

CALIFORNIA HIGH-SPEED RAIL AUTHORITY

BOARD MEETING

TRANSCRIPT OF PROCEEDINGS

SANTA CLARA COUNTY BOARD OF SUPERVISORS CHAMBERS

70 WEST HEDDING STREET

SAN JOSE, CA 95110

TUESDAY, MAY 15, 2018

1:00 P.M.

Reported by:
Gigi Lastra

APPEARANCESBOARD MEMBERS

Dan Richard, Chairman

Tom Richards, Vice Chair

Lynn Schenk

Michael Rossi

Daniel Curtin (Absent)

Nancy Miller

Bonnie Lowenthal

Ernest Camacho

EX OFFICIO BOARD MEMBERS

Assemblymember, Dr. Joaquin Arambula (Absent)

Senator, Jim Beall (Absent)

STAFF

Brian Kelly, Chief Executive Officer

Krista Jensen, Board Secretary

Doug Drozd, Chief of Board Management

Joseph Hedges, Chief Operating Officer

Tom Fellenz, Chief Counsel

APPEARANCES (Cont.)

PRESENTERS:

Brian P. Kelly, Chief Executive Officer

Joseph Hedges, Chief Operating Officer

Tom Fellenz, Chief Counsel

PUBLIC COMMENT:

Sam Liccardo, Mayor, City of San Jose

Mike Murphy, Mayor of Merced

Henry Perea, Fresno Works

Tony Boren, Fresno Council of Governments

Olive Baines, City of Fresno

Larry Westerlund, City of Fresno

Lee Ann Eager, Fresno Works EDC

Linda Cambareri, Self

Jerry Brazell, Self

Ivor Samson, Fresno Rescue Mission

Ivor Samson, Bakersfield Homeless Center

Kathy Hamilton ,Self

Louis Gill, Bakersfield Homeless Center

Swanee Edwards, Self

Elizabeth Scanlon, Caltrain

APPEARANCES (Cont.)PUBLIC COMMENT

Rod Diridon, Self

Elizabeth Alexis, CARRD

Roland Lebrun, Self

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P R O C E E D I N G S

1:07 p.m.

PROCEEDINGS BEGIN AT 1:07 P.M.

SAN JOSE, CALIFORNIA, TUESDAY, MAY 15, 2018

CHAIRMAN RICHARD: Good afternoon, everyone.

Welcome to this meeting of the California Speed Rail Authority. We're very pleased to be here in the great city of San Jose. May I ask the Secretary to please call the roll?

MS. JENSEN: 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: (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.

MS. JENSEN: Senator Beall?

EX OFFICIO BOARD MEMBER BEALL: (Absent).

1 MS. JENSEN: Assemblymember Arambula?

2 EX OFFICIO BOARD MEMBER ARAMBULA: (Absent).

3 MS. JENSEN: Chair Richard?

4 CHAIRMAN RICHARD: Here.

5 Ladies and gentlemen, will you please join me in
6 the Pledge of Allegiance to our flag?

7 (The Pledge of Allegiance is made.)

8 CHAIRMAN RICHARD: Thank you. This is an
9 important meeting for us today in particular, because we'll
10 be reviewing and considering the adoption of the 2018 High-
11 Speed Rail Business Plan, to be submitted to the
12 Legislature. And what I'd like to do first and foremost as
13 we move to public comment, is thank the City of San Jose
14 and also the County of San Jose for allowing us to be in
15 these facilities today.

16 We'll be taking public comment. There is a
17 podium here with the lectern. And I would ask people who
18 want to speak to come here. We take public comments in the
19 order in which they're received, but we do start with our
20 elected officials and it's my privilege to introduce first
21 the Mayor of the City of San Jose, the Honorable Sam
22 Liccardo, the Mayor.

23 BOARD MEMBER SCHENK: Mr. Chairman, a point if I
24 may, before we do that?

25 CHAIRMAN RICHARD: Yes.

1 BOARD MEMBER SCHENK: To recognize our former
2 chairman, Mr. Rod Diridon, who's here in the audience? He
3 may be speaking, but I think we ought to just acknowledge
4 his presence and thank him for being here.

5 CHAIRMAN RICHARD: Thank you very much.

6 (Applause).

7 CHAIRMAN RICHARD: Thank you that.

8 Mayor Liccardo, good afternoon.

9 MAYOR LICCARDO: Thank you, Mr. Chair. Thank
10 you.

11 Mr. Chair, Members of the California High-speed
12 Rail Authority Board and CEO Brian Kelly, welcome to San
13 Jose and to Santa Clara County and to Silicon Valley.

14 Here in San Jose, we continue to be some of your
15 biggest cheerleaders. We are strong supporters of the
16 California High-Speed Rail System as a future backbone of
17 an integrated state rail network. We share your vision for
18 High-Speed Rail's role as a catalyst for statewide and
19 local economic development, and as a means to expand
20 opportunity for tens of thousands of residents in the
21 Central Valley, staking a share of the prosperity here in
22 Silicon Valley.

23 Undoubtedly, this Board has been greeted,
24 implored and even feted by many mayors before, up and down
25 the state, expressing understanding and appreciation of the

1 Board's fiscal and temporal constraints, but nonetheless
2 insisting that their city is deserving of special and
3 unique attention. You may have grown bored of these
4 tiresome entreaties. Naturally, I see no reason why today
5 should be any different. So allow me to bore you for a
6 moment, so you'll know why San Jose should merit your
7 special and unique attention.

8 Besides being the largest city north of Los
9 Angeles, San Jose contains the longest segment of high-
10 speed rail construction spanning some 21 miles of any city
11 in Phase 1. Most of those 21 miles travel through densely-
12 populated neighborhoods.

13 We also host a unique opportunity at Diridon
14 Station, named after the young man that Member Schenk just
15 identified; our region's future grand central station.
16 That station will, at full build-out over the next decade,
17 become the busiest multimodal station in the Western United
18 States, with more than 600 trains arriving daily. The
19 High-Speed Rail, BART, electrified Caltrain, Amtrak, ACE,
20 and Light Rail, not to mention bus traffic transit and
21 other services.

22 I'd like to acknowledge that the Authority has
23 made very important efforts to reduce the impacts of high-
24 speed rail and the project across much of our city,
25 particularly by advancing an at-grade blended alignment

1 within the Draft 2018 Business Plan, along critical
2 segments of the Union Pacific right-of-way.

3 We also appreciate the more recent revisions to
4 the Business Plan released just in the last few days
5 concerning the commitment of the High-Speed Rail Authority
6 to work with local agencies to ensure that Diridon Station
7 becomes a world-class high-quality intermodal hub as well
8 as with investments in platforms, tracks and maintenance
9 facilities along this alignment.

10 As we work with your staff in the months ahead,
11 we look forward to working collaboratively to accomplish
12 three critical objectives for our city.

13 First, the City has funded an independent
14 consultant to prepare alternative alignment concepts. And
15 we have vetted those concepts with your staff, generally
16 receiving positive feedback concerning their feasibility.
17 We seek to advance those concepts under the Authority's
18 environmental alternative process for full study.

19 Second, we seek the Authority's partnership in
20 developing a more detailed budget plan to achieve the
21 necessary investment for a high quality contact-sensitive
22 system here in San Jose and for a world class station at
23 Diridon. One that seamlessly integrates high-speed rail
24 with connecting transit services and surrounding high-
25 density development and existing lower-density

1 neighborhoods.

2 Third, we wish to have the Authority align its
3 planning and environmental process and schedule with the
4 planning partnership already underway and around the
5 Diridon Station area such that the results of the Diridon
6 Integrated Station Concept Plan will become ultimately
7 incorporated into your planning and environmental review.

8 We hope to formalize our relationship as we work
9 through these various options, perhaps through a Memorandum
10 of Understanding. And we look forward to continued
11 partnership on this transformative project. Thank you very
12 much for indulging me, Mr. Chair.

13 CHAIRMAN RICHARD: Thank you very much, Mayor.
14 And while normally it's (applause) -- Mr. Mayor, normally
15 we simply allow the public to speak here, but I do since
16 you have an obligation with your City Council, just want to
17 make one response to the comment you just made, which is
18 that we very much appreciate the long-standing relationship
19 that we've had with your city. And we appreciate the
20 comments that you've made here today as well as the formal
21 comments that you made.

22 We view the City of San Jose as a key partner in
23 our efforts to develop the statewide high-speed rail
24 system. And with everything going on at Diridon Station,
25 which we agree is going to be one of the most important

1 transit hubs in the west this is going to be a critical
2 node for passengers across the state. So I want to assure
3 you that in response to your letter, where you asked for
4 our collaboration in establishing a process to address the
5 items that you laid out here today, that we are very
6 interested in working with you on that.

7 And in line with your request I'll be asking our
8 staff to work with your staff, and our partners at Caltrain
9 and VTA, to develop an agreement that will establish a
10 formal process, a collaborative framework that can help us
11 align the strategies for the ongoing development of the
12 system.

13 As you know, we have strict environmental
14 deadlines that we have to meet, but we think that within
15 that framework, we're committed to working with you to make
16 sure that all of our efforts are mutually considered and
17 carefully sequenced. So I just want you to rest assured
18 that the City's input is very important to us. We look
19 forward to working with you. And we'll be responding to
20 your letter in a way that I think will establish an even
21 stronger working partnership here to address the issues
22 that are important to this community. So I want to thank
23 you.

24 MAYOR LICCARDO: Thank you, Mr. Chair --

25 CHAIRMAN RICHARD: Thank you.

1 MAYOR LICCARDO: -- and to you all.

2 CHAIRMAN RICHARD: Next, we're going to have,
3 again starting with our elected officials, public
4 officials, the Honorable Mike Murphy, the Mayor of Merced.
5 He'll be followed by the Honorable Henry Perea, former
6 Supervisor from Fresno County.

7 Mayor Murphy? Good afternoon.

8 MAYOR MURPHY: Good afternoon, Chairman Richard,
9 Members of the Board, Mr. Kelly. I'm Mayor Mike Murphy
10 from Merced, home of the University of California, Merced,
11 the only University of California in the Central Valley.

12 I'd like thank you for this opportunity to
13 address you briefly regarding the 2018 Business Plan. In
14 particular, I'd like to thank Mr. Kelly for his recent
15 visit to Merced and thank Chairman Richard for making
16 himself available over the course of many months to
17 understand the importance of Merced to high-speed rail.

