

**Peninsula Corridor Joint Powers Board (JPB) Liaison Report
Meeting of June 4, 2026**

Closed Sessions: Conference with Legal Counsel – Anticipated Litigation (Government Code § 54956.9(d)(4))[Initiation of Litigation, Number of Potential Cases: 1] - There were no reportable actions.

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

- Human trafficking training and staff preparedness efforts
- Ridership growth and strong post-COVID recovery trends
- Special events service expansion included concerts and major sports events
- Fédération Internationale de Football Association (FIFA) World Cup operations planning include ambassadors and extended service
- Regional security coordination and public safety measures
- Clipper system stabilization and fare inspection device issues
- Special event funding and security cost support
- Guadalupe River Bridge Project construction progress with some weekend closures
- Federal and state funding risk from California Air Resources Board (CARB) cap-and-trade changes impacting transit funding

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

- Large-event service planning and demand surge management
- Shared services coordination and decision-making clarity
- Executive authority and communication protocols
- Ridership recovery near 75 percent of pre-COVID and farebox improvement
- Cap-and-invest policy impacts on transit funding
- Legislative advocacy and potential policy remedies

JPB Board of Directors Received and Approved the Following Items:

- Approval of Meeting Minutes for May 7, 2026
- Award a Contract to Universal Protection Service, LP, dba Allied Universal Security Services, for Security Guard Services for a Total Not-To-Exceed Amount of \$7.4 Million for a Five-Year Term*
- Authorize Execution of Contracts and Amendments for Information Technology Hardware, Software, Licenses, Maintenance Services and Professional Services, and Technology-Related Products and Services, Through Piggyback Contracts and Cooperative Purchasing Programs up to an Aggregate Not-to-Exceed Limit of \$3 Million for Fiscal Year 2027*

- Authorize the Executive Director to Execute the Master Agreement with California Department of Transportation (Caltrans) for the Transit and Intercity Rail Capital Program (TIRCP)
- Authorize the Executive Director to Execute the First Amendment to the Memorandum of Understanding (MOU) with the City of Menlo Park for Activities Undertaken in Support of the Middle Avenue Undercrossing Project

Adopt Fiscal Year 2027 Proposed Operating Budget – Oscar Quintanilla Lopez, Director, Budgets and Financial Analysis, provided the presentation that included the following information:

- Fiscal Year 2027 (FY27) operating budget of \$269 million with \$47.6 million deficit and reliance on state loan financing
- Ridership recovery and strong service demand supporting continued operations
- \$800,000 cost reduction through delayed hiring and ongoing cost controls
- Budget transmission to member agencies and Metropolitan Transportation Commission (MTC) and authorization to pursue grants

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

- Reduced fuel cost exposure of \$1.6 million due to electrification and hedging; conservative budgeting amid inflation and economic uncertainty
- Conservative sales tax revenue assumptions under regional uncertainty and state bridge loan adequacy concerns with funding/legal risk scenarios
- Capacity constraints with ridership approaching peak-period limits and consideration of potential service expansion

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

- Structural operating deficit and long-term funding gap
- Post-COVID ridership and fare revenue decline and reduced farebox recovery
- Inflation and electrification driven cost increases with high fixed cost structure
- Reliance on expiring one time state and federal funding sources
- Two path framework external funding or significant service reductions for no funding scenario
- FY28 planning timeline and potential service cut implementation summer 2027
- Community engagement and regional coordination on funding and service impacts

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

- Regional Plan B coordination with transit and last-mile providers
- External funding risk, delay scenarios, and funding gap exposure
- Potential severe service reductions, with full shutdown noted as a possible but unlikely extreme scenario due to high fixed costs
- Corridor ownership, infrastructure maintenance, and operator impacts
- State funding strategy, bridge loan reliance, and legislative advocacy challenges
- Highway 101 congestion and regional economic impacts
- Conservative revenue assumptions and interim budget gap planning

Adopt Senate Bill 63 Phase 1 Financial Efficiency Review Early Action Strategies –

Mr. Quintanilla Lopez provided the presentation that included the following information:

- \$76 million in cost savings since 2020 through service adjustments, workforce controls, and operational efficiencies
- Cost savings helped offset inflationary pressures while supporting electrification delivery
- Revenue enhancement opportunities including parking, fiber/communications assets, and station partnerships
- Operation and management contract and operational efficiency improvements under review
- Energy storage feasibility study to reduce traction power costs
- Expansion of GoPass and Clipper BayPass programs to support ridership and revenue
- Phase 2 independent efficiency review required as condition for future funding and implementation planning

Adopt the Corridor Crossing Strategy – Casey Fromson, Chief of Staff, provided the presentation that included the following information:

- Baseline and targeted crossing safety improvements across the corridor
- Prioritization of closures and long-term grade separation projects
- Caltrain lead role in delivery, coordination, and funding alignment with partners
- Flexible sequence list with annual updates and project prioritization
- Multi-agency funding coordination and evolving project delivery roles
- Ongoing corridor-wide implementation and iterative refinement

Staff provided further clarification in response to the following Board comments and questions regarding corridor strategy, grade separations, at-grade safety improvements, emerging technologies, and implementation approach.

Receive State and Federal Legislative Update – Devon Ryan, Government Affairs Officer, provided the presentation that included the following information:

- Mixed federal reauthorization outlook with stable but below-inflation formula funding and competitive capital grants
- Continued uncertainty in Capital Investment Grants (CIG) funding and rail safety-related federal provisions
- CARB-related changes potentially reducing greenhouse gas transit funding sources
- Potential restructuring of state tiered transit funding programs
- Uncertainty in Low Carbon Transit Operations Program (LCTOP) and Transit and Intercity Rail Capital Program (TIRCP) allocations

Monthly Reports were provided on the following items:

- Report of the Chair – Chair Medina reported on attendance at the Burlingame Broadway project funding event and advisory committee naming alignment across agencies.
- Report of the Citizens Advisory Committee – Available Online
- Report of the Local Policy Maker Group (LPMG) – Chair Burt had nothing to report and there is no meeting in June.
- Report of the Transbay Joint Powers Authority (TJPA) - Chair Gee reported regional support for a \$710 million TIRCP application and uncertainty due to potential funding availability.