From: VTA Board Secretary
Sent: Friday, June 12, 2026 4:01 PM
To: VTA Board of Directors
Subject: From VTA: VTA Correspondence: Week Ending June 12, 2026

Board of Directors,

Attached is correspondence for the week ending June 12, 2026 as described below.

From	Topic
CCJPA	Agenda Notice & Materials + Slide Deck
Sonia Humphrey	Adopted LAFCO Budget and Work Plan for FY 2027
Members of the Public	Public Comment

Thank you,

Office of the Board Secretary

Santa Clara Valley Transportation Authority

3331 North First Street, Building B

San Jose, CA 95134-1927

Phone **408-321-5680**

Santa Clara Valley Transportation Authority

Solutions that move you

From: David D
Sent: Sunday, June 7, 2026 7:44 AM
To: VTA Board Secretary
Subject: [EXTERNAL] Notice of Possible Risk to BSVII

CAUTION: This Message originated from outside VTA. Do not click links or open attachments unless you recognize the sender and know the content is safe!

Dear Board Secretary,

Please deliver this to all Board Members; enter this as an official public record; and confirm by email when completed.

Thank you in advance,

David

- - - - - - - - - - - - - - - -

To: All Directors, Alternates, and Ex-Officio Members

From: David Dearborn

Subject: Long Overdue Seismic Event: BSVII Alignment Geotechnical Risks

Reference: Recent San Jose Mercury News Article

Regarding: Hayward / Calaveras Fault Systems

"The last major earthquake on the Hayward fault line occurred Oct. 21, 1868. The California Department of Conservation estimates that a major quake on the fault line occurs roughly every 140 years, making the fault line overdue. The U.S. Geological Survey has since estimated a 33% chance of a 6.7 magnitude earthquake or greater by 2043, making the Hayward fault the most dangerous in the Bay Area."

1. The south end of the Hayward fault is geologically linked to the Calaveras fault system, directly impacting the area from the 28th Street Station to the East Portal.
2. The soft, saturated, and unstable soils to the east of 28th Street and US-101 up the eastern slopes are known for pockets of unconsolidated conglomerate formations. These specific formations are highly susceptible to sliding, particularly when saturated during

wet years or disturbed by seismic activity and heavy construction.

This is being shared as context for you to consider as you continue to face recommendations from staff to approve funding for this exceptionally large, complex, and unproven single-bore design.

Thank you for your time and service.

Respectfully,

David Dearborn

From: Victoria Ketell
Sent: Tuesday, June 9, 2026 8:20 AM
To: Gonot, Carolyn; VTA Board Secretary
Cc: Michelle Zahraie
Subject: [EXTERNAL] City of Sunnyvale Letter Re SB 63 and Safe Routes to School

CAUTION: This Message originated from outside VTA. Do not click links or open attachments unless you recognize the sender and know the content is safe!

Hello Carolyn, Clark of the Board,

Please find attached a letter from the City of Sunnyvale on SB 63 and Homestead Safe Routes to School.

Thank you,
Victoria

Sunnyvale

Follow us on:

VICTORIA KETELL
Executive Assistant – Mayor & Council
Office of the City Manager
City of Sunnyvale
Email: vketell@sunnyvale.ca.gov
Phone (Direct): 408-730-7913
Phone (Mayor & Council): 408-730-7473
Sunnyvale.ca.gov

Sunnyvale

456 West Olive Avenue
Sunnyvale, CA 94088-3707

408-730-7473
Sunnyvale.ca.gov

June 9, 2026

The Honorable Sergio Lopez, Chairperson
Santa Clara Valley Transportation Authority
3331 N. First Street, Building
San Jose, CA 95134

RE: SB 63 Regional Transportation Revenue Measure and Sunnyvale Priorities

Dear Chairperson Lopez:

Larry Klein
Mayor

Richard Mehlinger
Vice Mayor

Alysa Cisneros
Councilmember

Murali Srinivasan
Councilmember

Linda Sell
Councilmember

Charlsie Chang
Councilmember

Eileen Le
Councilmember

The City of Sunnyvale appreciates the Santa Clara Valley Transportation Authority (VTA) presentation provided to the Sunnyvale City Council on April 7, 2026, regarding current VTA projects and Senate Bill (SB) 63, the proposed San Francisco Bay Area: Local Revenue Measure: Public Transit Funding. The discussion generated significant interest among Councilmembers, who remain committed to advancing accessible, reliable, and safe transportation options throughout Sunnyvale and the broader Silicon Valley region, consistent with Sunnyvale Council Policy 1.1.

The City recognizes the importance of sustained investment in regional transit infrastructure and appreciates VTA's outreach to local jurisdictions as the expenditure plan is developed on priorities for the $264 million annually VTA is expected to receive to support local transit improvements should SB 63 pass. As VTA finalizes its investment priorities, the City respectfully requests consideration of the following priorities and policy principles raised during the Council discussion:

- Protect SB 63 revenues for transit and transportation capital improvements and ensure the measure does not fund BART construction or operations in Santa Clara County.
- Prioritize long-term capital investments over ongoing operational expenditures.
- Concentrate on transit safety and mobility improvements, especially **Caltrain grade separations** (Sunnyvale station is the fourth highest boarding station along the Caltrain corridor, and stations in Sunnyvale account for 9% of boardings based on the fall 2025 triennial data[1]); **transit signal priority**;

[1] Fall 2025 triennial data

localized community shuttle service; and **multimodal corridor enhancements**.

- Continue to evaluate and identify opportunities to increase bus frequency and improve service reliability during school peak travel times to better accommodate student ridership demand and support safe, dependable transportation options for youth and families.
- Continue advancing projects that improve **Safe Routes to School** connectivity and active transportation infrastructure.
- Support investments that improve transit frequency, reliability, and first-/last-mile connectivity, particularly in growth areas such as the Moffett Park Specific Plan area.
- Continue coordination with partner agencies to improve transit performance along key regional corridors, including El Camino Real.
- Focus on equitable distribution of the money to all cities in Santa Clara County.

The City also appreciates VTA staff's update regarding the Homestead Road Safe Routes to School project and recognizes the collaborative partnership between VTA and local jurisdictions to advance this important safety improvement.

Sunnyvale appreciates VTA's continued engagement with Santa Clara County cities as the final expenditure plan is developed for Board consideration. The City looks forward to continued collaboration on transportation investments that strengthen regional mobility, support economic vitality, and improve quality of life for residents throughout the county.

Thank you for your consideration of our positions. If you have any questions, please do not hesitate to contact me or Ramana Chinnakotla, Interim Director of Public Works at rchinnakotla@sunnyvale.ca.gov.

Sincerely,

Larry Klein

Larry Klein
Mayor

cc: City Council
VTA Board of Directors
Tim Kirby, City Manager
Sarah Johnson-Rios, Assistant City Manager
Connie Verceles, Assistant City Manager
Ramana Chinnakotla, Interim Director of Public Works
Carolyn Gonot, General Manager and Chief Executive Officer, Santa Clara Valley Transportation Authority

From: Humphrey, Sonia
Sent: Wednesday, June 10, 2026 5:01 PM
Cc: LAFCO
Subject: [EXTERNAL] Notice - Adopted LAFCO Budget and Work Plan for FY 2027

CAUTION: This Message originated from outside VTA. Do not click links or open attachments unless you recognize the sender and know the content is safe!

To: Clerk of the Board of Supervisors, City/Town Clerks, Special District Clerks

Please see attached memo regarding adopted LAFCO Budget for Fiscal Year 2026-2027.

Kindly distribute it to the members of your legislative bodies.

Thank you,

Sonia Humphrey, LAFCO Clerk
LAFCO of Santa Clara County
777 North First Street, Suite 410
San Jose, CA 95112
(408) 993-4709

SANTA CLARA LAFCO

Local Agency Formation Commission of Santa Clara County
777 North First Street
Suite 410
San Jose, CA 95112
SantaClaraLAFCO.org

June 10, 2026

TO: County Executive, Santa Clara County
City Managers, Cities in Santa Clara County
District Managers, Independent Special Districts in Santa Clara County

FROM: Neelima Palacherla, LAFCO Executive Officer

SUBJECT: LAFCO BUDGET FOR FISCAL YEAR 2026-2027

At its public hearing on June 3, 2026, the Santa Clara Local Agency Formation Commission (LAFCO) adopted its Final Budget for Fiscal Year 2026-2027, as proposed. The adopted Final Budget and the staff reports are attached for your information.

Pursuant to the apportionment method specified in Government Code §56381 and §56381.6, the County Auditor-Controller will apportion LAFCO's net operating expenses to the cities, the County and the independent special districts based on the Final Budget adopted by LAFCO. Please expect to receive an invoice from the County Controller's Office in the next few days.

Should you have any questions regarding the LAFCO budget or cost apportionment, please contact me at neelima.palacherla@ceo.sccgov.org.

Thank you.

Attachments: Adopted Fiscal Year 2026-2027 LAFCO Budget & Work Plan
June 3, 2026 Staff Report: Final Work Plan and Budget for FY 2026-2027
April 1, 2026 Staff Report: Proposed Work Plan and Budget for FY 2026-2027

cc: Board of Supervisors, Santa Clara County
City Council Members, Cities in Santa Clara County
Independent Special District Board Members
Santa Clara County Cities Association
Santa Clara County Special Districts Association

FINAL LAFCO BUDGET
FISCAL YEAR 2026- 2027

ITEM #	TITLE	APPROVED BUDGET FY 2026	ACTUALS Year to Date 2/18/2026	PROJECTIONS Year End FY 2026	FINAL BUDGET FY 2027
EXPENDITURES					
Object 1:	Salary and Benefits	$994,427	$610,372	$1,082,821	$1,179,580
Object 2:	Services and Supplies				
5255100	Intra-County Professional	$12,000	$430	$12,000	$12,000
5255800	Legal Counsel	$88,766	$41,250	$85,000	$90,716
5255500	Consultant Services	$175,000	$19,100	$175,000	$250,000
5285700	Meal Claims	$1,000	$0	$1,000	$1,000
5220100	Insurance	$8,000	$14	$14	$11,623
5250100	Office Expenses	$5,000	$1,501	$5,000	$5,000
5270100	Rent & Lease	$58,106	$38,544	$58,106	$59,000
5255650	Data Processing Services	$24,443	$16,344	$22,443	$23,948
5225500	Commissioners' Fee	$10,000	$2,300	$10,000	$10,000
5260100	Publications and Legal Notices	$1,000	$248	$1,000	$1,000
5245100	Membership Dues	$15,000	$14,793	$14,793	$15,300
5250750	Printing and Reproduction	$1,500	$0	$500	$1,500
5285800	Business Travel	$21,000	$10,509	$21,000	$21,000
5285300	Private Automobile Mileage	$1,000	$0	$1,000	$1,000
5285200	Transportation&Travel (County Car Usage)	$600	$0	$600	$600
5281600	Overhead	$37,324	$18,662	$37,324	$42,139
5275200	Computer Hardware	$4,000	$0	$2,000	$4,000
5250800	Computer Software	$4,000	$1,254	$4,000	$4,000
5250250	Postage	$500	$0	$300	$500
5252100	Staff/Commissioner Training Programs	$2,000	$0	$1,000	$2,000
5701000	Reserves	$0	$0	$0	$0
TOTAL EXPENDITURES		**$1,464,666**	**$775,321**	**$1,534,901**	**$1,735,906**
REVENUES					
4103400	Application Fees	$25,000	$21,750	$30,000	$25,000
4301100	Interest: Deposits and Investments	$10,000	$15,938	$20,000	$10,000
TOTAL REVENUE		**$35,000**	**$37,688**	**$50,000**	**$35,000**
3400150	**FUND BALANCE FROM PREVIOUS FY**	**$63,997**	**$176,483**	**$176,483**	**$57,251**
NET LAFCO OPERATING EXPENSES		**$1,365,669**	**$561,150**	**$1,308,418**	**$1,643,655**
3400800	**RESERVES Available**	**$200,000**	**$200,000**	**$200,000**	**$200,000**
COSTS TO AGENCIES					
5440200	County	$455,223	$455,223	$455,223	$547,885
4600100	Cities (San Jose 50% + Other Cities 50%)	$455,223	$455,223	$455,223	$547,885
4600100	Special Districts	$455,223	$455,223	$455,223	$547,885

PROPOSED WORK PLAN FOR FISCAL YEAR 2027

PRIORITY* H - High Priority (essential activities: state mandate, Commission directive, requirements)
M - Medium Priority (important, provided resources allow or time permits)
L - Low Priority (desirable provided resources allow or time permits, not urgent)

	PROJECT DESCRIPTION	ACTIVITIES / TIMELINE	RESOURCES	PRIORITY*
APPLICATIONS REVIEW / PROCESSING AND LAFCO POLICY DEVELOPMENT	Process applicant-initiated LAFCO proposals	Encourage pre-application meetings prior to application submittal Conduct pre-agenda meetings with County Depts. to obtain Assessor & Surveyor reports, as needed Process applications per CKH Act requirements: issue Notice of Application, Certificate of Filing / Sufficiency, Public Hearing Notice, staff report, conduct protest proceedings, as needed	Staff	H
	Comment on potential LAFCO applications, relevant projects & development proposals, city General Plan updates and/ or related environmental documents	Ongoing, as needed	Staff	H
	Track and follow-up on LAFCO conditions of approval	Ongoing, as needed	Staff	H
	Update application packets and application fee schedules for current requirements and ease of public use	Ongoing, as needed	Staff	L
	Follow up on action items from the April 2026 Strategic Planning Workshop	Per Commission direction	Staff	M

PROPOSED WORK PLAN FOR FISCAL YEAR 2027

	PROJECT DESCRIPTION	ACTIVITIES / TIMELINE	RESOURCES	PRIORITY*
ISLAND ANNEXATIONS	Conduct outreach to cities with islands, follow up on responses including review/research of city limits/ USA boundaries, and assist with annexations or necessary USA amendments	Prepare and distribute island maps to cities	Staff	L
	Review and finalize city-conducted island annexations	Ongoing, as needed	Staff	H
OUTREACH, GOVERNMENT / COMMUNITY RELATIONS & CUSTOMER SERVICE	Conduct outreach to increase awareness of LAFCO's role	Presentations on LAFCO to cities, other agencies or organizations, as relevant Distribute LAFCO communications material to elected officials and staff of cities, special districts and the County Seek exhibit opportunities at public spaces / events Maintain website as the primary information resource on LAFCO	Staff	M M L H
	Engage and establish relationships with local (cities, districts, county), regional (ABAG/MTC), state (SGC, OPR, DoC, SWRCB) agencies, organizations such as SDA, SCCAPO, CALAFCO, other stakeholder groups	Attend regular meetings of SDA (quarterly), SCCAPO (monthly), and County Planning Dept. (quarterly) Small water systems issues / legislation Collaborate with agencies and entities with goals common to LAFCO	Staff	M M M
	Engage in or support grant / partnership opportunities on issues related to enhancing viability of agriculture, and climate smart growth	As needed, and as opportunities arise	Staff	L
	Track LAFCO related legislation	Commission takes positions and submits letters on proposed legislation	Staff	M
	Respond to public inquiries re. LAFCO policies, procedures and application filing requirements	Timely response to public inquiries Document research on inquiries in the LAFCO database Report to Commission on complex inquiries	Staff	H H H

PROPOSED WORK PLAN FOR FISCAL YEAR 2027

	PROJECT DESCRIPTION	ACTIVITIES / TIMELINE	RESOURCES	PRIORITY*
SERVICE REVIEWS, SPECIAL STUDIES & SPHERE OF INFLUENCE UPDATES	Countywide Water and Wastewater Service Review	Conduct service review per approved scope and schedule, anticipated completion Spring 2027	Staff/Consultant	H
	Santa Clara County Mosquito and Vector Control District Service Review	Conduct service review per scope and schedule authorized by Commission, anticipated to begin in early Fall 2026	Staff / Consultant	H
	Countywide Fire Service Review	Work with interested agencies on implementing recommendations requiring LAFCO action (Table B Recommendations)	Staff	M
	Continue to monitor implementation of recommendations from previous service reviews and conduct special studies, as necessary	RRRPD study – city took action to delay decision on consolidation	Staff	L
	Map Mutual Water companies	Initial maps complete, further through water service review	Staff	H
	Compile and post JPA filings on the LAFCO website	Notice provided, gather JPA information through service review process	Staff	M

PROPOSED WORK PLAN FOR FISCAL YEAR 2027

	PROJECT DESCRIPTION	ACTIVITIES / TIMELINE	RESOURCES	PRIORITY*
COMMISSION SUPPORT	Provide ongoing support to the 12 commissioners for regularly scheduled Commission meetings, special meetings and Committee meetings (Finance Committee, Technical Advisory Committees or Ad-Hoc Committees)	Prepare and distribute public hearing notices and agenda packets, provide staff support during the meetings, record minutes, broadcast meetings Hold pre-agenda review meeting with Chair Hold pre-meeting calls with individual commissioners to address agenda item questions and prepare meeting script for Chair Process commissioner per diems for attendance at LAFCO meetings	Staff	H
	Keep the Commission informed	EO report Off-agenda emails, as needed Provide ongoing educational opportunities/events, including presentations from local agencies	Staff	H
	Onboarding new Commissioners	Facilitate filing / completion of Form 700, commissioner pledge, ethics training Update LAFCO letterhead, directory, and website Set up vendor accounts, provide parking permits Conduct new Commissioner orientation Recognize outgoing commissioners for LAFCO service Organize Commissioner / staff Luncheon	Staff	H
	Commissioners Selection Process	Inform appointing bodies of any upcoming vacancies and provide information on appointment criteria Convene ISDSC committee meeting, as necessary Coordinate public member selection process, as necessary	Staff	H
	Commissioner participation in CALAFCO	Support commissioner participation in CALAFCO activities / or election to and participation on the CALAFCO Board	Staff	H

PROPOSED WORK PLAN FOR FISCAL YEAR 2027

	PROJECT DESCRIPTION	ACTIVITIES / TIMELINE	RESOURCES	PRIORITY*
ADMINISTRATIVE PROJECTS	Prepare LAFCO annual work plan	March – June 2026	Staff/Finance Committee	H
	Prepare LAFCO annual budget	March – June 2026	Staff/Finance Committee	H
	Prepare LAFCO Annual Report	August 2026	Staff	H
	Prepare LAFCO Annual Financial Audit	October 2026 (Contract with Chavan Associates extended for FY 2024 thru FY 2027)	Consultant / Staff	H
	Office / facility management	Work with the County to consider potential availability of office space at a County facility, and/or negotiate extension of current office space lease Coordinate with Building Manager on facilities issues Coordinate with County re. computers/network, phone, printers, office security, procurement, installation & maintenance Order and manage office supplies Make travel arrangements and process expense reimbursements. Process mileage reimbursements Office space lease through April 30, 2027	Staff	H
	Records management	Organize scan of LAFCO records to Electronic Document Management System (Laserfiche)	Staff/ Consultant	H
		Maintain LAFCO's hard copy records	Staff	H
		Maintain and enhance the LAFCO Website		H
		Maintain LAFCO database		H
	Contracts and payments & receivables	Track consultant contracts and approve invoices Approve vendor invoices / process annual payments for various services/ memberships	Staff	H

PROPOSED WORK PLAN FOR FISCAL YEAR 2027

	PROJECT DESCRIPTION	ACTIVITIES / TIMELINE	RESOURCES	PRIORITY*
ADMINISTRATIVE PROJECTS		Coordinate with County Controller's Office and track annual collection of payments from member agencies		
	Review and update LAFCO bylaws / administrative policies and procedures	Ongoing, as needed	Staff	H
	Staff training and development	CALAFCO workshops, conferences, relevant courses Implementation of the work plan for staff professional development Staff retreat for team bonding and staff development	Staff	H H M
	Coordinate with County on administrative issues	Attend monthly meetings with the Deputy County Executive	Staff	H
	Staff and EO performance evaluation	May – December 2026	Staff/Commission	H
	Other administrative functions mandated of a public agency (Form 806, maintaining liability/workers comp insurance, etc.)	Ongoing	Staff	H

ITEM # 6

SANTA CLARA LAFCO

Local Agency Formation Commission of Santa Clara County
777 North First Street
Suite 410
San Jose, CA 95112
SantaClaraLAFCO.org

LAFCO MEETING: June 3, 2026

TO: LAFCO

FROM: Neelima Palacherla, Executive Officer

SUBJECT: PROPOSED FY 2027 FINAL BUDGET AND AB 2561 DISCUSSION ON STATUS OF EMPLOYEE VACANCIES AND RECRUITMENT AND RETENTION EFFORTS

STAFF RECOMMENDATIONS

1. Adopt the Final Budget for Fiscal Year 2026-2027.
2. Find that the Final Budget for Fiscal Year 2027 is expected to be adequate to allow the Commission to fulfill its statutory responsibilities.
3. Authorize staff to transmit the Final Budget adopted by the Commission including the estimated agency costs to the cities, the special districts, the County, the Cities Association of Santa Clara County and the Santa Clara County Special Districts Association.
4. Direct the County Auditor-Controller to apportion LAFCO costs to the cities; to the special districts; and to the County; and to collect payment pursuant to Government Code §56381.

REVISIONS TO THE PROPOSED FINAL BUDGET FOR FY 2027

On April 1, 2026, the Commission adopted its preliminary budget for Fiscal Year 2027 as recommended by the Finance Committee. The preliminary budget adopted by the Commission is available as Agenda Item #5 of the April 1, 2026 LAFCO Meeting packet.

Since then, new information has become available for two line-items which require adjustment in the LAFCO budget. Presented below are the proposed line-item revisions:

Object 1: Salaries and Benefits Increased from $1,088,248 to $1,179,580

The County has provided updated projections for LAFCO's position costs. The preliminary budget approved by the Commission in April 2026 included LAFCO's FY 2027 position costs as $1,088,248. The new Object 1 amount of $1,179,580 includes

$64,972 in increased costs related to salaries and $26,360 in increased costs related to benefits.

5220200 Insurance Increased from $8,000 to $11,623

This item is for purchasing general liability insurance for LAFCO and workers' compensation coverage for LAFCO commissioners from the Special District Risk Management Authority (SDRMA). As reported in the preliminary budget, the SDRMA estimates for FY 2027 were not available until after the publication of the preliminary budget. The proposed amount includes $10,638 for the property/liability coverage and $985 for the workers compensation program.

