

CALIFORNIA HIGH-SPEED RAIL AUTHORITY

BOARD MEETING

TRANSCRIPT OF PROCEEDINGS

CALIFORNIA DEPARTMENT OF HEALTHCARE SERVICES AUDITORIUM

1500 CAPITOL AVENUE

SACRAMENTO, CA 95814

THURSDAY, SEPTEMBER 13, 2018

9:30 A.M.

Reported by:  
Gigi Lastra

APPEARANCESBOARD MEMBERS

Dan Richard, Chairman

Tom Richards, Vice Chair

Lynn Schenk (Absent)

Michael Rossi

Daniel Curtin

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

Douglas Drozd, Chief of Board Management

Terry Ogle, Director of Design and Construction

PRESENTERS:

Brian Kelly, Chief Executive Officer

PUBLIC COMMENT:

Roland Lebrun, Self

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P R O C E E D I N G S

9:38 a.m.

PROCEEDINGS BEGIN AT 9:38 A.M.

SACRAMENTO, CALIFORNIA, THURSDAY, SEPTEMBER 13, 2018

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

Will the Secretary please call the roll?

MR. DROZD: Director Schenk?

BOARD MEMBER SCHENK: (Absent).

MR. DROZD: Vice Chair Richards?

VICE CHAIR RICHARDS: Yes.

MR. DROZD: Director Rossi?

BOARD MEMBER ROSSI: Yes.

MR. DROZD: Director Curtin?

BOARD MEMBER CURTIN: Here.

MR. DROZD: Director Lowenthal?

BOARD MEMBER LOWENTHAL: Here.

MR. DROZD: Director Camacho?

BOARD MEMBER CAMACHO: Yes.

MR. DROZD: Director Miller?

BOARD MEMBER MILLER: Here.

MR. DROZD: Senator Beall?

EX OFFICIO BOARD MEMBER BEALL: (Absent).

MR. DROZD: Assemblymember Arambula?

1 EX OFFICIO BOARD MEMBER ARAMBULA: (Absent).

2 MR. DROZD: Chair Richard?

3 CHAIRMAN RICHARD: Here.

4 Please join me in the Pledge of Allegiance.

5 (The Pledge of Allegiance is made.)

6 CHAIRMAN RICHARD: Okay. We'll move through our  
7 agenda. The first item is public comment. Mr. Roland  
8 Lebrun? And let me just say I have no comment cards after  
9 Mr. Lebrun, so if you wish to comment before the Board this  
10 morning please give your card to the Secretary.

11 MR. LEBRUN: Good morning, Chair Richard.

12 CHAIRMAN RICHARD: Good morning.

13 MR. LEBRUN: Directors, the reason I made the  
14 trip today is to give you a brief update on the Panoche  
15 Alignment, follow up on a couple of comments I made last  
16 month, and close with a strongest warning I will probably  
17 ever give to this Board.

18 On the Panoche front, everything's looking really  
19 good. And I would strongly recommend taking the TGV  
20 between Marseille and Lyon and look out the window as the  
21 line weaves its way to the Marseilles (indiscernible).

22 But in closing the reason I made the trip today  
23 is to ask you to stop the NEPA Assignment process  
24 immediately. Not because the FRA could stop you from  
25 wasting tens of billions of taxpayer dollars, but because

1 the FRA, which is about the only people who are capable of  
2 containing the criminal incompetence of the consultants who  
3 are currently in charge of designing grade crossings and  
4 stations in a mixed-traffic environment including freight.  
5 Thank you.

6 CHAIRMAN RICHARD: Thank you Mr. Lebrun.

7 I have no other speaker cards and so the public  
8 comment period is now closed. We'll move on to the regular  
9 agenda.

