

CALIFORNIA HIGH-SPEED RAIL AUTHORITY

BOARD MEETING

TRANSCRIPT OF PROCEEDINGS

SACRAMENTO COUNTY BOARD OF SUPERVISORS CHAMBERS  
700 H STREET  
SACRAMENTO, CA 95814

THURSDAY, OCTOBER 19, 2017

9:00 A.M.

Reported by:  
Peter Petty

APPEARANCESBOARD MEMBERS

Dan Richard, Chairman

Tom Richards, Vice Chair

Lynn Schenk

Lorraine Paskett (Absent)

Mike Rossi

Daniel Curtin

Nancy Miller

Bonnie Lowenthal

Ernest Camacho

EX OFFICIO BOARD MEMBERS

Assemblymember, Dr. Joaquin Arambula (Absent)

Senator, Jim Beall (Absent)

STAFF

Tom Fellenz, Chief Counsel & Interim Chief Executive Officer

Krista Jensen, Board Secretary

James Andrew, Assistant Chief Counsel & Acting Chief Counsel

Scott Jarvis, Chief Engineer

Jeff Mathews, Director of Real Property (Acting)

Lisa Marie Alley, Chief of Communications

APPEARANCES (Cont.)

PRESENTERS:

James Andrew, Assistant Chief Counsel & Acting Chief Counsel

Tom Fellenz, Chief Counsel & Interim Chief Executive Officer

Lisa Marie Alley, Chief of Communications

PUBLIC COMMENT

Lee Rosenberg, Navigating Preparedness Associates

Lee Ann Eager, Fresno County EDC

Paul Murdoch, Paul Murdoch Architects (Renfe)

Kim Nguyen, Archipelago Builder's Collective (Renfe)

Ramon Gray, Archipelago Builder's Collective/Renfe

Roland Lebrun, Self

Reyna Castellanos, VRPA Technologies, Inc.

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P R O C E E D I N G S

9:05 a.m.

PROCEEDINGS BEGIN AT 9:05 A.M.

SACRAMENTO, CALIFORNIA, TUESDAY, OCTOBER 19, 2017

CHAIRMAN RICHARD: Good morning, everybody. This meeting of the California High-Speed Rail Authority Board will come to order.

Would the Secretary please call the roll?

MS. JENSEN: Good morning.

Director Schenk?

BOARD MEMBER SCHENK: Here.

MS. JENSEN: Vice Chair Richards?

VICE CHAIR RICHARDS: Here.

MS. JENSEN: Director Rossi?

BOARD MEMBER ROSSI: Here.

MS. JENSEN: Director Curtin?

BOARD MEMBER CURTIN: Here.

MS. JENSEN: Director Paskett?

BOARD MEMBER PASKETT: (Absent).

MS. JENSEN: Director Lowenthal?

BOARD MEMBER LOWENTHAL: Here.

MS. JENSEN: Director Camacho?

BOARD MEMBER CAMACHO: Here.

MS. JENSEN: Director Miller?

BOARD MEMBER MILLER: Here

1 MS. JENSEN: Senator Beall?

2 EX OFFICIO BOARD MEMBER BEALL: (Absent).

3 MS. JENSEN: Assemblymember Arambula?

4 EX OFFICIO BOARD MEMBER ARAMBULA: (Absent).

5 MS. JENSEN: Chair Richard?

6 CHAIRMAN RICHARD: I'm here.

7 Director Lowenthal, will you lead us in the  
8 Pledge of Allegiance, please?

9 BOARD MEMBER LOWENTHAL: Put your hand over your  
10 heart. Please join me.

11 (The Pledge of Allegiance is made).

12 CHAIRMAN RICHARD: Thank you.

13 Before we move to the public comment period, I  
14 think most people got the notice about the change in the  
15 agenda for today. We are going to postpone consideration  
16 of the contract award for the early train operator. We  
17 have received a protest of the staff proposed award from  
18 one of the bid teams, from Renfe. And while we're legally  
19 empowered to move forward and make an award, in the face of  
20 the protest in order to afford everyone an opportunity for  
21 a fair process, we're going to let that one run its course  
22 a little bit here and so we're going to move that over to  
23 the next month.

24 This is a very important and critical step for  
25 High-Speed Rail Authority and we want to make sure that

1 it's done with full consideration for all parties, so we  
2 will not be having that item today.

3           So with that, we'll move to public comment. And  
4 I apologize, because I lost my reading glasses and so I  
5 might butcher a few names here, but I'm taking these in the  
6 order in which they were received. First is -- thank you,  
7 Tom -- first is Lee Rosenberg, followed by Lee Ann Eager  
8 and then Paul Murdoch.

