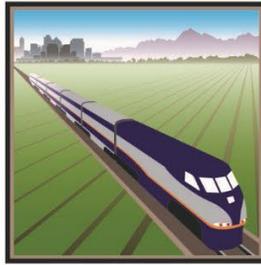


Supervisor **Doug Verboon**, Chair, Kings County
 Supervisor **Diane Burgis**, Vice-Chair, Contra Costa County
 Supervisor **Patrick Hume**, Vice-Chair, Sacramento County
 Supervisor **Vito Chiesa**, Stanislaus County
 Mayor **Christina Fugazi**, City of Stockton
 Supervisor **Leticia Gonzalez**, Madera County
 Supervisor **David Haubert**, Alameda County
 Supervisor, **Josh Pedrozo**, Merced County
 Supervisor **Amy Shuklian**, Tulare County
 Mayor **Freddy Valdez**, City of Firebaugh



San Joaquin
 Joint Powers Authority

Alternate **Nancy Howze**, City of Hanford
 Alternate **Aaron Meadows**, City of Oakley
 Alternate **Bobbie Singh-Allen**, Sacramento County
 Alternate **George Carr**, City of Hughson
 Alternate **Leo Zuber**, City of Ripon
 Alternate **Jose Rodriguez**, City of Madera
 Alternate **Melissa Hernandez**, Alameda County
 Alternate **Matt Serratto**, City of Merced
 Alternate **Eddie Valero**, Tulare County
 Alternate **Rey León**, City of Huron

**SAN JOAQUIN JOINT POWERS AUTHORITY
 SPECIAL BOARD MEETING**

Thursday, March 19, 2026 – 12:00 pm

Kings County Board of Supervisors Chambers
 1400 W Lacey Blvd
 Hanford, CA 93230

Teleconference Locations 📞

2222 M Street 3 rd Floor Merced, CA 95340	200 W 4 th Street Government Center Madera, CA 93637	8401 Laguna Palms Way Elk Grove City Hall Elk Grove, CA 95758
1976 Morris Kyle Drive Firebaugh, CA 93622	246 Argonne Way Long Beach, CA 90803	3231 Main Street Oakley, CA 94561

Members of the public may attend the meeting at the above addresses, or may observe the meeting by using the link or dial-in information below:

Join Zoom Meeting

<https://us06web.zoom.us/j/82522454870>

Or Telephone: +1 669 444 9171 US

Persons wishing to address the Authority on any item of interest to the public regarding SJJPA and the Gold Runner Rail Service shall state their names and address and make their presentation. The Authority cannot take action on matters not on the agenda unless the action is authorized by Section 54954.2 of the Government Code. If a member of the public wishes to make a public comment:

- 1. Submit written comments to SJJPA staff via email at clerk@sjjrc.com, in which staff will read the comment aloud during the public comment period.**
- 2. Complete a Request to Speak form (available at the entrance to the meeting room) and give it to the SJJPA Board Clerk before the Item is considered by the Board.**
- 3. Join from the Zoom meeting link and notify staff by alerting them via the “Raise hand” or “Chat” function; call [+1 669 444 9171](tel:+16694449171), dial *9 to raise your hand when you wish to speak, and dial *6 to unmute when you are requested to speak. Please note that if participating using Zoom, all members of the public will be placed on mute until such times allow for public comments to be made. Public comments should be limited to three (3) minutes per comment.**

MEMBER AGENCIES

Alameda County - Contra Costa County Transportation Authority - Fresno Council of Governments - Kings County Association of Governments - Madera County Transportation Commission
 Merced County Association of Governments - Sacramento Regional Transit - San Joaquin Regional Rail Commission - Stanislaus Council of Governments - Tulare County Association of Governments

This Agenda shall be made available upon request in alternative formats to persons with a disability, as required by the Americans with Disabilities Act of 1990 (42 U.S.C. § 12132) and the Ralph M. Brown Act (California Government Code § 54954.2). Persons requesting a disability-related modification or accommodation in order to participate in the meeting should contact San Joaquin Regional Rail Commission staff, at 209-944-6220, during regular business hours, at least twenty-four hours prior to the time of the meeting.

All proceedings before the Authority are conducted in English. Any writings or documents provided to a majority of the Authority regarding any item on this agenda will be made available for public inspection at the offices of the San Joaquin Regional Rail Commission located at 949 E. Channel Street, Stockton, California, 95202 during normal business hours or by calling (209) 944-6220. The Agenda and meeting materials are also available on the San Joaquin Joint Powers Authority Website: <http://www.sjipa.com/Home>.

Disclosures: *Directors shall disclose any agenda item in which they have a conflict of interest under State law and acknowledge whether they will recuse from hearing that item. Among other State laws, the Levine Act (Gov. C. §84308) may require recusal on agenda items involving a contract or entitlement before the Authority where a campaign donor is a participant, and the campaign contribution totals more than \$250 within the 12-month period before the decision on the item.*

1. Call to Order, Pledge of Allegiance, Roll Call
Chair Verboon

2. Safety Briefing
Nathan Alastra

3. Public Comment
Persons wishing to address the Authority on any item of interest to the public regarding SJJPA and the Gold Runner Rail Service shall state their names and address and make their presentation. The Authority cannot take action on matters not on the agenda unless the action is authorized by Section 54954.2 of the Government Code. Materials related to an item on the Agenda submitted to the Board of Directors after distribution of the agenda packet are available for public inspection in the Commission Office at 949 E. Channel Street during normal business hours. These documents are also available on the San Joaquin Joint Powers Authority website at <https://sjipa.com/events/> subject to staff's ability to post the documents prior to the meeting. Public comments should be limited to three (3) minutes per comment.

4. Consent Calendar

- | | | |
|-----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|
| 4.1 | Approve Minutes of January 23, 2026 Board Meeting | ACTION |
| 4.2 | Adopt a Resolution Authorizing and Designating the Acting Clerk of the Board to Attend Closed Sessions of the San Joaquin Joint Powers Authority (Authority), to Keep and Enter in a Minute Book a Record of Topics Discussed and Decisions Made by the Authority Pursuant to Government Code Section 54957.2 | ACTION |
| 4.3 | Adopt a Resolution Adopting a Digital Accessibility Policy Pursuant to the United States Department of Justice (DOJ) Final Rule Updating Title II of the Americans with Disabilities Act (ADA), and DOJ Adopted Web Content Accessibility Guidelines (WCAG) Specified in 28 CFR § 35.200(b) | ACTION |

- 4.4 Adopt a Resolution Authorizing Reimbursement for the Affordable Housing and Sustainable Community (AHSC) Grant in the amount of \$5,000,000 to the California Department of Transportation towards the purchase of one (1) Zero-Emission Multiple Unit (ZEMU) Car for Future Intercity Service

ACTION
- 4.5 Adopt a Resolution Ratifying and Affirming the Chief Executive Officer's Action Submitting an Application for the FY 24/25 National Railroad Partnership Program (NRPP) for the Natomas Station and Layover, Del Paso Siding, and San Joaquin Street Layover Projects for \$217,900,986, and Further Authorizing the Chief Executive Officer, or Designee, to Negotiate and Execute Any Grant Agreements, Standard Agreements, Program Supplemental Agreements, Fund Exchange Agreements, and/or Fund Transfer Agreements Regarding the Same

ACTION
- 4.6 Adopt a Resolution Supporting Future Planning and Preservation for a Wye Connection at the Southwest Corner of the Haggin Junction in Downtown Sacramento

ACTION
- 4.7 Adopt a Resolution Ratifying and Affirming the Chief Executive Officer's Action in Negotiating and Executing the Second Amendment to the 2023 Amended Interagency Transfer Agreement with the California Department of Transportation (Caltrans) for Administration of Intercity Passenger Rail Service and Amendment No. 1 to State Equipment Transfer and Maintenance Agreement between Caltrans and San Joaquin Joint Powers Authority, and Authorizing the Chief Executive Officer, or Designee, to Execute Any and All Documents Related to the Project including Approving any and all Amendments thereto within Their Spending Authority

ACTION
- 4.8 Adopt a Resolution Approving the Minor Capital Program within Existing Board Approved Funding Limits and Authorizing the Chief Executive Officer, or Designee, to Revise Project Cost Estimates and to Add or Remove Projects within Existing Board Approved Funding Limits and Authorizing the Chief Executive Officer, or Designee to Negotiate, Award, and Execute Any and All Agreements and Documents Related to the Projects including Any and All Amendments thereto within Their Spending Authority

ACTION
- 4.9 Accept Independent Auditors' Report for Fiscal Year 2024/25

ACTION
- 4.10 Operating Expense Report

INFORMATION
- 4.11 Capital Expense Report

INFORMATION
- 4.12 Washington Update

INFORMATION

- | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|
| <p>5. Kings County Area Public Transit Agency Presentation
 <i>Presented by: Angie Dow (Kings Area Regional Transit, Executive Director)</i></p> | <p>PRESENTATION</p> |
| <p>6. Adopt a Resolution Approving the Draft 2026 San Joaquin Joint Powers Authority Annual Business Plan Update and Authorizing and Directing the Chief Executive Officer, or Designee, to Execute Any and All Documents Associated with the Master Fund Transfer Agreement Supplements for Operations, Administration, and Marketing Budgets for Fiscal Year 2026/2027
 <i>Presented by: Momoko Tamaoki (Deputy Director of Planning, Grants and Programming)</i></p> | <p>ACTION</p> |
| <p>7. Valley Rail Program Implementation Update
 <i>Presented by: David Lipari (Deputy Executive Director)</i></p> | <p>INFORMATION</p> |
| <p>8. Comfort Class Presentation
 <i>Presented by: Marissa Cabusas (Onboard Experience Manager)</i></p> | <p>INFORMATION</p> |
| <p>9. Gold Runner Operations and Performance Update
 <i>Presented by: Mariah Bryant (Senior Marketing Coordinator), Nathan Alastra (Operations Superintendent), and Brian Schmidt (Director of Equipment Services)</i></p> | <p>INFORMATION</p> |
| <p>10. Route 18 Update
 <i>Presented by: David Lipari (Deputy Executive Director)</i></p> | <p>INFORMATION</p> |
| <p>11. Board Member Comments</p> | |
| <p>12. Chief Executive Officer’s Report
 <i>Chris Orlando</i></p> | |
| <p>13. Adjournment
 The next regular meeting is scheduled for May 15, 2026 – 10:00 am</p> | |

SAN JOAQUIN JOINT POWERS AUTHORITY
Special Meeting of March 19, 2026

Item 4.1

ACTION

Minutes of San Joaquin Joint Powers Authority January 23, 2026 Board Meeting

The regular meeting of the San Joaquin Joint Powers Authority (Authority) was held at 10:00 am on January 23, 2026, in the Board Room of the Cabral Station, 949 E. Channel Street, Stockton, CA. Board Members attended this meeting in person and via videoconference.

1. Call to Order, Pledge of Allegiance

Chair Verboon

Chair Verboon called the meeting to order at 10:02 am and led the audience in the Pledge of Allegiance.

2. Roll Call

Directors Present: Chiesa, Fugazi, Gonzalez (remote), Alternate Valero (remote), Vice-Chair Hume, Vice-Chair Burgis (remote), Chair Verboon (remote)

Directors Absent: Haubert, Pedrozo, Valdez

3. Public Comment

Michael Barnbaum, a member of the public, spoke about concerns regarding train services and gave a warm welcome to Chris Orlando, Chief Executive Officer.

Japjeet Uppal, a member of the public and Livingston Councilmember, expressed support for extending high-speed rail to Merced County and acknowledged the region's disappointment over the delay. Mr. Uppal committed to partnering with the Authority and connecting with the San Joaquin Regional Rail Commission Station/Facilities Development Committee to explore making the project feasible in the future.

Chair Verboon reassured Mr. Uppal that the region had been well represented and that efforts to bring trains to Livingston has not been forgotten.

Faramarz Nabavi, a member of the public, shared suggested bus route stops on select Thruway bus routes to maintain connectivity during the temporary cancellation of certain trains.

4. Consent Calendar

- 4.1 Approve Minutes of November 21, 2025 Board Meeting
- 4.2 Operating Expense Report
- 4.3 Washington Update

**ACTION
INFORMATION
INFORMATION**

There were no comments on this item.

Director Pedrozo joined the meeting at 10:09 am.

Directors Haubert and Valdez joined the meeting remotely and were present as public attendees.

M/S/C (Fugazi/Chiesa) to approve Item 4.1-4.3 of the Consent Calendar.

Passed and Adopted by the Authority Board on January 23, 2026, by the following vote to wit:

AYES: 8 Chiesa, Fugazi, Gonzalez, Alternate Valero, Pedrozo, Vice-Chair Hume,
Vice-Chair Burgis, Chair Verboon
NOES: 0
ABSTAIN: 0
ABSENT: 2 Haubert, Valdez

5. San Joaquin Joint Powers Authority 2026 Annual Business Plan Preview INFORMATION

Momoko Tamaoki, Deputy Director of Planning, Grants and Programming, gave a presentation on this item.

Chair Verboon suggested staff to reach out to California High-Speed Rail Authority (CHSRA) and request that CHSRA provide a presentation at a future San Joaquin Joint Powers Authority board meeting to share their plans and address community concerns.

Mr. Barnbaum, highlighted statements made by Ms. Tamaoki and suggested addressing food service, marketing, and expanding service in the upcoming business plan.

Robert Dylina, a member of the public, stated he would be interested in seeing proposed connections between different rail systems in South Merced.

This was an information item only.

6. On-Time Performance and Gold Runner Service Update INFORMATION

Nathan Alastra, Operations Superintendent, and Jordan Reynoldson, Chief Mechanical Officer, gave a presentation on this item.

Chair Verboon shared information about upcoming lobbying trips to Sacramento and Washington DC and encouraged staff to put together an ask for funding.

Director Chiesa asked about the condition of the maintenance program prior to the Authority assuming responsibility and whether maintenance was not performed to standard due to funding limitations or performance deficiencies under the former maintenance provider.

Mr. Reynoldson was unable to speak on behalf of the former maintenance provider's maintenance program but responded that staff is still working through maintenance records to better understand the root causes. Mr. Reynoldson noted that the delays were not as noticeable because Amtrak

frequently provided locomotives from long-distance service in order to supplement operations.

Director Chiesa asked whether the projected timeline through April would provide sufficient time to address the issues presented.

Mr. Orlando stated that the timeline is a realistic projection based on the actual condition of the vehicles. Mr. Orlando added that staff is being deliberate in understanding the causes of maintenance-related delays.

Director Fugazi asked what skillset is needed to fill the roles required to address the maintenance issues.

Mr. Reynoldson discussed ongoing recruitment efforts for positions and the strategies being used to hire for these roles. Mr. Reynoldson further stated that the volume of work required exceeds what was initially presented to staff in terms of scope and scale. Mr. Reynoldson clarified that understaffing is not the primary issue; rather, the challenge is the sheer volume of work required.

This was an information item only.

7. Board Member Comments

Vice-Chair Burgis shared information regarding the last Antioch Station Working Group meeting held on January 21.

Vice-Chair Hume expressed his condolences to the recent rail accidents in Spain.

Director Chiesa shared that joint efforts are being made by both the Authority and San Joaquin Regional Rail Commission to continue bringing updates on the Valley Rail program.

8. Chief Executive Officer's Report

Mr. Orlando stated he is in the process of meeting with board member and mentioned the upcoming ribbon-cutting ceremony being held on February 4 in Merced for the Route 40 opening. Mr. Orlando also mentioned that TransitAmerica Services Inc. (TASI) hired a few graduates from The Rail Academy of Central California (TRACC) for their Mechanical Program.

9. Adjournment

Chair Verboon adjourned the meeting at 10:55 am.

The next San Joaquin Joint Powers Authority regular meeting is scheduled for: March 20, 2026 – 10:00 am.

SAN JOAQUIN JOINT POWERS AUTHORITY

Special Meeting of March 19, 2026

STAFF REPORT

Item 4.2

ACTION

Adopt a Resolution Authorizing and Designating the Acting Clerk of the Board to Attend Closed Sessions of the San Joaquin Joint Powers Authority (Authority), to Keep and Enter in a Minute Book a Record of Topics Discussed and Decisions Made by the Authority Pursuant to Government Code Section 54957.2

Background:

San Joaquin Joint Powers Authority (Authority) Board would benefit from the support of the Acting Clerk of the Board, who is not otherwise necessary to be present for items discussed in closed session, to keep and enter in a minute book a record of topics discussed and motions, votes, and consensuses of the Board made in closed session, when requested to do so by General Counsel.

Government Code section 54957.2(a) permits the legislative body of a local agency by ordinance or resolution to designate the clerk or other officer or employee of the local agency to attend closed session and keep and enter in a minute book a record of topics discussed, and decisions made in closed session. Closed session minutes are not subject to disclosure as public records under the California Public Records Act and shall be kept confidential.

Closed session minutes are only available to members of the legislative body or, if a violation of the Brown Act (Gov. C. sec. 54950, et. seq.) is alleged to have occurred at a closed session, to a court of general jurisdiction where the local agency lies, i.e., the San Joaquin County Superior Court (Gov. C. sec. 54957.2(a)).

Staff recommends that the Board designate General Counsel to review closed session minutes prior to the entry of the minutes in the closed session minute book.

Fiscal Impact:

There is no fiscal impact.

Recommendation:

Adopt a Resolution Authorizing and Designating the Acting Clerk of the Board to Attend Closed Sessions of the San Joaquin Joint Powers Authority (Authority), to Keep and Enter in a Minute Book a Record of Topics Discussed and Decisions Made by the Authority Pursuant to Government Code Section 54957.2.

SJPA RESOLUTION 25/26 –

RESOLUTION AUTHORIZING AND DESIGNATING THE ACTING CLERK OF THE BOARD TO ATTEND CLOSED SESSIONS OF THE SAN JOAQUIN JOINT POWERS AUTHORITY (AUTHORITY), TO KEEP AND ENTER IN A MINUTE BOOK A RECORD OF TOPICS DISCUSSED AND DECISIONS MADE BY THE AUTHORITY PURSUANT TO GOVERNMENT CODE SECTION 54957.2

WHEREAS, the San Joaquin Joint Powers Authority (Authority) would benefit from the support of the Acting Clerk of the Board, who is not otherwise necessary to be present in closed session, to keep and enter in a minute book a record of topics discussed and motions, votes and consensuses of the Board made in closed session, when requested to do so by General Counsel; and

WHEREAS, Government Code section 54957.2(a) permits the legislative body of a local agency by ordinance or resolution to designate the clerk or other officer or employee of the local agency to attend closed session and keep and enter in a minute book a record of topics discussed, and decisions made in closed session; and

WHEREAS, closed session minutes are not subject to disclosure as public records under the California Public Records Act and shall be kept confidential; and

WHEREAS, closed session minutes are only available to members of the legislative body or, if a violation of the Brown Act (Gov. C. sec. 54950, et. seq.) is alleged to have occurred at a closed session, to a court of general jurisdiction where the local agency lies, i.e., the San Joaquin County Superior Court (Gov. C. sec. 54957.2(a)); and

WHEREAS, staff recommends that the Board designate General Counsel to review closed session minutes prior to the entry of the minutes in the closed session minute book.

NOW, THEREFORE, BE IT RESOLVED that the Governing Board of Directors of the San Joaquin Joint Powers Authority Hereby Authorizes and Designates the Acting Clerk of the Board to Attend Closed Sessions of the San Joaquin Joint Powers Authority (Authority), to Keep and Enter in a Minute Book a Record of Topics Discussed and Decisions Made by the Authority Pursuant to Government Code Section 54957.2, and that General Counsel review closed session minutes prior to entry of the minutes in the closed session minute book.

