



LOSSAN Rail Corridor Agency

Executive Committee Meeting

Agenda

Thursday, February 6, 2025 at 9:00 a.m.

OCTA Headquarters, 550 South Main Street, Orange, California

Committee Members

Fred Jung, OCTA, Vice Chair
Fernando Dutra, Metro
Jewel Edson, NCTD
Jason Jewell, Managing Director

Teleconference Locations:

Solana Beach City Hall
635 South Highway 101
Solana Beach, California

Any person with a disability who requires a modification or accommodation to participate in this meeting should contact the LOSSAN Clerk of the Board, telephone (714) 560-5676, no less than two business days prior to this meeting to enable LOSSAN to make reasonable arrangements to assure accessibility to this meeting.

Agenda Descriptions

Agenda descriptions are intended to give members of the public a general summary of items of business to be transacted or discussed. The posting of the recommended actions does not indicate what action will be taken. The Board of Directors may take any action which it deems to be appropriate on the agenda item and is not limited in any way by the notice of the recommended action.

Public Availability of Agenda Materials

All documents relative to the items referenced in this agenda are available for public inspection at www.lossan.net or through the Los Angeles - San Diego - San Luis Obispo (LOSSAN) Clerk of the Board's office at: Orange County Transportation Authority Headquarters (OCTA), 600 South Main Street, Orange, California.

Meeting Access and Public Comments on Agenda Items

Members of the public can either attend in-person or listen to audio live streaming of the Board and Committee meetings by clicking the below link:

<https://www.octa.net/About-OCTA/Who-We-Are/Board-of-Directors/Live-and-Archived-Audio/>



EXECUTIVE COMMITTEE MEETING AGENDA

In-Person Comment

Members of the public may attend in-person and address the Board of Directors regarding any item within the subject matter jurisdiction of the LOSSAN Rail Corridor Agency. Please complete a speaker's card and submit it to the Clerk of the Board and notify the Clerk regarding the agenda item number on which you wish to speak. Speakers will be recognized by the Chair at the time of the agenda item is to be considered by the Board. Comments will be limited to three minutes. The Brown Act prohibits the Board from either discussing or taking action on any non-agendized items.

Written Comment

Written public comments may also be submitted by emailing them to lossanclerk@octa.net, and must be sent by 5:00 p.m. the day prior to the meeting. If you wish to comment on a specific agenda item, please identify the Item number in your email. All public comments that are timely received will be part of the public record and distributed to the Board. Public comments will be made available to the public upon request.

Call to Order

Roll Call

Pledge of Allegiance

Closed Session

A Closed Session is not scheduled.

Special Calendar

There are no Special Calendar Matters.

Consent Calendar (Items 1 and 2)

All items on the Consent Calendar are to be approved in one motion unless a Board Member or a member of the public requests separate action or discussion on a specific item.

1. Approval of Minutes

Recommendation(s)

Approve the minutes of the November 7, 2024, Executive Committee meeting.

Attachments:

[Minutes](#)



EXECUTIVE COMMITTEE MEETING AGENDA

2. **Semi-Annual Progress Report of the Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency 2024 Work Plan**

Overview

On February 20, 2024, the Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency Board of Directors approved the 2024 Work Plan, which highlighted the key initiatives that would be undertaken in support of the 2023 Strategic Plan goals. As part of the implementation of the 2024 Work Plan, progress reports on a semi-annual basis that capture the status of the tasks being done in support of the annual work plan will be provided to the Board of Directors. This semi-annual progress report provides an update on activities in support of the 2024 Work Plan from July 2024 through December 2024.

Recommendation(s)

Receive and file as an information item.

Attachments:

[Staff Report](#)

[Attachment A](#)

[Attachment B](#)

Regular Calendar

3. **Fiscal Year 2023-24 Annual Financial Statement Audit**

Overview

The Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency is required to complete an annual financial audit pursuant to Government Code Section 6505.6, and as specified in the joint powers agreement, bylaws, and the administrative support agreement. Crowe LLP, an independent accounting firm, has completed the annual audit of the Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency financial statements for fiscal year 2023-24, and has issued its independent auditors' opinion.

Recommendation(s)

Receive and file the fiscal year 2023-24 Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency audited annual financial statements and accompanying independent auditor's report.

Attachments:

[Staff Report](#)

[Attachment A](#)

[Attachment B](#)



EXECUTIVE COMMITTEE MEETING AGENDA

Discussion Items

4. 2025 LOSSAN Board Goals and Initiatives

Overview

Staff will present an overview of the 2025 Goals and Initiatives.

Attachments:

[Attachment](#)

5. Update on Draft Annual Business Plan for Fiscal Year 2025-26

Overview

Staff will provide an update on the development of the fiscal year 2025-26 Annual Business Plan.

6. Federal Railroad Administration Restoration and Enhancement Grant Award

Overview

Staff will provide the Executive committee a summary of the grant award that is planned to be used for the restoration of Pacific Surfliner service.

7. Public Comments

8. Managing Director's Report

9. Committee Members' Report

10. Adjournment

The next regularly scheduled meeting of this Committee will be held:

9:00 a.m. on Thursday, March 6, 2025

OCTA Headquarters
550 South Main Street
Orange, California



MINUTES

Executive Committee Meeting

Committee Members Present

In-Person

Fred Jung, Vice Chair
Jason Jewell, Managing Director

Via Teleconference

Fernando Dutra
Jewel Edson

Committee Members Absent

Bryan MacDonald, Chair

Staff Present

Allison Cheshire, Clerk of the Board Specialist, Senior
Gina Ramirez, Assistant Clerk of the Board
Cassie Trapesonian, Assistant General Counsel
LOSSAN Staff

Call to Order

The November 7, 2024, meeting of the Executive Committee meeting was called to order by Vice Chair Jung at 9:00 a.m.

Roll Call

The Clerk of the Board conducted an attendance roll call and announced a quorum of the Executive Committee.

Consent Calendar (Item 1)

1. Approval of Minutes

A motion was made by Director Dutra, seconded by Director Edson, and following a roll call vote, declared passed 3-0, to approve the minutes of the October 3, 2024, Executive Committee Meeting.

Regular Calendar

2. 2025 Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency Legislative Program

Alexis Carter, Government Relations Representative, OCTA, provided a report on this item.

A motion was made by Director Edson, seconded by Director Dutra, and following a roll call vote, declared passed 3-0, to direct staff to adopt the 2025 Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency Legislative Platform.



Discussion Items

3. Proposed 2025 Board and Executive Committee Meetings Calendar

Jason Jewell, Managing Director, provided a report on this item.

A motion was made by Director Edson, seconded by Director Dutra, and following a roll call vote, declared passed 3-0, to propose a 10:30 a.m. start time for 2025 Board meetings when this item is presented to the full Board for consideration.

4. Marketing Update for the Fourth Quarter of Fiscal Year 2023-24

Jason Jewell, Managing Director, provided a report on this item.

No action was taken on this item.

5. Public Comments

Public comment was received from Dave White via email on November 4, 2024 and provided to the Committee Members prior to the meeting.

6. Managing Director's Report

Jason Jewell, Managing Director, provided an update on ridership for September and October 2024.

7. Committee Members' Report

Director Edson reported that she is participating in the value analysis study by SANDAG regarding track realignments near the Del Mar bluff.

8. Adjournment

The meeting adjourned at 9:43 a.m.

The next regularly scheduled meeting of this Committee will be held at **9:00 a.m. on Thursday, February 6, 2025**, OCTA Headquarters, 550 S Main Street, Orange, California

ATTEST

Andrea West
Clerk of the Board



February 6, 2025

To: Members of the Executive Committee

From: Jason Jewell, Managing Director

Subject: Semi-Annual Progress Report of the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency 2024 Work Plan

Overview

On February 20, 2024, the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency Board of Directors approved the 2024 Work Plan, which highlighted the key initiatives that would be undertaken in support of the 2023 Strategic Plan goals. As part of the implementation of the 2024 Work Plan, progress reports on a semi-annual basis that capture the status of the tasks being done in support of the annual work plan will be provided to the Board of Directors. This semi-annual progress report provides an update on activities in support of the 2024 Work Plan from July 2024 through December 2024.

Recommendation

Receive and file as an information item.

Discussion

As part of the approval by the Board of Directors (Board) of the 2023 Los Angeles – San Diego – San Luis Obispo (LOSSAN) Rail Corridor Agency (Agency) Strategic Plan, direction was given to utilize the Strategic Plan in the development of an annual work plan. The work plan lays out projects that would be undertaken for that calendar year in support of goals included in the Strategic Plan. The work plan was not intended to be an exhaustive listing of all tasks that the LOSSAN Agency would undertake during the calendar year, but rather to capture key projects and initiatives that would be undertaken in support of the LOSSAN Agency's strategic goals.

Both the semi-annual and year-end progress reports offer detailed insights into the achievements under each objective listed in the annual work plan. These reports not only highlight the accomplishments from July 2024 through December 2024 but also shed light on anticipated activities aimed at furthering the objectives in the upcoming

**Semi-Annual Progress Report of the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency
2024 Work Plan** *Page 2*

period. Detailed information on both current progress and expected future activities for each objective can be found in Attachment A.

Semi-Annual Progress Report

One of the LOSSAN Agency's most notable achievements during the second half of Calendar Year 2024 was the submission of an application to the Federal Railroad Administration's (FRA) Restoration and Enhancement Grant Program, which provides financial assistance to help initiate, restore, or enhance intercity passenger rail service in the United States. The program aims to expand rail transportation options, improve connectivity, and boost economic development by supporting the development of new or expanded passenger rail services.

As part of its application, the LOSSAN Agency pursued increasing frequency of service along the Los Angeles – San Diego segment of the Pacific Surfliner route to restore service to pre-pandemic levels. Following the close of the second half of Calendar Year 2024, in January 2025, the FRA announced that the LOSSAN Agency had been awarded \$27 million to increase service frequency, which will be used to support the addition of three additional round trips for the Los Angeles – San Diego segment. The award marks a significant milestone for the LOSSAN Agency as its first successful federal grant award and supports the LOSSAN Agency's ongoing goal to research and leverage federal and state operating and capital funding opportunities to support its goals.

In addition, during the second half of Calendar Year 2024, the LOSSAN Agency continued to make progress on other objectives from the work plan which are ongoing and considered continuous in nature. These include:

- Installation of new station wayfinding signage, bus stop identification signs and schedules, and suicide prevention and safety signage at sections of track more prone to trespasser strikes as part of Operation Safe Surfs. Progress was achieved on the latter two items during the second half of Calendar Year 2024 after mitigating required coordination with host railroads and procurement delays, with additional progress to be made on signage installation in Calendar Year 2025.
- In accordance with the new chapter added to the FY 2024-25 LOSSAN Agency Annual Business Plan, the LOSSAN Agency participated in calls with several working groups to build consensus and ensure effective coordination in addressing coastal erosion and climate change along the LOSSAN rail corridor.

**Semi-Annual Progress Report of the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency
2024 Work Plan** **Page 3**

- Coordination with the Southern California Regional Rail Authority (Metrolink) to install Wireless Crossing Nearside Station Stop technology on Pacific Surfliner trains, which was completed in September 2024. The technology was first implemented at the Del Obispo Street at-grade crossing in the City of San Juan Capistrano in June 2024, with the intent of preventing southbound Metrolink and Pacific Surfliner trains scheduled to stop at San Juan Capistrano Station from activating the crossing's safety features until after leaving the station.
- Coordination with host railroads for absolute work windows to minimize impacts to intercity, regional, commuter, and freight rail services along the LOSSAN rail corridor.
- Participation in regional coordination efforts in preparation for the LA28 Olympics, including attending a Regional Transportation Assembly meeting organized and hosted by the Los Angeles County Metropolitan Transportation Authority in November 2024, as well as the first rail subcommittee stakeholder workstream meeting organized by Metrolink in December 2024.

Additional details on milestones which either have been accomplished or are continuous in nature, as well as those which have been extended or delayed, are provided in Attachment A.

Summary

A semi-annual progress report for the 2024 Work Plan is provided for the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency Board of Directors to review.

Attachments

- A. LOSSAN Agency 2024 Work Plan Initiatives & Goals
- B. 2024 Work Plan LOSSAN Agency Work Plan Progress Report – July 2024 to December 2024



LOSSAN AGENCY

2024 WORK PLAN INITIATIVES & GOALS

MISSION

To be Southern California's premier transportation experience to the state's most desirable destinations.

VISION

To be the foundation of Southern California rail travel, fully integrated with our transit partners, and helping travelers create lifelong memories by:

- » Providing a high-quality customer experience;
- » Achieving world class operations; and
- » Ensuring long-term sustainability.



PRIORITIZE BUSINESS SUSTAINABILITY

- Being Environmentally Conscious
- Being Fiscally Responsible
- Being Leaders in Business Management
- Supporting Equity and Inclusion



OPTIMIZE OPERATIONS OF PACIFIC SURFLINER SERVICE

- Providing Better System Performance
- Expanding Service
- Improving Regional Connectivity



MAXIMIZE CUSTOMER FOCUS

- Improving User Experience
- Maintaining Sustainable Fares
- Integrating with Destinations
- Integrating with Transportation Partners

2024 LOSSAN Agency Work Plan Progress Report – January 2024 to June 2024

INITIATIVE: PRIORITIZE BUSINESS SUSTAINABILITY

Goal: Being Environmentally Conscious

Objective	Supporting Activities	Anticipated Completion Date	Status	Notes
Foster collaboration with rail owners, corridor-wide stakeholders, and the State, to build consensus and ensure effective coordination in addressing coastal erosion and climate change to maintain a resilient corridor.	Attend quarterly LOSSAN Regional Rail Working Group.	Ongoing	On-Target	LOSSAN is a participant in the Regional Rail Working Group hosted by the CalSTA Undersecretary to discuss policy matters and progress related to coastal resiliency along the rail corridor.
	Host quarterly technical working group meetings on resiliency.	Ongoing	On-Target	Technical working group will support larger regional rail working group hosted by CalSTA. Technical working group discusses resiliency efforts and projects, including their challenges and solutions and elevates those challenges to the larger Corridor Executive Leadership meetings and regional working group when appropriate.
	Host quarterly LOSSAN Rail Corridor Executive Leadership meetings.	Ongoing	On-Target	Host leadership meeting to discuss topics derived from the technical working group for discussion and consideration for agenda topics for the larger Regional Rail Working group, as well as any other topics affecting the corridor.

