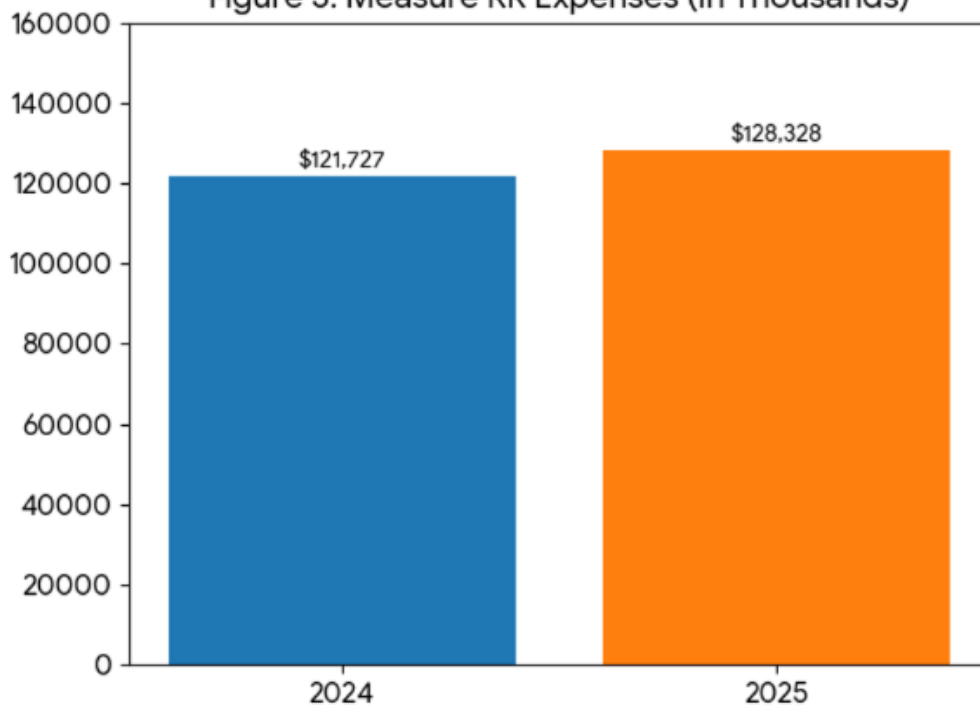


Figure 3: Measure RR Expenses (In Thousands)



C. Expenditure Detail and Consistency with Measure RR Core Principles

The expenditures listed below adhere to the principles of Measure RR.

1. Operating Expenses (\$125.3 million, project 100789). These funds allowed Caltrain to continue to run its highest-ever level of service. Caltrain currently operates 112 weekday trains (104 electric trains between San Jose and San Francisco, and eight diesel trains with a transfer at San Jose Diridon for Gilroy). Caltrain operates 66 trains on both Saturday and Sunday between San Francisco and San Jose.
2. Biz Strategy and Policy Dev (\$776k, project 100619). This project supported the development of the Corridor Crossing Strategy. The Corridor Crossings Strategy (CCS) provides a cohesive corridor wide approach to funding and delivery of at-grade safety improvements as well as grade separation and closure projects as part of the Safety Enhancement Program and Elimination Program. The CCS aims at enhancing regional mobility, community and safety benefits.
3. Historic Stations SOGR (\$664k, project 100611). This project provides dedicated funding to address various repairs and ongoing maintenance needs at the seven Caltrain depots listed on the National Register of Historic Places. This work includes roof replacements, painting of the interior and exterior, plumbing, electrical, and any other necessary repairs. Repairs are coordinated with the South Bay Historical Railroad Society, which oversees preservation issues for most of Caltrain's historic depots to ensure that any proposed additions or alterations do not impair their historic character.
4. Grade Crossing Safety Improvements (\$559k, project 100563). This project improved safety at the Mission Bay, 16th St, Whipple, Ravenswood, and E. Meadow grade crossings by installing new pavement markers and markings, including the installation of a new pedestrian gate at the Mission Bay crossing.
5. Electrification Expansion and Integration (\$379k, project 100620). This project supported the development of the Corridor Crossing Strategy. The Corridor Crossings Strategy (CCS) provides a cohesive corridor wide approach to funding and delivery of at-grade safety improvements as well as grade separation and closure projects as part of the Safety Enhancement Program and Elimination Program. The CCS aims at enhancing regional mobility, community and safety benefits.
6. Signal SOGR (\$203k, project 100610). This project supports the rehabilitation or replacement of signal systems that have met and/or exceeded their useful life. The scope includes the following types of major activities: the replacement of outdated signal control and indication systems with current industry standard electronic components and associated software control programs; replacement of wayside signals; replacement of degraded signal wires, conduits, pull boxes; replacement of signal support structures such as signal cantilevers, bridges, poles and foundations; replacement of signal house structures and components such as batteries, relays, termination boards, control computers, electric power wiring and breakers, and other components necessary for the provision of signal system power; repairs to street

crossing mechanisms, including arms, lights, signs, foundations, auditory warning devices; and any other necessary upgrades for the signal system to function correctly.

7. VoIP Digital Dispatch System (\$136k, project 100615). This project is to perform a technology refresh of the obsolete Radio Dispatch System with digital components to utilize the JPB fiber network and the digital VoIP phones.
8. Stations SOGR (\$109k, project 100441). This project is used to maintain and enhance station appearance and functionality through ongoing initiatives such as signage replacement, addition of new bike stencils, graffiti abatement, vandalism repairs, pedestrian gate maintenance, safety improvements, bike locker installation, and storm drain and sump pump inspections.
9. San Francisquito Creek Bank Stabilization (\$81k, project 100762). This project stabilizes the north bank of San Francisquito Creek to prevent scour and erosion that could undermine the foundations of Caltrain's San Francisquito Creek Railroad Bridge. The work includes a temporary stabilization phase completed in November 2023 and a permanent stabilization phase consisting of engineered bank protection. All necessary environmental permits have been obtained, final designs are completed, and construction of permanent phase is scheduled to begin in second quarter of 2026 within the approved dry season work window.
10. Migration to Digital Voice Radio (\$67k, project 100432). The project is to implement a new network that enhances coverage along the track. The new VHF (Very High Frequency) network includes new sites co-located with the PTC sites, along with upgrades to several existing VHF sites.
11. Fiber Optic Corrective Repair (\$56k, project 100536). The project planned to build a design to connect the JPB fiber backbone to the Stations from 4th and King to Tamien, Caltrain digital voice radio base stations located at Positive Train Control (PTC) sites, existing Very High Frequency (VHF) Sites at the tunnel and the Central Control Facility/Back-Up Central Control Facility. The project has been closed with 95% design, design gap of 100% gap has been recorded. Some of this work has been completed, for example, the VHF radios being collocated at the PTC base stations is almost complete. There are only two tunnel sites that won't be able to have this done because there was no fiber run to them. The project is shelved due to no funding and scope will be covered by another project. Any used funds will be allocated to ongoing fiber compliance efforts. This work will include inner duct proofing the full 52 miles of the Right of Way to identify any issues within the fiber infrastructure.
12. San Mateo Replacement Parking Track (\$0.4k, project 100676). The project involves the design and construction of an approximately 1,000-ft-long parking track off MT-2 in the Caltrain ROW in the City of San Mateo, between 9th and 14th Avenues, to replace the old track in the Bay Meadows area that was removed to make way for the 25th Ave. Grade Separation Project. The project will also involve the construction of an access road from 9th Ave to 14th Avenue, a 12-foot-tall concrete screen wall with creeping fig

vegetation along Railroad Ave., and associated landscaping, irrigation, and water service.

13. Rail Program Integration and Transition (\$598k spent, -\$1,216 reclass, net of -\$673k, project 100612). The objective of this program is to focus on identifying, defining, and implementing the integration of work necessary to support Caltrain's transition to electrified service. As part of the Program Integration, the Rail Activation effort will ensure that each element of the activation work is accomplished in accordance with the following phases: commissioning, acceptance, pre-revenue service, safety certification, and overall Electrified Revenue Service plan and Post-Revenue Service systems integration objectives. Since Caltrain has electrified, this integration effort is still applicable to support electrified service.
14. PADS Gap Coverage & Improvement (\$777k spent, -\$1,450k reclass, net of -\$673k, project 100614). The objectives of this project are to 1) develop technical requirements for future PADS Modernization Program.; 2) add Stadler EMU into existing PADS; and 3) modernize and visualize the Xgate virtual server to provide server redundancy between SJCC and MPCC. 4) PADS Improvement: Enhance the Predictive Arrival Departure System (PADS) by improving arrival prediction accuracy, integrating additional data sources for both ROCS and PADS, enhancing train arrival and departure messaging, improving single tracking messaging, deploy industry-compliant GTFS real-time feed, and increasing system responsiveness.

Section 4. Future Measure RR Allocations

For the upcoming fiscal year, Caltrain anticipates that the vast majority of Measure RR proceeds will continue to subsidize critical operating costs. This allocation is essential to maintaining service stability and addressing the fiscal demands of the modern electrified rail system.

Strategic Operational Priorities

The transition to an electrified fleet has shifted Caltrain's financial landscape, making Measure RR funding a cornerstone of daily operations:

- **Sustaining Electrified Service:** Measure RR revenue is the primary vehicle for supporting the increased electricity and maintenance requirements of the traction electrification system introduced in 2024.
- **Enhanced Frequency:** This funding enables Caltrain to maintain the current electrified service schedule, including half-hourly weekend frequency, which is vital for meeting post-pandemic ridership growth.
- **Operating Stability:** Without this 0.125% sales tax support, the agency would face significant challenges in sustaining current service levels or providing reliable transit for essential workers and evolving commute patterns.

Fiscal Trends & Advocacy

As operating expenses continue to trend upward, rising by approximately \$6.6 million year-over-year, Caltrain staff remain focused on long-term sustainability. Alongside other Bay Area transit operators, Caltrain continues to aggressively advocate for external state funding and explore regional solutions to diversify revenue beyond short-term operational subsidies.

