

FY25/26 WORK PROGRAM & BUDGET

ADVANCING INITIATIVES AND PROJECTS WITH
STRATEGIC PARTNERSHIPS



COLLABORATION SERVICE RESPONSIBILITY EXCELLENCE RESILIENCE COLLABORATION
CIVILITY COLLABORATION RESPONSIBILITY INTEGRITY ETHICAL CIVILITY COLLABORATION RESPONSIBILITY
FAMILY SERVICE RESPONSIBILITY EXCELLENCE RESILIENCE COLLABORATION SERVICE RESPONSIBILITY FAMILY
INTEGRITY ETHICAL CIVILITY COLLABORATION RESPONSIBILITY INTEGRITY ETHICAL CIVILITY
EXCELLENCE RESPONSIBILITY COLLABORATION SERVICE RESPONSIBILITY COLLABORATION
INTEGRITY FAIRNESS INTEGRITY COLLABORATION RESPONSIBILITY INTEGRITY ETHICAL CIVILITY
COLLABORATION SERVICE RESPONSIBILITY EXCELLENCE RESILIENCE COLLABORATION

VISION, MISSION, & VALUES

VISION Connecting California communities through multimodal transportation

MISSION Deliver California's accessible, connected, and sustainable future by providing multimodal transportation

VALUES Collaboration, Responsibility, Resilience, Sustainability, Diversity, Community





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EXECUTIVE SUMMARY

The San Joaquin Regional Rail Commission (Rail Commission) is committed to connecting California communities through multimodal transportation. The services under its ownership and management are expected to continue to grow in the upcoming fiscal year. ACE is forecasted to carry 921,449 (+13%) passengers and the San Joaquin is forecasted to carry 947,329 (+2.5%) passengers, respectively. Combined total passengers estimated for FY25/26 for ACE and San Joaquin will be 1,868,778. That number represents commuters off the road regaining hours of time, students being provided essential transportation to/from campus, families reunited across hundreds of miles, and countless other success stories. As the Rail Commission continues to push its services, projects, and initiatives forward, it is the passengers and communities it serves that are the driving force.

The upcoming fiscal year will be the first full year of operation for the new ACE 02. This new train has already shown promise and surpasses its predecessor by 130% on a daily basis. Since being reinstated, ACE's Special Train service to Levi's® Stadium will enter its third year of operation. Last year, Special Train service increased its ridership 93% per train. The partnership with Levi's® Stadium is growing awareness of the service and onboarding new passengers to ACE's regular weekday trains.

The San Joaquin will be introducing its 7th round-trip train bringing the service back to pre-pandemic service levels. The 7th round-trip will serve the Sacramento market with more conveniently timed service. The new train will continue to drive San Joaquin ridership recovery and is a welcome addition to many needing access to the State Capitol for business and pleasure.

San Joaquin Joint Powers Authority (SJPPA) will study the potential addition of a Business Class service which is aimed at increasing ridership and revenue in the future.

The service of today and the future require the continued planning and investment in equipment that safely and comfortably transports passengers to their destinations. The completion of the Midlife Overhaul of ACE equipment will have an immediate impact on passenger experience. The new ACE fleet has already been rotating into operation with more vehicles planned for commissioning in FY25/26. Pursuing a zero emissions operation, the future of equipment propulsion for both ACE and San Joaquin continues to be studied and planned with an eye for how the Rail Maintenance Facility (RMF) will need to continue to be expanded and improved. It is exciting to see the maintenance of the intercity fleet, which is used on the San Joaquin and Capitol Corridor, come under the oversight of Rail Commission operator TransitAmerica, Inc. The San Joaquin passengers will greatly benefit from the local oversight and more direct management of the Rail Commission.



As the current passenger is taken care of, the future passenger is at the forefront of the Rail Commission's plans and strategies. The Valley Rail Program continues full steam ahead with several projects planned for construction in FY25/26 and another batch planned for FY26/27. The hard work of the Capital Projects team over the past several years to bring the projects through the pandemic, finalize design, and see shovels hit the ground will bring the Rail Commission's promise of new service to fruition. It cannot be overstated that the strong partnerships with our regional partners have allowed Valley Rail to continue and press forward through the difficult economic environment when many others are giving up. As a continued companion effort, the Planning, Grants and Programming Team is pursuing grants to backfill the later phases of the program to ensure that momentum is carried forward as construction will continue for many years to come. The Rail Commission is excited to welcome new communities to the passenger rail ranks.

FY25/26 looks to be a year of growth, innovation, and progress. The Rail Commission staff is growing to support the numerous work streams under its umbrella. The entire team remains committed to the services, projects, and communities whether they are served today by passenger rail, Thruway Bus, or whether they are preparing for new service in the near future.



CAPITAL PROJECTS

The Rail Commission is committed to improving ACE and San Joaquin services through targeted investments that will improve on-time performance, expand ridership, and deliver on statewide and regional priorities. In FY25/26, the Rail Commission will continue to work on critical initiatives including:

- Stockton Diamond: a megaproject that will grade-separate one of the most congested at-grade rail intersections in North America
- Valley Rail: a broad portfolio of projects that will extend ACE south to Merced and extend ACE and San Joaquin to Sacramento
- San Joaquin station improvements including the Oakley station and track improvements

The number of projects within the Rail Commission's Major Capital Program portfolio has grown with the implementation of the Valley Rail Program. Delivering a large and complex program like Valley Rail has its challenges, including schedule delays and cost increases. However, with the Rail Commission and the San Joaquin Joint Powers Authority provided direction and guidance to reprioritize the Valley Rail Program to accomplish the following goals.

1. Prioritize the completion of the Stockton Diamond project
2. Pursue the earliest possible interim service delivery to the Stanislaus region, even if the full track and station projects are not complete
3. Pursue earliest possible interim service delivery to the Sacramento region, provided this does not impede the priority for service to Stanislaus region

4. Pursue new funding sources, bundle projects for cost savings, and transfer funds from projects that can be completed in later phases of the Valley Rail Program
5. Rail Commission to consider the addition of Special Voting Members from Stanislaus and Sacramento counties where many projects will be constructed

In FY24/25, Capital Programs have worked to improve program delivery. In FY25/26, the combined Major Capital work effort will be roughly \$162 million, as several key projects advance into construction.

MAJOR CAPITAL PROGRAM

The Major Capital Program is comprised of projects, including the Valley Rail Program and other large capital projects, and spans multiple budget cycles.

The Rail Commission is engaged in several Major Capital Projects outside of Valley Rail. These projects are essential to improving the current service and expanding capacity needed for peak ridership, including additional ridership from the Valley Rail Expansion. The Major Capital Projects are divided into two (2) divisions: ACE Major Capital Projects and Rail Commission Major Capital Projects.

PROJECT PHASES IN CAPITAL PROGRAM DELIVERY

Major Capital projects have four (4) major phases of project delivery to complete the planning, development, design and construction of a project.

Project Approval and Environmental Documentation (PA&ED)

The Project Approval and Environmental Documentation (PA&ED) phase is the initial phase of program delivery. During this phase, the scope of the project is defined, preliminary engineering is completed, and the environmental impacts of the project are studied pursuant to the California Environmental Quality Act (CEQA) and/or National Environmental Policy Act (NEPA).

Plans, Specifications, and Estimates (PS&E)

The Plans, Specifications, and Estimates (PS&E) phase develops and designs the project and prepares it for construction. Engineering documents are developed in coordination with key stakeholders, like railroads and local city or county jurisdictions. Necessary permits are obtained from local jurisdictions and/or regulatory agencies, and bid documents are prepared with a construction schedule and engineer's construction cost estimate.

Right of Way (ROW)

During the Right-of-Way (ROW) phase, legal access to the land necessary for project delivery is secured, including acquiring parcels, negotiating permanent easements, negotiating temporary construction easements, and relocating impacted utilities. Project specific construction and maintenance agreement with the host railroad are completed, agreements which govern access to railroad-owned land during the project and reimburses the railroad for any self-performed work, like track and signal. In some cases, the railroad will self-perform the entire project within existing right-of-way, meaning the project could end with a successful ROW phase once the railroad concludes their work.

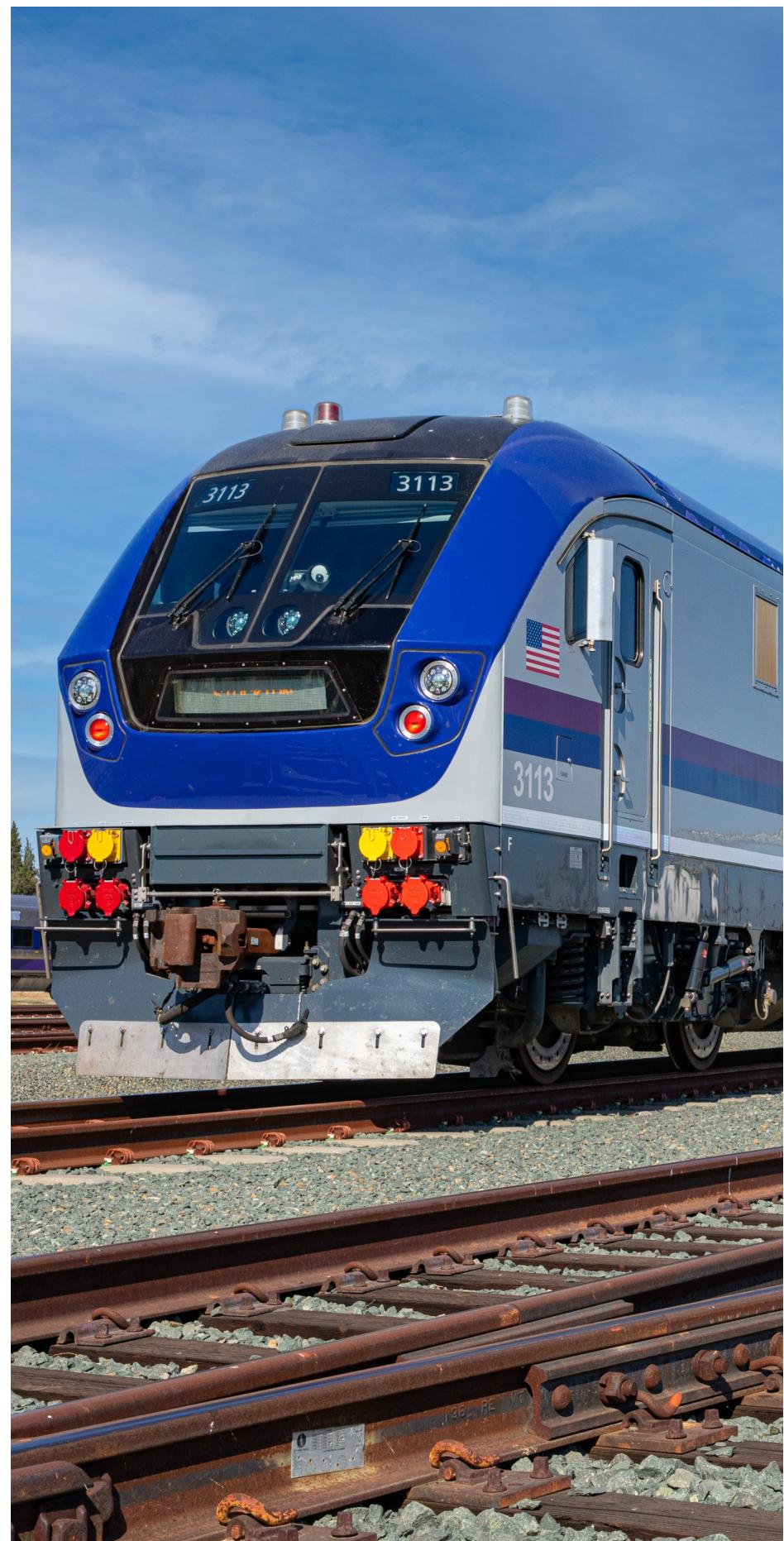
Construction (CON)

Construction is when engineering plans become reality. The Rail Commission contracts with a qualified construction contractor through a competitive bidding process to build the project. The Rail Commission also contracts with a construction management consultant team to manage, inspect, and provide oversight of the construction contractor. The Rail Commission's Capital

Program team remains actively involved, and the original engineering firm also provides design and engineering support during construction.

Other

Major projects that involve direct purchase through the Commission's procurement process, such as equipment, goods, technology investments, or do not have phases are presented as "Other".



ACE MAJOR CAPITAL PROJECTS

ACE Major Capital Projects support the continuation and expansion of the existing ACE service. Currently, this includes platform extensions and parking lot improvements at several ACE stations. Notable ACE Major Projects are below and the full list is presented in Table 1.

- ACE Platform Extensions
- Stockton Track Extension (joint project with SJPPA)
- The Rail Academy of Central California (TRACC)

PROJECT	PROJECT DESCRIPTION	PROJECT PHASE	FY25/26 BUDGET
ACE PLATFORM EXTENSIONS	Six current ACE stations in Lathrop/Manteca, Tracy, Vasco, Livermore, Pleasanton and Fremont to have the platforms extended to accommodate 8-car trainsets. This expansion aims to facilitate efficient and safe boarding and alighting of passengers for the longer trainsets at these stations.	PSE, ROW, CON	\$3,234,104
ACE PUBLIC INFORMATION DISPLAY SYSTEM (PIDS)	Project for existing ACE stations to upgrade and replace the current PIDS system with a modern system and install the purchased cabinets and related hardware.	OTHER	\$2,139,347
ACE - LOCOMOTIVE OPTIONS	The Rail Commission added to its fleet with the purchase of new Tier IV Charger locomotives, bringing the total number of these advanced, low-emission engines to six. The new locomotives will be used in conjunction with existing equipment to create longer train sets that can transport more passengers between the Central Valley and the Bay Area. The project is scheduled to be completed in FY25/26.	OTHER	\$4,958,510
ACE MIDLIFE OVERHAUL	As part of the Rail Commission's commitment to maintaining assets in a State of Good Repair, work is continuing to overhaul 30 ACE railcars. The Rail Commission's Transit Asset Management Plan (TAM) identified midlife overhauls as a key initiative to ensure ACE's revenue fleet operates at maximum performance. The Project includes a new interior and exterior paint scheme, seats, flooring, and on-board information system including digital audio and LCD screens, etc. These overhaul projects will improve passenger experience and reduce maintenance. This multi-year project started in FY19/20 and is scheduled to be completed in FY25/26.	OTHER	\$807,480
ACE PASSENGER INFORMATION SYSTEM	This is a continuing project to update the Passenger Information System (PIS) on the ACE cars. The original specification for the CEM cars purchased did not include the new PIS. The ACE legacy fleet has this system being installed as part of the extension of life overhaul currently underway, which will bring all ACE cars to the same configuration.	OTHER	\$2,673,920

Table 1. ACE Major Capital Projects - Continued on next page

PROJECT	PROJECT DESCRIPTION	PROJECT PHASE	FY25/26 BUDGET
ACE - ZERO EMISSION ENGINE CONVERSION (STUDY)	The project is to identify and recommend a proven technology or combination of technologies to allow the existing locomotives to be converted to near zero emission units. Hydrogen battery hybrid technology was selected. The study still has a few avenues to research and further develop fuel and charging infrastructure needs. This study is expected to be completed in FY25/26.	OTHER	\$730,170
ACE - ZERO EMISSION F40 ZEBRA	As a result of the zero-emission locomotive study a suitable technology was identified. This project is to hire an engineering consulting firm to begin the market outreach and specification development for the locomotive conversion and the necessary infrastructure changes needed to fuel, charge, maintain and operate the converted locomotives. This contract is expected to extend beyond 2030 as it will include manufacturing quality support and initial operations support.	OTHER	\$1,500,000
ACE TICKETING PLATFORM PROJECT - PHASE 1	The New ACE Ticketing Platform will replace and upgrade the existing fare collection system through a new mobile ticketing system. At a high level, the new ticketing platform will include replacing all mechanical validators with electronic validators, updating paper fare products to printed barcodes or Limited Use (LU) smart cards, and updating the mobile application. A Point-of-Sale System will be integrated with the new ticketing system in this first phase to support in-person ticket sales, fare program ticket sales, and group ticket sales. The ticketing system launched to passengers in Summer 2025 with a small balance of activities to be completed at the beginning of FY25/26.	OTHER	\$276,713
STOCKTON TRACK EXTENSION	This project will create a direct track connection between the Rail Maintenance Facility with the Cabral Station. To facilitate the alignment of the new track, a bridge over Harding Way will be constructed adjacent to the existing bridge. Work this fiscal year will focus on fiber optic utility relocations.	PSE	\$72,000
TOTAL			\$16,392,244

Table 1. ACE Major Capital Projects



An example of the CPKS Hydrogen locomotive with its tender car.

SJRC MAJOR CAPITAL PROJECTS

Rail Commission Major Capital Projects typically include capital and long-range planning projects related to the planned extension of ACE service into new travel markets. Notable Rail Commission Major Capital Projects are below and the full list is presented in Table 2.