COMPLETED	ON-TARGET	IN DEVELOPMENT	ON-HOLD	DELAYED
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Objective	Supporting Activities	Anticipated Completion Date	Status	Notes
Pursue both short- and long-term solutions in coordination with rail owners and stakeholders to ensure ongoing viability of service.	Regular monthly coordination meetings with Caltrans and other two JPA's to discuss opportunities for service restoration and growth of all three state-supported corridors.	Ongoing	On-Target	These regular coordination meetings of the equipment, costing, and executive leadership working groups. Service viability will rely heavily on availability of equipment to support the service goals and demand. This will be a continuous goal for statewide coordination on equipment usage.
	Re-engage regular monthly coordination meetings with host railroads.	Ongoing	In Development	Meetings have not been held for more than a year due to various staff changes at host railroads. Currently working with host railroads on a revised format and structure to the meetings to ensure they are useful and productive. Meetings will provide a regular forum for discussing improved service coordination and optimization.
Research and leverage federal and state funding opportunities related to resiliency, sustainable transportation, and green infrastructure to advance intercity passenger rail in Southern California.	Read NOFOs and engage with funding agencies to fully understand project phases and ensure grant compliance.	Ongoing	On-Target	This is a continuous "goal". It's a business practice.
	Partner with agencies to identify shared funding opportunities.	Ongoing	On-Target	

COMPLETED	ON-TARGET	IN DEVELOPMENT	ON-HOLD	DELAYED
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Objective	Supporting Activities	Anticipated Completion Date	Status	Notes
Implement requirements of SB677 starting with FY2024-25 Annual Business Plan.	Add new chapter addressing Coastal Resiliency efforts in the Agency Annual Business Plan.	April 2024	Completed	Going forward, staff will continue to fulfill the requirements of SB 677 through hosting the quarterly technical working group meetings on resiliency to engage in discussion regarding the ongoing projects to address resiliency. We will also work to develop a living tracking system for ongoing capital programs and funding along the LOSSAN corridor and coordinate with host railroad and R/W owners to update. This will inform future Annual Business Plans and respond to a request by CalSTA for more real time project information.

COMPLETED	ON-TARGET	IN DEVELOPMENT	ON-HOLD	DELAYED
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INITIATIVE: PRIORITIZE BUSINESS SUSTAINABILITY

Goal: Being Fiscally Responsible

Objective	Supporting Activities	Anticipated Completion Date	Status	Notes
Create a mid- to long-term financial plan to address future funding needs.	Hire and onboard new Financial Analyst to the FP&A section of LOSSAN.	June 2024	Delayed	In process of working with Human Resources to reclassify analyst position and post position for recruitment.
	Creation of cash flow models based on historical information, service projections and other macro-economic assumptions.	June 2024	Delayed	Staffing limitations have prevented progress on this objective. Will move forward once the new analyst position is hired.
	Develop 5-year financial forecast for operations and capital projects.	June 2024	Delayed	Staffing limitations have prevented progress on this objective. Will move forward once the new analyst position is hired.
Develop and implement a plan for obtaining advertising revenue through train wraps and other onboard assets.	Discuss advertising plan with Amtrak and State of California to determine revenue share (if any) and ensure agreement across all parties.	July 2024	On-Target	

COMPLETED	ON-TARGET	IN DEVELOPMENT	ON-HOLD	DELAYED
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Develop and implement a plan for obtaining advertising revenue through train wraps and other onboard assets.	Put out an RFP to bring on a vendor to oversee advertising.	October 2024	On-Target	
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COMPLETED	ON-TARGET	IN DEVELOPMENT	ON-HOLD	DELAYED
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INITIATIVE: PRIORITIZE BUSINESS SUSTAINABILITY

Goal: Being Leaders in Business Management

Objective	Supporting Activities	Anticipated Completion Date	Status	Notes
Implement the Federal Corridor Identification and Development Program with Caltrans by coordinating corridor-wide efforts with key stakeholders.	Participate in stakeholder introduction/kick-off call with Caltrans and CalSTA.	March 2024	Completed	
	Collaborate with Caltrans in reviewing and updating information needs for the FRA.	July 2024	On-Target	
	Coordinate with Caltrans on setting up recurring ongoing coordination meetings with stakeholders.	August 2024	On-Target	Existing regular coordination meetings established by LOSSAN will be used as needed to discuss CIDP topics with stakeholders and Caltrans.
Research and leverage federal and state operating and capital funding opportunities that support LOSSAN Agency goals.	Support and advocate a BCP to secure a three-year increase in operating funds for intercity rail, resulting in an additional \$211 million over 2024-27.	July 2024	Completed	

COMPLETED	ON-TARGET	IN DEVELOPMENT	ON-HOLD	DELAYED
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Research and leverage federal and state operating and capital funding opportunities that support LOSSAN Agency goals.	Prepare 'shelf-ready' projects for immediate implementation and innovatively maximize project potential using existing local agency funds.	On-going	On-Target	
	Coordinate with stakeholders and member agencies to leverage funding opportunities.	On-going	On-Target	

COMPLETED	ON-TARGET	IN DEVELOPMENT	ON-HOLD	DELAYED
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INITIATIVE: PRIORITIZE BUSINESS SUSTAINABILITY

Goal: Supporting Equity and Inclusion

Objective	Supporting Activities	Anticipated Completion Date	Status	Notes
Expand multilingual marketing efforts to ensure equitable access to the Pacific Surfliner.	Deploy evergreen Spanish language advertising.	August 2024	On-Target	
Improve accessibility at stations by implementing a signage improvement plan.	Develop scope and budget for consultant support in developing the station signage plans.	August 2024	On-Target	Will be coordinating with Metrolink and NCTD on development of plans to ensure consistency with existing plans for each station.

COMPLETED	ON-TARGET	IN DEVELOPMENT	ON-HOLD	DELAYED
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INITIATIVE: OPTIMIZE OPERATIONS OF PACIFIC SURFLINER SERVICE

Goal: Providing Better System Performance

Objective	Supporting Activities	Anticipated Completion Date	Status	Notes
Implement Operation Safe Surfs to promote rail safety and suicide prevention, while reducing trespasser-related delays.	Implement geotargeted ads on connected TVs, streaming platforms, and geofenced mobile ads for specific geographical locations.	June 2024	Completed	
	Coordinate installation of suicide prevention and safety signage at sections of track more prone to trespasser strikes.	May 2024	Delayed	Effort delayed due to staffing changes. Currently in the process of developing language for the design of the signage and coordinating with railroad ROW owners.
	Develop an outreach strategy targeting individuals experiencing homelessness near the railroad ROW.	Ongoing	On-Target	Through the end of the calendar year, the LOSSAN Agency will conduct an inventory of existing resources and efforts by ROW owners and local jurisdictions, identify potential opportunities for enhanced outreach, and develop strategies for potential implementation.

COMPLETED	ON-TARGET	IN DEVELOPMENT	ON-HOLD	DELAYED
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Objective	Supporting Activities	Anticipated Completion Date	Status	Notes
Pursue and implement additional technological solutions and safety initiatives with Amtrak and regional partners to increase reliability and reduce incidents.	Working to implement intelligent solutions that mitigate collisions between a train and vehicles, people, or other objects	Ongoing	On-Target	Coordinating with other JPA's and Union Pacific, as well as scheduling meetings with vendors with the hope of piloting a solution on several crossings on the Santa Barbara Subdivision in FY25.
	Coordinate with Metrolink on implementation of Wireless Crossing Nearside Station Stop technology for Pacific Surfliner trains.	September 2024	Delayed	MOU required between Amtrak and Metrolink for use of proprietary Wabtec software needed to implement safety measure. Amtrak is working with Metrolink to execute the MOU.
Complete the final design of the Central Coast Layover Facility.	Actively working with consultant on deliverables outlined in schedule.	January 2025	Delayed	Final design schedule impacted by delay in getting right-of-entry permit from Union Pacific and in amending contract for subconsultant to perform site borings.
	Regular coordination meetings with UPRR and other stakeholders.	Ongoing	On-Target	
	Coordinating with Caltrans on purchase of property.	Ongoing	Delayed	The identification of appropriate personnel at Caltrans to coordinate property acquisition took longer than anticipated to initiate. Regular coordination discussions are now occurring.

COMPLETED	ON-TARGET	IN DEVELOPMENT	ON-HOLD	DELAYED
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Objective	Supporting Activities	Anticipated Completion Date	Status	Notes
Complete the final design of the Central Coast Layover Facility.	Update property appraisal in support of acquisition.	September 2024	Delayed	Delayed due to additional time taken to initiate discussions with Caltrans on property acquisition.
Complete design for the Goleta Layover Facility expansion and Leesdale Siding and coordinate with stakeholders on project.	Actively working with consultant on deliverables outlined in schedule for Goleta.	March 2025	Delayed	Longer than anticipated to receive Union Pacific comments and comments requested significant changes to the design assumptions. Currently working with Union Pacific to address comments.
	Actively working with consultant on deliverables outlined in schedule for Leesdale.	May 2025	Delayed	Took longer than scheduled to execute agreement with Union Pacific to support the project. Schedule also extended due to design change needed following site visit with Union Pacific.
	Regular coordination meetings with UPRR and other stakeholders.	Ongoing	On-Target	

COMPLETED	ON-TARGET	IN DEVELOPMENT	ON-HOLD	DELAYED
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INITIATIVE: OPTIMIZE OPERATIONS OF PACIFIC SURFLINER SERVICE

Goal: Expanding Service

Objective	Supporting Activities	Anticipated Completion Date	Status	Notes
Coordinate with Amtrak, Caltrans, and JPA partners to implement strategic service level increases that support long-term service goals and align with the State Rail Plan.	Submit annual business plan .	April 2024	Completed	ABP includes service increases to 12 roundtrips in 2025 and 13 roundtrips in 2026
	Coordinate with Amtrak on revised federal fiscal year 2025 revenue and expenses forecasts.	September 2024	On-Target	To support increase service levels and new rates developed by SAIPRC
	Assist with development of long-term fleet plan that supports future service goals in coordination with Caltrans and JPA's.	On-going	In-Development	Effort is being led by Caltrans. Anticipated completion date has not yet been defined.

COMPLETED	ON-TARGET	IN DEVELOPMENT	ON-HOLD	DELAYED
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INITIATIVE: OPTIMIZE OPERATIONS OF PACIFIC SURFLINER SERVICE

Goal: Improving Regional Connectivity

Objective	Supporting Activities	Anticipated Completion Date	Status	Notes
Pursue technological and operational solutions with transportation partners to increase service accessibility and travel options.	Integrate Passenger Information Display Signs (PIDS).	December 2024	On-Target	Coordination meetings between Amtrak and Metrolink have been ongoing to discuss input needs for incorporating real time Pacific Surfliner train status onto the existing Metrolink electronic signs. Efforts to establish coordination meetings between NCTD and Amtrak will begin in the first quarter of fiscal year 2025.
	Work with Host Railroads on coordinating corridor wide absolute work windows to minimize impacts to intercity, regional, commuter and freight rail services.	Ongoing	In Development	At LOSSAN's request, the existing NCTD monthly coordination call on work windows has been expanded into a corridor wide coordination call, including Amtrak, Metrolink, BNSF and UPRR. Absolute work windows are scheduled 1-2 years in advance to inform contractor bids. Coordination currently is focused on communicating with host railroads on desire for consolidated work windows to inform their schedule development.
	Pursue opportunities with rail and transit agencies for integrated ticketing and fare products.	Ongoing	In Development	Staff are currently focused on developing the structure for our new demand pricing model for implementation on the Pacific Surfliner. Once this structure has been defined, focus will shift on opportunities to better integrate ticketing with partner services.

COMPLETED	ON-TARGET	IN DEVELOPMENT	ON-HOLD	DELAYED
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<p>Pursue technological and operational solutions with transportation partners to increase service accessibility and travel options.</p>	<p>Coordinate with Amtrak or stakeholders on cost-effective improvements to baggage and station services that includes technology.</p>	<p>July 2024</p>	<p>Delayed</p>	<p>Corridor closure in south Orange County in February and March delayed follow up with Amtrak on developing cost estimate for revised station staffing plan that is anticipated to allow for reopening of some stations and baggage services in a more cost-effective manner. Amtrak cost estimate was originally anticipated prior to the end of June, but now not anticipated until end of July.</p>
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COMPLETED	ON-TARGET	IN DEVELOPMENT	ON-HOLD	DELAYED
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INITIATIVE: MAXIMIZE CUSTOMER FOCUS

Goal: Improving User Experience

Objective	Supporting Activities	Anticipated Completion Date	Status	Notes
Implement repair and replacement of aged station general information and wayfinding signage.	Procure new display cases to replace old and missing cases for schedules and information at Thruway bus stops.	December 2023	Completed	
	Procure and install new bus stop identification signs at each stop.	December 2024	On-Target	
	Procure new display cases to replace old and missing cases used for schedules and information at all trains stations.	June 2024	Completed	
	Replace old, missing or faded signs at stations	Ongoing	On-Target	Continuously replace and update signage at each station, incorporating the new Amtrak Pacific Surfliner logo for improved visibility, replacing outdated or missing signs at platforms to clearly indicate boarding locations for Business Class, Coach, and Bicycles, and updating directional signs to guide passengers to the correct tracks for Northbound or Southbound trains.