Attachment: FY25 Measure RR audit (Appendix A)

**PENINSULA CORRIDOR
JOINT POWERS BOARD**

MEASURE RR FUNDS

FINANCIAL STATEMENTS

JUNE 30, 2025

PENINSULA CORRIDOR JOINT POWERS BOARD

MEASURE RR FUNDS

JUNE 30, 2025

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Peninsula Corridor Joint Powers Board's (the JPB) Measure RR Funds, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Measure RR Funds' 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 financial position of the Measure RR Funds as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit 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 audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 Measure RR Funds' ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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 opinion. 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 relating to the Measure RR Funds. 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 Measure RR Funds' 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.

Emphasis of Matter

As discussed in Note 1, the financial statements of the Measure RR Funds are intended to present the financial position and the changes in financial position attributable to the transactions of those funds. They do not purport to, and do not, present fairly the financial position of the JPB as of June 30, 2025, or the results of its operations for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Required Supplementary Information

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, 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. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 9, 2026, on our consideration of the JPB's internal control over financial reporting relating to the Measure RR Funds 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 relating to the Measure RR Funds 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 relating to the Measure RR Funds. 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 relating to the Measure RR Funds.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
January 9, 2026

**PENINSULA CORRIDOR JOINT POWERS BOARD
MEASURE RR FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2025**

ASSETS

Cash and Cash Equivalents	\$ 116,340,329
Receivables - Transaction and Use Tax	<u>21,569,960</u>
Total Assets	<u>\$ 137,910,289</u>

LIABILITIES AND NET POSITION

Liabilities	
Accounts Payable and Accrued Liabilities	<u>\$ 291,942</u>
Total Liabilities	<u>291,942</u>
Net Position	
Restricted for Measure RR Projects	<u>137,618,347</u>
Total Net Position	<u>137,618,347</u>
Total Liabilities and Net Position	<u>\$ 137,910,289</u>

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

**PENINSULA CORRIDOR JOINT POWERS BOARD
MEASURE RR FUNDS
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2025**

Revenues	
Measure RR Transaction and Use Tax	<u>\$ 123,057,621</u>
Total Revenues	<u>123,057,621</u>
Expenses	
Biz Strategy and Policy Dev	775,727
Electrification Expn and Intg	379,384
Fiber Optic Corrective Repair	55,697
FY21 Grade Crossing Safety Imp	558,813
Historic Stations SOGR	663,992
Measure RR Operating	125,297,158
Migration to Digital Voice Rad	67,413
San Francisquito Brdg Emrgncy	81,293
San Mateo Replacement Pkg Trac	421
Signal SOGR FY22	203,454
Stations SOGR FY20	109,105
VoIP (Digital Dispatch System)	<u>135,912</u>
Total Expenses	<u>128,328,369</u>
Operating Loss	(5,270,748)
Nonoperating Revenues	
PADS Gap Cov. & Improvement	673,022
Rail Program Integration	617,924
Interest Income	<u>480,432</u>
Total Nonoperating Revenues	<u>1,771,378</u>
Change in Net Position	(3,499,370)
Net Position - Beginning of Year	<u>141,117,717</u>
Net Position - End of Year	<u><u>\$ 137,618,347</u></u>

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

**PENINSULA CORRIDOR JOINT POWERS BOARD
MEASURE RR FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025**

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from California Department of Tax and Fee Administration	\$ 122,284,465
Payments to Vendors for Goods and Services	(128,424,178)
Payments to Employees	<u>(12,872)</u>
Net Cash Used by Operating Activities	<u>(6,152,585)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Operating Grants Received	<u>1,290,946</u>
Net Cash Provided by Noncapital Financing Activities	<u>1,290,946</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment Income Received	<u>480,432</u>
Net Cash Provided by Investing Activities	<u>480,432</u>
Net Change in Cash and Cash Equivalents	(4,381,207)
Cash and Cash Equivalents, Beginning of Year	<u>120,721,536</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 116,340,329</u></u>
Reconciliation of Operating Loss to Net Cash Used by Operating Activities	
Operating Loss	\$ (5,270,748)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities	
Accounts Receivable	(773,156)
Accounts Payable and Accrued Liabilities	<u>(108,681)</u>
Net Cash Used by Operating Activities	<u><u>\$ (6,152,585)</u></u>

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

**PENINSULA CORRIDOR JOINT POWERS BOARD
MEASURE RR FUNDS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

Under Measure RR, approved by the voters in the City and County of San Francisco, and the Counties of San Mateo and Santa Clara in November 2020, Peninsula Corridor Joint Powers Board (JPB) receives a share of the sales tax of 0.125% to fund operating and capital expenses of the JPB's rail service. The duration of the sales tax is for a period of 30 years, beginning on July 1, 2021, and ending June 30, 2051.

The financial statements of the Measure RR Funds do not purport to, and do not, present the financial position of the JPB as of June 30, 2025, or the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America. The activities of the Measure RR Funds are reported within the JPB's enterprise fund. The projects funded by Measure RR Funds represent a portion of the activities of the JPB and, as such, are included in the JPB's financial statements.

B. Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

C. Net Position

Net position is reported on the statement of net position as "restricted net position." This category represents net position that may only be used to support activities and costs allowable per the Measure RR Funds enabling legislation.

D. Spending Order

The accounting policy is to first consume the most restricted resources when multiple resources are available for the same purpose.

E. Cash and Cash Equivalents

For purpose of the statement of cash flows, the JPB considers all highly liquid investments with an initial maturity of 90 days or less when purchased to be cash equivalents.

F. Investments

The JPB's investments are generally 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 as a component of interest and investment income for that fiscal year.

G. Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

NOTE 2 – CASH AND INVESTMENTS

A. Policies

All of the Measure RR Funds' cash and investments are deposited in the JPB's Treasury pool managed by the JPB staff. The pool is unrated. Investments in the pool are made in accordance with the JPB's investment policy as approved by the Board of Directors. Investments are stated at fair value. However, the value of the pool shares in the JPB's Treasury pool that may be withdrawn is determined on an amortized cost basis, which is different from the fair value of the Measure RR Funds' position in the pool.

B. 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, whichever is more restrictive, that addresses interest rate 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.

<u>Authorized Investment Type</u>	<u>Minimum Credit Rating</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
U.S. Treasury Obligations	None	15 years	100%	N/A
U.S. Agency Securities	None	15 years	100%	N/A
Bankers' 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

C. Interest Rate Risk

Interest rate risk is the risk incurred when 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-term 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 – SUBSEQUENT EVENTS

Subsequent events were evaluated by management through January 9, 2026, which is the date of issuance.



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

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

We have audited, in accordance with the 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, the financial statements of Peninsula Corridor Joint Powers Board's (the JPB) Measure RR Funds, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Measure RR Funds' basic financial statements, and have issued our report thereon dated January 9, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the JPB's internal control over financial reporting (internal control) relating to the Measure RR Funds as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the JPB's internal control relating to the Measure RR Funds. Accordingly, we do not express an opinion on the effectiveness of the JPB's internal control relating to the Measure RR Funds.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Measure RR Funds' financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Measure RR Funds' financial statements are free from material misstatement, we performed tests of the JPB's compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the JPB's internal control or on compliance relating to the Measure RR Funds. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the JPB's internal control and compliance relating to the Measure RR Funds. Accordingly, this communication is not suitable for any other purpose.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
January 9, 2026

**PENINSULA CORRIDOR JOINT POWERS BOARD
MEASURE RR FUNDS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025**

None reported.

**Peninsula Corridor Joint Powers Board
Staff Report**

To: JPB Finance Committee

Through: Michelle Bouchard, Executive Director

From: Kate Jordan Steiner, Chief Financial Officer

For: May 2026 JPB Board of Directors Meeting

Subject: **Authorize the Issuance of Peninsula Corridor Joint Powers Board Measure RR Sales Tax Revenue Refunding Bonds in a Principal Amount Not to Exceed \$17,000,000; Approve the Forms of a Fifth Supplemental Indenture of Trust, an Escrow Agreement, a Bond Purchase Agreement, a Preliminary Official Statement and a Continuing Disclosure Agreement to be Executed in Connection Therewith; Authorize the Execution and Delivery Thereof; and Authorize the Taking of All Other Actions Necessary in Connection with the Issuance of Measure RR Sales Tax Revenue Refunding Bonds**

Finance Committee Recommendation

Technology, Operations, Planning, and Safety Committee Recommendation

Advocacy and Major Projects Committee Recommendation

Purpose and Recommended Action

Staff proposes that the Board of Directors (Board) of the Peninsula Corridor Joint Powers Board (JPB or Caltrain) approve a set of actions required to refinance farebox revenue bonds issued in 2019 using Measure RR sales tax to achieve approximately \$2.62 million in savings over the term of the bonds by:

1. Adopting a resolution authorizing the issuance and sale of not to exceed \$17,000,000 of the Board's Measure RR Sales Tax Revenue Refunding Bonds, 2026 Series A (the "2026 Refunding Bonds"), with a True Interest Cost not exceeding 5 percent, and an underwriter's discount not exceeding 0.75 percent to refund the 2044 and 2049 maturities of the Board's outstanding Farebox Revenue Bonds, 2019 Series A;
2. Approving the substantially final forms of financing documents provided with this staff report, including the Fifth Supplemental Indenture, the Escrow Agreement, the Bond Purchase Agreement, the Continuing Disclosure Agreement, and the Preliminary Official Statement; and
3. Authorizing the Executive Director, the Chief Financial Officer, the Chief of Commercial and Business Development of the JPB and the Manager, Treasury Debt and Investments of the JPB or any designee thereof to execute these financing documents and take other actions as may be required to implement the above actions.

Discussion

The issuance of the 2026 Refunding Bonds is expected to result in total cash flow savings of approximately \$2.62 million from Fiscal Year (FY) 2027 through FY50, and net present value savings of approximately \$1.45 million. These savings estimates are based on interest rates as of April 10, 2026.

Background

Existing Bonds

On February 22, 2019, the JPB issued \$47,635,000 in Farebox Revenue Bonds 2019 Series A (the "2019 Bonds"), which refinanced certain prior obligations and financed the acquisition of two facilities that the JPB previously leased. The 2019 Bonds, which mature on October 1, 2044, and 2049, in an aggregate principal amount of \$16,070,000, are callable on October 1, 2026, and may be refunded for savings in the current market. The remaining maturities of the 2019 Bonds are callable on October 1, 2029.