PASSED AND ADOPTED, by the San Joaquin Joint Powers Authority this 19th day of March 2026, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

ATTEST:

SAN JOAQUIN JOINT POWERS
AUTHORITY

CHRIS ORLANDO, Secretary

DOUG VERBOON, Chair

SAN JOAQUIN JOINT POWERS AUTHORITY

Special Meeting of March 19, 2026

STAFF REPORT

Item 4.3

ACTION

Adopt a Resolution Adopting a Digital Accessibility Policy Pursuant to the United States Department of Justice (DOJ) Final Rule Updating Title II of the Americans with Disabilities Act (ADA), and DOJ Adopted Web Content Accessibility Guidelines (WCAG) Specified in 28 CFR § 35.200(b)

Background:

On April 24, 2024, the U.S. Department of Justice (DOJ) published a final rule that updated Title II of the Americans with Disabilities Act (ADA). These regulations require all services, programs, and activities of state or local governments to be accessible to people with disabilities, including public sector websites, online systems, and digital resources.

As part of the final rule, the DOJ adopted *Web Content Accessibility Guidelines (WCAG) 2.1 Level AA* and incorporated them by reference into Title II. Beginning in 2026, public agencies must “comply with both Level A and Level AA success criteria and conformance requirements specified in WCAG 2.1.” (See 28 CFR § 35.200(b) at <https://www.ecfr.gov/current/title-28/chapter-I/part-35/subpart-H/section-35.200>.)

The San Joaquin Joint Powers Authority (Authority) is committed to ensuring that web content and mobile applications are readily accessible and usable by individuals with disabilities, in accordance with the ADA. This is accomplished by creating digital products that are usable and accessible by users with all abilities and compatible with commonly used assistive technology resources.

Authority staff have crafted the Digital Accessibility Policy, attached to this staff report, in coordination with legal counsel, and are committed to maintaining web pages and mobile applications that are designed and developed to provide equivalent timeliness, privacy, independence, and ease of use, and in compliance with the government code.

The Authority’s General Counsel has reviewed and approved the policy.

Fiscal Impact:

There is no fiscal impact.

Recommendation:

Adopt a Resolution Adopting a Digital Accessibility Policy Pursuant to the United States Department of Justice (DOJ) Final Rule Updating Title II of the Americans with Disabilities Act (ADA), and DOJ Adopted Web Content Accessibility Guidelines (WCAG) Specified in 28 CFR § 35.200(b).

SJJPA RESOLUTION 25/26 –

RESOLUTION ADOPTING A DIGITAL ACCESSIBILITY POLICY PURSUANT TO THE UNITED STATES DEPARTMENT OF JUSTICE (DOJ) FINAL RULE UPDATING TITLE II OF THE AMERICANS WITH DISABILITIES ACT (ADA), AND DOJ ADOPTED WEB CONTENT ACCESSIBILITY GUIDELINES (WCAG) SPECIFIED IN 28 CFR § 35.200(B)

WHEREAS, on April 24, 2024, the U.S. Department of Justice (DOJ) published a final rule that updated Title II of the Americans with Disabilities Act (ADA); and

WHEREAS, these regulations require all services, programs, and activities of state or local governments to be accessible to people with disabilities, including public sector websites, online systems, and digital resources; and

WHEREAS, as part of the final rule, the DOJ adopted *Web Content Accessibility Guidelines (WCAG) 2.1 Level AA* and incorporated them by reference into Title II; and

WHEREAS, beginning in 2026, public agencies must “comply with both Level A and Level AA success criteria and conformance requirements specified in WCAG 2.1;” and

WHEREAS, the San Joaquin Joint Powers Authority (Authority) is committed to ensuring that web content and mobile applications are readily accessible and usable by individuals with disabilities, in accordance with the ADA; and

WHEREAS, Authority staff has crafted the Digital Accessibility Policy, attached to this staff report, in coordination with legal counsel, and is committed to maintaining web pages and mobile applications that are designed and developed to provide equivalent timeliness, privacy, independence, and ease of use, and to be in compliance with the government code; and

WHEREAS, the Authority’s General Counsel has reviewed and approved the policy.

NOW, THEREFORE, BE IT RESOLVED that the Governing Board of Directors of the San Joaquin Joint Powers Authority Hereby Adopts a Digital Accessibility Policy Pursuant to the United States Department of Justice (DOJ) Final Rule Updating Title II of the Americans with Disabilities Act (ADA), and DOJ Adopted Web Content Accessibility Guidelines (WCAG) Specified in 28 CFR § 35.200(b).

PASSED AND ADOPTED, by the San Joaquin Joint Powers Authority, this 19th day of March 2026, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

SAN JOAQUIN JOINT POWERS
AUTHORITY

CHRIS ORLANDO, Secretary

DOUG VERBOON, Chair



SUBJECT:	DIGITAL ACCESSIBILITY POLICY
DATE ISSUED:	MARCH 2026
DATE REVISED:	N/A
BOARD APPROVED:	TBD

SECTION 1: PURPOSE

San Joaquin Joint Powers Authority (SJJPA) is committed to ensuring that web content and mobile applications are readily accessible and usable by individuals with disabilities, in accordance with the Americans with Disabilities Act (ADA). This is accomplished by creating digital products that are usable and accessible by users with all abilities and compatible with commonly used assistive technology resources.

SECTION 2: BACKGROUND

On April 24, 2024, the U.S. Department of Justice (DOJ) published a final rule that updated Title II of the Americans with Disabilities Act (ADA). These regulations require all services, programs, and activities of state or local governments to be accessible to people with disabilities, including public sector websites, online systems, and digital resources. As part of the final rule, the DOJ adopted *Web Content Accessibility Guidelines (WCAG) 2.1 Level AA* and incorporated them by reference into Title II. Beginning in 2026, public agencies must “comply with both Level A and Level AA success criteria and conformance requirements specified in WCAG 2.1.” (See 28 CFR § 35.200(b) at <https://www.ecfr.gov/current/title-28/chapter-1/part-35/subpart-H/section-35.200>.)

SECTION 3: POLICY

It is the policy of SJJPA to provide access to web content and the mobile applications managed by SJJPA to do any of the following in a manner that provides substantially equivalent timeliness, privacy, independence, and ease of use:

- Access the same information as individuals without disabilities;
- Engage in the same interactions as individuals without disabilities;
- Conduct the same transactions as individuals without disabilities; and
- Otherwise participate in or benefit from the same services, programs, and activities as individuals without disabilities.

SJJPA's website and managed applications shall be designed, developed, and maintained to be in compliance with the Government Code, and follow [Web Content Accessibility Guidelines \(WCAG\) 2.2\(external link\)](#), Level AA Guidelines and Success Criteria, which support the following four principles:

1. Perceivable

- Alternative text (alt-text) for images: Any informational image must also provide meaningful alt-text. For example, a county parks webpage that uses map icons must provide alt-text such as "icon depicting a shaded tree overlooking a picnic table."
- High contrast: Text and interactive controls must contrast sufficiently with backgrounds so users with low vision can read them. Text and images of text must have a contrast ratio of at least 4.5 to 1.
- Captions/transcripts: Video content and time-based media must include captions.

2. Operable

- Keyboard navigation: All functionality of the site or app, including forms and navigation, must be accessible by using a keyboard alone.
- Focus indicators: Each item receiving focus must have a visible indicator to specify where on the screen the user is navigating.

3. Understandable

- Navigation links should be identical and predictable across several different web pages.
- The body of the page should be formatted differently from headers, and should be identified using the "lang" attribute (`<html lang="en">`).
- If an input error is detected on a form page, suggestions should be provided for fixing the input in a timely and accessible manner. Submissions should also be fixable when an error is detected.

4. Robust

- Content should be compatible with a wide range of user agents, including assistive technology like screen readers, speech-output software, Braille displays, etc.
- Semantic HTML: Use proper structural elements (e.g., `<header>`, `<nav>`, `<main>`, `<footer>`) so assistive devices can interpret the page.

SAN JOAQUIN JOINT POWERS AUTHORITY
Special Meeting of March 19, 2026

STAFF REPORT

Item 4.4

ACTION

Adopt a Resolution Authorizing Reimbursement for the Affordable Housing and Sustainable Community (AHSC) Grant in the amount of \$5,000,000 to the California Department of Transportation towards the purchase of one (1) Zero-Emission Multiple Unit (ZEMU) Car for Future Intercity Service

Background:

In 2024, the San Joaquin Joint Powers Authority (Authority) partnered with the Capitol Area Development Authority (CADA) to apply for an Affordable Housing and Sustainable Communities (AHSC) grant. The Authority and CADA were successful in receiving the grant award and entered into a cooperative agreement for CADA to contribute \$5,000,000 towards the funding needed for the California Department of Transportation (Caltrans)-led ZEMU car procurement and \$2,000,000 for the Authority-led construction of the Midtown Station.

All trainsets used in California for intercity passenger rail services are procured/owned or leased by Caltrans. The ZEMU procurement is also led by Caltrans, who has been paying the vendor for all milestones completed for the procurement. Caltrans submitted a copy of the vendor invoice and associated supporting documents to the Authority for the ZEMU procurement. The Authority forwarded the reimbursement request package received from Caltrans to CADA for their review and approval and received a \$5,000,000 check.

This item is to approve reimbursement payment to Caltrans in the amount of \$5,000,000 towards one (1) ZEMU car procurement.

Fiscal Impact:

Revenues and expenses for this item are found in the FY26/27 Work Program and Budget.

Recommendation:

Adopt a Resolution Authorizing Reimbursement for the Affordable Housing and Sustainable Community (AHSC) Grant in the amount of \$5,000,000 to the California Department of Transportation towards the purchase of one (1) Zero-Emission Multiple Unit (ZEMU) Car for Future Intercity Service.

SJJPA RESOLUTION 25/26 –

RESOLUTION AUTHORIZING REIMBURSEMENT FOR THE AFFORDABLE HOUSING AND SUSTAINABLE COMMUNITY (AHSC) GRANT IN THE AMOUNT OF \$5,000,000 TO THE CALIFORNIA DEPARTMENT OF TRANSPORTATION TOWARDS THE PURCHASE OF ONE (1) ZERO-EMISSION MULTIPLE UNIT (ZEMU) CAR FOR FUTURE INTERCITY SERVICE

WHEREAS, in 2024, the San Joaquin Joint Powers Authority (Authority) partnered with the Capitol Area Development Authority (CADA) to apply for an Affordable Housing and Sustainable Communities (AHSC) grant; and

WHEREAS, the Authority and CADA were successful in receiving the grant award and entered into a cooperative agreement for CADA to contribute \$5,000,000 towards the funding needed for the California Department of Transportation (Caltrans)-led (1) ZEMU car procurement; and

WHEREAS, all trainsets used in California for intercity passenger rail services are procured/owned or leased by Caltrans including the procurement of ZEMU equipment eligible for reimbursement from the AHSC award; and

WHEREAS, Caltrans submitted a copy of the vendor invoice and associated supporting documents to the Authority for the ZEMU procurement; and

WHEREAS, the Authority forwarded the reimbursement request package received from Caltrans to CADA for their review and approval, and received a \$5,000,000 check; and

NOW, THEREFORE, BE IT RESOLVED that the Governing Board of Directors of the San Joaquin Joint Powers Authority Authorizes Reimbursement for the Affordable Housing and Sustainable Community (AHSC) Grant in the amount of \$5,000,000 to the California Department of Transportation towards the purchase of one (1) Zero-Emission Multiple Unit (ZEMU) Car for Future Intercity Service.

PASSED AND ADOPTED, by the San Joaquin Joint Powers Authority, this 19th day of March 2026, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

ATTEST:

SAN JOAQUIN JOINT POWERS
AUTHORITY

CHRIS ORLANDO, Secretary

DOUG VERBOON, Chair

SAN JOAQUIN JOINT POWERS AUTHORITY

Special Meeting of March 19, 2026

STAFF REPORT

Item 4.5

ACTION

Adopt a Resolution Ratifying and Affirming the Chief Executive Officer's Action Submitting an Application for the FY 24/25 National Railroad Partnership Program (NRPP) for the Natomas Station and Layover, Del Paso Siding, and San Joaquin Street Layover Projects for \$217,900,986, and Further Authorizing the Chief Executive Officer, or Designee, to Negotiate and Execute Any Grant Agreements, Standard Agreements, Program Supplemental Agreements, Fund Exchange Agreements, and/or Fund Transfer Agreements Regarding the Same

Background:

The National Railroad Partnership Program (NRPP) funds capital projects outside of the Northeast corridor that reduce the state of good repair backlog, improve performance, or expand or establish new intercity passenger rail service, including privately operated intercity passenger rail service. Examples of projects funded through NRPP include replacement or rehabilitation of rolling stock; expansion or rehabilitation of existing intercity passenger rail stations; improvements to track along existing routes, such as replacement of existing track or the addition of track to increase capacity; and replacement or rehabilitation of bridges, power equipment and substations, maintenance facilities and equipment, and signals and communications.

San Joaquin Joint Powers Authority (Authority) staff submitted an NRPP application for the Modernizing Operations and Rail Enhancements (MORE) Project, which includes the Natomas Station and Layover Facility, Del Paso Siding, and San Joaquin Street Layover projects on February 6, 2026.

The MORE application includes projects that are a key component of the Valley Rail Expansion Program, an ambitious expansion of commuter and intercity rail services in the Northern California Megaregion. The station, siding, and track projects together are required to implement the initial phase of Valley Rail service to Sacramento and enable faster travel and more efficient travel between the Sacramento region, the San Joaquin Valley, and Bay Area for both ACE and Gold Runner trains. The improvements will also enhance freight movements on the Sacramento subdivision as the siding extension between the Midtown and Natomas stations provides increased rail line capacity and safer operations.

The MORE application has the added benefit of broader connectivity to the local transit network along the corridor and in the many adjacent disadvantaged communities served by the route. MORE will help reduce vehicle miles traveled, lower emissions, and is a critical component of the megaregional Valley Rail Program. Implementing this transformative passenger rail expansion helps further the State's vision for an integrated rail network and provides direct mobility and air quality benefits to citizens in nine counties, including over 30% of the disadvantaged communities in California.

Natomas Station and Layover Project:

The Natomas Station will be constructed in unincorporated Sacramento County on an approximately 8.4-acre site along the eastern side of Blacktop Road, just south of West Elkhorn Boulevard. Station access will be provided from Blacktop Road. Project elements include

construction of a 15-foot-wide, 1,000-foot-long at-grade side-loading passenger platform; a surface parking facility with approximately 250 parking spaces and three (3) bus bays; and associated passenger amenities and access improvements. Additionally, this project component includes the construction of layover tracks located south of the station platform to accommodate both ACE and intercity Gold Runner train layovers between service runs. The layover configuration will accommodate up to five (5) trainsets with an additional train able to layover at the platform and will support interior train cleaning during layover periods. A private access road west of the tracks will provide employee access to the layover facility.

Del Paso Siding Improvements

The Del Paso Siding Improvements will be constructed along the Sacramento Subdivision, consisting of rehabilitation and extension of existing siding to increase corridor capacity and operational flexibility. These improvements will upgrade approximately 1.1 miles of existing siding and extend the siding by an additional 1.2 miles, creating a continuous siding of approximately 2.3 miles, and include the construction of two (2) new high-speed turnouts and associated signal system upgrades to support efficient train movements.

These investments address discrete operational constraints on the Stockton and Sacramento Subdivisions and provide enabling infrastructure that, in combination with other planned Valley Rail North investments, supports future passenger service expansion while maintaining freight operations. The project also establishes the physical and operational foundation required to expand and sustain passenger rail service while maintaining efficient freight operations by delivering new terminal infrastructure at both ends of the service segment and adding mid-corridor capacity through siding improvements. Collectively, these improvements increase operational flexibility, reduce conflicts between train movements, enhance future schedule reliability, and enable expanded Gold Runner and ACE service. When combined with other existing and planned investments along the corridor as part of the Valley Rail North program, the project supports reduced travel times, improved safety, enhanced air quality, and a competitive alternative to automobile travel, while strengthening connectivity between the San Joaquin Valley, Sacramento, and the broader Northern California megaregion.

San Joaquin Street Layover Facility Project:

A new storage and layover track will be constructed approximately 1.5-2 miles west of the existing San Joaquin Street Station. Work includes the installation of the layover track and associated track connections, site grading and surfacing, lighting and security fencing, wayside power to support operations, and necessary drainage and utility adjustments. The layover facility is designed to accommodate a full passenger train set between service runs, allowing other trains to clear the station area and mainline during layover periods.

Fiscal Impact:

There is no fiscal impact.

Recommendation:

Adopt a Resolution Ratifying and Affirming the Chief Executive Officer's Action Submitting an Application for the FY 24/25 National Railroad Partnership Program (NRPP) for the Natomas Station and Layover, Del Paso Siding, and San Joaquin Street Layover Projects for \$217,900,986, and Further Authorizing the Chief Executive Officer, or Designee, to Negotiate and Execute Any Grant Agreements, Standard Agreements, Program Supplemental Agreements, Fund Exchange Agreements, and/or Fund Transfer Agreements Regarding the Same.

SJJPA RESOLUTION 25/26 –

RESOLUTION RATIFYING AND AFFIRMING THE CHIEF EXECUTIVE OFFICER’S ACTION SUBMITTING AN APPLICATION FOR THE FY 24/25 NATIONAL RAILROAD PARTNERSHIP PROGRAM (NRPP) FOR THE NATOMAS STATION AND LAYOVER, DEL PASO SIDING, AND SAN JOAQUIN STREET LAYOVER PROJECTS FOR \$217,900,986, AND FURTHER AUTHORIZING THE CHIEF EXECUTIVE OFFICER, OR DESIGNEE, TO NEGOTIATE AND EXECUTE ANY GRANT AGREEMENTS, STANDARD AGREEMENTS, PROGRAM SUPPLEMENTAL AGREEMENTS, FUND EXCHANGE AGREEMENTS, AND/OR FUND TRANSFER AGREEMENTS REGARDING THE SAME

WHEREAS, the National Railroad Partnership Program (NRPP) funds capital projects outside of the Northeast corridor that reduce the state of good repair backlog, improve performance, or expand or establish new intercity passenger rail service, including privately operated intercity passenger rail service; and

WHEREAS, the San Joaquin Joint Powers Authority (Authority) staff submitted an FSP application for the Modernizing Operations and Rail Enhancements (MORE) Project, which includes the Natomas Station and Layover Facility, Del Paso Siding, and San Joaquin Street Layover projects on February 6, 2026; and

WHEREAS, the station, siding, and track projects together are required to implement the initial phase of Valley Rail service to Sacramento and enable faster travel and more efficient travel between the Sacramento region, the San Joaquin Valley, and Bay Area for both ACE and Gold Runner trains; and

WHEREAS, the improvements will also enhance freight movements on the Sacramento subdivision as the siding extension between the Midtown and Natomas stations provides increased rail line capacity and safer operations; and

WHEREAS, the Natomas Station will be constructed in unincorporated Sacramento County on an approximately 8.4-acre site along the eastern side of Blacktop Road, just south of West Elkhorn Boulevard; and

WHEREAS, the Del Paso Siding Improvements will be constructed along the Sacramento Subdivision, consisting of rehabilitation and extension of existing siding to increase corridor capacity and operational flexibility; and

WHEREAS, the San Joaquin Street Station Layover Facility will construct a new storage and layover track located approximately 1.5-2 miles west of the existing San Joaquin Street Station, consisting of the installation of the layover track and associated track connections and other related improvements.