- Valley Rail Program
- Stockton South Yard Crossover
- Cabral Annex Building Expansion (joint project with SJPPA)

PROJECT	PROJECT DESCRIPTION	PROJECT PHASE	FY25/26 BUDGET
CABRAL ANNEX	Rehabilitation of an existing parking lot and street side parking. New Cabral Annex building with meeting space and staff offices.	PSE, ROW, CON	\$7,888,022
DEL PASO AREA ACTION PLAN	Plan to integrate the future rail network and stations within the Del Paso neighborhood and enhance multimodal connectivity between the proposed Valley Rail Old North Sacramento Station and two existing Sacramento Regional Transit District (SacRT) light rail stations for Globe Avenue and Arden/Del Paso.	OTHER	\$400,000
EAST CHANNEL STREET IMPROVEMENTS	Project will complete improvements along East Channel Street between North Aurora and a 1/2 block west of North Stanislaus Street. Improvements will include new sidewalks, curb ramps, bulb-outs, street trees, pedestrian-scaled lighting, and road resurfacing.	CON	\$8,340,362
STOCKTON DR. MLK JR. UNDERPASS RECONSTRUCTION	The Dr. Martin Luther King (MLK), Jr. Boulevard Underpass reconstruction project constructs a new railroad bridge to carry the Union Pacific Railroad (UPRR) track over Dr. MLK, Jr. Boulevard. It will demolish the existing bridge and associated facilities and will reconstruct Dr. MLK, Jr. Boulevard to provide complete streets and facilities with uninterrupted community connectivity east and west of the railroad corridor. The City of Stockton (City) and the Rail commission jointly sponsor this project, with the City of Stockton leading the project design and construction. This project will be developed in conjunction with the Stockton Diamond Grade Separation project, which will eliminate the existing at-grade rail intersection of the UPRR and the BNSF Railway (BNSF). Once completed, the project will provide for significant improvements to rail, passenger vehicles, bicycles, and pedestrians and allow for enhanced safety in the area.	PAED	\$654,000

Table 2. Rail Commission Major Capital Projects - Continued on next page

PROJECT	PROJECT DESCRIPTION	PROJECT PHASE	FY25/26 BUDGET
STOCKTON YARD SOUTH CROSSOVER	The UPRR Stockton Yard South Crossover Project provides crossovers between tracks in the Union Pacific Yard that will maintain access to BNSF east-west tracks during the Stockton Diamond Grade Separation construction project and provide alternative routing from the yard to the various remaining at-grade connections between the two railroads into the future. Due to the location and configuration of the maintenance yard, trains have to see-saw (back up and pull forward) several times to make moves into and out of the yard. Several phases of the Stockton Diamond project construction exacerbate this or require trains to stop altogether. By allowing continuous movements of trains through the yard that are destined for the connections to the BNSF tracks, significant noise and pollutants will be reduced from the braking and starting of trains in the see-saw movements. This project area located south of the Stockton Crosstown Freeway is an area of very significant and continual poverty. And the Rail Commission is partnering with the City of Stockton for several other greenbelt, grade separation, and grade crossing improvement projects in this area and have prioritized this effort on the San Joaquin Council of Governments "One Voice®" federally significant project list.	ROW, CON	\$9,600,000
TOTAL			\$26,882,384

Table 2. Rail Commission Major Capital Projects



Concept rendering of Cabral Annex.

VALLEY RAIL PROGRAM

Valley Rail is a transformational program bringing ACE and San Joaquin service and billions of dollars of investment to communities throughout the Central Valley. This program is vital to the state's short-term and long-term goals identified in the 2024 State Rail Plan and will provide new travel options and congestion relief to communities throughout Northern California.

The Valley Rail Program will add 120 service miles across four counties and expand service into the Sacramento and Stanislaus regions. The program includes sixteen new stations. The Valley Rail Program also includes relocation of the current San Joaquin Madera station and construction of a new San Joaquin station in the city of Oakley.

State Rail Plan

The 2024 California State Rail Plan is produced by the California Department of Transportation to plan and coordinate commuter and intercity rail investments throughout the state to maximize benefits and network connectivity. The State Rail Plan lays out a vision for a comprehensive passenger rail network with California High-Speed Rail (CHSR) as a backbone, with near-term (4 years), mid-term (10 years), and long-term (25 years) planning horizons. Valley Rail is critical to the near- and mid-term planning horizons, as this Program will connect the regions of Sacramento and the North San Joaquin Valley with the California High-Speed Rail in Merced.

Valley Rail Implementation Challenges

The size and complexity of the Valley Rail Program, built within the confines of the freight railroad right-of-way, is unprecedented in the Central Valley. These various projects and their elements pose several challenges to the Rail Commission and key stakeholders, including the host railroads Union Pacific (UPRR) and BNSF, dozens of utility companies, and local city and county jurisdictions.

Engineering Review Delays

The host railroad, UPRR or BNSF, must review and approve designs for each project that impact their track or right of way. Projects have multiple sets of

design drawings requiring technical, engineering reviews by the railroads at 25%, 30%, 60%, 90%, and 100% design milestones. Prior to Valley Rail, the Rail Commission would only implement one or two simultaneous projects requiring UPRR or BNSF review. With Valley Rail, the number of submittals is expected increase in FY25/26. Capital Programs has worked proactively with our designers and host railroads to reduce the average submittal review duration and the number of resubmittals to mitigate delays.

Construction Phasing

UPRR and BNSF require that projects avoid impacts to their operations during construction. To ensure that trackwork can be completed safely and with minimal operational impact, projects incorporate a series of construction phases, where portions of track are completed, certified, and tied into the mainline, before working on the next the next phase. These phasing requirements have resulted in increases in construction durations for many Valley Rail projects.

Utility Partnerships

Most Valley Rail projects have footprints that impact several utilities, such as electricity, water, sewer, telecom, and in some projects, pressurized oil pipelines. Some impacts are local to one or two projects, like a local power and phone line, while other utility impacts are within the railroad right-of-way for up to 60 miles. These utility impacts are mitigated either by protection in place or relocating and replacing the affected utility.

The Rail Commission has partnered with affected utility owners for engineering review to protect in place or relocate the utility. Utility agreements are negotiated and executed with each owner, which takes a varying amount of time. In FY25/26, the Rail Commission will continue working with utility partners to advance engineering reviews and relocation designs as required.

Cost Increases

Since the beginning of the Valley Rail program, several unexpected challenges have caused substantial cost increases across multiple project phases. As a result, many projects in the Valley Rail Program are partially to fully funded, and the Rail Commission is working

diligently to pursue additional funding to fully cover the program. Additional details regarding grant and funding opportunities are detailed in the Planning, Grants, and Programming chapter of the Work Program. The source of rising costs is not relegated to one specific factor, but rather a variety of implications that include new railroad standards, year-over-year inflation, and delays to begin the construction phase.

VALLEY RAIL PROGRAM CONTINUED

The Valley Rail Program is included as a line in the ACE Major Capital Projects. However, for clarity, this Work Program includes another table summarizing projects within the Valley Rail Program. Below is a list of notable early Valley Rail projects and the full list is presented in Table 3.

- North Lathrop Transfer Station
- Lathrop Wye & Track Extension
- Modesto Station & Trackwork
- Ceres Station, Layover & Trackwork
- Phillips Siding Rehabilitation
- Elk Grove Station & Trackwork
- Pollock Siding Upgrade
- Midtown Station
- Del Paso Siding Extension Trackwork
- Natomas/Airport Station & Layover
- Sacramento Subdivision Curve Upgrades
- Sacramento Subdivision Signal Upgrades

PROJECT	PROJECT DESCRIPTION	PROJECT PHASE	FY25/26 BUDGET
CERES STATION & TRACKWORK	Construction of a new Ceres station platform, additional track, pedestrian pathway connections and public right of way improvements. This project also includes a layover facility to the south of the new station.	PSE, ROW, CON	\$2,575,404
CERES TO TURLOCK DOUBLE TRACK	Construction of double track through the City of Turlock with nine grade crossings improvements and pier protection at the SR99 and Golden State Overpasses. Construction of the second main track will be on the UPRR Fresno Subdivision from mile post (MP) 117.43 to MP 124.78 and MP 125.27 to MP 128.49. Double track will tie into the north and south ends of the Turlock Station trackwork.	PSE	\$4,263,300
DEL PASO SIDING EXTENSION	The Del Paso Siding Extension project is located in Sacramento County in the City of Sacramento, north of Main Avenue. The purpose of the project is to extend the existing siding south, over Arcade Creek, for a future second mainline track as required by Union Pacific Railroad (UPRR) for the implementation of the Valley Rail Program.	PSE	\$699,720
ELK GROVE DOUBLE TRACK	Construction of double track between MP 122.46 to MP 126.94 on UPRR's Sacramento Subdivision. Project is between the existing Phillips Siding and the proposed Elk Grove Station.	PAED	\$454,582
ELK GROVE STATION & TRACKWORK	The Elk Grove Station includes the construction of a center loaded platform with a pedestrian overcrossing to access the platform. Construction of the station includes roughly 1.6 miles of trackwork between MP 126.87 to 128.51 on the UPRR Sacramento Subdivision in the Northern portion of Elk Grove. This station includes bus turnouts, kiss and ride drop off area, and vehicle parking and is located near Laguna Blvd. and Dwight Road.	PSE, ROW	\$1,656,116

Table 3. Valley Rail Program - Continued on next page

PROJECT	PROJECT DESCRIPTION	PROJECT PHASE	FY25/26 BUDGET
LATHROP WYE & TRACK EXTENSION	This project includes a new wye track between UPRR's Oakland Subdivision at MP 84.10 and UPRR's Fresno Subdivision at MP 94.20, a connection that is required to route trains from Ceres/Merced to San Jose. In addition there will be a new station (completed under the Manteca Station Project) with center loaded platform station with a pedestrian undercrossing to access the platform. Approximately 3.5 miles of trackwork will be constructed between MP 94.20 to MP 97.7 on the UPRR Fresno Subdivision. Construction of the trackwork will necessitate modification of seven (7) at-grade crossings through the City of Manteca.	PSE, ROW	\$1,229,167
LODI STATION & TRACKWORK	The Lodi Station and Track Extension includes a passenger station just west of the City of Lodi. A center loaded platform with the pedestrian overcrossing will be constructed to access the platform. Construction of about 4.5 miles of trackwork is included in the station construction between MP 104.5 to MP 109 on the UPRR Sacramento Subdivision. The Lodi Station includes bus turnouts, kiss and ride drop off area, and vehicle parking (a portion of which is planned for a future construction phase).	PSE, ROW	\$4,159,464
MANTECA STATION & PARKING LOT EXTENSION	Directly connected to the Manteca Transit Center, the Manteca station includes construction of a center loaded platform station with the pedestrian overcrossing to access the platform. Track work associated with the station construction is included in the Lathrop Wye and Track Extension Project. The Manteca Station includes a bus connecting to the Manteca Transit Center, a kiss and ride drop off area, and vehicle parking.	PSE, ROW	\$649,800
MIDTOWN STATION	Construction of a single side loaded platform passenger station and modification of two (2) grade crossings at Q street (UPRR) and 19th St (SacRT). The new station is located in the Midtown neighborhood in Sacramento. Access to the station will be provided from Q street and 19th street. Minor trackwork is required to accommodate the station between MP 137.9 to 138.1 on the UPRR Sacramento Subdivision.	PSE, ROW, CON	\$2,506,241
MODESTO STATION & TRACKWORK	Construction of a new Modesto station platform, additional track, pedestrian pathway connections and public right of way improvements. The station's design will feature a unique aesthetic inspired by the Santa Fe style, seamlessly integrating the infrastructure enhancements with the existing transit center.	PSE, ROW	\$7,449,142
NATOMAS AIRPORT STATION & LAYOVER FACILITY	The current northern terminus of the Valley Rail Program is the Natomas/Airport Station. Improvements that will be constructed as part of this project include construction of a single, side-loaded passenger platform and surface parking lot providing approximately 250 parking spaces. The Project also includes a kiss and ride drop off area and space for three (3) transit buses in addition to having the ability to expand to a double outside platform station with a pedestrian overcrossing in the future. The Natomas/Sacramento Airport Station will also include layover tracks and facilities south of the platform to accommodate ACE and San Joaquin train layovers between service runs.	PSE, ROW	\$3,371,304

Table 3. Valley Rail Program - Continued on next page

PROJECT	PROJECT DESCRIPTION	PROJECT PHASE	FY25/26 BUDGET
NEWARK - ALBRAE SIDING CONNECTION	The Newark-Albrae will extend the existing double track with a new 2-mile section of second main track allowing for the improved flow of rail traffic along Union Pacific's Bay Area Rail Network. The proposed project will also improve operational reliability for the Rail Commission, ACE, and Capitol Corridor trains on the UPRR Coast Subdivision. Major elements of the project include, installing 1.1 miles of new track, high speed turnouts, a #24 crossover, new signals, upgrading 0.8 miles of the existing siding track, constructing a new railroad bridge over Mowry Slough, and modifying to two existing at-grade crossings and safety mechanisms.	PSE	\$574,856
NORTH LATHROP TRANSFER STATION	The North Lathrop Transfer Station is a very important station on the Valley Rail Corridor because it allows for platform to platform transfer between San Jose-Stockton/Natomas trains and Ceres/Merced-Natomas trains. Property for the station is located at the Sharpe Army Depot in Lathrop. A very long pedestrian overcrossing connects a center loaded platform west of the existing Fresno Subdivision Mainlines. About 2.4 miles of track will be constructed between MP 92 and MP 94.40. Ample parking will be provided in addition to a robust bus transfer facility and dedicated passenger drop off area.	PSE	\$600,000
PHILLIPS SIDING REHABILITATION	The project consists of siding rehabilitation along the UPRR Sacramento Subdivision MP 121.23 to MP 122.51. Located approximately four (4) miles south of Elk Grove.	PSE, ROW, CON	\$91,950
POLLOCK SIDING UPGRADE	The project consists of siding rehabilitation along the UPRR Sacramento Subdivision MP 131.8 to MP 132.8. Located in the City of Sacramento between Meadowview Road and Florin Road in Sacramento.	PSE	\$120,000
POLLOCK TO SOUTH SACRAMENTO YARD EXTENSION	The Pollock to South Sacramento Yard Extension will create a new double track section between the existing Pollock Siding and the existing South Sacramento Yard Siding. The Project will install approximately 1.3 miles of new track between Mile Post (MP) 132.8 and MP 134.1 in Sacramento. Existing power operated turnouts at MP 132.8 and 134.1 will be removed as part of the Project. Associated grading, drainage, civil improvements, utility relocations and other improvements will be required in order to support the construction of the new track and signal infrastructure.	PAED, PSE	\$500,000
RAIL ENGINEERING SUPPORT	The project includes general program and project management consulting services associated with the Valley Rail Program and Projects.	PSE	\$529,152
RIPON MULTIMODAL STATION PROJECT	The Ripon Station includes a center loaded platform station with the pedestrian overcrossing to access the platform. Almost one mile of track will be constructed as part of this project between MP 103.2 to MP 104.11. The Rail Commission is working closely with the City of Ripon to define the project requirements and anticipates the inclusion of a bus stop, kiss and ride drop off area, and two (2) areas for passenger parking. To enhance the access to the station, roadway improvements at and around the station are planned for this project as well.	PSE	\$420,000

Table 3. Valley Rail Program - Continued on next page

PROJECT	PROJECT DESCRIPTION	PROJECT PHASE	FY25/26 BUDGET
SACRAMENTO CITY COLLEGE STATION	Construction of a single side loaded platform passenger station west of the existing mainline tracks adjacent to the Sacramento Regional Transit City College Station. No parking is planned for this station due to its proximity to the City College Campus and location between the two (2) rail lines. Minor trackwork is required to accommodate the station installation at MP 136.22 on the UPRR Sacramento Subdivision.	PSE	\$1,575,288
STANISLAUS RIVER BRIDGE	Construction of a railroad bridge over the Stanislaus River at MP 104.4 and associated trackwork on the UPRR Fresno Subdivision just to the South of Ripon. Almost 3.5 miles of track will be constructed between the limits of MP 103.8 to MP 107.22.	PSE	\$755,928
STOCKTON DIAMOND	The Stockton Diamond project will grade separate two railroads, UPRR and BNSF. This is a mega project that has been underway for several years. At the beginning of the upcoming fiscal year, an Early Works Package will be released to allow demolition and clearing of the private parcel to commence. Full construction is expected to start toward the latter half of the upcoming fiscal year.	ROW, CON	\$37,471,185
TUOLUMNE RIVER BRIDGE & TRACK EXTENSION	Construction of a railroad bridge over the Tuolumne River and associated trackwork between MP 113.78 and MP 113.98 on the UPRR Fresno Subdivision just to the South of Modesto. Less than one mile of track will be constructed between the limits of MP 113.48 and 114.73.	PSE	\$312,000
TURLOCK STATION & TRACK EXTENSION	Construction of a center load platform with pedestrian overcrossing that connects to the Turlock Transit Center and new parking. The station is located adjacent to the intersection of Fulkerth Rd. and N. Golden State Blvd. The project includes modification of two (2) grade crossings. Trackwork modifications are needed to accommodate the station center platform between MP 124.78 to MP 125.27 on the Fresno Subdivision. Trackwork will connect to the Ceres to Turlock Double Track Project on either end of the station.	PSE	\$1,220,886
VALLEY RAIL SUPPORT	The project includes general program, project management and seconded staff consulting services associated with the Valley Rail Program and Projects.	PSE, ROW, CON	\$200,000
TOTAL			\$73,385,485

Table 3. Valley Rail Program

Joint Major Capital Projects

In addition, some projects are joint projects between SJJPA and either the ACE Major Capital or the Rail Commission Major Capital program. These projects are listed in multiple Work Program tables with their respective share of budget authority.