Increase in LAFCO's FY 2027 Expenditures and Operating Expenses

The proposed FY 2027 Final Budget (**Attachment A**) includes the above listed modifications and indicates an increase of 19% (12% in preliminary budget) in FY 2027 overall expenditures and an increase of 20% (13% in preliminary budget) in FY 2027 net operating expenses, compared to the current year budget.

AB 2561 DISCUSSION

AB 2561, which went into effect on January 1, 2025, requires a public agency to present the status of vacancies and recruitment and retention efforts at a public hearing at least once per fiscal year and prior to the adoption of the final budget. It requires the public agency, during the public hearing, to identify any necessary changes to policies, procedures, and recruitment activities that may lead to obstacles in the hiring process. It also entitles the recognized employee organization to be present at the hearing. If the number of job vacancies within a single bargaining unit meets or exceeds 20% of the total number of authorized full-time positions, the bill requires the public agency, upon request of the recognized employee organization, to include specified information during the public hearing.

Santa Clara LAFCO does not have any vacant positions currently and therefore, there are no recruitment efforts. In addition, there are no recommended changes to retention efforts. Lastly, we have not identified any necessary changes to policies, procedures and recruitment activities that may lead to obstacles in the hiring process.

LAFCO ANNUAL BUDGET PROCESS REQUIREMENTS

The Cortese Knox Hertzberg Local Government Reorganization Act of 2000 (CKH Act) which became effective on January 1, 2001, requires LAFCO, as an independent agency, to annually adopt a draft budget by May 1 and a final budget by June 15 at noticed public hearings. Both the draft and the final budgets are required to be transmitted to the cities, the special districts and the County. Government Code §56381(a) establishes that at a minimum, the budget must be equal to that of the previous year unless the Commission finds that reduced staffing or program costs will nevertheless allow it to fulfill its statutory responsibilities. Any unspent funds at the end of the year may be rolled over into the next fiscal year budget. After adoption of the final budget by LAFCO, the County Auditor is required to apportion the net operating expenses of the Commission to the agencies represented on LAFCO.

LAFCO and the County of Santa Clara entered into a Memorandum of Understanding (MOU) (effective since July 2001), under the terms of which, the County provides staffing, facilities, and services to LAFCO. The associated costs are reflected in the LAFCO budget. LAFCO is a stand-alone, separate fund within the County's accounting and budget system and the LAFCO budget information is formatted using the County's account descriptions/codes.

COST APPORTIONMENT TO CITIES, DISTRICTS AND THE COUNTY

The CKH Act requires LAFCO costs to be split in proportion to the percentage of an agency's representation (excluding the public member) on the Commission. Santa Clara LAFCO is composed of a public member, two County board members, two city council members, and since January 2013 – two special district members. Government Code §56381(b)(1)(A) provides that when independent special districts are seated on LAFCO, the county, cities and districts must each provide a one-third share of LAFCO's operational budget.

Since the City of San Jose has permanent membership on LAFCO, as required by Government Code §56381.6(b), the City of San Jose's share of LAFCO costs must be in the same proportion as its member bears to the total membership on the commission, excluding the public member. Therefore, in Santa Clara County, the City of San Jose pays one sixth and the remaining cities pay one sixth of LAFCO's operational costs. Per the CKH Act, the remaining cities' share must be apportioned in proportion to each city's total revenue, as reported in the most recent edition of the Cities Annual Report published by the Controller, as a percentage of the combined city revenues within a county. Each city's share is therefore based on the 2022/2023 Report – which is the most recent edition available.

Government Code Section 56381 provides that the independent special districts' share shall be apportioned in proportion to each district's total revenues as a percentage of the combined total district revenues within a county. The Santa Clara County Special Districts Association (SDA), at its August 13, 2012 meeting, adopted an alternative formula for distributing the independent special districts' share to individual districts. The SDA's agreement requires each district's cost to be based on a fixed percentage of the total independent special districts' share.

The estimated apportionment of LAFCO's FY 2027 costs to the individual cities and districts is included as **Attachment B**. The final costs will be calculated and invoiced to the individual agencies by the County Controller's Office after LAFCO adopts the final budget.

ATTACHMENTS

Attachment A:	Final LAFCO Budget for Fiscal Year 2027
Attachment B:	FY 2027 Costs to Agencies Based on the Final Budget

ITEM 6
Attachment A

FINAL LAFCO BUDGET
FISCAL YEAR 2026- 2027

ITEM #	TITLE	APPROVED BUDGET FY 2026	ACTUALS Year to Date 2/18/2026	PROJECTIONS Year End FY 2026	FINAL BUDGET FY 2027
EXPENDITURES					
Object 1:	Salary and Benefits	$994,427	$610,372	$1,082,821	$1,179,580
Object 2:	Services and Supplies				
5255100	Intra-County Professional	$12,000	$430	$12,000	$12,000
5255800	Legal Counsel	$88,766	$41,250	$85,000	$90,716
5255500	Consultant Services	$175,000	$19,100	$175,000	$250,000
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5275200	Computer Hardware	$4,000	$0	$2,000	$4,000
5250800	Computer Software	$4,000	$1,254	$4,000	$4,000
5250250	Postage	$500	$0	$300	$500
5252100	Staff/Commissioner Training Programs	$2,000	$0	$1,000	$2,000
5701000	Reserves	$0	$0	$0	$0
TOTAL EXPENDITURES		**$1,464,666**	**$775,321**	**$1,534,901**	**$1,735,906**
REVENUES					
4103400	Application Fees	$25,000	$21,750	$30,000	$25,000
4301100	Interest: Deposits and Investments	$10,000	$15,938	$20,000	$10,000
TOTAL REVENUE		**$35,000**	**$37,688**	**$50,000**	**$35,000**
3400150	**FUND BALANCE FROM PREVIOUS FY**	**$63,997**	**$176,483**	**$176,483**	**$57,251**
NET LAFCO OPERATING EXPENSES		**$1,365,669**	**$561,150**	**$1,308,418**	**$1,643,655**
3400800	**RESERVES Available**	**$200,000**	**$200,000**	**$200,000**	**$200,000**
COSTS TO AGENCIES					
5440200	County	$455,223	$455,223	$455,223	$547,885
4600100	Cities (San Jose 50% + Other Cities 50%)	$455,223	$455,223	$455,223	$547,885
4600100	Special Districts	$455,223	$455,223	$455,223	$547,885

ITEM 6
Attachment B

LAFCO COST APPORTIONMENT: COUNTY, CITIES, SPECIAL DISTRICTS

Estimated Costs to Agencies Based on the Final FY 2027 LAFCO Budget

			Net Operating Expenses for FY 2027	$1,643,655
JURISDICTION	**REVENUE PER 2023/2024 REPORT**	**PERCENTAGE OF TOTAL REVENUE**	**ALLOCATION PERCENTAGES**	**ALLOCATED COSTS**
County	**N/A**	**N/A**	**33.3333333%**	**$547,885.00**
Cities Total Share			**33.3333333%**	**$547,885.00**
San Jose	N/A	N/A	50.0000000%	$273,942.50
Other cities share			50.0000000%	$273,942.50
Campbell	$84,117,149	1.8493084%		$5,066.04
Cupertino	$134,270,828	2.9519327%		$8,086.60
Gilroy	$143,146,467	3.1470629%		$8,621.14
Los Altos	$80,342,217	1.7663168%		$4,838.69
Los Altos Hills	$23,050,684	0.5067673%		$1,388.25
Los Gatos	$66,479,898	1.4615549%		$4,003.82
Milpitas	$234,059,048	5.1457683%		$14,096.45
Monte Sereno	$5,050,274	0.1110298%		$304.16
Morgan Hill	$141,801,766	3.1174998%		$8,540.16
Mountain View	$479,392,872	10.5394115%		$28,871.93
Palo Alto	$904,171,284	19.8781287%		$54,454.64
Santa Clara	$1,523,014,901	33.4833530%		$91,725.13
Saratoga	$43,873,226	0.9645491%		$2,642.31
Sunnyvale	$685,802,826	15.0773168%		$41,303.18
Total Cities (excluding San Jose)	**$4,548,573,440**	**100.0000000%**		**$273,942.50**
Total Cities (including San Jose)				**$547,885.00**
Special Districts Total Share		**(Fixed %)**	**33.3333333%**	**$547,885.00**
Aldercroft Heights County Water District		0.06233%		$341.50
Burbank Sanitary District		0.15593%		$854.32
Cupertino Sanitary District		2.64110%		$14,470.19
El Camino Healthcare District		4.90738%		$26,886.80
North Santa Clara Resource Conservation District		0.04860%		$266.27
Lake Canyon Community Services District		0.02206%		$120.86
Lion's Gate Community Services District		0.22053%		$1,208.25
Loma Prieta Resource Conservation District		0.02020%		$110.67
Midpeninsula Regional Open Space District		5.76378%		$31,578.89
Purissima Hills Water District		1.35427%		$7,419.84
Rancho Rinconada Recreation and Park District		0.15988%		$875.96
San Martin County Water District		0.04431%		$242.77
Santa Clara Valley Open Space Authority		1.27051%		$6,960.93
Santa Clara Valley Water District		81.44126%		$446,204.44
Saratoga Cemetery District		0.32078%		$1,757.51
Saratoga Fire Protection District		1.52956%		$8,380.23
South Santa Clara Valley Memorial District		0.03752%		$205.57
Total Special Districts		100.00000%		**$547,885.00**
Total Allocated Costs				**$1,643,655.00**

ITEM # 5

SANTA CLARA LAFCO

Local Agency Formation Commission of Santa Clara County
777 North First Street
Suite 410
San Jose, CA 95112
SantaClaraLAFCO.org

LAFCO MEETING: **April 1, 2026**

TO: **LAFCO**

FROM: **Neelima Palacherla, Executive Officer**
Dunia Noel, Asst. Executive Officer

SUBJECT: **PROPOSED WORK PLAN AND BUDGET FOR FY 2027**

FINANCE COMMITTEE / STAFF RECOMMENDATIONS

1. Adopt the Proposed Work Plan for Fiscal Year 2026-2027.
2. Adopt the Proposed Budget for Fiscal Year 2026-2027.
3. Find that the Proposed Budget for Fiscal Year 2027 is expected to be adequate to allow the Commission to fulfill its statutory responsibilities.
4. Authorize staff to transmit the Proposed Budget adopted by the Commission including the estimated agency costs as well as the LAFCO public hearing notice for the adoption of the Fiscal Year 2027 Final Budget to the cities, the special districts, the County, the Cities Association of Santa Clara County and the Santa Clara County Special Districts Association.

ANNUAL BUDGET PROCESS REQUIREMENTS

The Cortese Knox Hertzberg Local Government Reorganization Act of 2000 (CKH Act) which became effective on January 1, 2001, requires LAFCO, as an independent agency, to annually adopt a proposed budget by May 1 and a final budget by June 15 at noticed public hearings. Both the proposed and the final budgets are required to be transmitted to the cities, the special districts and the County. Government Code §56381(a) establishes that at a minimum, the budget must be equal to that of the previous year unless the Commission finds that reduced staffing or program costs will nevertheless allow it to fulfill its statutory responsibilities. Any unspent funds at the end of the year may be rolled over into the next fiscal year budget. After adoption of the final budget by LAFCO, the County Auditor is required to apportion the net operating expenses of the Commission to the agencies represented on LAFCO.

FISCAL YEAR 2026-2027 WORKPLAN & BUDGET DEVELOPMENT TIMELINE

Dates	Staff Tasks / LAFCO Action
March 9 - April 1	Notice of this public hearing was advertised in a local newspaper, posted on the LAFCO website and distributed to local agencies. The agenda and a link to the posted agenda packet are also distributed to local agencies, interested persons and organizations. The proposed Workplan and Budget are posted on the LAFCO website and available for public review and comment.
April 1	LAFCO public hearing on adoption of Proposed Workplan and Budget
April 2	Proposed Work Plan and Budget, preliminary apportionments and LAFCO public hearing notice for Final Budget Hearing transmitted to agencies
June 3	LAFCO public hearing and adoption of Final Budget
June 3 - July 1	Final Budget transmitted to agencies; Auditor requests payment from agencies

LAFCO FINANCE COMMITTEE

At its February 4, 2026 LAFCO meeting, the Commission appointed Alternate Commissioner Chapman, Alternate Commissioner Hilton and Alternate Commissioner O'Neill to serve on the Finance Committee.

At its special meeting held on March 5, 2026, the Finance Committee discussed the progress on the current year work plan and the status of the current year budget; and recommended the proposed FY 2027 work plan and budget for consideration and adoption by the full commission.

CURRENT YEAR IN REVIEW

PROGRESS REPORT ON FY 2025-2026 WORK PLAN

LAFCO's current fiscal year workplan was adopted at a noticed public hearing held on June 4, 2025. **Attachment A** depicts the current status (through the third quarter of the year) of the 2025-2026 Work Program. The first part of the fiscal year was dedicated to completing Phase 2 of the comprehensive review and update of LAFCO policies including service review policies, indemnification policy, incorporation policies, LAFCO bylaws, and policies and procedures related to operational and administrative functions. These updated policies have been assembled into a Policies and Procedures Manual that is now posted on the LAFCO website.

LAFCO is beginning the Countywide water and wastewater service review – to review, evaluate and recommend improvements to water and wastewater service delivery in the county. A Technical Advisory Committee composed of representatives from affected agencies has been formed, a consultant firm has been retained through a RFP process, and a dedicated project webpage has been created in preparation for launching the study.

Concurrently, LAFCO will initiate a service review of the Santa Clara County Mosquito and Vector Control District in June 2026.

In April, staff is organizing a strategic planning workshop session for the Commission to consider the development of environmental justice policies.

LAFCO anticipates receiving a special district annexation and sphere of influence amendment application. Staff has conducted pre-application meetings and responded to numerous requests for assistance from local and regional agencies on matters such as city service extensions, city annexations and urban service area amendments, special district annexations, and builders remedy projects. Additionally, responding to public inquiries, including public records act requests, remains a significant and growing area of focus, with staff noting an increase in both volume and complexity.

In alignment with the Commission's directive, staff continues to engage in targeted outreach to local entities—including special districts, the County, cities, and community organizations—through informational presentations on LAFCO's role in promoting sustainable growth and good governance. These efforts are undertaken as opportunities arise and as time permits.

There have been no changes in Commission membership during this fiscal year. The LAFCO office is fully staffed, with 4.0 FTE positions. Additionally, the implementation of a training and professional development work plan for LAFCO staff is underway, ensuring continued growth, skill enhancement, and alignment with best practices in local government and land use planning.

Several key administrative activities and projects have been completed, including the development of a new LAFCO database to efficiently track public inquiries and manage the contacts directory; and completion of LAFCO website upgrade. The development of a new database to track application processing activity is currently underway.

Projects that will not be completed by the end of the fiscal year will be incorporated into the proposed FY 2027 work plan to ensure their continued progress and completion in alignment with LAFCO's strategic objectives.

The LAFCO Annual Report for FY 2026 will be published at the close of the fiscal year. This report will document all applications reviewed and processed during the year and will highlight LAFCO's accomplishments, activities, and key projects undertaken or completed throughout the period.

STATUS OF FY 2025-2026 ADOPTED BUDGET

Attachment D includes the FY 2026 budget adopted by the Commission at a noticed public hearing on June 4, 2025, the status of LAFCO's expenditures and revenues as of February 18, 2026, and expenditure and revenue projections for end of FY 2026. The adopted LAFCO budget/operating expenses for FY 2026 is $1,365,669. It is estimated that the total year-end projected expenditures for FY 2026 would be approximately 5% higher than the adopted budget primarily due to staff salary and benefit costs being higher than the estimates provided at the time of budget adoption. However, due to slightly higher than anticipated revenue amounts and a larger than estimated fund balance from the previous year ($176,483 vs. $63,997), LAFCO's year-end operating expense is estimated to remain approximately 5% lower than that in the adopted FY 2026 budget. LAFCO has received the respective FY 2026 funds from the County, the cities and the independent special districts based on the adopted budget. Therefore, the unspent funds will carry over into FY 2027 and will be used to reduce net operating expenses that would in turn translate to reduced FY 2027 costs for contributing agencies.

PROPOSED WORK PLAN FOR FISCAL YEAR 2027

Attachment C includes the proposed work plan for FY 2027, as recommended by the Finance Committee, for consideration and adoption by the full commission.

The proposed workplan includes ongoing as well as new projects and outlines detailed projects/activities organized under six broad areas: (1.) LAFCO application processing; (2.) island annexations; (3.) outreach, government/community relations and customer service; (4.) service reviews, special studies and sphere of influence updates; (5.) commission support; and (6.) administrative projects. The work plan assigns priority levels (high, moderate, low); and designates whether the work is to be conducted by staff or outside consultants.

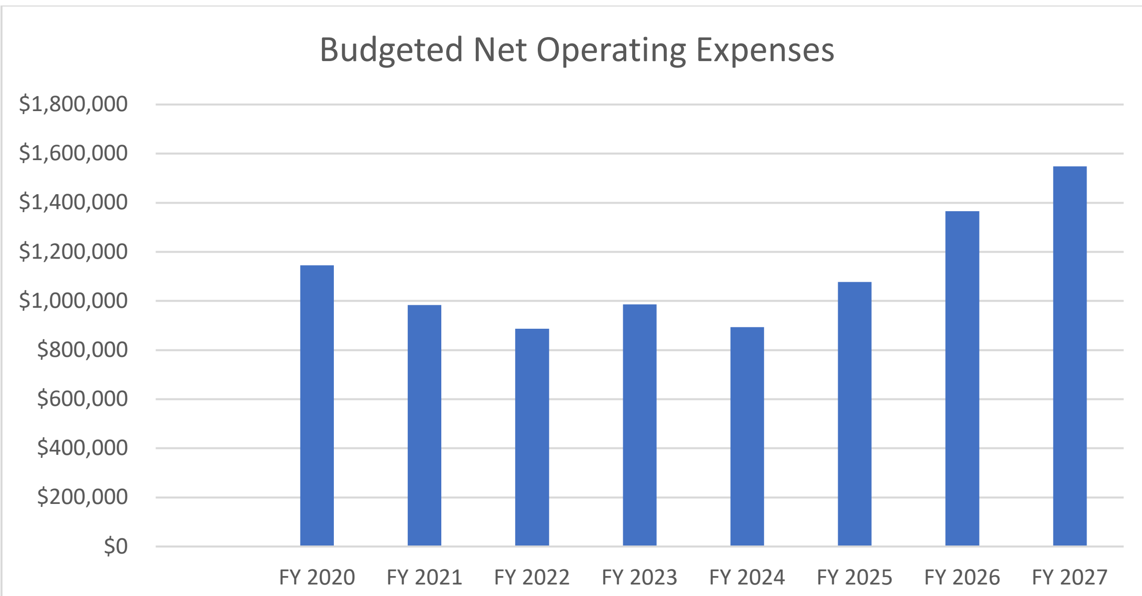
The proposed work plan includes a broad spectrum of responsibilities that LAFCO, as an independent local agency and as a regulatory body of the state, is expected to fulfill in its role of promoting sustainable growth and good governance in Santa Clara County. It incorporates the Commission's legislative functions and mandates and also the Commission's proactive local initiatives and priorities such as its directives for ongoing public outreach and education and its proactive service review and implementation program.

Staff actively manages the workload in order to focus on accomplishing essential activities such as processing applications, completing projects currently underway, maintaining core administrative functions, tracking on-going projects and studies, supporting the commission and responding to local agency and public requests for assistance and information. Consistent with past practice, LAFCO's statutorily mandated activities take priority over administrative projects that are not statutorily required, and over proactive commission-initiated projects which are discretionary but support LAFCO's mission and statutory requirements.

PROPOSED BUDGET FOR FISCAL YEAR 2027

Attachment D includes the proposed budget for FY 2026-2027 as recommended by the Finance Committee, for consideration and adoption by the full commission. The Finance Committee conducted a thorough review of the work plan and budget and recognized the public benefit of LAFCO's work and the high demand for LAFCO's services from local agencies and the public. The Committee maintained its commitment to ensure adequate resources that allow the Commission to fulfill its statutory responsibilities and accomplish its work plan while also limiting costs for LAFCO's funding agencies.

The overall projected expenditure for FY 2027 ($1,640,951) in the proposed budget is 12% higher than the current year budgeted expenses ($1,464,666). This increase in expenditures is largely due to both an increase in the cost of staff salaries and benefits and a larger budgeted amount for consultant services. Correspondingly, LAFCO's proposed net operating expense for FY 2027 is approximately 13% higher than the FY 2026 budgeted net operating expense.



DESCRIPTION OF FY 2026-2027 BUDGET LINE ITEMS

LAFCO and the County of Santa Clara entered into a Memorandum of Understanding (MOU) (effective since July 2001), under the terms of which, the County provides staffing, facilities, and services to LAFCO. The associated costs are reflected in the proposed LAFCO budget. LAFCO is a stand-alone, separate fund within the County's accounting and budget system and the LAFCO budget information is formatted using the County's account descriptions/codes.

The following is a detailed itemization of the proposed budget.

EXPENDITURES

Expenditures are divided into two main sections: Staff Salaries and Benefits (Object 1) which comprise approximately 66% of the total expenditures; and Services and Supplies (Object 2).

OBJECT 1. SALARIES AND BENEFITS $1,088,248

This line item supports the salaries and benefits for the 4.0 FTE positions including the Executive Officer position, a Senior Analyst position, an Analyst position, and a Clerk position. All four positions are currently staffed. LAFCO contracts with the County of Santa Clara for staffing and services and in accordance with the MOU between the County and LAFCO, all four positions are staffed through the County Executive's Office. The proposed amount is based on the best available projections from the County at this time for salaries and benefits for the 4 positions. Any changes to the projections for the four positions that may occur within the next couple of months will be reflected in the Final LAFCO budget.

