

CALIFORNIA HIGH-SPEED RAIL AUTHORITY

BOARD MEETING

TRANSCRIPT OF PROCEEDINGS

SACRAMENTO COUNTY BOARD OF SUPERVISORS CHAMBERS

700 H STREET

SACRAMENTO, CA 95814

THURSDAY, AUGUST 16, 2018

9:30 A.M.

Reported by:
Gigi Lastra

APPEARANCESBOARD MEMBERS

Dan Richard, Chairman

Tom Richards, Vice Chair (Absent)

Lynn Schenk

Michael Rossi (Absent)

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

Tom Fellenz, Chief Counsel

Joseph Hedges, Chief Operating Officer

James Andrew, Assistant Chief Counsel

Meg Cederoth, Sustainability Manager

APPEARANCES (Cont.)

PRESENTERS:

Joseph Hedges, Chief Operating Officer

James Andrew, Assistant Chief Counsel

Brian Kelly, Chief Executive Officer

Meg Cederoth, Sustainability Manager

PUBLIC COMMENT:

Rod Diridon, Chair, USHSRA

Troy Hightower, TDH Associates

David Schwegel, US High Speed Rail Association

Ivor Samson, Fresno Rescue Mission

Roland Lebrun, Self

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P R O C E E D I N G S

9:33 a.m.

PROCEEDINGS BEGIN AT 9:33 A.M.

SACRAMENTO, CALIFORNIA, THURSDAY, AUGUST 16, 2018

CHAIRMAN RICHARD: Good morning, this meeting of the California High-Speed Rail Authority Board will be in session.

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: (Absent).

MS. JENSEN: Director Rossi?

BOARD MEMBER ROSSI: (Absent).

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).

MS. JENSEN: Assemblymember Arambula?

1 EX OFFICIO BOARD MEMBER ARAMBULA: (Absent).

2 MS. JENSEN: Chair Richard?

3 CHAIRMAN RICHARD: I'm here.

4 Director Camacho, will you lead us in the Pledge
5 of Allegiance?

6 BOARD MEMBER CAMACHO: Please stand.

7 (The Pledge of Allegiance is made.)

8 CHAIRMAN RICHARD: Even though this has nothing
9 to do with the High-Speed Rail Program, as a child of the
10 '60s I just have to say to Aretha Franklin, rest in peace.
11 A wonderful, wonderful treasure.

12 BOARD MEMBER SCHENK: Her music still resonates,
13 yes.

14 CHAIRMAN RICHARD: We're going to start with our
15 public comment section, but before we do I just want to
16 make note of the fact that our wonderful Board Secretary,
17 Krista Jensen, has decided for inexplicable reasons to move
18 on. Actually, I think it has something to do with family.
19 I mean, who could imagine, but Krista is going to be
20 relocating to be with her family in the Midwest and the
21 East. And I just I know I speak for all of us in saying
22 that she's done a marvelous and stalwart job supporting
23 this Board and supporting the program. And Krista, we will
24 miss you and we wish you the very best. (Applause).

25 MS. JENSEN: Thank you so much. It's been a

1 pleasure.

2 CHAIRMAN RICHARD: Doug, where's Doug?

3 MR. KELLY: He stepped out.

4 CHAIRMAN RICHARD: Oh, okay. I thought he had
5 something, but we'll come back to that.

6 We have just a few comments this morning and we
7 always start with our elected officials or people in
8 distinguished public roles and so I'm happy to have our
9 first speaker this morning be a former member of this
10 Board. I believe a former Chair of this Board. And
11 somebody who has probably the longest and most sustained
12 record of public service in the transportation field in the
13 State of California and that's Rod Diridon, so good
14 morning, Rod.

15 MR. DIRIDON: Thank you. I feel like I'm very
16 old and I am. I'll be brief, Mr. Chairman, but I
17 appreciate you recognizing me.

18 I'm here to first of all thank you for your
19 service. I especially defer to the mother of High-Speed
20 Rail, Lynn Schenk, it's good to see Lynn again. We --

21 CHAIRMAN RICHARD: Pull the mic closer, Rod.

22 MR. DIRIDON: We served together on the Board
23 years ago. If it's not working that close it's not
24 working. And it's good to see you again, Lynn.

25 BOARD MEMBER SCHENK: Great to see you.

1 MR. DIRIDON: I don't know why it is that I get
2 old and you get younger, but it just seems to work that.

3 And to each one of you, I know your challenges
4 are significant. You're just at that burning point of the
5 most significant construction project in the state, maybe
6 the nation's history. And it's so important that it
7 continue on and you build it.

8 That Valley to Valley link is -- for Silicon
9 Valley it is a game changer. We have currently over
10 200,000 cars a day coming into Silicon Valley from the
11 North Central Valley and their two-and-a-half, three hours
12 per direction commute, burning terrible priced gasoline,
13 causing serious pollution, leaving before the kids wake up
14 and coming home after the kids go to sleep. And it's not a
15 good lifestyle.

16 Your timetable time from Fresno to Downtown San
17 Jose, whatever that station's name is -- (Laughter).

18 BOARD MEMBER SCHENK: Hard to spell.

19 MR. DIRIDON: It'll come. The timetable time is
20 less than an hour and that will be just so important to the
21 engine of the economy in California, and the Silicon
22 Valley, so good luck to you.

23 And let me end my comment by saying that I've had
24 the honor of going through the early processes of setting
25 up the US High-Speed Rail Association in Washington and

1 I've chaired that Board for the last nine years.

2 I also have the honor of telling you that I'm
3 relinquishing that chairmanship to Dan Richard on the 10th
4 of September and is assuming charge of that very
5 significant Board that includes the top people in the
6 nation from all the different geographic areas and all the
7 different disciplines. And so I know the leadership is in
8 good hands and Dan will assume that responsibility at the
9 US High-Speed Rail Association's National Leadership
10 Summit, which is going to be held in Silicon Valley.

11 And we set it there in order to honor Dan and
12 most especially talking to the Governor, because we know
13 from watching what's happening in the nation that our
14 Governor is the reason why we are so powerfully ahead of
15 everything else across the nation in building this
16 complicated project. And so we want to make sure that he
17 gets due credit for all that he's done and that you each
18 get due credit and you're all invited. There are cards out
19 in the lobby. I'll leave them with the Clerk, so that she
20 can pass them out to you.

21 We cordially invite you to be there and celebrate
22 Dan's ascension to the throne. And --

23 CHAIRMAN RICHARD: I don't know if that's cause
24 for celebration, but --

25 MR. DIRIDON: Well, I think it is. I mean, it

1 recognizes your leadership and the state's leadership in
2 the nation. And we're the last country in the world, the
3 last major country in the world, to have high-speed rail
4 and California's changing that.