The interest rate on the 2044 and 2049 maturities is 5 percent. The JPB's aggregate debt service expense with respect to these maturities is \$31,666,500. Unless the 2026 Refunding Bonds are issued, debt service will remain at this level.

Based on an analysis of the economic considerations affecting the October 1, 2044, and 2049 maturities of the 2019 Bonds, staff is proposing to refinance such maturities (the "Refunded 2019 Bonds") to reduce the aggregate debt service costs by approximately \$2.62 million based on interest rates as of April 10, 2026.

Objectives in Structuring 2026 Refunding Bonds

In designing the structure of the 2026 Refunding Bonds, staff and the JPB's financing team had the following objectives:

- Replace the JPB's lower rated farebox revenue bond credit with higher rated Measure RR sales tax bonds;
- Provide cash flow savings in each year from FY27 through FY50;
- Utilize a traditional fixed rate financing structure;
- Maintain the same final maturity of October 1, 2049;
- Achieve the highest bond ratings from Standard and Poor's.

Staff and the JPB's municipal advisor believe that the recommended 2026 Refunding Bond structure meets the objectives for the refinancing outlined above.

Mechanics of the Refinancing

Currently, the JPB pays the debt service on the Refunded 2019 Bonds from Caltrain's farebox revenues. The 2019 Bonds are rated "AA-" from Standard and Poor's (and "A1" from Moody's and "A+" from Kroll). The 2026 Refunding Bonds will be paid from Measure RR sales tax revenues on a parity with the JPB's \$140,000,000 Measure RR Sales Tax Revenue Bonds (Green Bonds – Climate Bond Certified), 2022 Series A, which are rated "AA+" by Standard and Poor's. Both farebox revenues and Measure RR sales tax revenues are part of the JPB's annual operating budget.

- The refinancing of the Refunded Bonds involves issuing the 2026 Refunding Bonds, the proceeds of which will be used to pay transaction costs and to purchase "escrow securities" (i.e. U.S. government securities) to be held in an Escrow Fund.
- The principal and interest earnings from the escrow securities will be used to repay the outstanding principal (\$16,070,000) of the Refunded 2019 Bonds, plus accrued interest, on the redemption date of October 1, 2026. Upon the issuance of the 2026 Refunding Bonds and the deposit of the escrow securities in the Escrow Fund, the Refunded Bonds will be considered "legally defeased" and will no longer be treated as outstanding debt of the JPB. The debt service associated with the Refunded 2019 Bonds will be replaced by the lower debt service associated with 2026 Refunding Bonds.

Financing Team

The finance team for the 2026 Refunding Bonds consists principally of the following:

- Underwriter – The Underwriter for the 2026 Refunding Bonds is Bank of America (BofA) Securities, Inc. (Underwriter). The Underwriter was selected in connection with a request for proposal (RFP) process in which RFPs were distributed to 8 firms. The Underwriter will purchase the 2026 Refunding Bonds from the Board for sale to investors
- Bond Counsel – Nixon Peabody LLP will serve as bond and disclosure counsel. Nixon Peabody was previously selected in connection with an RFP process in which RFPs were distributed to 7 firms. Nixon Peabody LLP will prepare the financing documents needed for the 2026 Refunding Bonds and render an opinion that the 2026 Bonds are legal obligations of the JPB and that interest on the 2026 Refunding Bonds is tax-exempt.
- Municipal Advisor – Ross Financial will serve as the Board's municipal advisor for the 2026 Refunding Bonds. Ross Financial was previously selected as one of the Board's municipal advisors in 2019 in connection with an RFP process conducted by Board staff.
- Trustee and Escrow Agent – U.S. Bank Trust Company will be serving as Trustee and Escrow Agent. U.S. Bank currently serves in this role with respect to the 2019 Bonds.

- Underwriter’s Counsel – Kutak Rock LLP will serve as Underwriter’s Counsel. Kutak was selected by the Underwriter. Kutak will prepare the Bond Purchase Agreement between the Board and the Underwriter with respect to the 2026 Refunding Bonds and will review the financing and disclosure documents on their behalf.

Overview of Financing Documents

Staff is requesting Committee and Board approval of the substantially final forms of several financing documents required to execute the 2026 Refunding Bonds. Each financing document either has been prepared by the Board’s bond counsel, Nixon Peabody, LLP, or has been reviewed by Nixon Peabody, LLP. All financing documents also have been reviewed by the Board’s General Counsel and by the JPB’s Municipal Advisor. Each financing document is described briefly below and available in the Supplemental Reading File for this agenda item.

Fifth Supplemental Indenture

The Fifth Supplemental Indenture is between the JPB and the Trustee and sets forth the terms of the 2026 Refunding Bonds.

Preliminary Official Statement

The Preliminary Official Statement is the document that will be distributed to potential investors in connection with the marketing of the 2026 Refunding Bonds by the Underwriter. It provides information relating to the terms of the 2026 Refunding Bonds, the security for their repayment, information concerning the JPB and potential investment risks related to the 2026 Refunding Bonds. As required by the U.S. Securities and Exchange Commission, the document must be true and correct in all material respects and may not contain any untrue statement of material fact or omit any material fact. After the 2026 Refunding Bonds are priced, a Final Official Statement will be prepared with final pricing information, but will otherwise generally mirror the Preliminary Official Statement.

Escrow Agreement

This is an agreement between the JPB and U.S. Bank as Escrow Agent regarding the administration of the escrow fund that will hold the Treasury Securities used to pay principal and accrued interest on the Refunded 2019 Bonds until October 1, 2026, at which time the Refunded 2019 Bonds will be fully paid off.

Bond Purchase Agreement

This is an agreement between the JPB and the Underwriter, which sets forth the terms and conditions under which the Underwriter will purchase the 2026 Refunding Bonds from the Board. Under this Agreement, the Underwriter will receive compensation and expense reimbursement in the form of an Underwriters’ discount. The compensation and expense reimbursement is contingent upon the closing of the 2026 Refunding Bonds.

Continuing Disclosure Agreement

This is an agreement between the JPB and U.S. Bank, serving as Dissemination Agent, under which the JPB agrees to provide certain financial and operating information on an annual basis and agrees to provide notices of certain specified events to the marketplace for the life of the 2026 Refunding Bonds, as required by U.S. Securities and Exchange Commission (SEC) Rule 15c2-12.

Costs Associated with the 2026 Refunding Bonds

Senate Bill 450 (SB 450) - (Chapter 625 of the 2017-2018 Session of the California Legislature) requires that the governing body of a public body obtain prior to authorizing the issuance of bonds with a term of greater than 13 months, a good faith estimate of the following information and present it in a meeting open to the public. This staff report satisfies SB 450.

- Transaction costs to issue the 2026 Refunding Bonds are estimated to be \$275,000. These costs include bond/disclosure counsel, municipal advisor, the rating agency, trustee, underwriter's discount and other miscellaneous fees. All costs, including the underwriter's discount, are anticipated to be paid from the proceeds of the 2026 Refunding Bonds.
- According to the Underwriter, based on market conditions as of April 10, 2026, the estimated **true interest cost** for the 2026 Refunding Bonds was 4.2204 percent.
- Remaining net proceeds from a refunding of the Refunded Bonds after payment of issuance costs and underwriter's discount are estimated to be \$16,330,156, which, along with other funds held by Trustee, will be used to retire the Refunded Bonds. Total debt service on the 2026 Refunding Bonds, assuming interest rates as of April 10, 2026, is estimated at \$29,043,133.

This staff report and associated presentation at the May 7th Board meeting satisfy SB 450.

Remaining Steps in 2026 Refunding Bonds

In anticipation of their issuance, the JPB requested a rating from Standard and Poor's on the 2026 Refunding Bonds before the May 7th Board meeting.

If the Committee and Board approve the staff recommendation, staff and its financing team will proceed as quickly as possible to bring the 2026 Refunding Bonds to market. The following steps will occur prior to the closing of the 2026 Refunding Bonds, which is currently scheduled for early July 2026 (subject to change based on market conditions):

- Finalization of the Preliminary Official Statement, and distribution of the document to potential investors;
- Pricing of the 2026 Refunding Bonds;

- Purchase of the Escrow Securities;
- Closing of the 2026 Refunding Bonds.

Staff expects to report back to the Board on the final results of the 2026 Refunding Bonds at the July 2026 Board meeting.

Budget Impact

Execution of the 2026 Refunding Bonds is expected to result in aggregate debt service reductions (also known as “cash flow savings”) from FY27 through FY50 in the amount of approximately \$2.62 million, based on current interest rate levels. On a net present value basis, the savings are approximately \$1.45 million. These estimates are subject to change based on changes in interest rates between now and when the 2026 Refunding Bonds are priced, which is currently expected in early June 2026.

