

CALIFORNIA HIGH-SPEED RAIL AUTHORITY

BOARD MEETING

TRANSCRIPT OF PROCEEDINGS

CALIFORNIA SECRETARY OF STATE AUDITORIUM

1500 11TH STREET

SACRAMENTO, CA 95814

TUESDAY, MARCH 19, 2019

10:00 A.M.

Reported by:
Peter Petty

APPEARANCESBOARD MEMBERS

Lenny Mendonca, Chair

Tom Richards, Vice Chair

Lynn Schenk

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

Joseph Hedges, Chief Operating Officer

Tom Fellenz, Chief Counsel

Russ Fong, Chief Financial Officer

Doug Drozd, Chief of Board Management

APPEARANCES (Cont.)

PRESENTERS:

Joseph Hedges, Chief Operating Officer

Barbara Rooney, Deputy Director of Legislation

Russ Fong, Chief Financial Officer

PUBLIC COMMENT:

Roland Lebrun, Self

Lee Ann Eager, Fresno County Economic Development
Corporation

Ted Hart, Self

INDEX

	<u>PAGE</u>
Roll Call	5
<u>Public Comment</u>	5
1. Consider Approving the February 19, 2019 Board Meeting Minutes	13
2. Consider Applying Budget Reserve to the Construction Package 1 Design-Build Contract	13
3. Finance & Audit Committee Report	--
4. CEO Report	25
5. 2019 Program Construction Overview	29
6. Update on the High-Speed Rail Program Economic Impact Analysis	38
7. Closed Session Pertaining to Litigation	47
Adjourned	47

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

P R O C E E D I N G S

10:07 a.m.

PROCEEDINGS BEGIN AT 10:07 A.M.

SACRAMENTO, CALIFORNIA, TUESDAY, MARCH 19, 2019

CHAIR MENDONCA: Could we call the meeting to order. Roll call, please.

MR. DROZD: Director Schenk?

BOARD MEMBER SCHENK: Here.

MR. DROZD: Vice Chair Richards?

VICE CHAIR RICHARDS: Here.

MR. DROZD: Director Curtin?

BOARD MEMBER CURTIN: Here.

MR. DROZD: Director Lowenthal?

BOARD MEMBER LOWENTHAL: Here.

MR. DROZD: Director Camacho?

BOARD MEMBER CAMACHO: Here.

MR. DROZD: Director Miller?

BOARD MEMBER MILLER: Here.

MR. DROZD: Chair Mendonca?

CHAIR MENDONCA: Here. Let's do the Pledge of Allegiance, please.

(The Pledge of Allegiance is made.)

CHAIR MENDONCA: Okay. Good morning, everyone. I think we will do public comment first and I have three cards here. Let me start with Roland Lebrun.

1 (Off mic colloquy.)

2 CHAIR MENDONCA: Could we have -- right behind
3 Mr. Lebrun, could we have Lee Ann Eager and Ted Hart line
4 up so we can hear from them afterwards, please? Go ahead,
5 Mr. Lebrun.

6 MR. LEBRUN: Good morning, Board and nice warm
7 welcome to Mr. Mendonca. Welcome to the party.

8 CHAIR MENDONCA: Thank you.

9 MR. LEBRUN: My name is Roland Lebrun. I live in
10 San Jose. I attended a community working group working
11 meeting in San Francisco last night where your consultants
12 stated that they intend to recommend a preferred
13 alternative that terminates at the 4th and King Rail Yard
14 instead the Transbay Terminal.

15 So I'd like to bring to your attention a 2016
16 court ruling that clarified that the intent of AB 3034 was
17 a northern terminus at Transbay, not 4th and King. So you
18 need to comply with this ruling if you want to expend Prop
19 1A bonds between San Jose and San Francisco.

20 Moving on to South San Jose I understand that the
21 Governor has indicated that the existing plan does not have
22 a path between Silicon Valley and the Central Valley. So I
23 believe the time has come to pull the plug on the San Jose
24 to Merced EIR. Consolidate the section between San
25 Francisco and Gilroy into a single EIR. And immediately

1 start working on the new alignment between Gilroy and
2 Fresno that saves \$5 billion by eliminating 40 miles of
3 tracks and 12 miles of tunnels, while opening the door to a
4 future Fresno bypass that saves ten minutes between LA and
5 San Francisco. Thank you.

6 CHAIR MENDONCA: Thank you, Mr. Lebrun.

7 MS. EAGER: Good morning.

8 CHAIR MENDONCA: Good morning.

9 MS. EAGER: I'm Lee Ann Eager. I'm President and
10 CEO of Fresno County Economic Development Corporation.
11 It's so nice to see all of you again.

12 I'm here for these two days meetings with
13 legislators with my fellow economic developers from the
14 Central Valley. We're called the California Central Valley
15 EDCs. And our two priorities are workforce and
16 infrastructure and transportation. And obviously this
17 project fits both of those bills.

18 In meeting with legislators, with my cohorts
19 here, certainly High-speed Rail is on the top of my list
20 and bringing jobs to the Valley and that connectivity
21 between the Central Valley and Northern California. And on
22 that note, last night, Mr. Mendonca and I were in Palo Alto
23 meeting with the Valley-To-Valley Group. And I was so
24 excited to see the invigoration of that Valley-To-Valley
25 connection. And there were folks from Silicon Valley there

1 and the Central Valley there talking about that
2 connectivity, talking about doing business. And I think
3 they had expected about 40 business people from Silicon
4 Valley to show up and 152 showed up to talk about doing
5 businesses with us in the Central Valley.

6 So I want to thank all of you for your continued
7 support of the Central Valley and for your continued
8 support of this project. And I know, as most of you were
9 probably inundated right after the State of the State
10 Address, so I was, and keeping that message alive to say
11 that this project is still going forward, that we're still
12 committed and certainly Fresno is still committed to
13 fighting the good fight with all of you. So thank you

14 CHAIR MENDONCA: Thank you.

15 Mr. Hart?

16 MR. HART: Good morning.

17 CHAIR MENDONCA: Good morning.

18 MR. HART: And it's a particular good morning to
19 you, Mr. Mendonca. I really appreciate, and we appreciate
20 Governor Newsom appointing a business man to this
21 committee, especially with your background with the
22 business school at Stanford and McKinsey. And I would
23 assume that you're here to obtain all the facts concerning
24 high-speed rail. If you want the real facts you will have
25 to look outside the High-speed Rail Authority.