OBJECT 2. SERVICES AND SUPPLIES

5255100 Intra-County Professional $12,000

This includes the costs for services from various County agencies such as the County Surveyor's Office, the County Assessors' Office, and the Registrar of Voters. The County Surveyor assists with map review and approval for boundary change proposals as well as with research to resolve boundary discrepancies. The County Assessor's Office prepares reports for LAFCO and the Registrar of Voters provides data necessary for processing LAFCO applications. This item also allows LAFCO to seek GIS mapping services including support and technical assistance from the County Planning Office, as necessary. This item also includes the approximate annual cost ($5,622) associated with webcasting the regular LAFCO meetings held in the County Board of Supervisors Chambers. In February 2021, LAFCO and the County entered into an MOU regarding webcasting services and associated costs for LAFCO meetings. As a result of the pandemic and virtual meetings, webcasting of LAFCO meetings did not begin until April 2023.

5255800 Legal Counsel $90,716

This item covers the cost for general legal services.

In February 2009, the Commission retained the firm of Best Best & Krieger for legal services on a monthly retainer. The contract was amended in 2010 to reduce the number of total hours required to 240 hours per year. The contract sets the hourly rate and allows for an annual automatic adjustment to the rates based on the Consumer Price Index (CPI). In 2017, the contract was once again amended to increase the monthly retainer cost and limit the CEQA work within the retainer to 24 hours annually. Any additional CEQA work above 24 hours would be charged outside the retainer at the same hourly rate.

The monthly retainer for FY 2027 increases to $7,223, based on a 2.2% increase in the Consumer Price Index for the prior calendar year (2025). This item covers the annual retainer fees and includes additional monies to cover approximately 10 hours of work outside the retainer at the hourly rate of $404.

5255500 Consultant Services $250,000

This item is budgeted for hiring consultants to assist LAFCO with special projects such as for conducting service reviews and special studies, and scanning LAFCO's hardcopy records into the existing electronic document management system, among other projects. The Commission must take action to authorize such special projects prior to expending funds. This item also includes costs associated with ongoing consultant contracts for projects such as the countywide water and wastewater service review, the maintenance and hosting of the LAFCO website by an outside provider; the annual financial audits of LAFCO, and the development and ongoing licensing and support for the new LAFCO database. The FY 2027 budget for this item reflects an increase of $75,000 from the previous year, to accommodate two comprehensive service reviews planned for the fiscal year – the ongoing Countywide Water and Wastewater Service Review and the upcoming service review for the Santa Clara County Mosquito and Vector Control District.

5285700 Meal Claims $1,000

This item includes cost of food to support Commission events, workshops, meetings.

5220200 Insurance $8,000

This item is for the purpose of purchasing general liability insurance and workers' compensation coverage for LAFCO. In 2010, LAFCO switched from the County's coverage to the Special District Risk Management Authority (SDRMA), for the provision of general liability insurance. Additionally, LAFCO also obtains workers' compensation coverage for its commissioners from SDRMA. Workers' compensation for LAFCO staff is currently covered by the County and is part of the payroll charge.

The estimates for FY 2027 were not available from SDRMA as of writing this report. The Final budget will reflect any major revisions to these estimates.

5270100 Rent & Lease $59,556

This item includes FY 2027 monthly rent for LAFCO office space located at 777 North First Street, Suite 420, San Jose. The original lease term for the office space expired on May 5, 2022. At its February 2, 2022 meeting, the Commission authorized the extension of the lease for a five-year period through April 30, 2027. Staff has contacted the building management and has obtained terms for a potential 5-year lease extension. Staff is also working with the County to explore availability of suitable space in a county-owned facility that can meet LAFCO's long-term office space needs as an independent agency.

5250100 Office Expenses $5,000

This item includes funds for purchase of books, subscriptions/publications necessary to keep current on laws and trends; and small equipment and supplies for office operations, including printer/photocopier lease.

5255650 Data Processing Services $23,948

This item includes estimated costs associated with County Technology Solutions & Services Department (TSS) providing IT services to the LAFCO program. According to TSS, the projected costs cover Telecom services for 5 phones- VOIP/Landline ($1,980), Wireless Carrier Service ($1,045), enterprise licensing including MS Adobe special order, Acrobat Pro and MS Visio monthly subscription ($4,748), and other services ($16,175) comprising Enterprise Content Management services and solutions, Kronos support, Architecture and Innovation Services, Claranet services, Data Analytics and Visualizations, digital print and sccLearn. Any further revised cost estimates received from the County will be reflected in the Final LAFCO budget.

5225500 Commissioner's Fees $10,000

This item covers the $100 per diem amount for LAFCO commissioners and alternate commissioners to attend LAFCO meetings and committee meetings.

5260100 Publications and Legal Notices $1,000

This item is for costs associated with publication of hearing notices for LAFCO applications and other projects/ studies, as required by state law. This budgeted amount has been maintained at the same level as the current year.

5245100 Membership Dues $15,300

This item includes CALAFCO – the California Association of LAFCOs membership dues. At its meeting in December 2023, the CALAFCO Board voted to approve a 3% rate adjustment to account for the CPI increase (June 2024 to June 2025), in accordance with the CALAFCO Bylaws. The FY 2026 membership dues for Santa Clara LAFCO is $13,309.

Additionally, this item includes estimated membership dues for CSDA – the California Special Districts Association. In June 2018, CSDA informed that Santa Clara LAFCO as a customer of SDRMA, must be a member of CSDA pursuant to SDRMA bylaws.

5250750 Printing and Reproduction $1,500

This covers printing expenses for reports such as service reviews or other studies and documents.

5285800 Business Travel $21,000

This item includes funding for staff and commissioners to attend conferences and workshops. It would cover costs of air travel, accommodation, conference registration and other expenses at the conferences. CALAFCO annually holds a Staff Workshop (Location TBD, April 2027) and an Annual Conference (Sacramento, October 2026) that is attended by commissioners as well as staff. Additionally, this item includes funding for travel costs associated with Commissioner Kamei serving on the CALAFCO Board.

5285300 Private Automobile Mileage $1,000

This item provides for mileage reimbursement when staff travels by private car to conduct site visits and attend meetings / training sessions. This budgeted amount has been maintained at the same level as the current year.

5285200 Transportation and Travel (for use of County car) $600

This item would cover costs associated with the use of a County vehicle for travel to conferences, workshops, site visits and meetings.

5281600 Overhead $42,139

This overhead charge is established by the County Controller's Office, for service rendered by various County departments that do not directly bill LAFCO. The overhead includes LAFCO's share of the County's FY 2027 Cost Allocation Plan which is based on actual overhead costs from FY 2025 – the most recent year for which actual costs are available. The overhead amount includes the following charges from:

County Executive's Office:	$6,149
Controller-Treasurer:	$12,679
Employee Services Agency:	$10,771
OBA:	$426
TSS Intragovernmental Service:	$1,379
Technology Services & Solutions:	$1,372
Procurement:	$39
Equal Opp. (County Counsel):	$1,382
CoB – Harvey Rose Mgt Audit:	$18
Facilities and Fleet:	$297

Further, a "roll forward" is applied which is calculated by comparing FY 2025 Cost Plan estimates with FY 2025 actuals. The FY 2025 cost estimates were lower than the actuals by $7,572; this amount is added to the FY 2027 Cost Plan. This is a state requirement.

5275200 Computer Hardware $4,000

This item is designated for any required hardware upgrades / purchases.

5250800 Computer Software $4,000

This amount is designated for computer software purchases, including annual licenses for GIS software (ArcGIS) and records management software (Laserfiche) with 2 hours of online/onsite support.

5250250 Postage $500

This amount covers postage costs for mailing notices, agendas, agenda packets and general correspondence.

5252100 Training Programs $2,000

This item covers the costs associated with attendance at commissioner / staff professional development courses and seminars. CALAFCO conducts University Courses throughout the year on topics of relevance to LAFCO.

REVENUES

4103400 Application Fees $25,000

It is anticipated that LAFCO will receive approximately $25,000 in fees from processing applications. The actual amount earned from fees corresponds to the level of application activity.

4301100 Interest $10,000

It is estimated that LAFCO will receive an amount of approximately $10,000 from interest earned on LAFCO funds.

3400150 Fund Balance from Previous Fiscal Year (i.e., FY 2026) $57,251

It is projected that there will be a savings or fund balance of approximately $57,251 at the end of the current year, which will be carried over to reduce the proposed Fiscal Year 2027 costs for LAFCO's funding agencies (cities, independent special districts and the County).

Projected Year-End [FY 2026] Fund Balance = (Projected Year-End [FY 26] Revenue + Actual Fund Balance from Previous Fiscal Year [FY 25] + Funds Received from Local Agencies in FY 26) - (Projected Year-End [FY 26] Expenses)

= ($50,000+ $176,483 + $1,365,669) - $1,534,901

= $57,251

The fund balance excludes the reserves.

RESERVES

3400800 Reserves Available $200,000

This item includes reserves for two purposes: litigation reserve – for use if LAFCO is involved with any litigation; and contingency reserve – to be used for unexpected expenses. If used during the year, this account will be replenished in the following year. Since 2012, the reserves have been retained in a separate Reserves account, thus eliminating the need for LAFCO to budget each year for this purpose.

The Reserves amount was held at $250,000 since FY 2020 to timely implement potential recommendations from the Comprehensive Organizational Assessment, and as a tentative measure in recognition that LAFCO operates in an increasingly complex and controversial environment.

In FY 2022, LAFCO reduced the Reserves from $250,000 to $200,000, in order to further reduce costs to local agencies given the COVID -19 related economic hardships; and has maintained the reserve level at $200,000 since then. The Finance Committee recommends maintaining the current level of reserves for FY 2027. This places the proposed Reserve amount at approximately 12% of the total FY 2027 expenditures. LAFCO has not adopted a Reserves policy, however as an independent agency, LAFCO should maintain sufficient reserves for flexibility and stability in the event of unanticipated needs.

FY 2027 NET OPERATING EXPENSES

FY 2027 Net Operating Expenses = (Proposed FY 2027 Expenditures) - (Proposed FY 2027 Fee & Interest Revenues + Projected Fund Balance from FY 2026)

= ($1,640,951) – ($35,000 + $57,251)

= $1,548,700

The projected operating expense for FY 2027 is based on projected expenditures and revenues as well as on estimated fund balance for the current year. Further revisions may be needed as we get a better indication of current year expenses/revenues towards the end of this fiscal year. Additionally, a more accurate projection of costs/revenues for the upcoming fiscal year could become available, particularly for employee salary and benefits. This could result in changes to the proposed net operating expenses for FY 2027 which will be reflected in the Final budget and which could in turn impact the costs for each of LAFCO's funding agencies.

COST APPORTIONMENT TO CITIES, INDEPENDENT SPECIAL DISTRICTS AND COUNTY

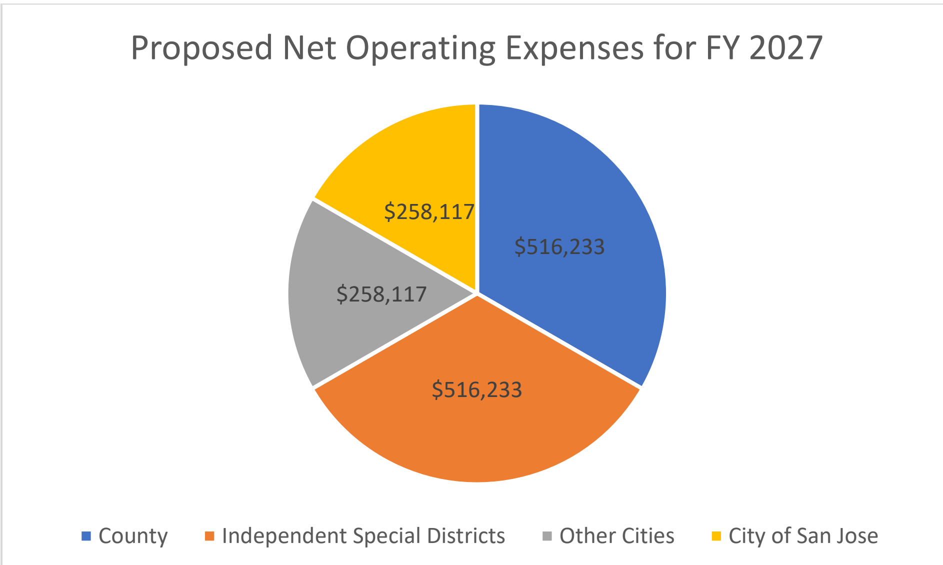
In January 2013, independent special districts were seated on LAFCO. Government Code §56381(b)(1)(A) provides that when independent special districts are represented on LAFCO, the county, cities and independent special districts must each provide a one-third share of LAFCO's operational budget.

The City of San Jose has permanent membership on LAFCO pursuant to Government Code Section 56327. As required by Government Code §56381.6(b), the City of San Jose's share of LAFCO costs must be in the same proportion as its member bears to the total membership on the commission, excluding the public member. The remaining cities' share must be apportioned in proportion to each city's total revenues, as reported in the most recent edition of the Cities Annual Report published by the Controller, as a percentage of the combined city revenues within a county.

Government Code Section §56381 provides that the independent special districts' share shall be apportioned in proportion to each district's total revenues as a percentage of the combined total district revenues within a county. The Santa Clara County Special Districts Association (SDA), at its August 13, 2012 meeting, adopted an alternative formula for distributing the independent special districts' share to individual districts. The SDA's agreement requires each district's cost to be based on a fixed percentage of the total independent special districts' share.

Therefore, in Santa Clara County, the County pays a third of LAFCO's operational costs, the independent special districts pay a third, the City of San Jose pays one sixth and the remaining cities pay one sixth. Government Code §56381(c) requires the County Auditor to request payment from the cities, independent special districts and the County no later than July 1 of each year for the amount each agency owes based on the net operating expenses of the Commission and the actual administrative costs incurred by the Auditor in apportioning costs and requesting payment.

The following is a draft apportionment to the agencies based on the proposed net operating expenses for FY 2027.



Apportionment of the costs among the 14 cities and among the 17 independent special districts will be calculated by the County Controller's Office after LAFCO adopts the final budget in June. In order to provide each of the cities and districts with a general indication of their costs in advance, **Attachment E** includes draft estimated apportionments, based on the proposed FY 2027 net operating expenses and the FY 2023-2024 Cities Annual Report from the State Controller's Office. The final apportionments will be prepared by the County Controller's Office based on the latest available Cities Annual Report.

ATTACHMENTS

Attachment A:	Status of FY 2026 Work Plan
Attachment B:	LAFCO Financials 2008-2025
Attachment C:	Proposed Work Plan for Fiscal Year 2027
Attachment D:	Proposed LAFCO Budget for Fiscal Year 2027
Attachment E:	Estimated FY 2027 Costs to Agencies

ITEM # 5
Attachment A

STATUS OF CURRENT YEAR WORK PLAN (FY 2026)

PRIORITY **H** - High Priority (essential activities: state mandate, Commission directive, requirements)
M - Medium Priority (important, provided resources allow or time permits)
L - Low Priority (desirable provided resources allow or time permits, not urgent)

**** Indicates emergent work items underway by staff or authorized by the Commission that fall outside the adopted FY 2026work plan**

	PROJECT DESCRIPTION	ACTIVITIES / TIMELINE	RESOURCES	PRIORITY	STATUS
LAFCO APPLICATIONS	Process applicant-initiated LAFCO proposals	Encourage pre-application meetings prior to application submittal Conduct pre-agenda meetings with County Depts to obtain Assessor & Surveyor reports, as needed Process applications per CKH Act: issue Notice of Application, Certificate of Filing / Sufficiency, Public Hearing Notice, staff report, conduct protest proceedings, as needed	Staff	H	Several pre-application meetings held (e.g., USA amendments for cities of Gilroy and Morgan Hill, annexation to fire district
	Comment on potential LAFCO applications, relevant projects & development proposals, city General Plan updates and/ or related environmental documents	Ongoing, as needed	Staff	H	Ongoing, as needed
	Comprehensive review and update of LAFCO policies for context, clarity and consistency with State law – Phase 2	Develop a Phase 2 workplan /timeline for commission consideration and begin implementation	Staff	H	Completed Phase 2 Policies revision (December 2025). **Completed preparation of the LAFCO Policies and Procedures Manual – now available on the LAFCO website (February 2026)
	Prepare flowcharts for LAFCO processes and update application packets and application	Upon completion of policies update	Staff/ Consultant	L	In progress. Review and update of application packets, including for

STATUS OF CURRENT YEAR WORK PLAN (FY 2026)

	PROJECT DESCRIPTION	ACTIVITIES / TIMELINE	RESOURCES	PRIORITY	STATUS
	fee schedules for current requirements and ease of public use				compliance with accessibility requirements
	Conduct a Strategic Planning Workshop for the Commission to consider the development of Environmental Justice Policies and other emerging policy ideas, with the goal of advancing innovative LAFCO policies through a strategic plan	Identify a facilitator for the Workshop - Early 2026	Staff/ Consultant	M	To be held in April 2026. Workshop planning in progress. Identifying facilitator and potential speaker(s)
ISLAND ANNEXATIONS	Conduct outreach to cities with islands, follow-up on responses including review/research of city limits/ USA boundaries, provide assistance with annexations or necessary USA amendments	Prepare and distribute island maps to cities	Staff	L	As needed
	Review and finalize city-conducted island annexations	Ongoing, as needed	Staff	H	As needed
OUTREACH, GOVERNMENT / COMMUNITY RELATIONS &	Conduct outreach to increase awareness of LAFCO's role	Presentations on LAFCO to cities, other agencies or organizations, as relevant Distribute LAFCO communications material to elected officials and staff of cities, special districts and the County Seek exhibit opportunities at public spaces / events Maintain website as the primary information resource on LAFCO	Staff	L M L H	Presentations provided upon request: Leadership Sunnyvale (12/25), Leadership Morgan Hill (3/26) Ongoing Website upgrade in progress

STATUS OF CURRENT YEAR WORK PLAN (FY 2026)

	PROJECT DESCRIPTION	ACTIVITIES / TIMELINE	RESOURCES	PRIORITY	STATUS
	Engage and establish relationships with local (cities, districts, county), regional (ABAG/MTC), state (SGC, OPR, DoC, SWRCB) agencies, organizations such as SDA, SCCAPO, CALAFCO, other stakeholder groups	Attend regular meetings of SDA (quarterly), SCCAPO (monthly), County Planning Dept.(quarterly) Small water systems issues / legislation Collaborate with agencies and entities with goals common to LAFCO	Staff	M M M	Ongoing Ongoing meetings
	Track LAFCO related legislation	Commission takes positions and submits letters on proposed legislation	Staff	M	Ongoing, as needed
	Respond to public inquiries re. LAFCO policies, procedures and application filing requirements	Timely response to public inquiries Update the PRA form for the website Document research on complex inquiries Report to Commission on complex inquiries	Staff	H L L H	Ongoing
SERVICE REVIEWS, SPECIAL STUDIES & SPHERE OF INFLUENCE UPDATES	Countywide Fire Service Review	Work with interested agencies on implementing recommendations requiring LAFCO action (Table B Recommendations)	Staff	H	As needed.
	Countywide Water and Wastewater Service Review	Develop water/wastewater service review workplan and identify method for consultant selection	Staff	M	TAC formed (October 2025), Consultant selected (March 2026), Project webpage created (March 2026)
	**Service Review for the Santa Clara County Mosquito and Vector Control District	Prepare scope of work and timeline and draft RFP for consultant	Staff	H	On hold until LAFCO Meeting in June 2026
	Continue to monitor implementation of recommendations from previous service	RRRPD study – city took action to delay decision on consolidation	Staff	L	Pending city action

STATUS OF CURRENT YEAR WORK PLAN (FY 2026)

	PROJECT DESCRIPTION	ACTIVITIES / TIMELINE	RESOURCES	PRIORITY	STATUS
	reviews and conduct special studies, as necessary				
	Map Mutual Water companies	Initial maps complete, further work through service review	Staff	L	As part of Countywide Water Service Review
	Engage in or support grant/partnership opportunities on issues related to enhancing viability of agriculture, and climate smart growth	As needed, and as opportunities arise	Staff	L	Collaboration Letter for the Bay Area Agricultural Resiliency Collaborative Planning Project SALC Grant (June 2025) Support letter for Santa Clara Valley Open Space Authority SALC Application for 412-acre Agricultural Conservation Easement (July 2025)
	Compile and post JPA filings on the LAFCO website	Notice provided, gather JPA information through service review process	Staff	L	JPA information obtained from Fire Service Review – posted on the LAFCO website

STATUS OF CURRENT YEAR WORK PLAN (FY 2026)

	PROJECT DESCRIPTION	ACTIVITIES / TIMELINE	RESOURCES	PRIORITY	STATUS
COMMISSION SUPPORT	Provide ongoing support to the 12 commissioners for regularly scheduled Commission meetings, special meetings and Committee meetings (Finance Committee, Ad Hoc Committee on Policies and the Fire Service Review TAC)	Prepare and distribute public hearing notices and agenda packets, provide staff support during the meetings, record minutes, broadcast meetings Hold pre-agenda review meeting with Chair Hold pre-meeting calls with individual commissioners to address agenda item questions Process commissioner per diems for attendance at LAFCO meetings	Staff	H	Ongoing
	Keep the Commission informed	EO report, off-agenda emails, as needed Provide ongoing educational opportunities / events including presentation from local agencies	Staff	H	Ongoing
	Onboarding new Commissioners	Facilitate filing / completion of Form 700, commissioner pledge, ethics training. Update LAFCO letterhead, directory, and website Set up vendor accounts, provide parking permits Conduct new Commissioner orientation Recognize outgoing commissioners for service on LAFCO Organize Commissioner / staff luncheon	Staff	H	Ongoing - as needed Orientation for Commissioner Lee staff (February 2026)

STATUS OF CURRENT YEAR WORK PLAN (FY 2026)

	PROJECT DESCRIPTION	ACTIVITIES / TIMELINE	RESOURCES	PRIORITY	STATUS
	Commissioners Selection Process	Inform appointing bodies of any upcoming vacancies and provide information on appointment criteria Convene ISDSC committee meeting, as necessary Coordinate public member selection process, as necessary	Staff	H	Ongoing, as needed.
	Commissioner participation in CALAFCO	Support commissioner participation in CALAFCO activities / or election to the CALAFCO Board	Staff	L	Commissioner Kamei elected to CALAFCO Board in October 2025 Commissioner Kamei appointed as alternate on the CALAFCO Legislative Committee. Chair and EO attend CALAFCO Board and Legislative Committee meetings
ADMINISTRATIVE PROJECTS	Prepare LAFCO annual work plan	March –June 2026	Staff	H	In progress
	Prepare LAFCO annual budget	March –June 2026	Staff	H	In progress
	Prepare LAFCO Annual Report	August 2025	Staff	H	Completed in October 2025
	Prepare LAFCO Annual Financial Audit	October 2025 (Contract with Chavan Associates extended for FY 2024 thru FY 2027)	Consultant / Staff	H	Completed in December 2025
	Office / facility management	Coordinate with Building Manager on facilities issues Coordinate with County re. computers/network, phone, printers,	Staff	H	Ongoing