Prepared By: Daniel Yap	Senior Financial Analyst	4/15/2026
Kyle Huie	Manager, Accounting	4/15/2026

Resolution No. 2026-

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

* * *

Authorize the Issuance of Peninsula Corridor Joint Powers Board Measure RR Sales Tax Revenue Refunding Bonds in a Principal Amount Not to Exceed \$17,000,000; Approve the Forms of a Fifth Supplemental Indenture of Trust, an Escrow Agreement, a Bond Purchase Agreement, a Preliminary Official Statement and a Continuing Disclosure Agreement to be Executed in Connection Therewith; Authorize the Execution and Delivery Thereof; and Authorize the Taking of All Other Actions Necessary in Connection with the Issuance of Measure RR Sales Tax Revenue Refunding Bonds

Whereas, the Peninsula Corridor Joint Powers Board (the “JPB”), a public entity duly organized and existing as a joint exercise of powers agency under and by virtue of the laws of the State of California, created pursuant to the Joint Exercise of Powers Agreement-Peninsula Corridor Project, made and entered into as of October 3, 1996 (the “JPA Agreement”), by and among the Santa Clara Valley Transportation Authority, formerly known as the Santa Clara County Transit District, the City and County of San Francisco and the San Mateo County Transit District (each, a “Member Agency,” and, hereinafter collectively referred to as the “Member Agencies”), oversees and operates the Caltrain commuter rail service (“Caltrain”); and

Whereas, pursuant to Article 4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the “Act”) and the JPA Agreement, the JPB is authorized to issue debt, including revenue debt, from time to time to finance the costs of public capital improvements, including mass transit facilities and vehicles, whenever there are significant public benefits (as such term is defined in the Act) from doing so; and

Whereas, the JPB has heretofore issued \$47,635,000,000 aggregate principal amount of Peninsula Corridor Joint Powers Board Farebox Revenue Bonds, 2019 Series A (the “2019 Series

A Bonds”), \$41,440,000 of which are outstanding, pursuant to a Trust Agreement, dated as of October 1, 2007 (as supplemented and amended from time to time pursuant to its terms, the “Existing Trust Agreement”), by and between the District and U.S. Bank Trust Company, National Association (as successor in name to U.S. Bank National Association, “U.S. Bank,” and U.S. Bank acting in such capacity, the “Existing Trustee”); and

Whereas, on November 3, 2020, the voters in the City and County of San Francisco, San Mateo County and Santa Clara County approved Measure RR (“Measure RR”), which provides the JPB with a dedicated revenue source consisting of a 1/8th cent sales and use tax on taxable transactions in those counties (the “Measure RR Sales Tax”), the collection of which commenced on July 1, 2021, and currently expires in thirty years; and

Whereas, the JPB previously received approval from its Member Agencies to utilize and leverage the Measure RR Sales Tax by issuing Measure RR obligations and bonds to fund a portion of additional capital costs associated with completing the Peninsula Corridor Electrification Project, and, in connection therewith, each of the Member Agencies also approved the refunding of the 2019 Series A Bonds with Measure RR Sales Tax at such time or times that such refunding produces debt service savings; and

Whereas, in order to take advantage of favorable market conditions to reduce debt service, the JPB desires to refund and defease the 2044 and 2049 maturities of the 2019 Series A Bonds that are callable on October 1, 2026 (the “Callable 2019 Series A Bonds”); and

Whereas, in order to provide the funds necessary to refund and defease the Callable 2019 Series A Bonds, the JPB hereby determines to issue sales tax revenue refunding bonds to be designated as the Peninsula Corridor Joint Powers Board Measure RR Sales Tax Revenue

Refunding Bonds, 2026 Series A (hereinafter referred to as the “2026 Series A Bonds”), such 2026 Series A Bonds to be issued in an aggregate principal amount not to exceed \$17,000,000, which is the estimated cost of accomplishing the purposes for which such 2026 Series A Bonds (and the costs of issuance thereof) are being issued and which amount does not exceed the amount of sales tax revenue refunding bonds which the JPB is authorized to issue pursuant to the Law and Measure RR; and

Whereas, the 2026 Series A Bonds shall be issued pursuant to an Indenture of Trust (the “Master Indenture”), dated as of August 1, 2021, by and between the JPB and U.S. Bank, as trustee (U.S. Bank acting in such capacity being hereinafter referred to as the “Trustee”), and a Fifth Supplemental Indenture of Trust thereto (the “Supplemental Indenture”), which is proposed to be entered into between the JPB and the Trustee, for the purpose of providing funds to refund and defease the Callable 2019 Series A Bonds; and

Whereas, there has been prepared and placed on file with the Secretary of the governing body of the JPB (hereinafter referred to as the “JPB Secretary”) a proposed form of the Supplemental Indenture; and

Whereas, in order to facilitate the refunding and defeasance of the Callable 2019 Series A Bonds, the JPB proposes to enter into an Escrow Agreement (the “Escrow Agreement”) with U.S. Bank Trust Company, National Association, as Existing Trustee and as escrow agent (U.S. Bank Trust Company, National Association acting in such capacity being hereinafter referred to as the “Escrow Agent”); and

Whereas, there has been prepared and placed on file with the JPB Secretary a proposed form of Escrow Agreement; and

Whereas, Bank of America (BofA) Securities, Inc. (the “Underwriter”) intends to purchase the 2026 Series A Bonds pursuant to a Bond Purchase Agreement (the “Bond Purchase Agreement”), which Bond Purchase Agreement is proposed to be entered into between the Underwriter and the JPB; and

Whereas, there has been prepared and placed on file with the JPB Secretary a proposed form of Bond Purchase Agreement; and

Whereas, in order to facilitate the offering of the 2026 Series A Bonds by the Underwriter, the JPB proposes to approve, execute and deliver a Preliminary Official Statement (the “Preliminary Official Statement”) describing the 2026 Series A Bonds and certain related matters; and

Whereas, there has been prepared and placed on file with the JPB Secretary a proposed form of Preliminary Official Statement describing the 2026 Series A Bonds and certain related matters; and

Whereas, in order to assist the Underwriter in complying with Securities and Exchange Commission Rule 15(c)2-12(b)(5) (“Rule 15(c)2-12”), the JPB proposes to enter into a Continuing Disclosure Agreement (the “Continuing Disclosure Agreement”) with the Trustee, acting as dissemination agent; and

Whereas, there has been prepared and placed on file with the JPB Secretary a proposed form of Continuing Disclosure Agreement; and

Whereas, in order to accomplish the foregoing, it will be necessary for the JPB to enter into or approve and deliver the following agreements and instruments, forms of which have been prepared and placed on file with the JPB Secretary prior to this meeting:

- (1) Fifth Supplemental Indenture;
- (2) Escrow Agreement;
- (3) Bond Purchase Agreement;
- (4) Preliminary Official Statement; and
- (5) Continuing Disclosure Agreement.

Whereas, the JPB desires to authorize the issuance of the 2026 Series A Bonds, and to authorize the taking of such other actions as shall be necessary to consummate the issuance of the 2026 Series A Bonds, as described in the Fifth Supplemental Indenture, the Escrow Agreement, the Bond Purchase Agreement, the Preliminary Official Statement and the Continuing Disclosure Agreement (hereinafter collectively referred to as the “Refunding Documents”) and herein, and to authorize the taking of various actions in connection therewith; and

Whereas, in accordance with Government Code Section 5852.1, the JPB has obtained and disclosed the information required thereby in the staff report accompanying this Resolution; and

Now therefore, be it resolved by the governing body of the Peninsula Corridor Joint Powers Board as follows:

Section 1. Findings. The JPB hereby finds and determines that the foregoing recitals are true and correct.

Section 2. Authorization of Issuance of the Bonds. The issuance of the 2026 Series A Bonds in an amount not to exceed \$17,000,000 is hereby authorized and approved. The Executive Director of the JPB, the Chief Financial Officer of the JPB, the Chief of Commercial

and Business Development of the JPB and the Manager, Treasury Debt and Investments of the JPB or any designee thereof (each, an “Authorized Representative”) is hereby authorized and directed, for and in the name and on behalf of the JPB, to execute and deliver, and the JPB Secretary is hereby authorized and directed, for and in the name and on behalf of the JPB, to acknowledge and deliver the 2026 Series A Bonds in substantially said form, with such changes therein as the Authorized Representative executing the same, with the advice of the general counsel to the JPB (“General Counsel”) and Nixon Peabody LLP as Bond Counsel to the JPB (“Bond Counsel”), may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 3. Approval of Fifth Supplemental Indenture. The proposed form of Fifth Supplemental Indenture placed on file with the JPB Secretary prior to this meeting is hereby approved. Each Authorized Representative is hereby authorized and directed, for and in the name and on behalf of the JPB, to execute and deliver, and the JPB Secretary is hereby authorized and directed, for and in the name and on behalf of the JPB, to acknowledge and deliver, a Fifth Supplemental Indenture, in substantially said forms, with such changes therein as the Authorized Representative executing the same, with the advice of General Counsel and Bond Counsel, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. Interest payment dates, denominations, forms, series designation, registration and exchange privileges, place or places of payment, tender provisions, terms of redemption and other terms of the 2026 Series A Bonds shall be as provided in the 2026 Series A Bonds and the Fifth Supplemental Indenture, as finally executed and delivered, the approval by the JPB of said final forms of the 2026 Series A Bonds to be

conclusively evidenced by the execution and delivery thereof. The date, maturity date or dates (which shall not exceed the expiration of Measure RR) yields (with a True Interest Cost not-to-exceed 5 percent), interest payment dates, denominations, forms, series designation, registration and exchange privileges, place or places of payment, tender provisions, terms of redemption and other terms of the 2026 Series A Bonds shall be as provided in the Fifth Supplemental Indenture, as finally executed and delivered, the approval by the JPB of said final form of Fifth Supplemental Indenture to be conclusively evidenced by the execution and delivery thereof.

Section 4. Approval of Escrow Agreement. The proposed form of Escrow Agreement placed on file with the JPB Secretary prior to this meeting is hereby approved. Each Authorized Representative is authorized and directed to execute and deliver the Escrow Agreement to the Existing Trustee and the Escrow Agent, in substantially the form of the Escrow Agreement presented to this meeting, with such additions thereto or changes therein, as such officer executing the same may require or approve, the approval of such additions or changes to be conclusively evidenced by the execution and delivery of the Escrow Agreement.

Section 5. Application of Proceeds of the Bonds. The proceeds of the 2026 Series A Bonds shall be applied to finance the refunding of the Callable 2019 Series A Bonds and costs of issuance related thereto, all in accordance with and as more particularly described in the Fifth Supplemental Indenture as finally executed and delivered.

Section 6. Approval of Bond Purchase Agreement. The proposed form of Bond Purchase Agreement placed on file with the JPB Secretary prior to this meeting is hereby approved. The sale of the 2026 Series A Bonds to the Underwriter at the principal amount

thereof, less an underwriter's discount of not to exceed 0.75 percent of such principal amount, less any original issue discount, plus any original issue premium, in accordance with said form of Bond Purchase Agreement, is hereby approved. Each Authorized Representative, acting alone, is hereby authorized and directed, for and in the name and on behalf of the JPB, to execute and deliver a Bond Purchase Agreement in connection with the sale by the JPB and the purchase by the Underwriter, such Bond Purchase Agreement to be in substantially said form, with such changes therein as the Authorized Representative executing the same, with the advice of the General Counsel and Bond Counsel, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 7. Approval of Preliminary Official Statement. The proposed form of Preliminary Official Statement placed on file with the JPB Secretary prior to this meeting is hereby approved. Each Authorized Representative, acting alone, is hereby authorized and directed, for and in the name and on behalf of the JPB, to execute and deliver to the Underwriter a final Official Statement, in substantially said form, with such changes therein as the Authorized Representative executing the same, with the advice of the General Counsel and Bond Counsel, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. The Underwriter is hereby authorized to distribute copies of said Official Statement, as finally executed, to persons who may be interested in the purchase of 2026 Series A Bonds and is hereby directed to deliver such copies to all actual purchasers of 2026 Series A Bonds.