1 Dozens of reports by qualified experts have been
2 submitted to the Authority over the past ten years on most
3 every subject concerning high-speed rail. Would you find
4 it strange that most of those reports have never been
5 acknowledged? Best example, the Grindley-Warren 63-page
6 report on ridership that was submitted in person last month
7 at the January Board Meeting. Chairman Richard said, "We
8 will get back to you on this." Mr. Grindley has never
9 heard a word back.

10 What happened to transparency? Give us one hour
11 of your time and we will provide you with the facts and
12 only facts as to why any attempt to build and operate a
13 high-speed rail system between Bakersfield and Merced
14 without subsidies is impossible. Thank you for your time.
15 Hope to hear from you.

16 CHAIR MENDONCA: Thank you, Mr. Hart.

17 Thank you for the public commentary and Board
18 Members, before we go through today's presentations I'd
19 like to provide you with my perspective about where we are
20 and where we need to go.

21 As it happens on many mega projects, this one is
22 going through a necessary process of reorientation getting
23 our hands around exactly where we are so we know how to get
24 to our destination. We know where we want to go. The
25 voters gave us that direction back in 2008 when they

1 approved the bond measure for high-speed rail in
2 California, Proposition 1A. We will march forward to
3 deliver on that mission.

4 However, as has been the case throughout the
5 entire history of this project we do not have all the
6 funding in hand to deliver the entire system now. So we
7 will get there in building blocks, just like any other
8 financially constrained transportation projects do.

9 We will maintain credibility throughout this
10 process by number one, doing what we say we're going to do.
11 Number two, keeping our commitments. Number three, being
12 transparent with the public and policy makers on both
13 project opportunities and challenges and number four,
14 delivering on the ground under a realistic budget and
15 schedule. This is the approach that the Governor laid out
16 when he expressed his continued support for the project.
17 And let there be no doubt, the Governor supports High-Speed
18 Rail in California and he said so.

19 High-Speed Rail is much more than a train
20 project. It is about economic transformation and unlocking
21 the enormous potential of the Valley. And by that he meant
22 the Central Valley.

23 The first test of the Authority doing what it
24 says it is going to do is in the upcoming Project Update
25 Report due to the Legislature on May 1st, 2019. In

1 addition to the statutory requirements for what is in that
2 report, the 2018 Business Plan promised the report would
3 include recommendations from our Early Train Operator on
4 early service operations and would include updated cost
5 figures after review by the Early Train Operator and
6 subjecting the Business Plan numbers to further risk
7 review. Indeed the Project Update Report will include this
8 content in our May submittal to the Legislature.

9 On keeping our commitments let's be clear, we've
10 committed to fund the bookend improvements in the Bay Area
11 and Los Angeles and we are keeping those commitments.
12 Moreover, we committed to complete the environmental work
13 for all segments of the phase one systems between San
14 Francisco, Los Angeles, Anaheim, and we are doing just
15 that.

16 In the area of transparency, the Authority is
17 already committed to this, most obviously through the
18 establishment of the Finance and Audit Committee where
19 project challenges, trends and opportunities are discussed
20 in public. And of course F&A documents are available
21 online for the public to see. Starting with today's
22 hearing we will have monthly update from the F&A Chairman,
23 Mr. Richards to my left, to the Board on the Committee's
24 activities.

25 The Governor has asked us to do more in this area

1 and we are. Per the Governor's direction we have
2 established a transparency and accountability page on our
3 website where project change orders can be found for each
4 construction package. As of today, the page also includes
5 the hundreds of change orders executed to date and the site
6 will be updated quarterly going forward.

7 Finally, there's delivering on the ground. The
8 Authority was very clear in its 2018 Business Plan about
9 the lessons that it has learned from going into
10 construction prior to fully addressing the challenges
11 presented by the right-of-way acquisition, utility
12 relocation and third-party agreement issues. We are
13 smarter now and committed to not repeating mistakes of the
14 past.

15 Moreover, this body has brought in a new
16 leadership team that has focused on project delivery.
17 Under the leadership of Chief Operating Officer Joe Hedges
18 project controls are better managed than they have ever
19 been on this project. Risk issues are being identified,
20 managed and mitigated. Mr. Hedges will present to all of
21 us later this morning how construction will progress this
22 year as a result of that hard work.

23 Let's be clear. We have a lot of work to do to
24 bring high-speed rail to Californians. But I believe we
25 have the right perspective, people and commitment to get

1 this done and done transparently, prudently and
2 efficiently. Let's continue this important work. Thank
3 you.

4 And with that I would like to move to consider
5 approving the February 19th Board Meeting minutes.

6 VICE CHAIR RICHARDS: So moved.

7 BOARD MEMBER SCHENK: Second.

8 CHAIR MENDONCA: Any objections? Call the roll,
9 please?

10 MR. DROZD: Director Schenk?

11 BOARD MEMBER SCHENK: Yes.

12 MR. DROZD: Vice Chair Richards?

13 VICE CHAIR RICHARDS: Yes.

14 MR. DROZD: Director Curtin?

15 BOARD MEMBER CURTIN: Yes.

16 MR. DROZD: Director Lowenthal?

17 BOARD MEMBER LOWENTHAL: Yes.

18 MR. DROZD: Director Camacho?

19 BOARD MEMBER CAMACHO: Yes.

20 MR. DROZD: Director Miller?

21 BOARD MEMBER MILLER: Yes.

22 MR. DROZD: Chair Mendonca?

23 CHAIR MENDONCA: Yes.

24 Okay. Okay. Could we move to Item Two, the
25 "Consider Applying the Budget Reserve to Construction

1 Package 1 Design-Build Contract." Mr. Hedges?

2 MR. HEDGES: Good morning, sirs and ma'ams.

3 CHAIR MENDONCA: Good morning.

4 MR. HEDGES: Is the mic on? There we go, sorry I
5 just had to get a little bit closer to it.

6 Today, sir, I request Board approval with regards
7 to the accessing to be able to award approximately \$27.5
8 million of change orders to Construction Package 1. These
9 mods are on seven distinctions, sir, which are all clearly
10 identified and represented in the baseline that was
11 approved by the Board.