STATUS OF CURRENT YEAR WORK PLAN (FY 2026)

	PROJECT DESCRIPTION	ACTIVITIES / TIMELINE	RESOURCES	PRIORITY	STATUS
ADMINISTRATIVE PROJECTS		office security, procurement, installation & maintenance Order and manage office supplies Make travel arrangements and process expense reimbursements. Process mileage reimbursements Office space lease extended (lease extended through April 30, 2027)			
	Records management	Organize scan of LAFCO records to Electronic Document Management System (LaserFische) Maintain LAFCO's hard copy records Maintain and enhance the LAFCO Website Maintain LAFCO database	Staff/ Consultant Staff	H H H H	On hold until completion of website upgrades **Website upgrade and accessibility compliance Completed (March 2026). PDF accessibility to be completed by the 4/24/26 legislative deadline Completed development of a new LAFCO database to track public inquiries, and manage contacts directory (July 2025). Development of database to track applications in progress

STATUS OF CURRENT YEAR WORK PLAN (FY 2026)

	PROJECT DESCRIPTION	ACTIVITIES / TIMELINE	RESOURCES	PRIORITY	STATUS
	Contracts and payments & receivables	Track consultant contracts and approve invoices Approve vendor invoices / process annual payments for various services/ memberships Coordinate with County Controller's Office and track annual collection of payments from member agencies	Staff	H	Ongoing
	Review and update LAFCO bylaws / administrative policies and procedures	Ongoing, as needed, and also as part of Phase 2 Policies Revision	Staff	H	Completed, as part of Phase 2 policies review and update
	Staff training and development	CALAFCO workshops, conferences, relevant courses Implementation of the work plan for staff professional development Staff retreat for team bonding and staff development	Staff	H H M	Attended CALAFCO Annual Conference October 2025 CALAFCO Staff Workshop (April 2026) Ongoing training
	Coordinate with County on administrative issues	Attend monthly meetings with the Deputy County Executive	Staff	H	Ongoing
	Staff performance evaluation	May – December 2025	Staff/ Commission	H	Completed
	Other administrative functions mandated of a public agency (Form 700 annual filing & AB 1234 training compliance, Form 806, maintaining liability/workers comp insurance, etc.)	Ongoing	Staff	H	Ongoing

ITEM # 5
Attachment B

FY 2008 - FY 2025 LAFCO FINANCIALS

ITEM NO.	TITLE	ACTUALS FY 2008	ACTUALS FY 2009	ACTUALS FY 2010	ACTUALS FY 2011	ACTUALS FY 2012	ACTUALS FY 2013	ACTUALS FY 2014	ACTUALS FY 2015	ACTUALS FY 2016	ACTUALS FY 2017	ACTUALS FY 2018	ACTUALS FY 2019	ACTUALS FY 2020	ACTUALS FY 2021	ACTUALS FY 2022	ACTUALS FY 2023	ACTUALS FY 2024	ACTUALS FY 2025
EXPENDITURES																			
	Salary and Benefits	$356,009	$400,259	$406,650	$413,966	$393,194	$411,929	$450,751	$466,755	$484,216	$514,381	$628,534	$713,900	$744,439	$730,716	$639,099	$697,700	$823,668	$921,561
Object 2:	Services and Supplies																		
5255100	Intra-County Professional	$66,085	$57,347	$13,572	$4,532	$6,118	$5,260	$5,663	$4,379	$18,523	$1,292	$703	$3,593	$346	$201	$354	$3,785	$9,107	$6,398
5255800	Legal Counsel	$0	$9,158	$67,074	$52,440	$48,741	$56,791	$53,550	$52,854	$57,498	$71,131	$59,400	$72,276	$69,975	$65,791	$78,977	$78,326	$80,945	$82,500
5255500	Consultant Services	$19,372	$75,000	$76,101	$58,060	$102,349	$59,563	$35,602	$37,250	$39,625	$0	$45,000	$52,650	$106,709	$41,966	$25,389	$106,867	$55,742	$28,325
5285700	Meal Claims	$0	$368	$277	$288	$379	$91	$228	$209	$367	$50	$901	$257	$166	$0	$56	$1,473	$273	$641
5220100	Insurance	$491	$559	$550	$4,582	$4,384	$4,378	$4,231	$4,338	$4,135	$4,679	$4,893	$5,296	$5,893	$10,452	$8,591	$7,042	$14,982	$8,664
1151	Office Expenses	$1,056	$354	$716	$639	$1,212	$536	$850	$783	$6,266	$48,632	$15,412	$4,702	$2,544	$1,151	$1,462	$2,211	$3,878	$2,115
5270100	Rent and Lease											$41,120	$39,360	$44,478	$46,254	$47,903	$53,172	$54,766	$56,416
5255650	Data Processing Services	$8,361	$3,692	$3,505	$1,633	$3,384	$1,663	$3,311	$9,024	$1,519	$6,869	$877	$11,894	$15,500	$21,223	$18,125	$27,297	$24,183	$22,585
5225500	Commissioners' Fee	$5,700	$5,400	$3,500	$3,400	$4,000	$4,900	$5,800	$4,900	$6,700	$5,300	$5,400	$5,000	$4,600	$6,100	$4,200	$4,500	$6,300	$6,000
5260100	Publications and Legal Notices	$1,151	$563	$1,526	$363	$916	$222	$378	$2,484	$487	$191	$145	$192	$44	$90	$704	$470	$134	$8,359
5245100	Membership Dues	$5,500	$7,000	$7,000	$7,000	$7,000	$14,473	$0	$7,428	$7,577	$8,107	$8,674	$9,615	$11,822	$12,144	$12,316	$12,921	$13,936	$14,318
5250750	Printing and Reproduction	$5	$0	$0	$0	$0	$0	$9	$177	$703	$0	$0	$0	$799	$0	$0	$435	$202	$0
5285800	Business Travel	$7,238	$8,415	$4,133	$8,309	$3,095	$4,777	$5,800	$4,042	$5,811	$3,877	$13,091	$4,260	$6,908	$0	$0	$4,933	$12,612	$11,356
5285300	Private Automobile Mileage	$1,016	$704	$832	$1,185	$615	$424	$409	$396	$1,009	$1,264	$590	$689	$696	$61	$0	$42	$542	$525
5285200	Transportation&Travel (County Car Usage	$894	$948	$629	$0	$384	$250	$371	$293	$559	$605	$0	$328	$256	$0	$0	$323	$0	$192
5281600	Overhead	$42,492	$62,391	$49,077	$46,626	$60,647	$43,133	$42,192	$34,756	$49,452	$0	$28,437	$69,944	$4,505	$30,917	$49,173	$30,041	$20,346	$21,187
5275200	Computer Hardware	$0	$451	$0	$83	$2,934	$1,791	$2,492	$0	$106	$0	$0	$773	$0	$0	$0	$0	$0	$0
5250800	Computer Software	$0	$0	$626	$314	$579	$3,124	$933	$1,833	$2,079	$754	$4,505	$3,012	$1,200	$4,708	$1,753	$1,843	$1,203	$2,261
5250250	Postage	$1,160	$416	$219	$568	$309	$589	$246	$597	$411	$209	$183	$117	$73	$184	$159	$42	$30	$24
5252100	Staff Training Programs	$0	$665	$491	$250	$300	$0	$0	$1,431	$0	$0	$0	$350	$525	$70	$70	$35	$0	$0
5701000	Reserves	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
TOTAL EXPENDITURES		**$516,530**	**$633,691**	**$636,478**	**$604,238**	**$640,540**	**$613,895**	**$612,816**	**$633,929**	**$687,043**	**$667,342**	**$857,865**	**$998,208**	**$1,021,478**	**$972,028**	**$888,331**	**$1,033,458**	**$1,122,849**	**$1,193,427**
REVENUES																			
4103400	Application Fees	$46,559	$41,680	$35,576	$48,697	$37,426	$45,458	$63,561	$27,386	$146,168	$20,436	$29,864	$33,049	$7,587	$34,622	$41,847	$19,637	$27,615	$21,074
4301100	Interest: Deposits and Investments	$24,456	$16,230	$6,688	$4,721	$4,248	$3,416	$2,674	$2,844	$6,073	$10,830	$12,620	$12,141	$18,176	$10,488	$7,831	$25,401	$32,352	$33,334
TOTAL REVENUES		**$71,015**	**$57,911**	**$42,264**	**$53,418**	**$41,674**	**$48,873**	**$66,235**	**$30,230**	**$152,241**	**$31,266**	**$42,484**	**$45,190**	**$25,763**	**$45,110**	**$49,678**	**$45,038**	**$59,967**	**$54,408**
3400150	**AVAILABLE FUND BALANCE END OF YEAR**	**$271,033**	**$368,800**	**$334,567**	**$275,605**	**$209,987**	**$208,219**	**$160,052**	**$226,111**	**$187,310**	**$293,489**	**$331,177**	**$314,693**	**$352,123**	**$312,351**	**$410,027**	**$407,583**	**$237,891**	**$176,483**
3400800	**RESERVES AVAILABLE**				**$100,000**	**$100,000**	**$150,000**	**$150,000**	**$150,000**	**$150,000**	**$150,000**	**$150,000**	**$150,000**	**$250,000**	**$250,000**	**$200,000**	**$200,000**	**$200,000**	**$200,000**
BUDGETED COSTS TO AGENCIES																			
5440200	County	$271,641	$270,896	$267,657	$292,601	$298,597	$281,780	$156,002	$187,521	$220,668	$225,778	$266,298	$277,942	$381,904	$327,928	$295,443	$328,658	$297,729	$455,223
4600100	Cities (San Jose 50% +other cities 50%)	$271,641	$270,896	$267,657	$292,601	$298,597	$282,625	$156,002	$187,521	$220,668	$225,778	$266,298	$277,942	$381,904	$327,928	$295,443	$328,658	$297,729	$455,223
4600100	Independent Special Distrcits							$296,892	$187,521	$220,668	$225,778	$266,298	$277,942	$381,904	$327,928	$295,443	$328,658	$297,729	$455,223

ITEM # 5
Attachment C

PROPOSED WORK PLAN FOR FISCAL YEAR 2027

PRIORITY* H - High Priority (essential activities: state mandate, Commission directive, requirements)
M - Medium Priority (important, provided resources allow or time permits)
L - Low Priority (desirable provided resources allow or time permits, not urgent)

	PROJECT DESCRIPTION	ACTIVITIES / TIMELINE	RESOURCES	PRIORITY*
APPLICATIONS REVIEW / PROCESSING AND LAFCO POLICY DEVELOPMENT	Process applicant-initiated LAFCO proposals	Encourage pre-application meetings prior to application submittal Conduct pre-agenda meetings with County Depts. to obtain Assessor & Surveyor reports, as needed Process applications per CKH Act requirements: issue Notice of Application, Certificate of Filing / Sufficiency, Public Hearing Notice, staff report, conduct protest proceedings, as needed	Staff	H
	Comment on potential LAFCO applications, relevant projects & development proposals, city General Plan updates and/ or related environmental documents	Ongoing, as needed	Staff	H
	Track and follow-up on LAFCO conditions of approval	Ongoing, as needed	Staff	H
	Update application packets and application fee schedules for current requirements and ease of public use	Ongoing, as needed	Staff	L
	Follow up on action items from the April 2026 Strategic Planning Workshop	Per Commission direction	Staff	M

REVISED FINAL WORK PLAN FOR FISCAL YEAR 2026 (June 4, 2025)

	PROJECT DESCRIPTION	ACTIVITIES / TIMELINE	RESOURCES	PRIORITY*
ISLAND ANNEXATIONS	Conduct outreach to cities with islands, follow up on responses including review/research of city limits/ USA boundaries, and assist with annexations or necessary USA amendments	Prepare and distribute island maps to cities	Staff	L
	Review and finalize city-conducted island annexations	Ongoing, as needed	Staff	H
OUTREACH, GOVERNMENT / COMMUNITY RELATIONS & CUSTOMER SERVICE	Conduct outreach to increase awareness of LAFCO's role	Presentations on LAFCO to cities, other agencies or organizations, as relevant Distribute LAFCO communications material to elected officials and staff of cities, special districts and the County Seek exhibit opportunities at public spaces / events Maintain website as the primary information resource on LAFCO	Staff	M M L H
	Engage and establish relationships with local (cities, districts, county), regional (ABAG/MTC), state (SGC, OPR, DoC, SWRCB) agencies, organizations such as SDA, SCCAPO, CALAFCO, other stakeholder groups	Attend regular meetings of SDA (quarterly), SCCAPO (monthly), and County Planning Dept. (quarterly) Small water systems issues / legislation Collaborate with agencies and entities with goals common to LAFCO	Staff	M M M
	Engage in or support grant / partnership opportunities on issues related to enhancing viability of agriculture, and climate smart growth	As needed, and as opportunities arise	Staff	L
	Track LAFCO related legislation	Commission takes positions and submits letters on proposed legislation	Staff	M
	Respond to public inquiries re. LAFCO policies, procedures and application filing requirements	Timely response to public inquiries Document research on inquiries in the LAFCO database Report to Commission on complex inquiries	Staff	H H H

REVISED FINAL WORK PLAN FOR FISCAL YEAR 2026 (June 4, 2025)

	PROJECT DESCRIPTION	ACTIVITIES / TIMELINE	RESOURCES	PRIORITY*
SERVICE REVIEWS, SPECIAL STUDIES & SPHERE OF INFLUENCE UPDATES	Countywide Water and Wastewater Service Review	Conduct service review per approved scope and schedule, anticipated completion Spring 2027	Staff/Consultant	H
	Santa Clara County Mosquito and Vector Control District Service Review	Conduct service review per scope and schedule authorized by Commission, anticipated to begin in early Fall 2026	Staff / Consultant	H
	Countywide Fire Service Review	Work with interested agencies on implementing recommendations requiring LAFCO action (Table B Recommendations)	Staff	M
	Continue to monitor implementation of recommendations from previous service reviews and conduct special studies, as necessary	RRRPD study – city took action to delay decision on consolidation	Staff	L
	Map Mutual Water companies	Initial maps complete, further through water service review	Staff	H
	Compile and post JPA filings on the LAFCO website	Notice provided, gather JPA information through service review process	Staff	M

REVISED FINAL WORK PLAN FOR FISCAL YEAR 2026 (June 4, 2025)

	PROJECT DESCRIPTION	ACTIVITIES / TIMELINE	RESOURCES	PRIORITY*
COMMISSION SUPPORT	Provide ongoing support to the 12 commissioners for regularly scheduled Commission meetings, special meetings and Committee meetings (Finance Committee, Technical Advisory Committees or Ad-Hoc Committees)	Prepare and distribute public hearing notices and agenda packets, provide staff support during the meetings, record minutes, broadcast meetings Hold pre-agenda review meeting with Chair Hold pre-meeting calls with individual commissioners to address agenda item questions and prepare meeting script for Chair Process commissioner per diems for attendance at LAFCO meetings	Staff	H
	Keep the Commission informed	EO report Off-agenda emails, as needed Provide ongoing educational opportunities/events, including presentations from local agencies	Staff	H
	Onboarding new Commissioners	Facilitate filing / completion of Form 700, commissioner pledge, ethics training Update LAFCO letterhead, directory, and website Set up vendor accounts, provide parking permits Conduct new Commissioner orientation Recognize outgoing commissioners for LAFCO service Organize Commissioner / staff Luncheon	Staff	H
	Commissioners Selection Process	Inform appointing bodies of any upcoming vacancies and provide information on appointment criteria Convene ISDSC committee meeting, as necessary Coordinate public member selection process, as necessary	Staff	H
	Commissioner participation in CALAFCO	Support commissioner participation in CALAFCO activities / or election to and participation on the CALAFCO Board	Staff	H

REVISED FINAL WORK PLAN FOR FISCAL YEAR 2026 (June 4, 2025)

	PROJECT DESCRIPTION	ACTIVITIES / TIMELINE	RESOURCES	PRIORITY*
ADMINISTRATIVE PROJECTS	Prepare LAFCO annual work plan	March – June 2026	Staff/Finance Committee	H
	Prepare LAFCO annual budget	March – June 2026	Staff/Finance Committee	H
	Prepare LAFCO Annual Report	August 2026	Staff	H
	Prepare LAFCO Annual Financial Audit	October 2026 (Contract with Chavan Associates extended for FY 2024 thru FY 2027)	Consultant / Staff	H
	Office / facility management	Work with the County to consider potential availability of office space at a County facility, and/or negotiate extension of current office space lease Coordinate with Building Manager on facilities issues Coordinate with County re. computers/network, phone, printers, office security, procurement, installation & maintenance Order and manage office supplies Make travel arrangements and process expense reimbursements. Process mileage reimbursements Office space lease through April 30, 2027	Staff	H
	Records management	Organize scan of LAFCO records to Electronic Document Management System (Laserfiche)	Staff/ Consultant	H
		Maintain LAFCO's hard copy records Maintain and enhance the LAFCO Website Maintain LAFCO database	Staff	H H H
	Contracts and payments & receivables	Track consultant contracts and approve invoices Approve vendor invoices / process annual payments for various services/ memberships	Staff	H

REVISED FINAL WORK PLAN FOR FISCAL YEAR 2026 (June 4, 2025)

	PROJECT DESCRIPTION	ACTIVITIES / TIMELINE	RESOURCES	PRIORITY*
ADMINISTRATIVE PROJECTS		Coordinate with County Controller's Office and track annual collection of payments from member agencies		
	Review and update LAFCO bylaws / administrative policies and procedures	Ongoing, as needed	Staff	H
	Staff training and development	CALAFCO workshops, conferences, relevant courses Implementation of the work plan for staff professional development Staff retreat for team bonding and staff development	Staff	H H M
	Coordinate with County on administrative issues	Attend monthly meetings with the Deputy County Executive	Staff	H
	Staff and EO performance evaluation	May – December 2026	Staff/Commission	H
	Other administrative functions mandated of a public agency (Form 806, maintaining liability/workers comp insurance, etc.)	Ongoing	Staff	H

ITEM # 5
Attachment D

PROPOSED LAFCO BUDGET
FISCAL YEAR 2026- 2027

ITEM #	TITLE	APPROVED BUDGET FY 2026	ACTUALS Year to Date 2/18/2026	PROJECTIONS Year End FY 2026	PROPOSED BUDGET FY 2027
EXPENDITURES					
Object 1:	Salary and Benefits	$994,427	$610,372	$1,082,821	$1,088,248
Object 2:	Services and Supplies				
5255100	Intra-County Professional	$12,000	$430	$12,000	$12,000
5255800	Legal Counsel	$88,766	$41,250	$85,000	$90,716
5255500	Consultant Services	$175,000	$19,100	$175,000	$250,000
5285700	Meal Claims	$1,000	$0	$1,000	$1,000
5220100	Insurance	$8,000	$14	$14	$8,000
5250100	Office Expenses	$5,000	$1,501	$5,000	$5,000
5270100	Rent & Lease	$58,106	$38,544	$58,106	$59,000
5255650	Data Processing Services	$24,443	$16,344	$22,443	$23,948
5225500	Commissioners' Fee	$10,000	$2,300	$10,000	$10,000
5260100	Publications and Legal Notices	$1,000	$248	$1,000	$1,000
5245100	Membership Dues	$15,000	$14,793	$14,793	$15,300
5250750	Printing and Reproduction	$1,500	$0	$500	$1,500
5285800	Business Travel	$21,000	$10,509	$21,000	$21,000
5285300	Private Automobile Mileage	$1,000	$0	$1,000	$1,000
5285200	Transportation&Travel (County Car Usage)	$600	$0	$600	$600
5281600	Overhead	$37,324	$18,662	$37,324	$42,139
5275200	Computer Hardware	$4,000	$0	$2,000	$4,000
5250800	Computer Software	$4,000	$1,254	$4,000	$4,000
5250250	Postage	$500	$0	$300	$500
5252100	Staff/Commissioner Training Programs	$2,000	$0	$1,000	$2,000
5701000	Reserves	$0	$0	$0	$0
TOTAL EXPENDITURES		**$1,464,666**	**$775,321**	**$1,534,901**	**$1,640,951**
REVENUES					
4103400	Application Fees	$25,000	$21,750	$30,000	$25,000
4301100	Interest: Deposits and Investments	$10,000	$15,938	$20,000	$10,000
TOTAL REVENUE		**$35,000**	**$37,688**	**$50,000**	**$35,000**
3400150	**FUND BALANCE FROM PREVIOUS FY**	**$63,997**	**$176,483**	**$176,483**	**$57,251**
NET LAFCO OPERATING EXPENSES		**$1,365,669**	**$561,150**	**$1,308,418**	**$1,548,700**
3400800	**RESERVES Available**	**$200,000**	**$200,000**	**$200,000**	**$200,000**
COSTS TO AGENCIES					
5440200	County	$455,223	$455,223	$455,223	$516,233
4600100	Cities (San Jose 50% + Other Cities 50%)	$455,223	$455,223	$455,223	$516,233
4600100	Special Districts	$455,223	$455,223	$455,223	$516,233

ITEM # 5
Attachment E

LAFCO COST APPORTIONMENT: COUNTY, CITIES, SPECIAL DISTRICTS
Estimated Costs to Agencies Based on the Preliminary FY 2027 LAFCO Budget