MINOR CAPITAL PROGRAM

The Minor Capital Program includes vital work that maintains and improves the Rail Commission's, ACE or San Joaquin's services. These projects are typically less than \$2 million or anticipated to take less than two (2) fiscal years to complete and are presented in tables 4 and 5. This program is divided into two (2) categories:

- Rail Commission Minor Capital Projects, which pertain to Rail Commission-owned property
- ACE Minor Capital Projects, which pertain to ACE operations and services

PROJECT	PROJECT DESCRIPTION	PROJECT PHASE	FY25/26 BUDGET
BNY DEBT SERVICE	Annual debt service of Rail Maintenance Facility 2021 Refunded Certificates of Participation paid semi-annually.	OTHER	\$1,770,150
ROBERT J. CABRAL BUILDING IMPROVEMENTS	This project includes flooring and related building improvements at the Robert J. Cabral Station.	OTHER	\$2,000,000
SJCOG DEBT SERVICE	Annual debt service of SJ COG Consolidated Loan paid annually. The consolidated note payable was secured for the local financing portion of the Rail Maintenance Facility.	OTHER	\$1,118,012
TOTAL			\$4,888,162

Table 4. Rail Commission Minor Capital Program

PROJECT	PROJECT DESCRIPTION	PROJECT PHASE	FY25/26 BUDGET
ACE STATIONS & FACILITIES PROGRAM	To enhance the overall passenger experience and support long-term rider satisfaction, the Rail Commission is implementing a range of facility and station improvements in FY25/26. These initiatives focus on maintaining clean, safe, and welcoming environments across all properties. Projects will include both contracted upgrades and in-house enhancements, targeting areas such as signage, aesthetics, accessibility, and sustainability. Ongoing maintenance efforts will also continue to ensure consistent quality and reliability throughout the system. These improvements reflect the Rail Commission's ongoing commitment to delivering a high-quality transit experience for all passengers.	OTHER	\$250,000
ACE STATION SIGNAGE PROJECT (PHASE 2 PRODUCTION & INSTALLATION OF SIGNAGE)	Projects will include both contracted upgrades and in-house enhancements, targeting areas such as signage, aesthetics, accessibility, and sustainability. Ongoing maintenance efforts will also continue to ensure consistent quality and reliability throughout the system.	PSE, CON	\$350,000
ACE WI-FI PHASE 2	With the delivery and acceptance of the new ACE Alstom railcars, the ACE Wi-Fi Phase 2 project will be completed in Fall 2025, providing passenger Wi-Fi on all new cars.	OTHER	\$245,083
LOCOMOTIVE SIMULATOR	The Locomotive Simulator procurement will provide the opportunity and complete training of conductors and engineers at the Rail Maintenance Facility for the future of the ACE service and is expected to be received in late 2025.	OTHER	\$484,440

Table 5. ACE Minor Capital Program - Continued on next page

PROJECT	PROJECT DESCRIPTION	PROJECT PHASE	FY25/26 BUDGET
POSITIVE TRAIN CONTROL CAPITAL COMPONENTS	The project is to replace obsolete Positive Train Control Components on ACE locomotives and cab cars. This is scheduled for substantial completion in FY25/26, but capital component replacement is ongoing.	OTHER	\$250,000
TRACC FACILITY (HUD COMMUNITY PROJECT FUNDING)	TRACC is the workforce development program that the Rail Commission is undertaking to help bring new workers into the railroad workplace. This project would fund initial development of preliminary engineering plans and environmental documents for a building to house this program.	OTHER	\$500,000
TOTAL	\$2,079,523		

Table 5. ACE Minor Capital Program

SJJPA CAPITAL PROJECTS

In an agreement between SJPPA and the Rail Commission, the Rail Commission has been designated to lead the design and construction effort for the shared Valley Rail stations, track and facilities, as well as the major capital projects associated with the San Joaquin. The projects below are funded and directed by the SJPPA but are incorporated into the Rail Commission Work Program and Budget to provide staff with the budget authority to carry out the projects, these can be viewed in Table 6 and 7. For additional information regarding the SJPPA and the San Joaquin service, the Final 2025 SJPPA Business Plan is attached at the end of this document.

- Madera Station Relocation Project
- Oakley Station & Track Improvements
- Stockton Wye
- San Joaquin Street Layover Facility & Access Improvements
- BNSF CP Lake to CP Escalon
- Cabral Annex Building Expansion
- Madera High-Speed Rail Station
- Merced Intermodal Track Connector (MITC)

PROJECT	PROJECT DESCRIPTION	PROJECT PHASE	FY25/26 BUDGET
ASJ STATION SIGNAGE PROJECT (PHASE 2 PRODUCTION & INSTALLATION OF SIGNAGE)	With the approval of the signage manual, the ASJ Station Signage Project will move into implementation of the standards. In FY25/26, several stations signage plans will be designed and installed beginning with stations in San Joaquin County.	PSE, CON	\$375,000
PUBLIC INFORMATION DISPLAY SYSTEM (PIDS)	Project for existing San Joaquin stations to upgrade and replace the existing PIDS with the modern version named CalPIDS and install the purchased cabinets and related hardware.	CON, OTHER	\$2,595,793
FACILITY & STATION IMPROVEMENTS	As SJPPA takes a more active role in the oversight of the San Joaquin stations and facilities, funds are required for station leases and other facility maintenance costs.	OTHER	\$200,000

Table 6. SJPPA Minor Capital Program - Continued on next page

PROJECT	PROJECT DESCRIPTION	PROJECT PHASE	FY25/26 BUDGET
MINI-HIGH PLATFORM	The Mini-High Platform Boarding Project addresses passengers' accessibility needs with the new single-level Siemens Venture railcars in California's Intercity Passenger Rail system. The raised platform will be positioned so a plate/device can be extended from the bottom of the train's door opening to the 48-inch-high raised platform allowing level boarding for individuals needing assistance.	OTHER	\$1,311,816
SAN JOAQUINS MINOR CAPITAL PROGRAM	The Minor Capital program has a variety of projects dedicated keeping the San Joaquin Corridor in a state of good repair, as well as making small service improvements. Projects included: Hanford Station security fencing extension, Richmond Station garden beautification, Thruway Bus signage installs and multiple station landscaping improvements.	OTHER	\$500,000
SAN JOAQUIN VALLEY NETWORK INTEGRATION STUDY	SJPA will lead a San Joaquin Valley planning study and ongoing working efforts in coordination with multiple partner agencies and with consultant support, which will conduct a thorough, community-involved analysis of the integration of multiple transit and passenger rail services, increase transportation mobility options to enhance connections to transit, and promote Transit Oriented Development (TOD) land use planning and implementation.	OTHER	\$225,000
TOTAL	\$5,207,609		

Table 6. SJPA Minor Capital Program

PROJECT	PROJECT DESCRIPTION	PROJECT PHASE	FY25/26 BUDGET
BNSF CP LAKE TO CP ESCALON	The Lake to West Escalon Project will connect two existing segments of double track on the BNSF Stockton Subdivision by adding a second main track and related improvements between Lake and West Escalon in Escalon, California.	CON	\$9,936,662
CABRAL ANNEX BUILDING EXPANSION	Rehabilitation of an existing parking lot and street side parking. New Cabral Annex building with meeting space and staff offices.	PSE, ROW, CON	\$3,380,580
HIGH-SPEED RAIL/EARLY TRAIN OPERATOR COORDINATION SUPPORT	HSRA requested the Rail Commission to evaluate the new Flirt H2 vehicles Caltrans was purchasing from Stadler (formerly ZEMU) for use by the Unified Operator (UO) as part of the Central Valley service that will meet with HSR at Merced. This funding is to cover any evaluations that may need to be performed, as well as other ongoing coordination.	OTHER	\$750,000
MADERA STATION RELOCATION	Relocation of the San Joaquin's Intercity service's Madera Station from Madera Acres to a location just north of Avenue 12 to connect to future California High Speed Rail. The relocated station will include access road, parking, bus circulation, a 600 foot platform, and associated station track.	PSE, ROW, CON	\$980,479

Table 7. SJPA Major Capital Program - Continued on next page

PROJECT	PROJECT DESCRIPTION	PROJECT PHASE	FY25/26 BUDGET
MADERA HIGH SPEED RAIL STATION EARLY OPERATING SEGMENT BUILD	The project includes construction of the HSR station platform and is designed to provide a direct connection between San Joaquin and HSR trains. The project will also construct parking improvements, a transit station, and access roadway improvements connecting the station with Avenue 12.	PAED, PSE	\$352,000
MADERA HIGH SPEED RAIL STATION FULL BUILD	The project will construct a new station in Madera County for California's Interim High-Speed Rail (HSR) Service between Merced and Bakersfield. Located along Avenue 12, the station will provide Madera County with direct access to HSR service and better connect it with Fresno, the larger Central Valley region, and the rest of California. Future transit-oriented development along the Avenue 12 Corridor, together with improved transit connectivity, will ensure that Madera County can capture the full economic and environmental benefits of HSR and sustainable growth patterns.	PAED	\$1,300,000
MERCED INTEGRATED TRACK CONNECTOR (MITC) ENVIRONMENTAL & PRELIMINARY ENGINEERING	MITC Project includes a new track connection from the BNSF corridor to the proposed integrated HSR station in downtown Merced between R and O Streets. The connection with the HSR EOS at Merced will also require the expansion of the approved ACE Merced Layover and Maintenance Facility to include new and upgraded tracks for San Joaquin trains and joint use of the initial facility for both ACE and San Joaquin trains.	PAED	\$3,115,000
OAKLEY STATION & TRACK IMPROVEMENTS	SJPA, in coordination with the City of Oakley, Amtrak, and BNSF Railways, completed the design phase of the project in 2025. Construction is slated to begin for the Oakley Station Platform Project in the middle of 2025.	ROW, CON	\$7,396,962
SAN JOAQUIN ST LAYOVER & ACCESS IMPROVEMENTS	The project is located in Stockton, at the existing San Joaquin Street Station along the BNSF Stockton Subdivision. The project will construct layover track, reconfigure the parking lot, and install street lighting along San Joaquin Street between Hazelton Avenue and Worth Street in Stockton. The project will increase passenger safety and security as well as train storage capacity at the station.	PAED, PSE	\$405,000
STOCKTON WYE	This project will provide a new wye connector track between the UPRR Fresno Subdivision and the BNSF Stockton Subdivision, which will enhance train movement within the busy rail environment of Stockton. Construction will occur in conjunction with the Stockton Diamond Grade Separation project, as the wye is located in the northwest side of the existing diamond. This project supports SJPA goals of increasing capacity in the San Joaquin Corridor and the frequency of San Joaquin trains.	ROW, CON	\$16,802,114
ZERO EMISSION MULTIPLE UNIT & TRANSITION PROJECT	This project is to carry forward the ZE F40 conversion analysis as well as begin on the maintenance facility, fueling/charging infrastructure at the RMF. This will be a multi-year project with shared interfaces between ACE and SJPA as both services will be utilizing the same infrastructure.		\$1,240,000
TOTAL			\$45,658,797

Table 7. SJPA Major Capital Program

PLANNING, GRANTS, & PROGRAMMING

The Rail Commission strives to be an essential asset to the communities it serves by connecting residents to jobs, housing, services, and leisure activities; stimulating local economies; improving the environment, health, and quality of life of community members; becoming a leader in increasing resilience to climate change. The Rail Commission is also committed to reducing greenhouse gas emissions and vehicle miles traveled which will lead to future climate impacts; and, most importantly, ensuring that the ACE service is accessible to everyone. With these goals and aspirations in mind, the Rail Commission's Planning, Grants and Programming Department has strategically aligned its resources and processes to improve efficiency and the agency's position in the industry.

In FY25/26, the Rail Commission will continue planning efforts for expanded and improved ACE service. It is also making progress on the Valley Rail Program; securing strong support for ACE service improvements; pursuing additional funding for ACE's planning, capital and operational needs. In addition, the Rail Commission will manage and administer various grants and funding programs; as well as building and maintaining partnerships and positive working relationships with stakeholders, local and regional partners, as well as funding partners.

VALLEY RAIL PROGRAM: PLANNING FOR ACE EXPANSION AND SERVICE OPTIMIZATION

"Valley Rail" is a joint program between the San Joaquin Regional Rail Commission (Rail Commission) and the San Joaquin Joint Powers Authority (SJPPA) that includes improvements and expansions of both ACE commuter rail and the San Joaquin's intercity passenger rail service. Valley Rail's extensive program includes the

introduction of a number of new stations and a series of track improvements between Sacramento and the San Joaquin Valley. This new rail infrastructure will allow for the implementation of additional round-trip service for the San Joaquin's improving connections for those traveling between the San Joaquin Valley and Sacramento area. For the ACE service, these initiatives will extend and add new connectivity between Sacramento, Merced, and the Bay Area. The Valley Rail program encompasses a series of major and minor projects that require a methodical and incremental delivery schedule which has always been envisioned as a program that would be implemented over time.

Implementation of the Valley Rail Program was initiated in earnest with the appropriation of \$400 million in funding for the extension of ACE to Ceres and Merced through SB 132 in 2016. This legislation was related to the approval of SB 1 and the significant infusion of funding for passenger rail and transit through the Transit and Intercity Rail Capital Program (TIRCP) administered by the California State Transportation Agency (CalSTA). In 2018, CalSTA awarded \$500.5 million of TIRCP to Rail Commission for the Valley Rail Program. The size of Valley Rail Program has grown substantially since 2018. A key goal of the expanded Valley Rail Program has been to provide direct and increased ACE and San Joaquin connectivity to the California High-Speed Rail (CHSR) early operating segment (EOS) at the Merced HSR Station when it is expected to begin operations by 2030-2033. In addition, the Stockton Diamond Grade Separation Project was added in 2020 (with the Rail Commission's successful \$100 million Trade Corridor Enhancement Program award). In 2022, the Valley Rail Program was further expanded with the planned extensions to Chico and to Union City. The

efforts for these two extensions were led by regional agencies working in partnership with the Rail Commission and the SJPPA. Because the implementation of the Valley Rail Program has not progressed as quickly as initially envisioned, these two extension projects are on hold until further progress is made on the original Valley Rail Program (Sacramento and Merced extensions). The current amount of funding secured for the expanded Valley Rail Program has increased to over \$1.6 billion as a result of multiple additional successful grant applications by the Rail Commission and SJPPA. Most of the funding secured for the Valley Rail Program has come from state funding sources.

The implementation of the Valley Rail Program has not progressed as quickly as had been expected. There are several factors which have contributed to delays toward completing Valley Rail projects and initiating new ACE and San Joaquin service. The impacts of the pandemic are still being felt on major public transportation improvement programs like Valley Rail. Since 2020, construction and operating costs have risen at rates far exceeding what could have been anticipated pre-COVID, while ridership and revenue for public transportation services are still recovering. This has led to funding shortfalls for both capital and operating expenses that put a significant burden on how many infrastructure projects can be implemented, how much new service public agencies can afford to operate, and the timing for service expansion. These issues are exacerbated by the limited amounts of public funding available for passenger rail service expansion. The substantially increased size and complexity of the Valley Rail Program has also impacted the speed in which the program can be implemented. Most Valley Rail construction involves making improvements to the freight railroad which the ACE and San Joaquin service operate on. Freight partners and permitting agencies have limitations on the amount of work they can accommodate from any passenger rail agency.

The Valley Rail Program is made up of 78 discrete infrastructure projects and prioritization is required. This inevitably leads to delays for some of the projects

which are not considered top priority. The Stockton Diamond Grade Separation eliminates the worst freight rail bottleneck in California and is required to enable the levels of service now envisioned by the Valley Rail Program. The Stockton Diamond Grade Separation is by itself a very complex "Mega Project" that is by far the largest single project undertaken by either the Rail Commission or the SJPPA, and one of the largest construction projects in Northern California. However, this critical project, which is the highest priority of the Rail Commission and the Authority, was not part of the initial Valley Rail service expansion that received the 2018 TIRCP award. While adding the Stockton Diamond Grade Separation project made Valley Rail a much more impactful program, it has also contributed to delays in the implementation of other projects.

As a result of these and other issues, the Rail Commission's Station/Facilities Development Committee provided direction to staff to 1) prioritize the completion of the Stockton Diamond project; 2) pursue the earliest possible interim service delivery to the Stanislaus region, even if the full track and station projects are not complete; 3) pursue earliest possible service delivery to the Sacramento region, provided this does not impede priority for service to Stanislaus region; 4) pursue new funding sources, bundle projects for cost savings, and transfer funds from projects that can be completed in later phases of the Valley Rail Program; and 5) consider the addition of special voting members from Stanislaus and Sacramento counties where many projects will be constructed. The direction provided has set the priorities for all future work.

In response, the Rail Commission developed an updated phased implementation schedule for the Valley Rail Program in FY24/25. This new schedule (referred to as the "Valley Rail Progression") is largely driven by realistic construction dates for the improvements needed for running additional ACE and San Joaquin service, balanced by current assumptions about funding availability for construction and operation of additional service, and when ridership will justify additional service. The phased service progression served as the basis for preparation of the ACE Expansion Service Plan, which included analysis of

market demand and operating concepts for ACE service included in Valley Rail, identification of a refined service plan and schedules, validation of capital requirements for service implementation, and operations and maintenance funding requirements.