COMPLETED	ON-TARGET	IN DEVELOPMENT	ON-HOLD	DELAYED
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Objective	Supporting Activities	Anticipated Completion Date	Status	Notes
Review and adjust the Market Café menu to prioritize locally sourced products.	Review product profitability and sales data.	June 2024	Completed	
	Work with Amtrak and distributors to add locally sourced products.	Ongoing	On-Target	Began making changes to the market café menu in May 2024. Will continue to monitor and update items on an ongoing basis.
Develop marketing strategies to increase new and returning riders with a focus on customer retention and increasing repeat trips by incorporating initiatives such as ridership incentive programs.	Work with Amtrak to gain increased visibility and access to the AGR membership and previous rider lists.	TBD	Delayed	Amtrak made major changes to their loyalty and CRM teams recently. This has delayed and altered the course of discussions that were previously had with the former head of loyalty. We are continuing to have discussions and should have an update next quarter.
	Launched Caltrans pilot to reward repeat ridership.	July 2024	On-Target	
Coordinate with Amtrak to restore station customer services in a cost-effective manner.	Develop desired station staffing plan and work with Amtrak to cost out and implement.	TBD	Delayed	The station staffing plan, developed early in 2024, faced delays due to a two-month rail corridor closure in south Orange County, necessitating further cost reductions. After submitting the revised plan to Amtrak in early May, staff are now awaiting Amtrak's cost estimate based on the updated staffing configurations.

COMPLETED	ON-TARGET	IN DEVELOPMENT	ON-HOLD	DELAYED
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Objective	Supporting Activities	Anticipated Completion Date	Status	Notes
Coordinate with Amtrak to restore station customer services in a cost-effective manner.	Coordinate with NCTD on proposed staffing plan for pilot program at Solana Beach station	June 2024	Delayed	Request to NCTD for a proposed plan to staff Solana Beach station with NCTD Customer Service Representatives has taken longer than anticipated to receive. LOSSAN will follow up with NCTD to coordinate these efforts.

COMPLETED	ON-TARGET	IN DEVELOPMENT	ON-HOLD	DELAYED
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INITIATIVE: MAXIMIZE CUSTOMER FOCUS

Goal: Maintaining Sustainable Fares

Objective	Supporting Activities	Anticipated Completion Date	Status	Notes
Implement Demand Pricing Pilot and evaluate results.	Collaborate with Amtrak developing a Pricing & Revenue Model and Engagement Plan for the Demand Pricing Pilot.	January 2025	Delayed	Delay due to Project Manager's departure and the need to work with stakeholders on options to incorporate Rail 2 Rail Program in pilot.

COMPLETED	ON-TARGET	IN DEVELOPMENT	ON-HOLD	DELAYED
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INITIATIVE: MAXIMIZE CUSTOMER FOCUS

Goal: Integrating with Destinations

Objective	Supporting Activities	Anticipated Completion Date	Status	Notes
Focus on planning efforts for the LA28 Olympics by coordinating with Amtrak and regional stakeholders.	Engage with LA28 Committee on providing support for 2028 Olympics.	Ongoing	On-Target	Have engaged in meetings with LA28 Vice-President of Transportation on opportunities for the Pacific Surfliner to support the 2028 Olympics and Paralympics in Los Angeles.
	Schedule coordination meetings with Caltrans and CalSTA on resource needs.	Ongoing	In Development	Regular coordination meetings have not yet been established specific to the 2028 Olympics. Existing conversations have been part of regular meetings focused currently on normal service restoration and expansion.
	Engage in regional coordination efforts.	Ongoing	On-Target	Staff attended the initial regional transportation assembly for the 2028 games, hosted by LA Metro, and will persist in regional coordination, especially with Amtrak and Metrolink, concerning the 2028 games.
Forge partnerships with venues, convention and visitor bureaus, cities, counties, and other corridor stakeholders to enhance connectivity, boost ridership, and improve mobility.	Partnered with Wonderfront Festival, Strawberry Festival, and X Games. Continuing to seek additional partnerships.	Ongoing	On-Target	This ongoing project focuses on continuously building relationships with venues, CVBs, and other relevant partners.

COMPLETED	ON-TARGET	IN DEVELOPMENT	ON-HOLD	DELAYED
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INITIATIVE: MAXIMIZE CUSTOMER FOCUS

Goal: Integrating with Transportation Partners

Objective	Supporting Activities	Anticipated Completion Date	Status	Notes
Assess potential regional fare products with partners that provide rail flexibility and equitable farebox recovery.	Collaborate with member agencies to identify opportunities for regional fare products.	June 2025	On-Hold	Need to wait until we evaluate the demand pricing pilot before identifying opportunities for regional fare products.
Evaluate expanded Codeshare Program and assess viability of further expansion.	Continue to monitor ridership and usage of the program. Coordinate with Metrolink on integrating Codeshare in the demand pricing pilot program.	June 2025	On-Hold	Will evaluate expanded Codeshare results and coordinate with Amtrak on options to incorporate Rail 2 Rail Program with demand pricing pilot implementation.

COMPLETED	ON-TARGET	IN DEVELOPMENT	ON-HOLD	DELAYED
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2024 LOSSAN Agency Work Plan Progress Report – July 2024 to December 2024

INITIATIVE: PRIORITIZE BUSINESS SUSTAINABILITY

Goal: Being Environmentally Conscious

Objective	Supporting Activities	Anticipated Completion Date	Status	Notes
Foster collaboration with rail owners, corridor-wide stakeholders, and the State, to build consensus and ensure effective coordination in addressing coastal erosion and climate change to maintain a resilient corridor.	Attend quarterly LOSSAN Regional Rail Working Group.	Ongoing	Completed	Participated in person on October 15, 2024, at the SANDAG administrative office.
	Host quarterly technical working group meetings on resiliency.	Ongoing	Completed	Organized and participated in a working group meeting on August 29, 2024.
	Host quarterly LOSSAN Rail Corridor Executive Leadership meetings.	Ongoing	Completed	Organized and participated in a call on September 10, 2024.

Objective	Supporting Activities	Anticipated Completion Date	Status	Notes
Pursue both short- and long-term solutions in coordination with rail owners and stakeholders to ensure ongoing viability of service.	Regular monthly coordination meetings with Caltrans and other two JPA's to discuss opportunities for service restoration and growth of all three state-supported corridors.	Ongoing	Completed	Held regular JPA staff working group calls and JPA leadership calls to plan for service restoration, equipment deployment, funding resources, and coordination on other items as needed.
	Re-engage regular monthly coordination meetings with host railroads.	Ongoing	Delayed	Delayed in finalizing coordination with host railroads. Inquiries on availability have been sent out to all parties with the goal of beginning these coordination meetings again in January 2025.
Research and leverage federal and state funding opportunities related to resiliency, sustainable transportation, and green infrastructure to advance intercity passenger rail in Southern California.	Read NOFOs and engage with funding agencies to fully understand project phases and ensure grant compliance.	Ongoing	On-Target	This is a continuous "goal". It's a business practice. During this cycle, the LOSSAN Agency engaged with the Federal Railroad Administration (FRA) to submit the Restoration & Enhancement (R&E) Grant.
	Partner with agencies to identify shared funding opportunities.	Ongoing	On-Target	This is a continuous "goal". It's a business practice. The LOSSAN Agency was successful in partnering with Caltrans on the Corridor Identification Program, the CRCC with 2024 TIRCP funding for the Ortega siding, and Union Pacific for environmental funding for the Santa Ynez River/Surf Bridge.

Objective	Supporting Activities	Anticipated Completion Date	Status	Notes
Implement requirements of SB677 starting with FY2024-25 Annual Business Plan.	Add new chapter addressing Coastal Resiliency efforts in the Agency Annual Business Plan.	April 2024	Completed	

Goal: Being Fiscally Responsible

Objective	Supporting Activities	Anticipated Completion Date	Status	Notes
Create a mid- to long-term financial plan to address future funding needs.	Hire and onboard new Financial Analyst to the FP&A section of LOSSAN.	January 2025	On-Target	Interviews currently being conducted to fill vacant position.
	Creation of cash flow models based on historical information, service projections and other macro-economic assumptions.	June 2025	Delayed	Staffing limitations have prevented progress on this objective. Will move forward once the new analyst position is hired.
	Develop 5-year financial forecast for operations and capital projects.	June 2025	Delayed	Staffing limitations have prevented progress on this objective. Will move forward once the new analyst position is hired.
Develop and implement a plan for obtaining advertising revenue through train wraps and other onboard assets.	Discuss advertising plan with Amtrak and State of California to determine revenue share (if any) and ensure agreement across all parties.	March 2025	Delayed	Staffing limitations have prevented progress on this objective. Will begin conversations with stakeholders at the beginning of CY 2025.

Develop and implement a plan for obtaining advertising revenue through train wraps and other onboard assets.	Put out an RFP to bring on a vendor to oversee advertising.	June 2025	Delayed	Staffing limitations have prevented progress on this objective. The LOSSAN Agency anticipates publishing RFP to solicit proposals for advertising services once discussions with stakeholders are complete.
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INITIATIVE: PRIORITIZE BUSINESS SUSTAINABILITY

Goal: Being Leaders in Business Management

Objective	Supporting Activities	Anticipated Completion Date	Status	Notes
Implement the Federal Corridor Identification and Development Program with Caltrans by coordinating corridor-wide efforts with key stakeholders.	Participate in stakeholder introduction/kick-off call with Caltrans and CalSTA.	March 2024	Completed	
	Collaborate with Caltrans in reviewing and updating information needs for the FRA.	Ongoing	On-Target	LOSSAN Agency staff participated in coordination calls with Caltrans and FRA to provide information and answer questions.
	Coordinate with Caltrans on setting up recurring ongoing coordination meetings with stakeholders.	March 2025	Delayed	The LOSSAN Agency will assist in setting up stakeholder coordination meetings and is currently in discussions with Caltrans on the timing and cadence.
Research and leverage federal and state operating and capital funding opportunities that support LOSSAN Agency goals.	Support and advocate a BCP to secure a three-year increase in operating funds for intercity rail, resulting in an additional \$211 million over 2024-27.	July 2024	Completed	

Research and leverage federal and state operating and capital funding opportunities that support LOSSAN Agency goals.	Prepare 'shelf-ready' projects for immediate implementation and innovatively maximize project potential using existing local agency funds.	Ongoing	On-Target	This is a continuous "goal". It's a business practice.
	Coordinate with stakeholders and member agencies to leverage funding opportunities.	Ongoing	On-Target	This is a continuous "goal". It's a business practice.

INITIATIVE: PRIORITIZE BUSINESS SUSTAINABILITY

Goal: Supporting Equity and Inclusion

Objective	Supporting Activities	Anticipated Completion Date	Status	Notes
<p>Expand multilingual marketing efforts to ensure equitable access to the Pacific Surfliner.</p>	<p>Deploy evergreen Spanish language advertising.</p>	<p>Ongoing</p>	<p>Delayed</p>	<p>In August 2024, the LOSSAN Agency transitioned to a new consultant to provide field marketing and community outreach services. The consultant’s scope includes engaging with audiences in both English and Spanish, and outreach is anticipated to begin at the start of CY 2025. Previous efforts were delayed due to the position of Marketing and Communications Manager being vacant.</p>
<p>Improve accessibility at stations by implementing a signage improvement plan.</p>	<p>Develop scope and budget for consultant support in developing the station signage plans.</p>	<p>Ongoing</p>	<p>Delayed</p>	<p>This is an on-going effort that has been delayed due to required coordination with host railroads, Amtrak, station owners, and other stakeholders. The LOSSAN Agency is currently working on several types of signage and information display cases for each station along with station plan mock-ups to kick-start consultant (starting with Chatsworth).</p> <p>Amtrak is currently working to improve ADA accessibility at Goleta and Carpinteria stations, along with plans for signage at Irvine and San Juan Capistrano. The City of Fullerton is working to upgrade the station with new signage and accessibility.</p>

INITIATIVE: OPTIMIZE OPERATIONS OF PACIFIC SURFLINER SERVICE

Goal: Providing Better System Performance

Objective	Supporting Activities	Anticipated Completion Date	Status	Notes
Implement Operation Safe Surfs to promote rail safety and suicide prevention, while reducing trespasser-related delays.	Implement geotargeted ads on connected TVs, streaming platforms, and geofenced mobile ads for specific geographical locations.	June 2024	Completed	
	Coordinate installation of suicide prevention and safety signage at sections of track more prone to trespasser strikes.	May 2024	Delayed	Installation of suicide prevention and safety signage was delayed due to required coordination with railroad ROW owners, including developing the language and design for signage. However, installation of the signage commenced at select locations during the second half of CY 2024 and will continue in CY 2025.