NOW, THEREFORE, BE IT RESOLVED that the Governing Board of Directors of the San Joaquin Joint Powers Authority Ratifies and Affirms the Chief Executive Officer’s Action Submitting an Application for the FY 24/25 National Railroad Partnership Program (NRPP) for the Natomas Station and Layover, Del Paso Siding, and San Joaquin Street Layover Projects for \$217,900,986, and Further Authorizing the Chief Executive Officer, or Designee, to Negotiate and Execute Any Grant Agreements, Standard Agreements, Program Supplemental Agreements, Fund Exchange Agreements, and/or Fund Transfer Agreements Regarding the Same.

PASSED AND ADOPTED, by the San Joaquin Joint Powers Authority, this 19th day of March 2026, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

SAN JOAQUIN JOINT POWERS
AUTHORITY

CHRIS ORLANDO, Secretary

DOUG VERBOON, Chair

SAN JOAQUIN JOINT POWERS AUTHORITY

Special Meeting of March 19, 2026

STAFF REPORT

Item 4.6

ACTION

Adopt a Resolution Supporting Future Planning and Preservation for a Wye Connection at the Southwest Corner of the Haggin Junction in Downtown Sacramento

Background:

Haggin Junction, where the Martinez and Sacramento subdivisions of Union Pacific Railroad (UPRR) intersect in downtown Sacramento, is a critical meeting point of two (2) major rail lines in Northern California. Currently, there is connection from the east-west running Martinez subdivision to the north on the Sacramento subdivision, but none to the south. A new wye connection at the southwest corner of this junction would unlock new operational possibilities and provide a direct connection to the Sacramento Valley Station from the Sacramento subdivision. This connection has been long contemplated from previous exploratory study by the San Joaquin Joint Powers Authority (Authority) and is also represented in the 2024 California State Rail Plan.

The imperative now for the project is twofold; first and most critical, the Blue Diamond almond plant, which has operated adjacent to this junction for over 100 years, is planned to shut down in the next 12 to 18 months. There was little study of a new rail connection due to the location on Blue Diamond property, and therefore has never fully incorporated in any near or mid-term plans. The closing and future redevelopment of the site presents an opportunity to preserve future right-of-way for such a wye connection project. Secondly, the City of Sacramento (City) is currently undertaking updates to relevant specific plan documents that include the future project area: The Central City Specific Plan and River District Specific Plan. Incorporating this project into these plans is crucial for local policy consistency, future development envelopes, and would allow closer coordination with the City, State of California (State), and the Authority for any future planning and development. Additionally, the City is assessing the potential of a new bus layover facility on a portion of the Blue Diamond property, which presents an opportunity for early site preservation and coordination.

To formalize these goals, Authority staff have been asked by the City to provide official documentation of support for this future wye connection. This will allow the City to seamlessly integrate a general description and policy guidance surrounding preservation for the future project. Adopting this resolution to support future planning, design, and preservation efforts around this wye connection will not commit the Authority to project development or delivery. Future work on this project will first start with the Caltrans-led Corridor ID process and then focus any future delivery to be administered through that program. At this time, it is not in the Authority or San Joaquin Regional Rail Commission's plans to incorporate this project into its capital improvement program but to serve in a support role for the future design and/or delivery agency. Affirming support for this project will strengthen working relationships with State and local agencies, while also preserving a future where additional connection for both Valley Rail and even California High-Speed Rail service to the Sacramento Valley Station remains a possibility.

Fiscal Impact:

There is no fiscal impact.

Recommendation:

Adopt a Resolution Supporting Future Planning and Preservation for a Wye Connection at the Southwest Corner of the Haggin Junction in Downtown Sacramento.

SJPA RESOLUTION 25/26 –

RESOLUTION SUPPORTING FUTURE PLANNING AND PRESERVATION FOR A WYE CONNECTION AT THE SOUTHWEST CORNER OF THE HAGGIN JUNCTION IN DOWNTOWN SACRAMENTO

WHEREAS, Haggin Junction, where the Martinez and Sacramento subdivisions of Union Pacific Railroad (UPRR) intersect in downtown Sacramento, is a critical meeting point of two (2) major rail lines in Northern California; and

WHEREAS, a new wye connection at the southwest corner of this junction would unlock new operational possibilities and provide a direct connection to the Sacramento Valley Station from the Sacramento subdivision; and

WHEREAS, Authority staff have been asked by the City of Sacramento (City) to provide official documentation of support for planning and preservation of this future wye connection; and

WHEREAS, this would support the City in adopting a general description and policy guidance surrounding preservation for the future project; and

WHEREAS, incorporating this project in the City of Sacramento's specific plan updates is crucial for local policy consistency, future development envelopes, and would allow closer coordination with the City, State of California (State), and the Authority, for any future planning and development; and

WHEREAS, the City is also assessing the potential of a new bus layover facility on a portion of the Blue Diamond property, which presents an opportunity for early site preservation and coordination; and

WHEREAS, adopting this resolution to support future planning, design, and preservation efforts around this wye connection will not commit the San Joaquin Joint Powers Authority to project development or delivery; and

WHEREAS, affirming support for this project will also strengthen working relationships with state and local agencies while also preserving a future where additional connection for both Valley Rail and potentially even High-Speed Rail service to the Sacramento Valley Station remains a possibility.

NOW, THEREFORE, BE IT RESOLVED that the Governing Board of Directors of the San Joaquin Joint Powers Authority Hereby Supports Future Planning and Preservation for a Wye Connection at the Southwest Corner of the Haggin Junction in Downtown Sacramento.

PASSED AND ADOPTED, by the San Joaquin Joint Powers Authority, this 19th day of March 2026, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

ATTEST:

SAN JOAQUIN JOINT POWERS
AUTHORITY

SAN JOAQUIN JOINT POWERS AUTHORITY
Special Meeting of March 19, 2026

STAFF REPORT

Item 4.7

ACTION

Adopt a Resolution Ratifying and Affirming the Chief Executive Officer's Action in Negotiating and Executing the Second Amendment to the 2023 Amended Interagency Transfer Agreement with the California Department of Transportation for Administration of Intercity Passenger Rail Service and Amendment No. 1 to State Equipment Transfer and Maintenance Agreement between Caltrans and San Joaquin Joint Powers Authority, and Authorizing the Chief Executive Officer, or Designee, to Execute Any and All Documents Related to the Project including Approving any and all Amendments thereto within Their Spending Authority

Background:

In early 2019, the California Department of Transportation (Caltrans) approached the San Joaquin Regional Rail Commission (Rail Commission) as the Managing Agency of the San Joaquin Joint Powers Authority (Authority) to enter into an agreement (Agreement) to perform commissioning activities of the State of California's procurement of the Siemens Single Level Venture Railcars at the Stockton Rail Maintenance Facility (RMF), and assume maintenance responsibilities at the Oakland Maintenance Facility (OMF) for the vehicles entering revenue service. Through the Agreement, Caltrans, in coordination with the Authority, developed a higher level of maintenance standards for the new Venture Car fleet. The cost of the work on Venture Cars, and the maintenance of the vehicles in revenue services has been identified and included in the Authority's approved Annual Business Plan, as well as the Rail Commission's Annual Work Program and Budget since 2019.

Subsequently, Caltrans, the Authority, and the Capitol Corridor Joint Powers Authority (CCJPA), in coordination with National Railroad Passenger Corporation (Amtrak), worked on developing a more proactive maintenance program for the State-owned passenger rail fleet in Northern California. This initiative covered both passenger cars and locomotives, aiming to enhance progressive maintenance, cleaning standards, equipment reliability, and effective asset utilization, and uses the same model as the Venture Cars, with the Authority assuming oversight. The standards differ from Amtrak's current, standardized maintenance programs, which react to national needs and priorities.

In mid-2025, Caltrans, the Authority, the Rail Commission, CCJPA, and Amtrak executed numerous agreements to facilitate the transition of maintenance responsibilities of the State-owned Northern California passenger rail fleet, consisting at the time of 66 Bi-level Vehicles and 24-Locomotives, allowing the Rail Commission as the Authority's Managing Agency to complete work on behalf of Caltrans, utilizing staff and existing third-party agreements as necessary under the previously approved Agreement.

Much of the maintenance work and cleaning is done at the OMF, with the equipment being rotated to the RMF only as needed. The Rail Commission invoices the Authority for the work, and the Authority remits amounts due from advance payment allocations approved in the Annual Business Plan, as appropriate, for all allowable costs.

In January 2026, Caltrans leased locomotives and passenger rail cars from the San Mateo County Transit District, which owns and operates Caltrain, to supplement State-owned Northern California passenger rail fleet. Caltrans has made three (3) of the leased locomotives available for use on the Gold Runner and Capitol Corridor services, following the completion of vehicle acceptance and familiarization processes. Transition of maintenance responsibilities for the locomotives necessitated an amendment to the Interagency Transfer Agreement (ITA) and Amendment No. 1 to the Maintenance Agreement between Caltrans and the Authority to include State-leased equipment.

Caltrans and the Authority worked together with their legal counsels to draft the amendment to the 2023 Amended ITA and Amendment No. 1 to the State Equipment Transfer and Maintenance Agreement (Maintenance Agreement). The final documents were executed on March 5, 2026.

The staff recommendation to ratify the amendment to the ITA and the amendment to the Maintenance Agreement is consistent with previous Authority-approved actions relating to the Rail Commission serving as the Managing Agency of the Authority.

Fiscal Impact:

There is no fiscal impact. The Authority will be reimbursed through the Annual Business Plan - Other Operations line item that is approved by the California State Transportation Agency (CalSTA) and administered by Caltrans.

Recommendation:

Adopt a Resolution Ratifying and Affirming the Chief Executive Officer's Action in Negotiating and Executing the Second Amendment to the 2023 Amended Interagency Transfer Agreement with the California Department of Transportation for Administration of the Intercity Passenger Rail Service and Authorizing the Chief Executive Officer, or Designee, to Execute Any and All Documents Related to the Project including Approving any and all Amendments thereto within Their Spending Authority.

SJJPA RESOLUTION 25/26 –

RESOLUTION RATIFYING AND AFFIRMING THE CHIEF EXECUTIVE OFFICER’S ACTION IN NEGOTIATING AND EXECUTING THE SECOND AMENDMENT TO THE 2023 AMENDED INTERAGENCY TRANSFER AGREEMENT WITH THE CALIFORNIA DEPARTMENT OF TRANSPORTATION (CALTRANS) FOR ADMINISTRATION OF INTERCITY PASSENGER RAIL SERVICE AND AMENDMENT NO. 1 TO STATE EQUIPMENT TRANSFER AND MAINTENANCE AGREEMENT BETWEEN CALTRANS AND SAN JOAQUIN JOINT POWERS AUTHORITY, AND AUTHORIZING THE CHIEF EXECUTIVE OFFICER, OR DESIGNEE, TO EXECUTE ANY AND ALL DOCUMENTS RELATED TO THE PROJECT INCLUDING APPROVING ANY AND ALL AMENDMENTS THERETO WITHIN THEIR SPENDING AUTHORITY

WHEREAS, in early 2019, the California Department of Transportation (Caltrans) approached San Joaquin Regional Rail Commission (Rail Commission) as the Managing Agency of the San Joaquin Joint Powers Authority (Authority) to enter into an agreement to perform commissioning activities of the State of California’s procurement of the Siemens Single Level Venture Railcars at the Stockton Rail Maintenance Facility (RMF) and assume maintenance responsibilities at the Oakland Maintenance Facility (OMF) for the vehicles entering revenue service (“Agreement”); and

WHEREAS, through the Agreement, Caltrans, in coordination with the Authority, developed a higher level of maintenance standards for the new Venture Car fleet; and

WHEREAS, the cost of the work on Venture Cars and the maintenance of the vehicles in revenue services has been identified and included in the Authority’s approved Annual Business Plan, as well as the Rail Commission’s Annual Work Program and Budget since 2019; and

WHEREAS, Caltrans, the Authority, and the Capitol Corridor Joint Powers Authority (CCJPA), in coordination with National Railroad Passenger Corporation (Amtrak), worked on developing a more proactive maintenance program for the State-owned passenger rail fleet in Northern California; and

WHEREAS, in mid-2025 Caltrans, the Authority, the Rail Commission, CCJPA, and Amtrak executed numerous agreements to facilitate the transition of maintenance responsibilities of the State-owned Northern California passenger rail fleet, consisting at the time of 66-Bilevel Vehicles and 24-Locomotives, allowing the Rail Commission as the Authority’s Managing Agency to complete work on behalf of Caltrans utilizing staff and existing third-party agreements as necessary under the previously approved Agreement; and

WHEREAS, in January 2026, Caltrans leased locomotives and passenger rail cars from the San Mateo County Transit District, which owns and operates Caltrain, to supplement State-owned Northern California passenger rail fleet; and

WHEREAS, Caltrans has made three (3) of the leased locomotives available for use in the Gold Runner and Capital Corridors; and

WHEREAS, transition of maintenance responsibilities for the locomotives necessitated an amendment to the Interagency Transfer Agreement (ITA) and Amendment No. 1 to the maintenance agreement between Caltrans and the Authority to include State-leased equipment; and

WHEREAS, Caltrans and the Authority worked together with their legal counsels to draft the Second Amendment to the 2023 Amended ITA and Amendment No. 1 to the State Equipment Transfer and Maintenance Agreement; and

WHEREAS, staff's recommendation to ratify the amendment to the ITA and the amendment to the Maintenance Agreement is consistent with previous Authority-approved actions relating to the Rail Commission serving as the Managing Agency of the Authority; and

WHEREAS, Second Amendment to the 2023 Amended ITA and Amendment No. 1 to the State Equipment Transfer and Maintenance Agreement were executed on March 5, 2026.

NOW, THEREFORE, BE IT RESOLVED that the Governing Board of Directors of the San Joaquin Joint Powers Authority Hereby Ratifies and Affirms the Chief Executive Officer's Action in Negotiating and Executing the Second Amendment to the 2023 Amended Interagency Transfer Agreement with the California Department of Transportation (Caltrans) for Administration of Intercity Passenger Rail Service and Amendment No. 1 to State Equipment Transfer and Maintenance Agreement between Caltrans and San Joaquin Joint Powers Authority, and Authorizing the Chief Executive Officer, or Designee, to Execute Any and All Documents Related to the Project including Approving any and all Amendments thereto within Their Spending Authority.

PASSED AND ADOPTED, by the San Joaquin Joint Powers Authority, this 19th day of March 2026, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

SAN JOAQUIN JOINT POWERS
AUTHORITY

CHRIS ORLANDO, Secretary

DOUG VERBOON, Chair

SAN JOAQUIN JOINT POWERS AUTHORITY

Special Meeting of March 19, 2026

STAFF REPORT

Item 4.8

ACTION

Adopt a Resolution Approving the Minor Capital Program within Existing Board Approved Funding Limits and Authorizing the Chief Executive Officer to Revise Project Cost Estimates and to Add or Remove Projects within Existing Board Approved Funding Limits and Authorizing the Chief Executive Officer, or Designee to Negotiate, Award, and Execute Any and All Agreements and Documents Related to the Projects including Any and All Amendments thereto within Their Spending Authority

Background:

At the May 27, 2016, San Joaquin Joint Powers Authority (Authority) board meeting, the Board approved the Master Fund Transfer Agreement for Minor Capital Program with Caltrans. The Minor Capital Program projects are funded by the State as part of the Authority's annual funding request (\$500,000 per year) and approved annually by the Authority Board. The Minor Capital Program objective is to identify and implement projects along the Gold Runner Corridor to improve station structures and amenities that will help reduce safety and security issues and enhance the Gold Runner passenger experience.

Historically, the Authority has worked with Amtrak on these projects due to the need for access to the stations or property where improvements will be taking place. Amtrak is the lease holder for various stations along the corridor and has access to an on-call list of consultants for the work needed. The Authority will continue to work with Amtrak and the Authority's Facility and Maintenance team to complete projects efficiently and cost-effectively as projects are identified.

Authority staff will continue to collaborate with various stakeholders, including the State, Authority member agencies, Amtrak, Union Pacific Rail Road (UPRR), BNSF Railway (BNSF), California Operation Lifesaver, Transportation Security Administration (TSA), California Governor's Office of Emergency Services (Cal OES), local law enforcement and first responders along the Gold Runner Corridor to identify projects and explore pathways to complete projects efficiently and cost effectively.

Minor Capital Program:

As part of the Authority's Annual Business Plan process, the California State Transportation Agency (CalSTA) has approved the annual Minor Capital Program funding request of \$500,000 for Fiscal Year (FY) 23/24, FY24/25, and FY25/26.

Caltrans has prepared guidelines and an Authorization Checklist for the use of Minor Capital project funding consistent with State law. These guidelines and checklist shall be used in requesting minor capital funding. Minor capital funds cannot be used for administrative, marketing, or operating expenses.

In November of 2024, Authority staff submitted a "call for projects" to all internal and external stakeholders to identify new minor capital projects and update its ongoing projects list that is being maintained continuously. In collaboration with Authority staff and Amtrak engineers, a

multi-year Minor Capital Program projects list has been compiled and narrowed down to meet the State’s Minor Capital Program budget threshold. See Minor Capital Program recommended for Authority approval included in Table 1.

Table 1. Minor Capital Program Recommended for Approval:

Project Name	Funding Allocation	Budget Allocation	Budget Allocation
		FY 24/25	FY 25/26
	Total	\$500,000	\$500,000
Hanford – Extension of Security Fencing Improvements	FY 24/25 Funds	72,000	
Station Signage and Wayfinding System Implementation	FY 24/25 Funds	375,000	
Turlock/Denair- Landscaping Improvements	FY 24/25 Funds	50,000	
Bakersfield-Parking Lot/Bus Bay Area Improvements	FY 25/26 Funds		50,000
Merced- Station Roof Repairs & Landscaping Improvements	FY 25/26 Funds		250,000
Richmond - Station Landscaping Improvements	FY 25/26 Funds		150,000
Thruway Bus Signage Hardware, Supplies, and Installation	FY 25/26 Funds		40,000
	Total	497,000	490,000

Staff are continuing to gather the necessary information and budgets to rank additional projects that will utilize funds provided by the State for future fiscal years. A separate request for approval will be brought to the Board to approve those projects.

Fiscal Impact:

Funding for the Minor Capital Program projects are in the Approved Annual SJJPA Business Plans and Budgets, with the projects having a three (3) year funding expiration cycle. Future projects will be included in each annual SJJPA Business Plan and Budget request.

Recommendation:

Adopt a Resolution Approving the Minor Capital Program within Existing Board Approved Funding Limits and Authorizing the Chief Executive Officer, or Designee, to Revise Project Cost Estimates and to Add or Remove Projects within Existing Board Approved Funding Limits and Authorizing the Chief Executive Officer, or Designee, to Negotiate, Award, and Execute Any and All Agreements and Documents Related to the Projects including Any and All Amendments thereto within Their Spending Authority.