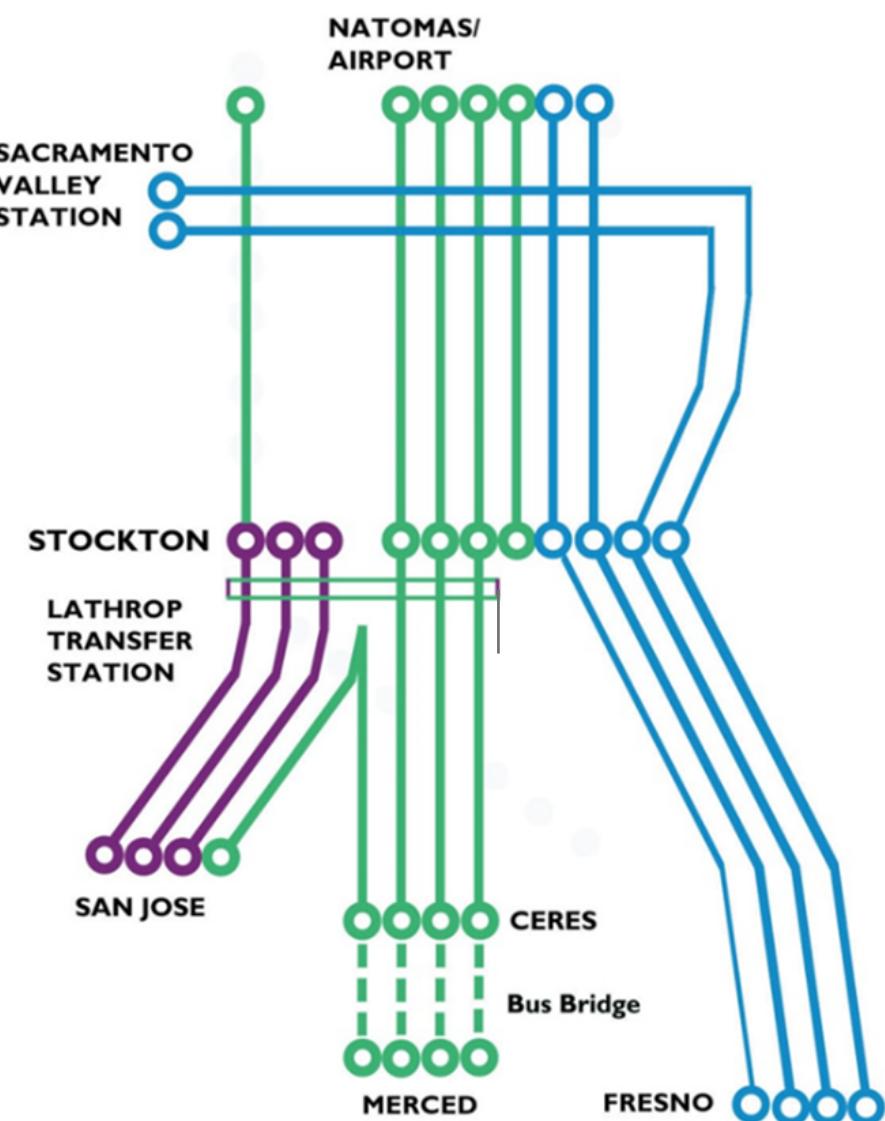


Figure 1: Valley Rail Service Concept

*Each line in Figure 1 represents a round-trip with purple lines representing existing ACE service, green lines for new ACE service, and blue lines for San Joaquin service.

The Rail Commission is also working to ensure that current and future service connectivity is aligned at a local, state, and federal level. Locally, working in coordination with the Santa Clara Valley Transportation Authority (VTA), assessment of potential modifications to connecting ACE Shuttle operations is underway. The goal is to optimize route performance and revenue; reduce operating costs; and identify a preferred governance model for long-term administration and operation of the shuttle service for discussion with VTA leading up to its next bi-annual service change in FY26/27. This analysis is driven by operations cost increases presented by VTA for the ACE Shuttles it

operates, and uncertainty about regional funding support for sustaining the services. Route concepts for ACE Shuttles and recommendations for future operations are documented in the ACE Shuttle Optimization Study, which serves as the basis for ongoing coordination with VTA and other partner agencies to be conducted by Rail Commission staff in FY25/26. The Rail Commission will also coordinate with other transit agencies in the Bay Area and San Joaquin regions in developing strategies to improve mobility and establish connected transit networks, in accordance with upcoming and future Short-Range Transit plans.

In FY25/26, the Rail Commission and the SJPPA will advance planning efforts for Valley Rail to closely coordinate with Caltrans in its administration of the Federal Railroad Administration's (FRA) Corridor Identification and Development Program (CIDP). This program establishes a national service development planning and project development process leading to federal priority project pipeline based on capital project inventories for individual intercity passenger rail corridors. It also includes federal funding for planning, environmental review, and design stages. Valley Rail is uniquely positioned to leverage current and near-term planning and environmental approvals into capital construction funding through CIDP. The partnership between Caltrans, the Rail Commission, and the SJPPA will look to secure CIDP capital funds for the Valley Rail Program soon after clearing the CIDP planning phase. This funding will further advance integration between ACE and San Joaquin Corridor intercity service as envisioned in the Valley Rail plan. Caltrans intends to initiate work on the initial CIDP planning phase, including a corridor Service Development Plan, in coordination with the Rail Commission during FY25/26.

PLANNING FOR LONG-TERM VALLEY RAIL EXPANSION

Beyond the ten-year planning horizon, the Rail Commission will work with the State and SJPPA to plan for passenger rail service to Butte County (Chico). SJPPA partnered with the Butte County Association of Governments (BCAG), Caltrans, and Sacramento Area Council of Governments (SACOG) to complete a feasibility study for North Valley Rail, including

conceptual improvements for rail service between Sacramento and Chico. The 2024 State Rail Plan identifies a San Joaquin extension to Chico as a potential “long-term” expansion of the San Joaquin. The SJPA is working with Caltrans, and local and regional partners to continue to further examine this possibility through the state’s CIDP Service Development Plan process in FY25/26. The CIDP effort will examine the infrastructure needed to allow for future service to directly connect Valley Rail service (and extended service to Chico) along the Sacramento Subdivision with Sacramento Valley Station (SVS). It will also address integration between a North Valley Rail extension and services to Sacramento included in the Valley Rail program.

In addition, the Rail Commission will continue to coordinate with the Authority, Caltrans District 10, SJCOG, and the Tri-Valley – San Joaquin Valley Regional Rail Authority (Valley Link) on the potential for a new shared-use passenger infrastructure in the Altamont Corridor as part of the Valley Link project. On December 4, 2020, the Rail Commission approved an initial memorandum of understanding (MOU) with Valley Link with the goal of the Rail Commission serving as the agency responsible for Valley Link operations. This was an important step towards the implementation of Valley Link and continued the strong collaboration between the two agencies. The Rail Commission can provide consulting services for the Valley Link Project including the review of preliminary engineering documents, interagency agreements, early service development and operating plans, and procurement documents. In FY24/25 Rail Commission staff reinitiated coordination with Valley Link staff to review project delivery progress and infrastructure concepts for integrating future ACE service on the Valley Link corridor alignment and continued to support Valley Link grant applications and Valley Link’s inclusion in the San Joaquin Valley’s “Valley Voice” as a passenger rail priority. The Rail Commission continues to coordinate with Valley Link staff on Caltrans/SJCOG’s I-205 Managed Lanes Environmental Impact Report (EIR) and on the possibility of shared ACE/Valley Link infrastructure between North Lathrop Transfer Station and Livermore. The Rail Commission will continue to assist in progressing the Valley Link project which complements ACE expansion in the Altamont Corridor.

In FY25/26, the Rail Commission will continue to coordinate with Valley Link’s continued planning efforts and identify opportunities to augment and enhance rail to the Bay Area. Figure 2 is a rendering of the multi-modal North Lathrop Transfer Station where ACE and Valley Link are expected to connect.



Figure 2

VALLEY RAIL: TRANSPORTATION FOR A SUSTAINABLE AND EQUITABLE FUTURE IN THE SAN JOAQUIN VALLEY

As an agency that is expanding to serve diverse and disadvantaged communities along the ACE route, it is imperative that the Rail Commission consider impacts on existing and future infrastructure, optimize service, and include plans to engage and perform outreach within those communities. These become critical aspects to the future success and sustainability of projects and programs with the additional lens of inclusivity, transparency, and accountability to the community. While most projects and programs are unique in nature, there are some basic considerations to help justify the need for making outreach and engagement a part of the planning process.

Many of the new communities served by Valley Rail are classified as disadvantaged or low-income, according to Air Resource Board Guidelines. Valley Rail adds service and new market connections that benefit these communities throughout the Central Valley. Access to the Sacramento market, including Sacramento International Airport (an employment hub), expands the employment options for workers.

California's Central Valley has some of the worst pollution, air quality, and environmental indicators in the United States. Compounding that, many communities suffer from decades of disinvestment, geographic inequity, and poverty, resulting in pockets of concentrated low-income communities that lack adequate access to jobs, healthcare, and educational opportunities.

Accordingly, Valley Rail addresses these problems head-on by targeting improved and expanded passenger rail service to and through some of California's highest concentrations of disadvantaged and low-income communities. By providing sustainable transportation solutions, the Rail Commission serves in improving air quality, incentivizing compact development around legacy station areas, and providing new and improved access to better economic opportunities, both within and outside the region. Service plans completed for expanded ACE service, as

part of Valley Rail, are designed to integrate with other intercity corridor services planned by the SJPPA as well as connecting local and regional transit services. This integration aims to provide equitable long distance transportation options throughout the day for disadvantaged communities.

Additionally, creating space and opportunities for community member involvement throughout the timeline will ensure that there are intentional milestones wherein concerns, priorities, and feedback can be integrated and addressed at varying stages to avoid alienation and displacement. Being proactive in this outreach will provide an opportunity for stakeholders to have a clear understanding of goals and outcomes; foster trust and develop community champions; and ultimately create an alignment between agency initiatives and community needs.

Given that many programs and projects can range from months to years or even decades—and surely well beyond the grant period—the key to long-term success will be harnessing positive relationships within the community. As the Rail Commission pursues additional funding necessary to deliver the Valley Rail Program, it will be including community engagement and marketing as part of the necessary project administration budget within the grants, when eligible and appropriate.



PLANNING SUPPORT FOR ACE STATION COMMUNITIES

While Valley Rail improves geographic equity throughout the Central Valley and Bay Area, continuing to leverage and incentivize transit-oriented development and regional Sustainable Communities Strategies will be important in serving priority populations within the service corridors. In FY25/26, the Rail Commission will continue to actively engage with partner agencies in the planned Valley Rail corridor to support the planning and development of transit-oriented development and affordable housing in areas surrounding planned ACE stations. These efforts will include emphasis on support for affordable housing and access to new rail, transit, and active transportation options in disadvantaged communities. Specific activities to support the Work Program are described below:

City of Stockton Downtown Planning and Active

Transportation: The Rail Commission was successful in partnering with the City of Stockton to secure Active Transportation Program funding from the State for the City of Stockton to construct the East Channel Street Project, which also contribute significantly towards serving disadvantaged communities in the state. Existing conditions along East Channel Street located in Downtown Stockton create a gap in the active transportation network between the downtown core, Regional Transit District's (RTD) Downtown Transit Center, Robert J. Cabral Station (Cabral Station), and other destinations in the area. By installing new sidewalks, high visibility crosswalks, new lighting, and Class III bike routes, this project expands on the Rail Commission's goals to uplift and connect local communities. Rail Commission staff will provide support to the City of Stockton to implement the East Channel Street project in FY25/26.

The Rail Commission also partnered with the City of Stockton to secure planning grant funding through Caltrans in 2023 for the Downtown Stockton Mobility Action plan project, or "Move Downtown." This important planning project includes plans to improve connections between Cabral Station served by ACE, the San Joaquin Street station served by the SJPPA, and

Downtown to complement comprehensive land use and community planning for enhancing the vibrancy and livability of Downtown Stockton. The Rail Commission Work Program supports in-kind assistance for completing the project.

Sacramento Del Paso Station Area Action Plan: The Rail Commission collaborated with the Sacramento Area Council of Governments (SACOG), City of Sacramento, and Sacramento Regional Transit to secure planning funding for transit-oriented development and infrastructure action plans for the Del Paso area surrounding the future "Old North Sacramento" station in Sacramento in 2023. Rail Commission staff agreed to lead the planning effort around the Old North Sacramento Station area in coordination with local and regional stakeholders, which the Rail Commission will initiate in FY25/26.

Lodi Valley Rail Station Study: The Rail Commission coordinated with the City of Lodi to apply for and secure planning grant funding through Caltrans for the Lodi Multimodal Transportation Network and Land Use Compatibility Plan. This plan will identify and evaluate improvements for connecting the planned Lodi Valley Rail station, located outside of the city on the Union Pacific Railroad (UPRR) Sacramento Subdivision, with the existing San Joaquin Lodi Station and Downtown Lodi to ensure the best possible connections and integrated service. Additionally, the plan will leverage work from Lodi's Downtown Specific Plan Update to harmonize these passenger rail and transit connections with enhanced land use policies to best realize economic development in the Lodi community.

Modesto Station Area Planning: The Rail Commission secured planning grant funding in 2024 for a San Joaquin Valley Network Integration and Transit Oriented Development (TOD) Action Plan that will contribute funding that can be used to identify opportunities and strategies for supporting transit-oriented development and connectivity for stations along the Southern Valley Rail Corridor between Stockton and Merced. Project prioritization continues to be a competitive process, and the pursuit of grant funding is not always successful. Rail Commission staff remains committed to

debriefing meetings for unsuccessful applications to identify possible weak points, collect feedback for improvement, document lessons learned and leverage for future success. Such was the case with the Rail Commission's attempt to secure grant funding while working in coordination with the Stanislaus Council of Governments (StanCOG) in 2024. Despite these challenges, efforts will be made to further coordinate with StanCOG and the City of Modesto to fund dedicated and comprehensive transit-oriented development planning for the Downtown Modesto ACE station area.

Valley Rail Affordable Housing Partnerships: The Rail Commission has successfully partnered with affordable housing developers as a strategy for securing funding for these projects and zero-emission rail equipment through the California State Strategic Growth Council (SGC) Affordable Housing Sustainable Community program (AHSC), including grants for three (3) affordable housing projects in Fremont, Sacramento, and Modesto near existing and future ACE stations in 2023. The Strategic Growth Council (SGC) awarded grants to each of these three applications. These partnerships resulted in \$18 million being secured for the Rail Commission to convert three (3) ACE diesel locomotives to zero-emission locomotives (\$6 million for each locomotive/project). These affordable housing partnerships with the Rail Commission make a strategic difference for projects near ACE stations. By partnering with the Rail Commission or the Authority, Central Valley and Southern Alameda County projects receive higher scores for greenhouse gas reductions and are able to compete with larger urban areas like the core Bay Area and Southern California. In 2024, the SJPA worked with developers on another successful AHSC grant for an affordable housing project named Sakura. This project, located near Midtown Station (2000 16th Street), will provide \$5 million in funding for a Zero-Emission Multiple Unit (ZEMU) car and \$2 million for Midtown Station. The Rail Commission will need to coordinate with the lead partner jurisdictions and housing developers to receive the zero-emission equipment funding through these grants in FY25/26.

PLANNING AND FUNDING SUPPORT FOR TRANSITION TO ZERO-EMISSION OPERATIONS

The Rail Commission has made considerable progress toward a more sustainable future for ACE and the Northern California Megaregion through planning, funding and implementing zero-emission operations on corridors served by ACE. On April 12, 2022, the Rail Commission's "Climate Action Plan Framework" was submitted to the Federal Transit Administration. This plan provides a roadmap for the Rail Commission meeting state and federal goals for reducing greenhouse gas emissions from the ACE service to 50% below 2005 base levels. To reach this goal, the Rail Commission committed to using 100% renewable diesel in its locomotives (by 2023) and bus/shuttle fleets (by 2026), which reduces operational emissions to about 96.5% below 2005 levels. On November 28, 2022, the Rail Commission announced it had moved to the sole use of renewable diesel on its locomotive fleet for the ACE train service – a key milestone for the Rail Commission on its path to net zero-emissions operations. ACE is Northern California's first commuter rail service to switch to 100% renewable diesel operations.

In FY24/25, the Rail Commission started working on the draft Clean Energy Plan to outline its strategy to transition the existing fleet to zero-emissions vehicles, invest in clean energy and improve infrastructure for clean transportation to reduce greenhouse gas emissions and improve air quality. The final plan should be completed in FY25/26 for the Rail Commission's board review/approval as well as public release. Additional detail on ACE fleet improvements is described in the Equipment section of this Work Program.

SECURING STRONG SUPPORT FOR ACE SERVICE IMPROVEMENTS

The Rail Commission has developed a wide-spread network of stakeholders to advocate for ACE Service improvement and expansion, including several regional rail working groups that include participants throughout Northern California. ACE projects and programs continue to be promoted by San Joaquin Council of Governments' (SJCOC) "San Joaquin One Voice®" and

the San Joaquin Valley Regional Policy Council's "Valley Voice" legislative advocacy efforts. In particular, the San Joaquin Valley Director's Committee created a new Rail, Transit, and Transit-Oriented Development (TOD) Working Group to further advocate the San Joaquin Valley's various efforts around rail and transit connectivity and transit-oriented land uses. To further these efforts, the SJPPA secured grant funding through the Caltrans Sustainable Transportation Planning Grant program to bring resources to the group focused on producing a Valley-Wide Transit Action Plan to further connectivity and network integration for the various San Joaquin Valley rail and transit services and their relationship to HSR. This coordinated network integration planning work is designed to identify actionable opportunities and provide connections between rail and transit systems to maximize ridership, and include integration between ACE and transit providers in the corridor.



Valley Rail was selected by the "Megaregional Working Group" (SACOG, MTC, and SJCOG) as one of the twelve megaregional projects they will jointly advocate for. The Rail Commission and the SJPPA received strong support in the San Joaquin Valley, Sacramento, and the Bay Area for their joint 2022 and 2023 Transit & Intercity Rail Capital Program (TIRCP) applications, the Rail Commission's 2022 Trade Corridor Enhancement Program (TCEP) application (for Ceres to Turlock Double Tracking), and 2024 Rebuilding American Infrastructure with Sustainability and Equity (RAISE) application (for

North Lathrop Transfer Station matching federal funding). Strong support throughout the Northern California Megaregion helped the Rail Commission and the SJPPA secure the additional TIRCP funding in 2022 and 2023, with additional efforts to be made in 2024. Continuing relationships with these partners and other groups including the Central Valley Rail Working Group, Sacramento Regional Rail Working Group, and the North State Super Region Working Group will ensure broad support for future funding applications.

The Rail Commission is currently focused on securing support for matching federal funds and additional state funding for various elements of the expanded Valley Rail Program. The Rail Commission will continue to develop corridor-wide support and new champions to help promote and secure funding for ACE expansion in FY25/26.