Objective	Supporting Activities	Anticipated Completion Date	Status	Notes
Implement Operation Safe Surfs to promote rail safety and suicide prevention, while reducing trespasser-related delays.	Develop an outreach strategy targeting individuals experiencing homelessness near the railroad ROW.	Ongoing	Delayed	Staff met with the OCTA ROW team in August to learn how the issue is addressed along the portion of the rail corridor which OCTA owns. Based on the findings from this meeting, additional research is necessary to understand how other ROW owners address the issue, which will help inform whether it is appropriate and feasible for the LOSSAN Agency to pursue an outreach strategy targeting homeless individuals near the railroad ROW. Due to current staffing limitations, additional progress for this supporting activity is anticipated in CY 2025.
Pursue and implement additional technological solutions and safety initiatives with Amtrak and regional partners to increase reliability and reduce incidents.	Working to implement intelligent solutions that mitigate collisions between a train and vehicles, people, or other objects	Ongoing	Delayed	Staff continues to work with host railroads to identify a technology that can be funded and tested in the field.
	Coordinate with Metrolink on implementation of Wireless Crossing Nearside Station Stop technology for Pacific Surfliner trains.	September 2024	Completed	The WCNSS system was successfully installed onto Pacific Surfliner trains in September 2024.

Objective	Supporting Activities	Anticipated Completion Date	Status	Notes
Complete the final design of the Central Coast Layover Facility.	Actively working with consultant on deliverables outlined in schedule.	January 2025	Delayed	Delays are due primarily to 3 rd party reviews and approvals, specifically the 90% UPRR review required a resubmittal (additional 6-8 weeks) and there have been on-going issues with gaining Right of Entry approvals. Final construction documents now scheduled for June 2025.
	Regular coordination meetings with UPRR and other stakeholders.	Ongoing	On-Target	Regular meetings continue and provide some level of accountability. Challenges still remain in speeding up timelines for both design submittals and right of entry requests.
	Coordinating with Caltrans on purchase of property.	Ongoing	In Development	The focus has changed to a lease, which LOSSAN will pursue directly with UPRR. Significant progress has been made on this front. A lease application has been submitted and UPRR is engaged.
Complete the final design of the Central Coast Layover Facility.	Update property appraisal in support of acquisition.	September 2024	Delayed	This was on target, but UPRR required that significant progress needed to be made on the lease/purchase before a Phase 2 environmental assessment could be performed, which is necessary to update the appraisal. New target date is April 2025.
Complete design for the Goleta Layover Facility expansion and Leesdale Siding and coordinate with stakeholders on project.	Actively working with consultant on deliverables outlined in schedule for Goleta.	March 2025	Delayed	New location for layover expansion is being considered due to the design and operational challenges of the existing site. A new site, Ellwood Crossing, has been identified and is going through initial vetting.

Objective	Supporting Activities	Anticipated Completion Date	Status	Notes
	Actively working with consultant on deliverables outlined in schedule for Leesdale.	May 2025	Delayed	Delays are due primarily to 3 rd party reviews and approvals, specifically the right of entry approvals and delays with the 25% and conceptual structural reviews on UPRR's end. Final construction documents now scheduled for June 2025.
	Regular coordination meetings with UPRR and other stakeholders.	Ongoing	On-Target	Regular meetings continue and provide some level of accountability. Challenges still remain in speeding up timelines for both design submittals and right of entry requests.

INITIATIVE: OPTIMIZE OPERATIONS OF PACIFIC SURFLINER SERVICE

Goal: Expanding Service

Objective	Supporting Activities	Anticipated Completion Date	Status	Notes
Coordinate with Amtrak, Caltrans, and JPA partners to implement strategic service level increases that support long-term service goals and align with the State Rail Plan.	Submit annual business plan .	April 2024	Completed	
	Coordinate with Amtrak on revised federal fiscal year 2025 revenue and expenses forecasts.	September 2024	Completed	The FY25 operating cost rates were approved by SAIPRC on July 22, 2024, and Amtrak provided their final forecast on August 16, 2024, following two prior drafts based on preliminary rates from SAIPRC.
	Assist with development of long-term fleet plan that supports future service goals in coordination with Caltrans and JPA's.	Ongoing	Delayed	There have been delays in coordinating with Caltrans on the development of a statewide fleet plan. Delays were related to resource availability at the state level. The fleet plan development process was formally kicked off in December of 2024.

INITIATIVE: OPTIMIZE OPERATIONS OF PACIFIC SURFLINER SERVICE

Goal: Improving Regional Connectivity

Objective	Supporting Activities	Anticipated Completion Date	Status	Notes
Pursue technological and operational solutions with transportation partners to increase service accessibility and travel options.	Integrate Passenger Information Display Signs (PIDS).	December 2024	Delayed	Integration of Amtrak real time train information into the Metrolink PIDS system took longer than anticipated. Completion of integrated PIDS for Metrolink completed in December 2024, but coordination with NCTD has not yet begun pending confirmation all is working well with the Metrolink integration. Anticipate initiating coordination and integration efforts with NCTD the first quarter of calendar year 2025.
	Work with Host Railroads on coordinating corridor wide absolute work windows to minimize impacts to intercity, regional, commuter and freight rail services.	Ongoing	Completed	Consolidation of coordinated work window discussions among all host railroads was achieved in late summer of 2024.
	Pursue opportunities with rail and transit agencies for integrated ticketing and fare products.	Ongoing	In Development	Staff are currently focused on developing the structure for demand pricing pilot for implementation on the Pacific Surfliner. Once this model has been implemented, focus will shift on opportunities to better integrate ticketing with partner services.

<p>Pursue technological and operational solutions with transportation partners to increase service accessibility and travel options.</p>	<p>Coordinate with Amtrak or stakeholders on cost-effective improvements to baggage and station services that includes technology.</p>	<p>TBD</p>	<p>On-Hold</p>	<p>Focus has been on reviewing a more cost-effective station staffing plan. No technology options have yet been identified and discussed that could supplement station or baggage services.</p>
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INITIATIVE: MAXIMIZE CUSTOMER FOCUS

Goal: Improving User Experience

Objective	Supporting Activities	Anticipated Completion Date	Status	Notes
Implement repair and replacement of aged station general information and wayfinding signage.	Procure new display cases to replace old and missing cases for schedules and information at Thruway bus stops.	December 2023	Completed	
	Procure and install new bus stop identification signs at each stop.	December 2024	Delayed	Installation of new display cases and signage has been completed on Route 39 between Fullerton and Indio (completed on Oct 30, 2024). Installation of new display cases and signage has partially been completed on Route 17 between Santa Barbara and Oakland. Santa Barbara to Cal Poly San Luis Obispo completed. Due to the length of bus routes, there was insufficient time to fully complete the installation of all bus stop identification signage before the end of the year. Remaining segment north of Cal Poly San Luis Obispo anticipated to be completed by June 2025.
	Procure new display cases to replace old and missing cases used for schedules and information at all trains stations.	June 2024	Completed	

Objective	Supporting Activities	Anticipated Completion Date	Status	Notes
	Replace old, missing or faded signs at stations	Ongoing	On-Target	Continuously replace and update signage at each station, incorporating the new Amtrak Pacific Surfliner logo for improved visibility, replacing outdated or missing signs at platforms to clearly indicate boarding locations for Business Class, Coach, and Bicycles, and updating directional signs to guide passengers to the correct tracks for Northbound or Southbound trains.
Review and adjust the Market Café menu to prioritize locally sourced products.	Review product profitability and sales data.	June 2024	Completed	
	Work with Amtrak and distributors to add locally sourced products.	November 2024	Completed	Several local craft beers were introduced to the Market Café during the year on a rotational basis, including Swami's India Pale Ale (IPA) and Topa Topa Brewing Company's Huckster Double IPA.
Develop marketing strategies to increase new and returning riders with a focus on customer retention and increasing repeat trips by incorporating initiatives such as ridership incentive programs.	Work with Amtrak to gain increased visibility and access to the AGR membership and previous rider lists.	TBD	Delayed	Staffing limitations have prevented progress on this objective. Will move forward once a new Marketing and Communications Manager is hired.
	Launched Caltrans pilot to reward repeat ridership.	July 2024	Completed	The LOSSAN Agency, along with CCJPA and SJJPA, successfully participated in the pilot program conducted by Caltrans between April 1, 2024, and June 30, 2024.

Objective	Supporting Activities	Anticipated Completion Date	Status	Notes
Coordinate with Amtrak to restore station customer services in a cost-effective manner.	Develop desired station staffing plan and work with Amtrak to cost out and implement.	March 2025	Delayed	Initial costs on revised station staffing plan were not received from Amtrak until fall 2024. Following LOSSAN Agency staff review, additional clarifications have been requested before determining the cost effectiveness of approving the revised station staffing and baggage plan.
Coordinate with Amtrak to restore station customer services in a cost-effective manner.	Coordinate with NCTD on proposed staffing plan for pilot program at Solana Beach station	June 2024	On-Hold	Solana Beach Station is currently staffed on an intermittent basis for assisting passengers on days when track closures are in effect due to the Del Mar Phase Five project. Upon conclusion of the project, the LOSSAN Agency will conduct a cost-benefit analysis to determine the feasibility of continuing to provide staffing at the station, with NCTD not interested in sharing the cost of having permanent station staffing.

INITIATIVE: MAXIMIZE CUSTOMER FOCUS

Goal: Maintaining Sustainable Fares

Objective	Supporting Activities	Anticipated Completion Date	Status	Notes
Implement Demand Pricing Pilot and evaluate results.	Collaborate with Amtrak developing a Pricing & Revenue Model and Engagement Plan for the Demand Pricing Pilot.	June 2025	Delayed	Temporarily delayed due to staffing changes; now coordinating with Amtrak on back-end system requirements to ensure seamless implementation and successful launch.

INITIATIVE: MAXIMIZE CUSTOMER FOCUS

Goal: Integrating with Destinations

Objective	Supporting Activities	Anticipated Completion Date	Status	Notes
Focus on planning efforts for the LA28 Olympics by coordinating with Amtrak and regional stakeholders.	Engage with LA28 Committee on providing support for 2028 Olympics.	Ongoing	On-Target	Held two coordination calls with the Vice President of Transportation for LA28.
	Schedule coordination meetings with Caltrans and CalSTA on resource needs.	Ongoing	On-Target	Held discussions with Caltrans regarding the need to explore equipment needs and the State's ability to lease from across the United States and possibly Canada.
	Engage in regional coordination efforts.	Ongoing	On-Target	Participated in the two Regional Transportation Assembly meetings organized and hosted by LA Metro on June 7, 2024, and November 19, 2024. Participated in first Rail subcommittee stakeholder workstream meeting organized by Metrolink on December 18, 2024.

<p>Forge partnerships with venues, convention and visitor bureaus, cities, counties, and other corridor stakeholders to enhance connectivity, boost ridership, and improve mobility.</p>	<p>Partnered with Wonderfront Festival, Strawberry Festival, and X Games. Continuing to seek additional partnerships.</p>	<p>Ongoing</p>	<p>On-Target</p>	<p>This ongoing project focuses on continuously building relationships with venues, CVBs, and other relevant partners. In August 2024, the LOSSAN Agency transitioned to a new consultant to provide field marketing and community outreach services. The consultant's scope includes fostering and expanding relationships with partners in the travel industry, as well as with relevant organizations and venues along the rail corridor.</p>
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INITIATIVE: MAXIMIZE CUSTOMER FOCUS

Goal: Integrating with Transportation Partners

Objective	Supporting Activities	Anticipated Completion Date	Status	Notes
Assess potential regional fare products with partners that provide rail flexibility and equitable farebox recovery.	Collaborate with member agencies to identify opportunities for regional fare products.	June 2025	On-Hold	Need to wait until the demand pricing pilot is evaluated before identifying opportunities for regional fare products.
Evaluate expanded Codeshare Program and assess viability of further expansion.	Continue to monitor ridership and usage of the program. Coordinate with Metrolink on integrating Codeshare in the demand pricing pilot program.	June 2025	On-Hold	Will evaluate expanded Codeshare results and coordinate with Amtrak on options to incorporate Rail 2 Rail Program with demand pricing pilot implementation.



February 6, 2025

To: Members of the Executive Committee
From: Jason Jewell, Managing Director 
Subject: Fiscal Year 2023-24 Annual Financial Statement Audit

Overview

The Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency is required to complete an annual financial audit pursuant to Government Code Section 6505.6, and as specified in the joint powers agreement, bylaws, and the administrative support agreement. Crowe LLP, an independent accounting firm, has completed the annual audit of the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency financial statements for fiscal year 2023-24, and has issued its independent auditors' opinion.

Recommendation

Receive and file the fiscal year 2023-24 Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency audited annual financial statements and accompanying independent auditor's report.

Background

The Los Angeles – San Diego – San Luis Obispo (LOSSAN) Rail Corridor Agency (Agency) contracted with an independent public accounting firm to perform an annual audit of the accounts of the LOSSAN Agency pursuant to Government Code Section 6505.6, and as specified in the LOSSAN joint powers agreement, bylaws, and the administrative support agreement.

Following a joint competitive procurement with its managing agency, the Orange County Transportation Authority, the LOSSAN Agency entered into an agreement with Crowe LLP on May 20, 2024, to conduct annual financial audits for fiscal years (FY) 2023-24, 2024-25, and 2025-26. The agreement also includes an option to extend the contract for an additional two fiscal years, covering FY 2026-27 and FY 2027-28. The audit for FY 2023-24 marked the first year of the initial three-year term.

LOSSAN Agency staff prepares the annual financial statements.

Discussion

On January 15, 2025, Crowe LLP completed its annual audit and issued an unmodified (also known as “clean”) opinion of the LOSSAN Agency financial statements for the FY that ended June 30, 2024 (Attachment A). The audit was conducted in accordance with generally accepted auditing standards, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

This unmodified opinion indicates that the LOSSAN Agency financial statements, “present fairly, in all material respects, the financial position of the LOSSAN Agency, as of June 30, 2024, and the changes in its financial position and its cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.”