			Preliminary Net Operating Expenses for FY 2027	$1,548,700
JURISDICTION	**REVENUE PER 2023/2024 REPORT**	**PERCENTAGE OF TOTAL REVENUE**	**ALLOCATION PERCENTAGES**	**ALLOCATED COSTS**
County	**N/A**	**N/A**	**33.3333333%**	**$516,233.33**
Cities Total Share			**33.3333333%**	**$516,233.33**
San Jose	N/A	N/A	50.0000000%	$258,116.67
Other cities share			50.0000000%	$258,116.66
Campbell	$84,117,149	1.8493084%		$4,773.37
Cupertino	$134,270,828	2.9519327%		$7,619.43
Gilroy	$143,146,467	3.1470629%		$8,123.09
Los Altos	$80,342,217	1.7663168%		$4,559.16
Los Altos Hills	$23,050,684	0.5067673%		$1,308.05
Los Gatos	$66,479,898	1.4615549%		$3,772.52
Milpitas	$234,059,048	5.1457683%		$13,282.09
Monte Sereno	$5,050,274	0.1110298%		$286.59
Morgan Hill	$141,801,766	3.1174998%		$8,046.79
Mountain View	$479,392,872	10.5394115%		$27,203.98
Palo Alto	$904,171,284	19.8781287%		$51,308.76
Santa Clara	$1,523,014,901	33.4833530%		$86,426.10
Saratoga	$43,873,226	0.9645491%		$2,489.66
Sunnyvale	$685,802,826	15.0773168%		$38,917.07
Total Cities (excluding San Jose)	**$4,548,573,440**	**100.0000000%**		**$258,116.66**
Total Cities (including San Jose)				**$516,233.33**
Special Districts Total Share		**(Fixed %)**	**33.3333333%**	**$516,233.34**
Aldercroft Heights County Water District		0.06233%		$321.77
Burbank Sanitary District		0.15593%		$804.96
Cupertino Sanitary District		2.64110%		$13,634.24
El Camino Healthcare District		4.90738%		$25,333.53
North Santa Clara Resource Conservation District		0.04860%		$250.89
Lake Canyon Community Services District		0.02206%		$113.88
Lion's Gate Community Services District		0.22053%		$1,138.45
Loma Prieta Resource Conservation District		0.02020%		$104.28
Midpeninsula Regional Open Space District		5.76378%		$29,754.55
Purissima Hills Water District		1.35427%		$6,991.19
Rancho Rinconada Recreation and Park District		0.15988%		$825.35
San Martin County Water District		0.04431%		$228.74
Santa Clara Valley Open Space Authority		1.27051%		$6,558.80
Santa Clara Valley Water District		81.44126%		$420,426.95
Saratoga Cemetery District		0.32078%		$1,655.97
Saratoga Fire Protection District		1.52956%		$7,896.10
South Santa Clara Valley Memorial District		0.03752%		$193.69
Total Special Districts		100.00000%		**$516,233.34**
Total Allocated Costs				**$1,548,700.00**

From: Mimi Kyi
Sent: Friday, June 12, 2026 9:41 AM
To: Mark Foley; Melissa Hernandez; Janice Li; Robert Raburn; Matthew Rinn; Edward Wright; Bruce Houdesheldt; Ken.Broadway; Suzannejones; rdickinson; rbrewer; Caity Maple; Patrick Kennedy; Melissa Lee; Sudhanshu Jain; Linda Sell; sbird; sbird_fordixoncitycouncil;
sbird_dixonpd; sbird; Alma Hernandez; cmoy; JChapman; lucas.frerichs; lucasf;
mayra.vega
Cc: Robert Franklin; Byron Toma; David Melko;
mclick; aadams; JDrake; Gonzalez-Estay, Manolo R; Greene, Beverly; Daryl Halls; Robert Guerrero; Autumn Bernstein; Jennifer Halpern; Sandra Schrimsher; Mag Tatum; Jeana Zelan; Robert Powers; Monique Salas; Michael Jones; Alfonzo Rigel; Joseph Beach; Nicole Granados; SSabol; tlsmith; gkirbyson; DValdezJones; rkbrown; ecragin; mogaveror; aescobar; mle; mcasorla; Baltao, Elaine; Garza, Michelle; VTA Board Secretary; Paris, Amy;
jmasiclat; lruiz; vjaimes; cgagnon;
Tara.Thronson; emily.ault; michaelspelis; fudvarhely; Evan W Cragin; Faoud Karim; Arjimy Quinsay; Angie West; Stephen Connell; CCJPA Staff; Gradinger, Kyle; IT Committee Support
Subject: [EXTERNAL] Agenda Notice & Materials + Slide Deck | CCJPA Board of Directors Meeting - Wednesday, June 17, 2026 at 10:00AM
Importance: High

CCJPA Board of Directors,

Please find attached the agenda notice + materials, and slide presentation for the **CCJPA Board of Directors Meeting** on **Wednesday, June 17, 2026, at 10:00am**.

You may also download the agenda at https://www.capitolcorridor.org/ccjpa-board/.

Board Members who have confirmed their attendance and location:

Location

Director	*In Person - BART Board Room (Main Location) ***Teleconference*
San Francisco Bay Area Rapid Transit District (BART)	**5**
Mark Foley	**In Person*
Melissa Hernandez, *Vice Chair*	***The Scott Haggerty Heritage House**
Robert Raburn	**In Person*
Matthew Rinn	**In Person*
Edward Wright	**In Person*
Placer County Transportation Planning Agency (PCTPA)	**2**
Bruce Houdesheldt, Chair	**In Person*
Ken Broadway	**In Person*
Sacramento Regional Transit District (SACRT)	**2**
Roger Dickinson	***Sacramento City Hall**
Caity Maple (alternate)	***Sacramento City Hall**
Santa Clara Valley Transportation Authority (VTA)	**2**
Sudhanshu Jain	**In Person*
Linda Sell	***Valley Transportation Authority (VTA) Offices**
Solano Transportation Authority (STA)	**1**
Alma Hernandez	***Suisun City Hall**
Yolo County Transportation District (Yolobus)	**1**
Lucas Frerichs	***Office of Yolo County Supervisor Lucas Frerichs**
Total Voting Directors Confirmed for June 17, 2026	**13**

Thank you!

Mimi Kyi | Executive Assistant

Capitol Corridor Joint Powers Authority | 2150 Webster St, 3rd Floor, Oakland, CA 94612

Mobile: (510) 506-9540 | Email: mimik@capitolcorridor.org

CAPITOL CORRIDOR JOINT POWERS AUTHORITY
MEETING OF THE BOARD OF DIRECTORS
Wednesday, June 17, 2026 | 10:00 a.m.

This meeting will be held in person in the San Francisco Bay Area Rapid Transit Board Room with an option for participation via teleconference.

Participants may join the CCJPA Board Meeting as follows:

- **In person** in the San Francisco Bay Area Rapid Transit Board Room located at 2150 Webster St., 1st Floor, Oakland, CA 94612 *or* any of the teleconference locations listed below; *or*

- **Via telephone** by calling 1-833-548-0282 (Toll Free) and entering access code **847 0611 2043**; *or*

- **Via Zoom** by logging into Zoom.com and entering access code **847 0611 2043**; *or*

- **Via Zoom** by typing the Zoom link https://us06web.zoom.us/j/84706112043 into your web browser.

A simultaneous teleconference will take place at the following locations:

Scott Haggerty Heritage House 4501 Pleasanton Ave., Pleasanton, CA 94566 Front Conference Room	Valley Transportation Authority (VTA) Offices 3331 North First Street, San Jose, CA 95134 Building B, Room B-164
Suisun City Hall 701 Civic Center Blvd., Suisun City, CA 94585 City Hall Chambers	Office of Yolo County Supervisor Lucas Frerichs 600 A Street, Suite B Davis, CA 95616
Sacramento City Hall 915 I Street, Sacramento, CA 95814 Office of Councilmember Roger Dickinson – 5th Floor	Sacramento City Hall 915 I Street, Sacramento, CA 95814 Office of Councilmember Caity Maple – 5th Floor

The full agenda packet, supplemental materials, and presentation materials can be accessed or downloaded electronically at www.capitolcorridor.org/ccjpa-board, or by scanning the QR code.

Public comments may be submitted via the following methods:

1. **Written** comments:
   - Send via email to ccjpaboard@capitolcorridor.org.
   - Indicate "Public Comment" as the subject line.
   - Please submit your comments as far in advance as possible. Emailed comments received by 3:00 pm on Tuesday, June 16th will be provided to the Board in advance of the meeting and will be included as part of the permanent Meeting record. Comments received after that time will be provided to the Board following the Meeting; *or*

2. **Verbal** comments, limited to two minutes per person, per item:
   - Complete a "Request to Address the Board" form (available at the entrance to the Board Room) and hand it to the Secretary before the Item is considered by the Board.
   - Call 1-833-548-0282 (Toll Free), enter access code **847 0611 2043**, dial *9 to raise your hand when you wish to speak, and dial *6 to unmute when you are requested to speak; *or*
   - Log into Zoom.com, enter access code **847 0611 2043**, and use the raise hand feature; *or*
   - Join the Board meeting via the Zoom link https://us06web.zoom.us/j/84706112043 and use the raise hand feature.

AGENDA

I. Call to Order

II. Roll Call and Pledge of Allegiance *(Est. Time: 5 minutes)*

III. Report of the Chair (*Est. Time: 5 minutes*)

IV. Consent Calendar *(Est. Time: 5 minutes)* — *Action*
   1. Approve Minutes of the April 15, 2026 Meeting
   2. Authorize Transit Service Agreement with El Dorado County Transit Authority and City of Lake Tahoe for the El Dorado Transit Bus Purchase
   3. Authorize Construction Agreement for Agnew Siding Utilities Relocation Construction Project

V. Action and Discussion Items
   1. Authorize Agreements with California High Speed Rail Authority (CHSRA) for National Environmental Policy Act (NEPA) Lead Agency Services for the Sacramento to Roseville Third Track and South Bay Connect Projects *(Est. Time: 15 minutes)* — *Action*
   2. Caltrans Fleet Plan *(Est. Time: 20 minutes)* — *Info*
   3. CCJPA Capital Project Update *(Est. Time: 20 minutes)*
      a. Tap2Ride Update — *Info*
      b. CCJPA Capital Project Portfolio — *Info*
   4. Legislation and Funding Update – State and Federal *(Est. Time: 5 minutes)* — *Action*
   5. Managing Director's Report (including Program and Project Updates) *(Est. Time: 5 minutes)* — *Info*

VI. Board Director Reports *(Est. Time: 5 minutes)*

VII. Public Comments *(Est. Time: 10 minutes)*

VIII. Adjournment. Next Meeting Date: 10:00 a.m., September 16, 2026 – Solano Transportation Authority Board Room in Suisun City, CA

The CCJPA Board reserves the right to take action on any agenda item. Consent calendar items are considered routine and will be enacted, approved, or adopted by one motion unless a request for discussion or explanation is received from a CCJPA Board Director or from a member of the audience.

The CCJPA Board provides services/accommodations upon request to persons with disabilities and individuals who are limited English proficient who wish to address CCJPA Board matters. A request must be made within one and five days in advance of Board meetings, depending on the service requested. Please contact the Secretary's Office at (510) 464-6083 for information.

Capitol Corridor Joint Powers Authority

2150 Webster Street, P. O. Box 12688, Oakland, CA 94612-2688

BOARD OF DIRECTORS
DRAFT MINUTES OF THE 148th MEETING (REGULAR)
WEDNESDAY, APRIL 15, 2026

Members of the Board of Directors

Bruce Houdesheldt, Chair (PCTPA)
Melissa Hernandez, Vice Chair (BART)
Mark Foley (BART)
Janice Li (BART)
Robert Raburn (BART)
Matthew Rinn (BART)
Edward Wright (BART)
Ken Broadway (PCTPA)
Roger Dickinson (SRTD)
Rod Brewer (SRTD)
Sudhanshu Jain (SCVTA)
Linda Sell (SCVTA)
Steve Bird (STA)
Alma Hernandez (STA)
Josh Chapman (YCTD)
Lucas Frerichs (YCTD)
Suzanne Jones (PCTPA Alternate)
Caity Maple (SRTD Alternate)
Patrick Kennedy (SRTD Alternate)
Catherine Moy (STA Alternate)
Mayra Vega (YCTD Alternate)

MEETING DESCRIPTION

The 148th meeting of the Board of Directors of the Capitol Corridor Joint Powers Authority (CCJPA) was held in person at 10:00 a.m. on Wednesday, April 15, 2026, at the Solano Transportation Authority Board Room, 423 Main Street, 1st Floor, Suisun City, CA 94585, and via simultaneous teleconference at the following locations:

BART Headquarters / CCJPA Offices, 2150 Webster St., Oakland, CA 94612 1st Floor – Bid Room 161; City of Santa Clara City Hall, 1500 Warburton Avenue, Council Conference Room – East Wing, 1st Floor, Santa Clara; the Scott Haggerty Heritage House, 4501 Pleasanton Avenue, Front Conference Room, Pleasanton; Valley Transportation Authority (VTA) Offices, 3331 North First Street, San Jose, CA 95134, Building B, Room B164; Office of Yolo County Supervisor Lucas Frerichs, 600 A Street, Suite B. Davis, CA 95616; and Sacramento Regional Transit District 1102 Q Street, Suite 4204 Sacramento, CA 95811.

Chair Houdesheldt presided; Robert Franklin served as Recording Secretary.

I. CALL TO ORDER

Chair Houdesheldt called the meeting to order at 10:00 a.m.

II. ROLL CALL AND PLEDGE OF ALLEGIANCE

Directors Present at the Solano Transportation Authority in the City of Suisun:
Chair Bruce Houdesheldt; Steve Bird; Ken Broadway; Josh Chapman; Roger Dickinson; Alma Hernandez; Robert Raburn; Matthew Rinn.

Directors Present via Teleconference in Oakland:
Mark Foley, Janice Li, Edward Wright.

Directors Present via Teleconference in Pleasanton at the Scott Haggerty Heritage House:
Vice Chair Melissa Hernandez.

Directors Present via Teleconference in Sacramento:
Rod Brewer.

Directors Present via Teleconference in Santa Clara:
Sudhanshu Jain.

Directors Present via Teleconference in San Jose:
Linda Sell.

Directors Present via Teleconference in Yolo County:
Lucas Frerichs.

Directors Absent:
None.

Director A. Hernandez led the Pledge of Allegiance.

III. REPORT OF THE CHAIR

Chair Houdesheldt opened the meeting by reviewing meeting procedures and outlining the public comment process for both in-person and teleconference participants. He thanked Tim Schaefer for his service and then welcomed Rod Brewer as the newest member of the Capitol Corridor Joint Powers Authority Board of

Directors, noting his prior service as an alternate member since November 2024, and welcomed back Caity Maple as an alternate board member, both representing the Sacramento Regional Transit District.

IV. CONSENT CALENDAR

Chair Houdesheldt brought the following Consent Calendar items before the Board:

1. Approve the Minutes of the February 18, 2026 meeting.
2. Authorize an Application for Transit and Intercity Rail Capital Program (TIRCP) Cycle 8 Grant.
3. Approve the Union Pacific Railroad (UPRR) Agreement for Fiscal Year 2026-27 Right-of-Way Safety and Security Maintenance.
4. Authorize an Amendment to the TranSystems Master Services Agreement for the Sacramento to Roseville Third Track Project.
5. Authorize an Amendment to the Fiscal Year 2025-26 Strategic Energy Innovations (SEI) Contract.
6. Authorize an Amendment to the Reimbursement Agreement with Union Pacific Railroad for Design Review for the Davis Crossover and Signal Project.

Public Comment

No public comments were received.

Action

Director Rinn moved to approve the consent calendar by one motion. Director Raburn seconded the motion, which was carried by a unanimous roll call vote and resulted in the actions outlined below:

1. The Minutes of the February 18, 2026 meeting were approved.
2. Resolution No. 26-3, In the Matter of Authorizing Application for Transit Intercity Rail Capital Program (TIRCP) Cycle 8 Grant, was adopted. *(14-0)*
3. Resolution No. 26-4, In the Matter of Authorizing Budget and an Agreement with Union Pacific Railroad for Right-of-Way Safety & Security Program, was adopted. *(14-0)*
4. Resolution No. 26-5, In the Matter of Authorizing an Amendment to the TranSystems Master Services Agreement for the Sacramento to Roseville Third Track Project, was adopted. *(14-0)*
5. Resolution No. 26-6, In the Matter of Authorizing an Amendment to the Fiscal Year 2025-26 Strategic Energy Innovations (SEI) Contract, was adopted. *(14-0)*
6. Resolution No. 26-7, In the Matter of Authorizing an Amendment to the Reimbursement Agreement with Union Pacific Railroad for Design Review for the Davis Crossover and Signal Project, was adopted. *(14-0)*

Vote Summary:
Moved / Seconded: Director Rinn/Director Raburn
Aye: (14) Houdesheldt, M. Hernandez, Bird, Broadway, Chapman, Foley, Frerichs, A. Hernandez, Jain, Li, Raburn, Rinn, Sell, Wright.
No: (0)
Abstain: (0)
Absent: (2) Brewer and Dickinson.
Result: (14-0) motion carried by unanimous roll call vote.

V. ACTION AND DISCUSSION ITEMS

1. Adopt CCJPA's Draft Fiscal Year 2026-27 – Fiscal Year 2027-28 Annual Business Plan and Funding Request. (Resolution No. 26-8)
   Presented by Leo Sanchez, Deputy Managing Director, and Catherine Relucio, Manager of Budget and Administration.

Public Comment
Roland Lebrun and Kathy Broussard addressed the Board.

Discussion
The item was discussed by Board members and staff.

Action
Upon motion by Director Frerichs and second by Director Rinn, Resolution No. 26-8, In the Matter of Adopting the Capitol Corridor Joint Powers Authority Additional Fiscal Year 2026 Annual Business Plan Funding for Fiscal Year 2025 Amtrak Operations Agreement, was adopted. *(15-0)*

Vote Summary:
Moved / Seconded: Director Frerichs / Director Rinn
Aye: (15) Houdesheldt, Bird, Brewer, Broadway, Chapman, Dickinson, Foley, Frerichs, A. Hernandez, Jain, Li, Raburn, Rinn, Sell, Wright.
No: (0)
Abstain: (0)
Absent: (1) M. Hernandez.
Result: (15-0), motion carried by unanimous roll call vote.

2. Authorize Fiscal Year 2025-26 CCJPA/Amtrak Operating Agreement. (Resolution No. 26-9)
Presented by Charles Franz, Manager of Transit Support.

Public Comment
Jared Mitchell addressed the Board.

Discussion
The item was discussed by Board members and staff.

Action
Upon motion by Director Dickinson and second by Director Raburn, Resolution No. 26-9, In the Matter of Adopting the Capitol Corridor Joint Powers Authority Additional Fiscal Year 2026 Annual Business Plan Funding for Fiscal Year 2025 Amtrak Operations Agreement, was adopted. *(15-0)*

Vote Summary:
Moved / Seconded: Director Dickinson/ Director Raburn
Aye: (15) Houdesheldt, Bird, Brewer, Broadway, Chapman, Dickinson, Foley, Frerichs, A. Hernandez, Jain, Li, Raburn, Rinn, Sell, Wright.
No: (0)
Abstain: (0)
Absent: (1) M. Hernandez.
Result: (15-0), motion carried by unanimous roll call vote.

3. CCJPA Capital Project Update.
a. Alviso Railroad Adaptation Planning Study Update
b. CCJPA Capital Project Portfolio

Presented by Rob Padgette, Managing Director, and Shirley Qian, Principal Planner.

Public Comment
Justin Penman and Roland Lebrun addressed the Board.

Discussion
The item was discussed by Board members and staff.

Action
No Board action was taken, as the item was presented for information only.

4. Legislation and Funding Update – State and Federal.
Rob Padgette, Managing Director, provided an update on current legislative and funding activities at both the state and federal levels.

Public Comment
No public comments were received.

Discussion
The item was discussed by Board members and staff.

Action
No Board action was taken, as the item was presented for information only.

5. Managing Director's Report.
Rob Padgette, Managing Director, provided the Board with an update.

Public Comment
No comments were received.

Discussion
The item was discussed by Board members and staff.

Action
No Board action was taken, as the item was presented for information only.

VI. BOARD DIRECTOR REPORTS

Chair Houdesheldt called for Board Member reports.

VII. PUBLIC COMMENTS

No public comments were received.

VIII. ADJOURNMENT

The meeting adjourned at 11:47 a.m. The next meeting is scheduled for 10:00 a.m. on June 17, 2026, at the San Francisco Bay Area Rapid Transit District Board Room in Oakland, California.

CAPITOL CORRIDOR JOINT POWERS AUTHORITY

MEMORANDUM

TO: Capitol Corridor Joint Powers Authority Board **DATE:** June 12, 2026

FROM: Robert Padgette
Managing Director, CCJPA

SUBJECT: **Authorize Transit Service Agreement with El Dorado County Transit Authority and City of Lake Tahoe for the El Dorado Transit Bus Purchase**

PURPOSE

For the CCJPA Board to authorize the execution of a three-way Transit Service Agreement between CCJPA, El Dorado Transit (EDT), and the City of South Lake Tahoe to support the operation of an additional round trip to South Lake Tahoe upon purchase of a new bus by EDT, with funding from the City of South Lake Tahoe.

BACKGROUND

CCJPA is under an existing contract with EDT to provide thruway bus service from Sacramento to the City of South Lake Tahoe with interline stops. The current operating contract, approved by the CCJPA Board under Resolution 24-1 (February 2024), includes a single round trip and expires on June 30, 2027. CCJPA staff will return to the CCJPA Board in FY 2027 for approval of a new operating agreement with El Dorado Transit Authority

The City of South Lake Tahoe has received a grant from the Affordable Housing and Sustainable Communities (AHSC) program through the State of California Strategic Growth Council and the Department of Housing and Community Development (HCD). The AHSC program funds land-use, housing, transportation, and land preservation projects to support infill and compact development that reduces greenhouse gas emissions by improving mobility options and increasing infill development, which decreases vehicle miles traveled and associated greenhouse gas and other emissions.

TRANSIT SERVICE AGREEMENT

The Transit Service Agreement is a three-party agreement between CCJPA, EDT, and the City of South Lake Tahoe that will commit to the following actions:

- The City of South Lake Tahoe will contribute $2.1M in AHSC grant funds to EDT for the bus purchase.
- EDT shall purchase two buses and ensure that buses are delivered to El Dorado Transit and in operation by November 30, 2027, to comply with the AHSC Grant Documents.
- EDT and CCJPA will operate an additional round trip for a period of not less than 5 (five) years after delivery and qualification of the new bus. This supplemental service is contingent on adequate state funding and a valid operating agreement between CCJPA and EDT.