9           MR. ROSENBERG: Thank you Mr. Chair, members of  
10 the Board. My name is Lee Rosenberg. I represent  
11 Navigating Preparedness Associates, a small and service  
12 disabled veteran business enterprise. I own and manage the  
13 company as the Managing Director. We're based in  
14 California, in the Bay Area. We have a staff of five in  
15 California. And we provide security and emergency  
16 management services for transportation and other large  
17 infrastructure that belong to the public and to the private  
18 sector.

19           I'm here for the initial agenda item that was  
20 deleted. And that concerns the selection of the early  
21 train operator. I'm a member of the Renfe team and am  
22 concerned that although Renfe scored higher on the  
23 technical proposal and on the cost than the selected  
24 contractor and additionally my particular concern -- had  
25 better small, minority and service disabled veteran

1 business participation -- that they did not make the  
2 selection due to the results of the oral participation and  
3 the oral interviews.

4 I would request that the Board give fair  
5 consideration to the protest that's been filed. I'm  
6 particularly concerned about the vulnerability of high-  
7 speed rail to security, given the recent security and  
8 terrorist activities that have occurred in our nation and  
9 overseas, where they very often hit targeted highly visible  
10 transportation.

11 Other than that, I thank you for your time and  
12 the opportunity to speak.

13 CHAIRMAN RICHARD: Thank you, sir. We appreciate  
14 your coming today.

15 Lee Ann Eager followed by Paul Murdoch and then  
16 Kim Nguyen.

17 MS. EAGER: Good morning.

18 CHAIRMAN RICHARD: Good morning.

19 MS. EAGER: I'm Lee Ann Eager, President and CEO  
20 of Fresno County Economic Development Corporation. I want  
21 to give you a quick little update of my travels around the  
22 world recently.

23 Last month, I started in Helsinki, Finland on a  
24 trip to visit 44 different companies dealing with renewable  
25 energy, smart city growth, and really looking at hydrogen

1 fuel cells. And probably 40 of those 44 companies in  
2 Finland asked me about high-speed rail starting in Fresno,  
3 California. And so really that was a connection between  
4 Fresno and the Silicon Valley that they were interested in,  
5 and what date that would be certain, and how we were going  
6 to get folks back and forth up and down the Valley, because  
7 they were very interested in California. The folks in  
8 Finland are light years ahead of what we're doing here, but  
9 they do want that connection. And so certainly I was able  
10 to talk about that. And we've already have five of those  
11 businesses come to Fresno. And that was only two weeks  
12 after I left Helsinki.

13           After I left there, I had one day in between and  
14 I landed in Madrid, Spain and met the Mayor of Fresno there  
15 and some of our City Council and some of our business  
16 leaders. We were able to tour many of the stations, high-  
17 speed rail stations, in Spain. Our Mayor was able to talk  
18 to the Mayor of Ciudad Real and also in Malaga, and talk  
19 about what the economic impact is when a station comes in  
20 to not a large city like Madrid, but a city the size of  
21 Fresno. He was very impressed with the change in the  
22 economy once that station got there. We were able to look  
23 at about eight different stations and what that might look  
24 like in Fresno.

25           As some of you may know, we had that change in

1 mayorship in Fresno and we now have Mayor Lee Brand. He  
2 was a little bit on the fence for a while. He's all in.  
3 It's not just riding that train, but it's really looking at  
4 what the system can do for the Valley and what it can do  
5 for the entire state.

6 I was able to do a similar trip like this in  
7 China, France, Italy, Germany and Spain. And so it  
8 certainly has been around the globe that we have seen what  
9 can happen when high-speed rail comes to a community. So I  
10 just wanted to share that with you all.

11 CHAIRMAN RICHARD: Thank you very much, Ms.  
12 Eager.

13 MS. EAGER: Thank you.

14 CHAIRMAN RICHARD: Paul Murdoch, excuse me, Mr.  
15 Murdoch followed by Kim I think it's Nguyen, and then Ramon  
16 Gray.

17 Good morning, sir.

18 MR. MURDOCH: Thank you, Mr. Chair. Good  
19 morning.

20 My name is Paul Murdoch. I'm an architect on the  
21 Renfe team proposing for the ETO. My firm, Paul Murdoch  
22 Architects, is located in Los Angeles and we're a certified  
23 SBE. And for 26 years, we've been working for various  
24 public agencies throughout California, including high-speed  
25 rail at Palmdale and Burbank, doing station planning.

1           I think that the other thing about our background  
2 is we're leaders in sustainable design doing the first zero  
3 net energy projects for various agencies including the  
4 California Department of General Services.