18 The City of Merced has been and continues to be
19 an ardent supporter of the Authority's goal to unify
20 Northern and Southern California with high-speed rail
21 service. We submitted written comments to the Business
22 Plan during the comment period. And we are pleased that
23 many of the comments that we made were taken into
24 consideration in the revised version.

25 In particular, we are pleased that there is

1 recognition that the state is making significant
2 investments to extend the Altamont Corridor Express Train
3 to Merced and that high-speed rail will have increased
4 ridership as a result of this ridership when Merced is
5 connected. And thank you again for your consideration of
6 our requests.

7 CHAIRMAN RICHARD: Thank you, Mayor. And we'll
8 be addressing at least one other issue related to Merced as
9 the staff goes through final changes to the document.

10 MAYOR MURPHY: Thank you.

11 CHAIRMAN RICHARD: Thank you.

12 Next, Supervisor Perea followed by Tony Boren,
13 from Fresno Council of Governments.

14 SUPERVISOR PEREA: Mr. Chairman, Members of the
15 Board, great to see you today. It's hard to believe that
16 nine years ago Fresno County came together and formed a
17 coalition called Fresno Works that had one goal and that
18 goal was to make sure that our region supported high-speed
19 rail to the fullest extent possible.

20 And I'm proud to say nine years later, our
21 support is there. And we stand here today supporting the
22 Business Plan that you'll be advancing to the State
23 Legislature, but we also wanted to talk to you about the
24 maintenance facility. You know that is a facility that has
25 been an ongoing competition and Fresno County has been very

1 involved in. And part of our group that we present today
2 will be updating you on where we're at with that plan.

3 But what I really want to underscore when you get
4 the booklet that we'll be passing out, on page three and
5 four are two letters. One is signed by me and Supervisor
6 Anderson. We were both at the time co-chairs of Fresno
7 Works. And I was on the Fresno Council of Governments,
8 which represents 15 cities and the County of Fresno, and
9 Mayor Swearingin also submitted a similar letter, basically
10 both saying that not only do we support high-speed rail in
11 every way, shape or form, but that we as a community were
12 putting our money where our mouth was.

13 We know that part of the plan is to seek
14 investors. And we know areas have provided land
15 opportunities for maintenance facilities, just as Fresno
16 has. But what's unique about our proposal, we believe we
17 are your first financial partner outside the state and
18 federal government. Fresno County committed \$25 million to
19 the maintenance facility for you as a Board to use as you
20 see fit, if we're selected. So we just want to make that
21 very clear that we stand with you not just as a partner in
22 support of making this project happen for California, but
23 for making sure that we hopefully are selected for the
24 maintenance facility.

25 So I'll just close by saying the other team

1 members will be speaking, but we know over the years it's
2 been a very difficult road. We know decision making takes
3 time. But we want to emphasize is that the time has come
4 for a decision to be made on the maintenance facility and
5 we hope that you make it soon. Thank you.

6 CHAIRMAN RICHARD: Thank you, Supervisor.

7 Tony Boren followed by the Honorable Oliver
8 Baines.

9 MR. BOREN: Good afternoon, Tony Boren, the
10 Executive Director of Fresno Council of Governments. The
11 booklet in front of you, you'll see is titled "Fresno
12 Works." I'm going to tell you exactly why the Fresno site
13 works in terms in terms of the future heavy maintenance
14 facility.

15 The Fresno County site is strategically located
16 in the center of the overall California high-speed rail
17 system adjacent to the City of Fresno, the fifth largest
18 city in California. We have a large flexible site, 320
19 plus or minus acres, which abuts the proposed high-speed
20 rail alignment. Although currently located in the County
21 of Fresno, the proposed site is within the City of Fresno's
22 sphere of influence planning boundary and is planned for
23 heavy industrial uses in the City of Fresno.

24 The City of Fresno and the County of Fresno are
25 both strongly supportive and fully committed to working

1 cooperatively to develop the high-speed rail heavy
2 maintenance facility. Real estate options to purchase the
3 proposed site have been acquired for the parcels making up
4 the HMF site.

5 The proposed site has all of the existing
6 utilities necessary to serve this site: sewer, water, PG&E,
7 stormwater drainage all of it is there, ready to be put to
8 use.

9 The entire site is virtually flat minimizing the
10 need for fill or cut areas, presenting an excellent
11 building surface with excellent soil conditions for
12 construction of the facility and in addition to our own
13 natural rivers or irrigation canals traversing the site.
14 The site has no environmental issues, such as underground
15 storage tanks and no evidence of sensitive biological
16 issues would prevent issuance of development entitlements
17 and building permits.

18 The proposed Fresno County site has outstanding
19 transportation access. The site is adjacent to two main
20 state highways, State 99 and 41, which will serve as the
21 transportation backbone for accessing the site. The site
22 also has direct access from three local Fresno County east-
23 west arterials and Cedar Avenue, which runs parallel to the
24 site on a north-south axis. It's also a designated truck
25 route in Fresno County. Now this important, because

1 availability of all these transportation facilities will
2 allow ease of movement for the construction materials that
3 are going to be involved with this facility.

4 And lastly, the Fresno County site would provide
5 the High-Speed Rail Authority with a maintenance facility
6 at the north end of 110 miles of relatively flat straight
7 track, ideal for a testing track.

8 So I will stop there and turn it over to Lee Ann
9 Eager or Oliver.

10 CHAIRMAN RICHARD: Yes.

11 Councilmember Baines, welcome.

12 COUNCILMEMBER BAINES: Good afternoon, Mr. Chair,
13 the Board and the CEO. Thank you for giving me just a few
14 moments here today. And listen, I'm obviously here to
15 advocate for Fresno. And all I want to do is take a moment
16 to call your attention to our history with this project and
17 your Board.

18 You heard a moment ago, Supervisor Perea, talk
19 about the fact that we formed Fresno Works over nine years
20 ago. You also -- I'll call attention to a resolution of
21 support from the City of Fresno that we adopted just a
22 couple of years ago. You will notice that both mayors
23 we've had since the high-speed rail, since Proposition 1A
24 passed, both have supported high-speed rail.

25 The City of Fresno has a history with this

1 project and the support of the project. Dare I say we are
2 the only city in the entire Central Valley that has taken
3 up public resolution support for this project? So not only
4 have we been your partner in support, not only have we
5 supported you publicly through our comments and through our
6 administration and through our resolutions, we also have
7 been preparing for the opportunity that we believe will be
8 the greatest opportunity in the history of the United
9 States when we talk about transit.

10 The High-Speed Rail Project is a transformative
11 project for this country. Fresno has prepared itself to be
12 the center of the universe for this transformation. And we
13 are ready. And we stand here as a willing partner and have
14 been a willing partner since the beginning. And we hope
15 that as you all make very tough decisions in the future
16 about where to place your heavy maintenance facility that
17 you understand that we have been here from the beginning
18 and we are prepared and continue to be your partner. Thank
19 you.

20 CHAIRMAN RICHARD: Thank you very much,
21 Councilmember.

22 Next is Lee Ann Eager from Fresno Works followed
23 by Larry Westerlund -- oh, next is -- you're not Lee Ann.
24 I can that right away.

25 MR. WESTERLUND: No, sir. Thank you very much.

1 But --

2 CHAIRMAN RICHARD: All right. We'll go out of
3 order. We'll start with Larry Westerlund. Thank you.

4 MR. WESTERLUND: Thank you, Mr. Chair, Members of
5 the Board, Larry Westerlund. I'm the Director of Economic
6 Development for the City of Fresno. And I'm the Project
7 Manager for the City of Fresno, for the heavy maintenance
8 facility.

9 As you'll have a chance to look at the book that
10 was put together in 2010, you'll see all of the attributes
11 required for the site are there. And it is easily the best
12 site of the proposed sites within the area that they can go
13 into.

14 The one drawback that there was, related to the
15 site, is that it was controlled by multiple property
16 owners. Under the leadership of Mayor Brand and Mayer
17 Swearingin, the City of Fresno has gone out and acquired
18 127 acres. We now control 127 acres with option contracts
19 for two years on that. We've worked with the property
20 owners and negotiated the price for the sale of those sites
21 and it is now controlled by the city. You already control
22 30 acres in that subject area. With the 127 you'll have
23 close to the 160 acres that you need for the heavy
24 maintenance facility.

25 I would note in the map that the area that is

1 controlled is between the Alignment, Cedar Avenue, American
2 Avenue on the north and Clayton Avenue on the south; that
3 \$25 million that Measure C and Fresno County Transportation
4 Authority put in for high-speed rail, as Supervisor Perea
5 had indicated in a partnership with that, has to be spent
6 related to site acquisition, offsite improvements,
7 infrastructure. And we know with that \$25 million High-
8 Speed Rail will get basically a entitled, improved, shovel-
9 ready site with water to the site, sewer to the site, storm
10 drain, all of the things that you would need to do that, to
11 build that site.

12 The only thing that we would add is we have one
13 year left on those option contracts, so we really need to
14 have a decision made by January of 2019. And we wanted to
15 make sure that you are aware. Otherwise, we lose the
16 option contracts. And I'm sure the price of that property
17 will go up. Thank you for your time.

18 CHAIRMAN RICHARD: Thank you very much, sir.

19 Lee Ann Eager?

20 MS. EAGER: Good afternoon. I'm Lee Ann Eager,
21 President and CEO of Fresno County Economic Development
22 Corporation.

23 So the book that you have in front of you is a
24 remake. I wanted to show you the original and Mr. Diridon
25 got one of these. This is what we handed out ten years

1 ago. We said it was a coffee table book. We couldn't
2 afford to do them again, so we apologize. But I thought
3 you might be interested to know what it is that we did. We
4 do have three of the original "Fresno Works". Supervisor
5 Perea, Tony Boren and I have been doing this nonstop since
6 2009, turned this in, in 2010.

7 But I think one of the things that hasn't been
8 said yet, and my colleagues have certainly covered a lot,
9 we have been planning for the maintenance facility for nine
10 years. And not just with land. We have visited six
11 different maintenance facilities around the world. We have
12 collected criteria for what kinds of jobs are there. We
13 have looked at curriculum from different colleges to see
14 how we're going to train folks. We have made sure that we
15 have looked at maintenance facilities and what was around
16 there, so that we knew what kind of businesses that we
17 could attract. We looked at doing a training center around
18 the maintenance facilities.