12 At the time of Board approval with regards to the
13 baseline these were known line items. However they were
14 not moved to contingency since at that time the cost was
15 unknown. So again it is within the Board approval of
16 baseline of June they were included per line items. Now,
17 basically we're asking for permission to access those line
18 items.

19 Now they fall predominantly into a couple of
20 different categories. Three of those change orders with
21 regards to the design and advancement of the Northern
22 Extension, which was a mod that was approved by the Board
23 with regards to its original alignment, we have been
24 advancing that package. Now we'd like to do a couple of
25 things, is put out three packages with regards to the

1 design, which we had to move to a new alignment as the
2 Board is aware of, with regards to trying to offset to the
3 BNSF lines as to minimize the impact of the intrusion
4 barrier protection system.

5 In doing so it will give us a cost advantage with
6 the ability to negotiate that change order to basically
7 into more of a concept of design, bid, build, so
8 advantageous to the Board with regards to three of those;
9 three again with regards to small design. Assuming
10 basically the design of utilities and moving the Northern
11 Extension to its new alignment, which is slightly east of
12 its original alignment.

13 The other change orders are with regards to the
14 design of two other things, which is regards to the Church
15 Sunland Avenue in Fresno. This would require redesign as
16 new requirements from the City of Fresno became known, so
17 we had to go back after we originally had the design and
18 redesign that and had to pay the contractor for that
19 redesign effort with the emergence of new design
20 requirements.

21 I should say the last of the design issues is
22 that of Belmont's soffit lining. Again, with regards to
23 UPRR, they took and imposed additional requirements to the
24 project where again which required us to go back and
25 redesign, revise a design that was complete.

1 And the last is basically with regards to the
2 construction of the intrusion on the barrier system at the
3 Fresno trench. Again this was the result of new imposed
4 requirements with regards to the railroad with
5 strengthening the existing design, intrusion, a barrier
6 protecting system that was originally awarded, again
7 another third-party issue.

8 And last is that of providing approximately \$1.8
9 million to the City of Fresno to replenish their account
10 with regards to their construction oversight and management
11 with ongoing on CP1 work. This was a negotiated amount,
12 which is a great advantageous to the High-speed Rail by us
13 having to file a permit for each individual construction
14 aspect of that project.

15 Again, is what I ask for is the authority to be
16 able to award seven mods with regards to the approximate
17 amount of \$27.5 million.

18 CHAIR MENDONCA: Questions of Mr. Hedges?

19 Can I ask you one question?

20 MR. HEDGES: Yes, sir.

21 CHAIR MENDONCA: So can you explain to us, in
22 English, why this is important and why we need to do it
23 now?

24 MR. HEDGES: Yes, sir. Why it is important, I
25 should have basically stressed the emphasis, this for work

1 that is complete and necessary to advance this project and
2 to keep this project on schedule.

3 CHAIR MENDONCA: Okay. Any other questions?

4 VICE CHAIR RICHARDS: Thank you, Mr. Chair.

5 Mr. Hedges with regards to your -- as you pointed
6 out it was imbedded inside the Business Plan of 2018,
7 correct? And there was no number associated with it?

8 MR. HEDGES: There was -- it was embedded within
9 the baseline, sir. They were line items, explicit line
10 items within the baseline.

11 VICE CHAIR RICHARDS: Okay. I'm just trying to
12 figure out so there was no number associated with it. And
13 I must say to my colleagues, I can't recall if there was no
14 number what general scope did we have in mind here?

15 MR. HEDGES: The line items were explicit to
16 these titles, i.e. North Extension, right? However, though
17 we put a number in the baseline associated with that. They
18 were associated though what we call in the industry as
19 "known/unknowns," because at that time they were not
20 negotiated. These little segment pieces were not
21 negotiated, thus they were known/unknown with regards to
22 the price.

23 Now also too, sir, I want to be explicit here.
24 Is that we still have ongoing negotiation going on with
25 regards to the North Extension, moving it to its new

1 alignment, but with the procurement of the design it will
2 allow us to have access to that design to be able to better
3 negotiate.

4 VICE CHAIR RICHARDS: Okay. But we know for a
5 fact that the \$27 million is inside the baseline?

6 MR. HEDGES: It is all line items again, sir.
7 All these are absolutely in the baseline that was briefed
8 to individual Board Members at its time. It was in what we
9 presented at that time, the detail, what we called the
10 yellow book.

11 VICE CHAIR RICHARDS: Okay. All right. Thank
12 you.

13 BOARD MEMBER CAMACHO: Yeah, Mr. Chair --

14 BOARD MEMBER LOWENTHAL: Can you address what
15 this will do to the contingency for CP1?

16 MR. HEDGES: How much of remaining is in
17 contingency at present? Right now the contingency at
18 present in CP1 is under \$10 million as we speak. We have
19 been awarding a series of contract launch small mods within
20 the delegation of authority as to keep this project going
21 forth.

22 Also, a reminder when Baseline 0 was approved in
23 June the Board did not reset any of the contingencies with
24 regards to CP1 through 4. They were -- we kept those
25 amounts continuous with regards to what was previously

1 approved.

2 CHAIR MENDONCA: Mr. Camacho, did --

3 BOARD MEMBER LOWENTHAL: So there's -- so if I
4 can continue and if you could help me to understand this,
5 so there was a \$17 million difference then. So there's
6 just a bit left in the contingency. You're asking for
7 more. That leaves no contingency.

8 MR. HEDGES: Ma'am, right now what I'm asking for
9 is to authorize Board approval for \$27.5 million to approve
10 these seven mods in total. I do not want to access the
11 remainder of contingency and draw down that contingency to
12 zero. I want to keep that approximately at sub-ten right
13 now, intact as we talk.