The execution by either Authorized Representative of a certificate deeming the Preliminary Official Statement in preliminary form final on behalf of the JPB for purposes of

Rule 15c2-12, and the distribution of the Preliminary Official Statement, in such preliminary form as shall be deemed final by either Authorized Representative, is hereby authorized and approved.

Section 8. Approval of Continuing Disclosure Agreement. The proposed form of Continuing Disclosure Agreement attached to the Preliminary Official Statement and placed on file with the JPB Secretary prior to this meeting is hereby approved. Each Authorized Representative, acting alone, is hereby authorized and directed, for and in the name and on behalf of the JPB, to execute and deliver a Continuing Disclosure Agreement, in substantially said form, with such changes therein as the Authorized Representative executing the same, with the advice of the General Counsel and Bond Counsel, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 9. Approval of Professionals. In connection with the 2026 Series A Bonds, the JPB hereby approves the appointment of (a) Ross Financial, as Municipal Advisor, (b) BofA Securities, Inc., as Underwriter, (b) Nixon Peabody LLP, as Bond Counsel and Disclosure Counsel, and (c) U.S. Bank Trust Company, National Association, as Trustee and Escrow Agent. The JPB is hereby authorized and directed to execute services agreements with these financing team members, to the extent necessary.

Section 10. Completion of Financing. Each Authorized Representative, the JPB Secretary and other appropriate staff of the JPB are each hereby authorized and directed, for and in the name and on behalf of the JPB, to do any and all things and to take any and all actions and to execute and deliver any and all agreements, certificates, documents, instruments and instructions, including, without limitation, the Refunding Documents, the certificates

concerning the representations in any of the Refunding Documents, disclosure certificates, no-litigation certificates, signature certificates, tax certificates, investment instructions and contracts for rebate compliance services or other post-issuance compliance services, including, but not limited to, post-issuance tax-compliance services, and to do any and all things and take any and all actions which may be necessary or advisable to effectuate the actions which the JPB has approved in this Resolution, and to carry out, consummate and perform the duties of the JPB set forth in the Refunding Documents.

Section 11. Authorized Representative; Subsequent Actions. All approvals, consents, directions, notices, orders, requests and other actions permitted or required by any of Refunding Documents or by any of the other documents authorized by this Resolution, including, without limitation, any of the foregoing which may be necessary or desirable in connection with any investment of the proceeds of the 2026 Series A Bonds, any investment or reinvestment of the amounts held on deposit in any of the funds and accounts established by the Master Indenture and the Refunding Documents, any amendment of any of the Master Indenture or Refunding Documents, any amendment of any other agreements, documents or certificates authorized by this Resolution, may be given or taken or made, as applicable, by any Authorized Representative without further authorization or direction by the governing body of the JPB, and each Authorized Representative is hereby authorized and directed to give any such approval, consent, direction, notice, order, request or other action and to take any such action which such Authorized Representative may deem necessary or desirable to further the purposes of this Resolution.

Section 12. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution which shall continue in full force and effect.

Section 13. Effective Date. This Resolution shall take effect immediately upon its passage.

Regularly passed and adopted this 7th day of May 2026 by the following vote:

Ayes:

Noes:

Absent:

Chair, Peninsula Corridor Joint Powers Board

Attest:

JPB Secretary

**Peninsula Corridor Joint Powers Board
Staff Report**

To: JPB Finance Committee
Through: Michelle Bouchard, Executive Director
From: Jerry Guaracino, Chief Safety Officer
Scott Kirkpatrick, Deputy Director, Safety and Security
For: May 2026 JPB Board of Directors Meeting
Subject: **Authorize Executive Director to Execute Amendment to Extend the Term of the Current Agreement for Law Enforcement Services for Five Years at an Estimated Cost of \$41,076,586 and to Enter into an Agreement for Dispatch Services for Five Years at an Estimated Cost of \$3,007,689 with the San Mateo County Sheriff's Office****

Finance Committee Recommendation

Technology, Operations, Planning, and Safety Committee Recommendation

Advocacy and Major Projects Committee Recommendation

Purpose and Recommended Action

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

1. Authorize the Executive Director or designee to execute an amendment to extend the term of the contract with the San Mateo County Sherriff's Office (SMCSO) for Law Enforcement Services by five years at an estimated cost to the JPB of \$41,076,586, which the Board previously approved in August 2025, to incorporate modified terms and conditions for indemnification between the parties.
2. Authorize the award of a new agreement for Dispatch Services with the SMCSO for five years for an estimated cost to the JPB of \$3,007,689.
3. Authorize the Executive Director or designee to execute documents required to amend the Law Enforcement Services contract and to enter into a new agreement for Dispatch Services, in a form approved by legal counsel.

Discussion

Law Enforcement Services Contract

In August 2025, the JPB and San Mateo County Transit District (SamTrans) Board of Directors (Board) separately approved an amendment to extend the agencies' joint contract for law enforcement services with the SMCSO for a term of five years.

Both boards approved the proposed amendment in conformity with the terms and conditions of the 2020 contract, and in a form approved by legal counsel.

Under the 2020 Agreement for Law Enforcement Services, SMCSO provides services, including, but are not limited to, patrol services within the District and JPB's service areas, coordination of all requests for police service, collision investigations, and police reports. Additionally, SMCSO provides explosive-detecting police dog (K9) units, crime scene investigation and criminal forensics, coroner's services, coverage for special events and backup personnel as required. Costs for the contract are allocated between the JPB and the District based on service calls. The contract, which had an initial term of five years, included an option to extend the contract by an additional five years. The Boards' approval of the contract amendment last year ensured continuity of law enforcement services for the JPB through June 2030.

The 2020 agreement between the parties provided for mutual indemnification with shared liability pursuant to laws related to comparative fault. County staff presented the proposed amendment, including the original contract language, to the Board of Supervisors following the JPB and SamTrans Boards' approval of the contract amendment. Following the presentation, several of the Supervisors expressed concern that the agreement did not require the JPB and SamTrans to reimburse the County for the full costs of providing services, including potential liability the County could incur as a result of providing those services, and directed staff to renegotiate the indemnification terms in the amendment to account for the risk of potential liability incurred by the County as a result of providing services to the JPB and SamTrans. As a result, the County requested that the JPB and SamTrans accept responsibility for any liability incurred by the SMCSO arising from the services provided to the agencies.

Because of this change to the terms and conditions, the parties have not executed the Law Enforcement Services Agreement, though the County has continued to provide law enforcement services, while the parties engaged in negotiations regarding the indemnification clause.

Staff for both agencies negotiated a compromise with the County to account for the parties' respective risks and responsibilities based on the nature of the services provided by the County, which are identical for SamTrans and the JPB:

- The JPB and SamTrans shall defend, hold harmless and indemnify County for all acts and omissions of the Agencies, including 100 percent of the costs of defense of all claims.
- For claims that arise out of the Law Enforcement Services Agreement and that are caused or alleged to be caused by the acts or omissions of the County, the County will tender such claims to its insurer, and the County and the agency on whose behalf the services were provided will split equally any payments within the County's self-insured retention amount of \$2 million, meaning that the JPB's maximum liability for an insured claim arising from a negligent, reckless, or

intentional act of law enforcement will be \$1 million.

- The County will have the sole authority to settle claims.

Staff have assessed this proposal and determined that this allocation of risk is acceptable to the agency, given the limited options available. Furthermore, the JPB is not aware of any litigation in the last 10 years would have triggered an obligation by the JPB to pay a portion of the County's self-insured retention.

Staff recommend that the Board authorize the Executive Director to execute an amendment to the Law Enforcement Services Agreement to extend the term to 2030 in a form consistent with the terms and conditions of indemnification described above.

Dispatch Services

The JPB and SamTrans similarly have a joint contract with the San Mateo County Sheriff's Office for Dispatch Services. The agencies previously entered into an agreement with the County for dispatch services in 2017 and extended the agreement for five years in 2020. The agreement expired July 1, 2025, and the County has continued to provide services while the new agreement is pending.

Under the proposed 2025 agreement, the County will provide the agencies with the following services: (1) telephone answering for emergency police purposes; (2) personnel notification during emergencies; (3) dispatching including automated status keeping and associated activity reports and inquiries; (4) notification/call alert by activating digital pager equipment; (5) access to Computer Aided Dispatch Equipment (CAD); and (6) access to all relevant computerized law enforcement databases. The agencies will be responsible for reimbursing the County for a proportional share of the services used by each agency.

The term of the new agreement is five years at a total cost of \$3,865,242, with an estimated cost of \$3,007,689 to Caltrain.

The pricing under the new agreement is approximately 200 percent of what the agencies previously paid for the Dispatch Services. The County advised the agencies that County staff had conducted an internal review of operational expenses related to its Department of Public Safety Communications (e.g., staffing, equipment, and department overhead costs) given the County's rising costs of operations and subsequently developed a cost allocation methodology to ensure that total costs are proportionately distributed across contracted agencies that benefit from the County's dispatch services. This cost allocation is being applied to all of the County's client-serving agreements as they come up for renewal. The County agreed to allocate the cost increase over the term of the contract.

The County and agency staff have agreed to the same indemnification terms for the Dispatch Services as for the Law Enforcement Services Agreement. Staff have assessed this proposal and determined that this allocation of risk is acceptable to the agency. Staff recommend that the

Board authorize the Executive Director to execute the agreement for Dispatch Services.

Budget Impact

The JPB's \$41,076,586 share of the total cost of the Law Enforcement Services Agreement and \$3,007,689 share of the total cost of the Dispatch Services is and will be included in current and future year operating budgets. The District separately budgets for and pays its share of the Law Enforcement Services and Dispatch Services.