19 And one of the things that Tony and I did two
20 weeks ago, when we were in Washington D.C., is we talked to
21 them about the maintenance facility. We talked to them
22 about the California system. We talked to them about the
23 training facility. And I am pleased to say that we got
24 great response from the Administration on the California
25 project and what we're doing in Fresno County.

1 So we're really looking at making the maintenance
2 facility not just that, but really the training center for
3 the entire country. And we even talked about if they
4 wanted us to take our show on the road and help other
5 states, once they see that they want to copy what we're
6 doing here, that we'd be willing to do that too. So we
7 wanted to make sure that you knew that we were ready in all
8 aspects of the maintenance facility and the training
9 facility going forward. Thank you.

10 CHAIRMAN RICHARD: Thank you, Ms. Eager.

11 This next speaker I'm sorry, I'm probably going
12 to mispronounce your name. It's Linda, it's either
13 Cambobin or --

14 MS. CAMBARERI: Cambareri.

15 CHAIRMAN RICHARD: Cambarian. Okay.

16 MS. CAMBARERI: It's Cambareri.

17 CHAIRMAN RICHARD: Oh, that's an "i" at the end.
18 I'm so sorry, my apologies, ma'am.

19 MS. CAMBARERI: My name is Linda Cambareri. I
20 live in San Martin. I've attended high-speed rail meetings
21 in San Jose, San Martin, Gilroy and Morgan Hill. I want
22 you to know, and this is hard to follow all the laws you
23 got from Fresno, but it's a little different. I have a
24 different take. At each of the meetings, with the
25 representatives of the Authority, they haven't answered our

1 questions and out and out lied to us as well.

2 I want to give you a view of what high-speed rail
3 will do to Morgan Hill and San Martin. It's a three-mile
4 wide valley that'll be cut in two. The sound of the high-
5 speed rail in this narrow valley will affect everyone in
6 Morgan Hill and San Martin. The construction will make our
7 commute even worse than the hell it is now. And I'm glad
8 that you're down here. I want you to go on 101 and head to
9 Gilroy at about 3:00 or 4:00 in the afternoon and realize
10 that when you're tearing up Monterey every single car
11 that's on 101, there's a equal amount of cars on Monterey.
12 It's going to be at a standstill.

13 And the fact that only 1 percent of the cars that
14 are taken off the road, it's not going to help our commute
15 in that area. And we're asked to sacrifice our homes, our
16 equity and our quality of life for what? My suggestion is
17 to take the money from high-speed rail and give it to
18 Fresno and Merced and build up businesses there. Or get
19 some of these high tech companies down there. And I know
20 that's not your job, but I wanted to just give you a take
21 of what life is going be like on South County.

22 The High-speed Rail Authority, you know, they --
23 I'm running out of time -- I did want you to know --

24 CHAIRMAN RICHARD: You can finish your comments
25 ma'am.

1 MS. CAMBARERI: I just wanted to you to know that
2 I no longer trust, after being at ten meetings, I look no
3 longer trust the High-Speed Rail Authority. And I'm going
4 to do everything I can to stop it. Thank you.

5 CHAIRMAN RICHARD: Thank you, ma'am.

6 Jerry Brazell followed by Ivor Samson.

7 MR. BRAZELL: Thank you. I'm not a politician.
8 So anyway, I want to thank the Board for being here and the
9 opportunity to talk to you. It's a thankless job that you
10 go through a lot of times and I'm probably one of the few
11 people who came here by public transportation, Caltrain and
12 VTA. Those who are against public transportation should
13 ride 100 miles of it sometimes and maybe they would be in
14 favor of upgrading a lot of it.

15 I favor high-speed rail and I favor the adoption
16 of the Business Plan. I've said it many times before, over
17 50 years ago when I was in the Army I had the opportunity
18 to ride the Japanese bullet. And I was really impressed.
19 And I thought gee, in ten or fifteen years we'll have
20 something like that in the United States of America. Okay,
21 guess what? Most of the major countries in the world have
22 built high-speed rail, even Uzbekistan, what can I say?

23 But if you stop and think, it's an important
24 aspect of public transportation. Right now, the Mayor of
25 San Jose should have pointed out that to go by Amtrak from

1 San Jose to Los Angeles it takes 11 hours, with high-speed
2 rail it'll be under 3 hours, which is a terrific
3 improvement.

4 And it's another thing. It's on my bucket list
5 to ride high-speed rail in California. And look at me, I'm
6 getting old. Please, hurry up. (Laughter).

7 CHAIRMAN RICHARD: Thank you, sir. Some of us
8 hear that from the Governor of the state too.

9 Ivor Samson followed by Kathy Hamilton.

10 MR. SAMSON: Thank you Mr. Chairman, Members of
11 the Board. I represent the Fresno Rescue Mission. I also
12 represent the Bakersfield Homeless Center and Louis Gill,
13 who the Director of the Bakers [sic] Homeless Center is
14 going to address comments on that, so I'll confine myself
15 just to the Fresno Rescue Mission issue. And that's item
16 number three on your agenda, the request to amend the
17 contract or supplement the contract to allow the relocation
18 of G Street in Fresno.

19 As presently situated, G Street bisects the
20 Fresno Rescue Mission campus. The property on the east
21 side of G Street is being acquired by the High-Speed Rail.
22 We've entered into a possession and use agreement about a
23 month ago. And the buildings or the facilities are being
24 relocated on to the west side of G Street in temporary
25 structures, in order to allow the seamless operation of the

1 Mission.

2 In order to build permanent structures, we need
3 to have the property that underlies G Street. And that's
4 been part of the negotiations and agreement with the
5 Mission and with the City of Fresno. G Street will be
6 relocated and on the former G Street, that will be land on
7 which the permanent facilities of the Mission can be built.

8 So I urge you to adopt the amendment to allow the
9 permanent facilities to be constructed. Thank you.

10 CHAIRMAN RICHARD: Thank you Mr. Samson. And I
11 appreciate your patience and hard work on this with our
12 staff.

13 So Ms. Hamilton, good afternoon, followed by
14 Louis Gill.

15 MS. HAMILTON: Hi. My name is Kathy Hamilton.
16 I'm a resident of California and I'm also on the Board of
17 CC-HSR.

18 I wanted to say first of all that high-speed rail
19 is a good thing, concept versus reality though. That's the
20 problem with the project here. There was Prop 1A that was
21 passed and frankly right now the Authority does not have
22 the funding to build one continuous usable segment that can
23 be run without an operational subsidy, which is required
24 from Prop 1A.

25 The project is developing, still developing 119

1 miles in the middle of the Central Valley. The original
2 plan was 130 and at 120 million per mile, that makes a
3 difference as well.

4 I wanted to say that the peer review group
5 addressed the Legislature about the Business Plan and
6 offered the Rail Authority and the Legislature four
7 choices. I'm not going to go through them. But they range
8 from end it all to get them the proper funding and let them
9 continue. The only thing that has changed with this
10 project over the years is the cost has risen tremendously.

11 I wanted to remind the Board in March of 2012,
12 just before the funding former Senator Joe Simitian and now
13 a County Supervisor, summed it up in a Senate meeting that
14 Mr. Richard and Member Rossi were present at. And here's
15 what Simitian said:

16 "I sat at the same desk in January 2010 with
17 Senator Lowenthal and raised the same issues with your
18 predecessors. The core proposal is the primary expenditure
19 of \$6 billion for a non-high-speed rail conventional system
20 of 130 miles in a low-ridership area with no guarantee of
21 additional funding for that project -- "

22 (Timer beeps).

23 I just have about --

24 CHAIRMAN RICHARD: Go ahead. Go ahead.

25 MS. HAMILTON: Okay.

1 " -- a project which has minimal independent
2 utility, which our legislative analyst has characterized as
3 very modest. Now, I wouldn't be so anxious about the lack
4 of funding guarantee for the future if we were going to
5 spend \$6 billion on a hot damn great improvement to public
6 transportation from California, but we're not. That's the
7 issue. And sprinkling a little dough in Northern
8 California and Southern California and talking about plans
9 for a decade hence, which may or may not be realized if the
10 funding is or isn't forthcoming. We've talked about the
11 political uncertainty, which is attached to that funding.
12 And it doesn't obviate the concern many of us have about a
13 \$6 billion project for 130 miles of conventional rail in a
14 low-ridership area."

15 What he has worried about has happened from 2010
16 to 2018. And I will end with one sentence that Senator
17 Simitian delivered July 6th, 2012 when he voted no for the
18 funding for the first 130 miles.

19 "This is the wrong plan in the wrong place and at
20 the wrong time."

21 It is irresponsible -- this is my last sentence -
22 - it is irresponsible and near criminal if there was a law
23 forbidding it, for the Authority to continue to take
24 property harming people's lives, spending billions for a
25 project that'll never be fulfilled. Thank you.

1 CHAIRMAN RICHARD: Thank you, Ms. Hamilton.
2 (Applause).

3 Louis Gill followed by Swanee Edwards.

4 MR. GILL: Chairman, Members of the Board. My
5 name is Louis Gill. I am the CEO of the Bakersfield
6 Homeless Center. In February of 2015 we were notified by
7 the High-speed Rail Authority that you were going to
8 acquire our entire campus.

9 Three years later, what have we seen is a marked
10 and continued decrease in support for our facility from our
11 public. We have donors that traditionally would have
12 supported us, especially in capital needs that are quite
13 frankly telling us they're going to sit on the sidelines
14 until we know our future. They're very interested in what
15 is to come. They're not interested in investing in what is
16 to be torn out.

17 So what's happened in that time? We've got an
18 evaporative cooler that just rotted through a metal roof.
19 We have a sewer line that has collapsed and we've had to
20 close a bathroom in one of our buildings. Forced heating
21 in another office building is no longer available. We've
22 had to cap a gas line.

23 We're a special use nonprofit. We sleep 174
24 homeless individuals, typically over 100 children a night.
25 We serve more kids than adults every day. We can't

1 continue to endure a loss of ability to serve with no
2 sunset in sight. It's impossible to plan right now and
3 it's impossible to tell our donors what's going to change.

4 We thought that we were going to get some relief
5 from February of 2015 until September of 2017. We worked
6 closely with High-Speed Rail staff on the concept of early
7 acquisition. But in September of 2017 we received a letter
8 from the Authority saying that that was no longer a
9 discussion.

