

**Peninsula Corridor Joint Powers Board (JPB) Liaison Report
Meeting of May 7, 2026**

Closed Sessions: Conference with Legal Counsel – Existing Litigation (§ 54956.9(d)(1)): [Khoun Le, et al vs. Peninsula Corridor Joint Powers Board, et al, San Mateo Superior Court, Case No. 24-CIV-07931]; [Towle vs. Peninsula Corridor Joint Powers Board, et al, San Mateo Superior Court, Case No. 24-CIV-07094]; and [Rogers v. Peninsula Corridor Joint Powers Board, San Mateo County Superior Court, Case No. 23-CIV-03335] – James Harrison, General Counsel, stated there were no reportable actions.

Report of the Executive Director - Michelle Bouchard, Executive Director, provided a report which included the following:

- Safety award recognition and continued grade crossing safety patrols
- Analysis of fuel cost impacts on ridership
- Clipper handheld fare inspection tools and revenue reporting discrepancies
- Special events coordination: sports games, BTS concert, Santa Clara Valley Transportation Authority (VTA) partnership, San Jose Sharks, and City partnership meetings
- Washington, D.C. advocacy and federal coordination on efficiency opportunities
- New Millbrae headquarters relocation update
- California High Speed Rail (HSR) Business Plan comment letter
- Grant updates, including Federal Transit Administration (FTA) Fédération Internationale de Football Association (FIFA)-related funding
- Time Magazine recognition as one of the 10 Most Influential Transportation Companies of 2026

Staff provided further clarification in response to the following Board comments and questions regarding the Metropolitan Transportation Commission (MTC) split allocation update, noting that the May 13 MTC meeting expected to determine funding allocations for each agency.

JPB Board of Directors Received and Approved the Following Items:

- Approval of Meeting Minutes for April 2, 2026
- Accept Results of Annual Audit of Measure RR Tax Revenues and Expenditures for Fiscal Year 2025
- 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**
- Award a Contract to CR Fence Company, Inc. for Right of Way Fencing Projects for a Total Amount of \$1,738,400*

- Adopt Resolution Designating Caltrain as a Non-Applicant Public Entity Payee for the Affordable Housing and Sustainable Communities (AHSC) Program
- Adopt Updated Policy Regarding Conveyance of Property Interests Involving Property Owned by the Peninsula Corridor Joint Powers Board and Fee Schedule

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 – Kate Jordan Steiner, Chief Financial Officer, provided the presentation that included the following information:

- Existing 2019 Farebox Revenue Bonds: Approximately \$47 million issued, \$41 million outstanding, \$16 million callable, 5 percent interest, AA-rating
- Refinancing replaces farebox-backed debt with higher-rated Measure RR bonds to reduce risk and cost
- Estimated savings of approximately \$2.6 million over remaining term

Staff provided further clarification in response to the following Board comments and questions regarding the following:

- Net present value savings of approximately \$2.6 million and overall value of refinancing
- No formal policy threshold for refinancing; evaluation occurs when bonds become callable
- Shift from farebox-backed debt to Measure RR-backed debt, improving credit profile but reducing funding flexibility
- Measure RR debt capacity and existing outstanding issuances factored into future borrowing capacity
- Measure RR backing viewed as strengthening repayment security and financial stability

Adopt Caltrain Salary Ordinance – Mr. Harrison provided the presentation that included the following information:

- Governance Subcommittee recommended Caltrain salary ordinance alignment with San Mateo County Transit District (SamTrans) ordinance, while reserving authority to make future changes based on analysis and data
- Separate Caltrain salary ordinance reflecting JPB employer status and employee classification framework
- Align with SamTrans salary ordinance for administrative positions but independent determination with rail-specific positions

Staff provided further clarification in response to the following Board comments and questions regarding salary ordinance and whether current classifications appropriately reflect rail-specific responsibilities.