Prepared By: Scott Kirkpatrick

Deputy Director, Safety and
Security

4/16/2026

Resolution No. 2026-

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

* * *

Authorize Executive Director to Execute Amendment to Extend the Term of the Current Agreement for Law Enforcement Services for Five Years at an Estimated Cost of \$41,076,586**

Whereas, the San Mateo County Sheriff's Office (SMCSO) has been providing law enforcement services (Services) for the Peninsula Corridor Joint Powers Board (JPB) since 2004, currently under a contract jointly awarded by the Board of Directors (Board) for the JPB and the Board of Directors of the San Mateo County Transit District (SamTrans) on June 3, 2020, for a five-year base term, with a single five year option term; and

Whereas, the transit police services provided by the SMCSO cover all JPB's services and facilities and include, but are not limited to, patrol services within the District's service area, coordination of all requests for police service, collision investigations, and police reports, as well as explosive-detecting police dog (K9) units, crime scene investigation and criminal forensics, coroner's services, coverage for special events and backup personnel; and

Whereas, on August 7, 2025, the Board of Directors approved an amendment to extend the agreement with SMCSO for five years for an estimated amount of \$41,076,586 through June 2030 in a form consistent with the terms and conditions of the 2020 agreement for law enforcement services; and

Whereas, since that approval, the parties have not executed the agreement and have negotiated new terms and conditions including an indemnification clause requiring that: the JPB and SamTrans shall defend, hold harmless and indemnify County for all acts and omissions

of the Agencies, including 100 percent of the costs of defense of all claims; for claims that arise out of the Law Enforcement Services Agreement and that are caused or alleged to be caused by the acts or omissions of the County, the County will tender such claims to its insurer, and the County and the agency on whose behalf the services were provided will split equally any payments within the County's self-insured retention amount of \$2 million, meaning that the JPB's maximum liability for an insured claim arising from a negligent, reckless, or intentional act of law enforcement will be \$1 million; and the County will have the sole authority to settle claims; and

Whereas, the Executive Director recommends that the Board authorize the execution of the amendment with these terms.

Now, Therefore, Be It Resolved that the Board of Directors of the Peninsula Corridor Joint Powers Board hereby authorizes an amendment to extend the term of the contract with the San Mateo County Sheriff's Office for Law Enforcement Services by five-years at an estimated cost of \$41,076,586, with the modified terms of indemnification as described herein.

Be it Further Resolved that the Executive Director or designee is authorized to execute contract documents required to amend the agreement, in a form approved by legal counsel.

Regularly passed and adopted this 7th day of May 2026 by the following vote:

Ayes:

Noes:

Absent:

Chair, Peninsula Corridor Joint Powers Board

Attest:

JPB Secretary

Resolution No. 2026-

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

* * *

Authorize Executive Director to Enter into an Agreement for Dispatch Services for Five Years at an Estimated Cost of \$3,007,689 with the San Mateo County Sheriff's Office**

Whereas, the San Mateo County Sheriff's Office (SMCSO) has been providing Dispatch Services for the Peninsula Corridor Joint Powers Board (JPB) since 2020, under a contract jointly awarded by the Board of Directors (Board) for the JPB and the Board of Directors of the San Mateo County Transit District (SamTrans), for a five-year base term, and

Whereas, the agreement expired July 1, 2025, and the County has continued to provide services while the new agreement is pending; and

Whereas, under the proposed agreement, the SMCSO will provide the agencies with the following services: (1) telephone answering for emergency police purposes; (2) personnel notification during emergencies; (3) dispatching including automated status keeping and associated activity reports and inquiries; (4) notification/call alert by activating digital pager equipment; (5) access to Computer Aided Dispatch Equipment (CAD); and (6) access to all relevant computerized law enforcement databases, and the agencies will be responsible for reimbursing the County for a proportional share of the services used by each agency; and

Whereas, the Executive Director recommends that the Board authorize the agreement for a five-year term for an estimated cost of \$3,007,689.

Now, Therefore, Be It Resolved that the Board of Directors of the Peninsula Corridor Joint Powers Board hereby authorize the agreement for Dispatch Services with the San Mateo County Sheriff's Office for a five-year term for an estimated cost of \$3,007,689.

Be it Further Resolved that the Executive Director or designee is authorized to execute contract documents required to exercise the option, in conformity with the terms and conditions of the current contract, and in a form approved by legal counsel.

Regularly passed and adopted this 7th day of May 2026 by the following vote:

Ayes:

Noes:

Absent:

Chair, Peninsula Corridor Joint Powers Board

Attest:

JPB Secretary

**Peninsula Corridor Joint Powers Board
Staff Report**

To: JPB Finance Committee
Through: Michelle Bouchard, Executive Director
From: David Santoro, Chief Administrative Officer
Theodore Burgwyn, Interim Chief Operating Officer
For: May 2026 JPB Board of Directors Meeting
Subject: **Award a Contract to CR Fence Company Inc. for Right of Way Fencing Project for a Total Amount of \$1,738,400**

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

Purpose and Recommended Action

Award of this proposed contract for Right of Way Fencing Project (Project) will allow the Peninsula Corridor Joint Powers Board (Caltrain or JPB) to continue and expand implementation of the Project, which had been successfully installed along the JPB Right-of-Way (ROW) under previous 2016 and 2023 contracts. This new contract is a two-year contract that will allow the JPB to continue to install various types of fencing, including vandal-resistant fencing, at key locations along the JPB ROW and will help to deter trespassing, illegal dumping and unhoused encampments.

Staff proposes that the Finance Committee recommend that the Board of Directors (Board) of the JPB:

1. Award a contract to the lowest responsive and responsible bidder, CR Fence Company Inc. of Fortuna, California (CR Fence), for a total amount of \$1,738,400 for the Project.
2. Authorize the Executive Director or designee to execute a contract with CR Fence in full conformity with the terms and conditions set forth in the solicitation documents, and in a form approved by legal counsel.

Discussion

On January 9, 2026, the JPB issued Invitation for Bids (IFB) 25-J-C-054. It was advertised in a newspaper of general circulation and on the JPB's eProcurement website. The JPB established a Small Business Enterprise (SBE) goal of 20 percent for this contract. Bidders who met or exceeded this goal were eligible for a five percent bid preference. Eleven vendors downloaded the solicitation documents with five potential bidders attending the pre-bid meeting, and four potential bidders participated in the site walk. The JPB received three bids as follows:

Company	Grand Total Bid Price
Engineer's Estimate	\$2,999,311
1. CR Fence Company Inc.	\$1,738,399.10
2. Golden Bay Fence Plus Ironworks Inc.	\$1,980,461.00
3. Pro Ex Construction Inc.	\$3,089,000.00

After the bid opening, application of the SBE bid preference, and evaluation of bids, staff and legal counsel determined that CR Fence submitted all required bid documentation and is the lowest responsive and responsible bidder.

CR Fence is a certified SBE and eligible for the five percent preference but did not need it for selection of its proposal.

Staff conducted a price analysis and found CR Fence's price to be fair and reasonable in comparison to the independent cost estimate and other bids received. CR Fence is an established contractor with more than 23 years of experience. Staff contacted CR Fence's references and confirmed its experience and competency. Based upon these findings, staff conclude that CR Fence is appropriately qualified and capable of meeting the requirements of the contract.

Budget Impact

The Board previously approved funding for the ROW-Fencing Project that will support funding for this contract in Fiscal Year 2017 for a budget of \$1.17 million, funded by San Mateo County Transportation Authority (SMCTA), Santa Clara Valley Transportation Authority (VTA), and the California Transit Security Grant Program (CTSGP). Since then, the Board has approved a series of budget amendments to increase the Project budget to \$13.96 million, with funding from SMCTA, VTA, San Francisco County Transportation Authority (SFCTA), Federal Funds, State Transit Assistance - State of Good Repair Funds, Transit and Intercity Rail Capital Program (TIRCP) Reimbursed Bond Proceeds, and General Capital Funds. The Project has sufficient budget to support this proposed contract.

Prepared By:	Jessica Valdez	Procurement Administrator II	3/18/2026
	Luay Elshareif	Engineer III	3/18/2026

Resolution No. 2026-

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

* * *

**Award a Contract to CR Fence Company Inc. for Right of Way Fencing Project for a Total
Amount of \$1,738,400**

Whereas, on January 9, 2026, the Peninsula Corridor Joint Powers Board (JPB) issued Invitation for Bids (IFB) 25-J-C-054 for the Right of Way Fencing Project (Project); and

Whereas, the JPB received three bids for the solicitation, which was advertised in a newspaper of general circulation and posted on the JPB's eProcurement website; and

Whereas, staff and legal counsel reviewed and determined that CR Fence Company, Inc. of Fortuna, California (CR Fence) submitted the lowest responsive bid and is a responsible bidder; and

Whereas, CR Fence is a certified Small Business Enterprise; and

Whereas, staff conducted a price analysis and found CR Fence's total price to be fair and reasonable in comparison to the independent cost estimate and other bids received; and

Whereas, staff recommends that the Board of Directors (Board) award a contract to CR Fence to deliver the Project for a total amount of \$1,738,400; and

Now, Therefore, Be It Resolved that the Board of Directors of the Peninsula Corridor Joint Powers Board hereby awards a contract to CR Fence Company Inc. for the Right of Way Fencing Project for a total amount of \$1,738,400; and

Be It Further Resolved that the Board authorizes the Executive Director or designee to execute a contract on behalf of the JPB with CR Fence in full conformity with all the terms and conditions of the Invitation for Bids (IFB), and in a form approved by legal counsel.

Regularly passed and adopted this 7th day of May 2026 by the following vote:

Ayes:

Noes:

Absent:

Chair, Peninsula Corridor Joint Powers Board

Attest:

JPB Secretary

**Peninsula Corridor Joint Powers Board
Staff Report**

To: JPB Finance Committee

Through: Michelle Bouchard, Executive Director

From: Li Zhang, Chief, Commercial and Business Development

For: May 2026 JPB Board of Directors Meeting

Subject: **Adopt Resolution Designating Caltrain as a Non-Applicant Public Entity Payee for the Affordable Housing and Sustainable Communities (AHSC) Program**

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

Purpose and Recommended Action

Staff recommend that the Board of Directors (Board) of the Peninsula Corridor Joint Powers Board (JPB) adopt a resolution designating Caltrain as a non-applicant public entity payee under the Affordable Housing and Sustainable Communities (AHSC) Program.