10 We have sought our elected officials for some
11 assistance in this. And at the urging of Assemblymember
12 Rudy Solis, we have provided comment on the Business Plan.
13 That's what I handed out to you is our comments.

14 And I request the Board to direct the staff to
15 again open that conversation about early acquisition for
16 our facility.

17 CHAIRMAN RICHARD: Thank you, Mr. Gill. I know
18 this is a difficult issue and I know that our staff is
19 paying attention to it, but I appreciate your coming here
20 today. Thank you.

21 Swanee Edwards followed by Elizabeth Scanlon.

22 MS. EDWARDS: Good afternoon High-Speed Rail
23 Authority. I don't represent a political agenda. I don't
24 represent a big company. I'm simply a mother of four, a
25 grandmother of seven, living in Morgan Hill for the last 30

1 years.

2 For over a decade the High-Speed Rail Authority
3 has kept our community of Morgan Hill, San Martin and
4 Gilroy hostage with all of these plans for a high-speed
5 rail line down through our beautiful unique narrow valley
6 where wildlife runs from one set of foothills in the
7 Diablos to the Santa Cruz Mountain foothills. We have been
8 unable to have High-Speed Rail define the alignment through
9 our area. We have not been able to plan for our future.
10 And this has been going on since we heard that high-speed
11 rail was coming down our valley. Why it isn't going
12 through the Altamont Pass, it just escapes me. You're
13 going down a valley that is unique, beautiful and our
14 residents are very proud of our community.

15 And then there are the other considerations.
16 We're rebuilding the largest dam in Santa Clara County, in
17 Morgan Hill, the Anderson Dam, because of the earthquake
18 considerations. It's a very seismic-reactive place. We
19 also have the noise speed concerns and the fact that high-
20 speed rail isn't going to do anything to solve our horrid
21 commute to San Jose.

22 We do want electrified Caltrain. This is all
23 we've wanted for decades and decades. I really wish you
24 would reconsider not only stopping your plans for Santa
25 Clara County, but ending this boondoggle all together.

1 Thank you.

2 CHAIRMAN RICHARD: Thank you, ma'am.

3 Next is Elizabeth Scanlon from Caltrain followed
4 by Rod Diridon.

5 MS. SCANLON: Good afternoon Chair and Members.
6 Thank you for having me. I'm Elizabeth Scanlon. I am the
7 Director of Planning for Caltrain. And I am pleased to be
8 here today to offer some comments on the 2018 Draft
9 Business Plan.

10 First, on behalf of our entire agency we want to
11 again thank the Authority for its support of our
12 electrification project. The more than \$700 million
13 provided by the Authority is a critical foundational
14 investment for the Peninsula Corridor to finally realize
15 electrified train service, which is a path to fully
16 electrifying and converting from our existing diesel
17 service to electric trains. And also supports the State
18 Rail Plan goals.

19 Caltrain is very supportive of the vision offered
20 by this Business Plan. As you know, our corridor will be
21 blended by offering both commuter and high-speed services,
22 between San Francisco and San Jose. We're very encouraged
23 by the Business Plan vision regarding electrifying beyond
24 our territory from San Jose all the way to Gilroy.

25 Caltrain is also embarking on a business plan of

1 our own, which is in part, a long-range service planning
2 project for the Peninsula Corridor. And the Authority is a
3 vital partner in our doing that. The process will span
4 about 12 months and will include, hopefully the Caltrain
5 Board taking an action around the future service vision for
6 the Caltrain Corridor.

7 There are also several major complimentary
8 planning projects in process. You've heard Mayor Liccardo
9 reference the San Jose Diridon Integrated Station Concept
10 Plan. And we're doing a similar process in San Francisco
11 around the San Francisco Station at Salesforce Transit
12 Center.

13 We'd like to thank the Authority staff, we work
14 very closely and see a lot of them, for their continued
15 collaboration.

16 We know there's a lot of work yet to be done to
17 fully realize the blended service. We acknowledge that we
18 also need to jointly support one another through our
19 required processes including the environmental clearance.
20 We stand ready to continue our collaboration and our
21 working relationship to jointly deliver integrated rail
22 service on the Peninsula Corridor.

23 Thank you for having me today.

24 CHAIRMAN RICHARD: Thank you, Ms. Scanlon.

25 Rod Diridon followed by Elizabeth Alexis.

1 MR. DIRIDON: Mr. Chairman, Members of the Board,
2 Mr. General Manager, being here is kind of like Yogi
3 (phonetic) said, "Deja vu all over again." And that being
4 not only having sat up there as a Board Member, but also
5 sat up there as you are sitting today. And we first have
6 to welcome you here. We appreciate you taking the time to
7 be with us in Santa Clara County and recognize how unique a
8 lynch pin this area is for the High-Speed Rail Program.

9 Let me give you only one bit of data and then
10 I'll close, because you're very busy and we've talked a
11 lot. According to Caltrans the last year they have data
12 for is 2016: 37,000 cars a day came in to this valley from
13 Central Valley on Highway 152; 140 some odd thousand a day
14 came into this valley on Highway 580/680. Those cars would
15 have the opportunity of otherwise taking high-speed rail.

16 In cars, they're taking two-and-a-half to three
17 hours per direction, driving terrible roads, four dollar a
18 gallon gasoline, having no life style. They get home after
19 the babies have played their little league games and they
20 come to work and they're exhausted. And instead the time
21 table time from Fresno to the downtown station, whatever
22 that station's name is, is 51 minutes.

23 CHAIRMAN RICHARD: It's not a forgettable name.
24 (Laughter).

25 MR. DIRIDON: Fifty-one minutes compared to two-

1 and-a-half to three hours and then a short shuttle ride
2 from the downtown station to your employment. And which
3 would you choose? There's going to be a lot more than 1
4 percent change in traffic pattern and it's going to help
5 the people in Morgan Hill and Gilroy in terms of taking
6 pollution out of their valley.

7 So please build it as fast as you can, so Jerry
8 and I can ride it.

9 CHAIRMAN RICHARD: Well, thank you.

10 Elizabeth Alexis followed by Roland Lebrun.

11 Ms. Alexis, good afternoon.

12 MS. ALEXIS: I have some handouts.

13 CHAIRMAN RICHARD: Okay. We'll ask the Board
14 Secretary to take those from you and distribute them. If
15 you want to wait until that's done?

16 MS. ALEXIS: Sure.

17 (Off mic colloquy as handouts are distributed).

18 CHAIRMAN RICHARD: Okay. Ms. Alexis.

19 MS. ALEXIS: Good afternoon, Board. Some of you
20 are familiar faces. Welcome to the newer members. It's
21 been a while since I've spoken in front of you. I'm
22 Elizabeth Alexis, from a group called Californians
23 Advocating Responsible Rail Design.

24 And we too have been looking at this and working
25 on this project since 2009. So we've seen a couple of

1 business plans. And we would say this particular Business
2 Plan seems more of a status update than an actual new plan.
3 I mean, fundamentally it calls for carrying on until and
4 unless money falls from the sky or from the California
5 Legislature.

6 I have sent a couple of pages for you. We sent
7 some longer comments by email. You'll get these with some
8 other attachments.

9 There are a couple of reasons why we think even
10 though the status update is not quite accurate, we've
11 attached the cash flow assumptions that are in your plan
12 that take your 2017 dollar costs into year of expenditure
13 ones. And they assume that a lot of money, a lot more than
14 would come from getting the Cap and Trade money will appear
15 very soon. For instance, you're assuming that \$7.6 billion
16 will be spent on this project just in FY '21-'22 and 10.6
17 billion in FY '22-'23, which is an assumption you may want
18 to look at.

19 The other thing that we gave, are these are the
20 plans right now, for Gilroy. You'll see they're literally
21 sketched on a piece of scrap paper. We received these
22 through public records. There are about ten pages that
23 comprise the current San Jose to Gilroy Alternative. We
24 would suggest that a Business Plan for a project of this
25 magnitude should probably have more than that.

1 Anyway, I mean our bigger picture of you is it is
2 time to have a plan. Every assumption that underlies the
3 current plan is no longer true. If --

4 (Timer Beeps).

5 All right, anyway I will -- we can continue this
6 conversation, but that's the idea is what is the plan?
7 Everybody deserves to know. The homeless shelters deserve
8 to know. The people who live in Morgan Hill deserve to
9 know. Thank you.

10 CHAIRMAN RICHARD: Thank you, Ms. Alexis.

11 Roland Lebrun.

12 MR. LEBRUN: Thank you Chair Richard and Members.
13 I had not planned to address the Authority today, however
14 having seen Ms. Lee Ann Eager's presentation on the Fresno
15 maintenance facility, I'm here to voice strong support.
16 And I believe they've got a video they'd like to share
17 with you, so I will yield my time to Ms. Eagar.

18 CHAIRMAN RICHARD: Actually I'm sorry, but with
19 all due respect, Lee Ann, we just -- we don't do that. So
20 if we start down that road then everybody's going to be
21 yielding to everybody else, so.

22 MS. EAGER: I wasn't actually going to speak.

23 MR. LEBRUN: Okay. So I'm not going to yield.
24 I'd just like to show the video.

25 CHAIRMAN RICHARD: I'm sorry?

1 MR. LEBRUN: I'm not going to yield to Ms. Eager.
2 I would just like to show the video.

3 CHAIRMAN RICHARD: Oh, show the video? Okay.
4 How long is it?

5 MR. LEBRUN: One minute.

6 MS. EAGER: It's a minute.

7 CHAIRMAN RICHARD: All right. Go ahead.

8 MR. LEBRUN: Thank you.

9 CHAIRMAN RICHARD: Thank you.

10 (Video begins playback - music and narration.)

11 "Offering the promise of a brighter tomorrow,
12 California's High-Speed Rail System and related heavy
13 maintenance infrastructure will provide significant
14 economic benefits to our region that will serve as a game
15 changer for the Fresno community and the San Joaquin Valley
16 region."

17 "Working together with the California High-Speed
18 Rail Authority, the Fresno County region is working
19 collaboratively to create a system and maintenance
20 facilities that will truly be a global showcase for high-
21 speed rail, drawing investment and commerce from around the
22 world and making Fresno the epicenter for high-speed rail
23 in this country."

24 (Music: Coming to America - Neil Diamond)

25 (Video playback ends.)