Receive State and Federal Legislative Update; Consider Positions on Senate Bill (SB) 1375 (Cortese), Assembly Bill (AB) 1941 (González), and AB 2308 (Haney); and Receive Update on SB 63 Phase 1 Financial Efficiency Review – Devon Ryan, Government Affairs Officer, provided the presentation that included the following information:

- Fiscal Year 2027 (FY27) Presidential budget request reflecting reductions of 23 percent for public transit and 82 percent for passenger rail
- California Air Resources Board (CARB) climate credit impacts, with estimated \$2 billion annual reduction and insufficient funding for tier 3 programs
- Legislative items including SB 1375 (California Environmental Quality Act (CEQA) exemption for Diridon Station Project), AB 1941 (metal theft data-sharing framework), and AB 2308 (expanded financing tools)
- SB 63 efficiency review findings, including approximately \$76 million in Caltrain savings and future efficiency opportunities
- Potential early-action strategies to increase revenue and improve financial sustainability

Staff provided further clarification in response to the following Board comments and questions regarding the following:

- SB 1375 CEQA exemption effects on project delivery, including limited procedural change, potential one-year schedule improvement, and increased certainty in timelines
- CARB cap-and-invest proposal advocacy needs: legislative engagement, coordination with air district partners, and broader impacts on transit funding and housing development

Receive Update on Fiscal Year 2027 Preliminary Operating Budget – Ms. Jordan Steiner provided the presentation that included the following information:

- Around 70 percent ridership recovery and service level maintained at 104 trains per day
- Revenue assumptions: fare growth, parking, partner service contributions, Measure RR reliance
- Structural operating deficit and FY27 funding gap addressed with one-time State loan
- Expense pressures: insurance, energy/fuel volatility, sales tax variability, state funding uncertainty
- Long-term focus on revenue diversification and new dedicated funding sources

Staff provided further clarification in response to the following Board comments and questions regarding peak-hour capacity concerns, confirmation that Clipper 2 supports time-of-day pricing, and consideration of system pressure points and potential dynamic pricing strategies.

Receive Update on Draft Framework for Caltrain's "No External Funding" Scenario – Melissa Jones, Deputy Director, Caltrain Policy Development, provided the presentation that included the following information:

- FY28 operating deficit and need for external funding to maintain service; lack of funding would require service reductions
- No external funding scenario: potential service reductions including frequency cuts, reduced span, weekend elimination, station/segment closures, and suspension of special event service
- Timeline for framework adoption and potential implementation of no external funding scenario if needed
- Draft framework development based on guiding principles, cost-savings measures, and revenue strategies

Staff provided further clarification in response to the following Board comments and questions regarding the following:

- Community outreach and engagement with cities, counties, riders, and partner agencies; inclusion of surveys and public input
- Communications strategy focused on early education of financial outlook, tradeoffs, and potential service impacts
- Scenario framing for reduced service, including regional connectivity impacts across Caltrain, VTA, San Francisco Municipal Transportation Agency (SFMTA), and SamTrans
- Public messaging balance between transparency and avoiding alarmism; clarity on service impacts
- Revenue linkage to service levels: ridership-driven fares and parking decline with reduced service
- Financial modeling alignment between service scenarios, funding gaps, and potential member agency contributions
- External funding urgency, including bridge funding options and uncertainty around regional measures
- Systemwide impacts: congestion, housing, economic activity, environmental and climate outcomes

Monthly Reports were provided on the following items:

- Report of the Chair – Chair Medina stated there was no report.
- Report of the Citizens Advisory Committee – Chair Medina announced the application window for five vacancies on the Citizens Advisory Committee is now open, with applications due in May 29.

- Report of the Local Policy Maker Group (LPMG) – Chair Burt reported the LPMG reviewed Caltrain’s No External Funding Scenario, including broader implications for service, ridership, and corridor-wide impacts with strong engagement from city representatives.
- Report of the Transbay Joint Powers Authority (TJPA) - Chair Gee reported the TJPA did not meet, and the next meeting will be on May 14, 2026.