SJJPA RESOLUTION 25/26 –

RESOLUTION APPROVING THE MINOR CAPITAL PROGRAM WITHIN EXISTING BOARD APPROVED FUNDING LIMITS AND AUTHORIZING THE CHIEF EXECUTIVE OFFICER TO REVISE PROJECT COST ESTIMATES AND TO ADD OR REMOVE PROJECTS WITHIN EXISTING BOARD APPROVED FUNDING LIMITS AND AUTHORIZING THE CHIEF EXECUTIVE OFFICER, OR DESIGNEE TO NEGOTIATE, AWARD, AND EXECUTE ANY AND ALL AGREEMENTS AND DOCUMENTS RELATED TO THE PROJECTS INCLUDING ANY AND ALL AMENDMENTS THERETO WITHIN THEIR SPENDING AUTHORITY

WHEREAS, at the May 27, 2016, San Joaquin Joint Powers Authority (Authority) board meeting, the Board approved the Master Fund Transfer Agreement for Minor Capital Program with Caltrans; and

WHEREAS, the Minor Capital Program projects are funded by the State as part of the Authority's annual funding request (\$500,000 per year) and approved annually by the Authority Board; and

WHEREAS, the Minor Capital Program objective is to identify and implement projects along the Gold Runner Corridor to improve station structures and amenities that will help reduce safety and security issues and enhance the Gold Runner passenger experience; and

WHEREAS, the Authority will continue to work with Amtrak and the Authority's Facility and Maintenance team to complete projects efficiently and cost-effectively as projects are identified; and

WHEREAS, Authority staff will continue to collaborate with various stakeholders, including the State, Authority member agencies, Amtrak, Union Pacific Rail Road (UPRR), BNSF Railway (BNSF), California Operation Lifesaver, Transportation Security Administration (TSA), California Governor's Office of Emergency Services (Cal OES), local law enforcement and first responders along the Gold Runner Corridor to identify projects and explore pathways to complete projects efficiently and cost effectively; and

WHEREAS, as part of the San Joaquin Joint Powers Authority Annual Business Plan process, the California State Transportation Agency (CalSTA) has approved the annual Minor Capital Program funding request of \$500,000 for Fiscal Year (FY) 23/24, FY24/25, and FY25/26; and

WHEREAS, in November of 2024, Authority staff submitted a "call for projects" to all internal and external stakeholders to identify new minor capital projects and update its ongoing projects list that is being maintained continuously; and

WHEREAS, in collaboration with Authority staff and Amtrak engineers, a multi-year Minor Capital Program project list has been compiled and narrowed down to meet the State's Minor Capital Program budget threshold:

Project Name	Funding Allocation	Budget Allocation	Budget Allocation
		FY 24/25	FY 25/26
	Total	\$500,000	\$500,000
Hanford – Extension of Security Fencing Improvements	FY 24/25 Funds	72,000	
Station Signage and Wayfinding System Implementation	FY 24/25 Funds	375,000	
Turlock/Denair- Landscaping Improvements	FY 24/25 Funds	50,000	
Bakersfield-Parking Lot/Bus Bay Area Improvements	FY 25/26 Funds		50,000
Merced- Station Roof Repairs & Landscaping Improvements	FY 25/26 Funds		250,000
Richmond - Station Landscaping Improvements	FY 25/26 Funds		150,000
Thruway Bus Signage Hardware, Supplies, and Installation	FY 25/26 Funds		40,000
	Total	497,000	490,000

WHEREAS, staff are continuing to gather the necessary information and budgets to rank additional projects that will utilize funds provided by the State for future fiscal years, and

WHEREAS, a separate request for approval will be brought to the Board to approve those projects.

NOW, THEREFORE, BE IT RESOLVED that the Governing Board of Directors of the San Joaquin Joint Powers Authority Hereby Approves the Minor Capital Program within Existing Board Approved Funding Limits and Authorizing the Chief Executive Officer to Revise Project Cost Estimates and to Add or Remove Projects within Existing Board Approved Funding Limits and Authorizing the Chief Executive Officer, or Designee to Negotiate, Award, and Execute Any and All Agreements and Documents Related to the Projects including Any and All Amendments thereto within Their Spending Authority.

PASSED AND ADOPTED, by the San Joaquin Joint Powers Authority, this 19th day of March 2026, by the following vote:

AYES:
 NOES:
 ABSENT:
 ABSTAIN:

ATTEST:

SAN JOAQUIN JOINT POWERS
 AUTHORITY

 CHRIS ORLANDO, Secretary

 DOUG VERBOON, Chair

SAN JOAQUIN JOINT POWERS AUTHORITY
Special Meeting of March 19, 2026

STAFF REPORT

Item 4.9

ACTION

Accept Independent Auditors' Report for Fiscal Year 2024/25

Background:

There were no current-year findings, questioned costs, or auditor comments for management on the Independent Auditors' Report and Basic Financial Statements for the Fiscal Year ending June 30, 2025.

The report is attached at the end of this board agenda packet.

Fiscal Impact:

There is no fiscal impact.

Recommendation:

Accept Independent Auditors' Report for Fiscal Year 2024/25.

SAN JOAQUIN JOINT POWERS AUTHORITY

Independent Auditors' Report and
Basic Financial Statements
For the Year Ended June 30, 2025

**SAN JOAQUIN JOINT POWERS AUTHORITY
FOR THE YEAR ENDED JUNE 30, 2025**

TABLE OF CONTENTS

	Page(s)	
Independent Auditors' Report.....	1	
 Basic Financial Statements		
Statement of Net Position	4	
Statement of Revenues, Expenses and Changes in Net Position	5	
Statement of Cash Flows	6	
Notes to the Basic Financial Statements	7	
 Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		19

Independent Auditor's Report

Board of the Authority
San Joaquin Joint Powers Authority
Stockton, California

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the business-type activities of the San Joaquin Joint Powers Authority (Authority), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the Authority, as of June 30, 2025, and the changes in financial position and cash flows 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 Authority 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 Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 GAAS 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 Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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 February 12, 2026 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Rogers, Anderson, Malody & Scott, LLP.

San Bernardino, California
February 12, 2026

SAN JOAQUIN JOINT POWERS AUTHORITY

STATEMENT OF NET POSITION

JUNE 30, 2025

ASSETS

Current Assets:

Cash and cash equivalents	\$ 74,055,450
Receivables	
Interest	705,802
Intergovernmental	4,495,199
Prepaid expense	2,016,077
Total Current Assets	<u>81,272,528</u>

Noncurrent Assets:

Capital assets, non depreciable	<u>1,345,333</u>
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Total Assets	<u>82,617,861</u>
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LIABILITIES

Current Liabilities:

Accounts payable and accrued liabilities	23,499,418
Due to other governments	2,559,110
Unearned revenues	<u>47,632,806</u>

Total Liabilities	<u>73,691,334</u>
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NET POSITION

Net investment in capital assets	1,345,333
Restricted for:	
Marketing	4,424,373
Transportation	<u>3,156,821</u>

Total Net Position	<u>\$ 8,926,527</u>
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The accompanying notes are an integral part of these financial statements.

SAN JOAQUIN JOINT POWERS AUTHORITY

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2025**

OPERATING REVENUES

Incentive and assessment revenues	\$ -
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OPERATING EXPENSES

Charges for administrative services	5,356,017
Charges for marketing	2,078,429
Charges for direct train operations	76,221,265

Total Operating Expenses	83,655,711
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Operating Loss	(83,655,711)
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NON-OPERATING REVENUES (EXPENSES)

State of California MFTA Grant - Marketing and Administration	7,147,963
California State Transportation Agency Grant - State Rail Assistance	9,574,226
State of California DOT Grant - AMTRAK Operations	58,745,279
State of California DOT Grant - Other Direct Operations	17,475,985
State of California DOT Grant - Mini-High Platform	3,051
State of California DOT Grant - Minor Capital Project	218,675
State of California DOT Grant - Truck Overhaul	2,617,144
State of California PTA Strategic Initiatives	3,553,625
Special Event Grant Revenue	29,427
Other Revenue - Federal Legislative Contributions & Cost Savings	3,713,736
Charges for Capital Outlay	(41,946)
Charges for SRA Projects	(9,574,226)
Charges for Mini-High Platform	(3,051)
Charges for Minor Capital Projects	(218,675)
Charges for Truck Overhaul	(2,417,970)
Charges for PTA Strategic Initiatives	(3,553,625)
Charges for Special Events	(29,427)
Investment earnings	1,235,873

Total Non-Operating Revenues (Expenses)	88,476,064
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CHANGE IN NET POSITION

4,820,353

Net Position - Beginning	4,106,174
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Net Position - Ending	\$ 8,926,527
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The accompanying notes are an integral part of these financial statements.

SAN JOAQUIN JOINT POWERS AUTHORITY

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025**

CASH FLOWS FROM OPERATING ACTIVITIES

Payments for marketing and administrative services	\$ (6,682,990)
Payments for train operations	<u>(65,105,844)</u>
Net Cash Used by Operating Activities	<u>(71,788,834)</u>

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES

Receipts from grants for marketing and administrative services	7,827,787
Receipts from grants for train operations	80,222,441
Receipts from grants for transportation activities	605,913
Grant expenses for transportation activities	<u>(432,399)</u>
Net Cash Provided by Non-Capital Financing Activities	<u>88,223,742</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Receipts from grants for transportation activities and asset acquisition	21,180,112
Grant expenses for transportation activities	<u>(9,994,833)</u>
Net Cash Provided by Capital and Related Financing Activities	<u>11,185,279</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Investment earnings	<u>1,007,219</u>
Net Cash Provided by Investing Activities	<u>1,007,219</u>

Net Increase in Cash and cash equivalents	28,627,406
Cash and cash equivalents - beginning of year	<u>45,428,044</u>
Cash and cash equivalents - end of year	<u><u>\$ 74,055,450</u></u>

Reconciliation of operating loss to net cash used by operating activities:

Operating loss	\$ (83,655,711)
Adjustment to reconcile operating loss to net cash used in operating activities:	
Change in assets and liabilities	
(Increase) decrease in prepaid expense	(2,016,077)
Increase (decrease) in accounts payable and accrued expenses	13,382,352
Increase (decrease) in due to other governments	<u>500,602</u>
Net Cash Used by Operating Activities	<u><u>\$ (71,788,834)</u></u>

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

SAN JOAQUIN JOINT POWERS AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. The Reporting Entity

In September 2012, Assembly Bill 1779 was passed, which provided for the creation of the San Joaquin Joint Powers Authority (Authority). On June 29, 2015, the Authority entered into a Joint Exercise of Powers Agreement with ten public transportation agencies (Agencies) to establish the San Joaquin Joint Powers Authority (Authority), a public instrumentality of the State of California. The ten transportation agencies comprising the Authority are the Sacramento Regional Transit District (Sac RT), the San Joaquin Regional Rail Commission (SJRRRC), the Stanislaus Council of Governments (Stan COG), the Merced County Association of Governments (Merced CAG), the Madera County Transportation Commission (Madera CTC), the Fresno Council of Governments (Fresno COG), the Kings County Association of Governments (Kings CAG), the Tulare County Association of Governments (Tulare CAG), the Kern County Council of Governments (Kern COG), the Contra Costa Transportation Authority (Contra Costa TA), and a transportation agency within Alameda County that have executed this Agreement and that have not withdrawn from the SJJPA. The governing board of the Authority consists of board members from the Managing Agency San Joaquin Regional Rail Commission (SJRRRC) and a member and alternate from each of the nine other Agencies. The Authority is responsible for the administration and managing the operation of the existing rail service in the 365 mile San Joaquin Rail service route from Bakersfield to Oakland (San Joaquin Rail Service).

On October 1, 2018, the Authority entered into an Amended Interagency Transfer Agreement (ITA) with the State of California, Department of Transportation (CalTRANS). The ITA provided for the transfer of the responsibility for administration, managing and control of the operation of the San Joaquin Rail Service from CalTRANS to the Authority for an initial three-year term terminating September 27, 2024. On January 27, 2023, an amendment was executed to extend the expiration of the agreement to September 30, 2027.

The Authority receives funding from CalTRANS to operate and improve the San Joaquin Rail Service in order to provide a travel alternative to the Los Angeles-San Joaquin Valley-Sacramento-Oakland intercity passenger rail corridors. The train equipment used in the San Joaquin Rail Service is owned by CalTRANS and the service is operated by the National Railroad Passenger Corporation (AMTRAK) under contract to the Authority on railroad track owned by the Union Pacific Railroad Company (UPRR).

The Authority does not exercise control over any other governmental agency or authority. The Authority is considered a primary government since it has a separate governing body, is legally separate, and is fiscally independent of other State or local governments.

B. Basis of Presentation – Basic Financial Statements

The basic financial statements provide information about the Authority's Enterprise Fund. The basic financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Revenue from grants and related interest is recognized in the fiscal year in which all eligibility requirements have been satisfied.

SAN JOAQUIN JOINT POWERS AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Enterprise Fund, a proprietary fund, distinguishes operating revenues and expenses from non-operating items. The Authority's transportation revenues are generated directly from its transit operations and consist principally of assessment revenues. Operating expenses for the transit operations include all costs related to providing transit services. These costs include charges for train operations and bus feeder services, charges for marketing and administrative services, and other operating expenses. All other revenues and expenses not meeting these definitions are reported as non-operating revenues and expenses.

C. Cash and Cash Equivalents and Investments

For purposes of the accompanying statement of cash flows, the enterprise fund considers all highly liquid investments with a maturity of three months or less when purchased, and their equity in the San Joaquin County Treasurer's investment pool, to be cash equivalents. The Authority participates in the common investment pool of San Joaquin County. Investments are recorded at fair value.

D. Capital Assets

The Authority defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year depreciated using the straight line method, if applicable. All capital assets are to be valued at historical cost or estimated historical cost if purchased or constructed. As of June 30, 2025, the Authority has non-depreciable assets totaling \$1,345,333. Capital projects that are joint ventures with other Agencies and will not meet the criteria of Authority assets at this point in time are presented as period expenses. Donated capital assets are recorded at the estimated acquisition value at the time of donation.

E. Intergovernmental Receivable

Intergovernmental receivable represents funding for interest related to the period end June 30 and grants that are awarded on a reimbursement basis for capital activity for transportation projects related to the San Joaquins.

F. Due to Other Governments

The Authority receives advance grant funding from CalTRANS for advertising and administration of the San Joaquin track structure. Any unexpended administrative funds at June 30, 2025 are refundable to CalTRANS.

SAN JOAQUIN JOINT POWERS AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Net Position

Net position represents the residual interest in the Authority's assets and deferred outflows of resources after liabilities and deferred inflows of resources are deducted. The net position section on the statement of net position was combined to report total net position and currently presents it in one component: restricted. Net position is restricted when constraints are imposed by third parties or by law through constitutional provisions or enabling legislation and include amounts restricted for debt service and other liabilities. When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, then unrestricted resources as they are needed. At June 30, 2025, the Authority has \$1,345,333 restricted net position invested in capital assets, \$4,424,373 restricted net position for marketing and \$3,156,821 restricted for transportation.

H. Transportation Revenues and Operating Expenses

Transportation revenues generally result from providing services in connection with the Authority's principal ongoing operations. The Authority's transportation revenues include assessment revenues and other revenues such as special promotional train service, recovered incentives reinvested in service, transfer fees, freight tariff fees and other miscellaneous revenues. Assessment revenues are recognized upon assessment of fees for nonperformance with regards to standards set in the AMTRAK operating agreement.

Operating expenses consist of costs associated with train operations and bus feeder services, marketing and administrative expenses, and other operating expenses. Under the operating agreement between the Authority and AMTRAK, the Authority pays AMTRAK monthly based on actual expenses incurred to operate the San Joaquin Rail Service on a year to year basis. The contractual amount is based on AMTRAK's anticipated costs of operating the San Joaquin service during the fiscal year, net of a projected amount of base passenger fares that will be collected.

Non-operating revenues that are received from CalTRANS in excess of actual Amtrak expense are presented as unearned revenue. Non-operating amounts paid in advance to Amtrak based on the operating agreement are presented as prepaid operations expense.

I. Non-operating Revenues and Expenses

Non-operating revenues include administration, advertising and operating grants received from the State of California, facility improvement grant revenues, and facility improvement grant expenses. Revenues are recognized when the associated expenses are incurred in accordance with the terms of the grant agreement. Grants from the State of California for expenses incurred by AMTRAK and disbursements to other vendors for the design and construction of renovations and improvements to the facilities and track structure of the San Joaquin are recognized at the time when the eligible projects costs are incurred.

J. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

SAN JOAQUIN JOINT POWERS AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 2 – CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash and investments as of June 30, 2025, are reported in the accompanying financial statements as follows:

Statement of Net Position	
Cash and investments	\$ 74,055,450
Total cash and investments	<u>\$ 74,055,450</u>

Cash and investments as of June 30, 2025 consist of the following:

Cash and investments:	
Cash and investments held in San Joaquin County Pool	\$ 74,055,450
Total cash and investments	<u>\$ 74,055,450</u>

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value will be to changes in market interest rates. One of the ways the Authority manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer-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. The Authority's investment policy, which conforms to the San Joaquin County investment policy, states that investment decisions are made with the intention of retaining the investment until maturity, thereby negating the ill effects of market interest rate fluctuations.

Information about the sensitivity of the fair values of the Authority's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Authority's investments by maturity:

Investment type	Fair Value	Remaining maturity (in months)		
		12 months or less	13-24 months	25-60 months
Held by fiscal agent:				
San Joaquin County Investment Pool	\$ 74,055,450	\$ 74,055,450	\$ -	\$ -
Total	<u>\$ 74,055,450</u>	<u>\$ 74,055,450</u>	<u>\$ -</u>	<u>\$ -</u>

Disclosure Related to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by the California Government Code, the Authority's investment policy, or debt agreements, and the actual rating as of June 30, 2025, for each investment type:

Investment Type	Standard & Poor's Rating		Not Rated	Total
	AA+	AAAm		
Held by fiscal agent:				
San Joaquin County Investment Pool	\$ -	\$ -	\$ 74,055,450	\$ 74,055,450
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 74,055,450</u>	<u>\$ 74,055,450</u>

**SAN JOAQUIN JOINT POWERS AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 2 – CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

Investments Authorized by the California Government Code

The table below identifies the investment types that are authorized for the Authority by the California Government Code.

Investment Types Authorized by State Law	Maximum Maturity	Maximum Percentage of Portfolio*	Minimum Quality Requirements
Local Agency Bonds	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
State Obligations- CA and Others	5 years	None	None
CA Local Agency Obligations	5 years	None	None
U.S. Agency Securities/Mortgage Securities	5 years	None	None
Bankers' Acceptances	180 days	40%	None
Commercial Paper-Non-Pooled Funds (under \$100,000,000 of investments)	270 days or less	25% of the agency's money	Highest letter and number rating by an NRSRO
Commercial Paper-Non-Pooled Funds (min. \$100,000,000 of investments)	270 days or less	40% of the agency's money	Highest letter and number rating by an NRSRO
Commercial Paper-Pooled Funds	270 days or less	40% of the agency's money	Highest letter and number rating by an NRSRO
Negotiable Certificates of Deposit	5 years	30%	None
Non-negotiable Certificates of Deposit	5 years	None	None
Placement Service Deposit	5 years	50%	None
Placement Service Certificates of Deposit	5 years	50%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements and Securities Lending Agreements	92 days	20% of the base value of the portfolio	None
Medium-Term Notes/Corporate Bonds	5 years	30%	None
Mutual Funds	N/A	20%	10%
Collateralized Bank Deposits	5 years	None	None
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-Through Securities	5 years	20%	None
County Pooled Investment Funds	N/A	None	None
Joint Powers Authority Pool	N/A	None	Multiple
Local Agency Investment Fund (LAIF)	N/A	None	None
Voluntary Investment Program Fund	N/A	None	None
Supranational Obligations	5 years or less	30%	"AA" rating category or its equivalent or better
Public Bank Obligations	5 years	None	None

SAN JOAQUIN JOINT POWERS AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 2 – CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

Concentration of Credit

The Investment policy of the Authority contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. The Authority holds no investments in any one issuer (other than U.S. Treasury securities, mutual funds and external investment pools) that represent 5% or more of total Authority investments.