KEY COORDINATION AND NETWORK INTEGRATION EFFORTS WITH CHRSA

In support of the California High Speed Rail Authority's (CHSRA) 2024 Business Plan, the Rail Commission worked with CHSRA staff and CHSRA's Early Train Operator (ETO) to provide inputs for improved ACE connectivity to future HSR service at Merced. Connectivity to ACE and San Joaquin at Merced is key to the success of the HSR EOS between Merced and Bakersfield.

SJPPA approved an initial MOU with CHSRA and California State Transportation Agency (CalSTA) on November 20, 2020, which identified the SJPPA as the operating agency for the HSR EOS. In 2022, the Authority requested and received \$2 million in planning funds from the state to advance planning for the initial HSR operations, network integration and connectivity, and to develop more detailed inter-agency agreements. This work began in late 2023 and in FY25/26, the Rail Commission will continue to work with the Authority, CHSRA, Caltrans, and CalSTA to advance the planning for integrating ACE and San Joaquin services with future HSR operations. Figure 3 on the next page shows the planned ACE and San Joaquin connectivity with the HSR EOS at Merced with each line representing a round-trip.

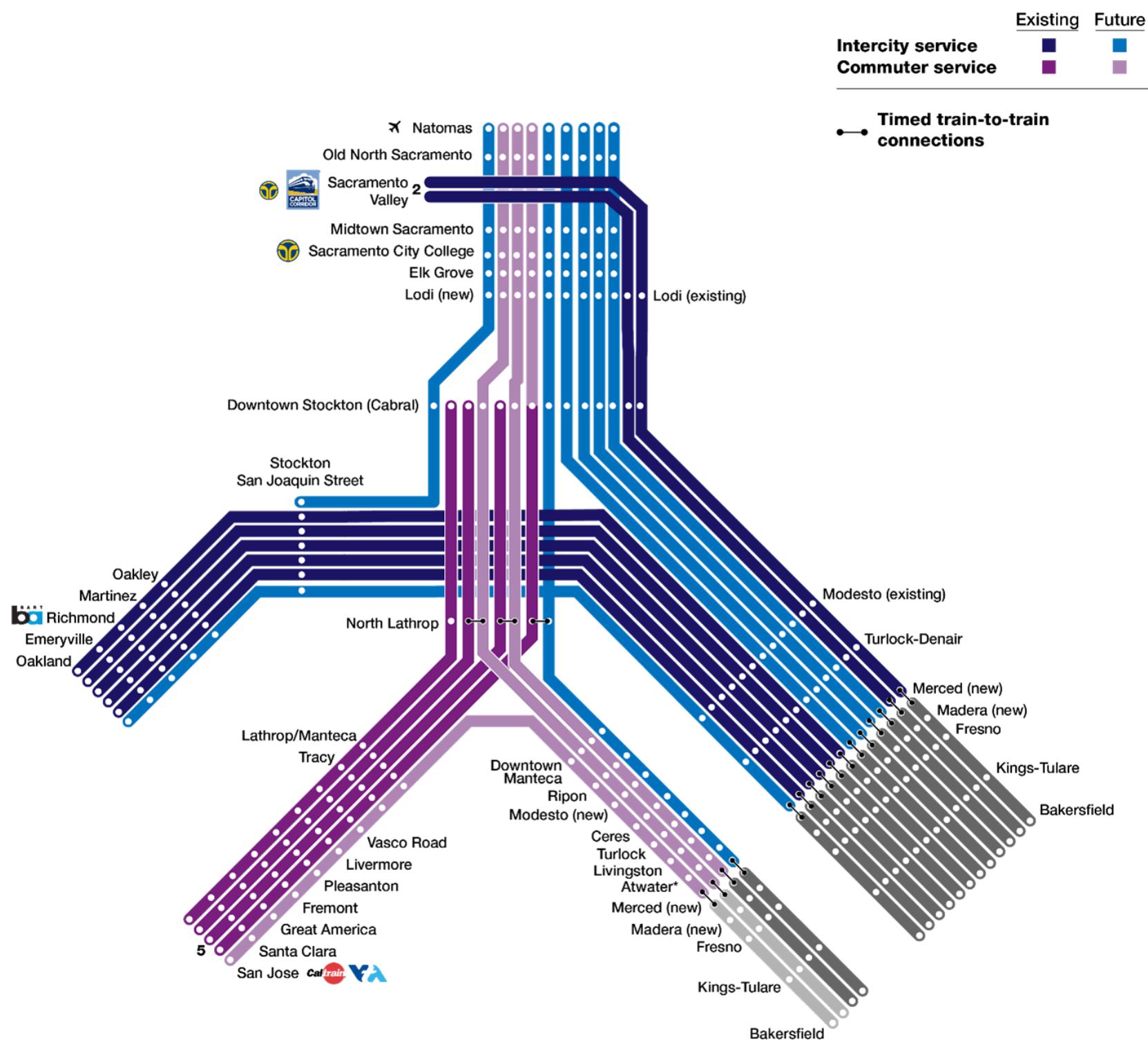


Figure 3. Shows the planned ACE and San Joaquin connectivity with the HSR EOS at Merced with each line representing a round-trip.

As an expansion of the Valley Rail Program, the Rail Commission will continue collaboration with the SJPPA, Caltrans, and local and regional partners to explore intercity service options along the Altamont Corridor, aiming to enhance connectivity for the HSR EOS to Northern San Joaquin Valley and Bay Area markets (Southern Alameda County and the Silicon Valley). Having intercity service along the Altamont Corridor has been a service expansion goal of the Authority for many years. The Rail Commission partnered with MTC and Caltrans on planning for the connection to Union City/BART, which is included in the 2024 State Rail Plan as a long-term project.

SECURING NEW FUNDING

Many projects within the Valley Rail Program experienced significant cost increases in the design phase. Over the past year, UPRR and BNSF Railway have modified their design standards for track, sidings, platforms, and layover facilities, as well as construction phasing requirements. These design standards are requirements with which the Rail Commission must comply, and changes are not negotiable. This has resulted in cost increases and the need to request supplemental funds to comply with the new design standards and construction phasing requirements.

Since the pandemic, inflation has increased the cost of all phases of Valley Rail projects, but the impact is even greater for the construction phase. The cost escalation from supply chain issues, labor costs, labor shortages, reduced competition (specifically in the rail industry), and rising interest rates are well-known challenges across many different industries and are being discussed and evaluated nationally and globally in various forums. To fully meet the commitment to deliver the Valley Rail Program, the Rail Commission is working with the SJPPA, stakeholders, and funding partners to reprioritize existing programmed TIRCP projects and to pursue additional funding from federal and state grant programs to fill the funding shortfalls. To be able to apply for more federal funding programs, the Rail Commission secured On-call PA&ED consulting support and On-call Environmental Engineering consultant support to comply with NEPA and/or CEQA requirements. The Rail Commission plans to pursue the following grants and funding programs for the operations and capital improvements:

- SJCOG's Congestion Mitigation and Air Quality Program
- BAAQMD's Carl Moyer Program
- MARAD's Port Infrastructure Improvement Program
- USDOT's Consolidated Rail Infrastructure and Safety Improvement Program
- CTC's Interregional Transportation Improvement Program
- SACOG's State Transportation Improvement Program
- StanCOG's Congestion Mitigation and Air Quality Program
- SACOG's Congestion Mitigation and Air Quality Program
- FRA's Fed/State Partnership Program
- USDOT's Advanced Transportation Technologies and Innovative Mobility Deployment Program

The Rail Commission will continue pursuing additional grant funding aggressively while tailoring funding strategy based on new guidance and direction expected from the funding agencies.

GRANT MANAGEMENT AND COMPLIANCE

As a recipient of public funds, the Rail Commission has a fiduciary responsibility to comply with all regulatory requirements and to be aware of all pertinent material to assist in the management of federal, state, or local grants and funding programs. After the grants are awarded, there are several requirements associated with administering and managing those funds, including, but not limited to, compliance with grant terms and conditions, submission of required agreements and documents, as well as ongoing coordination with and reporting for funding agencies on the status of the project.

In the prior fiscal year, the Rail Commission managed 50+ grants and funding programs for the existing and future service. In addition, the Rail Commission was able to secure \$311 million between FY23/24 and FY24/25. For FY25/26, as the Rail Commission continues to pursue and secure additional funding, the Rail Commission expects workload and deliverables associated with additional funding to increase considerably as new and emerging grant opportunities become available.

A critical component of grant management is the compliance requirements for the funding arrangements. Both pre-award and post-award responsibilities include regulatory audits to ensure the accuracy of financial reporting, project deliverables, compliance, and third-party contracting practices. The agency has quarterly, semi-annual, and annual compliance engagements which are submitted to grantor agencies. Timely reporting ensures best practices and that any identified corrective actions are thoroughly implemented.

To manage the agency's complex capital, planning and operations funding portfolio, the Rail Commission procured and is in the process of implementing a grant management database to enhance and better coordinate grant management and compliance activities. The full implementation is expected in early FY25/26. Grant management is especially important considering the consequences if grantees fail to comply with the conditions of the grant, which could result in the loss of funds through suspension and termination of the grant agreement, as well as repayment of any

costs determined to be ineligible.

The Rail Commission continues to maintain processes and procedures aimed at ensuring compliance with grant requirements. Internally, the Rail Commission has improved coordination among departments by exchanging and sharing information on a regular basis. Through these ongoing interactions, the Rail Commission is also able to share best practices and stay up to date on new requirements that are released. Coordination with partners both internally and externally has proven to be the backbone of ensuring that all grant requirements are satisfied in a timely and efficient manner.

The Rail Commission will continue taking a proactive approach to grants management that incorporates strategic investments planning throughout the decision-making process. Through internal communication, such as “Department Look Ahead” meetings, the Rail Commission can plan for the best use of specific grant programs, organize workload for staff members and, ultimately, coordinate better with other departments. As additional funding sources become available in FY25/26, this initiative-driven approach will become increasingly more important in ensuring project deliverability and grant compliance.

OPERATIONS

The San Joaquin Regional Rail Commission's (Rail Commission) dedication to safety ensures the reliability of existing services and facilitates their expansion into new communities, fostering growth and accessibility. In FY25/26, ACE will continue to offer four (4) daily roundtrips from Downtown Stockton at the Robert J. Cabral Station to San Jose's Diridon Station.

In November of 2024, ACE adjusted its eastbound schedule to introduce ACE 02 and ceased operations of its latest eastbound train, ACE 10. ACE 02 departs from San Jose at an earlier time than previous schedules, allowing riders to return to their homes sooner. The change was made to better accommodate evolving trends in the commute market, including more flexible employer schedules.

Following its departure from Stockton, the ACE route passes beautiful farm and delta landscapes as it approaches the iconic Altamont Pass. On the west side of the Altamont, ACE travels through the scenic landscapes and urban centers of the Tri-Valley and Silicon Valley. Covering 86 miles, the ACE route includes ten station stops along tracks owned by Union Pacific Railroad (UPRR) and Caltrain. ACE operates on weekdays during peak commute times in the morning and evening with special train service on select dates. The Rail Commission partners with TransitAmerica Services Inc. to operate and maintain the ACE service through an Operations and Maintenance contract. As ACE enters the first year of a new Operations and Maintenance agreement with TransitAmerica, the service continues to see ridership growth, incorporating additional equipment to meet this demand. Additionally, ACE is planning to extend its service areas in the future while implementing measures to ensure ongoing

reliability and efficiency throughout the life of this agreement. ACE rolling stock consists of MPI F40 locomotives, Siemens Charger locomotives, and Bombardier/Alstom bi-level coach cars and cab cars. Each ACE train is equipped with 1-3 "bike cars", which is a coach car that has been redesigned and modified to create additional bike capacity. ACE bike cars can hold an additional 14 bikes per car. For passengers to identify a bike car, they can simply look for the "BIKE CAR" decal sign affixed to the exterior door of the car. Typically, ACE trains operate 6-car train consists with a locomotive. However, in response to increased ridership and passenger feedback, three (3) trains now feature expanded consist sizes, with additional equipment available for expansion as needed.

In FY24/25, ACE is forecasted to carry 815,442 passengers, which is a 19.7% increase from the previous fiscal year. On a daily basis, ACE is carrying an average of 3,223 riders. ACE ridership recovery has progressed over recent fiscal years. The year-over-year growth in ridership has been the result of marketing, outreach, and brand recognition, bringing new riders to the service. As ACE continues to grow its ridership, it is anticipated that a year-over-year growth performance will taper as the service continues toward peak ridership. In FY25/26, ACE is forecasted to grow ridership by 13% which would result in 921,449 riders (3,642 riders per day).

To continue growing ridership through new rider acquisition and encourage existing riders to increase frequency of rides, operating trains on time is the most important service characteristic. ACE average endpoint On-Time Performance (OTP) in the first six months of

FY24/25 was 90%. The Operations team will continue working with both UPRR and BNSF railroads in FY25/26 to continue to improve OTP. Notably, UPRR has implemented the Advanced Movement Planner (AMP) to assist dispatchers in better assessing and prioritizing train movements, which is expected to contribute to enhanced OTP.

In 2024, Union Pacific made significant track improvements in the Niles Canyon Tunnels near Fremont, providing a smoother ride for passengers. Furthermore, the Rail Commission has collaborated with the host railroad partners to increase track inspections in critical areas, especially ahead of and during inclement weather, to maintain the highest safety standards. These efforts are part of the Rail Commission's ongoing commitment to several key operational areas that enhance service performance, drive ridership, and improve passenger satisfaction in FY25/26. Key areas include safety and security, connecting services, facility maintenance and improvement, and special trains.

SAFETY AND SECURITY

The Rail Commission prioritizes safety and security above all else. Building partnerships with federal, state, and local stakeholders is essential to cultivating a culture focused on these values. This commitment drives continuous improvements in the safety and security of the Rail Commission's passengers, contractors, residents, host railroads, employees, and board members.

As the Rail Commission's facilities cover multiple counties and expand into new areas with the upcoming Valley Rail Service, the Rail Commission safety plan remains flexible to adapt to various environments while preserving core actionable elements. The Rail Commission is committed to maintaining high standards in ACE operations and Rail Commission programs. The Rail Commission aims to accomplish this through effective communication, innovative improvements, and educational initiatives that promote collaboration and progress.

The Rail Commission is committed to its partnership

with California Operation Lifesaver, Inc. (CAOL), a prominent non-profit organization focused on rail safety education since 1972. CAOL works to prevent collisions, injuries, and fatalities at railroad tracks and highway-rail grade crossings through impactful public education programs across the U.S. This collaboration strengthens passenger confidence and demonstrates the Rail Commission's strong commitment to safety.

Additionally, the Rail Commission is partnering with Truckers Against Trafficking to raise awareness and provide crucial support for potential victims of human trafficking.

The Rail Commission has increased awareness and response training for its onboard crews and front-line staff. This proactive approach builds trust among ACE passengers and signals to community stakeholders the Rail Commission's dedication to safety. The following are previous initiatives successfully implemented:

- An additional 8-hour security car patrol to provide a safety and security overwatch of the ACE facilities, staff, and passengers
- Integrate the Code of Federal Regulations (CFR) System Safety and Emergency Preparation Response and State Workplace Violence compliance training into the Rail Commission's new learning management system (LMS)
- Emergency Preparation Drills (EPREP) for Rail Commission staff, first responders, and transit partners
- In-person active threat response training
- Human trafficking awareness training

Key Future Initiatives:

- De-escalation/conflict resolution training for on-board staff
- Human trafficking response training
- Emergency preparation training for local emergency responders for future stations
- Increase closed-circuit television (CCTV) coverage for the Rail Maintenance Facility
- Transportation Security Administration (TSA) supporting trainings related to Baseline Assessment for Security Enhancement, Security Enhancement Through Assessment, and Table-Top exercises

Enhancing the safety culture within the Rail Commission is rooted in the continuous improvement of crew training processes. To provide safe and reliable transportation services, every crew member must receive thorough training and develop a deep understanding of operational standards, protocols, and real-world scenarios.

The Rail Commission is set to unveil its new locomotive simulator, which is expected to be delivered in October 2025. Staff training will begin in November 2025.



The simulator was initially scheduled for delivery in Q1 2025; however, the timeline was extended due to the thorough review process required for the hardware and software designs. The design scope extends beyond the hardware itself and includes a comprehensive range of simulation elements that must be tailored to meet the ACE corridor specifications and operational equipment. This advanced training tool will replicate the controls and environment of a real locomotive, allowing train operators to practice various scenarios in a controlled virtual setting. By enabling realistic training experiences, the simulator will significantly reduce the risks associated with real-world training operations.

Trainees will enhance their skills, elevate their decision-making capabilities, and refine their response techniques by simulating diverse conditions, emergencies, and operational procedures. Additionally, the simulator will extend its reach beyond the current ACE corridor to encompass the future Valley Rail service expansion.

This locomotive simulator will be an invaluable resource for The Rail Academy of Central California (TRACC), greatly enriching the training experience for all participants. The Rail Commission believes this innovative tool will advance its commitment to a strong safety culture and operational excellence.

CONNECTING SERVICES

The ACE Connecting Services program is one of the many reasons ACE is successful. Whether it is the inbound partners like STAN RTA (Modesto), Manteca Transit, Tracy TRACER, or the outbound partners like LAVTA (Wheels), Contra Costa Transportation Authority (CCTA) and Santa Clara Valley Transportation Authority (VTA), ACE passengers depend on connecting services for their first and last mile connections. Operating since the launch of ACE in 1998, the most successful portion of the Connecting Services program has been the Great America Shuttles. 72% of Shuttle users surveyed indicated that they would not utilize ACE if the Shuttles were no longer available. Eight (8) different Shuttles operate every weekday from the Great America Station to provide convenient connections with major employment sites in Santa Clara County. The Shuttles are scheduled to provide service immediately following the first three (3) morning ACE train arrivals with timely return service in the evening.