10 The first item is the approval of the Board  
11 minutes from the August 16th meeting. Do I have a motion?

12 BOARD MEMBER LOWENTHAL: So moved.

13 CHAIRMAN RICHARD: It's been moved by Director  
14 Lowenthal.

15 BOARD MEMBER MILLER: Second.

16 CHAIRMAN RICHARD: Second by Director Miller.  
17 Will the Secretary please call the roll?

18 MR. DROZD: Vice Chair Richards?

19 VICE CHAIR RICHARDS: I'm going to abstain.

20 MR. DROZD: Director Rossi?

21 BOARD MEMBER ROSSI: Yes.

22 MR. DROZD: Director Curtin?

23 BOARD MEMBER CURTIN: Yes.

24 MR. DROZD: Director Lowenthal?

25 BOARD MEMBER LOWENTHAL: Yes.

1 MR. DROZD: Director Camacho?

2 BOARD MEMBER CAMACHO: Yes.

3 MR. DROZD: Director Miller?

4 BOARD MEMBER MILLER: Yes.

5 MR. DROZD: Chair Richard?

6 CHAIRMAN RICHARD: Yes. Okay. The minutes are  
7 approved.

8 Our next item, which is what I think will be a  
9 standard item at Board meetings, is a report by our CEO,  
10 Brian Kelly. Good morning, Mr. Kelly.

11 MR. KELLY: Thank you Mr. Chairman and Members.  
12 As you alluded to, I think as we kick off every meeting  
13 we'll have a brief presentation to describe some of the  
14 activities that we're working on to keep the Board  
15 informed, answer any questions about what we're doing and  
16 certainly take any guidance on some of that activity. Also  
17 to report milestones or events that occurred that are  
18 noteworthy and make sure that we have an opportunity to  
19 describe those.

20 So with that, the first item that I wanted to  
21 bring to the Board's attention is really some good news,  
22 which is the passage of SB 1172 before the legislative  
23 session ended. SB 1172 was a bill that really treated the  
24 Authority, when it comes to right-of-way process and our  
25 process to gain the parcels we need to deliver the project,

1 treated the Authority like other oversight agencies in  
2 California that build linearly: Caltrans, DWR, as opposed  
3 to just building vertically. And so this bill streamlined  
4 the approval process, reduced some entities that are  
5 involved in different elements of that process. And really  
6 leaves it to the Authority to put together the work to  
7 obtain properties and then we go to the Public Works Board  
8 for resolution of necessity similar to how Caltrans goes to  
9 the California Transportation Commission.

10           It's estimated that this bill will save between  
11 three-and-a-half and six-and-a-half months off of our  
12 process for obtaining parcels as we go forward. It's  
13 effective at the beginning of the year. It's a majority  
14 vote bill, so we'll see the effective date of January 1st.  
15 But we can start to plan for it now and put this improved  
16 process into use as we go forward.

17           I want to acknowledge some people who did great  
18 work on this. And I've got to say the first one I need to  
19 thank is our Board Member Ernie Camacho, because I think on  
20 the day back in January when I was first appointed to this  
21 position one of the first things he said to me is, "Let's  
22 fix the right-of-way process." So I'm happy to report that  
23 we did that and I appreciate not only your counsel to me,  
24 but also conversations you had with members of the  
25 Legislature about it. So thank you, Mr. Camacho, for that



1 leadership; also to Senator Galgiani who started this bill  
2 in the Senate and moved it through the Senate in the  
3 earlier part of the year. That enabled us to expedite the  
4 process when we jumped into a different vehicle in the  
5 Assembly and came back for concurrence later. So that was  
6 extraordinarily helpful and excellent leadership. And of  
7 course the Transportation Chairman and one of our Ex-  
8 Officio Members, Jim Beall, who authored the final bill and  
9 pushed it through and our other Ex-Officio Member, Dr.  
10 Arambula, who jockeyed the bill through the Assembly. So  
11 again, great work. It's on the Governor's desk awaiting  
12 his action.

13 Internally, I want to also just acknowledge the  
14 great work of our legislative team, our Legislative Deputy,  
15 Barbara Rooney; Jack Wursten in her office; Will Robinson,  
16 they all worked really hard on that.

17 So that was a big victory to get it and now it's  
18 our job to put it to use and make it work. So I want to  
19 first acknowledge those folks and make sure you're aware of  
20 that accomplishment.