1 MR. LEBRUN: So I would just like to have a
2 closing comment in one sentence.

3 CHAIRMAN RICHARD: Go ahead.

4 MR. LEBRUN: I'm working on a document. It's
5 going to take me about two or three months to complete.
6 And once you receive that document, you will understand why
7 that location is absolutely the right location for the
8 maintenance facility. Thank you very much.

9 CHAIRMAN RICHARD: Thank you, Mr. Lebrun.

10 Okay. That concludes our public comments period.
11 I want to thank all the commenters, particularly those who
12 came from long distances to present your remarks today.
13 And with that, the public comment period is closed and
14 we'll move to the regular agenda.

15 The first item in the regular agenda is the
16 consideration of the minutes from the April 17th Board
17 meeting. Do I have a --

18 BOARD MEMBER ROSSI: So moved.

19 BOARD MEMBER CAMACHO: Second.

20 CHAIRMAN RICHARD: Okay. It was moved by
21 Director Rossi, seconded by Director Camacho. Will the
22 Secretary please call the roll?

23 MS. JENSEN: Director Schenk?

24 BOARD MEMBER SCHENK: Yes.

25 MS. JENSEN: Vice Chair Richards?

1 VICE CHAIR RICHARDS: Yes.

2 MS. JENSEN: Director Rossi?

3 BOARD MEMBER ROSSI: Yes.

4 MS. JENSEN: Director Lowenthal?

5 BOARD MEMBER LOWENTHAL: Abstain.

6 MS. JENSEN: Director Camacho?

7 BOARD MEMBER CAMACHO: Yes.

8 MS. JENSEN: Director Miller?

9 BOARD MEMBER MILLER: Yes.

10 MS. JENSEN: Chair Richard?

11 CHAIRMAN RICHARD: Yes. Thank you.

12 Okay, we'll move on to item two, which is the
13 consideration of the 2018 Business Plan. And I'll turn
14 that over to our CEO, Brian Kelly. Mr. Kelly?

15 MR. KELLY: Good morning, Mr. Chairman and
16 Members. Today is the day we hope to adopt the Business
17 Plan. I'm going to go through a quick summary of where we
18 are, the steps we've taken and what's before the Board
19 today for its adoption, as well as some clarification
20 points that have come in since the Draft Plan came out on
21 Friday. We'll just role through those for the Board's
22 consideration for adoption.

23 So first, just by way of reminder this Business
24 Plan is required under law, Public Utilities Code Section
25 185033. At the conclusion of a 60-day public comment

1 period, which concluded on May 7th we've used public
2 comments we received, more than 500 now, to guide changes
3 to the draft document which again we've released publically
4 in sort of draft final form on Friday, May 11th. And as I
5 said we released those on Friday. It's been reviewed by I
6 know the Board and others and that is what we have before
7 you today.

8 There are three documents that have been provided
9 for the Board's consideration today. The first is, of
10 course the staff recommended edits which you've seen, which
11 is a chart document that rolls through how staff has
12 proposed to accommodate the public comments we've received,
13 so that looks like that.

14 We have an errata sheet that is limited to more
15 technical clarification points, grammatical changes, things
16 like that, that are in the Plan. That looks like this.

17 And then of course you've all seen a copy as
18 this, the public has as well, of the Final Draft Plan
19 before you.

20 So those are the elements that the Board has
21 before it today. Before I go further in this summary of
22 what's before you and our actions today I do want to say a
23 big thank you to the team within the High-Speed Rail
24 Authority that worked to get us here. This process is
25 intense. It is painstaking and it took a phenomenal team,

1 both on the Authority side and our consultant side working
2 together, to put this draft together to painstakingly go
3 through the comments we've received, and to present what we
4 have presented for you, what we are presenting today. So
5 again I just want to start by thanking everybody for the
6 great effort to get us here.

7 As I said, the Draft Plan was originally issued
8 on March 9th. The Board of Directors received comments at
9 two public hearings on March 20th in Sacramento, again on
10 April 17th in Los Angeles. And we received further
11 comments from the Legislature through three legislative
12 hearings, including both policy and budget fiscal
13 committees.

14 As I mentioned a moment ago, citizens and
15 stakeholders and agencies submitted some 500 comments.
16 Some comments are addressed in the Revised Draft Plan.
17 Other comments have been or will be through other means.
18 And I think primarily what I'm after there is we received a
19 lot of comments about environmental alignments. We don't
20 address those typically in the Business Plan, but we work
21 those through a very public process and go through that in
22 the public environmental process. So that's an example of
23 something that while we receive a lot of comments on those,
24 they're not included in the Plan.

25 As was stated originally in the 2016 Plan, and

1 remains sort of the driving principles and objectives for
2 the Authority when we're operating in a constrained
3 planning environment, which we have been since the
4 inception of this plan and continue to is there are three
5 key principles that guide us.

6 And the first is that we initiate high-speed rail
7 service in California as soon as we possibly can. We'll
8 make strategic and current investments that will be linked
9 over time to provide mobility, economic and environmental
10 benefits at the earliest possible time. And position
11 ourselves to construct additional segments as further
12 funding becomes available.

13 Simply put we don't have, and we have never had
14 all the money to build all we want when we want to build
15 it, and so we construct in segments that we link together
16 over time.

17 The implementation strategy that we outlined in
18 this Plan first includes meeting our commitment to our
19 federal partners, our primary investment partner, which is
20 the federal government, to complete the 119 miles under
21 construction and get the environmental clearances done for
22 all of Phase 1 by 2022.

23 Extend the Silicon Valley to Central Valley line
24 really for the first time in this Plan to connect San
25 Francisco and Bakersfield. And of course, as we'll get

1 into in a moment with some additional comments, be clear
2 that our intent and our goal remains as it was in 2016 to
3 connect to Merced as part of that Valley-to-Valley service.

4 Invest funds to develop 224 miles of high-speed
5 rail ready infrastructure on two lines: one the Central
6 Valley, one in the Silicon Valley and Bay Area for
7 operations perhaps as soon as 2026 and '27. That is some
8 further analysis of the options is ongoing with our early
9 train operator and we'll be incorporating that analysis
10 into our project update report, which we report to the
11 Legislature in March of 2019.

12 Complete the project development work for the
13 Pacheco Pass tunnels and the extension to Merced.

14 Invest remaining Prop 1A bookend funds in
15 Southern California, along the Burbank to Anaheim corridor.
16 This plan does incorporate the investment of \$423 million
17 into the L.A. Union Station Project, which is coupled with
18 a prior investment of \$76 million for the \$7 million for
19 the Rosecrans/Marquardt Grade Separation, which we just
20 reached a formal agreement with the LA Metro on a couple of
21 weeks ago.

22 And then finally we would continue to be in a
23 position to leverage state funding to access other federal,
24 state or private sector funding opportunities as we go
25 forward.

1 On that last point I think it's just worthwhile
2 to note that some things have changed since 2008 and
3 they're all not in the negative. We have also garnered
4 additional federal and state funds dedicated to this
5 project that put us in a position to leverage those funds
6 for partnership funding as we go forward.

7 This program does discuss the program's
8 challenges. We had a chapter that is dedicated to the
9 lessons learned through our early construction contracts in
10 the Central Valley. We talk about those. And we talk
11 about how we will implement some of the lessons we learned
12 there as we go forward on next steps in construction
13 contracts primarily making sure that we have a better
14 command of right-of-way and other risk issues before we go
15 to construction, so that we can better manage and mitigate
16 the risk with the construction projects going forward.

17 We'll also take steps to -- as I said take steps
18 to ensure that risks are identified, mitigation strategies
19 are pursued, and we continue to institute organizational
20 improvements to enhance the Authority's capacity as a
21 project delivery organization.

22 As you know from our prior hearings, we have
23 brought in a new Chief Operating Officer. We made some
24 management moves surrounding the management of the right-
25 of-way activities now. And we continue to move forward in

1 that direction. We'll be talking more to the Board about
2 that in June and August hearings.

3 And of course we outline strategies to seek
4 additional funding to complete the program.

5 There are several comments we have received; some
6 big, some small. We've incorporated what we thought was
7 appropriate in the Business Plan. And I would describe
8 them as being roughly in the five following areas. We did
9 get comment on funding and financing, both from the
10 legislative side as well as from our peer review group and
11 from the public generally. And so we have incorporated the
12 language into the Draft Plan that provides more clarity on
13 the need for additional funding, where we are on dedicated
14 funds to the project now, and an approach going forward
15 outlining how we may leverage what we have to find
16 additional funds and to deliver the system and the timing
17 of when that financing would be required.

18 This was also part of our legislative back and
19 forth, particularly around the financing of Cap and Trade
20 revenues, when we would seek legislative authority for
21 that, when we would want to see that done, so that we can
22 meet project delivery schedules. And that is something
23 we've articulated a little more clarity on in this Draft
24 Plan.

25 Peer Review Group and others talked about

1 expanding the role of the early train operators. We've
2 incorporated that in the Draft as well, extended discussion
3 on the ETO's role at this time as well as their role as we
4 work together going forward.

5 The City of Merced has been a big issue here.
6 And again we've reiterated in this Plan our commitment and
7 our goal to incorporate Merced as part of the V-to-V
8 service. We've identified that there's a funding challenge
9 there that we have to deal with going forward, but that
10 we've indicating it's an important element in the Valley-
11 to-Valley service. And I would include in our analysis of
12 what might be an early Central Valley line we're also
13 incorporating further analysis of whether Merced
14 construction, Alameda to Merced, will be part of that
15 process or part of what we may ultimately open.

16 San Francisco to Los Angeles trip times, again
17 led mostly by guidance from our Peer Review Group, but also
18 others. There was some adjustments to the trip times based
19 on the further development of the project. And we
20 incorporated those changes between the Draft and the Final
21 Plan. And those trip times were corrected and forecasts
22 were updated and that's reflected here in the Final Plan.

23 And then finally, we've identified the key
24 challenge in getting the Valley-to-Valley done.

25 As completing the tunneling work at the Pacheco

1 Pass, we were asked broadly to expand more on how we will
2 approach that, what kind of expertise we have available to
3 us now, what kind of expertise we'd like to bring in to
4 guide us on both tunnel design, procurement opportunities
5 and costs, and further design issues. And so we've
6 expanded on that discussion in the Draft as well.