5           I'm here really to endorse our team for three  
6 primary reasons.

7           One, this team has been very proactive in  
8 discussing the project with other stakeholders such as  
9 XpressWest, L.A. Metro, Caltrain, etcetera. To find -- to  
10 go beyond and widen the context to find benefits for the  
11 high-speed rail system and find options for the Authority  
12 that might not otherwise be evident.

13           Secondly, I think in Renfe and Globalvia, you  
14 have a partner who's interested in a long-term  
15 relationship, who's capable of and interested in, investing  
16 in this system in a significant way.

17           And third, I hope you note the significant SBE  
18 participation on our team, not just in terms of the number  
19 of firms and the percentages, but also in the significant  
20 roles. Firms like Ross Fryman's who is here in spirit  
21 today, but couldn't be here due to back surgery, a real  
22 problem solver in infrastructure projects.

23           And speaking for ourselves, a meaningful role in  
24 station planning and station area planning, not only to  
25 find ways to integrate this infrastructure into local

1 communities, but also define supplemental revenue through  
2 leveraging the real estate assets adjacent to the different  
3 stations. Thank you.

4 CHAIRMAN RICHARD: Thank you, sir.

5 Kim, I hope I didn't mispronounce, is it Nguyen?

6 MR. NGUYEN: Nguyen. (Phonetic: win)

7 CHAIRMAN RICHARD: Nguyen, okay.

8 MR. NGUYEN: Hopefully it's a win proposition for  
9 all of us. (Laughter).

10 CHAIRMAN RICHARD: Thank you, sir. Good morning.

11 MR. NGUYEN: I'm here on behalf of my company,  
12 Archipelago. We are obviously partnering with Renfe.

13 The thing that I want to highlight is our strong  
14 background in econometric and revenue management. In order  
15 to make this work, you need to be able to maximize revenue.  
16 You need to be able to price at a point that is fair to the  
17 consumer and also profitable for the state.

18 And we have a strong history with United  
19 Airlines, with Continental Airlines, with Amtrak. We have  
20 successfully completed the econometric modeling for load,  
21 passenger load and also cargo load for Hong Kong airport.  
22 So we have both international and also domestic experience  
23 at the highest level. We also understand the -- we have  
24 used the two major revenue management systems and we have  
25 implemented the two major management systems that one would

1 use. So we feel ultimately capable of doing that task in  
2 conjunction with Renfe.

3 And we have some of the finest economists working  
4 with us, who can model whatever situations we need, as we  
5 look forward in the future, trying to anticipate the  
6 unanticipated.

7 A couple of things I really want to point out.  
8 Our financial plan is 25 points higher than the closest  
9 competitor. I think that is pretty impressive. The other  
10 thing is, again highlighting what you already know, but I  
11 want to highlight this - is that we understand that there  
12 is no operating subsidy will be given and that we are  
13 willing to accept all the ridership risk and will invest  
14 funds in the system.

15 I think this is just very important for the  
16 people of California and as a taxpayer I firmly am behind  
17 that.

18 CHAIRMAN RICHARD: Mr. Nguyen, I'm going to --

19 MR. NGUYEN: Yeah.

20 CHAIRMAN RICHARD: -- need you to wrap up here,  
21 so that we can make sure we can do everything else. I'll  
22 let you have one last closing sentence, if you'd like to do  
23 that.

24 MR. NGUYEN: Okay. The closing sentence is DV is  
25 100 percent government owned; Globalvia is 100 percent

1 private with a U.S. investment partner.

2 CHAIRMAN RICHARD: Thank you, Mr. Nguyen.

3 Ramon Gray followed by Roland Lebrun.

4 MR. GRAY: Good morning members of the Board.

5 Ramon Gray. I am also with the Renfe group, but I am the  
6 present and CEO of Archipelago Builders Collective. I  
7 wanted to come and present today, just to let you know that  
8 as a partnership we focus on a collaborative effort and  
9 wanted to point that out, because some of the concern that  
10 a lot of the managers would have is how the process is  
11 going to work. So given that we are a local SBE and MBE,  
12 focused a collaborative community, we believe that our  
13 product is going to be of benefit to the taxpayers of  
14 California in the building of the high-speed rail process.

15 Having said that, just given the history of our  
16 company Archipelago Builders -- you've heard from my  
17 partner Kim and other members of the Renfe group that have  
18 been in the building today -- given that we are, we have a  
19 proven system of signaling and rolling stock inter-  
20 operability neutrality, we run all of our major systems and  
21 suppliers and trains inter-operability. We don't  
22 necessarily have anyone who is beholden or tied to any one  
23 particular supplier or operator. So we operate completely  
24 independent in that matter.