14 BOARD MEMBER SCHENK: So -- sorry, are you -- so
15 where is it coming from, Joe?

16 MR. HEDGES: This money, ma'am, is within our
17 current budget. It is within the current baseline. It's
18 already approved by the Board. It's a line item within. I
19 just cannot -- because of the delegation of Authority rules
20 we cannot access that money.

21 BOARD MEMBER SCHENK: I get it.

22 MR. HEDGES: That's the dilemma to me. It was
23 approved by the Board, but since it was not moved into
24 contingency then we have no access to that money.

25 BOARD MEMBER SCHENK: Okay. Now I understand.

1 Thank you.

2 VICE CHAIR RICHARDS: I'm sorry, is Russ here?

3 UNIDENTIFIED SPEAKER: Russ is here.

4 CHAIR MENDONCA: Yeah, could you come up, Russ?

5 So I think this is what we're all struggling
6 with, so can you just identify where is the money coming
7 from?

8 MR. FONG: So it's in the baseline line item.

9 VICE CHAIR RICHARDS: Right.

10 MR. FONG: So the baseline line items consist of
11 two things: it's items that we are aware of and that we
12 know the costs. This was an item that we were aware of,
13 but we weren't sure what the cost was. We didn't want to
14 tie it to contingency, because we didn't our Monte Carlo
15 analysis yet. But we wanted to reserve this and come back
16 to the Board once we figured out what the figure is, to be
17 more transparent. We didn't want to just put the money in
18 the budget.

19 So that's why we're here today to ask the Board
20 approval to be able to use those funds since now we know
21 what the dollar amount is.

22 VICE CHAIR RICHARDS: So it's inside the budget
23 already?

24 MR. FONG: That is correct.

25 VICE CHAIR RICHARDS: And the sources of funds

1 that are supporting the budget are the various sources
2 we've got, whether they're federal funds, Cap and Trade,
3 Proposition 1A.

4 MR. FONG: This is within the budget and
5 (indiscernible).

6 VICE CHAIR RICHARDS: Okay. Thank you.

7 CHAIR MENDONCA: Okay. Any other comments,
8 please.

9 BOARD MEMBER MILLER: I was going to move the
10 item --

11 CHAIR MENDONCA: Okay.

12 BOARD MEMBER MILLER: -- but go ahead, sorry.

13 BOARD MEMBER MILLER: Go ahead, sir.

14 (Off mic colloquy re: microphones.)

15 MR. FELLEENZ: I have one suggestion with regard
16 to the resolution. It says, "Therefore it is resolved
17 that," it contains this statement here and I propose that
18 we add, "Northern Extension utility work needs to be added
19 to the CP1 contract," because that's separate from the
20 change order. Right, Joe? Because that's --

21 MR. HEDGES: It is separate. If you remember I
22 was not here, so I cannot speak explicitly to it except for
23 a review of record. What the Board approved was basically
24 the initial alignment, what we call NE-1, which is the
25 farther west alignment of the Northern Extension. However

1 the Board did not approve any funds associated with utility
2 relocation.

3 MR. FELLEENZ: Right. So the point I'm making is
4 that it's not just a change order that you're requesting,
5 which I hadn't noticed before. I just am looking at it
6 now. And the Northern Extension utility work would
7 actually be to supplement the money in the Fresno contract
8 that we have; is that correct? In City of Fresno, City of
9 Fresno, sorry.

10 MR. HEDGES: No. The City of Fresno money is
11 associated with predominantly for work that's ongoing in
12 the City of Fresno, not the Northern Extension.

13 MR. FELLEENZ: Okay, but the -- so I'm just
14 looking for an addition to the resolution saying Northern
15 Extension utility work needs to be added to the CP1
16 contract. That would be appropriate.

17 MR. HEDGES: That would be appropriate, yes.

18 MR. FELLEENZ: Okay. So I suggest the
19 modification to the resolution add that sentence that I
20 just --

21 BOARD MEMBER SCHENK: But whereas -- a whereas or
22 the therefore?

23 MR. FELLEENZ: That's in the "it is resolved."
24 And the language there and then you add the sentence
25 "Northern Extension utility work needs to be added to the

1 CP1 contract."

2 MR. HEDGES: Yes, but again is let me reemphasize
3 that utility work was clearly represented in the baseline
4 that was approved by the Board.

5 MR. FELLEENZ: Yes. Now I'm just looking for just
6 a clarity in the resolution, so that we can implement what
7 the Board's approving. Thank you.

8 MR. HEDGES: Concur.

9 MR. FELLEENZ: Thank you.

10 CHAIR MENDONCA: Okay. Go ahead.

11 BOARD MEMBER MILLER: So if I may. Am I on? I'd
12 like to move the item with the change suggested by Counsel
13 to add the sentence, "The Northern Extension utility work
14 needs to be added to the CP1 contract." Is that our
15 sentence?

16 MR. FELLEENZ: Yes.

17 BOARD MEMBER MILLER: Okay. I'd like to move the
18 item. I thank staff for concentrating on taking care of
19 utility work and relocation issues in order to move our
20 construction projects along. That's something that we
21 directed some time ago and I really appreciate you moving
22 that. I understand the money is in the budget for this, so
23 I move the item.

24 BOARD MEMBER CAMACHO: Second.

25 CHAIR MENDONCA: Is there any further comments or

1 questions?

2 MR. DROZD: Director Schenk?

3 BOARD MEMBER SCHENK: Yes.

4 MR. DROZD: Vice Chair Richards?

5 VICE CHAIR RICHARDS: Yes.

6 MR. DROZD: Director Curtin?

7 BOARD MEMBER CURTIN: Yes.

8 MR. DROZD: Director Lowenthal?

9 BOARD MEMBER LOWENTHAL: Yes.

10 MR. DROZD: Director Camacho?

11 BOARD MEMBER CAMACHO: Yes.

12 MR. DROZD: Director Miller?

13 BOARD MEMBER MILLER: Yes.

14 MR. DROZD: Chair Mendonca?

15 CHAIR MENDONCA: Yes.

16 Okay. Thank you. And thank you, my fellow Board
17 Members for good questions and being as transparent as we
18 can. And thank you for answering them.