Investment in San Joaquin County Pool

The Authority maintains voluntary cash balances in the San Joaquin County Treasury Investment Pool. The pool is non-SEC registered and is invested in accordance with California State Government Code and the San Joaquin County Treasurer's Investment Policy. California State Government Code requires the formation of an Investment Oversight Committee, which is charged with overseeing activity in the pool for compliance to policy and code requirements. To this end, the Oversight Committee reviews the monthly investment report prior to presentation to the County Board of Supervisors and causes an audit of investments to occur annually. The fair value of the Authority's shares in the San Joaquin County Pool is the same as the value of the pool shares. The Authority had a total of \$74,055,450 invested in the San Joaquin County Investment Pool at June 30, 2025.

Fair Value Measurements

The Authority categorizes the fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Authority has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement. Unobservable inputs reflect the Authority's own assumptions about the inputs market participants would use in pricing the asset or liability (including assumptions about risk). Unobservable inputs are developed based on the best information available in the circumstances and may include the Authority's own data.

Deposits and withdrawals in governmental investment pools are made on the basis of \$1 and not fair value. Accordingly, the Fund's or Authority's proportionate share in these types of investments is an uncategorized input not defined as a Level 1, Level 2, or level 3 input.

**SAN JOAQUIN JOINT POWERS AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 3 – INTERGOVERNMENTAL RECEIVABLE

Intergovernmental receivable consists of reimbursements for Agency administration, marketing, minor capital improvement and Transit Intercity Rail Capital Improvement (TIRCP) projects.

NOTE 4 – CAPITAL ASSETS

In the current year the Authority capital asset activity for the Authority for the year ended June 30, 2025, were as follows:

	Balance June 30, 2024	Additions	Retirements/ Transfers	Balance June 30, 2025
Capital assets not being depreciated				
Land	\$ 576,234	\$ -	\$ -	\$ 576,234
Construction in progress	769,099	-	-	769,099
Total, capital assets not being depreciated	<u>\$ 1,345,333</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,345,333</u>

NOTE 5 – AMTRAK OPERATIONS PREPAID/AMOUNT DUE

Advance payments made to AMTRAK for operations of the San Joaquin’s corridor are based on the Interagency Agreement and executed payment schedule Appendix D and resulted in a prepaid asset for the year end June 30, 2025. The subsidy presented below was applied directly to billing statements as a monthly credit. The year-end balance due is derived from the following:

Beginning Operations Prepaid/(Amount Due)	\$ (2,085,976)
Actual Billing per AMTRAK (net of credits)	(58,745,279)
Contractual Advance Operations payments to AMTRAK	<u>46,960,023</u>
Ending Operations Prepaid/(Amount Due)	<u>\$ (13,871,232)</u>

NOTE 6 – DUE TO OTHER GOVERNMENTS

At June 30, 2025, unexpended administration funds paid in advance are due to the State of California Department of Transportation. Amounts are also due to the San Joaquin Regional Rail Commission (SJRR).

NOTE 7 – UNEARNED REVENUES

Unearned revenues in the financial statements represent receipts collected by the Authority for which sufficient services have not been provided to meet revenue recognition criteria, as well as interest earnings that have accrued on these funds. These items are also presented as unearned revenues on the Statement of Net Position.

**SAN JOAQUIN JOINT POWERS AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 7 – UNEARNED REVENUES (CONTINUED)

Unearned revenue at June 30, 2025, consists of the following:

California State Transportation Agency - State Rail Assistance	\$ 23,126,164
State of California MFTA Grants	15,771,416
SB-125 Madera	8,306,264
Wreck Repair Funds	375,003
California Parks Grant	53,959
Total Unearned Revenues	<u>\$ 47,632,806</u>

NOTE 8 – MANAGING AGENCY AND RELATED PARTY TRANSACTIONS

Effective October 4, 2013, the Authority entered into an Agreement with the San Joaquin Regional Rail Commission (SJRR) for Managing Agency Services in the Oversight of the San Joaquin Intercity Rail Service (Agreement). Per this Agreement, SJRR, as Managing Agency, is engaged to provide marketing and administrative support to the Board for the benefit of the Authority. The Managing Agency is reimbursed by the Authority for actual expenses incurred in excess of those amounts paid directly by the Authority. The Agreement has been extended to September 30, 2027. The Board may then select the current Managing Agency or another rail transit agency to provide marketing and administrative support to the Board.

NOTE 9 – STATE FUNDING FOR MARKETING AND ADMINISTRATIVE SERVICES

In accordance with the ITA, the Authority advance funding from the State for Administrative and Marketing purposes. For the fiscal year ended June 30, 2025, the State awarded the Authority Administrative and Marketing funds of \$7,975,542. Of this total amount, \$1,750,000, was designated for Marketing and \$6,225,542 was designated for Administration. Marketing funds of \$4,424,373 are available for carryover use on projects and campaigns identified in the approved business plan.

	Administration	Administration On-Call	Marketing
July 1, 2024 allocation	\$ 6,225,542	\$ -	\$ 1,750,000
Prior Year carryover/adjustments	(827,579)	-	1,118,994
Cost savings transfer	-	-	3,633,808
Fiscal year expenses	(5,397,963)	-	(2,078,429)
June 30, 2025 balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,424,373</u>

**SAN JOAQUIN JOINT POWERS AUTHORITY
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2025**

NOTE 10 – RISK MANAGEMENT

CalTRANS has named the Authority as named insured with respect to any policy of insurance purchased as required by the ITA and in any indemnity provision and any agreement between CalTRANS and Amtrak. In addition to the primary insurance coverage provided by Amtrak, CalTRANS will maintain in force the following additional insurance and name SJPA and its Managing Agency as named insured:

- a. General liability insurance coverage for property damage and bodily injury in the amount of \$10,000,000, with a deductible not to exceed \$100,000 per occurrence covering the services to be performed by SJPA.
- b. Excess liability insurance coverage for property damage and personal injury in excess of the insurance provided for in Section (a) above in the amount of \$140,000,000, generally covering the services to be provided by SJPA.

The Authority also carries Public Officials and Employment Practices Liability coverage, with a limit of \$1,000,000. There have been no claims payments related to these programs for the fiscal year ended June 30, 2025.

NOTE 11 – CONCENTRATIONS

The Authority receives substantially all of its funds for operating and capital purposes from the State. The Authority’s net revenues provided by the State were 99.9 percent in fiscal year 2025.

NOTE 12 – CHARGES FOR TRAIN OPERATIONS AND BUS FEEDER SERVICES

Funding sources for train operations and bus feeder services are summarized as follows:

Funding Source - California DOT - Division of Rail and Mass Transportation

San Joaquins Route - Operations	\$ 59,745,281
San Joaquins Route - Venture Car Maintenance	14,262,498
San Joaquins Route - Other Operations	3,194,285
San Joaquins Route - Station Leases	19,202
Totals	<u>\$ 77,221,266</u>

Operating expenses consist of costs associated with train operations and bus feeder services. Under the operating agreement between the Authority and AMTRAK, the Authority pays AMTRAK monthly based on projected expenses incurred to operate the San Joaquin Rail Service on a year-to-year basis. The contractual amount is based on AMTRAK’s anticipated costs of operating the San Joaquin service during the fiscal year, net of a projected amount of base passenger fares that will be collected. The reimbursement to AMTRAK by the Authority is based on a fixed amount as mutually agreed to by both parties and amounted to \$59,745,281 for 2024-25 which includes \$17,779,980 for the bus feeder services.

**SAN JOAQUIN JOINT POWERS AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

**NOTE 12 – CHARGES FOR TRAIN OPERATIONS AND BUS FEEDER SERVICES
(CONTINUED)**

As the Authority is in the process of implementing cost control measures and long-term service sustainability it entered into an agreement with the State of California for funding to contract for mechanical services on the newly accepted Venture Car fleet, which were introduced into service in January of 2024. This agreement with the San Joaquin Regional Rail Commission and Transit America Service, Inc. (TASI) and operating expenses for 2024-25 totaled \$13,992,014. Also included in direct train operations are various contracts for station leases, passenger related charges, insurance and other incurred costs.

NOTE 13 – CHARGES FOR MARKETING AND ADMINISTRATIVE SERVICES

On October 1, 2019, the Authority entered into an amended Interagency Transfer Agreement (ITA) with the State of California, Department of Transportation (CalTRANS). The ITA provided for the transfer of the responsibility for administration, managing and control of the operation of the San Joaquin Rail Service from CalTRANS to the Authority. On January 27, 2023. An amendment was executed to extend the expiration of the agreement to September 30, 2027. Marketing funds are available for carryover use on projects and campaigns identified in the approved business plan. Unused Administration funds at June 30, 2025 must be repaid to the State.

The charges for marketing and administrative services are summarized as follows:

Salaries and benefits	\$ 3,208,048
Advertising	2,078,429
Transportation and travel	44,732
Legal, legislative, accounting and grants	1,606,058
Dues and subscriptions	3,870
Publications and notices	1,125
Headquarters maintenance and utilities	267,115
Office expense and postage	15,765
Training and seminars	5,995
Insurance	203,309
Total Administration and Marketing	<u><u>\$ 7,434,446</u></u>

NOTE 14 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through February 12, 2026, the date these financial statements have been made available to be issued. There were no subsequent events identified by management which would require disclosure in the financial statements.

SAN JOAQUIN JOINT POWERS AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 15 – RECENT ACCOUNTING PRONOUNCEMENTS

Governmental Accounting Standards Board Statement No. 101

In June 2022 the GASB issued Statement No. 101, *Compensated Absences*: The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurements guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged. There was little impact on the current year financial statements due to the implementation of this standard.

Governmental Accounting Standards Board Statement No. 102

In December 2023 the GASB issued Statement No. 102, *Certain Risk Disclosure*: This Statement defines a concentration as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A constraint is a limitation imposed on a government by an external party or by a formal action of the government's highest level of decision-making authority. Concentrations and constraints may limit a government's ability to acquire resources or control spending.

This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. Earlier application is encouraged. There was little impact on the current year financial statements due to the implementation of this standard.

Governmental Accounting Standards Board Statement No. 103

In April 2024 the GASB issued Statement No. 103, *Financial Reporting Model Improvements*: The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged.

Governmental Accounting Standards Board Statement No. 104

In September 2024 the GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*: State and local governments are required to provide detailed information about capital assets in notes to financial statements. Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, requires certain information regarding capital assets to be presented by major class. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets.

SAN JOAQUIN JOINT POWERS AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 15 – RECENT ACCOUNTING PRONOUNCEMENTS (CONTINUED)

Governmental Accounting Standards Board Statement No. 104 (continued)

This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in the capital as-sets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-Based Information Technology Arrangements*, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class.

This Statement also requires additional disclosures for capital assets held for sale. A capital asset is a capital asset held for sale if (a) the government has decided to pursue the sale of the capital asset and (b) it is probable that the sale will be finalized within one year of the financial statement date. Governments should consider relevant factors to evaluate the likelihood of the capital asset being sold within the established time frame. This Statement requires that capital assets held for sale be evaluated each reporting period. Governments should disclose (1) the ending balance of capital assets held for sale, with separate disclosure for historical cost and accumulated depreciation by major class of asset, and (2) the carrying amount of debt for which the capital assets held for sale are pledged as collateral for each major class of asset.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged.

Governmental Accounting Standards Board Statement No. 105

In December 2025 the GASB issued Statement No. 105, *Subsequent Events*: The objective of this Statement is to improve the financial reporting requirements for the subsequent events, thereby enhancing consistency in their application and better meeting the information needs of the financial statement users. The requirements of this Statement are effective for fiscal years beginning after June 15, 2026, and all reporting periods thereafter. Earlier application is encouraged.

**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**

Independent Auditor's Report

Board of the Authority
San Joaquin Joint Powers Authority
Stockton, 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 (*Government Auditing Standards*), the financial statements of the San Joaquin Joint Powers Authority (Authority), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon date February 12, 2026.

Report on Internal Control over Financial Reporting

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

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 entity's 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 Authority's financial statements are free from material misstatement, we performed tests of its 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 Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Rogers, Anderson, Malody & Scott, LLP.

San Bernardino, California
February 12, 2026

San Joaquin Joint Powers Authority
Operating Expense Report
DECEMBER 2025
50% of Budget Year Elapsed

OPERATING EXPENSES	SJJPA FY 25/26 ALLOCATION	EXPENSE THRU DEC 2025	YTD PERCENT EXPENDED
Administrative Expenses			
Salaries/Benefits/Contract Help	4,620,670	1,694,115	37%
Office Expense	21,010	3,647	17%
Subscriptions/Periodicals/Memberships	13,800	1,073	8%
Office Equipment Lease	20,000	4,779	24%
Computer Systems	5,460	-	0%
Communications	4,200	1,011	24%
Motor Pool	20,953	8,598	41%
Transportation/Travel	42,800	13,950	33%
Training	9,917	1,238	12%
Audits Regulatory Reporting	47,580	16,125	34%
Professional Services Legislative	270,400	118,652	43%
Professional Services Legal	167,280	39,961	24%
Professional Services General	690,650	515,721	75%
Professional Services Grants	254,800	138,101	54%
Publications/Legal Notices	12,500	188	2%
Professional Services Operations	-	-	0%
Communications, Operations	15,105	7,630	51%
Maintenance of Headquarters Structures/Grounds	221,424	80,392	36%
Insurance	170,432	154,589	91%
Insurance Management Fees	10,000	13,500	135%
Security Services/Safety Program	121,066	42,227	35%
Administrative Expenses Subtotal	6,740,047	2,855,495	42%
Marketing Expense			
Marketing & Outreach	1,850,000	1,074,428	57%
Marketing Expenses Subtotal	1,850,000	1,074,428	57%
Contract Expense			
San Joaquin Intercity Rail Operations (All Contracts)	100,651,051	32,010,663	32%
Contract Expense Subtotal	100,651,051	32,010,663	32%
TOTAL OPERATING EXPENSES	109,241,098	35,940,586	33%

San Joaquin Joint Powers Authority Capital Expense Report December 2025

Item 4.11

	PROJECT PHASE					25/26 CAPITAL BUDGET	YTD EXPENSE THROUGH DECEMBER 2025	% OF PLANNED EXPENDITURES
	PA&ED	PS&E	ROW	CON	OTHER			
SAN JOAQUIN JOINT POWERS AUTHORITY MINOR PROGRAM (WORK PROGRAM TABLE 5)								
1	ASJ Station Signage Project (Phase 2 Production & Installation of Signage)	X			X	375,000	-	0%
2	Public Information Display System (PIDS)				X	2,595,793	-	0%
3	Mini-High Platform Improvements Project				X	1,311,816	-	0%
4	Facility & Station Improvements				X	200,000	2,095	1%
5	San Joaquin Valley Network Integration Study				X	225,000	-	0%
6	San Joaquins Minor Capital Program				X	500,000	2,504	1%
TOTAL SJJPA MINOR CAPITAL PROJECTS						\$ 5,207,609	\$ 4,599	0%
SAN JOAQUIN JOINT POWERS AUTHORITY MAJOR PROGRAM (WORK PROGRAM TABLE 7)								
1	BNSF CP Lake to CP Escalon				X	9,936,662	4,464,893	45%
2	Cabral Annex Building Expansion	X	X	X		3,380,580	197,898	6%
3	High-Speed Rail/Early Train Operator Coordination Support				X	750,000	215,716	29%
4	Madera Station Relocation				X	980,479	34,352	4%
5	Madera High Speed Rail Station Early Operating Segment Build	X	X			352,000	-	0%
6	Madera High Speed Rail Station Full Build	X				1,300,000	129,151	10%
7	Merced Integrated Track Connector (MITC) Environmental and Preliminary Engineering	X				3,115,000	464,620	15%
8	Oakley Station & Track Improvements				X	7,396,962	46,099	1%
9	San Joaquin St Layover & Access Improvements	X	X			405,000	-	0%
10	Stockton Wye				X	16,802,114	2,483,029	15%
11	Zero Emission Multiple Unit & Transition Project					1,240,000	-	0%
12	CalTrans Truck Overhaul Project					14,515,913	674,822	5%
13	Rail Maintenance Facility Expansion					5,036	154,227	3063%
14	Oakland Facility					3,851,773	125,200	3%
TOTAL SJJPA MAJOR CAPITAL PROGRAM						\$ 64,031,519	\$ 8,990,007	14%
TOTAL CAPITAL PROJECTS SJJPA						\$ 69,239,128	\$ 8,994,606	13%

PREPARED BY TAI GINSBERG &
ASSOCIATES, LLC



MONTHLY REPORT

LATEST LEGISLATIVE &
REGULATORY UPDATES

FEB
2026

Table of Contents

Executive Summary	1
Appropriations Update	2
Notable February Hearings & Markups	5
Surface Transportation Reauthorization	9
Legislative Updates	10
USDOT Updates	11
Union Pacific & Norfolk Southern Merger	15

EXECUTIVE SUMMARY

FEBRUARY PRIORITIES

On Tuesday, February 3, President Donald Trump signed a **\$1.2 trillion Fiscal Year 2026 (FY26) funding package** into law, just hours after the House approved the “minibus” appropriations bill by a **217-215** vote, with support from 21 Democrats, following Senate approval. The measure ended a brief, partial government shutdown that began early Saturday, January 31.

However, the package did not include funding for the Department of Homeland Security (DHS), as Senate Democrats have tied their support for FY26 DHS appropriations to reforms of Immigration and Customs Enforcement (ICE) following multiple fatal federal immigration enforcement shootings in Minneapolis earlier this year, which have prompted calls for greater use-of-force safeguards and accountability.

After negotiations with the White House did not yield an agreement on those reforms, a partial government shutdown began on February 13, affecting only DHS operations. Lawmakers from both parties continue to negotiate funding and policy terms.

Meanwhile, the Department of Transportation (USDOT) advanced several significant initiatives this month, including the rollout of the new Commercial Driver’s License (CDL) compliance audits, the announced departure of Federal Transit Administration (FTA) Administrator Marc Molinaro, and efforts to modernize the nation’s air traffic control system.

LOOKING FORWARD

Reaching an agreement on reforms to ICE to facilitate full government reopening remains a top congressional priority. Negotiations between Senate Democrats and the White House remain underway.

At the same time, policymakers are advancing several “must-pass” legislation, including the farm bill, the surface transportation reauthorization, and the Water Resources Development Act. The House Transportation & Infrastructure (T&I) Committee is planning a highway bill markup this spring, while the Senate Environment & Public Works (EPW) Committee is expected to release its surface transportation reauthorization text in April.

Members have also begun opening portals for FY27 appropriations requests. The TG&A team will continue to monitor key deadlines and provide timely updates.



Politico, 2/3/26

APPROPRIATIONS UPDATE

OVERVIEW

On February 3, President Trump signed into law a \$1.2 trillion FY26 appropriations package, ending the four-day partial government shutdown that began on January 31. The measure passed the House by a 217-215 vote following Senate approval. In the House, 21 Democrats voted in favor of the legislation, while 21 Republicans opposed it.

Read more on the following pages.



View the full
legislative text [here](#)



View the THUD joint
explanatory statement [here](#)

APPROPRIATIONS UPDATE

DEPARTMENT OF HOMELAND SECURITY FUNDING - PARTIAL GOVERNMENT SHUTDOWN

While the FY26 appropriations package funds most federal agencies through the end of the fiscal year, it provided DHS funding only through **February 13**. DHS oversees agencies such as the Transportation Security Administration (TSA) and the Federal Emergency Management Agency (FEMA).