25 Thank you for your time today.

1           CHAIRMAN RICHARD: Thank you very much, Mr. Gray.  
2           Roland Lebrun followed by, I think it's Reyna  
3           Castellanos. Good morning.

4           MR. LEBRUN: Good morning, Directors. Well, I'm  
5 not on the Renfe team (laughter). The reason I'm here  
6 today is to share with you my disappointment, because  
7 should have been a day of celebration of basically us  
8 implementing a recommendation from the peer review group,  
9 which is five years old. Actually Will Kempton was on the  
10 peer review group at that time, shows you how long that is.

11           And I went through the entire procurement thing  
12 and I really want to congratulate you with the way it was  
13 done. And I totally agree with the rating for the four  
14 parties. I've reviewed the proposals, and the staff  
15 recommendation is absolutely the way to go. What I find  
16 very unfortunate is that when everything is said and done,  
17 we're going to have a one-month delay at a very critical  
18 time.

19           We need these people to peer review pretty much  
20 everything that's been done for the last 15 years. I'll  
21 give a couple of examples. You have potentially got some  
22 fatally flawed alignments out there that you are about to  
23 spend billions of dollars on. You have issues with  
24 platform lengths. You have issues with platform heights.  
25 You definitely have major issues with the current designs

1 for stations in the Peninsula.

2 So in closing, I hope we can wrap this up sooner  
3 than later and get some of this input into the 2018  
4 Business Plan as soon as possible. Thank you very much.

5 CHAIRMAN RICHARD: Thank you, Mr. Lebrun. I  
6 think all of share your hope on that.

7 Reyna Castellanos, I hope I pronounced your first  
8 and last names correctly or as close as I could.

9 MS. CASTELLANOS: No worries, you did pretty  
10 good.

11 Reyna Castellanos, I am here representing VRPA  
12 Technologies. We're an outreach and translation -- well I  
13 am the Outreach and Translation Specialist with VRPA  
14 Technologies.

15 VRPA is a traffic engineering and transportation  
16 firm and provides associated environmental and outreach  
17 efforts to public agencies and private entities. VRPA is  
18 an SBE, registered as a DBE under the California Unified  
19 Certification Program, and is also certified as a woman-  
20 owned enterprise. And has qualified as an underutilized  
21 DBE and has a micro small business enterprise certification  
22 through the California Department of General Services. We  
23 are headquartered in Fresno, California. We've got 17  
24 full-time employees on staff.

25 Our team is the only one that has been -- that

1 has successfully delivered a high-speed rail line to  
2 operations in a different country. The Saudi Arabia line  
3 is currently undergoing final testing and commissioning and  
4 is set to open this year.

5 Further, DB International has 79 percent on time  
6 performance and a 77 percent customer satisfaction rating  
7 whereas if the trains are as little as five minutes late,  
8 we will give a full refund. Renif (sic: Renfe) gives a  
9 full refund to passengers and has higher than a 96 percent  
10 customer satisfaction rating, so we were not awarded as  
11 part of the project and we feel that we should have been  
12 chosen.

13 CHAIRMAN RICHARD: Thank you, Ms. Castellanos.

14 That concludes the public comment period. I want  
15 to thank all the members of the public for coming forward  
16 today. As I indicated at the beginning we want to make  
17 sure that this is a full and fair and comprehensively  
18 considered process. So that closes the public comment  
19 period.

20 We'll move on to item one, which is consideration  
21 of the Board minutes from the September 27 [sic: 19] Board  
22 meeting. Do I have a motion?

23 BOARD MEMBER ROSSI: Moved.

24 BOARD MEMBER CAMACHO: Second.

25 BOARD MEMBER SCHENK: Second.

1           CHAIRMAN RICHARD: It was moved by Director  
2 Rossi, seconded by Directors Camacho and I think it was  
3 Schenk.

4           BOARD MEMBER SCHENK: I'll let Ernie get it.

5           CHAIRMAN RICHARD: Okay, moved by Mr. Rossi,  
6 seconded by Mr. Camacho.

7           Will the Secretary please call the roll?

8           MS. JENSEN: Director Schenk?

9           BOARD MEMBER SCHENK: Yes.

10          MS. JENSEN: Vice Chair Richards?

11          VICE CHAIR RICHARDS: Yes.

12          MS. JENSEN: Director Rossi?

13          BOARD MEMBER ROSSI: Yes.

14          MS. JENSEN: Director Curtin?

15          BOARD MEMBER CURTIN: Yes.

16          MS. JENSEN: Director Lowenthal?

17          BOARD MEMBER LOWENTHAL: Yes.

18          MS. JENSEN: Director Camacho?

19          BOARD MEMBER CAMACHO: Yes.

20          MS. JENSEN: Director Miller?

21          BOARD MEMBER MILLER: Yes.

22          MS. JENSEN: Chair Richard?

23          CHAIRMAN RICHARD: Yes. Thank you.

24           Item two has been deferred. Item three,  
25 consideration of an interagency agreement with Caltrans for

1 legal services for right- of-way acquisition, Mr. Andrew,  
2 good morning.