Discussion

The California Department of Housing and Community Development, in partnership with the Strategic Growth Council (SGC), issued a Notice of Funding Availability on March 25, 2025, for the AHSC Program. This program enables affordable housing developers to partner with transit agencies to pursue funding for projects that reduce greenhouse gas (GHG).

In May 2025, Caltrain partnered with Affirmed Housing Partners and the City of Mountain View to submit a joint application. The proposed project includes Phase 1 of an affordable housing development located at 87 East Evelyn Avenue, along with bicycle and pedestrian improvements in Mountain View. Caltrain’s role focuses on the transit component, specifically the purchase of two Stadler Komfortabler Innovativer Spurtstarker S-Bahn-Zug (KISS) Electric Multiple Unit (EMU) option cars scheduled for delivery within the next year. Through this partnership, Caltrain would receive \$8,878,790 in AHSC funding.

In December 2025, the SGC announced that the project was conditionally awarded funding under the AHSC Program. As part of the program requirements, Caltrain must obtain a Board resolution designating the agency as a non-applicant public entity payee, thereby authorizing Caltrain to directly apply for, receive, and administer AHSC grant funds.

Budget Impact

AHSC funds are added to the EMUs budget. There is no increase to the Board-approved budget.

Prepared By: Michelle Stewart	Director, Grants and Funds Management	4/09/2026
Lyne-Marie Bouvet	Principal Planner, Capital Improvement Plan	4/09/2026

Resolution No. 2026-

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

* * *

**Adopt Resolution Designating Caltrain as a Non-Applicant Public Entity
Payee for the Affordable Housing and Sustainable Communities (AHSC)
Program**

Whereas, the California Department of Housing and Community Development (Department) and the Strategic Growth Council (SGC) have issued an Affordable Housing and Sustainable Communities Program (AHSC Program) Notice of Funding Availability (NOFA), dated March 25, 2025; and

Whereas, the Peninsula Corridor Joint Power Board (Public Entity) partnered with Affirmed Housing Partners for the 87 E Evelyn Avenue, Mountain View (the Project) who applied to the Department in response to the NOFA and was determined to be an eligible Applicant; and based on the Application, the Department made an award of Program funds pursuant to the conditional award letter, dated December 10, 2025; and

Whereas, the Department and SGC have made a conditional commitment of AHSC Program funds to assist with the project, and such commitment was made to awardees pursuant to the Award Letter;

Now, therefore, it is resolved, that the Public Entity is hereby authorized and directed to act in connection with the Program Award;

Be it further resolved that the Public Entity is hereby authorized and directed to accept and incur an obligation for the Program Award. That in connection with the AHSC Program Award, the Public Entity is authorized and directed to enter into, execute, and deliver one or

more Standard (STD) 213, Standard Agreements for a sum not to exceed the full amount of the AHSC Program Award, and any and all other documents required or deemed necessary or appropriate to secure the AHSC Program Award from the Department and to participate in the AHSC Program, and all amendments thereto.

Be it further resolved that the Public Entity acknowledges and agrees that it shall be subject to the terms and conditions specified in the STD 213, Standard Agreements, and that the Affordable Housing Sustainable Communities Program of 2025 NOFA and the Application will be incorporated by reference therein and made a part thereof. Public Entity also acknowledges and agrees that any and all activities, expenditures, information, and timelines represented and described in the Application are enforceable through the relevant STD 213, Standard Agreements. Public Entity also acknowledges and agrees that Program Award funds are to be expended only on the eligible uses and activities identified in the relevant STD 213, Standard Agreements.

Be it further resolved that the Executive Director of the Peninsula Joint Power Board, or their designee is hereby authorized to execute the Program Award Documents and all amendments on behalf of the Public Entity.

Be it further resolved that this resolution shall take effect immediately upon its passage, and that any actions taken thus far in furtherance of the activities authorized by this resolution are hereby ratified.

Regularly passed and adopted this 7th day of May 2026 by the following vote:

Ayes:

Noes:

Absent:

Chair, Peninsula Corridor Joint Powers Board

Attest:

JPB Secretary

**Peninsula Corridor Joint Powers Board
Staff Report**

To: JPB Finance Committee
Through: Michelle Bouchard, Executive Director
From: Li Zhang, Chief, Commercial and Business Development
For: May 2026 JPB Board of Directors Meeting
Subject: **Receive Update on GoPass Program**

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

Purpose and Recommended Action

Staff is providing the Finance Committee with an informational update on Peninsula Corridor Joint Powers Board’s (Caltrain’s) GoPass program, covering program performance, ridership and revenue trends, sales, and strategy. No Board of Director (Board) action is required at this time.

Discussion

GoPass is Caltrain’s institutional pass program for employers, educational institutions, municipalities, housing developments, and non-profits. The program operates through a legacy “All-In” option priced at \$275 annually, under which all eligible users are required to enroll. Educational institutions can also enroll students at \$99 annually.

In May 2025, the Board authorized a new, additional tiered pricing, which was intended to provide flexibility for organizations whose workforce or enrollment structure may not align with the All-In model. The Board also removed GoPass pricing from the Fare Structure which authorized Caltrain’s Executive Director to adjust pricing, allowing for faster response to organizational needs and market trends. The tiered program allows organizations to enroll a subset of employees, residents, with annual pricing ranging from \$399 to \$549 for businesses and \$349 for municipalities, housing developments, and non-profits. In addition, for educational institutions, if all faculty and staff are enrolled, then undergraduate students and below receive free GoPasses.

Staff is not yet able to measure the impact of the tiered pricing and enrollment structure on program participation, revenue, and customer retention, as it needs sufficient time following new tiered partner enrollment and clean Clipper data, following the issues with the Clipper 2 migration. Staff estimates that a full program analysis will be possible in the first half of 2027.

Program Performance

The GoPass program remains a cornerstone of Caltrain’s ridership recovery. Currently, one in five riders utilizes a GoPass—a 25 percent increase over 2022 levels. Survey data reveals that the pass significantly influences behavior: recipients report planning to use Caltrain two additional days per week, primarily for commuting. Furthermore, GoPass holders demonstrate higher engagement than the general rider base, averaging 3.5 days per week compared to 2.5 days for non-holders. These insights underscore the program's importance in driving ridership growth and broadening transit access.

Partner Growth and Revenue

The introduction of tiered pricing has increased overall partner sign-ups. Total partner counts have risen steadily from 44 in 2024 to 60 in 2025, reaching 65 in 2026. Notably, tiered participation doubled in the last year, growing from 8 to 16 partners. Overall, the total number of partners enrolled in GoPass has increased 47 percent since 2024, prior to the tiered option.

As of March, Fiscal Year (FY) 2026 actual revenue stands at 84 percent of budget. The current forecast of \$14.1 million is \$1.1 million, 7.2 percent below the initial budget. Staff noted that the FY26 budget was set at a level approximately \$1.1 million above expected revenue. While staff is taking a conservative approach for FY27 with revenue flat to FY26 budget, there may be a potential revenue growth opportunity with larger businesses prospects.

While the GoPass program is growing, revenue remains concentrated among key institutional anchors:

- Top Six Partners: Account for 90 percent of total revenue.
- Stanford-Affiliated Organizations: Represent 69 percent of total revenue.
- Sector Breakdown: Commercial businesses represent 63 percent of total revenue.

This concentration highlights the stability provided by major institutional relationships while underscoring the importance of diversification and retention efforts.

Sales and Enrollment Update

Year-to-date, seven new companies have enrolled in the GoPass program, contributing approximately \$104,138 in annualized value. These gains were offset by the loss of two companies, representing a minimal reduction of \$7,990.

The current pipeline is robust:

Pending Agreements: One tiered deal is currently in the agreement stage with Yugabyte.
FY27 Prospects: Active discussions are underway with major organizations including Google, Microsoft, Walmart, Intuit, San Mateo County, and Peninsula Clean Energy.

Outreach strategies remain proactive, featuring recent segmented email campaigns to over 350 institutions, ongoing engagement with lapsed partners, and the development of a city partnership roadshow.

Strategic Focus Areas

The program's growth and stability are centered on three core pillars:

1. Retention

Goal: Maintain an 85 percent or greater retention rate. Staff will strengthen partner relationships through increased communication touchpoints, a feedback survey, and a dedicated partner appreciation event. Additionally, we are focusing on promoting GoPass Perks and increasing program visibility among employees to drive usage and engagement.

2. Sales

Goal: Expand the footprint to organizations within three miles of Caltrain stations. Key actions include: Strengthening the sales pipeline by leveraging executive relationships and local stakeholders. Refreshing sales collateral with high-impact testimonials and case studies. Launching demand-generation campaigns that utilize San Mateo County Transit Authority (SMCTA) grant incentives to attract new and former partners.

3. Optimization

Goal: Streamline the value proposition and internal processes. Planned improvements include:

- Updating Standard Operating Procedures (SOPs) across the entire customer lifecycle.
- Enhancing Customer Relationship Management (CRM) workflows and website marketing materials for better efficiency.
- Driving growth by encouraging existing partners to add incremental worksites and employees.

Planned Incentive Program

The proposed SMCTA GoPass Grant Program totaling \$575,000, with a \$75,000 match required from Caltrain, is expected to be finalized in June 2026. The program will offer one-time incentives for organizations within San Mateo County that are new to GoPass or have not participated in the last two years.

The proposed incentive structure includes businesses, municipalities, housing developments, and non-profits:

- All-In Purchases: A 25 percent discount, capped at \$50,000.
- Tiered Purchases: A 20 percent discount, capped at \$20,000.

For educational institutions, the proposed program offers Caltrain reimbursement for free undergraduate and lower-level student passes issued (valued at \$99/year) when GoPasses are purchased for all faculty and staff.

To maximize enrollment, the proposal includes dedicated funding for marketing and consultant support. This will fuel targeted campaigns and local events designed to drive GoPass awareness throughout San Mateo County.