21 The second thing just to let you know, because  
22 you may be hearing about it in the weeks that come forward,  
23 as you know we've talked probably most publically at our  
24 April meeting in Los Angeles about returning to Southern  
25 California to move forward on preferred alternatives for

1 our environmental alignments. And we have begun the public  
2 outreach process to move forward with that.

3 We'll be in Bakersfield in October to move  
4 forward with the LGA as our environmental document for that  
5 area to do a preferred alternative for Bakersfield to  
6 Palmdale. And then the following month, in November, we're  
7 poised to be down in Southern California for the preferred  
8 alternatives for the three segments down there.

9 And so we have started some process with public  
10 workshops and meetings, letting people know what's coming  
11 to the Board at those hearings. And we'll be continuing  
12 that work at the end of September, so we are moving forward  
13 on that and we're looking forward to really focusing our  
14 work in those segments in moving the program forward. So  
15 it's good work that we're doing, but you'll start hearing  
16 more and more about it as we go forward.

17 Finally, well a couple more, we have restarted a  
18 process of engaging stakeholders on exactly where we are as  
19 a project, where we are as an organization and what we're  
20 doing going forward. We held in the Governor's Office, a  
21 workshop with all of the environmental stakeholders about  
22 this project. This was sort of concurrent with the release  
23 of our Sustainability Report, which we went through with  
24 you all last week or last month. And we sat with the  
25 environmental stakeholders and talked about again where the

1 project is; the good use we're putting to -- of Cap and  
2 Trade money for a project that is the greenest  
3 infrastructure project in the country. And talked about  
4 the benefits of this project in the -- again the good use  
5 of things like Cap and Trade dollars to ensure that you're  
6 investing in not only transformative transportation,  
7 cleaner transportation, but transformative land use as  
8 well. And so that was a good conversation.

9           We followed that up with a conversation with our  
10 sister state agencies about where we are, what we're doing,  
11 what our challenges are and the things we need to work  
12 together on going forward. And we are now preparing for  
13 roundtables with labor and business and economic folks. So  
14 it's really just giving folks a sense, after we've had six  
15 months of new leadership here and putting out new a  
16 Business Plan, the new program baseline, getting to a new  
17 PMP. It's a good time to update folks on where we are and  
18 where we're going and so we've started that process as  
19 well.

20           Finally, I want to note and thank a couple of  
21 people relative to an event earlier this week: the High-  
22 Speed Rail Leadership Summit. At that summit both national  
23 and international leaders gathered in San Jose for the  
24 High-Speed -- I think the inaugural National High-Speed  
25 Rail Leadership Summit. I was scheduled to attend and make

1 a presentation, but I fell ill over the weekend and I want  
2 to thank Board Member Lowenthal for stepping in for me and  
3 presenting a presentation on this to the body.

4 Rod Diridon presented our Board Chair with the  
5 first annual Governor Edmund G. Brown National High-Speed  
6 Rail Champion's Award. Congratulations, Dan. And in  
7 addition the Board Chair was named the incoming Chair of  
8 the US High Speed Rail Association's Advisory Board, so I  
9 want to make sure everybody was aware of that. And of  
10 course our gifted Sustainability Director gave a  
11 presentation on the station area planning at that event as  
12 well.

13 So I wanted to cover those things and lastly,  
14 just a personnel matter, we've had an exceptional leader  
15 with in the Central Valley who's really been helpful in  
16 moving our project forward and keeping work on track down  
17 there. I want to ask Terry Ogle to come up here. Terry,  
18 join me.

19 So Terry unfortunately informed us recently that  
20 he's leaving the Authority for a new and great opportunity  
21 and I congratulate him on that. We've certainly put a lot  
22 on his plate. And since we've been here, we've asked him  
23 to do more and more and more and he's continuously stepped  
24 up. So I've got to say I had a chance to talk to Terry  
25 down in Fresno on Friday. Thank you for all you've done

1 for the project, the work that you did for us, wish you the  
2 best of luck going forward. And I want to present you with  
3 this ticket that says in part, "Terry, thank you for all  
4 your hard work in helping us build the nation's first high-  
5 speed rail system. Through your contributions and  
6 perseverance you have been the ticket to our success and we  
7 wish you the best in your future endeavors." And it's the  
8 classic high-speed rail ticket. Terry Ogle. (Applause).