5 So, I'll take no more of your time. I'm here
6 with Steve Larson who is also a member of that Advisory
7 Board. You all know Steve from the time that he ran the
8 Senate Budget Committee for so many years and then the
9 Energy Commission and the PUC. And it's that kind of
10 person that you have on that Board that has the real
11 leverage and the understanding to make things happen
12 nationally.

13 And we're having -- I don't want to get too
14 political here -- but we have great hopes that the way will
15 be open in the next few years to make things happen, again
16 nationally.

17 CHAIRMAN RICHARD: Thank you, Rod.

18 MR. DIRIDON: Thank you for giving me some time,
19 Dan and congratulations to you and to the Board.

20 CHAIRMAN RICHARD: Thanks very much, Rod.

21 BOARD MEMBER SCHENK: Rod, if you have any of
22 those to give to the rest of us?

23 Perfect, thank you, Krista.

24 CHAIRMAN RICHARD: Okay. Thank you.

25 Our next speakers first will be Troy Hightower

1 and he'll be followed by David Schwegel and Ivor Samson.

2 MR. HIGHTOWER: Good morning, Chair and Members
3 of the Board. Before I start my prepared comments I wanted
4 to echo appreciate for Rod Diridon for his support in the
5 Central Valley as well as some work that he did with us for
6 some events and activities at Cal State University of
7 Bakersfield.

8 CHAIRMAN RICHARD: Great.

9 MR. HIGHTOWER: My name is Troy Hightower. I've
10 been closely involved or not involved directly with the
11 development of the project, but I followed it very closely
12 for over ten years. I retired from Kern COG and now I'm an
13 independent transportation consultant and I have comments
14 on two topics.

15 The first and the main one is I'd like you to
16 consider electrifying the track from Poplar Avenue, the end
17 of CP4, downtown to the Amtrak Station as interim or near-
18 term step towards passenger rail service from San Francisco
19 Bay to the L.A. Basin. This is similar to an
20 electrification project in the Bay Area. The new 2018
21 Business Plan does mention the consideration of interim
22 solutions that would increase ridership and connectivity to
23 other rail systems.

24 Here are a few of the reasons and benefits. The
25 readiness for passenger service in Downtown Bakersfield, I

1 think is a key one. The existing Amtrak Station is a
2 modern station that was built with excess capacity in
3 anticipation of high-speed rail. And that was largely due
4 to the Kern COG previous Executive Director, Ron Brummett,
5 who was on the original High-Speed Rail Commission.

6 It's adjacent to the major east-west and north-
7 south road and transit corridors. It's bike and pet
8 friendly. No roadway improvements are required for access.
9 It's adjacent to the Mill Creek Linear Park, which is the
10 major attraction for Downtown Bakersfield. And it's
11 growing, there's new retail commercial and both market and
12 affordable housing going there.

13 Since that whole area was part of redevelopment,
14 which has since gone away, but it is I would call TOD
15 ready, transit orient development it would provide high-
16 speed rail passengers a direct connection to Amtrak
17 Throughway bus service to Southern California. So that
18 would provide access to L.A., Burbank, Long Beach, Santa
19 Barbara, Pasadena, Anaheim, San Diego and Las Vegas.
20 There's a number of empty bus bases there, so the service
21 could be increased.

22 There's a new parking lot has been built there
23 with solar power and public charging stations, so I believe
24 that the downtown station could serve high-speed rail
25 passengers much earlier, at lower costs. You could begin

1 realizing GHG reductions and it would support the recent
2 Valley to Valley line.

3 Now compared to readiness for the proposed F
4 Street Station, you need to acquire property and construct
5 the station, build a major freeway interchange at F Street
6 and Golden State, significant improvements to 7th Standard
7 Road and Highway 99 Interchange, major changes and
8 improvements to Chester Avenue and 34th Street. All of
9 those will be costly and will take a long time.

10 And that area is not bike and pet friendly and it
11 has issues with connectivity to Downtown. And there's no
12 connectivity to Amtrak or the throughway service to
13 Southern California.

14 Looking at some of the bigger pictures, if you
15 were to consider an interim station in Downtown
16 Bakersfield, after the proposed F Street and Downtown, the
17 alignments are essentially the same. So you could be begin
18 building the Bakersfield to Palmdale segment and connect to
19 the Downtown interim station. Then you'd be able to have
20 single-seat service all the way to L.A. by using this
21 interim station. And even if LGA was to be built you could
22 use the interim station in the meantime until it's
23 completed.

24 CHAIRMAN RICHARD: Mr. Hightower, Troy, these are
25 important comments and it's important for us to hear. But

1 I do want to make sure that we're fair to everybody who's
2 going to speak this morning, so can I ask you to wrap up
3 quickly?

4 MR. HIGHTOWER: I appreciate that, Mr. Chair.
5 And I just wanted to let you know all of the information
6 I'm stating is from the EIRs.

7 CHAIRMAN RICHARD: Right.

8 MR. HIGHTOWER: And with that I think I would
9 encourage the Board and High-Speed Rail staff to consider
10 an interim station at the Downtown Amtrak Station.

11 CHAIRMAN RICHARD: Thank you and I appreciate
12 those comments. And before we turn to our next speaker our
13 CEO, Mr. Kelly, wanted me to remind people that in October
14 we are planning to have a Board meeting in Bakersfield for
15 the Board to consider both the locally-generated
16 alternative and the environmental documents that have been
17 prepared so far for this. So Bakersfield is going to be
18 front and center here very quickly and we'll have a full
19 opportunity to address all of these issues that you're
20 raising with us today.

21 MR. HIGHTOWER: Thank you, Mr. Chairman, that's
22 very good information. I had one additional comment and
23 that's what it was about, the LGA and some of the
24 environmental and Title 6 (indiscernible) --

25 CHAIRMAN RICHARD: Well, we'll be addressing that

1 in October.

2 MR. HIGHTOWER: That's very good news, thank you.

3 CHAIRMAN RICHARD: Thank you very much, Mr.
4 Hightower.

5 David Schwegel followed by Ivor Samson. Good
6 morning.

7 MR. SCHWEGEL: Good morning, greetings High-Speed
8 Rail Board, David Schwegel, US High Speed Rail Association.
9 We covered Thursday's Congressional Hearing and Saturday's
10 Salesforce Transit Center opening and we sent that
11 Salesforce article to staff of all six Congressional
12 Representatives at Thursday's hearing.