Next Steps

Calendar Year (CY) 2026: Execution and Engagement

For the remainder of the year, staff will focus on high-impact engagement and the launch of the incentive program:

Incentive Launch: Advancing the SMCTA grant-funded marketing campaign and tiered incentives.

Business Development: Continuing city partnership outreach and maintaining a proactive pipeline for new and lapsed partners.

Partner Relations: Launching the annual partner feedback survey and hosting a GoPass partner appreciation event to strengthen institutional relationships.

First Half of CY 2027: Analysis and Refinement

Heading into 2027, the focus will shift toward data-driven program evolution:

Strategic Analysis: Conducting a comprehensive review of program utilization and pricing structures.

Program Refinement: Preparing detailed reporting to identify opportunities for optimization.

Board Engagement: Returning to the Board with an updated GoPass program analysis and formal recommendations for the future.

Budget Impact

This is an informational item. It has no direct impact on the current budget. Revenue and cost projections associated with items described in this report will be incorporated into future budget approval processes as applicable.

Prepared By: Stephanie Yoshimoto Manager, Business Partnerships 4/15/2026

**Peninsula Corridor Joint Powers Board
Staff Report**

To: JPB Finance Committee
Through: Michelle Bouchard, Executive Director
From: Li Zhang, Chief, Commercial and Business Development
For: May 2026 JPB Board of Directors Meeting
Subject: **Receive Energy Procurement Strategy Update**

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

Purpose and Recommended Action

Staff is providing the Finance Committee with an informational update on Peninsula Corridor Joint Powers Board’s (Caltrain’s) Energy Procurement Strategy (EPS), covering progress on direct cost management, the Low Carbon Fuel Standard (LCFS) program, and distributed energy resource (DER) exploration. No Board of Director (Board) action is required at this time.

Discussion

Since the Board authorized Caltrain’s LCFS program application in May 2024 and Caltrain commenced electric revenue service in September 2024, staff has been actively managing energy costs, capturing program revenues, and evaluating longer-term strategic opportunities. This report provides an update across three main topic areas: direct electricity costs, LCFS program participation, and DER exploration.

1. Direct Cost Updates

CCA Green Transportation Programs - Caltrain is currently enrolled in Peninsula Clean Energy’s (PCE) ECO100 product and San Jose Clean Energy’s (SJCE) Total Green product at the South San Francisco and San Jose traction power substations, respectively. SJCE and PCE established dedicated Green Transportation programs whereby public providers of electrified transportation could procure their premium 100 percent renewable products at little or no additional cost. Both products deliver 100 percent LCFS-certified eligible renewable energy under California’s Renewables Portfolio Standard, consistent with Caltrain Energy Policy. This procurement minimizes the carbon intensity of each kilowatt-hour consumed, directly supporting LCFS credit generation.

PG&E Demand Totalization - Following extended negotiations with Pacific Gas and Electric Company (PG&E), Caltrain achieved implementation of totalized demand metering at each traction power station. Under this configuration, PG&E calculates transmission demand charges

based on the combined energy flow across all meters and distribution demand charges based on the combined energy flow across both meters at each substation, rather than summing individual meter peaks. This totalized demand charge configuration is typical for public transportation agencies with electrified traction power. This billing configuration is expected to save Caltrain approximately \$2.5 million annually at the current service levels.

Regenerative Braking Export Compensation - Beginning in October 2025, PCE and SJCE began compensating Caltrain for energy exported to the grid generated by regenerative braking from electrified train operations. Compensation is structured like the Net Billing Tariff (NBT), under which exported energy is credited at the utility's avoided-cost rate. This differs from Net Energy Metering (NEM), which credits exports at the full retail rate. NBT's export rate will fluctuate hour by hour with exports in the late afternoon during the summer worth significantly more than midday in winter. While NBT credit values are lower than retail, the program provides ongoing compensation for energy that was previously uncompensated. Keeping in mind the variable nature of these credits, Staff estimates that this compensation is worth approximately \$1 million annually at current service levels and forecasted avoided-cost rates.

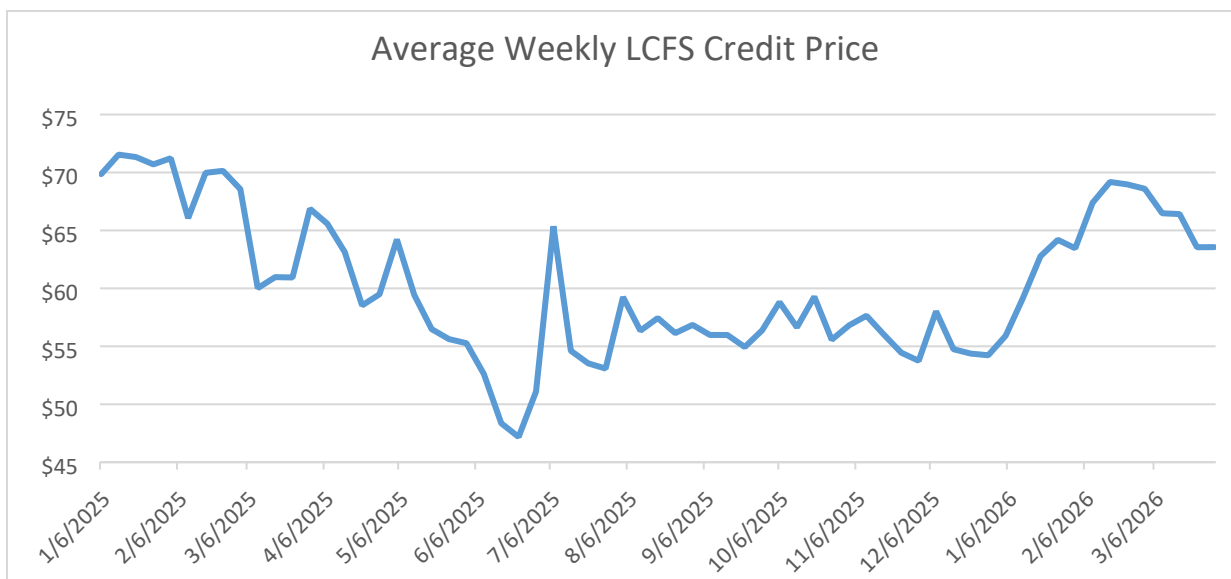
Wholesale Electricity Market Access - Staff continues to monitor the feasibility of direct wholesale electricity market access. As previously reported, Caltrain currently lacks the legal authority to purchase power directly in the wholesale market; achieving such access would likely require state legislation, similar to the authority granted to the Bay Area Rapid Transit (BART), or successful participation in the Direct Access lottery. Even if access were secured, wholesale participation would entail material new financial risk, staffing, and compliance obligations. Staff will continue with feasibility assessment but does not recommend pursuing wholesale market access at this time.

2. Low Carbon Fuel Standard (LCFS) Update

Background and Market Conditions - The LCFS program is designed to decrease the carbon intensity of California's transportation fuel pool and provide an increasing range of low-carbon and renewable alternatives, which reduce petroleum dependency and achieve air quality benefits. It is a market-based program administered by the California Air Resources Board (CARB), and credit prices fluctuate based on compliance demand, credit supply, and regulatory conditions. Caltrain receives credits based on the amount of electricity we use to power transportation operations and the carbon intensity of that electricity. Credits are received in the quarter after the electricity is used. The table shows the credits received quarterly since the launch of electrical service.

Quarter	Credits Generated
2024 Q4	25,635
2025 Q1	25,532
2025 Q2	26,111
2025 Q3	24,852
2025 Q4	24,987

The LCFS credit market has been quite volatile in the past year, creating some variability in the revenues realized. Current prices have settled below \$65 but have gone above \$70 and below \$50 over the past year.



Caltrain sold over 102,000 LCFS credits representing electricity usage between October 1, 2024 and September 30, 2025. These sales generated \$5,926,250 at an average price of \$58 per credit. If the market can sustain the recent upward momentum primarily due to updates to the LCFS regulations intended to tighten the supply of credits, future revenues are expected to increase.

To prudently manage these funds, staff has developed a balanced fiscal framework:

- 50 percent to Operating Relief: Providing immediate support for near-term service needs.
- 50 percent to Capital Reserve Fund: Dedicated to long-term electrification projects.

This 50/50 split ensures that Caltrain can address current operational costs while simultaneously securing the future of its electrified infrastructure.

3. Distributed Energy Resource (DER) Exploration

Staff is actively evaluating distributed energy resource opportunities that could reduce Caltrain's electricity costs while improving resiliency and sustainability.

Traction Power Energy Storage – Just like most other electricity consumers in California, Caltrain is subject to time-of-use (TOU) rates. TOU rates are intended to incentivize behavioral shifts in electricity consumption by charging customers higher rates during more expensive times for the utility to procure electricity. Unfortunately, Caltrain faces a structural challenge: peak electricity rates coincide directly with peak commute hours. Because operational schedules are driven by passenger demand, Caltrain cannot shift its load to respond to these cost incentives. Staff is investigating energy storage options as the primary means of shaping Caltrain's load profile and thereby reducing costs. The potential benefits of energy storage include reduction of peak demand charges, capture of regenerative braking energy for on-site reuse, enhanced grid resilience, and potential non-fare revenue through grid services participation.

Key hurdles of the energy storage project include high upfront capital costs, complex system interconnection, and ongoing maintenance requirements. To address these, staff issued a Request for Information (RFI) last fall to gauge market interest and evaluate various technologies and partnership models. The RFI results were encouraging, suggesting that a financially and technically viable project is feasible.

Staff is now focused on developing a clear outline for a pilot project. By demonstrating a robust business case and technical fundamentals, Caltrain will be better positioned to secure external funding. Staff expects to present a proposed project and funding plan to the Board in late 2026 or early 2027.

Solar Generation - Staff continues to monitor the economics of on-site solar generation. Under the current NBT structure, solar energy exported to the grid is compensated at avoided-cost rates, which is significantly below retail rates, limiting project return on investment. As grid-level solar penetration increases, credit values are expected to decline further. Caltrain will continue to monitor incentive programs, tariff structures, or consumption profiles that could improve the viability of solar investment.

Budget Impact

This is an informational item. It has no direct impact on the current budget. Revenue and cost projections associated with items described in this report will be incorporated into future budget approval processes as applicable.