3 MR. ANDREW: Good morning Chair Richard and  
4 Members of the Board and Mr. Fellenz. I trust the Board  
5 memo was straightforward and hopefully fairly clear. If  
6 not, I'm happy to answer any questions. And Mr. Jarvis and  
7 Mr. Mathews, Chief of Right-of-Way are here to answer any  
8 questions.

9 CHAIRMAN RICHARD: All right. Do Board Members  
10 have questions on this item?

11 BOARD MEMBER ROSSI: Ready to move it.

12 CHAIRMAN RICHARD: Okay.

13 BOARD MEMBER SCHENK: I'll second.

14 CHAIRMAN RICHARD: Okay, moved by Director Rossi,  
15 seconded by Director Schenk.

16 Secretary, please call the roll.

17 MS. JENSEN: Director Schenk?

18 BOARD MEMBER SCHENK: Yes.

19 MS. JENSEN: Vice Chair Richards?

20 VICE CHAIR RICHARDS: Yes.

21 MS. JENSEN: Director Rossi?

22 BOARD MEMBER ROSSI: Yes.

23 MS. JENSEN: Director Curtin?

24 BOARD MEMBER CURTIN: Yes.

25 MS. JENSEN: Director Lowenthal?

1 BOARD MEMBER LOWENTHAL: Yes.

2 MS. JENSEN: Director Camacho?

3 BOARD MEMBER CAMACHO: Yes.

4 MS. JENSEN: Director Miller?

5 BOARD MEMBER MILLER: Yes.

6 MS. JENSEN: Chair Richard?

7 CHAIRMAN RICHARD: Yes.

8 Thank you, Mr. Andrew.

9 We're now going to have a presentation by  
10 Mr. Fellenz on the results of the expenditures under the  
11 American Reinvestment and Recovery Act. This was obviously  
12 something of great importance, because we had \$2.55 billion  
13 of federal funds that had to be spent by the end of  
14 September 2017. Mr. Fellenz is going to report on that  
15 along with a helper (laughter).

16 MR. FELLEENZ: Yes. Lisa Marie Alley.

17 CHAIRMAN RICHARD: Lisa Marie Alley, so okay.

18 MR. FELLEENZ: Mr. Chairman, Board Members, it's  
19 really a pleasure to report on the investment that we've  
20 made, using these American Recovery and Investment [sic:  
21 Reinvestment] Act funds.

22 We -- back in 2009, it was the height of the  
23 economic recession and millions of jobs had been lost, home  
24 prices plummeted and the stock market declined. And the  
25 President at that time saw an opportunity to assist the

1 economy and the American Recovery and Reinvestment Act was  
2 passed. And the goals of that act were to create jobs  
3 through infrastructure investment. And to provide that  
4 economic stimulus and spur technological development, which  
5 all have an important role in -- in having the economy  
6 rebound.

7           The specific goals were to support near-term  
8 investments for repairing roads and bridges and airports,  
9 and then more long-term investments as well and even money  
10 set aside for high-speed rail. So the Authority at that  
11 time applied for some grant funds, and out of the total of  
12 8 billion that was available. And those funds had an  
13 expiration date to them. they had to be spent by September  
14 30th of 2017.

15           We applied for those funds, actually proposed  
16 multiple corridors throughout the state on our system. It  
17 wasn't just the section that ultimately was awarded. In  
18 joint 2010, we did receive the award. It came in multiple  
19 parts, but it totaled \$2.55 billion for high-speed rail in  
20 the Central Valley. And the U.S. Department of  
21 Transportation selected the Central Valley among the  
22 multiple corridors that we had proposed for funding between  
23 Merced and Bakersfield, as eligible for those funds.

24           That corridor embodied the objectives of the era.  
25 And specifically, the Central Valley suffered from high

1 unemployment, 17 percent at that time in 2010. The  
2 region's population was projected to double by 2050, from  
3 6.1 to 13.2 million people. There were very negative  
4 effects, which we still see today, experienced because of  
5 the high air pollution. And causing a lot of health  
6 problems in the Central Valley, so high-speed rail will be  
7 part of the solution for that.