Recent shootings involving federal immigration enforcement personnel in Minneapolis were cited by some senators as a factor in their decision to withhold immediate support for DHS funding. In the days before the February 13 funding deadline, negotiations between the Senate and the White House did not yield an agreement on a standalone DHS appropriations bill.



Punchbowl News, 2/16/26

On February 12, the Senate voted 52-47 on a motion to advance the House-passed DHS funding bill, falling short of the 60 votes required for debate. Senator John Fetterman (D-PA), who generally opposes government shutdowns, was the only Democrat to support the motion. Senate Majority Leader John Thune (R-SD) voted “no” for procedural reasons to allow for future reconsideration.

Senate Democrats subsequently blocked further action on the bill after rejecting a White House proposal they said did not address their concerns regarding immigration enforcement operations. Senate Democratic Leader Chuck Schumer (D-NY) stated that Senate Democrats would oppose another short-term DHS funding resolution beyond February 13.

Negotiations between the White House and Senate Democrats are ongoing. As of **February 16**, Senate Democrats submitted a counteroffer to the White House, which the administration is reviewing.

APPROPRIATIONS UPDATE

IMPACT OF PARTIAL GOVERNMENT SHUTDOWN

As a result, funding for key agencies such as TSA, FEMA, and the U.S. Coast Guard have lapsed. However, ICE and Customs and Border Protection continue operations without disruption due to previously enacted funding provided in the One Big Beautiful Bill Act.

According to DHS’s shutdown contingency plan, published in September 2025, approximately 95 percent of TSA employees are classified as exempt and will remain on duty during the shutdown. The remaining workforce, an estimated 2,933 employees, has been furloughed.

Air traffic controllers are not directly impacted during this period, as they are employees of the Federal Aviation Administration (FAA), which is funded through the USDOT. However, the DHS shutdown may still affect air travel across the nation.

On February 13, a coalition of industry groups - U.S. Travel, Airlines for America, and the American Hotel Association - warned that the DHS shutdown could affect air travel. In a [joint statement](#), the organizations noted that last fall’s funding lapse resulted in an estimated \$6 billion in economic impact and disrupted travel for more than six million passengers.



The New York Times, 2/22/26



Chip Somodevilla, 3/15/22

FY27 APPROPRIATIONS

With the FY26 funding package largely finalized, congressional attention is shifting toward the FY27 appropriations process. The House and Senate Appropriations Committees are expected to initiate the process in the coming weeks, including the opening of portals for Member requests and community project (earmark) submissions.

The President’s budget request for FY27 is not expected to be released until later this spring. The TGA team is monitoring developments and preparing for another active appropriations season as timelines and priorities take shape.

[↔](#) Read the joint industry statement here

NOTABLE FEBRUARY HEARINGS & MARKUPS

FEBRUARY 3 - SENATE COMMERCE COMMITTEE EXECUTIVE SESSION

The Committee voted on the following nominations:

- John DeLeeuw (TX) to be a Member of the National Transportation Safety Board (15-3);
- Daniel Edwards (NC) to be an Assistant Secretary of Transportation (21-7);
- Steven Haines (VA) to be an Assistant Secretary of Commerce (15-13);
- Robert Harvey (FL) to be a Federal Maritime Commissioner (15-13); and
- Ryan McCormack (VA) to be Under Secretary of Transportation for Policy (20-8).

Among those advanced, John DeLeeuw's nomination to the National Transportation Safety Board (NTSB) has drawn attention. This past fall, ten Democrats on the Committee, including Ranking Member Maria Cantwell (D-WA), urged Chair Ted Cruz (R-TX) to reconsider DeLeeuw's nomination following the removal of former NTSB Vice Chair Alvin Brown, a Biden appointee. DeLeeuw is slated to fill the seat formerly held by Brown, who continues to challenge his removal in federal court after serving only one of his five-year term.

FEBRUARY 4 - SENATE COMMERCE COMMITTEE HEARING // HIT THE ROAD, MAC: THE FUTURE OF SELF-DRIVING CARS

Witnesses:

- Mr. Lars Moravy, Vice President of Vehicle Engineering, Tesla
- Dr. Mauricio Peña, Chief Safety Officer, Waymo
- Mr. Jeff Farrah, Chief Executive Officer, Autonomous Vehicle Industry Association
- Mr. Bryant Walker Smith, Associate Professor of Law, University of South Carolina

In early February, the Senate Commerce Committee held a hearing on the future of autonomous vehicles (AVs). Senators highlighted the technology's potential to reduce crashes caused by distracted or impaired driving, while also expressing concerns about recent AV safety incidents.

Top executives from Waymo and Tesla testified, urging Congress to advance legislation aimed at accelerating deployment of self-driving vehicles on public roads. During the two-hour hearing, senators and witnesses addressed several topics, including robotaxi safety, legal liability, remote operation, and Chinese industry competition. While the hearing reflected bipartisan interest, senators did not indicate progress toward passing legislation related to AVs.

NOTABLE FEBRUARY HEARINGS & MARKUPS

FEBRUARY 10 - HOUSE ENERGY & COMMERCE COMMITTEE COMMERCE, MANUFACTURING, AND TRADE SUBCOMMITTEE EXECUTIVE SESSION

The Subcommittee advanced 12 motor vehicle safety bills to full committee consideration.

Among these was H.R. 7390, the SELF DRIVE Act, introduced by Representative Bob Latta (R-OH). The bill would establish a federal National Highway Traffic Safety Administration (NHTSA)-led federal framework for the safety and regulation of autonomous vehicle (AV) technology.

During committee debate, House Democrats raised concerns about changes from earlier bipartisan drafts, including gaps in data reporting, absence of first-responder guidance, proposed NHTSA budget cuts, and the timeline relative to the upcoming surface transportation reauthorization.

Representative Debbie Dingell (D-MI), who worked on the initial draft of the legislation with Chair Latta, withdrew her support for the bill. Republican members emphasized the importance of timely action and expressed willingness to collaborate on developing a national AV framework. The bill was advanced to the full committee via a 12-11 party line vote.

FEBRUARY 10 - HOUSE TRANSPORTATION & INFRASTRUCTURE COMMITTEE EXECUTIVE SESSION

The Committee voted and approved the following legislation via voice vote:

- Amendment in the Nature of a Substitute (ANS) to H.R. 7342, *Made in America Jobs Act of 2026*
- ANS to H.R. 7388, *Smart Space Act of 2026*
- H.R. 7376, *Local Water Protection Act*
- H. Con. Res. 73, Authorizing the use of the Capitol Grounds for the National Peace Officers' Memorial Service and the National Honor Guard and Pipe Band Exhibition

NOTABLE FEBRUARY HEARINGS & MARKUPS

FEBRUARY 11 - HOUSE SCIENCE COMMITTEE RESEARCH AND TECHNOLOGY SUBCOMMITTEE HEARING // ACCELERATING PROGRESS: U.S. SURFACE TRANSPORTATION RESEARCH

Witnesses:

- Ms. Diana Furchtgott-Roth, former Deputy Assistant Secretary for Research and Technology at USDOT
- Hon. Greg Winfree, Agency Director, Texas A&M Transportation Institute
- Dr. Henry Liu, Professor of Civil and Environmental Engineering, University of Michigan

The House Science Technology Subcommittee held a hearing on surface transportation reauthorization research. Key themes centered on potential foreign interference in the transportation sector, establishing a federal framework for AV safety testing and evaluation, and funding for the University Transportation Centers program.

FEBRUARY 12 - SENATE COMMERCE COMMITTEE HEARING // THE NTSB FINAL REPORT ON THE DCA MIDAIR COLLISION

The Senate Commerce Committee held a hearing with NTSB Chair Jennifer Homendy to review the NTSB's final report on the 2025 midair collision near Washington, D.C. Lawmakers focused heavily on Automatic Dependent Surveillance-Broadcast (ADS-B), a safety technology that enhances situational awareness for pilots and air traffic controllers.

The FAA currently mandates ADS-B Out in certain airspace, but does not require ADS-B In, which allows pilots to receive traffic and weather data in real time. Following the D.C. midair collision, the NTSB investigation recommended that the FAA require ADS-B In for aircraft already required to carry ADS-B Out.

In opening remarks, Chair Ted Cruz (R-TX) urged the House to pass his bipartisan S. 2503, the Rotorcraft Operations Transparency and Oversight Reform (ROTOR) Act. NTSB Chair Homendy countered the cost argument, noting that portable ADS-B In receivers can cost as little as \$400. She also highlighted that ADS-B In technology is already present in commercial aviation.

Furthermore, Chair Homendy raised concerns about persistent communication gaps between the FAA and the Pentagon, citing the sudden closure and reopening of airspace around El Paso, Texas, as a recent example.

NOTABLE FEBRUARY HEARINGS & MARKUPS

FEBRUARY 12 - SENATE COMMERCE COMMITTEE EXECUTIVE SESSION

The Committee approved Ranking Member Maria Cantwell's (D-WA) S. 3700, the *FAA SMS Compliance Review Act*, via voice vote.

The legislation would require external experts to review the FAA's Safety Management System (SMS) practices. It would also direct the FAA to establish an independent expert review panel to provide recommendations for a comprehensive, integrated, and effective FAA SMS to better predict, manage, and mitigate safety risks across the agency.

FEBRUARY 24 - HOUSE TRANSPORTATION & INFRASTRUCTURE COMMITTEE HEARING // PROPOSALS FOR A WATER RESOURCES DEVELOPMENT ACT OF 2026 – ADMINISTRATION PRIORITIES

Witness List:

- The Honorable Adam R. Telle, Assistant Secretary, United States Army (Civil Works)
- Lt. Gen. William H. "Butch" Graham, Jr., Chief of Engineers and Commanding General, United States Army Corps of Engineers

Hearing is forthcoming. TGA is monitoring for updates.

FEBRUARY 25 - SENATE ENVIRONMENT & PUBLIC WORKS COMMITTEE // HEARING TO EXAMINE THE WATER RESOURCES DEVELOPMENT ACT OF 2026 AND U.S. ARMY CORPS OF ENGINEERS PROJECTS, PROGRAMS, AND PRIORITIES

Witness List:

- The Honorable Adam R. Telle, Assistant Secretary, United States Army (Civil Works)
- Lt. Gen. William H. "Butch" Graham, Jr., Chief of Engineers and Commanding General, United States Army Corps of Engineers

Hearing is forthcoming. TGA is monitoring for updates.

SURFACE TRANSPORTATION REAUTHORIZATION

OVERVIEW

Republican leadership on the House and Senate committees of jurisdiction is expected to release a preliminary draft of the surface transportation reauthorization in the coming weeks. The draft is slated to omit several of the climate and clean energy provisions included in the previous \$1.2 trillion infrastructure legislation, instead prioritizing traditional transportation infrastructure. The House T&I Committee is planning a highway bill markup this spring, while the Senate EPW Committee is also aiming to release its text for surface transportation reauthorization in April.

Lawmakers are aiming to pass a bipartisan highway bill before the September expiration of the *Infrastructure Investment and Jobs Act (IIJA)*. Key policy challenges for committee leadership include permitting processes, EV programs, and biofuels.



USDOT Secretary Duffy; NYT, 1/28/26



Senate Commerce Committee Chair Ted Cruz and Ranking Member Maria Cantwell Roll Call 9/10/24

At the same time, Senate Commerce Committee Ranking Member Maria Cantwell (D-WA) indicated that a federal framework governing AVs is unlikely to be included in this year’s surface transportation reauthorization.

In addition, USDOT has drafted a legislative proposal that would prohibit state and local governments from using federal transit funds to provide free transportation to individuals not authorized to be in the United States. The proposal is intended to apply comprehensively to all programs administered by the FTA, including local bus networks, subways, light rail, and ferry systems.

LEGISLATIVE UPDATES

RAIL UPDATES

On February 3, lawmakers, mayors, and union members held a press event marking the third anniversary of the East Palestine, Ohio, train derailment and hazardous-materials release. The event pushed for the passage of rail safety legislation introduced exactly one year earlier. U.S. Representatives Chris Deluzio (D-PA), Mike Rulli (R-OH), and John Garamendi (D-CA), three of the original sponsors of the *Rail Safety Act of 2025*, were in attendance.

A previous version of the bill introduced in 2023, did not advance out of committee. The current version, H.R. 928, has not advanced since it was assigned to the House T&I Subcommittee on Railroads, Pipelines, and Hazardous Materials. Speakers at the anniversary event urged congressional consideration of the legislation, either as a standalone bill or as part of the upcoming surface transportation reauthorization process.



Office of Rep. Chris Deluzio, 2/3/26

AVIATION UPDATE

On February 4, Senate Commerce Committee Chair Cruz (R-TX) and Representative Bob Onder (R-MO) published an op-ed in RealClearPolicy calling for the swift House passage of the Rotorcraft Operations Transparency and Oversight Reform (ROTOR) Act, a bipartisan airspace safety reform bill prompted by last year’s fatal midair collision at Reagan National Airport.

A floor vote on the ROTOR Act has yet to materialize, despite previous commitments from House Speaker Mike Johnson (R-LA) to Chair Ted Cruz (R-TX). The hold-up appears to stem from substantive objections raised by House T&I Chair Sam Graves (R-MO), prompting continued negotiations between the Speaker and Chair Cruz to chart a viable path forward.

“The ROTOR Act rises above party lines and turns tragedy into action.”

– Senate Commerce Committee Chair Cruz (R-TX) and Representative Onder (R-MO)

[➡](#) Read the op-ed here

USDOT UPDATES

HIGHWAY

FEDERAL TRANSPORTATION ADMINISTRATION (FTA) ADMINISTRATOR DEPARTURE

Earlier this month, FTA Administrator Marc Molinaro announced that he would depart the Trump Administration on February 20, after serving six months in the role. Molinaro plans to run for an upstate New York Assembly district, citing a desire to refocus his public service efforts on local matters.

Additional details about his departure have not been released, and a successor at FTA has not yet been announced.



*FTA Administrator Molinaro;
NYT, 2/13/26*

BUY AMERICA PROVISION FOR EV CHARGERS

On February 11, Secretary Duffy announced a proposed USDOT rule requiring all federally funded EV chargers be fully U.S. made. The proposed change would raise the domestic manufacturing threshold from 55 percent to 100 percent. Secretary Duffy said the rule would advance U.S. manufacturing and improve national security.

However, a range of EV supporters and industry experts cautioned that the new rule may not be feasible under current supply chain conditions. Experts say that EV chargers rely on hundreds of components, many of which are sourced internationally. It is not yet clear how rigorous the 100-percent rule will be.



[View proposed change here](#)



[Submit public comments here](#)

USDOT UPDATES

ILLEGALLY ISSUED COMMERCIAL DRIVER'S LICENSES (CDL)

As part of USDOT's nationwide audit of state practices for issuing non-domiciled CDLs, USDOT found that the Illinois Department of Transportation issued nearly 20 percent of its CDLs inconsistently with federal standards. In response, USDOT has indicated it may withhold up to \$128 million in federal funding, if the state does not return to compliance, and warned that continued noncompliance could affect the state's CDL program certification.

On February 6, USDOT Secretary Sean Duffy announced that nearly 2,000 commercial drivers and vehicles were removed from service by the USDOT as part of Operation SafeDRIVE. The initiative was coordinated by the Federal Motor Carrier Safety Administration, alongside more than two dozen state departments of transportation. Under the operation, in mid-January, safety officials in 26 states and the nation's capital conducted 8,215 inspections. They placed 704 drivers and 1,231 vehicles out of service, and issued 56 arrests for various charges.

On February 11, Secretary Duffy issued a final rule that tightens the criteria for immigrants who seek to obtain non-domiciled commercial driving privileges. States will no longer be permitted to accept Employment Authorization Documents (EADs) as sufficient proof of eligibility. Applicants must now hold H-2A, H-2B and E-2 nonimmigrant status, provide an unexpired foreign passport, and submit specific Form I-94 documentation.

On February 18, Secretary Duffy announced that USDOT will require more than 550 commercial driving schools in the U.S. that train truckers and bus drivers to close after investigators found they employed unqualified instructors, failed to adequately test students and had other safety issues.

Unlike the previous USDOT action last fall to decertify up to 7,500 schools that included many defunct operations, this latest action is focused on active schools with significant shortcomings that inspectors identified as having significant shortcomings in 1,426 site visits completed in December.



USDOT UPDATES

AVIATION

GAO REPORT ON DRONES

On February 4, the Government Accountability Office released a critical report regarding FAA planning for drone integration into the National Airspace System (NAS).

The report urges the FAA to develop and begin implementing specific actions, including establishing clear federal and nonfederal roles and technical milestones, to ensure that drones can communicate with and detect and avoid other aircraft within an information-centric NAS. The USDOT concurred with this recommendation.



View and read the
full report here

AIR TRAFFIC CONTROL OVERHAUL

On February 11, FAA Administrator Bryan Bedford briefed senators on the Trump Administration's air traffic control overhaul. Democratic Senators Ben Ray Lujan (D-NM) and Tammy Duckworth (D-IL) said that Bedford acknowledged the need for better communication. House T&I Committee Republicans confirmed that Bedford held a similar briefing for Members of T&I and the House Appropriations Committee's transportation panel.

Following the briefing, senators demanded more information and a classified briefing on what led to the FAA airspace closure in El Paso, TX. Axios reported that the closure stemmed from a dispute between the FAA and the Pentagon on the safety of testing anti-drone technology. However, Secretary Duffy has stated that the shutdown happened to address a "cartel drone incursion."

NASA INVESTMENT IN ADVANCED AIR MOBILITY

NASA announced that it is investing \$750,000 in University of Texas at Arlington research aimed at one of the biggest hurdles facing advanced air mobility: improving the safety of next-generation aircraft during frequent landings and unexpected impacts.

The three-year grant from NASA's Minority University Research and Education Project program will support UTA researchers developing reusable, impact-resistant materials designed for emerging aircraft such as eVOTL vehicles and urban air taxis.

USDOT UPDATES

USDOT OFFICE OF INSPECTOR GENERAL INVESTIGATION IN AIR TRAFFIC CONTROLLER RETENTION

The USDOT's Office of Inspector General (OIG) will audit why the FAA continues to face challenges recruiting and retaining air traffic controllers. A recent OIG memo notes that, "While FAA plans to hire at least 8,900 new air traffic controllers by 2028, factors such as attrition, retirements, and program washouts are severely impacting the overall success of increasing the number of certified controllers."

Secretary Duffy has claimed a surge in recruitment efforts is addressing a longtime shortage of air traffic controllers. But the agency is struggling to meet its goals so the inspector general will launch an audit in upcoming weeks, according to the memo.

MERIT BASED PILOT HIRING

On February 13, Secretary Duffy announced that the FAA is issuing a new mandatory "Operations Specification" OpSpec requiring all commercial airlines to formally commit to merit-based hiring for pilots.

USDOT said that allegations persist of airlines hiring pilots based on race and sex. Under this new mandate, all U.S. carriers will be required to certify that this practice is terminated. Failure to do so will subject airlines to federal investigation.

RAIL

CONSOLIDATED RAIL INFRASTRUCTURE AND SAFETY IMPROVEMENTS (CRISI)

USDOT is planning to release the Consolidated Rail Infrastructure and Safety Improvements (CRISI) Program Notice of Funding Opportunity (NOFO) shortly. It will be a streamlined NOFO with a little over \$1 billion in funding available.