13 \$800 billion, that's what Congress spends every
14 year on Defense. A \$50 billion down payment, in other
15 words pocket change, on our nationwide High-Speed Rail
16 Network would mean operating segments up and running, if
17 not our entire project. And that's all possible with a
18 mere 23 days' worth of Defense spending. Let's make this
19 conversation happen at next month's High-Speed Rail
20 Leadership Summit.

21 Hundreds of high-speed rail experts from around
22 the world will come to the Silicon Valley starting on
23 September the 11th. These include former U.S.
24 Transportation Secretaries Ray LaHood and Norm Mineta and
25 former Federal Railroad Administrator Jolene Molitoris.

1 Our project, America's megaproject, will be front and
2 center among the 40-plus presenters and for the first time
3 ever our Senate will include a technical tour of the active
4 constructive sites.

5 President and CEO Andy Kunz says last Saturday's
6 grand opening of the Grand Central Station of the west is
7 one of the most significant advances in modern
8 transportation in America, in 100 years. Therefore, to
9 build on this momentum let's have engaging discussions with
10 our friends in D.C. and from around the world at next
11 month's summit. It's a great next step for making many
12 more significant advances happen. Thank you.

13 CHAIRMAN RICHARD: Thank you, Mr. Schwegel.

14 Next is Ivor Samson followed by Roland Lebrun.

15 MR. SAMSON: Thank you, Mr. Chairman, Members of
16 the Board. My name is Ivor Samson, I'm with Dentons US and
17 I represent the Fresno Rescue Mission.

18 The Fresno Rescue Mission is being condemned by
19 the High-Speed Rail. Over the last three or so years --

20 CHAIRMAN RICHARD: You mean we're taking them
21 subject to Eminent Domain. We're not condemning what they
22 do. We appreciate what they do.

23 MR. SAMSON: Actually you are, it's a question of
24 nomenclature. Some people say "eminent domain." Some
25 people say "condemnation." In either case I am assured

1 that High-Speed Rail will pay full and just compensation
2 for the property that's being acquired.

3 CHAIRMAN RICHARD: Understood.

4 MR. SAMSON: That said, I think it's important to
5 note that we have worked cooperatively with staff for three
6 plus years to try and work on a schedule and procedures
7 that would allow the Mission to operate seamlessly as it
8 moves from its original buildings into temporary
9 headquarters and then into permanent structure. It's taken
10 a lot of work and for the most part, it's been a successful
11 and cooperative effort.

12 In May of this year we encountered a situation
13 that creates problems. It creates a liability, a potential
14 liability for the Mission and it creates a potential breach
15 of contract situation for High-Speed Rail. The details of
16 that are not important to go into now. They're set forth
17 in my letter to Chairman Richard of yesterday.

18 We have tried for the last couple of months,
19 since about May 8th when we became aware of this, to get
20 some traction with staff and with consultants and felt like
21 we were unable to do so. So I wrote a letter to Chairman
22 Richard and in the first sentence of that letter I said,
23 "I'm writing to seek your help in resolving a situation
24 that has been unilaterally created by the High-Speed Rail
25 Authority, which potentially has very serious consequences

1 for the Fresno Rescue Mission."

2 I received an email from Chairman Richard last
3 night about 10:00 o'clock saying that he was looking into
4 it. This morning I had a brief conversation with Mr.
5 Richard and with Mr. Kelly, both of whom said they were
6 looking into it. And I guess, all I can say is my letter
7 wanted to get your eyes on this. I very much appreciate
8 your prompt response, your willingness to take a look at
9 the situation, and hope that sitting down and working
10 together we can cooperatively resolve this situation.

11 But most of all, I want to thank you both for
12 your prompt attention to looking into this. Thank you.

13 CHAIRMAN RICHARD: Thank you, Mr. Samson.

14 And I want to thank Mr. Kelly and his staff.
15 They were extremely responsive very quickly, so we all care
16 about the resolution of this issue and I'm confident that
17 we'll get there. So thank you.

18 Mr. Lebrun, good morning.

19 MR. LEBRUN: Good morning, Mr. Richard,
20 Directors, and Mr. Kelly. So today I would like to thank
21 you for the recent developments in the South Bay, touch on
22 a couple of emerging issues and potential solutions, and
23 with your permission close off with a couple of remarks
24 addressed to Mr. Kelly.

25 First, San Jose to Gilroy. It's obviously very

1 early days, but I think it is fair to say that the Union
2 Pacific alternative has been generally well-received. The
3 emerging issues are primarily related to the third track,
4 which as currently designed has significant impacts on
5 existing grade crossings and stations.

6 In the Peninsula, the issues are primarily in San
7 Mateo County with the addition of island platforms in South
8 San Francisco and of the new Hillside Station, which I
9 believe you know as the so-called 25th Avenue Grade
10 Separation Project. These island platforms introduce
11 serious safety issues at 110 miles an hour and make it
12 impossible to increase line capacity through the addition
13 of passing tracks.

14 My advice here would be to increase the scope of
15 the early train operator to adapt of an early rail operator
16 and rely on Deutsche Bahn's expertise in the subject
17 matter, specifically the design of the Dusseldorf Airport
18 Station, which was presented to the February 2017 Land Use
19 Committee.

20 The design of electrification in the Peninsula is
21 also an emerging issue due to a Balfour Beatty
22 unconventional OCS design, which may lead to premature
23 catenary and pantograph wear or even catastrophic failures
24 at 110 miles an hour. My recommendation here is to install
25 these designs and have them tested by TTCI, the authority

1 testing facility in Colorado before you invest Prop 1A
2 bonds in the Peninsula.

3 The last point relates to a letter in your
4 packet, which is addressed to Supervisor Aaron Peskin,
5 which introduces an alignment alternative for the
6 downtown's extension that makes it possible to connect San
7 Jose to Transbay in 30 minutes or less. As well as a
8 connection to the East Bay that does not entail the
9 condemnation of multiple high-rise buildings between
10 Transbay and Embarcadero and that includes one of Mr.
11 Rossi's buildings.

12 In closing, I'd like to address a couple of
13 comments to Mr. Brian Kelly. First, I appreciate the plan
14 to engage international tunneling experts, but my advice to
15 you would be to start with international alignment experts
16 before you start a tunnel conversation per se. And last,
17 but not least I think that Mr. Boris Lipkin is due for a
18 new business card, preferably without the interim bit.
19 Thank you very much.

20 MR. KELLY: I missed that last part.

21 CHAIRMAN RICHARD: I think, Brian said he missed
22 the last part. I think I heard you say, "A new business
23 card without the term interim," is that what you said?

24 MR. LEBRUN: Yes, sir.

25 MR. KELLY: Okay. Thank you.

1 CHAIRMAN RICHARD: Thank you, Mr. Lebrun. I
2 appreciate that and we'll follow up, because I'd like to
3 make sure if you've got some written material on that, that
4 we can have that with the staff.