FINANCIAL IMPACT

While the Transit Service Agreement does not include a contract value or direct financial commitment by CCJPA, the operation of the additional round trip is contingent upon a valid operating agreement. The additional costs to operate an additional round trip starting in November 2027 for the following five years are estimated at a total of $3.42 million, which will be offset by a projected increase in revenue of $1.09 million, resulting in a total net cost of $2.32 million, with CCJPA's share at $1.16 million. CCJPA staff will incorporate costs for the additional round trip into the next operating agreement, which commences on July 1, 2027, and return to the CCJPA Board for approval of the agreement at a future meeting.

RECOMMENDATION

It is recommended that the CCJPA Board authorize the Three-Party Transit Service Agreement, committing to the operation of the additional South Lake Tahoe round trip for a period of at least 5 (five) years, contingent on funding and a valid EDT Operating Agreement. It is also recommended that the CCJPA Board authorize the CCJPA Executive Director or their designee to enter into all necessary agreements for the implementation of the Transit Service Agreement.

Motion: The CCJPA Board adopts the attached resolution.

BEFORE THE
CAPITOL CORRIDOR JOINT POWERS AUTHORITY
BOARD OF DIRECTORS

In the Matter of
Authorizing the Transit Service Agreement with
El Dorado Transit and the City of South Lake Tahoe
for the El Dorado Transit Bus Purchase/

Resolution No. 26-10

WHEREAS, as of July 12, 2024, the Capitol Corridor Joint Powers Authority ("CCJPA") entered into an Operating Agreement with El Dorado Transit to provide thruway bus service from Sacramento, California to the City of South Lake Tahoe, California and interline points between July 1, 2024 and June 31, 2027; and

WHEREAS, the City of South Lake Tahoe has secured an Affordable Housing and Sustainable Communities grant, a portion of which will be contributed to El Dorado Transit for the purchase of a motorcoach bus; and

WHEREAS, El Dorado Transit and CCJPA agree to operate an additional round trip of the existing service plan for a period of not less than five (5) years contingent on state funding and a valid operating agreement;

WHEREAS, CCJPA's fifty percent share of an additional round trip is estimated at a net cost of $1.16 million for the five-year period and will be incorporated into a future operating agreement, pending state funding; therefore, be it

RESOLVED, the CCJPA Board does hereby authorize the Three-Party Transit Service Agreement.

AND BE IT FURTHER RESOLVED, the CCJPA Board authorizes the CCJPA Executive Director or their designee to execute the Transit Service Agreement.

AND BE IT FURTHER RESOLVED, that the CCJPA Board distribute and transmit this resolution to all applicable project partners.

# # #

ACTION: **DATE:**	**ATTEST:**
Ayes:	
Noes:	**Robert Franklin** **Secretary**
Abstain:	

Item IV.3 (Consent)

CAPITOL CORRIDOR JOINT POWERS AUTHORITY

MEMORANDUM

TO: Capitol Corridor Joint Powers Authority Board **DATE:** June 12, 2026

FROM: Robert Padgette
Managing Director, CCJPA

SUBJECT: **Authorize Construction Agreement for Agnew Siding Utilities Relocation Construction**

PURPOSE

For the CCJPA Board to authorize delegation of authority to the Executive Director to award the construction contract for the Agnew Siding Utility Relocation Project timely following bid opening, to maintain schedule alignment with Union Pacific Railroad (UPRR) construction windows and support critical path activities necessary for the Agnew Siding Project.

BACKGROUND

The Agnew Siding Project will construct approximately 2,000 feet of new siding track near the Santa Clara Great America Station to provide additional meet-and-pass capacity, reduce congestion, and improve the reliability of Capitol Corridor service. A required component is the Agnew Siding Utility Relocation Project, which relocates multiple City of Santa Clara owned utilities currently located within the Union Pacific Railroad right-of-way. These utility relocations must be completed prior to UPRR track construction to avoid conflicts, prevent service disruptions, and maintain compliance with UPRR engineering requirements.

To maintain the regional construction window and to avoid delays to the overall Agnew Siding schedule, Staff requests Board delegation of authority to award a contract following a full public works procurement process, in accordance with CCJPA procurement procedures, in lieu of contract award at the next Board meeting.

Without Board authorization of delegation, the CCJPA would be unable to award the contract until the next Board meeting in September 2026, resulting in:

- Missed UPRR construction coordination windows
- Potential delays to the larger Agnew Siding Program, including UPRR's construction schedule
- Increased project costs due to seasonal constraints and extended mobilization
- Impacts on passenger operations in South Bay

Granting delegation of authority ensures timely award of the contract to the lowest responsive and responsible bidder and confirmation that the bid prices received are within the project's budget, consistent with the CCJPA Managing Agency's statutory procurement authority.

Environmental compliance for this work qualifies under California Environmental Quality Act (CEQA) Guidelines §15301 (Existing Facilities) and §15304 (Minor Alterations to Land). All required documentation will be completed prior to the award.

FISCAL IMPACT

The Agnew Siding Utility Relocation Project is fully funded by a Reimbursement Agreement with the City of Santa Clara and is included within the Board-approved funding plan for the Agnew Siding Program (Resolution No. 25-26). This action does not authorize additional funding; the award will proceed only if a bid is determined to be responsive and within the Board-approved budget and available funding. This action does not impact unprogrammed reserves.

RECOMMENDATION

It is recommended that the CCJPA Board authorize the delegation of authority to the CCJPA Executive Director or their designee to award the Agnew Siding Utility Relocation construction contract in a timely manner following the full public works procurement process, subject to CCJPA procurement procedures, defined conditions outlined in the attached resolution, and applicable state and federal requirements.

Motion: The CCJPA Board adopts the attached Resolution.

BEFORE THE
CAPITOL CORRIDOR JOINT POWERS AUTHORITY
BOARD OF DIRECTORS

In the Matter of Resolution No. 26-11
Authorizing Delegation of Authority for the Executive Director
to Award the Agnew Siding Utility Relocation Contract Timely Following Bid Openings/

WHEREAS, the Agnew Siding Project will improve service reliability by constructing new siding track near the Santa Clara–Great America Station; and

WHEREAS, the City of Santa Clara owns or operates multiple utilities that must be relocated from the Union Pacific Railroad (UPRR) right-of-way before siding construction can proceed; and

WHEREAS, the timing of the utility relocation work is constrained by UPRR-approved construction windows and coordination requirements, which are limited and critical to maintaining the overall project schedule; and

WHEREAS, delay in awarding the construction contract until the next regularly scheduled Board meeting would result in a substantial risk of missing scheduled UPRR coordination windows, leading to project delays, increased construction costs, and potential impacts to Capitol Corridor passenger operations; and

WHEREAS, the Board finds that there is no reasonable advantage to delaying contract award to a future Board meeting given that the procurement will be conducted in accordance with established competitive bidding procedures and award will be made to the lowest responsive and responsible bidder; and

WHEREAS, the Board further finds that delegating authority to the Executive Director to award the contract under defined conditions is in the best interest of the Capitol Corridor Joint Powers Authority to ensure timely delivery of the project and prudent stewardship of public funds.

NOW, THEREFORE, BE IT RESOLVED, that the Capitol Corridor Joint Powers Authority Board hereby authorizes the Executive Director to award the Agnew Siding Utility Relocation construction contract timely following a full public works procurement process, subject to the following conditions:

(1) Award is made to the lowest responsive and responsible bidder in accordance with the CCJPA Managing Agency's statutory procurement authority and CCJPA procurement procedures;
(2) The total contract amount is within the Board-approved project budget and funding plan;
(3) Adequate funding has been confirmed and is available for the contract award;

(4) All required environmental clearance in compliance with CEQA has been completed prior to award; and
(5) The award is in compliance with applicable state and federal requirements, including Public Contract Code requirements, and

BE IT FURTHER RESOLVED, that the CCJPA Board authorizes the Executive Director or their designee to execute all necessary and appropriate actions to implement this authorization in accordance with CCJPA procurement requirements.

# # #

ACTION: **DATE:**	**ATTEST:**
Ayes:	
Noes:	_______________ **Robert Franklin** **Secretary**
Abstain:	

Item V.1

CAPITOL CORRIDOR JOINT POWERS AUTHORITY

MEMORANDUM

TO: Capitol Corridor Joint Powers Authority Board **DATE:** June 12, 2026

FROM: Robert Padgette
Managing Director, CCJPA

SUBJECT: **Authorize Agreements with California High Speed Rail Authority (CHSRA) for National Environmental Policy Act (NEPA) Lead Agency Services for the Sacramento to Roseville Third Track and South Bay Connect Projects**

PURPOSE

For the CCJPA Board to authorize two Interagency Agreements (Agreements) with the California High Speed Rail Authority (CHSRA) under which CHSRA would serve as the federal lead agency for National Environmental Policy Act (NEPA) review and compliance for two CCJPA capital projects: the South Bay Connect Project (SBC Project) and the Sacramento to Roseville Third Main Track Project (SR3T Project).

BACKGROUND

Federal funding will likely be required to implement both the SBC Project and the SR3T Project. The receipt of federal funding constitutes federal action and therefore requires compliance with NEPA. The Federal Railroad Administration (FRA) is the federal agency with primary oversight responsibility for intercity passenger rail capital projects of this type and would ordinarily serve as the federal lead agency for NEPA review.

In July 2019, California Governor Gavin Newsom and FRA Administrator Ronald Batory executed a Memorandum of Understanding (NEPA Assignment MOU) pursuant to Section 327 of Title 23 of the United States Code and the Surface Transportation Project Delivery Program. The NEPA Assignment MOU transferred responsibility for managing and completing NEPA review from the FRA to the CHSRA for segments of the California High Speed Rail Program and for other Locally Sponsored Projects identified by the FRA and the State of California upon mutual agreement. The NEPA Assignment MOU was renewed in July 2024 and remains in effect.

Under this delegation, the CHSRA has the authority to serve as the NEPA lead agency for locally sponsored rail projects that connect with High-Speed Rail (in San Jose for CCJPA and in the future, Sacramento), including those administered by the CCJPA, subject to agreement among all parties. Engaging the CHSRA in this role would allow the CCJPA to access CHSRA's established NEPA expertise, existing federal relationships, and internal processes for implementing NEPA on behalf of locally sponsored projects, while avoiding duplication of effort and leveraging the infrastructure already in place under the NEPA Assignment MOU. These actions would also reduce timing uncertainty about when another possible means of NEPA assignment can be secured for these two respective projects, which will be the most cost-effective and timely means of delivering the projects at this juncture.

South Bay Connect Project

The SBC Project proposes to relocate Capitol Corridor passenger rail service from the Union Pacific Railroad (UPRR) Niles Subdivision to the UPRR Coast Subdivision between Elmhurst Junction in Oakland and Newark Junction in Newark, with associated track improvements, grade crossing modifications, and construction of a new passenger station at Ardenwood in Fremont. On November 20, 2024, the CCJPA Board certified the Final Environmental Impact Report (EIR) for the SBC Project and approved the Project to proceed to the next phase of project development under the California Environmental Quality Act (CEQA). NEPA review for the SBC Project has not yet been initiated. Based on the scope and characteristics of the Project, CCJPA's consultants have assessed that an Environmental Assessment (EA) is the most likely appropriate level of NEPA review, though the final determination will rest with the federal lead agency. Authority to fund actions related to completing SBC (then called Oakland to San Jose Phase 2) has been authorized in Resolutions 13-02 and 18-10.

Sacramento to Roseville Third Main Track Project

The SR3T Project proposes the addition of a third main track along the existing Capitol Corridor route between Sacramento and Roseville to increase capacity and service reliability. The FRA previously served as the federal lead agency for NEPA on this project when CCJPA was awarded federal funding under the CRISI program, providing CCJPA with applicable precedent for the federal review process. Subsequently, CCJPA found that it could not complete the execution of the FRA CRISI funding agreement as stipulated (primarily due to extreme cost inflation). NEPA requirements for the SR3T Project are at a stage where formal engagement of a federal lead agency is appropriate. Authority to fund actions related to completing SR3T has been authorized in Resolutions 16-15 and 21-23.

Proposed Agreements

CCJPA proposes to enter into two Interagency Agreements with CHSRA under which CHSRA would serve as the NEPA lead agency for each project respectively. Each Agreement would establish the scope of NEPA services to be provided by CHSRA, the responsibilities of each party, and a reimbursement structure under which CCJPA would fund CHSRA's staff and consultant costs associated with completing NEPA review. The specific terms, budget, and schedule for each project would be incorporated into the Agreement or project-specific attachments as they are developed in coordination with CHSRA and, as applicable, the FRA.

CHSRA is responsible under the NEPA Assignment MOU for developing and applying Mutual Agreement Process Policies for Locally Sponsored Projects. The Agreements between CCJPA and CHSRA would be consistent with those policies.

For exact cost estimates for a specific project, an application must be submitted to CaliforniaRail.NEPA@hsr.ca.gov, At this time, CCJPA can’t estimate the precise per project NEPA clearance cost, but we do have an estimated cost based on CHSRA’s own cost schedule. Based on the cost of processing an Environmental Assessment, we will assume (conservatively) that those costs for each project could be $1,000,000. As such, we will request a total of up to $2,000,000 of contracting capacity, inclusive of both projects, which would be available from each respective project for completing the NEPA assignment work with CHSRA.

RECOMMENDATION

CCJPA staff recommends that the CCJPA Board authorize two Interagency Agreements with the California High Speed Rail Authority for NEPA lead agency services for the South Bay Connect Project and the Sacramento to Roseville Third Main Track Project, respectively, on terms consistent with this memorandum and in a form approved by CCJPA counsel. It is also recommended that the CCJPA Board authorize the CCJPA Executive Director or their designee to execute the Interagency Agreements.

Motion: The CCJPA Board of Directors adopts the attached resolution.

BEFORE THE
CAPITOL CORRIDOR JOINT POWERS AUTHORITY
BOARD OF DIRECTORS

In the Matter of Authorizing Two Interagency Agreements with the California High Speed Rail Authority for National Environmental Policy Act Lead Agency Services for the Sacramento to Roseville Third Main Track and South Bay Connect Projects/

Resolution No. 26-12

WHEREAS, the Capitol Corridor Joint Powers Authority (CCJPA) proposes to implement the South Bay Connect Project and the Sacramento to Roseville Third Main Track Project, both of which will likely require federal funding and therefore require compliance with the National Environmental Policy Act (NEPA); and

WHEREAS, the Federal Railroad Administration (FRA) and the California High Speed Rail Authority (CHSRA) executed a Memorandum of Understanding in July 2019, renewed in July 2024, pursuant to Section 327 of Title 23 of the United States Code, which delegates NEPA lead agency authority from the FRA to the CHSRA for the California High Speed Rail Program and for other Locally Sponsored Projects identified by the FRA and the State of California upon mutual agreement; and

WHEREAS, the CHSRA has the expertise, established federal relationships, and delegated authority to serve as the NEPA lead agency for locally sponsored rail projects consistent with the NEPA Assignment MOU and CHSRA's Mutual Agreement Process Policies; and

WHEREAS, engaging the CHSRA as the NEPA lead agency for both projects would advance the efficient and coordinated completion of required federal environmental review; and

WHEREAS, the CCJPA Board finds it appropriate to authorize the execution of Interagency Agreements with CHSRA establishing the terms for NEPA lead agency services, including a reimbursement structure for CHSRA assistance at up to $1,000,000 for each project or $2,000,000 in total; and therefore be it

RESOLVED, that the CCJPA Board hereby authorizes two Interagency Agreements with the California High Speed Rail Authority for NEPA lead agency services for the South Bay Connect Project and the Sacramento to Roseville Third Main Track Project, respectively, on terms and conditions consistent with this resolution and in a form approved by CCJPA counsel.

AND BE IT FURTHER RESOLVED, that the CCJPA Board hereby authorizes the CCJPA Executive Director or their designee to take such further actions as may be necessary or appropriate to implement this resolution, including execution of project-specific attachments or amendments to the Agreement as the scope and schedule for each project is further defined.

# # #

ACTION: **DATE:**	**ATTEST:**
Ayes:	
Noes:	**Robert Franklin** **Secretary**
Abstain:	

Item V.2

CAPITOL CORRIDOR JOINT POWERS AUTHORITY

MEMORANDUM

TO: Capitol Corridor Joint Powers Authority Board **DATE:** June 12, 2026

FROM: Robert Padgette
Managing Director, CCJPA

SUBJECT: **Caltrans Fleet Plan Update**

PURPOSE
To provide the CCJPA Board with an overview of Caltrans' Intercity Fleet Strategy, a long-term roadmap for maintaining, modernizing, and replacing the State-owned passenger rail fleet that serves the Capitol Corridor, Gold Runner, and Pacific Surfliner corridors.

BACKGROUND
California's intercity passenger rail service relies on a shared State-owned fleet utilized by the three Joint Powers Authorities (JPAs) serving the Capitol Corridor, Gold Runner, and Pacific Surfliner corridors. As part of the Interagency Transfer Agreement (ITA), Caltrans retains responsibility for ownership of the fleet, major overhauls, and procurement of new equipment, while the JPAs are responsible for delivering passenger rail service and managing day-to-day operations and daily and periodic maintenance activities.

In recent years, the age of portions of the existing fleet and increasing maintenance demands have highlighted the importance of a long-term strategy to maintain equipment reliability and availability. Legacy assets, including F59PHI locomotives and California and Surfliner bi-level passenger cars, are approaching major overhaul decision points, while newer equipment, such as Charger locomotives and Venture rail cars, will also require lifecycle planning to ensure long-term reliability.

In response, Caltrans has developed an Intercity Fleet Strategy that establishes a long-term roadmap for maintaining a State of Good Repair, extending the useful life of existing assets through targeted investments, and planning for the future procurement of next-generation equipment. The strategy identifies near-term actions to stabilize fleet availability and support service reliability, mid-term investments in major overhauls and modernization programs, and a long-term approach to transition California's intercity passenger rail system to a future generation of equipment.

Caltrans will provide the Board with an overview of the Intercity Fleet Strategy, including key investment priorities, implementation timelines, and the path forward for ensuring a reliable and resilient fleet capable of supporting existing and future intercity passenger rail service.

RECOMMENDATION
For information and discussion.

Item V.3

CAPITOL CORRIDOR JOINT POWERS AUTHORITY

MEMORANDUM

TO: Capitol Corridor Joint Powers Authority Board **DATE:** June 12, 2026

FROM: Robert Padgette
Managing Director, CCJPA

SUBJECT: **CCJPA Capital Project Update**

PURPOSE

A. Capital Project Spotlight: Tap2Ride Update
B. CCJPA Capital Projects Portfolio - To provide the CCJPA Board of Directors with an update on CCJPA capital project portfolio and funding.

A. Capital Project Spotlight: Tap2Ride Update

The CCJPA Board will receive an update on Tap2Ride at its June 17, 2026 meeting.