As part of the annual audit, Crowe LLP reported internal controls over financial reporting and compliance and other matters based on an audit of financial statements performed in accordance with Government Auditing Standards. Crowe LLP found no deficiencies in internal controls for the LOSSAN Agency.

Crowe LLP is also required to communicate other significant audit matters to the Board that are related to the financial statements. Crowe LLP has communicated no other significant audit matters (Attachment B) and reported no audit adjustments or misstatements for the fiscal year ended June 30, 2024.

Summary

Staff prepared the LOSSAN Rail Corridor Agency’s annual financial statements for the fiscal year that ended June 30, 2024. Crowe LLP, an independent accounting firm, has audited the financial statements and has issued an unmodified opinion as to the fairness of the financial statements’ presentation.

Attachments

- A. LOSSAN Rail Corridor Agency, Basic Financial Statements, Year Ended June 30, 2024
- B. Letter from Crowe LLP, to the Board of Directors, Los Angeles – San Diego – San Luis Obispo, Dated January 15, 2025

Prepared by:



Kristopher Ryan
Chief Finance Officer
(714) 560-5409

LOSSAN RAIL CORRIDOR AGENCY

BASIC FINANCIAL STATEMENTS



**Year Ended
June 30, 2024**

(With Independent
Auditor's Report Thereon)



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**LOS ANGELES - SAN DIEGO - SAN LUIS OBISPO
RAIL CORRIDOR AGENCY**

Basic Financial Statements

For the Fiscal Year Ended June 30, 2024

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency
Orange, California

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Los Angeles - San Diego - San Luis Obispo (LOSSAN) Rail Corridor Agency (Agency), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the LOSSAN Agency's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the LOSSAN Agency, as of June 30, 2024, and the changes in its financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Agency, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 15, 2025 on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.



Crowe LLP

Costa Mesa, California
January 15, 2025

Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency
Management's Discussion and Analysis
(unaudited)
For the Fiscal Year Ended June 30, 2024

Introduction

The following discussion and analysis of the financial performance and activity of the Los Angeles - San Diego - San Luis Obispo (LOSSAN) Rail Corridor Agency (Agency) provides an introduction and understanding of the basic financial statements of the LOSSAN Agency for the year ended June 30, 2024. This discussion was prepared by management. We encourage readers to consider the information on financial performance presented in conjunction with the financial statements that begin on page 10.

The Basic Financial Statements

The basic financial statements provide information about the LOSSAN Agency's enterprise fund. The financial statements are prepared in accordance with accounting principles generally accepted in the United States of America, as promulgated by the Governmental Accounting Standards Board (GASB).

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the LOSSAN Agency's financial statements. The financial statements are comprised of two components: 1) the financial statements and 2) the notes to the financial statements.

The statement of net position presents information on all assets and liabilities, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the LOSSAN Agency is improving or deteriorating.

The statement of revenues, expenses and changes in net position presents information showing how the LOSSAN Agency's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

The statement of cash flows presents information using the direct method and include a reconciliation of cash to the statement of net position. The financial statements can be found on pages 9-11 of this report.

Notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements can be found on pages 12-22 of this report.

Statements of Net Position

As noted previously, net position may serve over time as a useful indicator of the LOSSAN Agency's financial position. At June 30, 2024, the LOSSAN Agency's net position was \$3,165,639, an increase of \$2,008,424 from June 30, 2023.

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The analysis below focuses on net position (Table 1) and changes in net position (Table 2, page 6) of the LOSSAN Agency’s financial activities.

Table 1
LOSSAN Rail Corridor Agency
Net Position

	2024	2023	Difference Increase (Decrease)	% Increase (Decrease)
Assets:				
Current assets	\$ 75,732,328	\$ 62,356,183	\$ 13,376,145	21.5%
Noncurrent capital assets, net	14,408	48,988	(34,580)	(70.6%)
Total assets	75,746,736	62,405,171	13,341,565	21.4%
Liabilities:				
Current liabilities	72,581,097	61,247,956	11,333,141	18.5%
Total liabilities	72,581,097	61,247,956	11,333,141	18.5%
Net position				
Net investment in capital assets	14,408	48,988	(34,580)	(70.6%)
Unrestricted net position	3,151,231	1,108,227	2,043,004	184.3%
Total net position	\$ 3,165,639	\$ 1,157,215	\$ 2,008,424	173.6%

In fiscal year 2024, total assets increased by \$13,341,565 primarily due to an increase in due from other governments. Cash and cash equivalents decreased by \$7,034,170, primarily due to decreased state funding needed for train operations. However, receivables increased by \$19,467,135 in due from other governments, primarily from rail improvement projects with Union Pacific Railroad (UPRR).

In fiscal year 2024, noncurrent capital assets decreased by \$34,580 due to the depreciation of rail planning software. Information on capital assets can be found in Note 4 – Capital Assets in the accompanying notes to the basic financial statements.

Total liabilities increased by \$11,333,140 primarily due to an increase in accounts payable, due to other governments, and unearned revenue. Unearned revenue increased by \$2,836,497, which is primarily due to an increase of \$5,992,619 in unearned revenue for train operating funds and an increase of \$187,675 in unearned marketing and administrative funds. The increase in unearned revenue is partially offset by a decrease of \$3,343,797 for grant programs related to SRA state funding. Accounts payable increased by \$5,007,311 primarily due to an increase in amount due to Union Pacific for railroad improvement projects on the northern end of the corridor.

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Additionally, due to other governments increased by \$3,489,333 primarily due to an increase in year-end accruals related to the administrative fees and North County Transit District capital maintenance and incentive agreement.

Net investment in capital assets decreased by \$34,580 due to depreciation. Unrestricted net position represents the portion of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements. Unrestricted net position changed from \$1,108,226 at June 30, 2023, to \$3,151,231 at June 30, 2024.

The analysis on changes in net position of the LOSSAN Agency's financial activities can be found in Table 2 on the next page.

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**Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency
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Table 2
LOSSAN Rail Corridor Agency
Changes in Net Position

	2024	2023	Difference Increase (Decrease)	% Increase (Decrease)
Operating revenues:				
Assessments	\$ 50,351	\$ 103,950	\$ (53,599)	(51.6%)
Total operating revenues	50,351	103,950	(53,599)	(51.6%)
Operating expenses:				
Contracted services for train operations	\$ 47,533,634	\$ 55,141,591	\$ (7,607,957)	(13.8%)
Administrative fees and other expenses	5,461,707	4,928,428	533,279	10.8%
Marketing services	1,445,439	1,231,869	213,570	17.3%
Depreciation	34,580	34,580	-	0.0%
Total operating expenses	54,475,360	61,336,468	(6,861,108)	(11.2%)
Operating income (loss)	(54,425,009)	(61,232,518)	6,807,509	(11.1%)
Nonoperating revenues (expenses):				
State funding for train operations	47,476,478	55,048,859	(7,572,381)	(13.8%)
State funding for administration and marketing	6,907,890	6,160,297	747,593	12.1%
State funding for railcar equipment improvements	-	510,669	(510,669)	(100.0%)
Railcar equipment improvement expenses	-	(521,887)	521,887	(100.0%)
Grants for transit programs and railroad projects	28,860,236	16,728,783	12,131,453	72.5%
Grant expenses for transit programs and railroad projects	(28,440,111)	(16,863,184)	(11,576,927)	68.7%
Other miscellaneous revenue	2,000	-	2,000	100.0%
Investment income	1,626,940	816,925	810,015	99.2%
Total nonoperating revenues (expenses)	56,433,433	61,880,462	(5,447,029)	(8.8%)
Changes in net position	2,008,424	647,944	1,360,480	210.0%
Total net position – beginning	1,157,215	509,271	647,944	127.2%
Total net position – ending	\$ 3,165,639	\$ 1,157,215	\$ 2,008,424	173.6%

The LOSSAN Agency’s operating expenses consist of net Amtrak charges (operating revenue less operating expenses) related to train operations and bus feeder services, marketing and administrative expenses and other expenses. These expenses are partially funded by operating revenue, which includes assessments charged to Amtrak in the performance of train operations. The majority of operating expenses are funded by the California Department of Transportation (Caltrans) Department of Rail and Mass Transportation (DRMT), and this funding is categorized as nonoperating revenue under State Funding for train operations. The net nonoperating revenues of the LOSSAN Agency decreased by

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\$5,447,029 primarily due to an overall decrease in funding requirement from the State to operate the Pacific Surfliner passenger rail service as well as the decrease in grants for transit programs and railroad projects. Total operating expenses decreased by \$6,861,108 due to contracted services for train operations and bus feeder services. The decrease in operating expenses is partially offset by an increase of \$746,849 for administrative fees and marketing services.

Budgetary Highlights

Revenues

The primary sources of revenue for the LOSSAN Agency are from Caltrans DRMT. In fiscal year 2023-24, the original budget was \$122,398,294. This includes \$53,641,496 in revenue to fund the operations of train and bus feeder services. It also includes \$9,383,378 in administrative and marketing funding (also includes interest revenue), \$58,540,420 in grant funds, and \$833,000 for minor projects.

Actual revenues were \$37,474,398 below the final budget, primarily due to lower-than-anticipated activity related to grant programs, accounting for \$31.1 million of the variance. State operating revenues for train and bus feeder services were \$5.8 million lower than budgeted, while administrative and marketing funding fell short by \$2.4 million. These decreases were partially offset by a \$1.9 million increase in interest earnings on investments.

Expenses

The original expense budget for fiscal year 2023-24 was \$122,398,294 and consisted of \$53,641,496 for payments to Amtrak for train operations and bus feeder services, \$9,383,378 in administrative and marketing expenses, \$58,540,420 in grant expenses, and \$833,000 for minor projects.

Actual expenses were \$39,482,823 below the final budget, primarily due to lower-than-anticipated grant-related project expenses of \$30.7 million for UPRR-managed rail improvement projects on the northern end of the corridor. Net train operating expenses were \$6.1 million lower than budgeted, driven by adjustments to the PRIIA 209 rates and cost methodology implemented by the State-Amtrak Intercity Passenger Rail Committee (SAIPRC). Administrative expenses also came in under budget, with \$700,000 in salary savings, \$1 million from lower-than-expected managing agency fees, and \$500,000 in savings from project management services.

Economic and Other Factors

Funding for the LOSSAN Agency for administration, marketing, train and bus feeder operations is provided by Caltrans DRMT. This funding is subject to annual budget appropriation by the State Legislature, and to the extent required, programmed by the California Transportation Commission to carry out the purposes of the interagency transfer agreement (ITA) between the LOSSAN Agency and Caltrans.

The LOSSAN Agency has historically negotiated and entered into annual agreements with Amtrak to provide Pacific Surfliner intercity passenger rail service and connecting bus feeder services for the

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LOSSAN Rail Corridor. On June 30, 2018, the LOSSAN Agency and Caltrans entered into the first amended ITA, with a term commencing on July 1, 2018 and ceasing on the third anniversary date, June 30, 2021, with two four-year options for renewal.

The first four-year option term was executed prior to June 30, 2021 which extends the agreement through June 30, 2025. At the end of this term, one four-year option term will remain.

Per the ITA and the LOSSAN Joint Powers Agreement, the LOSSAN Agency must develop an annual business plan to be approved by the LOSSAN Agency Board and submitted to the Secretary of the California State Transportation Agency (CalSTA) by April 1 of each year. The business plan is a two-year planning, operations, and budget document that outlines operating and service goals for the Pacific Surfliner service. The development of the annual budget request and submittal of the business plan for fiscal years 2023-24 and 2024-25 was approved by the LOSSAN Board of Directors on March 18, 2024. The FY 2023-24 and 2024-25 business plan continues building upon the recovery strategy to restore full train service following the service reductions necessary as a result of the Covid-19 pandemic.

Throughout Fiscal Year 2024, LOSSAN faced several challenges in rail service. Intermittent track closures arising from coastal resiliency issues posed significant obstacles to our operations. These closures affected train services along specific sections of the corridor, hindering our ability to maintain seamless operations. The LOSSAN Agency proactively collaborated with stakeholders to address these resiliency challenges collectively across the corridor. The financial statements clearly illustrate the notable impacts of these service disruptions on the agency's financial landscape. Despite facing revenue and expenditure challenges, LOSSAN remains steadfast in its commitment to partnering with stakeholders along the corridor to continue addressing and overcoming coastal resiliency challenges in the coming years.

The LOSSAN Agency’s FY 2024-25 adopted operating budget approved by the Board on March 18, 2024 includes \$53,260,160 for net Amtrak operating costs. This amount reflects an estimated \$136,832,434 in total Amtrak operating expenses, less \$83,572,274 in estimated total revenue. The total net State operating funding request includes \$57,000 for transit connectivity and integration, which includes estimates for the continuation of the Transit Transfer Program. Additional expenses and revenues of \$500,000 for minor capital projects are included, consistent with prior year requests.

The FY 2024-25 adopted budget includes \$7,370,100 for administrative services and \$2,00,000 for marketing services. Additionally, the adopted budget includes \$74,995,000 for various grant programs.

Contacting the LOSSAN Agency’s Management

This financial report is designed to provide the LOSSAN Agency’s Board of Directors, management, creditors, legislative and oversight agencies, citizens and customers with an overview of the Agency’s finances and to demonstrate its accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the LOSSAN Agency, at the Orange County Transportation Authority, 550 South Main Street, P.O. Box 14184, Orange, California 92863-1584.