UNION PACIFIC AND NORFOLK SOUTHERN MERGER

OVERVIEW

Union Pacific (UP) and Norfolk Southern (NS) informed the Surface Transportation Board (STB) that they intend to file a revised merger application on April 30.

“ *[There is a] lack of serious and meaningful commitments to enhance competition and protect against service meltdowns.* ”

– Representative Dusty Johnson (R-SD)

CONGRESS

On February 6, House Republicans urged the STB to conduct a thorough review of the proposed merger of UP and NS - and to reject the deal if it does not meet the high standards set by the board's merger rules set in 2001.

Representative Dusty Johnson (R-SD), in a letter to STB Chairman Patrick Fuchs and STB members Michelle Schultz and Karen Hedlund, encouraged the regulator to “conduct a rigorous and comprehensive review of the proposed merger...to ensure it enhances competition and is clearly in the public interest.” The letter was co-signed by 46 other House Republicans.

The letter comes as shippers and other stakeholders voice their opposition to the merger, which would create the first coast-to-coast freight railroad operating more than 50,000 miles of track in 43 states.

LETTER BY STATE ATTORNEY GENERALS

Seven state attorneys general in Republican states are asking DOJ to scrutinize the proposed UP-NS merger. The group of state attorneys general led by Montana's AG Austin Knudsen claim that the east-west consolidation will stifle competition and increase costs for Americans.

The coalition's letter asks DOJ Acting Assistant Attorney General Omeed Assefi to review the proposed merger and provide additional analysis as the STB evaluates the transaction. The STB has the sole authority to approve or reject the \$85 billion deal, but the DOJ Antitrust Division weighs in on rail mergers in filings with the railroad regulator.

A preliminary review by the attorneys general found the companies have failed to adequately address the clear loss of horizontal competition, raising antitrust concerns. Along with Knudsen, the letter was signed by attorney generals from Iowa, Kansas, Mississippi, North Dakota, South Dakota, and Tennessee.

 [View the State AG's letter here](#)

 [View the Congressional letter here](#)



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SAN JOAQUIN JOINT POWERS AUTHORITY

Special Meeting of March 19, 2026

STAFF REPORT

Item 6

ACTION

Adopt a Resolution Approving the Draft 2026 San Joaquin Joint Powers Authority Annual Business Plan Update and Authorizing and Directing the Chief Executive Officer, or Designee, to Execute Any and All Documents Associated with the Master Fund Transfer Agreement Supplements for Operations, Administration, and Marketing Budgets for Fiscal Year 2026/2027

Background:

As part of its administrative responsibilities for the Gold Runner Intercity Passenger Rail Service, the San Joaquin Joint Powers Authority (Authority) must submit an Annual Business Plan by April 1st of each year in draft form to the Secretary of the California State Transportation Agency (CalSTA), and in final form by June 30th. The Annual Business Plan is reviewed and approved by the State and used to develop annual appropriation requests to the State Legislature. The primary purpose of the Annual Business Plan is to identify the Authority's planned activities and resources needed to administer the Gold Runner Intercity Passenger Rail Service for the next two State Fiscal Years (FY).

As specified in Assembly Bill (AB) 1779, the Annual Business Plan must include a report on the recent and historical performance of the corridor service; an overall operating plan, including proposed service enhancements to increase ridership and provide for increased traveler demands in the corridor for the upcoming year; short-term and long-term capital improvement programs; funding requirements for the upcoming fiscal year; and an action plan with specific performance goals and objectives. In addition, the Annual Business Plan must also document service improvements (rail and Thruway Bus) to provide the planned level of service, operating plans, and consideration of other service expansions and enhancements.

Staff provided a preview of the Draft 2026 Annual Business Plan Update at the Authority's January 23, 2026 board meeting. The Draft 2026 Annual Business Plan can be found at the end of this board agenda packet, and the final plan will be presented to the Board for approval at the May 2026 board meeting.

Key Updates of the Draft 2026 Annual Business Plan:

Below are summaries of key areas of continued focus and changes included in the Draft 2026 Annual Business Plan:

- **Operating Plan and Strategies** - The Annual Business Plan includes providing seven (7) daily round-trips, supported by a pulsed schedule designed to improve connectivity and manage freight rail conflicts. This level of service implements pre-pandemic daily round-trips and represents the first full fiscal year the Gold Runner will operate equivalent to pre-2020 service. Improving on-time performance remains a top priority, and the Authority will continue close coordination with Amtrak, host railroads, and state partners through structured performance reviews, capital coordination meetings, and schedule refinements.

The Gold Runner Thruway Bus Program remains a core component of the service, extending connectivity to major destinations, rural regions, and transit hubs throughout

California. In FY 2026/27, the Authority will continue to optimize the Thruway network through targeted route adjustments, expanded bus-only ticketing, partnership development, and performance-based evaluations, ensuring the program supports both ridership growth and cost effectiveness.

- **Passenger Experience and Marketing** - Enhancing the passenger experience is another focus for the coming year. Planned initiatives include improved passenger information systems, upgraded Wi-Fi, expanded food and beverage options, and phase one introduction of Comfort Class. These efforts are intended to improve customer satisfaction, attract new riders, and support incremental revenue growth while maintaining affordability.

Marketing, public relations, and community engagement continue to play an essential role in supporting ridership recovery, service awareness, and stakeholder trust. The Authority will maintain a strong presence throughout the Gold Runner corridor, engage proactively with elected officials and community partners, and leverage data-driven marketing strategies to support both near-term ridership goals and long-term service expansion.

- **Capital Program** - The Authority and its managing agency, the San Joaquin Regional Rail Commission (Rail Commission), are delivering a robust program of capital projects to enhance and expand the Gold Runner Service. A central focus of FY 2026/27 is advancing service reliability and infrastructure delivery. Through a phased approach to the Valley Rail Program, the Authority is prioritizing near-term projects that improve operational flexibility, expand service, and support future growth. Major capital efforts—including Oakley Station, Madera Station Relocation, CP Lake-to-CP West Escalon Track Improvement, San Joaquin Street Layover planning, and platform accessibility improvements—are designed to improve on-time performance, enhance safety, and create the foundation needed for additional service frequencies in future years.
- **Equipment and Maintenance** - The Authority has assumed an expanded role in statewide rail fleet management. The transition of Northern California intercity rolling stock maintenance responsibilities marks a significant shift for the agency, requiring a prioritization to return equipment to a state of good repair, expand fleet availability, and control costs through efficiencies. Through coordinated lifecycle preventive maintenance, fleet overhaul planning, and Venture car deployment, the Authority is working with Caltrans and partner Joint Powers Authorities to stabilize the fleet, improve reliability, and support future service expansion across all state-supported corridors.
- **Station Area Development and Connectivity** – The Annual Business Plan reflects the Authority’s continued efforts to focus on advancing targeted station area development planning, improving first- and last- mile connections, and coordination with local, regional, and state partners. This work includes alignment with the California High-Speed Rail Authority’s Merced–Bakersfield Early Operating Segment. Ongoing coordination related to service planning, infrastructure, ticketing, and operations will position Gold Runner as a critical feeder network for high-speed rail and ensure a seamless transition to a more integrated statewide passenger rail system.
- **Uniform Performance Standards** - The Authority continues to work in partnership with Caltrans to apply the State’s Uniform Performance Standards (UPS) framework in a manner that advances transparency and accountability. While the service continues to face structural challenges in meeting the UPS related to corridor length (365 miles), freight

rail congestion, and market diversity, the Authority remains committed to delivering an affordable, accessible, reliable service that balances equity, performance, and fiscal responsibility.

This Annual Business Plan reflects an effort to balance by pairing realistic performance expectations with targeted strategies to improve outcomes over time. To better account for corridor characteristics, demographics, and service commitments, the Annual Business Plan metrics include Individual Performance Adjustments (IPA). These adjustments augment the UPS and allow for a more focused assessment of performance while still driving accountability and continuous improvement.

- **Annual Funding Requirement** - The Annual Business Plan includes an Operating Budget request of \$47,452,929 for Amtrak Operations, \$41,045,000 for direct operations for maintenance of equipment used in intercity service, and \$12,542,899 for other direct activities outlined in the Annual Funding Requirement section. This represents a nominal increase of approximately \$2.7M (under 3%) from the prior year's request due primarily to maintenance costs associated with an increase in the size of the State-controlled fleet. The request for Administration, Marketing, Minor Capital, and Service and Program Initiatives total \$12,013,403. Administrative, Marketing, and Minor Capital Budgets are unchanged from the prior year's request.

A public review draft of the 2026 Annual Business Plan was released on March 6, 2026, to receive input from the Board, public, State, and local agencies. Since that time, the Authority received comments on the Draft Annual Business Plan presentation from the San Joaquin Valley Rail Committee (SJVRC) members. The SJVRC, a citizen-based committee, recently held an informational meeting on February 20, 2026 (the committee did not have a quorum), in the Board Room of the Cabral Station, 949 E. Channel Street, Stockton, CA. Committee Members attended the meeting in person and via videoconference and provided comments to the draft business plan. The draft SJVRC meeting minutes can be found attached to this staff report. Three (3) e-mail comments have been received from members of the public or public agencies prior to publication of this staff report. Staff will provide updates at the March 19 board meeting for any additional and specific input received from comments on the draft Annual Business Plan.

Fiscal Impact:

Approval of the Draft 2026 San Joaquin Joint Powers Authority Annual Business Plan is required for the Authority to continue managing the Gold Runner service and receiving funding from the State for the administration, marketing, and operations for the Gold Runner service.

Recommendation:

Adopt a Resolution Approving the Draft 2026 San Joaquin Joint Powers Authority Annual Business Plan Update and Authorizing and Directing the Chief Executive Officer, or Designee, to Execute Any and All Documents Associated with the Master Fund Transfer Agreement Supplements for Operations, Administration, and Marketing Budgets for Fiscal Year 2026/2027.

SJJPA RESOLUTION 25/26 –

RESOLUTION APPROVING THE DRAFT 2026 SAN JOAQUIN JOINT POWERS AUTHORITY ANNUAL BUSINESS PLAN UPDATE AND AUTHORIZING AND DIRECTING THE CHIEF EXECUTIVE OFFICER, OR DESIGNEE, TO EXECUTE ANY AND ALL DOCUMENTS ASSOCIATED WITH THE MASTER FUND TRANSFER AGREEMENT SUPPLEMENTS FOR OPERATIONS, ADMINISTRATION, AND MARKETING BUDGETS FOR FISCAL YEAR 2026/2027

WHEREAS, as part of its administrative responsibilities of the Gold Runner Intercity Passenger Rail Service, the San Joaquin Joint Powers Authority (Authority) must submit an Annual Business Plan by April 1st of each year in draft form to the Secretary of the California State Transportation Agency (CalSTA), and in final form by June 30th; and

WHEREAS, the primary purpose of the Annual Business Plan is to identify the Authority's planned activities and resources needed to administer the Gold Runner Intercity Passenger Rail Service for the next two State Fiscal Years (FY); and

WHEREAS, as specified in Assembly Bill (AB) 1779, the Annual Business Plan must include a report on the recent and historical performance of the corridor service; an overall operating plan, including proposed service enhancements to increase ridership and provide for increased traveler demands in the corridor for the upcoming year; short-term and long-term capital improvement programs; funding requirements for the upcoming fiscal year; and an action plan with specific performance goals and objectives; and

WHEREAS, below are key areas of continued focus and changes included in the Draft 2026 Annual Business Plan:

- Operating Plan and Strategies;
- Passenger Experience and Marketing;
- Capital Program;
- Equipment and Maintenance;
- Station Area Development and Connectivity;
- Uniform Performance Standards;
- Annual Funding Requirement; and

WHEREAS, a public review draft of the 2026 Annual Business Plan was released on March 6, 2026, to receive input from the Board, public, State, and local agencies; and

WHEREAS, since that time, the Authority reviewed comments submitted on the Draft Annual Business Plan from the San Joaquin Valley Rail Committee (SJVRC) members; and

WHEREAS, three (3) e-mail comments have been received from members of the public or public agencies prior to publication of this staff report; and

WHEREAS, staff will provide updates at the March 19 board meeting for any additional and specific input received from comments on the draft Annual Business Plan.

NOW, THEREFORE, BE IT RESOLVED that the Governing Board of Directors of the San Joaquin Joint Powers Authority Hereby Approves the Draft 2026 San Joaquin Joint Powers Authority Annual Business Plan Update and Authorizing and Directing the Chief Executive Officer, or Designee, to Execute Any and All Documents Associated with the Master Fund Transfer Agreement Supplements for Operations, Administration, and Marketing Budgets for Fiscal Year 2026/2027.

PASSED AND ADOPTED, by the San Joaquin Joint Powers Authority, this 19th day of March 2026, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

SAN JOAQUIN JOINT POWERS
AUTHORITY

CHRIS ORLANDO, Secretary

DOUG VERBOON, Chair

SAN JOAQUIN VALLEY RAIL COMMITTEE

Meeting of August 14, 2026

Item X.1

ACTION

Minutes of San Joaquin Valley Rail Committee February 20, 2026 Meeting

The meeting of the San Joaquin Valley Rail Committee (SJVRC) was held at 12:00 pm on February 20, 2026, in the Board Room of the Cabral Station, 949 E. Channel Street, Stockton, CA. Committee Members attended this meeting in person and via videoconference.

1. Call to Order, Pledge of Allegiance

Chair Claes

Chair Claes called the meeting to order at 12:07 pm and led the audience in the Pledge of Allegiance.

2. Safety Briefing

Nathan Alastra, Operations Superintendent, provided a safety briefing.

3. Roll Call

Committee Members Present: Bailey, Enriquez (remote), DaSilva (remote), Valadez, Cohn (remote), Vielma, Leamon (remote), Whitlach (remote), Lynn (remote), Daly (remote), Webb (remote), Vice-Chair Strawn (remote), Chair Claes

Committee Members Absent: Sbrante, Rover, Hall, Hightower, Palmer, Fung, Roedner, Holshler, Stammer, Andoh

A quorum of the SJVRC was not met. The committee members received items as information only.

4. Public Comment

There were no public comments.

5. Consent Calendar

5.1 Approve 2026 and 2027 San Joaquin Valley Rail Committee Meeting Calendars

ACTION

There were no public comments on this item.

6. Update on the Draft 2026 San Joaquin Joint Powers Authority Annual Business Plan

INFORMATION

Momo Tamaoki (Deputy Director of Planning, Grants, and Programming), Marques Cook (Interim Senior Marketing Manager), Angela Miller (Fiscal Compliance and Capital Budget Officer), and Dan Leavitt (Manager of Regional Initiatives) gave a presentation on this item.

Committee Member Vielma commended staff for the passenger appreciation events and suggested highlighting connecting services from the San Francisco area to the Central Valley.

7. Update on Gold Runner Operations, Ridership, and Business Class Study **INFORMATION**

Marissa Cabusas (Onboard Experience Manager), Mr. Cook, and Mr. Alastra gave a presentation on this item.

Committee Member Daly asked for clarification on the ridership levels in the Bay Area.

Mr. Cook explained ridership levels on the Gold Runner service are lower per capita due to the other transit options available in the Bay Area.

Committee Member Lynn thanked staff for the Business Class presentation and asked how customer research and surveys were distributed and collected.

Mr. Cook explained surveys are distributed on board every other year and collected at the end of each passenger's trip.

Committee Member Bailey asked how staff intended to increase survey scores for the Food and Beverage services.

Ms. Cabusas stated there are several timelines being implemented for updates to the Food and Beverage service. Mr. Cook stated updates such as a vending machine phase will be presented to the San Joaquin Joint Powers Authority board for approval with the hope for testing in the upcoming fiscal year.

Chair Claes asked if there was any plan to use the Amtrak member app point system to upgrade tickets to Business Class tickets.

Mr. Cook shared ticketing is currently done through Amtrak and stated staff hopes to have more information on ticket changes in the coming months.

There were no public comments.

8. Committee Member Comments

Committee Member Cohn stated an initiative with the City of Sacramento will be filed in favor of a half-cent sales tax measure for transportation and transit services.

Committee Member Vielma thanked staff for their efforts and shared her experience utilizing public transportation. Member Vielma looks forward to seeing shuttle services expand and was pleased to hear about the Business Class updates.

9. Adjournment

Chair Claes adjourned the meeting at 1:54 pm.

The next regular meeting is scheduled for August 14, 2026 at 12:00 pm.

DRAFT

SAN JOAQUIN JOINT POWERS AUTHORITY
Special Meeting of March 19, 2026

STAFF REPORT

Item 7

INFORMATION

Valley Rail Program Implementation Update

Valley Rail Background:

The Valley Rail Program (Valley Rail) is a joint effort between the San Joaquin Regional Rail Commission (Rail Commission) and the San Joaquin Joint Powers Authority (Authority). Valley Rail consists of projects that are meant to improve and expand both ACE and Gold Runner services. It encompasses a variety of infrastructure upgrades and development projects, such as trackwork and new stations; and capital asset components, including rolling stock for ACE. The Valley Rail infrastructure projects and planned service levels require the approval and concurrence of the host railroads, Union Pacific Railroad (Union Pacific) and BNSF Railway (BNSF). Funding for Valley Rail is largely provided by the 2018 Transit and Intercity Rail Capital Program (TIRCP) award, which was added to the ACE expansion funding from SB 132 (2017).

Since the initial funding awards, Valley Rail has received a variety of grant awards and financial assistance from local, regional, state, and federal sources. Over the life of Valley Rail, the progress has varied across its components, due to changes in host railroad requirements, the COVID-19 pandemic, construction cost increases, and unforeseen conditions at several project sites, including but not limited to utility relocations.

Valley Rail Progress:

Despite challenges, the Rail Commission and Authority have made significant progress to date to advance key Valley Rail Program elements summarized below:

- **ACE Rolling Stock:** To accommodate longer trains to increase seating capacity for existing ACE service and to provide rolling stock for expanded ACE service, the Rail Commission purchased 21 bi-level cars from Alstom, bringing the ACE fleet to 51 vehicles. The cars were received and accepted over the course of Fiscal Year (FY) 23/24 FY23/24 and FY25/26 and are now in revenue service.
- **Two (2) New Gold Runner Stations:** To improve existing service for communities currently in the Gold Runner corridor, the Rail Commission and Authority have made significant progress on a new Oakley Station that will provide improved connectivity to eastern Contra Costa County. The Oakley Station is expected to be open for service by late summer 2027. Additionally, design is nearly completed for the relocation of the current Gold Runner Madera Station.
- **Trackwork to Support Gold Runner Service Expansion:** In partnership with BSNF, the CP Lake to CP West Escalon Track Improvement Project, which is required for the 8th Gold Runner round-trip, is currently under construction and set to be completed August 2026.

Valley Rail Expansion Focus and Progress: Next Steps

Achieving the service expansion goals for ACE and Gold Runner as envisioned in the Valley Rail Program requires an ambitious program of projects including 14 new stations, two (2) new

rail facilities, significant track and signal improvements, and 119 miles of new track and rail sidings. Collectively, this infrastructure will provide inter-regional connectivity and a more expansive service plan over a much larger geography for ACE and Gold Runner. Many of the projects in the expansion have been progressing through final design.

At its most recent meetings, the Station/Facilities Development Committee (Committee) received updates from staff regarding the status of the program, a range of challenges associated with implementing the Valley Rail Program, and a recommended path forward. Based on this input, the Committee has recommended focusing implementation efforts on an initial expansion segment. This focus is intended to maximize the available funding and more expeditiously advance expanded rail service and the regional connectivity envisioned through the Program.