5 Okay. Thank you all for coming here today. That
6 concludes the public comment section and we'll move to the
7 regular agenda. I'm looking for Doug. Just give me one
8 second.

9 (Off mic colloquy with Mr. Kelly).

10 CHAIRMAN RICHARD: Okay. So first item is the
11 minutes, so we can all take note of the fact that this
12 month --

13 BOARD MEMBER CAMACHO: I will move.

14 CHAIRMAN RICHARD: -- I actually remembered that
15 that's the first item. It's been moved by Director
16 Camacho. Do we have a second on the minutes?

17 BOARD MEMBER LOWENTHAL: Second.

18 CHAIRMAN RICHARD: Second by Director Lowenthal.
19 Secretary, please call the role.

20 MS. JENSEN: Director Schenk?

21 BOARD MEMBER SCHENK: Yes.

22 MS. JENSEN: Director Lowenthal?

23 BOARD MEMBER LOWENTHAL: Yes.

24 MS. JENSEN: Director Camacho?

25 BOARD MEMBER CAMACHO: Yes.

1 MS. JENSEN: Director Miller?

2 BOARD MEMBER MILLER: Yes.

3 MS. JENSEN: Chair Richard?

4 CHAIRMAN RICHARD: Yes. Okay, thank you.

5 Okay. Item two is additional funding for
6 Construction Package 1. Mr. Hedges, good morning.

7 MR. HEDGES: Good morning.

8 CHAIRMAN RICHARD: Thank you. And I think the
9 write-up was very good, so you can probably hit the
10 highlights, but go ahead.

11 MR. HEDGES: Yeah. This is basically the request
12 is for authorization of two change orders to CP1 that total
13 \$30,300,000. These are necessitated by changing
14 requirements driven by UPR and BNSF guidelines and the City
15 of Fresno Utility Relocation Cooperative Agreements. So
16 one of them is at American Avenue and the other is
17 throughout the City of Seattle.

18 CHAIRMAN RICHARD: Fresno.

19 MR. HEDGES: This holds the -- the reason to do
20 this is because it exceeds our current delegation
21 authority.

22 CHAIRMAN RICHARD: Hey, Joe?

23 BOARD MEMBER SCHENK: You said Seattle.

24 CHAIRMAN RICHARD: Seattle's north, Fresno is
25 south and east.

1 MR. HEDGES: Oh, okay.

2 BOARD MEMBER SCHENK: You said Seattle.

3 (Laughter).

4 CHAIRMAN RICHARD: You said Seattle.

5 MR. HEDGES: With regards to our current
6 delegation authority -- and you've got me a little
7 frustrated now, so --

8 CHAIRMAN RICHARD: It's okay. We're here to
9 help. (Laughter).

10 MR. HEDGES: It increases the contract value to
11 approximately 1.544 billion and keeps the current
12 contingency balance at about \$41 million.

13 BOARD MEMBER CAMACHO: Per the signature, does
14 that mean the money is going to Seattle or? (Laughter).

15 CHAIRMAN RICHARD: Yeah, that's a good question.
16 We do want to -- yeah, I just want to also talk about this
17 in relation to the Baseline. This is in the Baseline,
18 correct?

19 MR. HEDGES: It is the Baseline, sir. And it is
20 also in the budget.

21 CHAIRMAN RICHARD: Right. And so one of the
22 reasons I said the write-up was good was because obviously
23 the Board's going to be on extremely high notice for
24 anything that would change the Baseline. So I saw this and
25 I just wanted to confirm that this is within the Baseline

1 amounts that you guys have developed recently. And this
2 was an anticipated set of actions under that Baseline. And
3 in fact, it looked like on one of them it actually came in
4 about a million dollars below what we estimated in the
5 Baseline. Is that right?

6 MR. HEDGES: It did, sir.

7 CHAIRMAN RICHARD: Okay. Never hesitate to tell
8 us when things are coming in under budget. It's always a
9 good moment.

10 MR. HEDGES: It's a series of puts and takes.

11 CHAIRMAN RICHARD: Yes, exactly.

12 Director Schenk?

13 BOARD MEMBER SCHENK: Yeah, so as you pointed out
14 this is a good write-up. We've talked about this before in
15 the briefings and I don't have any questions and I'm ready
16 to move it.

17 CHAIRMAN RICHARD: Okay. I think we had a
18 question from Director Miller.

19 BOARD MEMBER MILLER: No, I was going to move it,
20 so.

21 BOARD MEMBER SCHENK: Go ahead.

22 BOARD MEMBER MILLER: Yes, I move the item.

23 BOARD MEMBER SCHENK: Second it.

24 CHAIRMAN RICHARD: Well, we'll say it's moved by
25 Director Schenk and seconded by Director Miller.

1 Okay. Secretary, please call the roll.

2 MS. JENSEN: Okay. Director Schenk?

3 BOARD MEMBER SCHENK: Yes.

4 MS. JENSEN: Director Lowenthal?

5 BOARD MEMBER LOWENTHAL: Yes.

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 MR. HEDGES: Thank you.

13 CHAIRMAN RICHARD: I just want Rossi to know we
14 move through these things really quickly when he's not
15 here, so.

16 So item three, delegation of authority to the CEO
17 for certain actions under NEPA. Mr. Andrew, this was
18 another good write-up, so want to hit the highlights?

19 MR. ANDREW: Good morning, Chair Richard and
20 Board Members, no highlights. If the memo is not clear I'm
21 happy to answer questions, otherwise I don't need to be
22 redundant about it unless you want me to give some
23 highlights.

24 CHAIRMAN RICHARD: Well, let me just say this for
25 my colleagues, I think we all read this, but as I

1 understand this -- so Mr. Andrew, correct me if I'm wrong.
2 We're currently in the process of, we hope successfully
3 achieving an assignment of NEPA responsibilities from the
4 Department of Transportation FRA to California, to the
5 High-Speed Rail and the State Department Transportation
6 Agency.

7 And so basically what this item says is for those
8 things that those entities used to do that are ministerial,
9 not discretionary, our CEO would have the ministerial
10 abilities to do that such as releasing a document for
11 public review, something like that. So that's what I
12 understand to be the ambient of the authority that we're
13 being asked to grant to the CEO. How'd I do?

14 MR. ANDREW: It's close, I think.

15 CHAIRMAN RICHARD: Correct me if I'm --

16 MR. ANDREW: Yeah, thank you. So currently the
17 Board takes actions under CEQA and what this NEPA
18 delegation does is it puts the CEO's authorities under NEPA
19 the same place that the Board currently provides to the CEO
20 under CEQA. And so for example it's not the discretionary
21 ministerial distinction. It's really putting major actions
22 in the hands of the Board and putting more minor actions,
23 even if they're discretionary, in the hands of the CEO.