**LOS ANGELES - SAN DIEGO - SAN LUIS OBISPO
RAIL CORRIDOR AGENCY**

**Statement of Net Position
June 30, 2024**

Assets:

Current Assets

Cash and cash equivalents	\$ 43,091,627
Prepaid expense	1,023,929
Receivables:	
Due from other governments	31,566,421
Other receivables - National Railroad Passenger Corporation	50,351
Total current assets	75,732,328

Noncurrent Assets:

Depreciable capital assets, net	14,408
Total noncurrent assets	14,408

Total Assets

75,746,736

Liabilities:

Current Liabilities

Accounts payable	29,722,215
Due to other governments	5,951,596
Unearned revenue	36,907,286
Total liabilities	72,581,097

Net position:

Net investment in capital assets	14,408
Unrestricted net position	3,151,231
Total net position	\$ 3,165,639

See accompanying notes to the financial statements.

**LOS ANGELES - SAN DIEGO - SAN LUIS OBISPO
RAIL CORRIDOR AGENCY**

Statement of Revenues, Expenses and Changes in Net Position

Year Ended June 30, 2024

Operating Revenues:	
Assessment revenue	\$ 50,351
Total Operating Revenue	50,351
Operating Expenses:	
Contracted services for train operations and bus feeder services	47,533,634
Administrative fees and other expenses	5,461,707
Marketing services	1,445,439
Depreciation	34,580
Total Operating Expenses	54,475,360
Operating Loss	(54,425,009)
Nonoperating revenues (expenses)	
State funding for train operations	47,476,478
State funding for administration and marketing	6,907,890
State funding for railcar equipment improvements	-
Railcar equipment improvement expenses	-
Grants for transit programs and railroad projects	28,860,236
Grant expenses for transit programs and railroad projects	(28,440,111)
Miscellaneous revenue	2,000
Interest income	1,626,940
Total nonoperating revenues (expenses)	56,433,433
Change in net position	2,008,424
Net position, beginning of year	1,157,215
Net position, end of year	\$ 3,165,639

See accompanying notes to the financial statements.

**LOS ANGELES - SAN DIEGO - SAN LUIS OBISPO
RAIL CORRIDOR AGENCY**

Statement of Cash Flows

Year Ended June 30, 2024

Cash flows from operating activities	
Payments for train operations and bus feeder services	\$ (58,266,390)
Payments for marketing and administrative services	(4,038,340)
Net cash used in operating activities	<u>(62,304,730)</u>
Cash flows from noncapital related financing activities	
Receipts from State for train operations and bus feeder services	53,429,097
Receipts from State for marketing and administrative services	7,103,377
Payments for railroad improvements	(192,068)
Receipts from State for railcar equipment improvements	579,382
Receipts for grant programs	5,510,851
Payments for grant expenses	(12,787,019)
Net cash provided by noncapital financing activities	<u>53,643,620</u>
Cash flows from investing activities	
Interest received on investments	1,626,940
Net cash provided by investing activities	<u>1,626,940</u>
Net decrease in cash and cash equivalents	(7,034,170)
Cash and cash equivalents at beginning of year	50,125,797
Cash and cash equivalents at end of year	<u>\$ 43,091,627</u>
Reconciliation of operating loss to net cash used in operating activities	
Operating loss	(54,425,009)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Changes in assets and liabilities:	
Depreciation	34,580
(Increase) decrease in other receivables	53,599
(Increase) decrease in prepaid assets	(996,779)
Increase (decrease) in accounts payables	(10,055,096)
Increase (decrease) in due to other governments	3,056,121
Increase (decrease) in retention payable	27,854
Net cash used in operating activities	<u>\$ (62,304,730)</u>

See accompanying notes to the financial statements.

Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

1. Reporting Entity

The Los Angeles – San Diego – San Luis Obispo (LOSSAN) Rail Corridor Agency (Agency) is a joint powers authority originally formed in 1989 that works to increase ridership, revenue, capacity, reliability, coordination and safety on the 351-mile coastal rail line between San Diego, Los Angeles and San Luis Obispo, California. The Agency consists of eleven member agencies which include the Los Angeles County Metropolitan Transportation Authority, North County Transit District, San Luis Obispo Council of Governments, Santa Barbara County Association of Governments, Ventura County Transportation Commission, Orange County Transportation Authority, Riverside County Transportation Commission, San Diego Metropolitan Transit System and San Diego Association of Governments. The governing board of the Agency is comprised of eleven voting members representing the member agencies, as well as four non-voting, ex-officio members representing Amtrak, California Department of Transportation (Caltrans) Division of Rail and Mass Transit (DRMT), California High Speed Rail and Southern California Association of Governments.

On September 29, 2012, Governor Jerry Brown signed SB1225 which authorized the LOSSAN Agency to oversee the state-supported intercity passenger rail service, commonly referred to as the Pacific Surfliner, subject to approval of an interagency transfer agreement (ITA) with the State of California. The ITA commenced on July 1, 2015, along with the transition of administrative responsibility for the Pacific Surfliner service to the LOSSAN Agency. The overall goal of the governance change is to transform the existing Pacific Surfliner intercity rail service into a service under local control that is more responsive to local needs, issues and consumer desires.

The LOSSAN Agency receives funding from Caltrans DRMT for the administration and management of the Pacific Surfliner train service. The train equipment used in the LOSSAN Rail Corridor service is owned by both the State of California and the National Railroad Passenger Corporation (Amtrak), while the train service is operated by Amtrak under contract to the LOSSAN Agency. The railroad track is owned by Burlington Northern and Santa Fe Railway (BNSF), Union Pacific Railroad Company (UPRR), Ventura County Transportation Commission (VCTC), Los Angeles County Metropolitan Transportation Authority (LA Metro), Orange County Transportation Authority (OCTA), North County Transit District (NCTD), and San Diego Metropolitan Transit System (SDMTS). The Southern California Regional Rail Authority (SCRRA), also known as Metrolink, maintains and operates portions of the railroad track owned by VCTC, LA Metro, and OCTA, while NCTD maintains and operates the portion of the track owned by SDMTS. The LOSSAN Agency is staffed by the Orange County Transportation Authority (OCTA) under a management services agreement.

2. Summary of Significant Accounting Policies

The accounting policies of the LOSSAN Agency are in conformity with generally accepted accounting principles applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing accounting and financial reporting principles.

(a) Basis of Accounting and Presentation

The basic financial statements are reported using the economic resources measurement focus and the full accrual basis of accounting. Revenues, consisting primarily of funding from Caltrans DRMT, are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related

Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

cash flows. Revenues received from Caltrans DRMT are received in advance and used by the LOSSAN Agency to fund train operations provided by Amtrak.

The financial statements are reported using an Enterprise fund and full accrual method of accounting. The LOSSAN Agency has the authority to set and modify fares as the governing body managing the Pacific Surfliner intercity passenger rail service. As the managing agency of the service, the LOSSAN Agency also has control over train schedules and corridor-wide improvements that will maximize revenue and ridership. Due to this unique responsibility provided to the LOSSAN Agency through SB1225, the LOSSAN Agency reports the financial statements as an Enterprise Fund.

(b) Proprietary Accounting and Financial Reporting

Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenue and expenses generally result from providing services in connection with an enterprise fund's principal ongoing operations. Operating revenue includes assessment fees charged to Amtrak in the performance of the train operations. The primary funding source of the LOSSAN Agency is funding received by the Caltrans DRMT for both train operations and marketing and administration. This revenue is considered nonoperating revenue. Operating expenses for the LOSSAN Agency include the cost of train operations and bus feeder services, charges for marketing and administration, depreciation of capital assets, and other operating expenses. All expenses not meeting this definition are reported as nonoperating expenses.

(c) Cash and Investments

The LOSSAN Agency currently does not have a written investment policy. The treasurer of the managing agency, the Orange County Transportation Authority (OCTA), serves as the Agency's treasurer. The treasurer serves as the depository of funds and has custody of funds for the Agency.

The LOSSAN Agency's cash and investments consist of a checking account and a money marketing deposit account. The LOSSAN Agency did not have any other investments as of June 30, 2024. See Note 3.

(d) Cash and Cash Equivalents

The LOSSAN Agency considers all short-term investments with an initial maturity of three months or less to be cash equivalents.

(e) Restricted Cash and Cash Equivalents

The ITA allows for the use of an Operating Reserve Fund. Funds provided by the state for train operations which exceed the actual billings, are considered surplus funds and can be used to fund future variability in operating costs that may vary from the budgeted amount. The maximum level of funds allowed to be retained is 12.5% of the state subsidy level in the most recently completed Amtrak contract year. The California State Transportation Agency has directed the LOSSAN Agency to use surplus funds to fund Amtrak current operating payments prior to using annually appropriated operating funding. Therefore, as of June 30, 2024, the Operating Reserve Fund balance is \$0.

Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

(f) Capital Assets

Capital assets are stated at cost and depreciated using the straight-line method over the estimated useful lives of the assets, which range from 3 to 30 years. The LOSSAN Agency follows the Orange County Transportation Authority's capitalization policy which is to capitalize assets with a unit cost in excess of \$5,000 and an estimated useful life greater than one year. The costs associated with the renovation or improvement of an existing capital asset shall also be capitalized if the cost exceeds \$5,000 per unit and it either substantially enhances the asset's performance or productivity or extends the useful life of the asset.

(g) Unearned Revenue

The LOSSAN Agency receives advance funding from the State to pay for Amtrak provided train operations and bus feeder services, as well as administrative and marketing services. The LOSSAN Agency recognizes revenues in the period in which the related expenses are incurred. Any funds received in advance or amounts due from the State that are not used to offset current expenses are classified as unearned revenue. Unearned revenue also includes various grant funding received that has not been used to offset current expenses.

(h) Net Position

Net position represents the residual interest in the LOSSAN Agency's assets after liabilities are deducted. The statement of net position reports total net position in three components: net investment in capital assets, restricted and unrestricted. Net investment in capital assets includes capital assets net of accumulated depreciation. Net position is restricted when constraints are imposed by third parties or by law through constitutional provisions or enabling legislation and include amounts restricted for debt service and other liabilities. As of June 30, 2024, the LOSSAN Agency has \$0 in restricted net position. The amount reported in unrestricted net position is accessible for general use and is not invested in capital assets or restricted by third parties, constitutional provisions or enabling legislation.

When both restricted and unrestricted resources are available for use, it is the LOSSAN Agency's policy to use restricted resources first and then unrestricted resources as needed and in accordance with the ITA.

(i) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect certain reported amounts and disclosures during the reporting period. As such, actual results could differ from those estimates.

3. Cash and Cash Equivalents

(a) Cash and Investments

The LOSSAN Agency has a checking account with Bank of Montreal (BMO). As of June 30, 2024, the interest rate was 0%.

The LOSSAN Agency has a money market deposit account with Bank of Montreal (BMO). As of June 30, 2024, the interest rate was 3.71%.

Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

(b) Custodial Credit Risk

Custodial credit risk is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. California Government Code Section 53652 requires California banks and savings and loan associations to secure governmental deposits by pledging government securities as collateral. The market value of pledged securities must equal at least 110% of the agency's deposits.

The funds held in the LOSSAN Agency's checking and money market accounts are considered deposits and the amounts are covered by federal depository insurance or were collateralized by the pledging financial institution as required by Section 53652 of the California Government Code. Such collateral is held by the pledging financial institution's trust department or agent in the Agency's name.

4. Capital Asset

The changes in capital assets for the year ended June 30, 2024 are summarized as follows:

	Lives (Years)	Beginning Balance	Increases	Decreases	Ending Balance
Depreciable capital assets:					
Software	5	\$ 172,900	\$ -	\$ -	\$ 172,900
Total depreciable capital assets		172,900	-	-	172,900
Less accumulated depreciation		(123,912)	(34,580)	-	(158,492)
Total depreciable capital assets, net		48,988	(34,580)	-	14,408
Total capital assets, net		\$ 48,988	\$ (34,580)	\$ -	\$ 14,408

5. Prepaid Expense

As of June 30, 2024, prepaid expenses total \$1,023,929. This balance includes an annual membership, sponsorship payment and annual license for a digital asset management platform which all extend through fiscal year 2025. The balance also includes advance payments for Amtrak net train operations.

6. Due From Other Governments

Due from other governments primarily consists of amounts owed to the LOSSAN Agency by Caltrans DRMT for grant revenue related to railroad improvements along the northern end of the corridor. The grant reimbursements category also includes funds for on-time performance and track maintenance, professional services for layover facility enhancements, and support for the transit transfer program. The railroad improvements category includes reimbursements for minor capital projects along the corridor, such as lighting and facility upgrades. The other government agencies category includes payments from the Ventura Visitors & Bureau for advertising costs associated with the X Games. The amounts due from other governments are detailed in the following table.

Due from Caltrans DRMT for railroad improvements	\$ 298,406
Due from Caltrans DRMT grant reimbursements	31,266,015
Due from other government agencies	2,000
Total	\$ 31,566,421

Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

7. Due To Other Governments

Due to other governments consists of amounts due to the North County Transit District (NCTD) for train on time performance and track maintenance, amounts due to OCTA for administrative services, amounts due to the City of Camarillo for costs associated with a pedestrian undercrossing project, and to various other government agencies for transit services provided under the transit transfer program. The table below provides detail of due to other governments as of June 30, 2024.

Due to NCTD for performance and maintenance	\$	1,021,444
Due to OCTA for administrative services		4,670,285
Due to SJJPA for legislative services		13,405
Due to transit agencies for transit transfer program		14,834
Due to City of Camarillo for pedestrian crossing		231,628
Total	\$	5,951,596

8. Unearned Revenue

Unearned revenue consists of amounts received from the State for fiscal year 2024 operating, administrative and marketing funding, in advance of incurring the expenses. It also includes unearned revenues from prior-year State operating and marketing funding received. It includes SRA grant revenues. The table below shows detail of unearned revenue as of June 30, 2024.