While the inbound Connecting Services program is funded by transit partners, the Rail Commission and its transit partners Wheels and VTA jointly fund the outbound services. The Great America Shuttles is the largest outbound program and is jointly funded by the Rail Commission and Bay Area Air Quality Management District (BAAQMD) through the SCVTA awarded Transportation Fund for Clean Air (TFCA) grant. For FY25/26, the estimated total operating cost for the Great America Shuttles is \$2,701,093. In addition, the Rail Commission contracts with VTA for managing the Shuttle program which costs \$250,000. The total projected cost including operating and VTA's administration amount is \$2,951,093. The estimated minor TFCA grant received by SCVTA is \$100,000; the Rail Commission's portion for FY25/26 is \$2,851,093.



Historically, through VTA, BAAQMD has contributed approximately \$1,000,000 annually to the Great America Shuttles service. However, BAAQMD has been signaling for several years that the focus of their funding programs are shifting from operations. The result of the shifting in priorities may result in BAAQMD not supporting the Shuttle program in FY25/26 at the same level it has in previous years. The loss of BAAQMD and Lockheed Martin funding creates a shortfall that has been temporarily funded by the MTC SB 125 program. SB 125 funding is anticipated to fund the shortfall for two (2) years. Over the course of FY25/26, staff will work with VTA to optimize the Shuttle services, ensuring they are as cost effective as possible, evaluate routes with low ridership that can be reduced, combined or eliminated, and secure new funding through public or private employer sources.

STATION AND FACILITIES MAINTENANCE

The Rail Commission maintains five (5) of the ACE stations and the Rail Maintenance Facility (RMF). The maintenance and upkeep of stations are key drivers of passenger satisfaction and safety. To ensure the best maintenance practices are followed in FY25/26, Rail Commission staff developed and implemented a Robert J. Cabral, RMF, and ACE Facility Maintenance Plan (FMP). This plan includes several programs aimed at ensuring that stations and facilities are continuously maintained in a safe manner and in a state of good repair. The FMP provides standards and specifications to direct activities related to the physical infrastructure and equipment located at facilities and stations. In support of the FMP, Rail Commission Maintenance Staff continually receive training to ensure safety and appropriate skills are being acquired.

For FY25/26, a series of minor improvement projects have been identified to refresh and upgrade various areas across the Rail Commission properties.

Contracted Projects:

- Upgrades to the Cabral Building
- Conversion of waste receptacles at the Rail Commission facilities and stations

The Rail Commission Workforce-Executed (Non-Contracted) Projects:

- Station identifier sign updates
- Upgrades to platform advertising (AD) boxes
- Painting of ticketing booths at Lathrop/Manteca, Tracy, and Pleasanton stations
- Conversion to drought-tolerant landscaping at Channel Street and ACE Station
- Installation of upgraded two-stream waste receptacles

These initiatives reflect the Rail Commission's continued commitment to providing safe, clean, and welcoming environments for all passengers.



SPECIAL TRAINS

In FY24/25, the Rail Commission approved and operated seven (7) Special ACE trains in support of Levi's® Stadium. In December of 2024, ACE successfully operated its first weekday Special Train on a Monday, with no significant disruptions to regular ACE service. The Special Trains provide an additional ridership and revenue stream, while expanding the reach of the ACE brand. Operationally, organizing transportation for special events requires close collaboration between the Rail Commission's operations staff, host railroads, and

the event promoter for approval of these trains and successful Special Train program performance. In FY25/26, Special Trains will be operating to Levi's® Stadium. These Special Trains will be operated on Saturdays and Sundays with consideration for weekday events. Additional information is included in the 'Passenger Experience and Marketing' chapter.

traffic via enterprise level firewall appliances. Such projects help protect not just the Rail Commission's cyber infrastructure, but all staff and customers who rely on its transportation technology such as on board Wi-Fi and Passenger Information Display Systems (PIDS).

INFORMATION TECHNOLOGY

The Information Technology (IT) Department is a key contributor of the Rail Commission strategic goals. The department is committed to providing robust, secure, and user-centric technology solutions that empower staff and safeguard digital assets. IT strives to provide exceptional support by recruiting, hiring, and training a highly skilled and customer-focused team. It is dedicated to delivering innovative solutions that empower the Rail Commission staff and enhance the experience of ACE and San Joaquin passengers.

IT is entrusted with the responsibility of safeguarding the organization's cyber assets, including data, systems, and networks. IT proactively protects the organization's sensitive data and critical infrastructure from evolving cyber threats. This includes implementing and maintaining comprehensive security protocols, conducting regular vulnerability assessments, and fostering a culture of security awareness among all staff.

IT is continually assessing next generation systems to ensure the reliability, scalability, and security of the Rail Commission's network architecture. Cyber Infrastructure projects are a high priority for the upcoming fiscal year. The Rail Commission will be moving to privatize the network infrastructure between Cabral Station and the Rail Maintenance Facility (RMF). This project will reduce the expense of third-party internet service providers and decrease the threat vectors from outside agents. IT is introducing new cyber awareness training programs for staff. Improved knowledge of how to identify threats, such as phishing, will improve the overall protection of the Rail Commission's cyber assets. In addition to endpoint protection, network threat detection applications are being used to monitor all ingress and egress network

EQUIPMENT SERVICES

Consistent delivery of clean, safe, and reliable equipment is critical to the success of the service and will ensure that the Rail Commission can maintain its legacy of high performance which, in turn, preserves the long-lasting relationship with ACE riders. In order for the Equipment Services team to retain this high standard, it is imperative to strategically plan for equipment needs in the immediate, near, and long term. For the ACE service, the focus has been on ensuring that the passenger rail equipment is maintained in a state of good repair, the procurement of new equipment has been conducted successfully to prepare for the expansion of the service, and that the commissioning and testing of equipment is conducted prior to equipment going into revenue service.

In recent years, the Rail Maintenance Facility (RMF) and its utilization has increased exponentially and has established itself as a hub for passenger rail maintenance and innovation for Central and Northern California. For the Equipment Services team, FY25/26 means a year of continuing to push projects forward as well as introducing new activities that are aimed at improving passenger rail for the region, diversifying the Rail Commission's revenue stream, reducing operational costs for the State, as well as continuing to stimulate the local workforce. Highlighted projects for this year include:

- Caltrans Truck Overhaul
- State-Owned Venture Car Acceptance and Ongoing Maintenance
- Caltrans Northern California Fleet Mechanical Transition to Zero-Emission
- ACE Midlife Overhaul
- ACE Equipment Procurement
- Zero-Emission Locomotive Retrofit Study
- ACE F40 "ZEBRA" Locomotive (Zero-Emission F40)
- Stadler Flirt H2 Multiple-Units (Flirt H2)
- State-Owned Charger Locomotive Technical Support & Spares Supply Agreement (TSSA)



CALTRANS TRUCK OVERHAUL

San Joaquin Joint Powers Authority (SJPPA) and the California Department of Transportation (Caltrans) entered into an agreement to overhaul the State-Owned Northern California (Cal1 and Surfliner) and Southern California (Surfliner) fleet which has a total of 88 vehicles. Increasing the utilization of the RMF provides additional revenue streams to defray facilities costs and increases workforce utilization. As part of the Caltrans' State of Good Repair Projects for the equipment, this Program began in Fall 2023 and is a multi-year project. Work is being completed in Stockton at the RMF utilizing the Rail Commission's mechanical contractor. Initially, the project started as only the trucks and running gear, however the scope was changed to include couplers/draft gear and end portal diaphragms. The project schedule includes 18 vehicles per year (based on fleet availability), until all vehicles are completed. The multi-year project is expected within five (5) years (2029). Rail Commission staff time and facility usage is reimbursed as part of the project. Funding is provided in full by the State of California.

STATE-OWNED VENTURE CAR ACCEPTANCE AND ONGOING MAINTENANCE

Caltrans purchased 49 single-level Siemens Venture Cars for use on the San Joaquin service and entered into an agreement with SJPPA to utilize the Rail Commission's mechanical contractor (TASI) to perform commissioning and acceptance activities as part of the State of California's procurement. The acceptance and commissioning work began in 2020, is being performed at the RMF by Rail Commission staff, Caltrans' inspectors, and TASI. Work is expected to continue until early 2026.

Additionally, Caltrans and SJPPA entered into an agreement to perform all maintenance activities on Venture Cars. This includes daily maintenance inspections which are completed in Oakland and at outlying layover locations (Bakersfield and Sacramento). Regulatory inspections and preventative maintenance work is performed in Stockton at the RMF. This project has created new jobs for the mechanical contractor at the RMF to complete the commissioning and ongoing maintenance work. Rail Commission staff

time and facility usage is reimbursed is part of the project. Funding is provided by the State of California.

CALTRANS NORTHERN CALIFORNIA FLEET MECHANICAL TRANSITION

Staff is working with Caltrans, CCJPA, and Amtrak on transitioning all maintenance of the State-Owned Northern California Legacy Passenger Rail fleet to the Rail Commission as Managing Agency of the SJPPA. This transition will provide more direct oversight of equipment activities to SJPPA and CCJPA and implement higher standards of maintenance practices for the two (2) services, while adding to the equipment maintenance workforce. Most of the work will be completed at the Oakland Maintenance Facility (OMF) with the equipment being rotated to Stockton only as needed. This mechanical transition requires the update or creation of more than 23 agreements between separate entities as well as closing out the current agreements between the CCJPA, Caltrans, and Amtrak. In 2022, representatives from each organization began the process of amending the current agreements and the creation of new agreements necessary to transfer the Legacy Fleet. Agreement amendment and transfer of all Legacy Fleet equipment is expected to be completed no later than July 1, 2025. Full funding is provided by the State of California.

FY25/26 SJRRC

RAIL SUPPORT SERVICES - OPERATING BUDGET

Project Management Services and Supplies	
Salaries/Benefits/Contract Help	\$838,483
Project Management, Services & Supplies	\$838,483
Subtotal	
Rail Maintenance Facility	\$95,189
State Owned Equipment Maintenance	\$35,900,000
Pre Revenue Venture Car and Truck Overhaul Service Agreement	\$17,176,944
Total Operating Expenses	\$54,010,616
Operating Revenue	
Other Revenue - State Maintenance Program	\$53,915,427
Rail Commission - Rail Support Services Revenue	\$95,189
Total Operating Revenue	\$54,010,616

ACE MIDLIFE OVERHAUL

Cars in the Legacy ACE Fleet are between 12 and 25 years old and are undergoing a Midlife Overhaul. Proactively performing equipment overhaul and upkeep projects ensure that the expected life of the Legacy ACE Fleet is extended, and passenger experience onboard is maintained. The Midlife Overhaul Program is a multi-year program which started in 2019. This comprehensive effort consists of rebranding the exterior of the equipment, installing CCTV cameras on all of the passenger cars, a passenger information system with automated announcements, new flooring, LED lighting, and new seat cushions, all in an effort to extend the life of the vehicles for an additional 20 years. Completion of the project is expected by the end of 2025. Funding is provided through both Federal and State of Good Repair and Local funds.

ACE EQUIPMENT PROCUREMENT

Procurement of new equipment for the ACE Service provides the vehicles needed for the start-up of the Valley Rail Expansion Program. Necessary equipment was procured under two(2) contracts: 1) Passenger Cars (16 passenger coaches and five (5) Cab Cars) and 2) Locomotives (two (2) Tier IV emission Locomotives). The Passenger Car project was scheduled to be completed by the end of calendar year 2024, the final two (2) cars were accepted in January 2025. The new passenger cars retain the design and amenities of the improved Legacy ACE Fleet which will aid in unifying operations and passenger experience. One of the two new Tier IV Charger locomotives was conditionally accepted in December 2024 and revenue service began in March 2025. The second new locomotive has been paused to provide time to explore potential provision for future zero-emissions technology. Both projects are funded with State and Local funds.



TRANSITION TO ZERO-EMISSION

The Rail Commission is committed to transitioning to a zero-emission rail fleet and improving its overall carbon footprint by incorporating existing and emerging technologies on its equipment and at its facilities. To support and guide these efforts, the Rail Commission is developing a Clean Energy Action Plan (Action Plan) that identifies the projects, strategies, funding and timeline to meet the State of California's 2045 zero-emission goals. The Action Plan includes strategies related to converting legacy locomotives, updates and expansion of the solar power generation and local energy storage at the Rail Maintenance Facility (RMF), and solar with wayside storage at the new Valley Rail stations. This infrastructure project at the RMF is in partnership with Pacific Gas and Electric (PG&E) and Eco-Green Solutions that will utilize energy efficient initiatives and grants to reduce the RMF's energy usage.

A key component of the transition involves the rolling stock as it has the highest use of energy by the Rail Commission. A detailed study of available technologies was conducted by the Rail Commission that identified a hydrogen fuel cell and battery combination as best suited. While several potential technologies were evaluated many technologies are still theoretical or are not yet ready for the rail environment.

The Rail Commission will utilize two (2) primary types of trains, traditional locomotive hauled (push pull) by retrofitting the existing ACE F40 locomotives to zero-emissions and the second Multiple Unit (MU). The Rail Commission is working with Caltrans who are procuring new Stadler FLIRT H2 Multiple Units for operation on Valley Rail. To prepare for new fuels and technologies, the Rail Commission has been working with local partners such as the Lodi hydrogen hub and participating in the federal hydrogen programs such as Arches. The new equipment will also require traction battery charging at the RMF and layover stations in the network. As the total power needed is not yet finalized, the Rail Commission is working on provisioning for shore charging and will have more details as the vehicles mature in their designs.

ZERO EMISSION LOCOMOTIVE RETROFIT STUDY

The Rail Commission received a federal grant to study and evaluate options for converting the legacy ACE F40 locomotives to near-zero or zero-emissions. In 2023, through a contract with Mott McDonald and DB E.C.O., the study was initiated, aimed at identifying potential zero-emission technologies and working through the feasibility of the retrofit process. Infrastructure requirements were also identified that are scalable not only for initial needs, but for future fleets of zero-emissions vehicles as well. The study identified hydrogen fuel cell and battery hybrid systems as the best suited based on detailed simulation work studying how the locomotives would be expected to perform operating on the current and future ACE operating corridors.

Project utility extends beyond ACE by providing helpful data and insights to the broader transit industry on the viability of zero-emission transitions and how they might be operated in passenger rail environments. This project will require the RMF to be modified to maintain the hydrogen equipment in the facility along with a hydrogen fueling facility and increases wayside power requirements needed to charge the traction batteries like what is referred to as "Plugin Hybrid" vehicles.

Building on the results of the Zero-Emissions Feasibility Study, Rail Commission staff is developing the next scope needed to release a new Request for Proposals (RFP) for the detailed design and procurement process. This new RFP is expected to be released in Q1 of FY25/26, pending board approval.

Additional funding was received from the California High-Speed Rail Authority (CHSRA) to develop a strategy for transitioning the ACE fleet to zero-emission operations in coordination with the CHSRA's Central Valley Service (CVS) Program in advance of the California Air Resources Board 2045 deadline for full zero-emission operation in California. This Project is funded through Federal, State and Local funds.

ACE F40 "ZEBRA" LOCOMOTIVE (ZERO-EMISSION F40)

The Rail Commission staff coined the name "Zero-

Emission Benefiting the Rail Advancement," or "ZEBRA," for the converted F40 locomotives as part of the project to help identify the initiative and draw attention to its efforts. Staff has been working to identify grants to fund the conversion project that are discussed further in the Planning, Grants & Programming section. The feasibility study performed detailed studies on the current F40 vehicle layout and systems to determine the usable space and weight for the new hydrogen fuel cell, fuel storage, and traction battery systems based on what is currently available in the market. Work is continuing in an effort to wrap up the current study and begin the design and procurement phase. This requires a new RFP for engineering support to develop the detailed specifications for the procurement packages for the vehicles.

The next phase of the work will include the RMF infrastructure changes for fueling, maintaining a hydrogen fuel vehicle in the existing maintenance facility, and large traction battery charging. Infrastructure packages will follow a civil engineering package more than vehicle procurement and the RFP was released in May of 2025, with awards planned by October 2025.



STADLER FLIRT H2 MULTIPLE-UNITS (FLIRT H2)

Caltrans entered into an agreement with Stadler Rail USA to procure four 4-car Flirt H2 hydrogen powered trainsets and exercised an option to procure six (6) additional trainsets in January 2024 bringing the procurement to 10 Multiple-Unit (Flirt H2) trainsets to be utilized on the Valley Rail service and maintained in Stockton at the RMF. The trainsets are powered by hydrogen fuel-cell technology, which allows for zero-emissions operation. Flirt H2s are scheduled to begin arriving in 2027 to complete corridor testing with all trainsets scheduled to arrive by the end of 2029.

This project will require the RMF to be modified to maintain the hydrogen equipment in the facility along with a hydrogen fueling facility. All costs associated with the project will be reimbursed including Rail Commission staff time and facility usage. The project is fully funded by the State of California.

STATE-OWNED CHARGER LOCOMOTIVE TECHNICAL SUPPORT & SPARES SUPPLY AGREEMENT (TSSSA)

Caltrans has been working with staff to administer a Technical Support & Spares Supply Agreement (TSSSA) on behalf of the State for all State-Owned and leased Charger Locomotives. Tasks associated with the agreement include, but are not limited to, contract oversight of the contract terms and conditions, oversight of a spare parts inventory, and shipping spare parts as needed to maintenance facility locations in Southern and Northern California. The TSSSA approach provides an established inventory for Original Equipment Manufacturer (OEM) sourced parts and complete supply chain management. This agreement provides technical support and access to advanced software programs which provide condition based monitoring and early detection of potential failures, support developing maintenance procedures, and obsolescence engineering. This agreement provides for a more proactive condition-based maintenance approach. All costs associated with the contract will be reimbursed including Rail Commission staff time and facility usage. The project is fully funded by the State of California.