8           And also, finally the region in the center of the  
9 state is not easily connected to the rest of the state and  
10 the rest of the state meaning the Bay Area and the Los  
11 Angeles Basin. So connecting the Central Valley will have  
12 a very positive economic benefit for the State of  
13 California and its citizens.

14           In 2012, the appropriation of those ARRA funds  
15 were made by the Legislature, along with Proposition 1A  
16 funds. There was a requirement in the grand agreement that  
17 the funds be matched 50 percent, so the Prop 1A funds were  
18 set aside and appropriated to make that match. And the  
19 purpose of the funding had to be used for planning and  
20 design and construction of the Central Valley. The  
21 planning would be the environmental clearance statewide for  
22 Phase 1.

23           In 2015, we had a groundbreaking and we've seen a  
24 lot of construction and activity in the Central Valley.  
25 And we see those funds at great use.

1           In 2016, the grant agreement was amended with the  
2 federal government, with the FRA, and we now can have a  
3 project schedule using those funds along with other grant  
4 funds that we received in the FY '10 Program. And all the  
5 work has to be completed by 2022, which this all aligns  
6 with our 2016 Business Plan.

7           But I'm really happy to report that the federal  
8 portion of those funds, the 2.55 billion, has been used for  
9 our project, for statewide environmental clearance. And  
10 for the construction in the Central Valley, so we met that  
11 deadline. That's really quite an achievement and we as  
12 staff are very proud of, and I'm very proud of my staff for  
13 working so hard to make this accomplishment. And I have to  
14 say it included a great effort by the private sector and  
15 especially in the construction arena, who worked closely  
16 with us to construct things and use these funds as they  
17 were set aside for use by both, by the federal government.

18           So we're going to go to another part of the  
19 presentation and give you more information specifically  
20 about how those funds benefited. And Lisa Marie Alley, the  
21 Chief of Communications, will make that presentation.

22           CHAIRMAN RICHARD: Thank you.

23           Ms. Alley, good morning.

24           MS. ALLEY: Good morning. Thank you, Tom.

25           Chairman Richard and Members of the Board, I'm

1 here today to talk about the impact that this ARRA  
2 investment had on the people of California and across the  
3 state. Tom indicated that we had \$2.55 billion invested in  
4 high-speed rail in California. And I'm proud to say that  
5 we achieved the policy goals of the ARRA Program. We put  
6 hundreds of people back to work, including 600 private  
7 companies from around the state and the country. We had  
8 thousands of good-paying jobs established. Right now, we  
9 have 1,400 dispatch workers in the Central Valley, building  
10 and constructing high-speed rail.

11 One of them that I would like to profile is  
12 Fernando Madrigal, Jr. After 12 years of serving the  
13 country in the Marine Corps, he was trying to find jobs  
14 after he left the service. And instead, he was unable to  
15 find a job, but was able to enroll in an apprenticeship  
16 program through PG&E to learn skills about utility  
17 relocation. Since he finished his apprenticeship program,  
18 he is now working for a small business in the Central  
19 Valley doing utility relocation on high-speed rail.

20 We also know that high-speed rail's investment  
21 created economic development and activity. Over \$4 billion  
22 is the output of that money.

23 We've also shown that a public investment in  
24 high-speed rail and in transportation yields many benefits.  
25 Some are tangible. Some are quantifiable. Some are not.

1 But what we've done is we've put together this economic and  
2 ARRA report that I encourage everybody to read, that talks  
3 about all the great things that this investment did.

4 As Tom indicated, the ARRA dollars were primarily  
5 spent in the Central Valley to get us under construction.  
6 Right now, we have 119 miles of construction going on  
7 between Madera to north of Bakersfield. We currently have  
8 14 active construction sites with one being completed, the  
9 Tuolumne Street Bridge, that opened over the summer. We're  
10 proud to announce that 100 percent of the steel and  
11 concrete that we've generated from demolition has been  
12 recycled, helping the environment. We've also been able to  
13 preserve hundreds of agricultural land that helps the  
14 habitat, such as the San Joaquin kit fox and other animals.

15 Not only is high-speed rail creating jobs and  
16 being built, it's also helping us from a safety  
17 perspective. The ARRA dollars are being used to convert a  
18 total of 50 new grade separations in the Central Valley,  
19 not just for high-speed rail, but for the freight railroads  
20 in the region. We wanted to show you a quick video of the  
21 construction activities going on and the work we're doing  
22 for grade separations.

23 (Video begins playback - music and narration.)

24 VIDEO NARRATOR: The California High-Speed Rail  
25 Program is not only connecting California in a new way, it

1 will improve rail safety statewide and that starts in the  
2 Central Valley. 119 miles of construction are under way  
3 from Madera to north of Bakersfield. That work will  
4 include eliminating 30 already existing freight rail  
5 crossing.