24 So for example, for major project alignment
25 decisions including identifying the preferred alternative,

1 which this Board has always retained under CEQA, the
2 equivalent action under NEPA would also be before this
3 Board. More minor changes that are still legally defined
4 as discretionary, some minor changes to the footprint
5 alignment in the Central Valley, which is technically a
6 discretionary decision have been delegated to the Board or
7 to the CEO. But major decisions that the Board currently
8 retains under CEQA would be the same under NEPA, so it
9 aligns the two.

10 (Off mic colloquy between Mr. Kelly and Chair).

11 BOARD MEMBER MILLER: Can I?

12 CHAIRMAN RICHARD: Yeah, I had misstated it. And
13 Brian just said the discretion he has under CEQA he would
14 have under NEPA. So I used the wrong descriptors there,
15 but thank you for that clarification.

16 BOARD MEMBER MILLER: Yeah, I'm very comfortable
17 with this. I think it's an appropriate way to handle when
18 you have the combined environmental documents going on, so
19 you're not having to figure out which goes to the Board and
20 what doesn't. So I think it's -- because it looks like we
21 still have the authority to deal with the alternatives and
22 alignments, the major, those major questions left still
23 have to come to the Board.

24 CHAIRMAN RICHARD: They have to come to the
25 Board.

1 MR. ANDREW: That's correct.

2 BOARD MEMBER MILLER: So I'd like to move the
3 item.

4 CHAIRMAN RICHARD: All right.

5 BOARD MEMBER CAMACHO: Second.

6 CHAIRMAN RICHARD: It's been moved by Director
7 Miller, seconded by Director Camacho.

8 Will the Secretary please call the roll?

9 MS. JENSEN: Director Schenk?

10 BOARD MEMBER SCHENK: Yes.

11 MS. JENSEN: Director Lowenthal?

12 BOARD MEMBER LOWENTHAL: Yes.

13 MS. JENSEN: Director Camacho?

14 BOARD MEMBER CAMACHO: Yes.

15 MS. JENSEN: Director Miller?

16 BOARD MEMBER MILLER: Yes.

17 MS. JENSEN: Chair Richard?

18 CHAIRMAN RICHARD: Yes. Thank you, Mr. Andrew.

19 Our next item, item four is a status report on
20 Program Management Plan development. Our CEO, Mr. Kelly?

21 MR. KELLY: Thank you, Mr. Chairman.

22 This is an informational item only, so I'm going
23 to move through it relatively quickly, because we have had
24 some conversations with individual Board members on this
25 issue. This is the development of the Program Management

1 Plan, which is the third key document that we've been
2 working to develop since my arrival here along with the CEO
3 and my Chief Deputy Pam Mizukami.

4 The Program Management Plan is a document that
5 establishes what the organization will look like, what
6 roles and responsibilities we have, what our decision-
7 making process will be as we move through the issues before
8 us and deliver this program. It's an important document to
9 lay the foundation for success going forward.

10 Some of the highlight issues that are in it
11 include establishing a single clear integrated project
12 delivery and operating plan, clarifying roles and
13 responsibilities and accountabilities for state staff and
14 consultants working on the program, improving our decision
15 making process to ensure decisions are informed and timely
16 and enhancing internal communications across functions and
17 between headquarters and the regions.

18 The document is not just for the purposes of us
19 managing the program going forward, but we also share the
20 Program Management Plan with the Federal Railroad
21 Administration, our federal partners and it's due to them
22 in September, so we will keep moving along on this.

23 We have had some interaction, as I said, with
24 Board members about where we are on this. We're looking
25 forward to concluding it this month. And as I mentioned

1 before through that interaction there are some refinements
2 that we'll be putting into place over the course of the
3 next couple of weeks and again happy to continue the
4 dialogue with Board members on it.

5 This is an internal document, but it's one of
6 three important documents that we're getting done to put
7 the organization into place to be successful. And these
8 follow on the heel of the adoption of the Business Plan
9 and, of course, the adoption of the program baseline. So
10 brief, quick, but that's what it is.

11 CHAIRMAN RICHARD: Questions for Mr. Kelly on
12 this?

13 BOARD MEMBERS: No.

14 BOARD MEMBER SCHENK: Again, the pre-briefings
15 were very good.

16 CHAIRMAN RICHARD: They were. And I just want to
17 say publicly that I don't think that Brian Kelly quite
18 appreciated the magnitude of the job he was stepping into.
19 But just speaking for myself and I hope for others, he's
20 been on a very consistent march since February 1st when he
21 took over first to get a successful Business Plan out that
22 I think was clear and coherent and had strong support.
23 Then to update the Baseline, so that we could have our arms
24 around what's really going on with the budget. And now
25 this third step is really to move the organization down the

1 path to a project delivery organization.

2 So Brian, I just want to take a moment and say I
3 think you're really doing a tremendous job for the program.

4 MR. KELLY: Thank you, Mr. Chairman. I would
5 just say that first and foremost primary thing I've learned
6 since I've been here is that there's a whole team that
7 works behind me at the Authority that knows a lot more
8 about these elements than I do. And I'm so grateful
9 they're there and we're all rolling in the same direction,
10 so thank you, Mr. Chairman.

11 CHAIRMAN RICHARD: Thank you.

12 All right, our next item, item five is similar
13 but distinct from the earlier item concerning the
14 delegation of authority for the CEO related to contracts
15 and agency agreements. Brian, do you want to take this on
16 or do you want me to say something about it?

17 MR. KELLY: Sure, I'm happy to give a brief
18 summary. You've had delegated authority for contract
19 amendments and contract implementation for the CEO here at
20 the level of \$5 million. This is a request to up that to
21 \$25 million to provide us with an ability to be a bit more
22 nimble and flexible as we move forward and move things in a
23 more expedited matter.

24 So primarily it's sort of as simple as that. It,
25 I think with the adoption of the program baseline that puts

1 some discipline around how we will move forward within the
2 confines of the schedule, scope and budget. This is a
3 useful flexible item. I should note that we will be
4 reporting to the Board anyway on actions that we take here.
5 But rather than have to bring them all to the Board for
6 each particular execution of a contract, this allows us to
7 move a little bit more quickly. We'll still have the
8 reporting through the Board mechanism.

9 CHAIRMAN RICHARD: I thought this was a good
10 balance between the Board's governance responsibilities and
11 the need for flexibility. And Brian was very clear that
12 anything that would involve changes to the Baseline and
13 things like that would come back to the Board. So I think
14 he has a very good sense of where the Board's prerogatives
15 are and I think we have a good sense of the kind of
16 flexibility that he needs to run the organization
17 efficiently.