Unearned advance train operating funds	\$	9,541,556
Unearned grant revenue		22,656,836
Unearned administrative funds		2,039,177
Unearned advanced marketing funds		2,669,717
Total	\$	36,907,286

9. Contracted Services for Train Operations

The LOSSAN Agency negotiates and enters into annual agreements with Amtrak to provide Pacific Surfliner intercity passenger rail service and connecting bus feeder services for the LOSSAN Rail Corridor. These agreements align with the federal fiscal year, spanning October 1 through September 30. The latest agreement covers the period from October 1, 2023, to September 30, 2024. Following the end of the term, the agreement allows for the continuation of service for up to six months or until a new annual agreement is executed.

Payment to Amtrak by the LOSSAN Agency is based on a projected amount mutually agreed to by both parties as part of the agreement. This projected amount is net of related fare revenues. The actual amounts are reconciled and provided to the LOSSAN Agency on a monthly basis. Any surplus or deficits are applied to a future invoice. The actual net expense for train operations as of June 30, 2024, is \$47,477,028, net of adjustments due to year-end reconciliation with Amtrak from results of operations.

Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

10. Charges for Marketing and Administration

Effective November 21, 2013, the Agency entered into an agreement with OCTA to provide administrative support services through the initial term of the ITA (June 30, 2018). In accordance with the agreement, OCTA is reimbursed by the Agency for administrative staff time including an agreed upon overhead rate. A new administrative services agreement with OCTA was entered into on June 25, 2018, effective July 1, 2018 for a three-year term through June 30, 2021. The agreement has been extended by mutual agreement through June 30, 2024. The agreement may be extended for one more three-year option term through June 30, 2027. Charges from OCTA for administrative services as well as other administrative and marketing related expenses the LOSSAN Agency incurred as of June 30, 2024 are detailed below.

Administrative Services	\$ 4,860,092
Marketing Expenses	1,445,439
Professional Services	371,287
Other Business Expenses	73,291
Legal Services	36,752
Insurance	67,602
Audit Services	23,800
Travel	28,883
Total	\$ 6,907,146

11. State Funding for Train Operations and Administrative and Marketing

Effective July 1, 2015, the LOSSAN Agency and the State of California Department of Transportation (Caltrans) entered into an interagency transfer agreement (ITA), which transferred the administrative responsibility for the operation of rail services along the LOSSAN corridor. The ITA carried an initial three-year term through June 30, 2018. As part of the ITA, the LOSSAN Agency entered into a Master Fund Transfer Agreement (MFTA) with the State. The MFTA provides for State funding, appropriated by the State Budget Act and allocated to the LOSSAN Agency in accordance with the provisions of the MFTA and ITA, for the LOSSAN corridor rail service. In accordance with the MFTA and ITA provisions, funding is contributed towards actual marketing and administrative costs, as well as train operations.

On June 30, 2018, the LOSSAN Agency and Caltrans entered into the first amended ITA, with a term commencing on July 1, 2018 and ceasing on the third anniversary date, June 30, 2021, with two four-year options for renewal.

The first four-year option term was executed prior to June 30, 2021 which extends the agreement through June 30, 2025. At the end of this term, one four-year option term will remain.

Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

12. Grants for Transit Programs

(a) Transit and Intercity Rail Capital Program (TIRCP)

2016 TIRCP

In fiscal year 2016, the LOSSAN Agency was awarded \$82 million in 2016 TIRCP grant funds to advance several improvement projects on the LOSSAN rail corridor. These projects include replacing five railway bridges, constructing additional double track, enhancing station and safety features, upgrading signals and switches, conducting planning studies to improve train coordination, and funding on-time performance incentives and host railroad access on the northern end of the corridor. The original grant award included funding for rail equipment leasing, which has since been reallocated to these projects.

For some projects, other transportation agencies served as the lead and received grant funding directly, while the LOSSAN Agency managed planning studies, as well as on-time performance incentives and host railroad access projects. During fiscal year 2024, total expenses for these activities amounted to \$5,828,724, fully attributable to on-time performance incentives and host railroad access with Union Pacific. The remaining balance of \$2,311,276 will be utilized for an ongoing agreement with Union Pacific to continue supporting on-time performance and host railroad access.

2018 TIRCP

In fiscal year 2018, the LOSSAN Agency was awarded \$188 million in 2018 TIRCP grant funds to advance capital improvements and planning studies on both the northern and southern ends of the LOSSAN rail corridor. The funding was provided through SB 1 and the proceeds from the Cap-and-Trade program. On the northern end of the corridor, the program of projects includes the construction of additional double track and siding extensions, station and layover facility enhancements, incentives for improved on-time performance, and upgrades to signal systems and switches. On the southern end, the program includes signal improvements, host railroad on-time performance incentives, and the installation of new fencing in San Diego County.

The LOSSAN Agency received an additional \$17 million in supplemental 2018 TIRCP funding through cycle 6 to leverage federal and local resources. Among the projects supported by this funding, the Narlon Bridge replacement began in fiscal year 2020 and was fully completed in fiscal year 2024. Final invoices for the project were processed and paid during fiscal year 2024, marking the closeout of the project. Additional funding for the Narlon Bridge replacement was provided through Proposition 1B, as described in the Proposition 1B section.

In fiscal year 2020, the LOSSAN Agency entered into an agreement with host railroad track owner Union Pacific to utilize 2018 TIRCP funding for additional projects on the northern end of the corridor to support future service expansion. These projects have progressed significantly, with most now completed. In fiscal year 2024, expenses included upgrades to centralized traffic control systems, non-powered switches, and bridge replacements. Of these, \$602,177 in expenses for the Canada Honda Bridge were funded under 2018 TIRCP, with additional expenses for this project detailed in the Proposition 1B section.

In fiscal year 2024, the LOSSAN Agency entered into a separate \$10.4 million agreement with Union Pacific to utilize 2018 TIRCP funding for stabilization efforts on two bluffs in the Hollister Ranch area of Santa Barbara County. The project includes installing drilled piers, lagging walls, and tiebacks to secure the tracks

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Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

in this geologically vulnerable area. Construction began in April 2024, with \$2,054,589 in expenses incurred during fiscal year 2024.

In fiscal year 2022, the LOSSAN Agency entered into an agreement with NCTD to utilize 2018 TIRCP funding for on-time performance incentives and track maintenance. For fiscal year 2024, expenses under this agreement totaled \$3,942,246.

2020 TIRCP

In fiscal year 2020, the LOSSAN Agency was awarded \$38 million in 2020 TIRCP grant funds for the environmental review, design, and construction of a dedicated layover facility in San Diego, as well as the environmental review, design, and construction of an expanded maintenance and layover facility in San Luis Obispo (Central Coast Layover Facility). In early 2023, LOSSAN requested and received an additional \$14 million in supplemental 2020 TIRCP funding for the Central Coast Layover Facility.

During fiscal year 2023, work began on completing the design phase for the Central Coast Layover Facility, funded by State Rail Assistance and TIRCP. Significant progress has been made, with the design phase scheduled for completion by June 2025. During fiscal year 2024, \$1,499,051 in expenses were incurred for this project, with \$1,280,039 recorded as receivables.

Additionally, during fiscal year 2021, a site feasibility study for the San Diego layover facility was completed, initiating the project report and environmental document (PR&ED) phase. However, the selected sites are no longer available, and the feasibility study has been restarted, delaying the PR&ED phase. The TIRCP funding allocated to this phase was deallocated in early 2024.

(b) State Rail Assistance (SRA)

The LOSSAN Agency has received multiple allocations of State Rail Assistance (SRA) funding under Senate Bill 1 (SB 1), the Road Repair and Accountability Act of 2017. These funds support various rail service improvements along the LOSSAN corridor.

2018-2020 SRA

The LOSSAN Agency was initially awarded \$13,100,000 in 2018-2020 SRA funding to address several priority projects. These include the San Luis Obispo platform repair, a refresh of business class equipment, improvements at the Grover Beach station, and the implementation of corridor optimization software. Additionally, the LOSSAN Agency obtained approval to use Cycle 1 funds for the continued operation of the Pacific Surfliner service if necessary. A subsequent allocation increased the total award to \$13,854,547.

During fiscal year 2024, the LOSSAN Agency incurred \$5,469,613 in 2018-2020 SRA-related expenses, including \$4,162,329 for on-time performance incentives and host railroad access with Union Pacific.

2018-2020 Competitive SRA

In fiscal year 2019, CalSTA awarded the LOSSAN Agency \$718,750 in competitive SRA funds for a corridor-wide integrated signage and wayfinding program. This project is ongoing and is scheduled for completion by June 2025.

Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

2021-2025 SRA

In fiscal year 2021, the LOSSAN Agency was awarded \$29,800,000 in 2021-2025 SRA funding to support four key initiatives: an update to the LOSSAN Strategic Plan, various safety and corridor hardening improvements along the northern corridor, the Interregional Connectivity Improvement Project, and equipment replacement. As of June 30, 2024, the LOSSAN Agency has received \$25,247,447 in 2021-2025 SRA funds.

During fiscal year 2024, \$581,518 in 2021-2025 SRA expenses were incurred. The remaining balance of unspent SRA funds, including amounts from all SRA allocations, was reclassified as unearned revenue, totaling \$22,656,836 as of June 30, 2024.

(c) State Transportation Improvement Program (STIP)

The California Transportation Commission (CTC) awarded \$31,500,000 in State Transportation Improvement Program (STIP) funds for the Central Coast Layover Facility and Leesdale Passing Siding projects. This funding is designated for the construction phase of both projects and is provided on a reimbursement basis. During fiscal year 2024, no eligible expenses were incurred that utilized STIP funding.

(d) Proposition 1B Funds

The LOSSAN Agency has been awarded \$35 million by the California Air Resources Board to support several projects. These include \$15,526,000 for the Los Alamos Creek (Narlon) bridge replacement, \$11,000,000 for the Canada Honda bridge replacement, \$4,745,000 for the Camarillo Station pedestrian undercrossing, \$3,400,000 for the Central Coast Layover Facility, and \$300,000 for the interim expansion of the San Luis Obispo Layover Facility.

The Narlon bridge replacement project, which replaced a bridge built in 1895 at the San Antonio Creek crossing at Vandenberg Air Force Base, was completed in February 2023. The Canada Honda bridge replacement project, located 13 miles from the Narlon bridge, will replace another 100+ year-old bridge. Construction on the Canada Honda bridge began in April 2024.

These projects, along with preliminary engineering for the San Luis Obispo Layover Facility expansion, were implemented by Union Pacific under an agreement for infrastructure improvement projects on the northern end of the corridor to support future service expansion. Additionally, the environmental phase for a new pedestrian undercrossing at the Camarillo Station began in fiscal year 2024.

As of June 30, 2023, total Proposition 1B-funded expenses include \$11,000,000 for work on the Canada Honda Bridge and \$231,628 for the Camarillo Station Pedestrian Undercrossing project. Additional expenses for the Canada Honda Bridge, totaling \$602,177, were funded under 2018 TIRCP, as detailed in the TIRCP section. The Central Coast Layover Facility appropriation is scheduled to be allocated in fiscal year 2025.

Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

13. Commitments and Contingencies

(a) Commitments

The LOSSAN Agency has various outstanding contracts. Total outstanding purchase commitments as of June 30, 2024, were \$145,115,333. The most significant commitment is with Union Pacific, totaling \$110,785,962, for a program of railroad improvement projects necessary for service expansion along the rail corridor in Ventura, Santa Barbara, and San Luis Obispo counties. Purchase commitments with Amtrak total \$10,424,160, which includes \$9,683,830 for train operations and bus feeder services, \$311,898 for minor capital projects, and \$428,432 for design services related to the expansion of the Goleta layover facility. Purchase commitments for professional marketing services total \$2,998,296, while administrative and other professional services amount to \$192,172. This total does not include the value of the administrative services agreement with OCTA, as it is an actual cost-based reimbursable agreement.

Other purchase commitments with various vendors total \$14,900,482 and include professional services for design and environmental services for a pedestrian undercrossing at the Camarillo Train Station, the San Diego layover facility environmental document, the Central Coast layover facility environmental document, and on-call program management support services. Outstanding cooperative agreements are in place with NCTD for an on-time incentive and maintenance agreement totaling \$5,372,486 and with other transit agencies for the Transit Transfer Program totaling \$441,775 as of June 30, 2024. The Transit Transfer Program agreements are on a reimbursement basis, meaning the LOSSAN Agency is only billed when passengers use the program.

(b) Contingencies

Since fiscal year 2019, the LOSSAN Agency has been disputing marketing related additive charges under the operating agreement with Amtrak. The dispute involves Amtrak's compliance with the Passenger Rail Investment and Improvement Act of 2020 (PRIIA 209) policy's definition of activities associated with the marketing additive charge to the LOSSAN Agency. The LOSSAN Agency's position is that Amtrak removed certain marketing services without amending the policy or mutually agreeing to a reduction of the marketing additive charge proportional to the services being provided. For fiscal year 2024, the amount being disputed is approximately \$235,022. This amount has been recorded as an expense in the financial statements until the dispute is resolved. The cumulative amount being disputed from fiscal year 2019 through fiscal year 2024 is approximately \$3,325,211.

14. Risk Management

As part of the annual operating agreement with Amtrak, Amtrak is responsible to pay any settlement or final judgment of claims against the LOSSAN Agency arising directly from Amtrak's operations of the rail passenger and bus feeder service. The LOSSAN Agency pays an allocated share of the cost of Amtrak's master insurance policies as they relate to the services being provided by Amtrak under contract. The LOSSAN Agency also purchases general liability and excess liability insurance with an aggregate limit of \$4,000,000, errors and omissions public officials' liability of \$1,000,000 and crime liability of \$2,000,000. There have been no claims or settlements that have exceeded insurance coverages within the past three fiscal years.

Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

15. Concentration of Funding

Funding for the administration of the LOSSAN Agency as well as funding for marketing, train and bus feeder operations is provided by Caltrans DRMT, and is subject to annual budget appropriation by the California State Legislature (Legislature) and programming by the California Transportation Commission (CTC). This represents approximately 52% of total LOSSAN Agency budgeted revenue. There is no guaranty that funding will actually be appropriated by the Legislature and to the extent required, programmed by the CTC. The remaining budgeted revenues are primarily grant related revenues.

16. Effect of New Pronouncements:

GASB Statement No. 100

In June 2022, GASB issued Statement No. 100, Accounting Changes and Error Corrections - An Amendment of GASB Statement No. 62. The statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting – understandability, reliability, relevance, timeliness, consistency, and comparability. This Statement also addresses corrections of errors in previously issued financial statements. The requirements of this Statement are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. The LOSSAN Agency has determined the implementation of this Statement did not have a material impact on the financial statements.

GASB Statement No. 101

In June 2022, GASB issued Statement No. 101, Compensated Absences. This Statement updates recognition and disclosure requirements for compensated absences, allowing for net changes in liabilities to be disclosed. It also eliminates the requirement to disclose which governmental funds typically have been used to liquidate the liability. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. The LOSSAN Agency has determined the implementation of this Statement did not have a material impact on the financial statements.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors
Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency
Orange, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Los Angeles - San Diego - San Luis Obispo (LOSSAN) Rail Corridor Agency (Agency) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the LOSSAN Agency's basic financial statements, and have issued our report thereon dated January 15, 2025.

Report on Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the LOSSAN Agency's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


Crowe LLP

Costa Mesa, California
January 15, 2025



600 S. Main St.
Orange, CA 92868

LOSSAN.org



Crowe LLP
Independent Member Crowe Global

Board of Directors
Los Angeles – San Diego – San Luis Obispo
Rail Corridor Agency
Orange, California

Professional standards require that we communicate certain matters to keep you adequately informed about matters related to the financial statement audit that are, in our professional judgment, significant and relevant to your responsibilities in overseeing the financial reporting process. We communicate such matters in this report.

AUDITOR'S RESPONSIBILITY UNDER AUDITING STANDARDS GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA

Our responsibility is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America. The audit of the financial statements does not relieve you of your responsibilities and does not relieve management of their responsibilities. Refer to our engagement letter with the Agency for further information on the responsibilities of management and of Crowe LLP.

AUDITOR'S RESPONSIBILITY UNDER GOVERNMENT AUDITING STANDARDS

As part of obtaining reasonable assurance about whether the Agency's financial statements are free of material misstatement, we performed tests of the Agency's compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts or disclosures. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

COMMUNICATIONS REGARDING OUR INDEPENDENCE FROM THE AGENCY

Auditing standards generally accepted in the United States of America require independence for all audits, and we confirm that we are independent auditors with respect to the Agency under the independence requirements established by the American Institute of Certified Public Accountants.

Additionally, we wish to communicate that we have no relationships with the Agency that, in our professional judgment, may reasonably be thought to bear on our independence and that we gave significant consideration to in reaching the conclusion that our independence has not been impaired.

PLANNED SCOPE AND TIMING OF THE AUDIT

We are to communicate an overview of the planned scope and timing of the audit. Accordingly, the following matters regarding the planned scope and timing of the audit were discussed with you during our planning phase of the audit.

- How we addressed the significant risks of material misstatement, whether due to fraud or error.
- Our approach to internal control relevant to the audit.
- The concept of materiality in planning and executing the audit, focusing on the factors considered rather than on specific thresholds or amounts.
- The nature and extent of specialized skills or knowledge used to plan and evaluate the results of the audit, including the use of an auditor's expert.
- Your views and knowledge about matters you consider warrant our attention during the audit, as well as your views on:
 - The allocation of responsibilities between you and management.
 - The Agency's objectives and strategies, and the related business risks that may result in material misstatements.
 - Significant communications between the Agency and regulators.
 - Other matters you believe are relevant to the audit of the financial statements.

SIGNIFICANT ACCOUNTING POLICIES AND MANAGEMENT JUDGMENTS AND ACCOUNTING ESTIMATES

Significant Accounting Policies: Those Charged with Governance should be informed of the initial selection of and changes in significant accounting policies or their application. Also, Those Charged with Governance should be aware of methods used to account for significant unusual transactions and the effect of significant accounting policies in controversial or emerging areas where there is a lack of authoritative consensus. We believe management has the primary responsibility to inform Those Charged with Governance about such matters. There were no such accounting changes or significant policies requiring communication.

Management Judgments and Accounting Estimates: Further, accounting estimates are an integral part of the financial statements prepared by management and are based upon management's current judgments. These judgments are based upon knowledge and experience about past and current events and assumptions about future events. Certain estimates are particularly sensitive because of their significance and because of the possibility that future events affecting them may differ markedly from management's current judgments and may be subject to significant change in the near term. We evaluated the key factors and assumptions used to develop the estimates in determining that they appeared reasonable in relation to the financial statements taken as a whole.

AUDITOR'S JUDGMENTS ABOUT QUALITATIVE ASPECTS OF SIGNIFICANT ACCOUNTING PRACTICES

We are to discuss with you our comments about the following matters related to the Agency's accounting policies and financial statement disclosures. Accordingly, these matters will be discussed during our meeting with you.

- The appropriateness of the accounting policies to the particular circumstances of the Agency, considering the need to balance the cost of providing information with the likely benefit to users of the Agency's financial statements.
- The overall neutrality, consistency, and clarity of the disclosures in the financial statements.
- The effect of the timing of transactions in relation to the period in which they are recorded.
- The potential effect on the financial statements of significant risks and exposures, and uncertainties that are disclosed in the financial statements.

- The extent to which the financial statements are affected by unusual transactions including nonrecurring amounts recognized during the period, and the extent to which such transactions are separately disclosed in the financial statements.
- The issues involved, and related judgments made, in formulating particularly sensitive financial statement disclosures.
- The factors affecting asset and liability carrying values, including the Agency's basis for determining useful lives assigned to tangible and intangible assets.
- The selective correction of misstatements, for example, correcting misstatements with the effect of increasing reported earnings, but not those that have the effect of decreasing reported earnings.

CORRECTED AND UNCORRECTED MISSTATEMENTS

Corrected Misstatements: We are to inform you of material corrected misstatements that were brought to the attention of management as a result of our audit procedures.

There were no such misstatements.

Uncorrected Misstatements: We are to inform you of uncorrected misstatements that were aggregated by us during the current engagement and pertaining to the latest and prior period(s) presented that were determined by management to be immaterial, both individually and in the aggregate, to the financial statements taken as a whole. Uncorrected misstatements or matters underlying the uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even if it was concluded that the uncorrected misstatements are immaterial to the financial statements under audit. For your consideration, we have distinguished misstatements between known misstatements and likely misstatements.

There were no such misstatements.

OTHER COMMUNICATIONS

Communication Item	Results
<p>Other Information Included in an Annual Report Information may be prepared by management that accompanies or includes the financial statements. To assist your consideration of this information, you should know that we are required by audit standards to read such information and consider whether a material inconsistency exists between the other information and the financial statements. We are also to remain alert for indications that:</p> <ul style="list-style-type: none"> • Material inconsistency exists between the other information and the auditor's knowledge obtained in the audit; or • A material misstatement of fact exists, or the other information is otherwise misleading. <p>If we identify a material inconsistency between the other information and the financial statements, we are to seek a resolution of the matter.</p>	<p>We understand that management has not prepared other information to accompany the audited financial statements.</p>

Communication Item	Results
<p>Significant Difficulties Encountered during the Audit We are to inform you of any significant difficulties encountered in dealing with management related to the performance of the audit.</p>	<p>There were no significant difficulties encountered in dealing with management related to the performance of the audit.</p>
<p>Disagreements with Management We are to discuss with you any disagreements with management, whether or not satisfactorily resolved, about matters that individually or in the aggregate could be significant to the Agency's financial statements or the auditor's report.</p>	<p>During our audit, there were no such disagreements with management.</p>
<p>Difficulties or Contentious Matters We are required to discuss with the Those Charged with Governance any difficulties or contentious matters for which we consulted outside of the engagement team.</p>	<p>During the audit, there were no such issues for which we consulted outside the engagement team.</p>
<p>Circumstances that Affect the Form and Content of the Auditor's Report We are to discuss with you any circumstances that affect the form and content of the auditor's report, if any.</p>	<p>There are no such circumstances that affect the form and content of the auditor's report.</p>
<p>Consultations with Other Accountants If management consulted with other accountants about auditing and accounting matters, we are to inform you of such consultation, if we are aware of it, and provide our views on the significant matters that were the subject of such consultation.</p>	<p>We are not aware of any instances where management consulted with other accountants about auditing or accounting matters since no other accountants contacted us, which they are required to do by Statement on Auditing Standards No. 50, before they provide written or oral advice.</p>
<p>Representations the Auditor is Requesting from Management We are to provide you with a copy of management's requested written representations to us.</p>	<p>We direct your attention to a copy of the letter of management's representation to us provided separately.</p>
<p>Significant Issues Discussed, or Subject to Correspondence, with Management We are to communicate to you any significant issues that were discussed or were the subject of correspondence with management.</p>	<p>There were no such significant issues discussed, or subject to correspondence, with management.</p>
<p>Significant Related Party Findings or Issues We are to communicate to you significant findings or issues arising during the audit in connection with the Agency's related parties.</p>	<p>There were no such findings or issues that are, in our judgment, significant and relevant to you regarding your oversight of the financial reporting process.</p>
<p>Other Findings or Issues We Find Relevant or Significant We are to communicate to you other findings or issues, if any, arising during the audit that are, in our professional judgment, significant and relevant to you regarding your oversight of the financial reporting process.</p>	<p>There were no such other findings or issues that are, in our judgment, significant and relevant to you regarding your oversight of the financial reporting process.</p>

We are pleased to serve your Agency as its independent auditors and look forward to our continued relationship. We provide the above information to assist you in performing your oversight responsibilities and would be pleased to discuss this letter or any matters further, should you desire. This letter is intended solely for the information and use of the Board of Directors and, if appropriate, management, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Crowe LLP". The signature is written in a cursive, flowing style.

Crowe LLP

Costa Mesa, California
January 15, 2025



MISSION

To be Southern California's premier transportation experience to the state's most desirable destinations.

VISION

To be the foundation of Southern California rail travel, fully integrated with our transit partners, and helping travelers create lifelong memories by:

- Providing a high-quality customer experience;
- Achieving world class operations; and
- Ensuring long-term sustainability.

2025 LOSSAN Agency Goals & Work Plan

MAXIMIZE CUSTOMER FOCUS

Improving User Experience

- Work with Amtrak to complete wayfinding signage update at stations
- Review and adjust Café Car menu to prioritize locally sourced products, coordinating with Amtrak on biannual menu refreshes that showcase local and regional products, and implementing enhancements throughout the year, as needed
- Develop and implement marketing strategies to increase ridership with a focus on retaining current customers and attracting new riders
- Continue to work with Amtrak on identifying solutions to offer checked baggage services in a cost effective and efficient way
- Develop initiatives to enhance the on-board experience for customers

Integrating with Destinations

- Focus on planning efforts for major upcoming events, including the LA28 Olympics and World Cup, by coordinating with Amtrak and regional stakeholders
- Build partnerships with venues, convention and visitor bureaus, universities and schools, cities, counties, and other corridor stakeholders to enhance connectivity, boost ridership, and improve mobility

Integrating with Transportation Partners

- Work with regional partners and stakeholders to develop regional fare products and programs that provide rail flexibility and equitable farebox recovery

Maintaining Sustainable Fares

- Advance implementation of demand pricing pilot
- Assess current fare structure to ensure it meets Agency financial and operating objectives

OPTIMIZE OPERATIONS OF PACIFIC SURFLINER SERVICE

Expanding Service

- Coordinate with Amtrak, Caltrans, and JPA partners to implement strategic service level increases that support long-term service goals consistent with the State Rail Plan and the LOSSAN Agency Strategic Plan

Providing Better System Performance

- Complete the final design of the Central Coast Layover Facility
- Advance designs of the Goleta Layover Facility expansion and the Leesdale Siding, coordinating with project stakeholders

- Coordinate with transportation partners and stakeholders to promote rail safety and improve reliability

Improving Regional Connectivity

- Implement the Federal Corridor Identification and Development Program with Caltrans by coordinating corridor-wide efforts with key stakeholders
- Review existing rail interoperability services and explore additional opportunities, focusing on a seamless rider experience, financial sustainability, operational impact, and overall alignment with organizational goals



PRIORITIZE BUSINESS SUSTAINABILITY

Being Fiscally Responsible

- Create mid- to long-term financial plan to address future funding needs
- Develop and implement a plan for generating advertising revenue through train wraps and other onboard assets

Being Leaders in Business Management

- Research and leverage federal and state operating and capital funding opportunities that support LOSSAN Agency goals
- Maintain sound financial and business management practices, including utilizing key business and performance metrics to drive decisions

Supporting Equity and Inclusion

- Expand multilingual marketing efforts to ensure equitable access to the Pacific Surfliner
- Improve accessibility at stations by implementing the signage improvement plan

Being Environmentally Conscious

- Coordinate with stakeholders on corridor-wide efforts to address coastal erosion and climate change
- Participate as a key stakeholder in the SB1098 working group to address corridor sustainability and improvements