At the October 3, 2025, Committee meeting, staff presented the following challenges associated with the Valley Rail Program that necessitates an updated program delivery strategy:

- Longer and Difficult Approvals Required in Cities for Additional Track
- Continuing Construction Environment Cost Increases
- Return on Investment Considerations
- Overall Program Funding Source Availability
- Impacts of Simultaneous Project Delivery
- Cash Flow Challenges

The Committee directed staff to develop strategies to address these challenges, including engaging Union Pacific and exploring alternative approaches to program delivery.

At the January 8, 2026, Committee meeting, staff presented a revised recommendation based on negotiations with Union Pacific. Considering the current capital improvement requirements of the host railroad, current funding levels, and project cost estimates; staff recommended focusing implementation efforts on an initial phase of the Valley Rail Program in one segment – either Valley Rail North or Valley Rail South.

Continuing to pursue simultaneous construction delivery in both segments would dilute available funding, delay the implementation of planned service expansions, expose the Valley Rail Program to cost increases due to longer construction timelines, and, potentially, leave the Commission and the Authority with non-revenue-producing assets that would require significant operational funding to support.

The recommended approach focused available resources on initial construction delivery projects within one segment of the corridor with the objective of completing the construction of those projects required to initiate new rail service. Projects in the other segment would continue to be advanced and be prioritized within the Rail Commission and Authority's grant funding strategy.

Benefits of a Phased Approach:

Focus

- Capital delivery will be focused on a defined set of near-term construction projects.
- Ability to shift certain resources will allow projects in the first phase to be fully funded.
- Upcoming grant opportunities will have clear direction for the segment in the secondary phase.
- Union Pacific will be able to focus its reviews on moving one segment to final design

completion.

Progress

- The ability to show progress by moving the Program from initial project construction to the start of new revenue train service will provide confidence in current and future investments from stakeholders, community members, and funders.
- Moving into construction in a defined segment will help mitigate continued cost increases, which pose a significant risk to overall Program implementation.
- Minimizing the financial and project delivery risk of achieving revenue service on a segment of Valley Rail within the earliest possible timeframe.

The following summarizes the initial project delivery options considered by the Committee. The options match available funding with projects within Valley Rail North and Valley Rail South segments, respectively, as well as the associated service delivery objectives.

Valley Rail North:

Implementing Valley Rail North as the initial phase would focus on early revenue service expansion in the Sacramento–San Joaquin Valley corridor, where multiple capital projects are already advancing through design and environmental review. This option would add a new service with benefits for both Gold Runner and ACE riders, serving a greater number of stations and new transportation markets. Valley Rail North is expected to generate the highest ridership potential of the two options, with a significant share of trips coming from new riders, which would benefit from improved connectivity to future regional and statewide rail investments, including high-speed rail.

While this option requires a larger overall capital investment and includes several infrastructure elements—such as siding construction, station development (Natomas, Midtown, and Elk Grove), track and signal improvements, and a layover facility—staff has determined that these projects are generally further along and better positioned for near-term delivery within current funding constraints.

Valley Rail South:

Implementing Valley Rail South as the initial phase would prioritize extending commuter rail service southward from Lathrop into Stanislaus County. This option would introduce a new ACE round-trip between Modesto and San Jose and respond to local interest in expanding commuter rail access in Stanislaus County. Valley Rail South would require fewer service expansions and a smaller overall capital investment than the northern option. However, the Valley Rail South capital infrastructure projects are more complex than the Valley Rail North projects, and the design for Valley Rail South projects has been progressing slowly, which creates greater risks for construction delays. Several of the Valley Rail South infrastructure elements remain in earlier stages of development.

Valley Rail South would generate lower overall ridership, with a greater portion of demand coming from markets already served by existing ACE service and would not directly advance the Sacramento–San Joaquin Valley travel market that was central to the original Valley Rail funding award. In addition, Valley Rail South would add one ACE commuter round-trip, but would not improve Gold Runner intercity service.

Committee Recommendation:

The Committee unanimously directed staff to recommend moving forward with Valley Rail North for initial implementation, while continuing project development and pursuing additional grant opportunities for Valley Rail South. The recommendation was based upon the gathered and analyzed information and data regarding ridership projections, service connectivity, required capital improvements, project delivery progress and complexity, project costs, current grant funding, and future funding opportunities.

Staff concurs with the Committee's recommendation based on the following principles:

- **Return on Investment:** Valley Rail North service plan is forecasted to generate significantly higher ridership.
- **Readiness for Construction:** Valley Rail North is more advanced in final design to break ground in construction quickly. Midtown and Del Paso Siding will be ready to break ground in Summer 2026.
- **Better Utility:** The investments in the North will yield three (3) stations (Natomas, Midtown, and Elk Grove) that will initially serve both ACE and Gold Runner service. The corridor capacity can be coordinated with current Gold Runner service to increase utilization and develop a stronger market opportunity. Valley Rail North has a defined layover, which will provide better stability for the operating plan.
- **Funder Support:** At this time, the State, which is the primary Valley Rail funder, prefers Valley Rail North, due to its utility for California High Speed Rail connections for the Gold Runner.

At the March 5, 2026, Rail Commission meeting, the Rail Commission adopted the recommendation of the Committee. With the concentrated focus, staff will work with the State, the host railroads, and the Valley Rail Program's many stakeholders to continue to deliver the foundational infrastructure and service components of the Program, while actively working to advance the Program's long-term vision.

Fiscal Impact:

There is no fiscal impact at this time. Subsequent items will address fiscal impacts to specific grant agreements and the Rail Commission Work Program and Budget adjustment.

Recommendation:

This is an information item only. There is no action required.

SAN JOAQUIN JOINT POWERS AUTHORITY

Special Meeting of March 19, 2026

STAFF REPORT

Item 8

INFORMATION

Comfort Class Presentation

Background:

The San Joaquin Joint Powers Authority (Authority) initiated a study to evaluate the feasibility of introducing a Business Class ticket offering on the Gold Runner service. The purpose of this effort is to assess how a differentiated service tier could enhance the passenger experience, attract new riders, and support long-term financial sustainability for the service.

Across North America, every Amtrak state-supported intercity rail corridor, stretching 251 – 650 miles, currently offers a Business Class product, besides the Gold Runner. Introducing a similar offering on the Gold Runner would align the service with industry practices while positioning the service to meet evolving passenger expectations.

Additionally, the introduction of Business Class could help position the Gold Runner service for future integration with California's High-Speed Rail network, which is expected to raise passenger expectations for comfort, service, and travel experience.

Market Demand:

Research conducted through onboard and online passenger surveys indicated a strong interest in a Business Class offering. Approximately 50% of current riders expressed interest in a Business Class service, while approximately 12% indicated they would ride more frequently if such a product were available.

Passenger feedback suggests that enhanced comfort, improved seating, and upgraded food and beverage options are among the amenities that would most encourage increased ridership.

Gold Runner ridership has been steadily rebounding following pandemic-era declines. A Business Class product may help accelerate ridership recovery and attract new riders to the service.

Strategic Rationale:

The Business Class concept is intended to support several key objectives:

- Enhance the passenger experience through improved comfort and service
- Increase ridership and revenue potential
- Align the Gold Runner with industry benchmarks across state-supported rail corridors
- Prepare the service for integration with California's future high-speed rail system

Comfort Class Service Concept:

The proposed Comfort Class experience would be structured around three key pillars:

- Differentiated comfort and space through upgraded seating and environment
- Seamless connectivity and productivity, allowing passengers to work and relax during their trip

- Enhanced onboard service that provides a more welcoming and attentive passenger experience

Phased Implementation Strategy:

The study proposes a phased approach to introducing Business Class, beginning with a core “Comfort”- focused product, and evolving as service enhancements are implemented.

Phase 1 – Comfort Class (0-1 years)

Initial service improvements designed to quickly introduce an elevated experience, such as:

- Dedicated Comfort Class seating area or car
- Enhanced food and beverage offerings
- Visual branding elements and service differentiation

Phase 2 – Comfort Plus (1-3 years)

Additional improvements focused on comfort and branding, which may include:

- Improved seat comfort
- Refined interior finishes and layout adjustments
- Expanded amenities

Phase 3 – Premium Concept “Business Class” (3+ years)

Longer-term improvements associated with equipment upgrades and new vehicle procurement, potentially including:

- New seating configurations
- Smart cabin technology
- Distinctive Business Class interior design

Next Steps:

Staff will continue advancing the Comfort Class concept and will return to the Authority with additional information as the study progresses. Near-term next steps include:

- Continued stakeholder engagement
- Refinement of service design and amenity offerings
- Evaluation of operational considerations, costs, and revenue potential
- Development of an implementation strategy and timeline

Fiscal Impact:

There is no fiscal impact associated with this item. Funding for the Business Class study is included in the FY25/26 Annual Business Plan (ABP), and the FY26/27 ABP includes a request for funding for Phase 1 of Comfort Class.

Recommendation

This is an information item only. There is no action required.

SAN JOAQUIN JOINT POWERS AUTHORITY

Special Meeting of March 19, 2026

STAFF REPORT

Item 9

INFORMATION

Gold Runner Operations and Performance Update

Gold Runner Ridership and Revenue:

The Gold Runner service experienced relatively stable ridership performance for the second quarter (October–December) of Fiscal Year (FY) 2025/26 compared to the same period in 2024, while revenue demonstrated strong year-over-year growth. Total ridership declined marginally by 0.21%, from 241,677 passengers in 2024 to 241,167 in 2025. Monthly performance was mixed, with October remaining essentially flat (-0.14%), November increasing by 1.72%, and December declining by 2.15%.

In contrast, revenue increased significantly over the same period, resulting in part by a fare increase that went into effect in October, rising 7.37% from \$8.70 million in 2024 to \$9.34 million in 2025. October revenue grew by 10.33%, followed by a substantial 16.48% increase in November, while December experienced a modest 3.25% decline. Overall, despite largely flat ridership, revenue growth outpaced passenger volume, indicating improved yield per rider and stronger overall fare performance during the quarter.

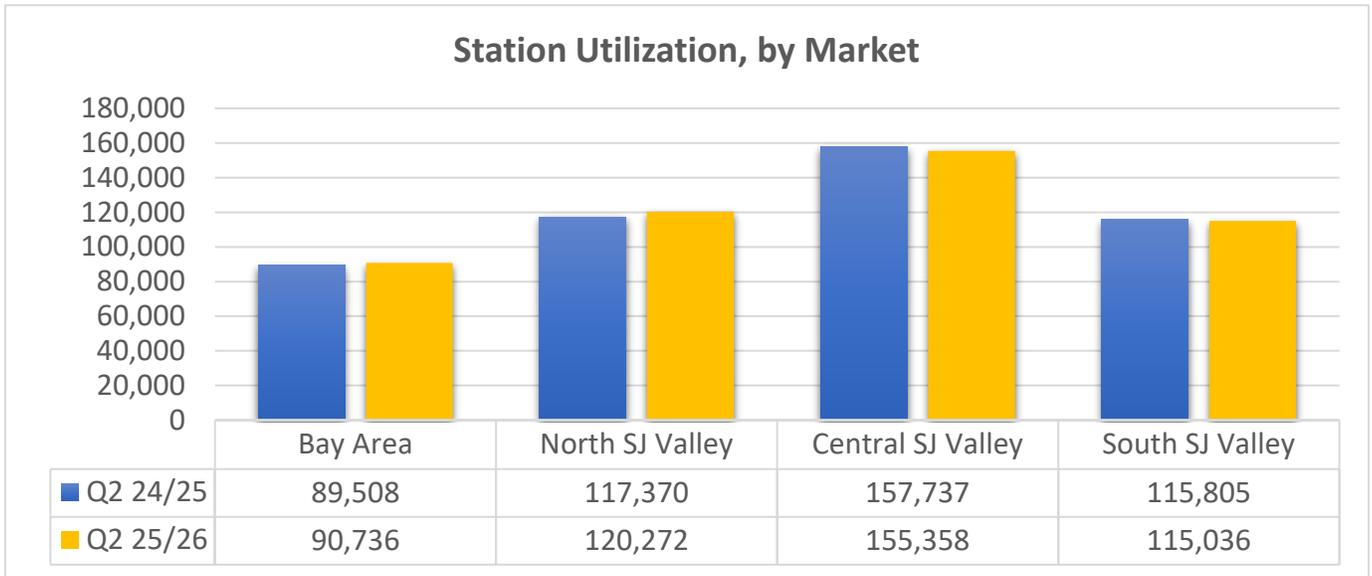
The table below provides an overview of the month-over-month and year-over-year performance between 2024 and 2025.

Gold Runner Ridership and Revenue

(Oct– Dec) 2024 vs 2025

Month	Ridership			Revenue		
	2024	2025	% Change	2024	2025	% Change
Oct	75,466	75,360	-0.14%	\$2,461,961	\$2,716,177	10.33%
Nov	81,899	83,304	1.72%	\$2,990,092	\$3,482,872	16.48%
Dec	84,312	82,503	-2.15%	\$3,250,431	\$3,144,743	-3.25%
Total	241,677	241,167	-0.21%	\$8,702,483	\$9,343,792	7.37%

From a market perspective, the Bay Area experienced modest growth during the second quarter, increasing from 89,508 trips in Q2 24/25 to 90,736 in Q2 25/26. The North San Joaquin Valley also recorded a notable increase, rising from 117,370 to 120,272 trips. Conversely, the Central San Joaquin Valley saw a slight decline, decreasing from 157,737 to 155,358 trips, while the South San Joaquin Valley remained relatively stable with a minor decrease from 115,805 to 115,036. Overall, growth in the Bay Area and North San Joaquin Valley helped offset small declines in the Central and South San Joaquin Valley markets during the quarter.



The current ridership and revenue for Q2 25/26 are approximately 86% and 98%, respectively, of their pre-pandemic levels, signaling a strong recovery despite not having the 7th round-trip train between Bakersfield and Sacramento for the full period. Establishing and expanding destination partnerships with a market-specific focus has been the strategic approach to address declining ridership, such as engaging with Castle Air Museum for the Central San Joaquin Valley performance. More partnerships and promotional offers are being implemented to help generate an increase in incremental ridership and revenue.

Marketing Activities:

During the Q2 campaign period from October through December 2025, the San Joaquin Joint Powers Authority’s (Authority’s) marketing efforts generated over 9.7 million impressions and 62,139 clicks across a diversified mix of channels, including social media, Google search, streaming platforms, and other digital placements.

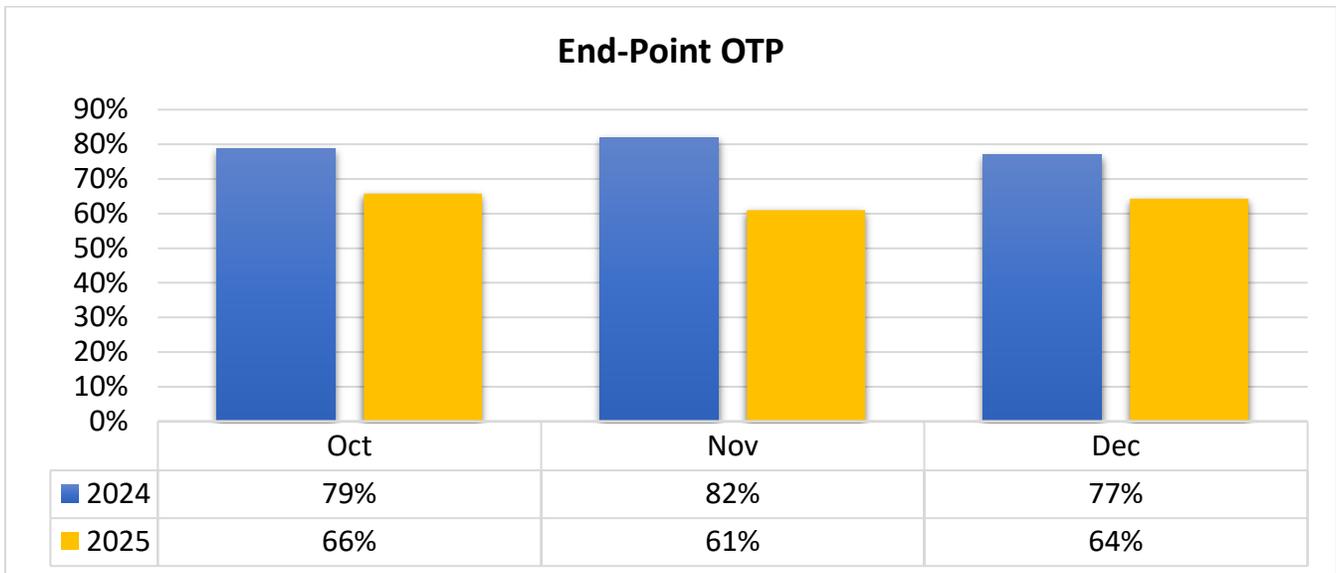
These results were driven by a series of campaigns designed to build awareness and increase ridership during a key travel period. The promotional campaigns, including midweek buy one, get one deals, as well as, holiday and student travel savings, helped drive initiatives targeting key demographic groups. This was also supported by evergreen campaigns that reinforced brand awareness, including a Thruway Bus and city-pairing campaign that strategically focused on route-based segments.

Efforts in November and December were largely focused on the Gold Runner rebrand, with the Authority prioritizing increased brand recognition and consistent messaging across multiple platforms. During this period, marketing activity was intentionally streamlined to two (2) primary campaigns: the rebrand initiative and a holiday travel campaign. This focused approach allowed the team to establish the new brand identity while preparing for a broader Phase 2 effort planned for Q3, when campaign activity and promotional efforts will ramp up across additional channels and initiatives. November and December’s combined marketing efforts accounted for roughly 48% of the total impressions and clicks for the quarter totaling 4.7 million impressions and 27,298 clicks.

On-Time Performance (OTP):

An improvement in Gold Runner on-time performance was seen by an increase to 75% in January and 77% in February. These results represent a meaningful recovery compared to the second-quarter FY 2025/26 performance of 66% in October, 61% in November, and 64% in December, reflecting an increase of 9 to 16%. This also marks progress relative to the unusually low OTP experienced during the first quarter of FY 2025/26, as noted in the previous OTP staff report from January 2026.

Despite this improvement, the mechanical reliability of the Northern California locomotive fleet remains the biggest challenge, with locomotive availability decreased once again in January. To manage these equipment constraints, both Capitol Corridor and Gold Runner services were reduced starting in early January. Gold Runner has been operating with one (1) round-trip suspended since January 5th. Capitol Corridor returned to full service on March 2, 2026, with Gold Runner continuing to operate with reduced service. Full service will be restored once locomotive availability is sufficient.



Corrective Actions:

TransitAmerica Services Inc. (TASI) continues to perform inspections and repairs across the fleet. To help alleviate the locomotive shortage, Caltrans leased three (3) locomotives from Caltrain to supplement the Northern California fleet. These units are expected to become available in the near future, operating on both the Gold Runner and Capitol Corridor services, which will provide much-needed flexibility for TASI to continue rehabilitating the state-owned locomotive fleet.

Fiscal Impact:

There is no fiscal impact.

Recommendation:

This is an informational item. There is no action required.

SAN JOAQUIN JOINT POWERS AUTHORITY
Special Meeting of March 19, 2026

STAFF REPORT

Item 10

INFORMATION

Route 18 Update

Background:

Staff will provide a presentation on the Route 18 Update at the March 19, 2026 special meeting.

Fiscal Impact:

This is an information item only. There is no fiscal impact.

Recommendation:

This is an information item only. There is no action required.