19 MR. HEDGES: Thank you, sir.

20 CHAIR MENDONCA: Okay. Can we move on quickly to
21 the Finance and Audit Committee Report and I will turn it
22 over to our Vice Chairman Tom Richards in just a moment.
23 But I'd also like to add, as I do that, that I have asked
24 and Directors Nancy Miller and Ernie Camacho have agreed to
25 join the Finance and Audit Committee Report. Thank you

1 both and Mr. Richards.

2 VICE CHAIR RICHARDS: Thank you, Mr. Chairman.
3 If I may without stepping on your earlier comment, at the
4 Finance and Audit meeting today all Board Members were
5 there with the exception of Director --

6 BOARD MEMBER CURTIN: Curtin.

7 VICE CHAIR RICHARDS: Curtin, thank you, Danny.
8 I've talked with him and we are satisfied as a Board to
9 move forward without this report today, which would be a
10 summarized reiteration of what we did in the meeting. And
11 with your approval we'll ask that this be not heard today
12 and we'll be prepared with another update next month.

13 CHAIR MENDONCA: Okay, thank you. Okay. I
14 appreciate that, Mr. Richards, and no reason to do it again
15 if we've done it in the public facing F&A Committee. And
16 have encouraged that we have an item on the agenda every
17 time just to make sure that that's the case, so thank you.

18 VICE CHAIR RICHARDS: Thank you, Mr. Chairman.

19 CHAIR MENDONCA: Okay. We move to the CEO
20 Report.

21 MS. ROONEY: Good morning Chairman Mendonca and
22 Board Members. My name is Barbara Rooney. I'm the Deputy
23 Director of Legislation here at the Authority and I'm
24 pleased to loan my voice to our CEO today with his first
25 CEO Report.

1 The first item is the status of the Authority's
2 grant agreement with the Federal Railroad Administration.
3 As the Board is aware on March 4th, 2019 I sent two letters
4 to the FRA in response to their letter of February 19th
5 threatening to de-obligate the FY10 federal funds obligated
6 to this project in the amount of \$929 million.

7 In the letters to the FRA we presented our case
8 that this project continues to further the purpose for
9 which the federal funds were obligated and that we are
10 making steady progress toward meeting our grant agreement
11 requirements.

12 I also noted that the FRA, itself, has taken
13 actions particularly in the area of environmental review
14 that has been detrimental to this project's timely
15 progress.

16 I invited the FRA Administrator Ron Batory, to
17 join me in reestablishing a functional relationship between
18 our agencies, so the benefits of this project can continue
19 to be provided to the Central Valley, to the State of
20 California, and to the nation.

21 We have not yet received a response from the FRA
22 to my letter of March 4th, 2019.

23 Next is the staff development of the Project
24 Update Report, which is due to the Legislature on May 1st,
25 2019. As the members are aware we have a Project Update

1 Report due to the Legislature on May 1st of this year.
2 Unlike past Project Update Reports, this one will include
3 important information called for in the 2018 Business Plan,
4 including results of cost estimate reviews and early
5 service options by the Early Train Operator and suggested
6 updates to the REV-0 baseline budget in light of subjecting
7 costs to enhance risk analysis not available at the time of
8 the 2018 Business Plan.

9 The Project Update Report is under development by
10 staff now and our intention is to bring a presentation on
11 this report to the Board in April, prior to the May 1st
12 submittal to the Legislature.

13 Next, upcoming legislative hearings focused on
14 the High-Speed Rail Program. The Senate has tentatively
15 set an informational hearing to review High-Speed Rail on
16 Tuesday, next week, March 26th. Staff is working with
17 Committee staff on hearing content, testimony and
18 appropriate personnel for a hearing panel.

19 The Assembly, however has indicated it will
20 commence hearings after the release of the Project Update
21 Report on May 1st.

22 Next is the staff development of Revision 1 of
23 the program baseline with a completion expected in May.

24 As I indicated earlier -- baseline budget, excuse
25 me, in May. As I indicated earlier the Project Update

1 Report is expected to include suggested program baseline
2 budget revisions, REV-1, in response to the application of
3 enhanced risk assessments to the cost estimates contained
4 in the 2018 Business Plan.

5 The 2018 Business Plan itself noted that we would
6 update budget numbers in the Project Update Report after
7 the enhanced risk assessment was completed.

8 After the Project Update Report is released I
9 anticipate coming before the Board in May to discuss and
10 consider approval of recommended updates to the baseline
11 budget or approval of REV-1 of the budget.

12 And finally, the Authority's six-month response
13 to the California State Auditor Findings and
14 Recommendations, which are due May 1st, 2019. Staff and I
15 met with the State Auditor last Friday to discuss the
16 Authority's response to this November 2018 audit. We met
17 for the express purpose of ensuring we have an open
18 dialogue with the Auditor's Office. So as we submit our
19 six-month and our year audit response updates, those
20 submittals are the result of cooperation and collaboration
21 between our offices.

22 I don't want to surprise the State Auditor who I
23 have immense respect for. And I don't want to be surprised
24 by the Auditor's Office. I am happy to report that our
25 meeting was a good one and I'm confident we will have a

1 very healthy line of communication with that office going
2 forward.

3 Again, our six month audit response is due May
4 1st, 2019 and Mr. Chairman that concludes the CEO Report.

5 CHAIR MENDONCA: Thank you.

6 Any questions or comments?

7 VICE CHAIR RICHARDS: Mr. Chairman, yes if I may
8 just piggyback onto that report and just mention one thing
9 that is tied together to some extent with this that was
10 mentioned in the Finance and Audit Committee that would not
11 be in the documents that the public had access from our
12 website. But what was also asked of management was to
13 provide at our next meeting of Finance and Audit a full
14 analysis of the cost to the point of operations of the
15 Merced - Bakersfield proposal that has been mentioned by
16 the Governor and staff is working on, as well as Valley-To-
17 Valley and to do so on a side-by-side analysis as the
18 Valley-To-Valley was contemplated and confirmed in our 2018
19 Business Plan.