18 Director Lowenthal?

19 BOARD MEMBER LOWENTHAL: Yeah, I would add to
20 that and say I think it's important to move toward
21 operational efficiency. And this does just that.

22 CHAIRMAN RICHARD: Yeah.

23 BOARD MEMBER CAMACHO: The only comment I had is
24 to be sure that it was within the Baseline.

25 MR. KELLY: Yes.

1 CHAIRMAN RICHARD: Yeah, and so I think by its
2 terms anything that would affect the Baseline has to come
3 back to us, which is as it should be. Other comments?

4 MR. KELLY: Just to be clear since we're talking
5 about these guidelines, that every action we take has an
6 impact on the Baseline. And so we all need to be clear on
7 that. What we'd certainly be coming back for is any
8 contract that puts us over the Baseline threshold in terms
9 of where we are on the budget.

10 CHAIRMAN RICHARD: Right. That's the second time
11 today I've tried to clarify something only to need to have
12 my clarifying comments clarified, but why don't we move on?

13 Okay, pleasure of the Board?

14 BOARD MEMBER MILLER: I was just going to say
15 that I think I agree with this item. And I know it seems
16 like a lot of money to probably the press and the public
17 out there, which of course it is. But in contracting and
18 construction of this magnitude you really do need to be
19 able to move quickly and efficiently and so just the
20 numbers that you're dealing with kind of require that we up
21 that for you. Otherwise you would have to have, I'm
22 assuming numerous special meetings as you're trying to
23 construct and change orders and all those kinds of things,
24 to try to get us here to understand and approve.

25 So I just -- and there is a mountain of

1 regulations behind Brian, it's not as if he's just out
2 there with a pen and a checkbook, that he has to follow.
3 But you will report to us right, in the status report I'm
4 assuming you --

5 MR. KELLY: Yeah, we're going to be incorporating
6 at each of these hearings going forward a CEO Report to
7 sort of kick off activities that we're undertaking. That I
8 want to just, you know as a threshold level, inform the
9 Board of. And that will include contracts that we enter
10 into.

11 BOARD MEMBER MILLER: Yeah, and we've seen those
12 before, so I assume that'll continue, so yes.

13 BOARD MEMBER CAMACHO: I will move.

14 CHAIRMAN RICHARD: Okay. It's been moved by
15 Director Camacho.

16 BOARD MEMBER SCHENK: Second.

17 CHAIRMAN RICHARD: Was that you, Bonnie?

18 BOARD MEMBER SCHENK: Yes.

19 CHAIRMAN RICHARD: Oh, that was Lynn, I'm sorry.
20 Seconded by Director Schenk, would the Secretary please
21 call the roll?

22 MS. JENSEN: Director Schenk?

23 BOARD MEMBER SCHENK: 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.

7 MR. KELLY: You're welcome.

8 CHAIRMAN RICHARD: Okay. Next we have a
9 presentation on the 2018 Sustainability Report. And as Meg
10 Cederoth is coming forward I just want to share that when I
11 saw her this morning I remembered to compliment her on the
12 last report she did, which was in January. It was on the
13 same day we announced a 36 percent increase in the program
14 cost and of course, the discussion of her report led all
15 the newspapers the next morning. So but --

16 BOARD MEMBER SCHENK: Knows how to work the
17 press.

18 CHAIRMAN RICHARD: Anyway, actually that was a
19 very good report last time, so Meg, you're on.

20 MS. CEDEROTH: Great. Well, thank you again for
21 the opportunity to come before the Board and present a few
22 of the updates since January that are reflected in our 2018
23 report.

24 We're going to talk about the progress since
25 January as well as indicate some areas where we're going to

1 be focused in the coming year. And I'm going to start with
2 a short video presentation that the Communications
3 Department put together.

4 (Video begins playback - music and narration.)

5 VIDEO NARRATOR: Moving climate change, promoting
6 clean energy, spurring economic prosperity, protecting our
7 people and our planet.

8 WESTERVELT EMPLOYEE: The Authority is really
9 focused on a strong environmental legacy.

10 VIDEO NARRATOR: These are the core principles of
11 the California High-Speed Rail Program Sustainability
12 Commitment as we are on a mission to be the greenest
13 infrastructure project in the nation.

14 A scorching hot June day, a dry dusty Fresno
15 field and history being made, the first of 600 trees going
16 in the ground at West Fresno Middle School as part of the
17 Urban Forestry Program.

18 STUDENT: So when we come back in 30 or 40 years
19 from now we'll be able to see the beautiful project that we
20 were a part of when we were in Junior High.

21 VIDEO NARRATOR: Not only will these trees
22 provide much needed shade, but during their lifetime
23 sequester 1800 tons of carbon. With the help of partners
24 like Tree Fresno, CAL FIRE and the California Urban Forest
25 Council the Authority will plant some 6,000 trees statewide

1 in urban zones and tens of thousands more in rural areas
2 honoring our commitment to zero net construction emissions.

3 With an eye on climate change, reducing
4 greenhouse gas emissions is a priority for High-Speed Rail.
5 We are eliminating dangerous grade crossings, reducing the
6 number of idling cars.

7 At the Rosecrans-Marquardt Intersection in
8 Southern California idling cars emit hundreds of tons of
9 carbon each year. Eliminating this grade crossing gives
10 the community cleaner air and safer access.

11 We are mandating that our contractors use Tier 4
12 equipment during construction, making for cleaner air
13 onsite now.

14 And we are recycling. More than 204,000 tons of
15 materials taken from demolition projects have already been
16 recycled or saved for reuse avoiding 71,000 metric tons of
17 carbon dioxide.

18 These actions create immediate positive
19 environmental impact. Others will create lasting benefits
20 long after High-Speed Rail is complete.

21 WESTERVELT EMPLOYEE: These are cottonwood trees
22 that have natively come in (fade out as Narrator continues
23 voice over).

24 VIDEO NARRATOR: We are teaming with Westervelt
25 Ecological Services to begin a habitat restoration project

1 this fall that will transform 1,600 acres in the San
2 Joaquin Valley, protecting eight threatened and endangered
3 species.

4 WESTERVELT EMPLOYEE: There's a legacy that's
5 going on that is really contributing to conservation in the
6 San Joaquin Valley and that's leaving a direct footprint
7 that people will be able to visit for generations to come.

8 VIDEO NARRATOR: California's future also being
9 considered as the Authority works with station cities to
10 develop a vision for station sites. Together we will
11 create stations that are part of the community they serve,
12 create new public spaces while incorporating onsite
13 renewable energy production that contributes to running the
14 system on 100 percent renewable energy.