B. CCJPA Capital Projects Portfolio (See Tables A–D)

Table A – CCJPA Capital Projects, Timeline, and Funding

CCJPA CAPITAL PROJECTS June 2026					
Project Name	**Project Description**	**Projected Completion**	**CCJPA Funding**	**Partner Contribution**	**Total Project Cost**
Agnew Siding	Design and construct 2,000' siding in the vicinity of the Santa Clara Great America Station, including Utility Relocation funded by City of Santa Clara.	Design: Jul - 22 Const: Oct -32	$ 12,510,000	$ -	$ 12,510,000
Santa Clara Utility Relocation	Relocate seven (7) City-owned or operated utilities crossing the Railroad's Right-of-Way	Design: Jul - 22 Const: May -30		$ 3,766,902	$ 3,766,902
Davis Station Signal Improvements	Improve the railroad signal system and replace track crossovers at Davis station to improve reliability and lifespan of the railroad infrastructure.	Design: Oct-24 Const: Pending funding	$ 12,768,640	$ 3,673,262	$ 21,233,829
Right-Of-Way Safety Improvement Program - Federal CRISI	Installation of security fencing at hotspot priority locations: Oakland to Fremont, Richmond to Emeryville, and Fairfield to Suisun City.	Pending Federal Grant Obligation	$ 25,206,469	$ -	$ 25,206,469
Sacramento to Roseville Third Main Track Phase I	Construct first phase of third main track and layover facility improvements in order to increase service frequency between Sacramento and Roseville.	Enviro: Jul-2028 Design: Mar-2031 Const: Jul-2036	$ 159,197,000	$ -	$ 475,368,000
Sacramento Valley Station (SVS) Transit Center	Pass through grant to the City of Sacramento for improvements at the SVS.	November-27	$ 3,194,000	$ -	$ 3,194,000
Santa Clara Crossover	Improve train operations through the installation of a new crossover on the Coast Subdivision by allowing passenger train meets north of Santa Clara University Station.	Design: Jun-26 Const: Apr-30	$ 5,350,000	$ -	$ 6,394,000
South Bay Connect (formerly Oakland to San Jose Phase 2A)	Relocate Capitol Corridor service between Oakland Coliseum and Newark from Niles Subdivision to Coast Subdivision, to improve efficiency and service reliability and facilitate intermodal connections to the SF Peninsula. (Project cost: $440M - $840M)	Enviro: Nov-2030 Design: June-2030 Const: Dec-2034*	$ 184,022,243	$ -	$ 640,000,000
SR84 Intermodal Bus Facility	New intermodal bus facility on SR 84 adjacent to the proposed Ardenwood Station (South Bay Connect), to improve efficiency for transbay buses and shuttles.	Enviro: Jun-2027 Design: TBD Const: TBD	$ 10,700,000		$ 272,110,000
	CAPITAL PROJECT TOTAL		**$ 412,948,352**	**$ 7,440,164**	**$ 1,459,783,200**

Table B – CCJPA Operations & Maintenance Projects

CCJPA OPERATIONS & MAINTENANCE PROJECTS June 2026					
Project Name	**Project Description**	**Projected Completion**	**CCJPA Funding**	**Partner Contribution**	**Total Project Cost**
California Integrated Travel Program (CalITP)	Develop a governance structure and approach for a system that allows for seamless statewide travel and fare purchase across multiple agencies and modes, serving as the State's fiscal sponsor. (Prior TIRCP, Annual Business Plan Funding, CARB, CDT)	December-27	$ 57,576,285	$ -	$ 57,576,285
California Passenger Information Display System (CalPIDs) Modernization	Design, test, and implement an improved passenger train arrival/alerts system all communication channels including station hardware, servers, data, and software, for Capitol Corridor and San Joaquins. (State Rail Assistance, Partner Contribution)	December-26	$ 10,880,896	$ 5,569,989	$ 16,450,885
Capitalized Maintenance	Track maintenance for State of Good Repair Program to maximize on-time performance (Annual Business Plan Funding)	Annual	$ 1,000,000	$ -	$ 1,000,000
Legacy California Passenger Information Display System (CalPIDs) Operations	Support operations and maintenance of legacy CA-PIDS for CCJPA, SJJPA, and LOSSAN and modern PIDS for CCJPA and LOSSAN. (Annual Business Plan Funding, Partner Funding)	Annual	$ 1,839,779	$ -	$ 1,839,779
Northern California Equipment Lease Readiness	A lease agreement for equipment to be deployed in the Northern California fleet is expected to be finalized in early FY 2025–26. Minor work is needed to prepare the equipment for revenue service, with CCJPA leading readiness efforts such as Tap2Ride installation and equipment wrapping.	Pending Caltrans/Caltrain Lease	$ 2,415,000	$ -	$ 2,415,000
Northern California Onboard Technology	Upgrade, provide, and manage On-Board Wi-Fi for the Northern California Fleet (Annual Business Plan Funding)	Annual	$ 5,013,728	$ -	$ 5,013,728
Right-Of-Way (ROW) Safety/Security - Clean-Up	UPRR ROW clean-up including vegetation removal, clean-up and encampment relocation (State Rail Assistance, UP Contribution)	Annual (3-Year Agreement)	$ 5,019,000	UP In-Kind	$ 5,019,000
Right-Of-Way (ROW) Safety/Security - UPRR Special Agents	Special Agents respond to incidents and provide improved safety and security services along the Capitol Corridor route. (State Rail Assistance, UP Contribution)	Annual	$ 500,000	UP In-Kind	$ 500,000
Tap2Ride	Pilot program for contactless fare collection onboard the Capitol Corridor trains. (Annual Business Plan funding)	Annual	$ 2,111,450	$ -	$ 2,111,450
	OPERATIONS & MAINTENANCE PROJECTS PROJECT TOTAL		**$ 86,356,138**		**$ 91,926,127**

Table C – CCJPA Planning Studies

CCJPA Planning Studies June 2026					
Project Name	**Project Description**	**Projected Completion**	**CCJPA Funding**	**Partner Contribution**	**Total Project Cost**
Link21 / Corridor Identification Program	Planning and implementation strategies for a new Transbay Rail Crossing (TIRCP funding)	June-27	$ 11,276,000	$ -	$ 11,276,000
Alviso Adaptation Study	Study re sea level rise resiliency planning and pre-environmental/pre-design activities along the existing UPRR Coast Subdivision between Albrae and Alviso.	December-27	$ 939,268	$ -	$ 939,268
	PLANNING STUDIES TOTAL		**$ 12,215,268**	**$ -**	**$ 12,215,268**

Table D – State Rail Assistance Projects and Funding

STATE RAIL ASSISTANCE (SRA) FUNDING Cycle 1 & 2 Projects June 2026						
Board-Approved SRA Category	**SRA PROJECT**	**SRA Cycle 1 Approved**	**SRA Cycle 1 Competitive Approved**	**SRA Cycle 2 Approved**	**TOTAL**	**Planned Applications**
Operational Infrastructure	Agnew Siding	$ -	$ 1,441,969	$ 2,500,000	$ 3,941,969	$ 1,618,000
Planning/Project Development	Alviso Adaptation Study	$ -	$ -	$ 107,734	$ 107,734	$ -
Customer Access	CalPIDS Modernization	$ 2,860,195	$ -	$ 2,489,053	$ 5,349,248	$ -
Operational Infrastructure	Davis Crossovers and Signal Replacement	$ -	$ -	$ 2,247,695	$ 2,247,695	$ 5,000,000
System Safety	Grade Separation and Safety Improvement	$ -	$ -	$ 1,650,000	$ 1,650,000	$ -
Operational Infrastructure	Infrastructure Reliability Improvements	$ -	$ -	$ 4,200,000	$ 4,200,000	$ -
Operational Infrastructure	Sacramento to Roseville Third Track**	$ -	$ -	$ -	$ -	$ 1,000,000
Operational Infrastructure	South Bay Connect	$ -	$ -	$ 2,497,352	$ 2,497,352	$ -
Customer Access	Station Improvements	$ -	$ -	$ 500,000	$ 500,000	$ -
Operational Infrastructure	Stege Crossover and Signal Upgrade	$ -	$ -	$ 3,224,000	$ 3,224,000	$ -
Operations	Strategic Operations Enhancements	$ -	$ -	$ 1,822,166	$ 1,822,166	$ 633,487
System Safety	Right-of-Way Safety and Security	$ 4,721,500	$ -	$ 9,362,000	$ 14,083,500	$ 720,000
Operational Infrastructure	Signal Replacement/Upgrade*	$ 5,518,305	$ -	$ -	$ 5,518,305	$ -
System Safety	UPRR Special Agents	$ -	$ -	$ 1,700,000	$ 1,700,000	$ 208,210
	Total	**$ 13,100,000**	**$ 1,441,969**	**$ 32,300,000**	**$ 46,841,969**	**$ 9,179,697**
	* Davis and Stege Projects continue this work in Cycle 2					
	**Future Cycle application					

Item V.4

CAPITOL CORRIDOR JOINT POWERS AUTHORITY

MEMORANDUM

TO: Capitol Corridor Joint Powers Authority Board **DATE:** June 12, 2026

FROM: Robert Padgette
Managing Director, CCJPA

SUBJECT: **Legislation and Funding Update – State and Federal**

PURPOSE
To provide the CCJPA Board of Directors with an update on State and Federal legislation and funding.

State Legislation and Funding

Senate Bill 667
This bill, as initially proposed, would have required a railroad corporation to install and operate a network of wayside detector systems at ten-mile spacing. The bill passed in the State Senate and was then sent to the Assembly. Subsequent modifications to the bill remove the prescriptive approach to wayside detector installations and the potential operating restrictions that could have impacted CCJPA service. Recent modifications to the bill remove the requirements that had raised concerns for CCJPA and the freight railroads. CCJPA is rescinding its letter of opposition to the legislation.

SB 1136 Intercity and Commuter Rail: Special Events Service Plans
Senate Bill 1136 would require an interagency transfer agreement that requires a joint powers board to ensure supplemental services are provided for major, publicly attended events, as specified. The bill is no longer moving forward in the current legislative session.

Senate Bill 1324. Passenger and Freight Rail: LOSSAN Rail Corridor: Working Group Report
Senate Bill 1324 is a marker bill intended to provide a mechanism for implementing recommendations from an ongoing working group of operators and infrastructure owners in the LOSSAN corridor. The bill extends the deadline for this report to February 1, 2027. The recommendations in this report could lead to changes to passenger rail responsibilities in the state, with implications for the Capitol Corridor JPA. No specific recommendations have been published to date.

Federal Legislation and Funding

Notice of Funding Opportunity
As we approach the mid-term elections, FRA and USDOT are moving quickly to award funding for several key rail programs, Consolidated Rail Infrastructure and Safety Improvements (CRISI) and the Railroad Crossing Elimination (RCE) Program. On April 20, FRA announced $2.04 billion in available funding under the Consolidated Rail Infrastructure and Safety Improvements Program, with applications due on June 25, 2026. On April 24, 2026, FRA announced $1.146 billion in available funds under the Railroad Crossing Elimination Program, with applications due on June 8, 2026. The expectation is that decisions will be made in the summer or early fall, in advance of the mid-term elections. This NOFO will represent the last funding for these programs provided through advance appropriations under the Infrastructure Investment and Jobs Act (IIJA.) Future funding will rely only on the annual appropriations process.

Union Pacific and Norfolk Southern Merger

In November, shareholders of Union Pacific and Norfolk Southern voted to support a proposed $85 billion merger that would create the first U.S. railroad to run coast to coast. The companies submitted applications to the STB in December 2025. On January 16, the STB, in a 3-0 decision, rejected the application as incomplete. The railroads submitted a modified application on April 30, which was accepted by the STB on May 28, with a requirement for additional details by July 27. The expectation is that a more detailed schedule for review will be issued by STB after the additional information is submitted as required.

Support for the merger is mixed. President Trump has signaled his support for the merger. On February 4, a group of 44 Republican members of Congress submitted a letter to the STB "to encourage the Surface Transportation Board to conduct a rigorous and comprehensive review of the proposed merger between Union Pacific Railroad (UP) and Norfolk Southern Railway (NS) to ensure it enhances competition and is clearly in the public interest." BNSF CEO Katie Farmer has formally challenged the merger, citing concerns regarding market competition. UP CEO Jim Vena remained optimistic amidst the recent setback and still expects the transaction to close in early 2027, assuming the board approves the $85 billion deal.

Surface Transportation Board (STB), Passenger Rail Advisory Committee (PRAC) Meeting

The Passenger Rail Advisory Committee (PRAC) held its first meeting of the year on April 24th. Detailed meeting information, including meeting materials, is available online at https://www.stb.gov/resources/stakeholder-committees/prac/. CCJPA Managing Director Rob Padgette serves on the 22-member PRAC as a Member at Large and participated in the meeting. He serves as Chair of the Subcommittee on Joint Intercity and Freight Rail Operations. The second meeting of 2026 is scheduled for September.

FY 2025-26 Federal Appropriations and Budget Updates

This year's federal funding was passed by Congress and signed into law on February 3rd after several continuing resolutions and temporary shutdowns. The final funding levels for FY26 are shown in the table below. Notably, the final bill includes a $1M earmark requested by Representative Mike Thompson to improve access to the Davis Station platform.

	FY2025			FY 2026						
	IIJA Advance Approps	Final Approps bill	Total Funding	IIJA Advance Approps	President request	House	Senate	Amtrak request	Final Approps bill	Total Funding
USDOT BUILD	$1.5b	$345m	$1.8b	$1.5b	$0	$0	$250m	-	$145m	$1.645b
USDOT MEGA	$1b	$0	$1b	$1b	$0	$0	$0	-	$0	$1b
Amtrak NEC	$1.2b	$1.14b	$2.3b	$1.2b	$850m	$925m	$850m	$850m	$850m	$2.05b
Amtrak National Network	$3.2b	$1.29b	$4.5b	$3.2b	$1.58b	$1.388b	$1.58b	$1.58b	$1.58b	$4.78b
FRA CRISI	$1b	$100m	$1.1b	$1b	$500m	$538m	$151.5m	-	$137.4m	$1.117b
FRA Fed-State Partnership	$7.2b	$75m	$7.3b	$7.2b	$0	($75m)	$75m	-	$65m	$6.977b
FRA Rail Restoration & Enhancement	$50m	$0	$50m	$50m	$0	$0	$0	-	$0	$50m
FRA Rail Crossing Elimination	$600m	$0	$600m	$600m	$0	$0	$0	-	$0	$600m
FTA CIG	$1.6b	$2.2b	$3.8b	$1.6b	$2.2b	$53.7m	$1.95b	-	$1.7b	$3.3b
FTA Formula funds	-	$14.279b	$14.279b	-	$14.6b	$14.6b	$14.6b	-	$14.6b	$14.6b

Transportation Reauthorization

On May 19, the House Transportation and Infrastructure Committee released draft legislation for a five-year surface reauthorization, titled the Building Unrivaled Infrastructure and Long-Term Development for America's 250th (Build America 250) Act. Unlike the IIJA, the bill does not include advance appropriations, meaning that all funding will rely on the annual appropriations process, a far less reliable approach for rail funding. The bill authorizes approximately \$64 billion over five years, an amount 38% lower than IIJA levels, and would require annual appropriations of approximately \$13 billion to meet that authorization level. Some notable elements of the bill include:

- Corridor ID – The proposal continues to include Corridor with specific details on expectations for Service Development Plans, with a related requirement for an annual Project Pipeline Report and a quarterly Project Progress Report from FRA.
- National Intercity Passenger Rail Partnership Program (NIPR) – Authorizes \$18.5 billion over five years, subject to annual appropriations. Consolidates the Federal-State Partnership for Intercity Passenger Rail and the Restoration and Enhancement grant programs into this single funding stream.
- CRISI Grant Program – Authorizes approximately \$1.8 billion, subject to annual appropriations. By comparison, IIJA provides \$1 billion annually in guaranteed funding.
- Rail Crossing Elimination – Authorizes approximately \$3.5 billion, subject to annual appropriations (~\$700 billion). By comparison, IIJA guaranteed \$600 billion annually through advance appropriations.
- Amtrak – Authorizes \$10.4 billion for Amtrak's Northeast Corridor and \$20.7 billion for Amtrak's National Network over five years.

The Transportation and Infrastructure Committee approved the legislation on May 22 with broad bipartisan support.

The bill has The Senate has not yet released a draft Reauthorization proposal.

Source: Monthly Report for States for Passenger Rail Coalition (SPRC) for March 2025, Tai Ginsberg & Associates

Item V.5

Date:	**June 12, 2026**
From:	**Robert Padgette, Managing Director**
To:	**CCJPA Board of Directors**
Subject:	**Managing Director's Report – June 2026**

The CCJPA Board will be provided with an update on year-to-date service performance and other service and program updates.

The following is a summary of recently completed work and on work efforts currently underway:

a. **Marketing and Communications Activities** - CCJPA is supporting the FIFA World Cup 26™ SF Bay Area through a comprehensive communications, advertising, and customer experience program designed to promote special-event train service and enhance the rider experience, including a dedicated multilingual event information webpage. The Only By Train advertising campaign continues to drive incremental ridership and audience engagement, with influencer content helping extend the campaign's reach and contributing to the addition of more than 1,200 new Instagram followers. The Website Redesign project remains underway, with navigation review and tree testing currently in progress to help inform the site's future structure and user experience.

b. **Davis Crossover and Signal Replacement** - The design team has continued working with the UPRR to refine the track design for this project. Following a lengthy delay, the design team has recently completed the subsurface utility investigation. This is being used to finalize the protection or relocation of underground utilities as needed to support the project plans. The UPRR has completed the signal design and is prepared to construct the project as soon as the remaining design elements are approved. If completed, this project would provide a gateway to the future replacement of the Davis boarding platforms with a safer, ADA-compliant arrangement utilizing a center island platform with grade-separated pedestrian access. The project currently faces a $4.8M funding shortfall. Managed by Amtrak, the boarding platform project is well underway, though Amtrak has recently informed CCJPA that it intends to dramatically reduce the scope of ADA improvements at the station and no longer intends to reconstruct the station. Capitol Corridor staff will continue to coordinate the interests of the stakeholders to advocate for the project to be executed as Amtrak has planned to date.

c. **Agnew Siding** - On the single-track section between Newark and San Jose, the Agnew Siding project will provide a new location for trains to meet and pass near the Santa Clara Great America station. This new siding will significantly reduce delays that sometimes occur when trains need to meet or pass in this area. The CCJPA design team is working on the design of the necessary utility relocations on behalf of the City of Santa Clara, as well as necessary safety upgrades to the adjacent Agnew Road grade crossing. CCJPA is nearly ready to procure a construction contractor for the utility relocation, awaiting Board approval at the June 2026 meeting. Upon completion of the design and after utility relocations, UPRR will construct the siding, and CCJPA will oversee related construction activities.

d. **Right-of-Way Safety & Security** - The Union Pacific Railroad (UPRR) Right-Of-Way project has been funded through June 30, 2026, through the State Rail Assistance Program. This project established a permanent Rights-of-Way Program with UPRR for the abatement of shelters, trees, weeds, and illegal dumping. CCJPA staff is working on a renewed agreement for this work for the period of July 1, 2026 through June 30, 2027. The program also installs and repairs security fencing and constructs access deterrents to help reduce trespassing and related incidents. Additionally, the program funds two Union Pacific Special Agents who patrol the Right-of-Way to mitigate safety incidents along the Capitol Corridor route. One of the Special Agent positions is currently vacant, and actively accepting applications to fill the role. CCJPA staff will be working to coordinate specific areas that the UPRR agents should prioritize. This work is expected to improve safety and security for individuals along the Capitol Corridor route, as well as improve the Capitol Corridor's On-Time Performance (OTP). CCJPA staff are also working with the Federal Railroad Administration and Union Pacific Railroad to advance the Right-of-Way Safety Improvement Program that was awarded a $20 million CRISI grant to install new high-security fencing at priority locations along the route. Staff is in the final stages of coordination with FRA to have the grant obligated.

e. **Corridor Identification & Development Program / Link21** - Since the CCJPA and San Francisco Bay Area Rapid Transit (BART) Boards approved Stage Gate 2 of Link21 (standard gauge in the crossing), CCJPA has assumed day-to-day management of Link21 as of July 1, 2025. The Transit and Intercity Rail Capital Program (TIRCP) grant awarded to CCJPA for Link21 in Fall 2023 is the funding source for staff to continue supporting Link21. Link21, as an "extension" of Capitol Corridor, is included in the Federal Railroad Administration's (FRA) Corridor ID Program, which is a corridor-wide planning process coordinated with the other intercity rail corridors in the state that will make Link21 and other projects eligible for federal funding. Staff is working closely with the Caltrans Department of Rail and has obtained approval from the FRA for our Corridor ID scope, schedule, and budget for planning work over the next several years. We are waiting for Caltrans and FRA to execute an agreement before we can start work, which is anticipated sometime in 2026.

f. **CalPIDS Modernization** - New California Passenger Information Display System (CalPIDS) equipment cabinets have been installed at the majority of Capitol Corridor stations, with three (3) pending permits or additional approvals. Design and approval processes necessary for electrical work at various stations are also in progress. Remaining cabinet installations and electric installations are to be completed by Fall 2026, pending funding availability. Due to escalated construction cost estimates, some stations may be prioritized for work, and others pushed out for completion later. CalPIDS software is undergoing testing and validation, with initial station testing to be done at Oakland Jack London, in coordination with the Amtrak Operations Controls group on the East Coast. The next steps before system turn-up and final testing are power connections to new cabinets, AT&T equipment installations, and CalPIDS equipment installations. System turn-up and final testing are expected in Winter 2026.

g. **South Bay Connect** - With the delay in starting the Corridor ID and Near-Term Service Development Plan process with the FRA and Caltrans, CCJPA staff are exploring ways to initiate NEPA analyses via oversight by the California High Speed Rail Authority (CHSRA). A parallel funded effort to SBC, but functionally separate, is the **Ardenwood SR-84 Intermodal Bus Facility**. This is in the Project Approval & Environmental Documentation (PA&ED) phase, in coordination with Caltrans District 4. During this phase, the facility design will be refined, and further public outreach will be conducted with key stakeholders and the general public, along with necessary environmental analyses performed for CEQA and NEPA. A draft environmental document, currently expected to be an Initial Study/Environmental Assessment (IS/EA), is expected to be released for public review and comments in Fall 2026.

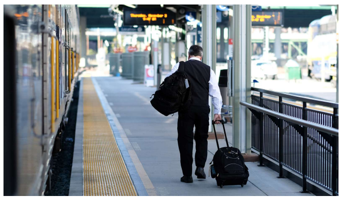
RECOMMENDATION
For information only.


Capitol Corridor
Joint Powers Authority
Board Meeting | June 17, 2026 | 10:00 AM
CAPITOL
CORRIDOR

1


Pledge of
Allegiance
2 | Item II.

2

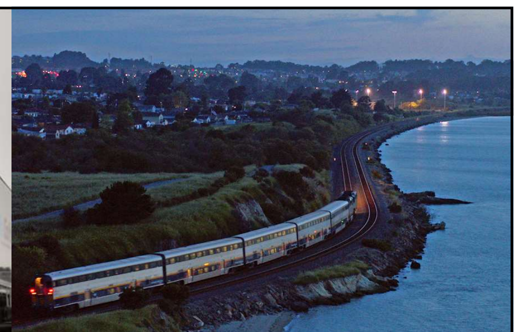


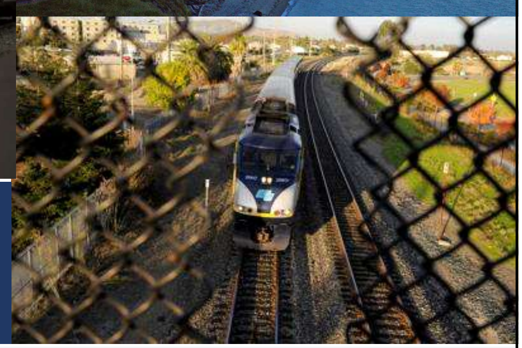
IV. Consent Calendar

1. Approve Minutes of the April 15, 2026 Meeting
2. Authorize Transit Service Agreement with El Dorado County Transit Authority and City of Lake Tahoe for the El Dorado Transit Bus Purchase
3. Authorize Construction Agreement for Agnew Siding Utilities Relocation Construction Project

3

3





ITEM V.1

NEPA Interagency Agreement with California High Speed Rail Authority (CHSRA)

CCJPA BOARD MEETING | June 17, 2026 | NEPA Interagency Agreement

4

4

CCJPA's Two Projects Requiring NEPA Review = 2 Agreements

Sacramento–Roseville 3MT (SR3T)

- Adds third main track: Sacramento → Roseville on existing Capitol Corridor route
- FRA previously served as NEPA lead under CRISI funding — prior precedent established
- CRISI agreement not completed due to extreme cost inflation
- NEPA status: formal lead agency engagement now appropriate

South Bay Connect (SBC)

- Relocates Capitol Corridor from UPRR Niles Sub → UPRR Coast Sub
- Includes track improvements, grade crossing mods, new Ardenwood station (Fremont)
- CEQA: Final EIR certified Nov. 20, 2024; project approved to proceed
- NEPA: Not yet initiated — EA likely the appropriate level of review

CCJPA + CHSRA: Why This Agreement?