20 So that will be coming forward. Much of that
21 work I understand management has been working on already.

22 CHAIR MENDONCA: Okay. Thank you.

23 Any other comments or questions? Okay. Then can
24 we move to Item Six, the Update on the Economic Impact
25 Analysis? I'm sorry, Item Five, Program Construction

1 Overview.

2 MR. HEDGES: Again, good morning. Each of you
3 should have in your packages a brief overview. Also too
4 with regards to the benefit of the audience I'll go through
5 the slides.

6 2019 Program Overview which basically encompasses
7 the calendar year of 2018. Let me just kind of touch on a
8 few highlights that were definitely amplified in Brian's
9 message, 2018.

10 Currently, over \$1.6 billion expensed in our
11 current three design-build contracts, nearly 200 million
12 man hours worked. As you can see by this photo we're well
13 over that; 2,600 craft laborers dispatched to our three
14 projects, pretty amazing, right; \$7 billion of total impact
15 to the Central Valley and engagement of over 500 small
16 businesses in the calendar year 2018.

17 Now, I want to touch on a few of the highlights
18 of that calendar year. New leadership and experience
19 predominantly underneath Brian. The rest of us were just
20 able to join him. His leadership has been just impeccable.

21 The 2018 Business Plan was published, which I'll
22 talk about its goals and its highlights. For the first
23 time in the program's history we published a program
24 baseline, which was approved by the Board and coincides to
25 the budget and to what was at that time the program

1 schedule.

2 Also too, we issued the first Program Management
3 Plan. That Program Management Plan outlined the key
4 attributes of roles and responsibilities for the staff and
5 defined how the Authority was going to operate within its
6 org chart, so a very instrumental document. That document
7 along with the program baseline that Brian just alluded to
8 is going to be revised with regards to -- program baseline
9 with regards to the update -- to the Project Update Report.
10 The program management baseline will be updated with
11 regards to addressing the audit comment of trying to focus
12 more onto state-type functions. And again, you'll see
13 these are core strength documents with regards to the
14 program.

15 Again here I want to amplify the Chairman's
16 message and the Governor's four key points that he stated
17 in the State of the State, which were basically
18 amplifications of the 2018 Business Plan.

19 First, complete basically that 119-mile current
20 segment that is underneath contract with our three design-
21 build contracts. Our objective there is to fulfill the
22 ARRA with regards to a 1222 with regards to that
23 construction with track down on that alignment. And then
24 also a piece of that ARRA is to complete the environment
25 reviews for all seven remaining segments of that alignment

1 as in to complete basically the Phase 1 Alignment.

2 Two, advance the idea of a Valley-to-Valley type
3 concept, which has been amplified now by the Governor's
4 commitment of creating an operational segment from Merced
5 to Bakersfield, all right?

6 The next point down with that is to do that with
7 the Early Train Operator to explore the options for early
8 service. To advance again in that concept of Valley-to-
9 Valley is the planning necessary and required to turn west
10 from the existing, what we call the Wye for Merced and go
11 through the Pacheco into the San Jose-Bay Area Corridor.

12 Now very important is the understanding of this,
13 our commitment to our bookend projects with regards to
14 electrification the Chairman basically spoke of, in the San
15 Jose Caltrain Corridor. And our two southern projects that
16 are identified with regards to the Rosecrans/Marquardt
17 overpass and US Link. Both of those are continuing as we
18 speak and we are advancing that.

19 We also, with regards to Caltrans we signed an
20 agreement with Caltrans that advanced that in November.
21 And also to basically amplify the Governor's last point in
22 his State of the State, we are also pursuing additional
23 funding and financing to basically advance the idea that
24 Brian articulated is that the program currently is not
25 funded in totality.

1 Now what you're going to see in these is these
2 slides are specific. You can see a little bit of overfly
3 as we speak here. Kudos to the Public Information staff
4 for these unbelievable visuals that are occurring in back
5 of you with regards to our overfly-ment, with regards to
6 the drones. What you're seeing here is basically really an
7 overfly of the viaduct; one of the first structures that
8 you see coming into Fresno. This is the overfly of the San
9 Joaquin River Viaduct. This allows us to go over the
10 existing rail tracks and then to cross the San Joaquin
11 River.

12 Now kudos to TPZP, they have advanced a
13 construction strategy of advancing these critical
14 infrastructure projects here as in to advance the concept
15 of construction. What you will see as we go -- I'm going
16 to go through three slides -- a photo, a snapshot of
17 January, of June, and then of December of this upcoming
18 2019 year.

19 You can see here the alignment is turning green,
20 right? You can see that we've advanced the guideway miles
21 from 7.2 to 12 and the total number of structures to about
22 15 that will be underway or completed.

23 Now you can also too, as I pointed before in the
24 F&A, you can see those predominantly -- majority of our
25 utility conflicts right now are down into the southern area

1 of this alignment and predominantly I'm dealing with third
2 parties.

3 This is the December outlook here. This is
4 actually as we speak is slightly improving. We've been
5 able to advance some of the AT&T work a little bit ahead of
6 schedule, so hopefully this will even be a little bit more
7 aggressive as we move forward.

8 You're looking at here, basically the Fresno
9 Trench.

10 Now we're going to switch basically to 2-3. 2-3,
11 this basically currently states the alignment as we speak.
12 My focus right now is to free up those red dots. Those
13 basically, our red dots are not clear for construction.
14 They represent the 50 or so structures required to complete
15 the 62-mile alignment.

16 This is a snapshot of June -- too many here.

17 This is a snapshot of that in December. You can
18 see that in December a majority of this alignment should be
19 free. However, though you can see that we're still working
20 on freeing up a number of critical structures.

21 CP4, this is the most southern section. This is
22 its current alignment predominately being impeded right now
23 by environmental clearance.

24 You can see in June a very good news story here
25 with a majority of the alignment becoming green with a few

1 structures still left. Again and predominantly they're
2 involved with third parties.