15 None of this would be possible without people.
16 So far, the High-Speed Rail Project has employed more than
17 2,100 construction workers and has pumped more than 1.5
18 billion into disadvantaged communities. High-Speed Rail
19 will connect California while delivering social, economic
20 and environmental benefits now and into the future.

21 (Video playback ends.)

22 MS. CEDEROTH: Thank you. So that was really
23 just a brief sampling of all of the activities to date, the
24 specific progress to date on the commitments and actions
25 that really fall under the framework of sustainability for

1 the Authority.

2 The Annual Report, as you know from previous
3 briefings, is going into wide release today. And as you
4 know, it assembles a wealth of quantitative and qualitative
5 information from across the program. And it really
6 captures the actions of nearly everyone involved in the
7 program to deliver the sustainability vision that was
8 articulated by the Board and our executive leadership.

9 And it also really speaks to the commitment and
10 promise to voters to achieve sustainable development and
11 operation as well as to deliver a sustainable
12 infrastructure project now. So I'm going to go over a few
13 of those items in detail just to give you a little flesh on
14 that framework.

15 So we continued, in the past few months,
16 coordination with the Air Resources Board to vet and review
17 our methodologies that underline the data that's in this
18 report as well as the Annual Report to the Legislature on
19 our climate investments.

20 We also completed our third GRESB submittal. As
21 we discussed in January investors now are increasingly
22 looking to have capital, who invest millions of dollars in
23 capital are really looking and demanding that we have
24 standardized accurate and comparable environmental, social
25 and governance data when they go to make these investment

1 decisions. And using GRESB from this early state of
2 project development really means our project provides good,
3 early feedback on performance and a strong reporting track
4 record that will assist us in securing investor backing in
5 the long run.

6 Another useful benchmark exercise that we
7 undertook was with other state agencies. This was an
8 exercise where we systematically mapped our sustainability
9 commitments and priorities, and provided proof of our
10 implementation actions through our procurement and
11 purchasing activities. This was an excellent collaboration
12 activity with other state agencies. And it also
13 illustrated several action items that can help mature our
14 approach in future procurement exercises.

15 We've continued progress on maintaining good air
16 quality on our sites. And I know we touch upon this in the
17 video, but it's a critical issue and it's important to our
18 stakeholders, so I wanted sort of draw your attention to a
19 few of the statistics.

20 We continue to see positive results from the
21 requirement for Tier 4 off-road equipment. We reference
22 this fact a lot, but it bears repeating that this
23 requirement for Tier 4 engines means that our sites are
24 about 60 percent cleaner than other California construction
25 sites. And it bears repeating, because we need to maintain

1 meticulous attention to contractor compliance on equipment
2 sourcing as well as site activity as we accelerate actions
3 in the Valley.

4 Additionally, our zero net air quality commitment
5 through the Voluntary Emissions Reduction Agreement, we've
6 offset over 1,300 lifetime tons of criteria air pollutants
7 to date.

8 We've also seen progress on our commitment to
9 zero net construction emissions, greenhouse gas
10 construction emissions. This is of course a signature
11 commitment in the United States for an infrastructure
12 project. We've consulted with projects in the UK, Canada,
13 Australia and Sweden to really learn from some of their
14 approaches to zero net infrastructure, zero carbon
15 infrastructure. What we've learned is that these
16 commitments are always very unique to the local contracts.
17 So too, we have focused our commitment into disadvantaged
18 communities, so that the students and the residents that
19 you saw mentioned the video really do gain the benefit in
20 the near-term from this investment, which for us will
21 offset long-term carbon emissions.

22 There are actually over 400 trees in the ground
23 to date, which is about 1,200 lifetime tons of carbon, of
24 greenhouse gas emissions to be reduced. This is of course
25 playing catch-up with what's going on in the construction

1 sites, but we have excellent partners engaged in order to
2 move this forward and honor our goal.

3 So it's not just offsetting, but of course we're
4 focusing on activities that minimize emissions through the
5 delivery, where we can reduce and minimize emissions while
6 also maintaining costs and schedule.

7 We maintained our recycling rates. We're hitting
8 levels that are exceptional for an infrastructure project
9 of this scale. And while this slide referenced the
10 greenhouse gas emissions reductions, this commitment to
11 recycling is really as much about motivating the types of
12 employment and economic actions that California really
13 seeks to achieve when it's making these major
14 infrastructure investments. We've had very -- behind this
15 chart is some really excellent information about how small
16 businesses have increased their employees and purchased new
17 equipment in order to -- because they've been working on
18 the project.

19 Of course, California has made a large investment
20 of Cap and Trade proceeds to the High-Speed Rail Project.
21 And the proceeds from Cap and Trade, of course, are
22 intended to deliver benefits now to communities that have
23 endured the most economic, social and environmental
24 hardship.

25 Our jobs and small business and overall economic

1 investment results are very positive. Based on the data
2 that we have over 1,000 workers, 1,000 of those 2,200
3 workers on the site have come from disadvantaged
4 communities. And the stories that we've gathered from
5 workers and small businesses illustrate the very real
6 benefit that the program delivery is already having.

7 But we also deliver long-term results for the
8 state. The project will shift into regional travel away
9 from planes and cars, contributing crucial reductions in
10 the transportation sector, while also reinforcing compact
11 growth patterns centered in existing urban areas, which
12 will hope to minimize the development pressure on our
13 valuable agricultural lands and natural systems, which are
14 vital to the state's economy.

15 Since January, we have updated the Greenhouse Gas
16 Reduction Forecast to reflect Business Plan ridership. And
17 the results show that we will achieve at least 64 to 75
18 million metric tons of reduction in the first 50 years of
19 operation.

20 State guidance is clear that we should be looking
21 to analyze system assets against climate stressors. And
22 we've continued progress on that work. The team has also
23 coordinated extensively across the Authority division leads
24 to understand where and how best to incorporate climate
25 data into system design and management requirements.

1 Also in terms of designing for the future,
2 several cities, as you've heard, have nearly completed
3 their station area plans that illustrate how they can use
4 the investment of the station as a node for compact
5 development. And while there's much progress in this area
6 in some ways we've really just started this work.

7 We have, however wrapped up work on the system
8 vision exercise and in particular in the context of
9 sustainability, we examined in detail how to cost
10 effectively incorporate photovoltaics into the platform
11 canopy in a way that contributes to an overall system
12 design vocabulary. We're also continuing work analyzing
13 system energy to understand where storage can introduce
14 some opportunities for saving in operation.