6 Why are these grade separations so important?  
7 Look at the facts. The Federal Railroad Administration  
8 reports from 2012 to 2015, there were 80 crossing-related  
9 accidents in the Central Valley, with nearly 20 of those  
10 resulting in death. That's why high-speed rail is  
11 committed to eliminating these dangerous intersections.

12 Three grade crossing projects are underway right  
13 now at Road 27 and Avenue 12 in Madera County, as well as  
14 East American Avenue in South Fresno.

15 While current construction of grade crossings are  
16 mostly in rural locations, future projects will include  
17 heavily-traveled urban area, like Tulare Street in Downtown  
18 Fresno, which will travel under the tracks and the  
19 intersection of Shaw Avenue and Golden State Boulevard,  
20 where traffic will soon pass over the tracks.

21 Not only will the new overcrossing barrier keep  
22 trains and cars and pedestrians separate, improving safety.  
23 It will also improve traffic flow, increase efficiency for  
24 the rail operations, and reduce air pollution generated by  
25 idling cars.

1           Another big benefit, no more of this! (Audio of  
2 train horn) Since the trains won't cross in front of cars  
3 or pedestrians, they won't have to blow their horn. High-  
4 Speed Rail will also build 20 road ways to include grade  
5 separations, so they don't cross high-speed rail lines.

6           In all, there will be 50 new fully separated  
7 crossings in the Central Valley. High-speed rail is  
8 happening and it's transforming rail safety in California.

9           (Video playback ends.)

10          (Applause).

11          MS. ALLEY: Thanks, Lee Ann.

12          So as my colleague, Alice Rodriguez reported a  
13 few months ago, we recent published a report about the  
14 economic impact that the investments at High-Speed Rail are  
15 having. We have 630 private sector firms working from 35  
16 different states. We've also seen the impact that it's  
17 having in the Central Valley, where they've historically  
18 lagged behind the rest of the state. For the first time  
19 since the great recession, the recession is down there and  
20 unemployment is down there over 10 percent.

21          Another thing that we wanted to highlight is the  
22 participation of small businesses that the ARRA investment  
23 has helped us achieve. We currently have 400 plus small  
24 businesses committed to work on high-speed rail.

25          One of them we want to highlight and we highlight

1 in the report is Constar Supply Company. It's a local  
2 family-owned business based in Cloves and Bakersfield. Due  
3 to their work on high-speed rail they're going to be  
4 opening a new facility in Stockton and hoping to bring on  
5 20 to 50 more employees to do the work necessary of  
6 providing supplies to our contractors in the region.

7 We also, as I said earlier, are recycling our  
8 material like steel and concrete, but more importantly 100  
9 percent of what we're using is American made to comply with  
10 the Buy America provisions. And a lot of the steel and  
11 concrete is coming from California, but also from states  
12 around the country.

13 And finally, we've made significant progress in  
14 our right-of-way acquisitions due to the leadership of  
15 Diana Gomez and the right-of-way team and our partnership  
16 with the Fresno EDC. In the Fresno County alone, 80  
17 percent of our residential relocations have been able to  
18 stay in Fresno County. And 98 percent of the businesses  
19 we're relocating have also been able to stay in Fresno  
20 County. And a majority of them have talked about how  
21 they've been able to expand and grow their businesses.

22 So we're going to show you another quick video  
23 that talks about some of these personal stories of the  
24 benefits high-speed rail has had for them.

25 (Video begins playback - music and narration.)

1 VIDEO NARRATOR: Connecting and transforming  
2 California. That's what the High-Speed Rail Program  
3 promises to do in the future and is already doing today.  
4 The program is putting Californians to work with nearly  
5 1,400 workers taking part in the construction of high-speed  
6 rail and the more than 200 small businesses contributing to  
7 119 miles of construction. They're part of the Authority's  
8 aggressive 30 percent small business participation goal.

9 CURTIS LOVETT - OUTBACK MATERIALS: Clearly  
10 without the small business portion or the small business  
11 percentage required, I would have not been offered an  
12 opportunity to do the job.

13 VIDEO NARRATOR: That opportunity allowing  
14 Outback Materials to open a state-of-the-art ready-mix  
15 plant with 25 new employees.

16 LAURA UDEN - NSI ENGINEERING: California High-  
17 Speed Rail Authority is doing a great job in establishing  
18 very aggressive goals for small business, disadvantaged  
19 business, disabled veteran business, much more so than  
20 almost anybody else in California.