7 So today's Board Meeting, with respect to all the
8 changes we made, will focus on the following elements. The
9 Board will consider the comments from the public on the
10 proposed changes to the Draft 2018 Business Plan, consider
11 the proposed staff recommended edits, provide additional
12 clarification or changes, propose any additional language
13 to be included in the Revised Plan. And then between now
14 and June 1st we will incorporate the Board's direction at
15 the staff level and prepare a Final 2018 Business Plan for
16 submittal to the Legislature by June 1st, of 2018, which is
17 our requirement under current law.

18 So that's what I have before you. There are a
19 couple of specific areas that since the Draft Final Plan
20 was released publicly on May 11th, we have heard from some
21 members of the Board to clarify a couple of points in
22 elements throughout the letter. I would describe these
23 most as technical clarification points. I guess I would
24 say errata-qualified sort of points that are important, but
25 for clarity's sake and that we would propose the Board to

1 adopt. You have a copy of those on the dais now. And just
2 rolling through what we have received we have about seven
3 in total. In essence, it's to be clear. I'll go through
4 each.

5 Board Member Rossi and I had this discussion
6 about some of the funding and financing language that's
7 used, and make sure we're very clear in our language and
8 more precise in our language. So for the first, even in
9 the letter from the CEO, we can be a little bit imprecise
10 and it his suggestion that we are very clear that while
11 we're are seeking to leverage state funding committed to
12 the project, and we want to pursue additional federal
13 funding or financing and potential private financing to
14 invest in the development of the high-speed rail system,
15 just to clarify what we're after from our various partners.

16 Chairman Richard and I had a discussion about the
17 description of the goal to get to Merced. And we had said
18 here prior connecting Merced as part of the initial line
19 remains a high priority. The suggestion is to be clear
20 that we are still aligning with our 2016 goal. That in
21 this 2018 Business Plan, we reiterate our commitment to the
22 goal to extend to Merced as part of the opening of the
23 Valley-to-Valley service. And as in 2016 funding for that
24 connection still must be identified, so we maintain the
25 same commitment or objective or goal as we described in the

1 2016 Plan.

2 On page 37, there's a reference to whether Cap
3 and Trade funds that we are identifying for the project now
4 would fall based on when we go into financing. And the
5 term "would fall" is not the right term, so we are
6 clarifying that. And by saying if financing is not
7 accessible, Cap and Trade proceeds through 2030 will range
8 between -- we lay out the ranges, instead of suggesting we
9 already have something in hand that we would lose.

10 Again, these are mostly clarifying points. Page
11 37 there's a simple footnote that describes the funding
12 available on the chart. And instead of saying that funding
13 is available including a "pay as you go" through 2023 and
14 surplus cash from debt service from 2024, we simply say the
15 revenues are reflected as cash flow, free cash flow, after
16 debt service, period. And so it changes the footnote to
17 make sure that the chart is as clear as possible for those
18 reading it.

19 And again, the other two with Mr. Rossi on page
20 41 and page 44, are quite technical in nature. Striking
21 the term "under the right conditions" when we walk about
22 how and when we partner with the private sector. And
23 simply noting that by partnering with the private sector
24 there may be ways to further refine our cost and schedule
25 certainty to the delivery of the tunnels and other

1 components of the system.

2 And then finally it's the same issue on page 44.
3 We strike the term "under the right conditions" and simply
4 note that potential private investment through the
5 monetization of future discounted net cash flows, and
6 another list is we lay out three key sources of funding to
7 help complete the Phase 1 system.

8 So that's roughly the changes in the funding and
9 financing area and the Merced area. Board Member Richards
10 had pointed out two other clarifying issues that we would
11 recommend the Board direct staff to make, as we finalize
12 this Plan or you consider finalizing the Plan.

13 One is on page 54 there's a chart where we
14 describe some of the lessons learned and we make reference
15 to an incorrect assumption that the Authority made that the
16 utilities would cover relocation costs. And we note that
17 we wouldn't make that assumption going forward. As a point
18 of clarity, the issue had more to do with who was
19 performing the work, but not whether the cost would be
20 borne by the utility. It was always our cost to pay for
21 that work, but some question about the scope. So the cost
22 was always to be borne by the Authority. The issue was
23 whether it was appropriated estimated based on who was
24 performing the work. And so we proposed to clarify that
25 language and would take direction from the Board to do

1 that.

2 And the last piece is on page 51 from Member
3 Richards. We have a picture and a reference to that
4 picture is the San Jose River Viaduct. And that's the
5 incorrect reference. It should be the San Joaquin River
6 Viaduct, so again clarifying points, but all points that we
7 would certainly direct staff to make as we make this Plan
8 final.

9 So with that, Mr. Chairman, I conclude my
10 presentation.

11 CHAIRMAN RICHARD: Let me turn to my colleagues.
12 And well first, I want to thank you and the staff for a
13 tremendous amount of work that you have put into this
14 document. And I want express our heartfelt appreciation to
15 you for that. I know it's been a lot of hours.

16 Let me turn to my colleagues and I think I'm just
17 going to start down at the end with Director Miller and
18 just come this way for any comments or additional issues
19 that members want to raise.

20 BOARD MEMBER MILLER: Well, I have no additional
21 issues --

22 CHAIRMAN RICHARD: The button that says "mic" on
23 the right?

24 BOARD MEMBER MILLER: Okay. There we go. I
25 don't have any additional comments or questions. I thought

1 the staff did a really good job and I thank you and applaud
2 you for doing that, making the document more transparent
3 and definitely dealing with some of the challenges that we
4 have, so I appreciate that. Thank you.

5 CHAIRMAN RICHARD: Director Rossi?

6 BOARD MEMBER ROSSI: I don't have anything to
7 add, other than to also say thank you to the staff for all
8 the work.

9 CHAIRMAN RICHARD: Director Camacho?

10 BOARD MEMBER CAMACHO: One might say that you
11 came in at the right time and then right timing or you
12 might say that you came in at the wrong time, because you
13 had this pending 2018 Plan. I don't know anyone else who
14 could have pulled this thing together the way you've done
15 with your staff. Thank you.

16 MR. KELLY: Thank you.

17 CHAIRMAN RICHARD: Vice Chair Richards?

18 VICE CHAIR RICHARDS: I would just reiterate what
19 my colleagues have said and again thank you Brian and
20 staff. It's an incredibly good job.

21 MR. KELLY: Thank you.

22 CHAIRMAN RICHARD: Yeah, I did on this round just
23 want to make sure we're talking about comments. And I was
24 going to give a second round of opportunity to Board
25 Members if they had any broader comments about the program.

1 But if you do, we'll come back to that and so Director
2 Schenk?

3 BOARD MEMBER SCHENK: Well, thanks on both scores
4 of the underlying Plan and the edits that you made, Brian.
5 I don't know. I agree with my colleagues. I don't know
6 who else could have come in at the time that you did and
7 pull this together. I mean we've been through a number of
8 these business plans, you as Secretary and we here on the
9 Board. And this is truly that as always we have many
10 issues ahead of us, we have things that we have to look at
11 very carefully. The financing side of things are still a
12 big question to a lot of folks in the audience and folks
13 here. But really you and your staff did a commendable job
14 and I thank you.

15 MR. KELLY: Thank you.

16 CHAIRMAN RICHARD: Director Lowenthal?

17 BOARD MEMBER LOWENTHAL: Yes, thank you. I
18 especially like the section of lessons learned. I think
19 it's very important, because I do remember back in January
20 some of us were really jolted by the challenges that we
21 learned about so late. And you laid them all out here.
22 And that's very important.

23 And the focus on transparency for the entire
24 state and all the people who've come to these meetings to
25 really acknowledge what we didn't know then, we do know

1 now. And you're making a tremendous effort to change it
2 and go forward. And I appreciate that.

3 As you know, I'm involved with a big project down
4 south, the Gerald Desmond Bridge and we too had many of
5 those same challenges with utilities and unknown costs.
6 And sometimes it take some years to get out of it.

7 So I am really pleased with the Plan and the
8 Revision and thank you and your staff.

9 MR. KELLY: Thank you.

10 CHAIRMAN RICHARD: I was going to make some
11 concluding comments at the end, but let me just see if
12 there are any other -- first to our CEO, are there any
13 broader statements you want to make about this document or
14 its import, before we move to adoption of it?

15 MR. KELLY: Only Mr. Chairman and Members that
16 this is a reflection of where we are in a longer process.
17 We have more work to do, obviously. And we have
18 opportunities to report on our status continuously through
19 project update reports and future business plans. And we
20 will continue to work to refine schedules, costs, scope,
21 all of that as we go forward. And make important
22 organizational improvements to make sure that we are
23 meeting the expectations of the public on this project.
24 And we're committed to doing that and I appreciate the
25 opportunity to be part of that. Thank you.

1 CHAIRMAN RICHARD: Thank you, Mr. Kelly.

2 Other statements that members want to make at
3 this time?

4 (No audible response.)

5 CHAIRMAN RICHARD: Well, I'd like to make a
6 couple of concluding remarks before I ask my colleagues for
7 a motion on this. First, once again to thank Mr. Kelly and
8 the staff for all the work that was done. To thank the
9 members of the public for their input, comments,
10 suggestions and so forth, which I think have been as
11 always, are useful to the process.

12 I just want to make a couple of remarks as we sit
13 here and reflect on where we are at this stage of the High-
14 Speed Rail Development Program. And I have to say I was
15 listening to one of the members of the public speak about
16 the status of the project in 2012. I remember that. It
17 causes a certain amount of post-traumatic stress syndrome
18 to think back to those days. But in fact, I would have to
19 strongly disagree with the argument that was propounded,
20 because I think that tremendous progress has been made.

21 As we sit here today, unlike 2012 to quote Nancy
22 Pelosi, "Dirt is flying." We have almost 2,000 people
23 working directly on more than a dozen sites. It's
24 transforming the communities in Fresno. There are spot
25 labor shortages of truck drivers and others in an area that

1 had the highest poverty rate in the state and a
2 persistently high unemployment rate. And it's exactly the
3 kind of public investment returns that people want to see
4 from infrastructure investments.

5 But more than that, more than that, and this was
6 really at the heart of the debate in 2012 more than that it
7 was an expression by the State of California that we're not
8 leaving parts of our state behind. Central Valley, if it
9 were its own state, would supplant Mississippi as the
10 poorest state in the United States. And we're not going to
11 leave our fellow citizens behind. We're going to make
12 investments in underinvested areas.