3 Here you can see that picture here is
4 predominantly all green or completed by the end of '19.

5 Now switching here to the NEPA the ROD
6 assignments as Brian just articulated, right now we are
7 having minimal engagement with the FRA.

8 Our original schedule that was proposed to the
9 Board was predicated on the assumption of NEPA assignment.
10 As we're all aware that NEPA assignment has not occurred.
11 And as we speak I'd like to amplify what I've already spoke
12 on in the FRA or in the F&A, excuse me, is that currently
13 the LGA and the Wye is in a day-for-day delay with regards
14 to FRA not providing us either an NEPA assignment nor
15 participating as our sponsor agency, lead agency.

16 Our goal right now to re-amplify this is that as
17 we speak right now the LGA as the Board is aware -- the
18 LGA, the southernmost part of this alignment, the last 20
19 miles that takes us basically from the end of CP4 into
20 Bakersfield as we speak -- the CEQA has been advanced on
21 that.

22 Okay. Now, with regards to we're advancing
23 basically the draft with regards to the EIR/EIS with
24 regards to the Wye. Within this year or within the fall
25 we're planning on basically publishing our preferred

1 alternatives from San Francisco to San Jose, San Jose to
2 Merced and then the draft EIR/EISs will also be out for the
3 five alignments that are shown there.

4 We've also issued the Authority's first Climate
5 Adaption Plan, which is basically it addresses the possible
6 impasse risk of climate change to our ongoing structures.

7 To close out right now again is I want to
8 emphasize as Brian already emphasized, is that we have the
9 quarterly progress reports to the Legislature will be
10 updated. We have the Project Update Report coming out to
11 the Legislature. We have our Annual Sustainability, which
12 will be produced this year. And again is we'll begin the
13 planning with regards to the 2020 Business Plan.

14 So that kind of wraps up a little bit of the year
15 in review and the year in the future.

16 CHAIR MENDONCA: Okay. Thank you.

17 Questions?

18 VICE CHAIR RICHARDS: Just a quick one, Joe. So
19 with regards to the little charts that you've got on the
20 right-hand side, are these all representative of you said
21 year-end review, but this refers to December of '19. So
22 when I'm looking at January, June and December, this is
23 representative of what you intend to accomplish this year;
24 isn't that correct?

25 MR. HEDGES: Yes, sir. And that's an alignment,

1 what was presented last month in the F&A Committee.

2 VICE CHAIR RICHARDS: Right. That's exactly
3 right, so this is for the public. This is a good
4 representation of what we're looking for in construction
5 progress this year.

6 MR. HEDGES: Yes, sir. And again as we agreed at
7 the F&A today we'll update monthly that progress. And
8 probably I'll use these reports and just change the dots as
9 we march forward.

10 VICE CHAIR RICHARDS: Okay. All right. Thank
11 you.

12 BOARD MEMBER SCHENK: Yes?

13 MR. HEDGES: Yes, ma'am?

14 BOARD MEMBER SCHENK: Okay. So looking at the at
15 the known/unknowns I'm really pleased to hear about the
16 issue of climate change finally being brought in as a
17 known/unknown risk that we're looking how to mitigate. So
18 thanks for that.

19 MR. HEDGES: Yes. And again is these climate
20 change risks, right, are not immediate. These are very
21 much over the horizon type risks that you cannot avoid.
22 You have to be conscious of, right. And they're not just
23 specific to the High-Speed Rail. They're issues that
24 address basically all of California.

25 BOARD MEMBER SCHENK: But this is an over-the-

1 horizon long-term project, so it's important that we get it
2 right.

3 MR. HEDGES: It is, ma'am. And we wanted to
4 incorporate those ideas. We anticipate again is that we
5 have multiple years of construction left. We wanted to
6 make sure that as we're moving forward that we address some
7 of these issues.

8 BOARD MEMBER SCHENK: Got it.

9 CHAIR MENDONCA: Thank you.

10 Any other questions or comments? Okay.

11 MR. HEDGES: Thank you, sir.

12 CHAIR MENDONCA: Thank you.

13 Okay. Now we're ready to move on to Item Six,
14 "Update on the High-Speed Rail Program Economic Impact
15 Analysis."

16 MR. FONG: Good morning, Chair Mendonca, Board
17 Members and Mr. Fellenz. Okay. I'm Russ Fong, your Chief
18 Financial Officer. Today we're going to go over and
19 present the economic impacts of the High-Speed Rail. We
20 first came to you in July of 2017 and presented a ten-
21 years-worth of economic impact data. And that was from
22 2006 to 2016.

23 Today's goal is to get a better understanding of
24 how the High-Speed Rail program is helping California and
25 the national economy. I would like to spend some time up

1 front to introduce a few key terms before we look at the
2 results and the trends of our study.

3 First, there are three economic impact terms I
4 wanted to go over. The one is "job years." You've heard
5 us say this before. I'd like to give an example of what a
6 job year is. For instance, one full-time employee, so
7 let's take a look at five years, five job years. That
8 could be one full-time employee working five years. It
9 could be five full-time employees working one year. Or it
10 could be ten half-time employees working one year.

11 The other term I wanted to go over is "labor
12 income." I would describe that as wages, benefits and
13 payroll taxes. So this is what firms pay to their
14 employees. It's income earned by self-employed and sole
15 proprietors.

16 The third term I'd like to go over is economic
17 output. That means an estimated value of all the activity
18 taking place in the economy as a result of the High-Speed
19 Rail Program.

20 Finally, I want to talk about our economic impact
21 analysis and the outcomes. In the outcomes we describe
22 three terms: direct, indirect and induced economic impacts.

23 Let's start with the middle chart. Direct
24 impacts are those supported by direct high-speed rail
25 investments including firms under contract employing

1 construction workers, planners, engineers etcetera and also
2 state employees.

3 On the left side is indirect impacts and those
4 are one step removed and represents spending of goods and
5 services that support direct investments such as concrete
6 supplies, machine rental companies and purchases of office
7 supplies.