15 Updating technical analyses in concert with the
16 Updated 2018 Business Plan and the Baseline Report is
17 underway. The team is updating the Whole Life Carbon Model
18 which is illustrated in this diagram. We're adjusting
19 parameters to correspond to the delivery timelines detailed
20 in the Baseline and the Business Plan, as well as
21 incorporating valid information from the field. This
22 provides much more project reflective data to inform and
23 prioritize our implementation steps.

24 So moving forward, we are engaged in the coming
25 year in gathering some very important ideas and priorities

1 from internal stakeholders such as yourselves and external
2 stakeholders on how we can inform and revise our existing
3 Implementation Plan.

4 This is a formal exercise called a Materiality
5 Assessment. But in layman's terms, it's really part of our
6 structured and holistic approach to sustainability and
7 refining our existing implementation steps.

8 We'll also be refreshing policies including
9 looking at station area development policies. And we'll
10 also continue to look at global and local programs to help
11 us evaluate a potential carbon target for upcoming
12 procurement.

13 I hope that from this very brief presentation
14 you've taken away the fact that achieving sustainability
15 for high-speed rail is very much a team sport. And I
16 appreciate your time and attention and am happy to take any
17 questions.

18 CHAIRMAN RICHARD: Well, my takeaway from this
19 presentation is we have an excellent leader of this
20 program, so that's my first takeaway.

21 Directors? Director Lowenthal.

22 BOARD MEMBER LOWENTHAL: Thank you so much,
23 comprehensive and not only valuable for us to understand,
24 but valuable for the project and for the state. Tell me
25 what the initials G-R-A-S-B stand for.

1 MS. CEDEROTH: They stand for Global Real Estate
2 Sustainability Benchmark.

3 BOARD MEMBER LOWENTHAL: Global?

4 MS. CEDEROTH: Global Real Estate Sustainability
5 Benchmark. And that was -- they've evolved this benchmark
6 to incorporate infrastructure assets as well as real estate
7 assets. And so this was developed at the behest of
8 investors such as CalPERS and Toronto Teachers Pension Fund
9 and banks like McCorry Bank, who are the major public.

10 BOARD MEMBER LOWENTHAL: I'm glad you brought
11 that up actually, because I do sit on another Authority,
12 the Port of Long Beach Harbor Commissioners. And at a
13 recent conference one of our staff, environmental staff,
14 talked about how critical it is for investors today that we
15 provide all of the green building data in order for them to
16 invest. So that's apparently a worldwide phenomenon and we
17 are right there ready to receive that investment. So thank
18 you for that.

19 MS. CEDEROTH: Yes.

20 CHAIRMAN RICHARD: Other questions?

21 I just would like to just make a couple of very
22 quick comments. First of all, thank you for the work and
23 I'm sure you have a team of people working with you, so I
24 want to extend my compliments to them as well.

25 I have a bit of a frustration sometimes, because

1 this program is so completely transformative for the state.
2 And this element that you're working on of the
3 sustainability aspects, both during the construction
4 thinking about what it's going to mean for the communities
5 that we serve, bringing a whole new way of thinking about
6 how infrastructure projects is done, this is a really big
7 deal. And it's just not the kind of thing that people pay
8 attention to, but just it's vitally important.

9 And I'm thinking back to last summer. There was
10 a bill that you're very familiar with, Ms. Cederoth, that
11 was going through the Legislature having to do with green
12 building materials. And the head of the Sierra Club called
13 me to seek our support. And when I checked, what I found
14 was that not only were we supportive, but in fact the bill
15 was modeled on the work that the High-Speed Rail Authority
16 had already done in creating a green building materials
17 program. And so the rest of the state was catching up.

18 And I thought that was a tremendous compliment
19 for our organization, our staff. I certainly can't take
20 any credit for it, but you and the people who have
21 dedicated yourselves to this program really are to be
22 commended for that.

23 And I just wish sometimes that in the whole
24 political scrum about this program that people would step
25 back and look at some of these other elements.

1 The other thing I wanted to say was that the
2 Legislature, in its considerations of the Cap and Trade
3 Program Extension really focused very strongly on the
4 impact of these environmental issues on disadvantaged
5 communities. And environmental justice is an extremely
6 important public policy objective to make sure that people
7 who don't have much in the way of political or economic
8 power don't get stepped on.

9 You highlighted in your presentation that we are
10 giving many contracts to disadvantaged businesses in these
11 communities. But I think it's also important to point out,
12 I don't know if these numbers have changed, but I remember
13 years ago reading, "Twenty-one percent of the children of
14 the Central Valley has asthma. One out of every five child
15 in the Central Valley suffers from asthma." It's the
16 result of particulate emissions from diesels, agricultural
17 emissions and so forth.

18 Not only are we bringing in the best equipment
19 with the Tier 4 diesels, not only are we planting trees and
20 other things, but I think that we are through the
21 construction of the High-Speed Rail Program and through the
22 operation of it, going to substantially contribute to the
23 improvement of the local environment where these factors
24 fall most heavily on the most vulnerable: people who are
25 elderly, people who are children, people who tend to live

1 in these areas.

2 And so when we're dealing with criteria
3 pollutants, not just carbon, it's having a direct and
4 immediate benefit for these communities. And I want to
5 make sure that we're able communicate to our governing body
6 and the Legislature that we are carrying out, I think, the
7 spirit of what they tried to do in the Cap and Trade
8 Program Extension.

9 So I just wanted to highlight those two things.
10 And again, commend you for your work. I have a heartfelt
11 admiration for what you and your team have done.

12 MS. CEDEROTH: Thank you.

13 MR. KELLY: Mr. Chairman, I'd just add that in
14 addition to the presentation before the Board today we'll
15 be making the report publically available today as well on
16 our website and through a press release.

17 CHAIRMAN RICHARD: That's good.

18 Okay, other questions or comments? Okay. Thank
19 you very much.

20 I believe that brings us to the end of our public
21 agenda. The Board is now going enter into a closed session
22 in the anteroom just outside the doors there, after which
23 I'll come back and report any actions.

24 So we'll stand in recess into closed session.
25 Thank you.

1 BOARD MEMBER SCHENK: Thank you.

2 (Closed Session at 10:31 a.m.)

3 (Return to Open Session at 11:38 a.m.)

4 CHAIRMAN RICHARD: Thank you. The Board has
5 completed its closed session. There are no items to
6 report. With that, this meeting of the High-Speed Rail
7 Authority is adjourned. Thank you.

8 (Chairman Dan Richards adjourned the Board Meeting
9 at 11:38 a.m.)

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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.

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IN WITNESS WHEREOF, I have hereunto set my hand this 31st day of August, 2018.



Eduwiges Lastra
CER-915

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IN WITNESS WHEREOF, I have hereunto set my hand this 31st day of August, 2018.



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