13 The other thing that's changed since 2012 is one
14 of the things that brings us to San Jose today: the
15 explosion of opportunities here in Silicon Valley. And the
16 parallel explosion of housing costs and the tremendous
17 challenge of finding a way to sustain the economic engine
18 that is Silicon Valley, an engine not just for the State of
19 California, but for the world.

20 We now see the promise of a balance of jobs and
21 housing that perhaps we didn't really see in 2012. And the
22 opportunity to connect areas of our state including places
23 like Merced, where we have academic institutions, Fresno
24 with Fresno State, Bakersfield with CSU Bakersfield, to
25 connect those academic institutions and centers of

1 excellence with Silicon Valley, I think is a tremendously
2 exciting prospect.

3 I want to say two other things. Going back to
4 something that Mayor Liccardo said when he talked about how
5 we'd probably been hearing from mayors up and down the
6 state, that's exactly right. That is exactly right. And
7 I'd ask people to reflect on this: at all levels of
8 government the people who are closest to the populous and
9 to the concerns of everyday Californians, reside in the
10 Mayor's Chambers in every city, up and down the state.

11 And uniformly mayors whether it's in Fresno, the
12 current Mayor, the prior Mayor; Merced; the City Manager in
13 Bakersfield; the Mayor of Palmdale; successive mayors of
14 Los Angeles; successive mayors of San Francisco; successive
15 mayors of San Jose; have been ardent supporters of bringing
16 high-speed rail to their communities, because they
17 understand the benefits of this. And I think if you have
18 to really step back and look at what's important here,
19 you're hearing it in the voice of mayors like Sam Liccardo
20 and others.

21 And finally, I just want to say this about the
22 issue of funding. Also sitting here in San Jose I was
23 reflecting on something, with apologies to my colleagues
24 who always groan when I start a sentence with this
25 subordinate clause, but when I was on the BART Board in

1 1999 I received a call from then Mayor of San Jose, Ron
2 Gonzalez. Who said, "I'm going to be proposing that we
3 bring BART to San Jose." It was not something BART was
4 pushing. It was the Mayor of San Jose, who saw that as an
5 opportunity.

6 That was almost 20 years ago. They're still
7 working on funding to get the last leg of it done. The
8 first legs of it have been done and that construction
9 proceeded. But infrastructure projects take a long time,
10 number one. And number two, I don't know of any of them
11 that have started with having all the funding in pocket
12 when they did. And our project is no exception to that.

13 This Business Plan lays out very clearly, and as
14 was stated the Peer Review Group emphasized as well, there
15 are important funding decisions ahead that need to be made.
16 And we all need to work together to make them at the
17 federal, state and local level.

18 People often try to remind us of the promises
19 that were made to voters in 2008. One of those promises
20 was that the federal government would continue its historic
21 role of investing in the nation's infrastructure. That
22 promise has not been realized. And it needs to be.

23 So I don't want to go on and on. I just want to
24 reflect on those things as we report to the Legislature and
25 the people of California about where we are and where we

1 see ourselves going. And I do think that this document
2 provides a good road map for a step-by-step way first to
3 connect Valley-to-Valley and then the rest of the state.
4 It identifies key important infrastructure decisions we
5 have to make like the tunnels and how they could be funded.
6 And it lays out a path for our policy makers as to how we
7 can accomplish this.

8 But I would just end with this. We're building
9 high-speed rail today. We are going to build high-speed
10 rail tomorrow and we're going to deliver high-speed rail
11 for the people of California, so with that --

12 VICE CHAIR RICHARDS: Mr. Chairman, I'll move to
13 approve the 2018 Business Plan.

14 CHAIRMAN RICHARD: Okay. It's been moved by Vice
15 Chair Richards. And I'm just going to say it was seconded
16 by every member of the Board. Will the Secretary please
17 call the role?

18 MS. JENSEN: Director Schenk?

19 BOARD MEMBER SCHENK: Yes.

20 MS. JENSEN: Vice Chair Richard?

21 VICE CHAIR RICHARDS: Yes.

22 MS. JENSEN: Director Rossi?

23 BOARD MEMBER ROSSI: Yes.

24 MS. JENSEN: Director Lowenthal?

25 BOARD MEMBER LOWENTHAL: Yes.

1 MS. JENSEN: Director Camacho?

2 BOARD MEMBER CAMACHO: Yes.

3 MS. JENSEN: Director Miller?

4 BOARD MEMBER MILLER: Yes.

5 MS. JENSEN: Chair Richard?

6 CHAIRMAN RICHARD: Yes. Thank you, staff.

7 Thank you all very much. Thank you, colleagues.

8 Okay. With that, we will move to the rest of our
9 agenda and that will be item three, consider amending an
10 agreement with the City of Fresno for the relocation of the
11 G Street and associated utilities necessary for the
12 relocation of the Fresno Rescue Mission.

13 MR. HEDGES: Good afternoon.

14 CHAIRMAN RICHARD: Mr. Hedges, good afternoon.

15 MR. HEDGES: The basis of this request is as
16 follows, it's to increase the current agreement with
17 Fresno, the City, with regards to 350,000 by 5,215,000 and
18 to extend its completion date to December 31st of 2020.
19 This will allow basically the relocation of G Street to
20 approximately 60 feet to the east, predominantly to
21 accommodate the relocation of the Fresno Rescue Mission.

22 I remind the Board that we currently have an
23 agreement, a separate agreement with regards to the Fresno
24 Rescue Mission, a possession and use agreement for a total
25 of \$13 million, which they are currently at \$9.4 million

1 expended. So as I stated there is approximately 3.9 that
2 will go directly to the City for the relocation of the
3 road. And the City will then contract for approximately
4 1.3 million for the relocation of predominantly PG&E
5 utilities within that alignment.

6 This agreement is a not to exceed agreement, but
7 it is not a final guaranteed amount. Okay. There is a
8 distinction there. What the agreement does not account for
9 again is that final guaranteed amount. There is
10 contingency in the amount on this agreement to
11 approximately -- it's a guesstimate of over 300,000 that was
12 included in the City of Fresno's estimate, so.

13 CHAIRMAN RICHARD: Thank you, Mr. Hedges.

14 Questions for Mr. Hedges? Director Rossi?

15 BOARD MEMBER ROSSI: I just want to be clear on
16 this. This says that this is a net zero exercise, but it's
17 only a net zero exercise for the existing budget. With the
18 re-baselining does it become a net zero exercise by
19 reducing the new number for ROW by this similar amount?

20 MR. HEDGES: Yes, sir. We will -- this is
21 included in the new baseline. This amount is accounted for
22 in our current budget and is also counted in our re-
23 baseline amount. So we're anticipating this expenditure.

24 BOARD MEMBER ROSSI: Thank you.

25 CHAIRMAN RICHARD: Other questions? Director

1 Miller?

2 BOARD MEMBER MILLER: I just have one, which has
3 to do with the, you said it was an estimate, and so I'm
4 assuming that's the City Engineer's estimate?

5 MR. HEDGES: It is, ma'am.

6 BOARD MEMBER MILLER: And so when they go out to
7 bid, do you have a timeline for this contract?

8 MR. HEDGES: I do not have a timeline. I can get
9 back to you.

10 BOARD MEMBER MILLER: Would you? I just --

11 MR. HEDGES: When we anticipate the City will
12 award both to PG&E and to its construction contracts.

13 BOARD MEMBER MILLER: But they'll bid it first.
14 We'll make sure it's within the budget and then awarding
15 occurs, correct?

16 MR. HEDGES: That will also allow us then to come
17 back and clarify the remaining contingency that's left.

18 BOARD MEMBER MILLER: Okay. Thank you.

19 MR. HEDGES: We'll give you ETCs on all of that.
20 Estimates to Complete.

21 BOARD MEMBER MILLER: Great, thanks.

22 CHAIRMAN RICHARD: Okay. Other questions? Vice
23 Chair Richards?

24 VICE CHAIR RICHARDS: Yes. Mr. Hedges, you said
25 it's a not to exceed number?

1 MR. HEDGES: Yes, sir.

2 VICE CHAIR RICHARDS: Does that mean it's an
3 agreed upon not to exceed number between ourselves and the
4 city?

5 MR. HEDGES: It is a not to exceed number as
6 specified within the agreement, but it is not -- the
7 agreement does not specify that this is a final, guaranteed
8 amount. There is a slight distinction between that. This
9 would not preclude if the City did incur costs,
10 construction costs that were above this amount, from coming
11 back and asking for additional funds. And the most --'

12 VICE CHAIR RICHARDS: But this, the estimate was
13 done by the City as I understand from reading this.

14 MR. HEDGES: Excuse me, sir?

15 VICE CHAIR RICHARDS: The estimate was done by
16 the City as I understand, reading this?

17 MR. HEDGES: Yes, sir. This estimate was
18 prepared by the City for the City.

19 VICE CHAIR RICHARDS: How long ago was that
20 estimate done?

21 MR. HEDGES: I do not have the exact date of that
22 estimate, sir. I'll have to get back to you, but it's a
23 fresh estimate.

24 VICE CHAIR RICHARDS: I guess I'd just be
25 disappointed if we're relying upon a number that the party

1 in which we're contracting with had provided that estimate,
2 and knows best the conditions there, that would come back
3 with a higher number than what they had estimated.
4 Especially if it was a current estimate and I would hope
5 that we're acting on current information here.

6 MR. HEDGES: I will verify, sir, but I'm
7 reasonably sure that it is.

8 VICE CHAIR RICHARDS: Okay. All right.

9 MR. HEDGES: Since they will have to sign this
10 agreement.

11 VICE CHAIR RICHARDS: Okay. Thank you.

12 CHAIRMAN RICHARD: Other questions? Director
13 Schenk?

14 BOARD MEMBER SCHENK: Yeah. I just want to
15 underscore what Member Richards is talking about. It just
16 makes me a little bit uncomfortable that other people are
17 spending our money. And, you know, as I said in the last
18 meeting, trust but verify. And I know I can't believe I
19 quote President Reagan, but really it's very difficult for
20 me to accept someone else saying what something costs
21 without our having some very significant audit and
22 oversight over it.

23 MR. HEDGES: There was audit and oversight. We
24 did review the City's estimate and we are confident that
25 the City's estimate is accurate as estimates can be. It's

1 hard to predict what the market conditions will amount to
2 at time of bid, but we did review the City's estimates.