The Need

- Federal funding required for both CCJPA capital projects
- Federal funding triggers NEPA compliance obligation
- FRA is ordinarily the federal NEPA lead — but delegation to CHSRA is available
- Formal NEPA lead agency engagement now appropriate for both projects

The Opportunity

- CHSRA holds delegated NEPA authority from FRA (MOU 2019, renewed 2024)
- CCJPA projects connect to HSR — SBC at San Jose, Roseville 3MT at Sacramento
- Access CHSRA's established NEPA expertise and federal relationships
- Avoid duplication; leverage existing infrastructure; reduce timing uncertainty

What is NEPA Assignment?

- **Surface Transportation Project Delivery Program (2005)**
  - Pilot authorized in SAFTEA-LU for highway projects
  - CA only state to engage in pilot
- **MAP-21 (2012) made NEPA Assignment permanent**
  - Expanded eligibility to rail, transit & multimodal projects
  - 23 U.S.C 327 replaced SAFTEA-LU and cemented Surface Transportation Project Delivery Program
  - Final rule outlining application process with DOT Agencies (FRA, FHWA, FTA) under the Delivery Program
- **FAST Act (2015) built on funding from MAP-21 for rail projects**
- **IIJA (2021) extended funding programs through 2026**

7

NEPA Assignment Under CHSRA

- **2019 MOU between CA + FRA (renewed 2024) — FRA delegated certain NEPA responsibilities to the Authority**
  - MOU allows NEPA assignment through 2034
  - FRA retains Government-to-Government Tribal Coordination & Air Quality General Conformity Determination
- **NEPA review is streamlined through the Authority**
- **The Authority may act as NEPA Lead Federal Agency for qualified local rail projects.**
  - Each project must meet MOU criteria
  - Non-Authority Rail Projects determined appropriate for assignment through mutual Agreement between FRA and the State, on a case-by-case basis

8

Anticipated Cost + Schedule for CHSRA assistance

Document Category	Estimated Duration (months)	Estimated Review Cost
Categorical Exclusion (CE)	6–12	$175,000
Documented / Complex CE	12–24	$500,000
Environmental Assessment (EA)	12–24	$900,000
Environmental Impact Statement (EIS)	24–36	$2,550,000

The likely level of action for both projects but…TBD

9

EXAMPLES: Actual Local Projects @ Different Stages in the NEPA Assignment Process

Stockton Diamond Grade Separation
EA: Completed '23

Link Union Station
EIS: Completed '26

High Desert Corridor
EIS: Anticipated Completion '26

San Diego-LOSSAN Rail Realignment
EIS: Early Stages

- Projects throughout California where CHSRA NEPA Delegation has been completed or is underway

10

Proposed Resolution — Resolution No. 26-12

Authorize the CCJPA Executive Director or designee to execute two agreements with CHSRA for NEPA lead agency services on the South Bay Connect and Sacramento-to-Roseville 3rd Track projects, and to take any additional actions needed to implement this resolution, including executing project-specific amendments or attachments as project scope and schedule are finalized.

2	CHSRA	$175K–$900K+	Board → ED
Projects	NEPA Lead	Est. Cost/Project	Authority

11

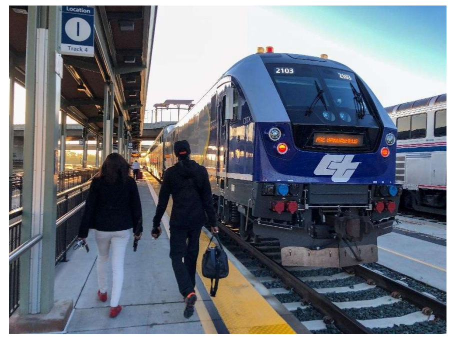
12

Caltrans Division of Rail Structure

Rail Planning & Implementation

Assets & Equipment

Rail Operations & Maintenance



CCJPA Board Meeting

Passenger Rail in California

PRESERVE AND GROW CALIFORNIA'S BEST-IN-THE-NATION STATE-SUPPORTED PASSENGER RAIL PROGRAM

"The state rail network will connect more people to more places and is specifically well-positioned to capture regional and long-distance trips, which currently make up 75% of all auto travel mileage in California today. We envision a 2050 future when passengers will travel nearly 200 million miles per day on an integrated zero-emission rail and transit network".

– 2024 California State Rail Plan

Intercity Fleet Strategy: 2026-2045

Caltrans-owned fleet	• **Caltrans owns 187 passenger rail locomotives and coaches** serving three corridors: **Capitol Corridor, Gold Runner, and Pacific Surfliner** • **Fleet comprises new equipment** such as Venture cars and Charger locomotives **as well as older equipment** such as the Surfliner cars, California cars, and F59PHI locomotives
Current challenge	• F59PHI locomotives, Surfliner cars, and California cars are approaching overhaul decision points • SC-44 Charger locomotives will soon begin requiring component overhauls • **Service has gradually returned to pre-COVID levels,** partly due to equipment constraints
Way Forward: Our Fleet Strategy	• The **Fleet Strategy establishes a 20-year roadmap** to 2045 that restores and sustains **State of Good Repair,** protects service **reliability, and ensures we have the right equipment** to deliver planned services across all corridors • Targeted overhauls **extend the useful life** of aging fleet segments, allowing time to plan and execute **next-generation fleet procurement** through the 2030s

15

Four Planning Horizons

FROM SERVICE RESTORATION TODAY TO NEXT-GENERATION FLEET DEPLOYMENT BY THE EARLY 2040S

Short-term (2026) **Objective:** Restoring and stabilizing pre-COVID service	**Mid-term (2026-2030)** **Objective:** Restore State of Good Repair	**Intermediate (2030-2040)** **Objective:** Stabilizing performance	**Long-term (Post-2040)** **Objective:** Beginning the next-generation fleet
• Fully Deploy **Venture fleet** • Better **balance** equipment between NorCal and SoCal fleets • Lease **locomotives, coaches, and cab cars from Caltrain** (Feb 2026 agreement)	• Execute **F59PHI overhauls** • Begin rolling **SC-44 Charger component overhauls** • Execute **bi-level refurbishment** and **truck overhauls** in parallel	• Maintain equipment in a **State of Good Repair** through improved maintenance and component overhauls • Enable **selective service growth** as mid-term equipment programs progress • Initiate decade-long next-generation procurement by 2030	• **Deploy and maintain** next-generation fleet • Prepare **Venture** fleet for **mid-life refurbishment** • **Evaluate SC-44 Charger** fleet for life extension or replacement

16

CCJPA Board Meeting

Legacy fleet projects

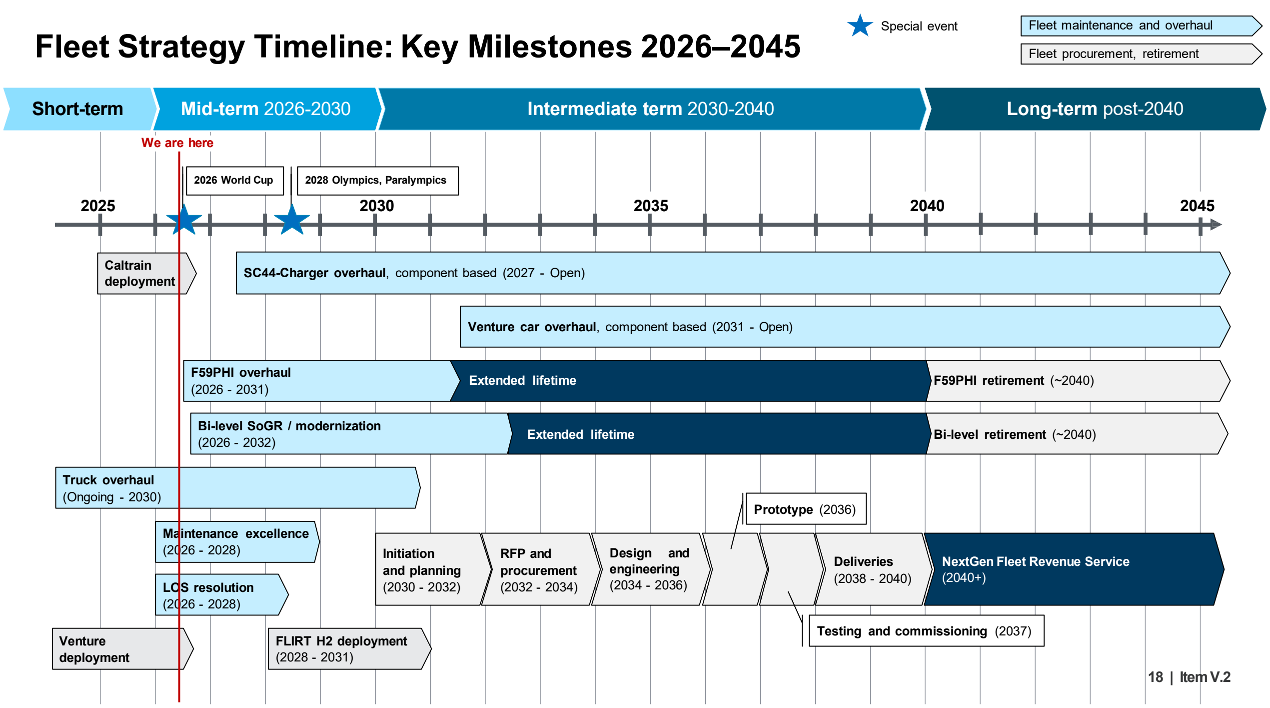
Legacy fleet projects

- Overhaul **of F59PHI locomotives** to extend their service life, reliability, and availability
- Modernization of **bi-level coaches** to extend their service life, enhance passenger comfort, and improve availability

17 | Item V.2 CALTRANS | DIVISION OF RAIL

17

Fleet Strategy Timeline: Key Milestones 2026–2045



18 | Item V.2

18

Item V.3a

Tap2Ride

Program Update

Capitol Corridor Joint Powers Authority
Board of Directors

Contactless Payment
Program Status & Roadmap to Full Launch

FY 2025–26 through 2027–28

19

19

Program Origins

How Cal-ITP helped Tap2Ride Emerge

Tap2Ride Background

- CCJPA has been the fiscal sponsor for Cal-ITP & was assisted in launching the payment pilot
- Tap2Ride (branded for CCJPA) aligns CCJPA with the trend toward open loop transit systems
- Cal-ITP support functions assisted in overcoming the technological hurdles

2018
Xentrans partnership begins (Wi-Fi oversight)

2019
California Integrated Travel Project initiative launched statewide with CCJPA as fiscal sponsor

2022
CCJPA scopes the pilot design working with State procured contactless payment vendors

Mar 2023
Tap2Ride MVP Launched on Capitol Corridor

2025+
Operational expansion

20 | Item V.3a

20

Tap2Ride Focus Areas Emerged Through Pilot

Launch, Learning and Growth

Pilot Scale
Smaller scale pilot to learn about the first open loop launch in North America

System Integration
Supported development of software to bridge gaps between multi-vendor system

Impact on Conductors
Secondary inspection device initially necessary for conductors to use; poised to reduce that burden

Revenue Protection
Analyzed trends from transaction to learn how to troubleshoot proper customer behavior

Monitoring
Built up proactive monitoring tools to ensure hardware/software works as intend

Customer Relations
Gained insights into ridership behaviors; directing needs for improvement

21 | Item V.3a

21

Technical Roadmap to Full Launch

June 2026 → January 2027 — FIFA as Waypoint

Jun–Jul
CRM Expansion kickoff

FAT v1.0 Deployment
Jul–Sep

Aug–Sep
IOS EMD Deployment

FAT Testing & Validation
Sep - Oct

Aug–Dec
Real-time schedule data Integration

Rewards Program
Nov–Dec

Post-FIFA
San Francisco bus Connection Launch

FULL LAUNCH
Jan 2027

Operational Efficiency

iOS conductor device, and a single Customer Relationship Platform reduce complexity

Revenue Protection

The Fare Adjustment Tool to protect revenue and support riders

Network Expansion

Leased vehicles and the San Francisco bus connection grow Tap2Ride across the Capitol Corridor network

Accessibility

Pay your way — Tap2Ride accepts any contactless card or device, making fare payment as flexible as the journey

22 | Item V.3a

22

Operational Maturity – FIFA World Cup

Preparing for Full Launch

FIFA World Cup 2026 — Growth Catalyst

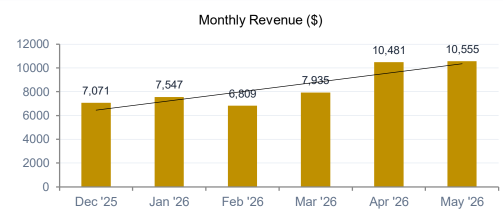
- FIFA 2026 matches at Levi's Stadium bring a surge of new riders — an unparalleled opportunity to introduce Tap2Ride to an international audience at scale
- High-volume event traffic generates real-world data on contactless payment adoption before full launch

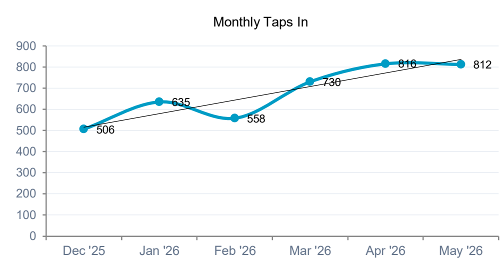
Active Workstreams Through Full Launch

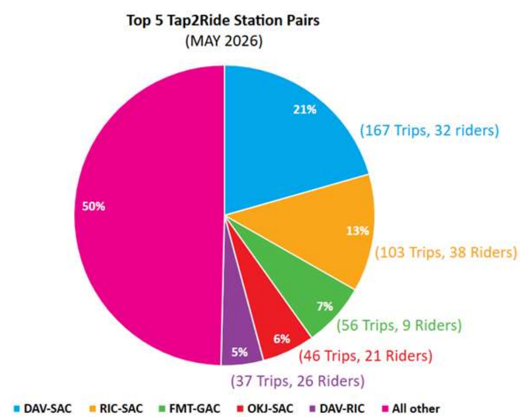
Amtrak iOS conductor device Conductor App	Fare Adjustment Tool v1.0	Real-time schedule data Integration	Customer Relationship Management
Retiring Android ecosystem — single device for conductors; Apple approval	Revenue protection tool	Improved location services accuracy	Customer care and communication platform

Last 6 Months in Detail

December 2025 – May 2026

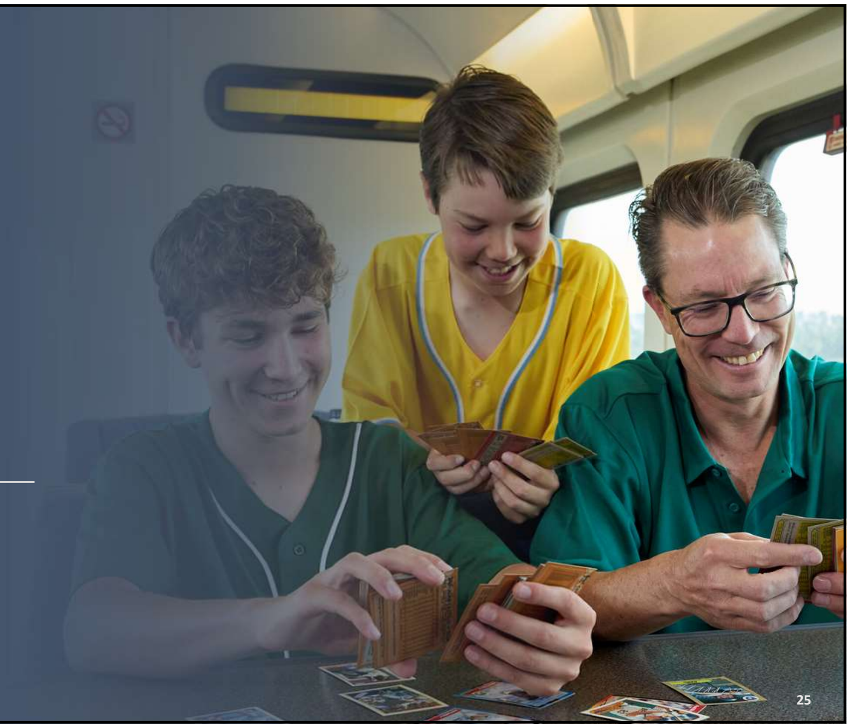






CCJPA Capital Project Portfolio

Item V.3b



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25

Legislation and Funding Update

Item V.4

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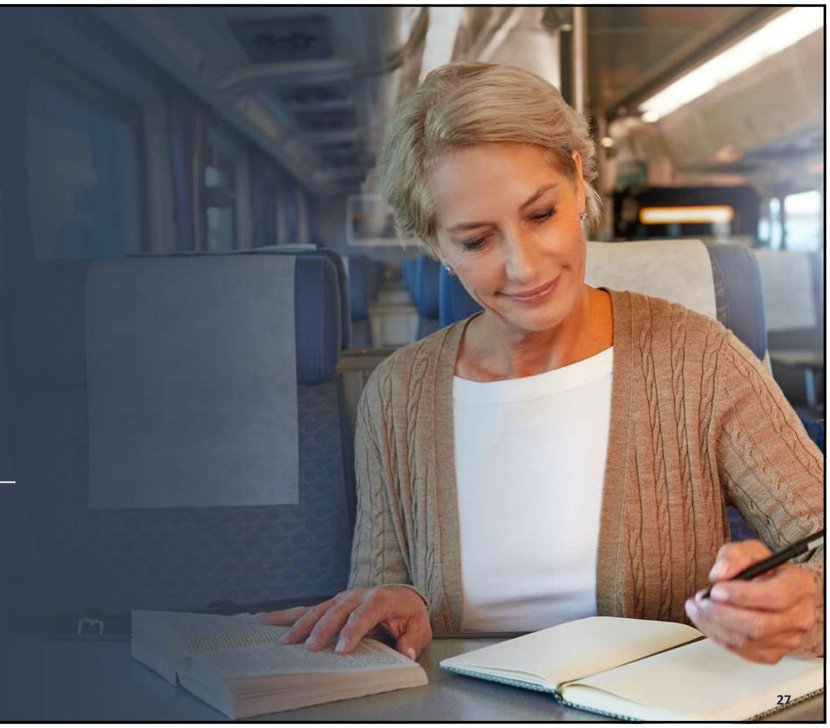
26

Managing Director’s Report

Item V.5



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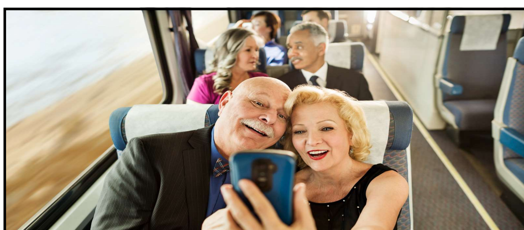


FY 2026 Capitol Corridor Performance

October 2025 – May 2026

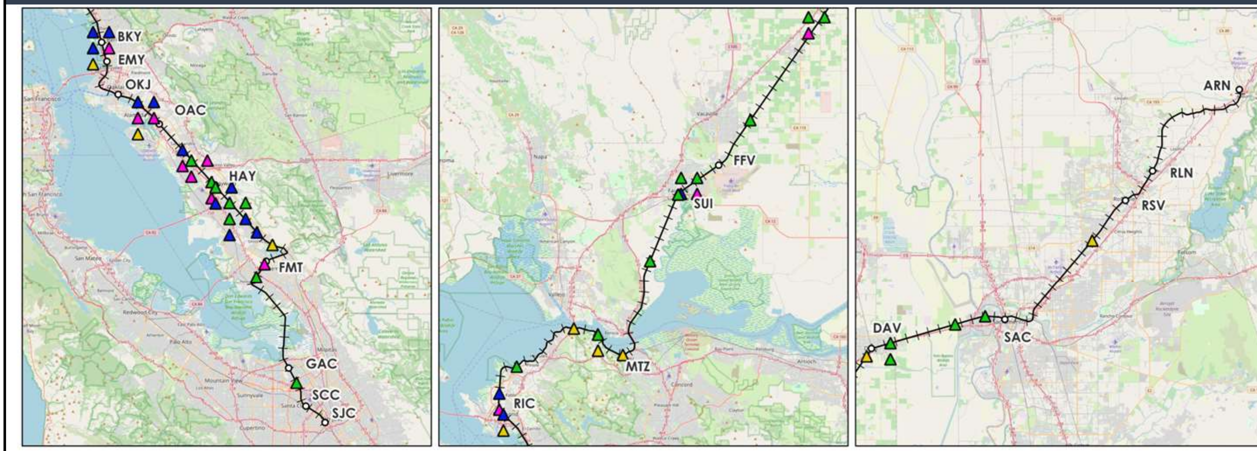
Performance Measure	FY 26 YTD Actual	vs FY 25 Prior year	vs ABP Budget	vs FY 19 Pre-Pandemic
*Ridership	899,222	23%	13%	-24%
*Revenue	$22.5M	16%	10%	-11%
End-Point OTP	84%	-5%	-7%	-6%
Passenger OTP	87%	-2%	-3%	-1%

The FY26 and FY25 data are preliminary and based on the most recent information provided by Amtrak and does not include Tap2Ride data.

28 | Item V.5

28

Trespasser & Vehicle Fatalities (FFY 2023 – FFY 2026)



Legend

Infrastructure
- Capitol Corridor Stations
- Capitol Corridor Route

Fatalities FFY 2023 to April 2026 (55)
- FFY 2026 (9)
- FFY 2025 (11)
- FFY 2024 (14)
- FFY 2023 (21)

0 5 10 15 20 mi

Incident locations are approximate for visual clarity.

29 | Item V.5

29

FIFA World Cup 26™ SF Bay Area

June 13 - July 1, 2026, at Levi's® Stadium

SPECIAL SERVICE:
- Expanded-capacity service for every match
- Late-night outbound trains
- Coordinated connections with regional partners

WAYFINDING, ACCESS & SECURITY:
- Event wayfinding and closure coordination
- BAHC and Levi's coordination
- Amtrak and UPRR Police security support

30 | Item V.5

30

FIFA World Cup 26™ SF Bay Area: Marketing & Communications

Communications: Multilingual landing page (20+ languages), social media, service alerts, e-newsletter, station messaging

Paid Media: NBC Peacock livestream ads and KCSO/Telemundo TV campaign

Wayfinding: On-site directional signage and wristbands

Rider Appreciation: Soccer-themed station activations

31 | Item V.5

31