PASSENGER EXPERIENCE & MARKETING

The ACE Passenger Experience and Marketing program continues to evolve, focusing on ridership growth, brand strengthening, and community engagement. In FY24/25, ACE is forecasted to carry 815,442 riders, representing a 19.7% increase from the previous fiscal year. Marketing and outreach strategies will become more targeted, leveraging both existing and new communication channels.

Looking ahead to FY25/26, marketing strategies will emphasize performance tracking, employer relations, expanded partnerships, and new advertising initiatives to ensure continued growth and service enhancement. These combined efforts will aid in reaching the forecasted ridership goal of 921,449 riders, representing a 13% increase from the prior fiscal year.

Over the past two (2) fiscal years, the Rail Commission has been progressing with the new ACE Ticketing System project. The project's goal is to implement a solution that would modernize the current system

with improvements and benefits for passengers and staff. The project has been progressing with the anticipated launch of the new ACE Ticketing System in Spring/Summer 2025. The Ticketing System has two (2) primary passenger-facing components; Mobile App (expected to launch June 2025) and the Point of Sale (expected to launch August 2025). Improved insights into passenger travel patterns and overall relationship with the service will not only be reportable but will also allow the team to build strategies based on rider behaviors. To ensure that passengers are aware of the new mobile app and fare program updates, a multi-channel communication plan (social media, signage, emails, etc.) will be developed for a seamless transition to the new app so passengers can anticipate the changes to their user experience. Additionally, the onboarding of the new app will create the pathway for introducing new loyalty programs that expand beyond the existing one that is only available for monthly ticket users but can serve as an incentive to encourage infrequent travelers to become more frequent ones.

ACE Ridership Year-Over-Year (FY23/24 vs. FY24/25)

RIDERSHIP AND REVENUE FORECAST

	FY23/24	FY24/25*	FY25/26 FORECAST
RIDERSHIP	681,351	815,442	921,449
REVENUE	\$5,511,452	\$6,464,610	\$7,113,590

*FY24/25 utilizes actuals for JUL - MAR and projected performance for APR - JUN.



ADVERTISING AND MARKETING STRATEGIES

In FY25/26, the Rail Commission will implement strategies based on market research to reach new riders. The established paid media strategy that has been developed to increase brand awareness, promote special trains service, highlight service improvements like ACE 02, featured partners, and engage existing riders will continue to be employed. ACE will also work with local venues such as the Stockton Adventist Health Arena which will be celebrating its 20th anniversary this fiscal year to reach new audiences that may not be familiar with ACE.

A key initiative will be the buildout of an email series supporting the loyalty program in the app. Digital display advertising on trains will be updated, and ACE will introduce LinkedIn as a strategic marketing channel to engage working adults. Additionally, investments in paid advertising for the Community Assistance Program (CAP) will continue, facilitating broader reach and engagement.

July 2024 – January 2025*

ADVERTISING PERFORMANCE

ALL PAID MEDIA

37.08m

IMPRESSIONS

216k

CLICKS

SPECIAL TRAINS PAID MEDIA

9.05m

IMPRESSIONS

71k

CLICKS

*Accumulation of data including but limited to the following channels: Google Search, Digital Display, Meta, and TikTok.



COMMUNICATIONS AND PUBLIC RELATIONS

Communications efforts for ACE will focus on strengthening brand awareness and positioning the service as a convenient, reliable, and sustainable transportation option. A key strategy will be the use of compelling storytelling through digital and traditional media channels to highlight ACE's impact on communities, businesses, and daily commuters. This will include rider testimonials, employee spotlights, and success stories demonstrating how the ACE service enhances mobility in the region.

The Rail Commission's public relations efforts will focus on proactive stakeholder engagement and strategic messaging to enhance public perception and support for the service and its expansion. By building relationships with elected officials, media members, community leaders, business organizations, advocacy groups, transit agencies, and regional planning bodies, staff will ensure stronger partnerships and positive coverage of ACE service expansions, rider benefits, and infrastructure investments.

With several Valley Rail projects entering the construction phase, a coordinated effort will be made to inform the public and stakeholders about expansion efforts, service enhancements, and long-term benefits. A mix of press releases, social media campaigns, video content, and community outreach programs will be deployed to ensure consistent messaging. Additionally, staff will work with local news outlets and influencers to maximize media coverage and engage potential riders who may not yet be aware of the service.

Community partnerships and sponsorship opportunities will be leveraged to reinforce the role of ACE as a vital regional mobility solution. These efforts will work in tandem with a broader communication strategy, ensuring a consistent and compelling brand presence across all platforms for ACE.

Employer Relations and Advocacy

Employer outreach will remain a key component of the Rail Commission's marketing strategy for ACE, recognizing that workplace commuters represent a significant portion of ridership. To strengthen employer relations, staff will organize onsite information sessions at major employment hubs, such as business parks, corporate campuses, and government offices, to educate employees on the benefits of using the service. Webinars and virtual events will be scheduled to reach remote and hybrid workers who may be looking for flexible commuting solutions.

Employer partnership development will focus on major employers in the Tri-Valley and South Bay with large employment by encouraging the use of already-in-place employee incentives as well as developing new ones. Employer outreach will include working with Human Resources (HR) departments, requesting data to see how many employees are commuting along the ACE corridor via car, and presenting the ACE train as an alternative form of transportation.

To expand ACE's presence within organizations, an employer ambassador program will be established. These ambassadors—typically employees who already use ACE—will serve as internal advocates, sharing their positive experiences and encouraging coworkers to consider ACE as a viable commute option. Employers will also be engaged in discussions on commuter benefit programs, subsidies, and transit incentives that could make ACE more attractive to their workforce. Employer ambassadors will also be featured in ACE marketing materials and communication channels such as social media.

Advocacy efforts will be geared toward securing support and funding for ACE expansion projects. This will include participation in industry conferences, transportation forums, and legislative events where Rail Commission staff can network with policymakers and stakeholders. Additionally, ACE will coordinate letter-writing campaigns, public testimonies, and strategic partnerships with advocacy groups to strengthen the case for continued investment in rail transit.



Partnerships and Community Engagement

Partnership development with organizations that align with the agency's mission to increase ridership and enhance community engagement will remain a focus. Renewing the relationship with Levi's® Stadium presents an opportunity to position ACE as the preferred transportation option for major sporting events and concerts, reducing traffic congestion and parking challenges. Marketing collaborations will include cross-promotions, targeted digital advertising, and co-branded content to encourage event attendees to ride ACE.

Looking ahead to global events such as the 2025 FIFA Club World Cup and the 2026 FIFA World Cup, staff will explore partnership opportunities with event organizers, local tourism boards, and hospitality groups. Research will be conducted to assess potential ridership demand for special event trains, focusing on weekend service viability. Marketing campaigns will highlight the convenience of using ACE to avoid traffic congestion while attending these high-profile events.

Beyond large-scale partnerships, the Rail Commission will work to strengthen relationships with local community organizations like the Silicon Valley Bike Coalition and the Mineta Transportation Institute. Collaborations with groups like the Pleasanton Downtown Association and Stanford University Student

Services will help ACE reach a broader audience, including students, faculty, and residents looking for sustainable travel options. Community outreach initiatives, including participation in local festivals, sponsorships, and public forums, will serve to raise awareness and build stronger connections with the communities ACE serves.

Rider Engagement and Loyalty Initiatives

The Rail Commission will leverage insights from the FY24/25 onboard survey to enhance the overall rider experience. This data will inform ACE staff of improvements in customer service, onboard amenities, and schedule optimizations to better meet commuter needs. Efforts will also focus on increasing engagement through regular touchpoints, such as station activations, digital communications, and interactive social media content.

A structured calendar of rider appreciation events will be developed, incorporating giveaways, discount promotions, and special recognition programs to foster loyalty among existing riders. These events will take place both onboard and at stations, providing opportunities for direct engagement with passengers. Additionally, ACE will implement feedback mechanisms, such as real-time surveys and focus groups, to ensure riders have a voice in service improvements. To encourage repeat ridership and attract new passengers, staff will explore the development of a loyalty program tied to its new digital ticketing app. This program may include incentives such as discounts on future rides, referral bonuses, and exclusive perks for frequent travelers. Digital marketing strategies, including personalized email campaigns and in-app promotions, will be utilized to maximize participation in the loyalty program.



Performance Tracking

With the introduction of a new digital ticketing system, the Rail Commission will gain access to enhanced data and analytics capabilities. A major focus will be on leveraging this data to track rider behavior, identify trends, and optimize service offerings. Metrics such as trip frequency, peak travel times, and demographic insights will be used to inform decision-making and tailor marketing efforts.

To improve accuracy in forecasting ridership and revenue, staff will refine a logic-based predictive model that considers factors such as economic conditions, seasonality, and changes in commuting patterns. This model will support strategic planning efforts by identifying opportunities for service adjustments and targeted marketing campaigns.

A centralized data storage and reporting system will be developed to streamline performance analysis. Dashboards and visualization tools will allow the marketing and passenger experience team to monitor key performance indicators (KPI's) in real time, enabling quick responses to emerging trends. Additionally, these insights will be shared with stakeholders, including policymakers and funding agencies, to demonstrate the impact and value of ACE's services.

TRACC: THE RAIL ACADEMY OF CENTRAL CALIFORNIA

The Rail Academy of Central California (TRACC) is a rail workforce development program created by the Rail Commission in partnership with Sacramento City College (Sac City). TRACC is a unique collaboration between leading educational and transportation entities. This partnership ensures that the programs are academically rigorous and highly relevant to the industry, equipping interested students with the skills and knowledge they need for a successful career in the railroad industry.

TRACC offers a one-of-a-kind West Coast Railroad Operations program for students passionate about becoming railroad conductors or engineers. This program, which includes a certificate of completion and an associate's degree for interested students, opens the door to an exciting and financially rewarding career in the United States railroad industry. The industry is the backbone of the nation's freight and passenger transportation service, with its vast network of 300,000 route miles of track and over five hundred companies. Students enrolling in this program can join a significant workforce operating this extensive transportation network.

The Railroad Operations program, a comprehensive 16-unit, five-course curriculum, has been meticulously designed and approved by the Rail Commission, Sacramento City College (Sac City), and the Federal Railroad Administration (FRA). Sac City uses its resources and expertise to oversee the educational aspects of TRACC, including hiring four (4) adjunct professors.

The TRACC program is taught by four (4) adjunct professors who are current Railroad Conductors and

Engineers. Due to the program's growth and demand, Sacramento City College opened a full-time instructor position for the program, with interviews starting in the Spring of 2025.

The first TRACC class began on January 16, 2024. TRACC operates in two (2) cohorts each Academic Year, a Spring Cohort that starts in January and graduates in August, and a Summer Cohort that starts in May and graduates in November. TRACC Curriculum covers topics related to Railroad Careers, Railroad Operations, and the General Code of Operating Rules (GCOR). GCOR covers employee responsibilities, signaling equipment, procedures for safe train movement, dealing with accidents and other topics that directly and indirectly affect railroad safety.

Each TRACC cohort can accommodate up to thirty students, with courses offered through in-person instruction or self-paced online modules (asynchronous format). Each cohort reserves space for fifteen dual-enrollment program high school students. Due to the expanding interest in the dual-enrollment program from high schools in our region, TRACC will bring synchronous online learning option starting January 2026, subject to available funding.



CURRENT PARTNERSHIPS

ACE operator, TransitAmerica Services, Inc. (TASI), Union Pacific Railroad (UPRR), Amtrak, and Terminal Switching Services (TSS) have played crucial roles in supporting TRACC. Each organization is committed to not only interviewing successful program graduates but also providing staff mentorship opportunities. TRACC is supported by an organization called Women in Transportation Seminar (WTS), and their Central California Chapter has provided support through workshops for Resume and LinkedIn Development, as well as interview preparation. WTS has also provided support with scholarship opportunities for TRACC's women students, and donated graduation caps and gowns to students. This robust support system ensures graduates are prepared for the industry and valued and supported in their career journey, making TRACC a reliable choice for a career in the railroad industry.

Rail Commission staff have met with the San Joaquin County Office of Education, San Joaquin Community Foundation, San Joaquin Family Justice Center, Interns II Pros, and the Love Never Fails IT Biz Academy, and each organization has committed to support the program.

PROGRAM SUCCESS

The TRACC graduates have begun interviewing with Union Pacific Railroad, Amtrak, TASI, Caltrain, ACE, Sierra Northern Railway, San Diego Metropolitan Transportation System, Terminal Switching Services, and the Rail Commission. Six (6) of the TRACC graduates have already accepted job offers in the industry. Two (2) of the graduates have joined the Union Pacific Train Crew in Roseville, CA; three(3) have joined Terminal Switching Services in Lathrop, CA, as conductors, and one(1) has joined the Rail Commission as a Passenger Services Representative.



GRANT FUNDING

Operations: The Rail Commission was awarded the Transit and Intercity Rail Capital Program (TIRCP) Cycle 7 award of \$300,000 in FY24 and was awarded the Federal Railroad Administration's (FRA) Consolidated Rail Infrastructure and Safety Improvements (CRISI) grant for \$2 million in FY24 for TRACC operational costs. The CRISI grant funding needed for operation has not yet been obligated. Therefore, the Rail Commission is requesting pre-award authority and tapered match approach (non-proportional spending) from FRA, which will allow the Rail Commission to access the TIRCP funding first. Simultaneously, the Rail Commission is requesting TIRCP allocation at the June California Transportation Commission (CTC) meeting. The Rail Commission committed the initial \$310,000 in Operating Funds for the TRACC pilot program. Additionally, in coordination with multiple partners, the Rail Commission will continue to pursue funding opportunities to secure the additional funding needed for operation as the initially allocated funds have tapered off. Sacramento City College supports TRACC with instructors and enrollment.

Future Classroom Building: The Rail Commission was awarded \$1.5 million from the U.S. Department of Housing and Urban Development (HUD) in FY22/23 for the environmental and design phase of a future TRACC classroom/administration building. To support the grant, the Rail Commission allocated \$300,000 in matching funds specifically for the HUD grant.

Rail Commission Staff are currently evaluating the first year of operation of TRACC Pilot Program with sectoral partners to identify both successes and challenges within the program curriculum and metrics of success. Sacramento City College and Rail Commission staff created a TRACC Advisory Council and have begun meeting with educational and industry professionals to analyze the TRACC's progress. Staff has started analyzing data for detailed budget and grant funding needs and has begun drafting an Executive Business Plan for the TRACC that will be presented to the Rail Commission board members. Staff will work with public and private partners to continue to pursue funding for TRACC Operations and the future classroom.

PROGRAM OUTREACH

The Rail Commission participates in San Joaquin Council of Governments' (SJCOC's) annual federal advocacy trip, One Voice® in Washington D.C. each year in May to advocate for projects, including TRACC. In FY24/25, the Rail Commission board members and staff will be joined by a TRACC graduate, recently hired by the Rail Commission as a Passenger Services Representative (PSR) to advocate for federal support of the program.

In FY24/25 TRACC participated in local outreach events in Stockton, Sacramento, Tracy, Salida, and Lodi. The Rail Commission and Sac City hosted an Open House event and career fair with their current industry partners for program graduates preparing to begin their careers in the industry, prospective students, and community partners eager to learn more about the program. In FY24/25 the Rail Commission and Sac City cohosted another annual Facility Tour/Open House for interested dual enrollment program students and parents from Stockton Unified School District (SUSD) and potential program partners.



In FY25/26, Rail Commission staff will host another annual TRACC Open House and Career Fair with industry partners at the ACE Rail Maintenance Facility during the second cohort's on-ground training class. This opportunity will boost enrollment by allowing interested participants to learn more about the program firsthand from current students. This Open House will also provide a resource for current students prior to graduation and interested students, as our industry partners will be represented at this event to provide insight into open employment opportunities.

In FY25/26, Rail Commission staff will continue to provide outreach through Career Fair events hosted by SUSD high schools, San Joaquin County WorkNet Center, San Joaquin Delta College, San Joaquin County Office of Education, Sacramento City College, and future dual enrollment opportunity partners in Lodi, Ripon, Manteca, Tracy, and Sacramento. TRACC will also be represented at community events, including the California Capital Airshow and the Lodi Chamber of Commerce Street Faire.

FUTURE FOR TRACC

In FY24/25 Rail Commission staff began conversations with San Joaquin Delta College to offer a future Rail Maintenance and Mechanical program as part of TRACC. In FY 25/26 Rail Commission Staff will visit the National Academy of Railroad Sciences (NARS) offered by Johnson County Community College in partnership with BNSF, to develop a curriculum with San Joaquin Delta College and continue to grow the Railroad Operations program offering with Sac City. The Rail Commission and San Joaquin Delta College aim to begin the TRACC Maintenance and Mechanical program at the beginning of FY26/27. The Operating Budget for FY25/26 is \$639,600 referenced in Table 8.