3 CHAIRMAN RICHARD: Yeah, I was going to make a --
4 I'm sorry, go ahead, Vice Chair Richards?

5 VICE CHAIR RICHARDS: Let me just follow up on
6 that then. Is it our intention then that this will be
7 converted to a fixed price contract prior to the time
8 construction starts?

9 MR. HEDGES: No, sir. That is not. That is
10 currently in (indiscernible) --

11 VICE CHAIR RICHARDS: Well, I think that's a
12 really good idea even though it's mine. It would seem to
13 me that it would be better for us to convert to that at a
14 time before we start construction rather than having you
15 come back in here halfway or three-quarters full telling us
16 we're over price.

17 MR. HEDGES: Yes, sir. We can do that. We can
18 accommodate.

19 CHAIRMAN RICHARD: Director Camacho?

20 BOARD MEMBER CAMACHO: Mr. Hedges, we in the
21 briefing with Board Members I raised this question then,
22 I'll raise it one more time just for clarity. We continue
23 to talk about this being an almost as though it would be a
24 fixed cost, but yet we play with the word "estimate." And
25 the estimate again, was not done by us. Have we done the

1 value of engineering or any of those things that would
2 validate those costs? I know you said that we've reviewed
3 them.

4 MR. HEDGES: We have reviewed, so our Engineering
5 Department and the staff, construction staff, did review
6 these estimates as to verify their accuracy. But did we
7 prepare a separate and distinct estimate, sir? We did not.

8 BOARD MEMBER CAMACHO: Well, I would only suggest
9 then that when you bring us something like this, that we
10 don't confuse the terminology of "estimate" and a "not to
11 exceed cost," because they are distinctly different.

12 MR. HEDGES: Yes, sir. I'm only referencing the
13 language that's currently in our agreement.

14 BOARD MEMBER CAMACHO: Thank you.

15 MR. HEDGES: That was a quote from our agreement.

16 BOARD MEMBER CAMACHO: Thank you.

17 CHAIRMAN RICHARD: Well, let me just see if I can
18 -- you said it was okay, but I just want to make sure,
19 because it probably means an amendment to the motion. What
20 I understand my colleague, Tom Richards, to have asked was
21 that instead of proceeding with this estimate against a
22 hoped-for target that prior to the execution of the
23 contract it would be converted to an actual fixed price
24 contract. And that what we would be doing would be
25 authorizing you to complete that process, but to executive

1 a fixed price contract in this area. And I just want to
2 make sure that I heard him correctly, and that what I
3 thought I heard you say was that we can do that. That that
4 would be acceptable if we made that part of these
5 resolution, but if you have concerns --

6 MR. HEDGES: Yes, sir. We can go back to the
7 City and negotiate it with the City. Again, it's just a
8 bilateral agreement that will require their consent.

9 CHAIRMAN RICHARD: Sure, I understand.

10 Mr. Rossi?

11 BOARD MEMBER ROSSI: How did we have that before?
12 How is the contract written? Is the contract written that
13 it is as it is or is the agreement we have with the City
14 open to renegotiating everything?

15 MR. HEDGES: Sure, we have the current -- we have
16 to go back and -- I'm assuming they'd have to go convey
17 with Legal, but my assumption is that we'd have to go back
18 and renegotiate with the City as to accommodate this
19 language in this agreement.

20 BOARD MEMBER CAMACHO: And that's going to buy
21 them more liability and probably raise the costs.

22 BOARD MEMBER MILLER: So let me just make a
23 suggestion, if I could?

24 CHAIRMAN RICHARD: Yes.

25 BOARD MEMBER MILLER: Which is we're also

1 extending the term of this until December 2020 and what I'm
2 assuming the intent is, is that all this work would be
3 completed and then the contract would be over, correct?

4 MR. HEDGES: No, ma'am. My assumption is that
5 what would happen here is that this would allow the City of
6 Fresno between now and 2020, the completion of 2000, [sic]
7 to invoice this for the amounts of their construction.
8 That's what this agreement allows us to do.

9 BOARD MEMBER MILLER: Right, so instead of re-
10 negotiating I was just going to say that what you would
11 want to do is have the City provide you with the bids, so
12 that we know what the lowest responsible bidder is. And is
13 if it's higher than this amount, you bring that back to us,
14 because this contract can be terminated as well. So we
15 could hear and then decide what we want to do instead of
16 trying to amend it to take care of all things right now.

17 MR. HEDGES: Yes.

18 BOARD MEMBER MILLER: But I do think in the
19 future since it is going to be bid, that you would have a
20 mechanism for letting the Board know that it was within
21 bid, sooner than later.

22 MR. HEDGES: Yes, ma'am. Well, we can do that.
23 That is not an issue and again this is a not to exceed
24 amount, so if any amounts were -- the amounts received were
25 below this then the City would only be able to invoice to

1 the actual amounts of the contract.

2 VICE CHAIR RICHARDS: I think that we're
3 sensitive about this, because we've had other not exceed
4 contracts and they always go the other direction. And then
5 they come back and ask for more money and we have no basis
6 on which to refuse it. I would think that what Director
7 Miller said, the City is probably going to contract out of
8 this. So they're going to know in advance if the
9 construction, whether or not we're under budget.

10 MR. HEDGES: Yes, sir.

11 VICE CHAIR RICHARDS: And that's the information
12 that we want to be -- it would seem to me that we want to
13 feel comfortable with.

14 MR. HEDGES: Yes, sir. And I agree with you that
15 the definition of transparency is exactly that. There is
16 no issue with doing that.

17 CHAIRMAN RICHARD: Okay, so where are we on this
18 now?

19 BOARD MEMBER MILLER: So I think it's just
20 instead of amending the contract and spending that time, we
21 would ask that our staff once the bid has been received
22 report back to us. And then we'll take up whether or not
23 we need to amend the contract then.

24 CHAIRMAN RICHARD: Okay. That's a good, yes I
25 agree. Okay.

1 BOARD MEMBER MILLER: So I move, I move the
2 contract.

3 CHAIRMAN RICHARD: With the provision that?

4 BOARD MEMBER MILLER: That staff bring back the
5 bid when it's received by the City. Give us an update.

6 CHAIRMAN RICHARD: Okay.

7 BOARD MEMBER ROSSI: (Indiscernible)

8 CHAIRMAN RICHARD: The motion as amended has been
9 made by Director Miller.

10 BOARD MEMBER ROSSI: Second.

11 CHAIRMAN RICHARD: Oh seconded, seconded by
12 Director Rossi. Secretary, please call the roll?

13 MR. DROZD: Director Schenk?

14 BOARD MEMBER SCHENK: Yes.

15 MR. DROZD: Vice Chair Richards?

16 VICE CHAIR RICHARDS: Yes.

17 MR. DROZD: Director Rossi?

18 BOARD MEMBER ROSSI: Yes.

19 MR. DROZD: Director Lowenthal?

20 BOARD MEMBER LOWENTHAL: Yes.

21 MR. DROZD: Director Camacho?

22 BOARD MEMBER CAMACHO: Yes.

23 MR. DROZD: Director Miller?

24 BOARD MEMBER MILLER: Yes.

25 MR. DROST: Chair Richard?

1 CHAIRMAN RICHARD: Yes.

2 Thank you, Mr. Hedges.

3 MR. HEDGES: Thank you.

4 CHAIRMAN RICHARD: Okay. Our next item is a
5 proposed time only extension of a legal services contract
6 with Nossaman, Mr. Fellenz?

7 MR. FELLEENZ: Yes, Mr. Chairman and Board
8 Members, as you stated this is to seek your approval to
9 extend for time only, the Nossaman Legal Services Contract
10 by two-and-a-half years out to December 31st, 2020. It
11 will expire at the end of June of 2018.

12 Nossaman continues to provide some very limited,
13 but critical legal services to us in the existing three
14 design-build contracts and giving us advice about those
15 contracts, since they're the ones that had written those as
16 Legal Counsel. So we'd like to continue the opportunity to
17 work with them on these contracts as we move toward
18 construction.

19 And I'm here to answer any questions you might
20 have.

21 CHAIRMAN RICHARD: Questions for Mr. Fellenz?

22 BOARD MEMBER CAMACHO: So moved.

23 CHAIRMAN RICHARD: Okay, moved by Director
24 Camacho.

25 BOARD MEMBER LOWENTHAL: Second.

1 CHAIRMAN RICHARD: Seconded by Director
2 Lowenthal.

3 Secretary, please call the roll.

4 MR. DROZD: Director Schenk?

5 BOARD MEMBER SCHENK: Yes.

6 MR. DROZD: Vice Chair Richards?

7 VICE CHAIR RICHARDS: Yes.

8 MR. DROZD: Director Rossi?

9 BOARD MEMBER ROSSI: Yes.

10 MR. DROZD: Director Lowenthal?

11 BOARD MEMBER LOWENTHAL: Yes.

12 MR. DROZD: Director Camacho?

13 BOARD MEMBER CAMACHO: Yes.

14 MR. DROZD: Director Miller?

15 BOARD MEMBER MILLER: Yes.

16 MR. DROZD: Chair Richard?

17 CHAIRMAN RICHARD: Yes.

18 MR. FELLEENZ: Thank you.

19 CHAIRMAN RICHARD: Okay. That concludes our
20 regular agenda. Members, I would like to have a very brief
21 closed session. I think we will be able to get everybody
22 out of here before 3:00 o'clock, if we could -- and I'm
23 looking to Mr. Drozd, where would a closed session be held?

24 MR. DROZD: Directly outside, in Room 157 just to
25 the left.

1 CHAIRMAN RICHARD: Room 150?

2 MR. DROZD: 157.

3 CHAIRMAN RICHARD: Okay. So in five minutes can
4 we meet in there? Okay.

5

6 (The Board convened into Closed Session at 2:39 p.m.)

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9 (The Board reconvened out of Closed Session at 3:08 p.m.)

10 There are no items out of the closed session to report.

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13 (Chairman Dan Richards adjourned the

14 Board Meeting at 3:09 p.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 22nd day of June, 2018.



Eduwiges Lastra
CER-915

TRANSCRIBER'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 transcribed by me, a certified transcriber 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 22nd day of June, 2018.



Myra Severtson
Certified Transcriber
AAERT No. CET**D-852