21 VIDEO NARRATOR: That transformation also  
22 happening for businesses that have been successfully  
23 relocated to make way for the project. Third generation  
24 Fresno-based OK Produce was the largest relocation, 200  
25 employees moved to a new, much larger location. The

1 company has now added nearly 200 more jobs and that's not  
2 all.

3 BRADY MATOIAN - OK PRODUCE: That led us to  
4 expand our territory from what was really in the Central  
5 Valley and the Coast to the entire state, outside the  
6 state, and up into Oregon and other areas.

7 VIDEO NARRATOR: Al Perez at Main Events Graphics  
8 shares a similar experience.

9 AL PEREZ - MAIN EVENT GRAPHICS: We were able to  
10 add more equipment. We were able to take on bigger  
11 contracts. We couldn't do that before in the other place.  
12 It was too small.

13 (Audio - Great job, great job, woo-woo!)

14 VIDEO NARRATOR: As does Sam Shima at Gymnastic  
15 Beat.

16 SAM SHIMA - GYMNASTICS BEAT: We're anticipating  
17 about a 20 percent annual growth rate for the next two or  
18 three years.

19 VIDEO NARRATOR: Through construction and  
20 business High-Speed Rail is transforming California and  
21 connecting Californians.

22 (Video playback ends.)

23 MS. ALLY: So as you've heard today, the  
24 investments we're already making are having big impacts.  
25 But what's more important is the investments that we could

1 be making in the future. There's three key things that  
2 we're looking at to happen in the near future from  
3 additional benefits and investments that can come.

4 One is opening the first passenger service  
5 connecting the Valley-to-Valley. Not only will that help  
6 connect the state, but it could also support affordable  
7 housing and goals to connect that region.

8 Number two, we are really proud of setting the  
9 stage for new technologies in the development of  
10 manufacturing here with the train sets that we'll need to  
11 buy and the rail infrastructure that we'll need to buy.

12 And finally, we're proud to be creating a  
13 commercial enterprise to public private partnership. But  
14 all this is done through continued investment in  
15 transportation and in infrastructure.

16 With that, again I encourage everyone to read the  
17 report and I think you for letting us present this  
18 information to you.

19 CHAIRMAN RICHARD: Thank you.

20 Well, I just want to say I appreciate the report,  
21 because these debates over infrastructure investment that  
22 occur at the federal and state level often ignore the human  
23 impact of what it means for our country or our state to  
24 actually build these things and put people to work. So I  
25 think all of us should be very proud that we're taking the

1 dollars that were granted to us by the Congress, and  
2 through the leadership of the President and using them for  
3 their intended purpose, which was to put people to work and  
4 get America back on its feet after the 2008 economic  
5 meltdown.

6 Members, questions?

7 (No audible response.)

8 Thank you, Tom, and thank you, Lisa, very much  
9 for that. And thanks to everybody on the staff and all of  
10 the people who worked. It was a challenge given the slow  
11 start to get this done, but I think it was done well and  
12 effectively. So thank you.

13 Okay. Following that report that really  
14 completes the open portion of our agenda today. Let me  
15 just make one other announcement. The Board is going to  
16 enter into closed session now to consider the items that  
17 are specified on the agenda. I'll report back any actions  
18 after those closed sessions.

19 There is a perspective meeting of the Transit-  
20 Land Use Committee that was supposed to occur immediately  
21 after the Board meeting. But I've asked that that be  
22 pushed back to a noon start, so those of you who are  
23 interested in the Transit-Land Use Committee will be  
24 looking at that at noon.

25 So with that, the Board will enter into closed

1 session. I thank everybody for coming today. And we'll  
2 report back after the closed session. Thank you.

3 (The Board convened into Closed Session at 9:41  
4 a.m.)

5 CHAIRMAN RICHARD: The Board has concluded its  
6 closed session. We have no actions to report. And with  
7 that, this meeting of the High-Speed Rail Authority is  
8 adjourned. Thank you.

9 (The Board reconvened from Closed Session at  
10 10:59 a.m. Having no further business, Chairman Dan  
11 Richards adjourned the Board Meeting at 10:59 a.m.)

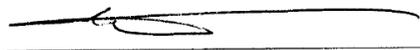
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**REPORTER'S CERTIFICATE**

I do hereby certify that the testimony in the foregoing hearing was taken at the time and place therein stated; that the testimony of said witnesses were reported by me, a certified electronic court reporter and a disinterested person, and was under my supervision thereafter transcribed into typewriting.

And I further certify that I am not of counsel or attorney for either or any of the parties to said hearing nor in any way interested in the outcome of the cause named in said caption.

IN WITNESS WHEREOF, I have hereunto set my hand this 3rd day of November, 2017.



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PETER PETTY  
CER\*\*D-493  
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