FY25/26 SJRRC

TRACC OPERATING BUDGET

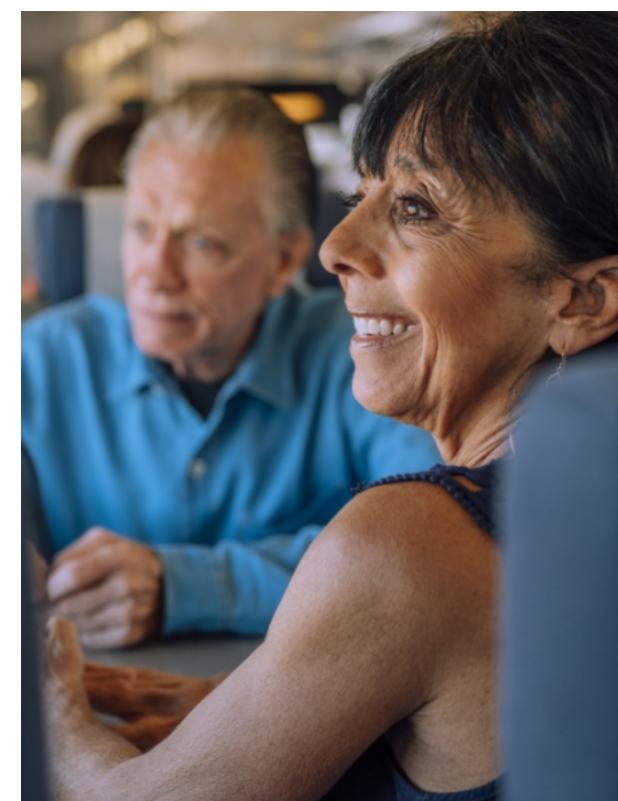
Project Management Services	
and Supplies	
Salaries/Benefits/Contract	\$164,256
Help	
Project Management, Services	\$164,256
& Supplies Subtotal	
The Rail Academy of Central California	\$475,344
Total Operating Expenses	\$639,600
Operating Revenue	
SJRRC Contribution	\$90,000
TIRCP	\$300,000
CRISI	\$249,600
Total Operating Revenue	\$639,600

Table 8. TRACC operating budget for FY25/26.

OPERATING BUDGET OVERVIEW

SJRRC WORK PROGRAM OPERATING BUDGETS FOR ADMINISTRATIVE, MANAGING AGENCY, AND RAIL SUPPORT SERVICES FOR FY25/26

The San Joaquin Regional Rail Commission (SJRRC) is a Joint Powers Authority that is dedicated to the management and improvement of current and future rail services and programs that connect to San Joaquin County. Primarily, SJRRC is the owner and operator of the ACE passenger service train and is governed by a Board of Directors consisting of six full-voting members from San Joaquin County and two special-voting members from Alameda County. SJRRC is the Managing Agency for the San Joaquin's Intercity Passenger Rail service, and is authorized to facilitate operational, funding, and administrative duties for the service with oversight from the San Joaquin's Joint Powers Authority (SJPA) board. SJPA's board is comprised of ten member agencies from: Alameda County, Contra Costa Transportation Authority, Fresno Council of Governments, Kings County Association of Governments, Madera County Transportation Commission, Merced County Association of Governments, Sacramento Regional Transit, San Joaquin Regional Rail Commission, Stanislaus Council of Governments, and Tulare County Association of Governments. The San Joaquin's is a State Supported Intercity Passenger Rail service that is funded through the State of California's Public Transportation Account. SJRRC's continued success has extended its responsibilities and resources to serve in the capacities of Rail Support Services (RSS) of other rail corridors and executing RSS that advance rail initiatives. RSS has expanded to include mechanical oversight, equipment maintenance and operability testing, capital and operational program delivery, financial management, and workforce development. Expenses related to the maintenance of the State Provided Equipment utilized by the San Joaquin's and Capitol Corridor are included in both the SJPA and RSS budgets.



The diagram below illustrates the flow of expenses for SJRRC, ACE, San Joaquin, and RSS for their respective operating budget tables.

SAN JOAQUIN REGIONAL RAIL COMMISSION (SJRRC)



Administrative Expenses

Accounting, Finance, Human Resources, Information Technology, Legal, Maintenance, Real Estate, Professional Services, Insurance, Compliance, Regulatory Reporting

SAN JOAQUIN JOINT POWERS AUTHORITY (SJPPA)

SJRRC - Managing Agency

Administrative Expenses
Marketing Expenses
Advocacy & Government Affairs

Operations

Amtrak
Connecting Services
Other Contracts*

Operating Revenue

Caltrans - State Intercity Rail
Funds



ACE

SJRRC - Owner & Operator

Administrative Expenses
Marketing Expenses
Advocacy & Government Affairs

Operations

TASI
Host Railroad
Connecting Services
Station & Onboard Staff
Rail Maintenance Facility

Operating Revenue

Fares
Local/State/Federal
Service Partner Contributions



RAIL SUPPORT SERVICES (RSS)

SJRRC - Rail Support Services

Administrative Expenses
Support Services
Wheel Truing
State Provided Equipment
Maintenance*
Venture Car Pre-Revenue
Agreement
Venture Car Truck Overhaul
The Rail Academy of Central
California
Operating Revenue
Third Party Charges

*Expenses related to the maintenance of the State Provided Equipment utilized by the San Joaquin and Capitol Corridor are included in both the SJPPA and RSS budgets.

SJRRC/ACE OPERATING BUDGET

	FY24/25 SJRRC/ACE	FY25/26	FY25/26 ACE	FY25/26 SJRRC/ACE	% Change
	Combined Operating	SJRRC Operating	Service Operating	Combined Operating	From Prior Year
	Budget	Budget	Budget	Budget	to Current Year
Project Management Services & Supplies					
Salaries/Benefits/Contract Help	\$7,834,595	\$4,496,450	\$5,143,841	\$9,640,292	23%
Office Expenses & Postage	38,280	18,866	16,827	35,693	-7%
Subscriptions/Periodicals/Memberships	22,710	10,291	17,000	27,291	20%
Office Equipment Leases/Supplies/Maintenance/Furniture	38,955	22,766	15,587	38,353	-2%
Computer Systems	267,000	406,500	5,000	411,500	54%
Communications	37,050	1,847	6,155	8,002	-78%
Motor Pool	61,877	11,940	44,265	56,205	-9%
Transportation/Travel	94,950	46,497	55,557	102,053	7%
Training	105,725	46,982	65,000	111,982	6%
Audits & Regulatory Reporting	91,535	32,090	52,540	84,630	-8%
Professional Services Legislative	106,000	226,425	140,000	366,425	246%
Professional Services Legal	305,000	232,500	65,000	297,500	-2%
Professional Services General	1,462,615	825,100	450,682	1,275,781	-13%
Publications & Legal Notices	24,050	11,550	12,500	24,050	0%
Special District Fees & Assessments on SJRRC Owned Property	25,726	111,722	-	111,722	334%
Project Management, Services & Supplies Subtotal	\$10,516,068	\$6,501,526	\$6,089,953	\$12,591,479	20%
Contracted Services					
Maintenance of San Joaquin County Facilities	\$141,400	\$127,770	-	\$127,770	-10%
Maintenance & Improvements System Wide ACE Stations	81,458	-	79,000	79,000	-3%
Maintenance of Headquarters Structures & Grounds	202,692	45,789	161,452	207,241	2%
ACE Operations & Maintenance	11,189,680	-	12,877,700	12,877,700	15%
Positive Train Control	500,000	-	535,870	535,870	7%
Consumables & Repair Parts	1,500,000	-	2,000,000	2,000,000	33%
Parking Lot & Train Layover Leases	179,040	29,000	263,088	292,088	63%
Fuel	2,500,000	-	2,600,000	2,600,000	4%
Railroad Maintenance, Oversight & Dispatching	2,650,000	-	2,853,721	2,853,721	8%
Insurance	6,033,305	276,506	6,251,870	6,528,376	8%
Insurance Management Fees	168,000	7,280	162,750	170,030	1%
Security Services & Safety Programs	675,200	63,010	1,010,598	1,073,608	59%
Marketing & Passenger Experience	1,288,600	84,120	1,036,720	1,120,840	-13%
Special Trains	258,000	-	268,000	268,000	4%
Ticketing Services	469,990	-	754,581	754,581	61%
Professional Services Operations	460,340	-	314,742	314,742	-32%
Communications Operations	119,422	-	119,422	119,422	0%
Communications & Wi-Fi	390,000	-	461,000	461,000	18%
Emergency Ride Home & Emergency Bus Bridges	60,000	-	60,000	60,000	0%
Rail Maintenance Facility	1,509,701	-	1,450,844	1,450,844	-4%
Contracted Services - Subtotal	\$30,376,828	\$633,474	\$33,261,358	\$33,894,832	12%
Shuttle Services	\$2,677,034	-	\$3,219,900	\$3,219,900	20%
Host Railroad Fees - Capital Access Fee	3,242,516	-	3,242,516	3,242,516	0%
Host Railroad Fees - Capital Maintenance	4,500,000	-	4,500,000	4,500,000	0%
Total Operating Expenses	\$51,312,446	\$7,135,000	\$50,313,727	\$57,448,727	12%

SJRRC/ACE OPERATING BUDGET

	FY24/25 SJRRC/ACE Combined Operating Budget	FY25/26 SJRRC Operating Budget	FY25/26 ACE Service Operating Budget	FY25/26 SJRRC/ACE Combined Operating Budget	% Change From Prior Year to Current Year
Operating Revenue					
ACTC Measure BB Local	\$3,831,547	-	\$4,077,454	\$4,077,454	6%
ACTC Measure BB Local - Admin Fee	30,000	-	30,000	30,000	0%
Amtrak Thruway Service	75,000	-	75,000	75,000	0%
Fare Revenues	5,700,000	-	7,000,000	7,000,000	23%
FTA - 5307	2,694,013	-	2,759,106	2,759,106	2%
FTA - 5337	3,600,000	-	6,282,977	6,282,977	75%
LCTOP - Means Based Fare Program & Ops	217,000	-	-	-	-100%
LCTOP - Operations	638,353	-	602,220	602,220	-6%
Measure K	7,556,528	\$7,000,000	\$1,551,559	8,551,559	13%
MTC - State Transit Assistance (STA)	400,000	-	321,171	321,171	-20%
MTC Reimbursement - SoCo Studies	30,000	30,000	-	30,000	0%
Non Transportation Revenue	50,000	75,000	-	75,000	50%
Santa Clara VTA Local	4,561,569	-	4,632,702	4,632,702	2%
SB125 - MTC	1,802,500	-	1,828,837	1,828,837	1%
SB125 - SJCOG	7,198,657	-	7,198,657	7,198,657	0%
SJCOG - Local Transportation Funds (LTF)	8,809,879	-	12,244,069	12,244,069	39%
SJCOG - State Transit Assistance (STA)	3,859,400	-	1,441,975	1,441,975	-63%
Ticket Sales Others	258,000	-	268,000	268,000	4%
Valley Link Reimbursement - Staff Support	-	30,000	-	30,000	0%
Total Operating Revenue	\$51,312,446	\$7,135,000	\$50,313,727	\$57,448,727	12%

SJPA OPERATING BUDGET

	FY 24/25 SJPA Operating Budget	FY25/26 SJPA Operating Budget	% Change From Prior Year to Current Year
Operating Revenue			
State Intercity Rail Funds	\$90,485,205	\$109,141,098	21%
Total Operating Revenue	\$90,485,205	\$109,141,098	21%
Administrative Expenses			
Salaries/Benefits/Contract Help	\$4,335,610	\$4,620,670	7%
Office Expenses & Postage	16,980	21,010	24%
Subscriptions/Periodicals/Memberships	15,590	13,800	-11%
Office Equipment Leases/Supplies/Maintenance/Furniture	16,765	20,000	19%
Computer Systems	5,250	5,460	4%
Communications	33,376	4,200	-87%
Motor Pool	38,300	20,953	-45%
Transportation & Travel	11,750	42,800	264%
Training	5,402	9,917	84%
Audits & Regulatory Reporting	45,750	47,580	4%
Professional Services Legislative	260,000	270,400	4%
Professional Services Legal	132,000	167,280	27%
Professional Services General	662,231	668,711	1%
Professional Services Grants	145,000	254,800	76%
Publications & Legal Notices	12,500	12,500	0%
Professional Services Operations	21,939	21,939	0%
Communications Operations	15,105	15,105	0%
Maintenance of Headquarters Structures/Grounds	195,047	221,424	14%
Insurance	154,000	170,432	11%
Insurance Management Fees	8,250	10,000	21%
Security Services & Safety Programs	94,697	121,066	28%
Administrative Expenses Subtotal	\$6,225,542	\$6,740,047	8%
Marketing Expenses			
Community Engagement & Marketing	\$1,750,000	\$1,656,000	-5%
New Service Advertising	350,000	94,000	-73%
Market Analysis	300,000	-	100%
Marketing Expenses Sub-Total	\$2,400,000	\$1,750,000	-27%
Contract Expense			
San Joaquin Intercity Rail Operations (Amtrak Contract)	\$48,399,538	\$54,964,851	14%
San Joaquin Intercity Rail Operations (Other Contracts)	33,460,125	45,686,200	37%
Contract Expense Subtotal	\$81,859,663	\$100,651,051	23%
Total Operating Expenses	\$90,485,205	\$109,141,098	21%

SJRRC RESOLUTION 25/26- 01

RESOLUTION ADOPTING THE FISCAL YEAR 2025/2026 WORK PROGRAM AND OPERATING BUDGETS: SJRRC OPERATING BUDGET (\$7,135,000), ACE OPERATING BUDGET (\$50,313,727), SJPA OPERATING BUDGET (\$109,141,098), SJRRC RAIL SUPPORT SERVICES (\$54,010,616), TRACC (\$639,600) AND COMBINED CAPITAL BUDGET (\$174,494,204)

WHEREAS, on an annual basis, the San Joaquin Regional Rail Commission (Rail Commission) adopts a Work Program that serves to communicate the planned activities of the agency in the coming fiscal year, as well as outlines the Operations and Capital Project Budget; and

WHEREAS, the adoption of an operating and capital budget is necessary for obtaining Federal, State and Local funds to support the Rail Commission; and

WHEREAS, staff presented a comprehensive preview of the draft Fiscal Year 2025/2026 (FY25/26) Work Program and Budget at the May 2, 2025, and June 6, 2025, Rail Commission meetings.

NOW THEREFORE, BE IT RESOLVED that the Board of Commissioners of the San Joaquin Regional Rail Commission Adopts the Fiscal Year 2025/2026 Work Program and Operating Budgets: SJRRC Operating Budget (\$7,135,000), ACE Operating Budget (\$50,313,727), SJPA Operating Budget (\$109,141,098), SJRRC Rail Support Services (\$54,010,616), TRACC (\$639,600) and Combined Capital Budget (\$174,494,204).

FURTHERMORE, BE IT RESOLVED that in the event there is a delay in the timely adoption of the budgets for the 2026/2027 fiscal year, the 2025/2026 budgets shall be renewed and carry over into the 2026/2027 fiscal year until such time as the 2026/2027 budgets are adopted.

PASSED AND ADOPTED, by the Board of Commissioners this 17th day of July 2025, by the following vote:

AYES: 5 - Marchand, Salwan, Morowit, Vice-Chair Zuber, Chair Craig-Hensley

NOES:

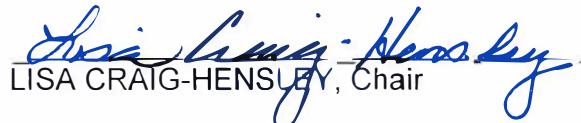
ABSENT: 3 - Arriola, Ding, Fugazi

ABSTAIN:

ATTEST:

SAN JOAQUIN REGIONAL RAIL
COMMISSION


STACEY MORTENSEN, Secretary


LISA CRAIG-HENSLEY, Chair

SAN JOAQUIN REGIONAL RAIL COMMISSION
Special Meeting of July 17, 2025

STAFF REPORT

Item 5	ACTION
Adopt a Resolution Adopting the Fiscal Year 2025/2026 Work Program and Operating Budgets: SJRRC Operating Budget (\$7,135,000), ACE Operating Budget (\$50,313,727), SJPA Operating Budget (\$109,141,098), SJRRC Rail Support Services (\$54,010,616), TRACC (\$639,600) and Combined Capital Budget (\$174,494,204)	

Background:

On an annual basis, the San Joaquin Regional Rail Commission (Rail Commission) adopts a Work Program that serves to communicate the planned activities of the agency in the coming fiscal year, as well as outlines the Operations and Capital Project Budget. Because the Rail Commission serves as the Managing Agency for the San Joaquin Joint Powers Authority (Authority), a brief description of the Work Program and Budget for the San Joaquin Intercity Rail Service is included. The Authority secures its own funding and directs spending on the San Joaquin service and programs, but the Rail Commission Budget must include these expenses and revenues on behalf of the Authority. In addition, the Authority designated the Rail Commission as the lead agency to implement all shared Valley Rail Program stations and facilities.

Staff presented a comprehensive preview of the draft Fiscal Year 2025/2026 (FY25/26) Work Program at the May 2, 2025 and June 6, 2025 Rail Commission meetings and will present the final FY25/26 Work Program and Budget (attached at the end of this packet) for approval at the July 17, 2025 Rail Commission special meeting. A summary of changes to the FY25/26 Work Program from draft to final is included below:

Budget Overview

- A budget overview narrative has been added along with a companion diagram to provide clarity on how the budget tables included in the Work Program are related, as well as distinct from one another.

Operating Budget

- Decrease SJRRC Salaries/Benefits
- Increase SJRRC Subscriptions/Periodicals/Memberships
- Increase SJRRC Computer
- Increase SJRRC Transportation/Travel
- Increase SJRRC Professional Services General
- Increase ACE Salaries/Benefits
- Decrease ACE Professional Services General

Capital Narrative and Budget

- Decrease in Ceres Station and Trackwork in Valley Rail
- Decrease in Phillips Siding in Valley Rail
- Addition of Wayside Power to ACE Minor
- Addition of Mini-High Platforms to SJPA Minor
- Move Newark-Albrae Siding SJRRC Major to Valley Rail
- Updated the narrative and description of the capital program delivery phases

Fiscal Impact:

There is no fiscal impact at this time.

Recommendation:

Adopt a Resolution Adopting the Fiscal Year 2025/2026 Work Program and Operating Budgets: SJRRC Operating Budget (\$7,135,000), ACE Operating Budget (\$50,313,727), SJJPA Operating Budget (\$109,141,098), SJRRC Rail Support Services (\$54,010,616), TRACC (\$639,600) and Combined Capital Budget (\$174,494,204)