9 MR. OGLE: Well, thank you Brian for this  
10 recognition and I want to thank you all and the Board for  
11 allowing me to just say a few words here. It's been an  
12 honor and a privilege to work on the high-speed rail. I  
13 came here five years ago from Caltrans and I want to thank  
14 Diana Gomez for giving me an opportunity to come over and  
15 work for her in the Central Valley at that time.

16 And it's been a tremendous opportunity. It's  
17 been a great run for five years and so I just appreciate  
18 that. And it's been an honor and a privilege to work with  
19 a number of exceptional people in the engineering field. I  
20 put the people that I've worked with here are some of the  
21 best and brightest and experienced people in the world that  
22 I've worked with over the last five years. And so I just  
23 thank the Board, I thank High-Speed Rail, and I thank the  
24 people that have been supportive of me for giving me this  
25 opportunity. So thank you very much.

1           CHAIRMAN RICHARD: Thank you, Terry. And best of  
2 luck to you.

3           MR. OGLE: Thank you.

4           CHAIRMAN RICHARD: Thank you.

5           MR. KELLY: Mr. Chairman, that wraps up my  
6 report.

7           CHAIRMAN RICHARD: Okay. Can I just make two  
8 comments, quickly? One is that for those of us who were at  
9 the US High Speed Rail Association meeting, I want to  
10 complement our Communications staff. They showed the video  
11 of the Construction Update Report. I've seen some of these  
12 videos in the past and they've always been good, but this  
13 one was particularly good. It was, I would say,  
14 extraordinarily good. So one of the things I would be, if  
15 my colleagues haven't seen it yet, perhaps if I could ask  
16 the staff to just send a link out instead of making people  
17 go search for it, so that they could click on that. But it  
18 actually is quite invigorating to see the progress down  
19 there, for those of us who aren't there all the time. So  
20 that was one thing I wanted to day.

21           And then the second thing, I just wanted to note  
22 that you made reference in your remarks to new leadership  
23 over the past six months. I note that you've been here  
24 eight months, so I think we should talk about that two-  
25 month gap at the appropriate time. (Laughter).

1 MR. KELLY: It's just bad math.

2 CHAIRMAN RICHARD: Any other comments or  
3 questions for our CEO?

4 (No audible response).

5 Well, thanks. I think this will be an important  
6 thing to have the CEO report every month. That's a good  
7 way to proceed with business.

8 Okay. So that concludes our public agenda this  
9 month. As our CEO, Mr. Kelly said, over the next two  
10 months we'll be taking on some very important work to  
11 designate preferred alignments. It'll be the culmination  
12 of a lot of staff environmental work both in Bakersfield  
13 and then in the San Fernando Valley following that. So we  
14 do have a lot of stuff coming up and it kind of balances  
15 out this month's light agenda.

16 However, we do have a number of matters to  
17 discuss in closed session. So the Board will now enter  
18 into closed session in an anti-room off of this auditorium.  
19 At the conclusion of that I'll come back and report any  
20 actions from the closed session, so we'll stand in recess  
21 to closed session.

22 (Off the record at 9:53 a.m.)

23 (On the record at 11:40 a.m.)

24 CHAIRMAN RICHARD: The Board has completed its  
25 closed session. There are no action items to report out of

1 that closed session. So with that, this meeting of the  
2 California High-Speed Rail Authority Board is adjourned.  
3 Thank you.

4 (Chairman Dan Richards adjourned the Board Meeting  
5 at 11:41 a.m.)  
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**REPORTER'S CERTIFICATE**

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

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

IN WITNESS WHEREOF, I have hereunto set my hand this 24th day of September, 2018.



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Eduwiges Lastra  
CER-915

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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 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 24th day of September, 2018.



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Myra Severtson  
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