8 Moving over to the right side as the income
9 earned by employees support by direct and indirect
10 investment gets spent elsewhere in the economy, this
11 supports induced impacts in places such as local coffee
12 shops, restaurants and grocery stores. So this is how our
13 multibillion dollar investment has a much broader economic
14 impact on California and the national economy.

15 So let's take a look at the result and trends for
16 California and also the Central Valley starting with job
17 years. So the first chart from 2006 to 2018 the number of
18 job years in California grew to 40,100 of which two-thirds
19 have occurred in the last three years of the report; an
20 increase of 9,250 job years or 30 percent over the last
21 year's 2017 report. The growth from 2016 and '17 was 9,100
22 job years or a 42 percent increase.

23 Just as a reference California's unemployment
24 rate as of January 2012 was 11 percent compared to 4
25 percent in January of 2019.

1 So now let's take a look at job years in the
2 Central Valley only. From 2006 to 2018 the number of job
3 years grew 15,780, an increase of 4,550 job years or a 40
4 percent increase over last year's 2017 report.

5 The growth from 2016 and 2017 was 4,500 job years
6 or a 66 percent increase. Going back as a reference
7 Fresno's unemployment rate back in January of 2012 was 17
8 percent compared to 9 percent of January of 2019.

9 So moving on to labor income almost \$3 billion of
10 labor income has gone to California workers. Take a look
11 at the chart from 2006 to 2018 labor income in California
12 grew \$2.8 billion. Labor income increased \$658 million or
13 a 30 percent increase over last year's report. The
14 increase from '16-'17 was 617 million or a 42 percent
15 increase from last year.

16 Moving over to labor income for the Central
17 Valley, this is between 2006 and 2018, labor income in the
18 Central Valley grew to \$800 million. Labor income
19 increased \$240 million or a 43 percent increase over last
20 year's 2017 report. And an increase between '16 and '17
21 was \$230 million or a 70 percent increase in value. Over
22 the past two years over one-third of labor income has gone
23 to workers in the Central Valley.

24 The investment in high-speed rail has resulted in
25 economic activity totaling approximately \$7 billion. With

1 total expenditures of \$4.8 billion this means that every
2 dollar invested in high-speed rail results in about \$1.50
3 in economic activity.

4 Lastly, moving over to 2006-2018 our economic
5 output in California grew \$7.2 billion. Economic output
6 increased \$1.68 billion or 31 percent increase over the '17
7 report. The increase from '16 to '17 was 1.7 billion or 45
8 percent increase.

9 From 2006 to 2018 economic output in the Central
10 Valley grew \$2.75 billion. Economic output increased 749
11 million or a 38 percent increase over the '17 report. An
12 increase from '16 to '17 was \$790 million, or a 66 percent
13 increase.

14 Now looking at total activity expenditures
15 between 2006 and 2018 was again \$4.8 billion. Since 2006,
16 95 percent of the Authority's expenditures have went to
17 California firms and workers.

18 I spent a little time on this slide, government
19 investments in large infrastructure projects provides
20 economic benefits even before the project is completed.
21 Our analysis is strictly based on historical impacts. It
22 does not take into account the many long-term benefits when
23 the system becomes operational such as increased
24 accessibility, reduced congestion, and a lower greenhouse
25 gas emission.

1 Not even counting these operational benefits the
2 investment of high-speed rail put Californians back to work
3 during one of the worst periods of economic recession we've
4 even seen. \$4.8 billion including 2.6 billion in federal
5 funds has sparked over 40,000 job years, almost \$3 billion
6 in income and benefits to California's pockets, and over \$7
7 billion in economic activity.

8 The Central Valley has seen the most benefit from
9 the program investments in the last several years. As the
10 program has shifted from planning to construction,
11 investment in the Central Valley has increased
12 dramatically. Over its life the program has supported
13 close to 16,000 job years in the Central Valley with a
14 majority of those taking place over the last three years of
15 the report. The program has contributed over 800 million
16 labor income to Central Valley workers and almost \$3
17 billion in economic activity.

18 Besides the tremendous impacts felt in the
19 Central Valley and across the state, high-speed rail has
20 also had a national impact. Firms from 37 different states
21 plus Washington D.C., across the country, have worked on
22 and contributed to our program.

23 Moving over to disadvantaged communities,
24 disadvantaged communities refers to areas throughout
25 California, which suffer the most from the combination of

1 economic, health and environmental burdens. These burdens
2 include poverty, high unemployment, health conditions like
3 asthma and heart disease, as well as air and water
4 pollution and hazardous waste. From 2006 54 percent of all
5 the Authority's expenditures have occurred in disadvantaged
6 communities.

7 As of December of 2018, the Authority has 488
8 certified small businesses working on our program
9 statewide.

10 This slide is a regional summary chart that shows
11 the job years, labor income, economic output by geographic
12 region for both the fiscal years '17-'18 and our total
13 program. This is part of our economic fact sheet and tech
14 memo that was included in your Board memos.

15 The original 2006-2016 report the Authority
16 conducted extensive industry outreaches certifying our
17 methods, assumptions and data. We got positive feedback
18 and validation from these entities and it still applies
19 today as our overall methodology has remained consistent.
20 The State Auditor, this past fall, did not issue any
21 finding in our process.

22 The links to the tech memo and fact sheets are on
23 the Authority's website. This concludes my presentation
24 and I'll be happy to answer any questions. Thank you.

25 CHAIR MENDONCA: Thank you.

1 Any questions or comments?

2 BOARD MEMBER SCHENK: Russ, going back to the
3 reduction in unemployment from 17 percent to 9 percent in
4 the Central Valley, how much of that is attributable
5 directly or indirectly to high-speed rail activities would
6 you "guesstimate"?

7 MR. FONG: We would have to look at exactly how
8 that was impacted. And the unemployment was actually for
9 Fresno, specifically for the Fresno County, yes.

10 BOARD MEMBER SCHENK: Oh, it was for Fresno?

11 MR. FONG: Yeah. But I would have to look at
12 exactly what part that was.

13 BOARD MEMBER SCHENK: Just for curiosity, if
14 you'd just let me know.

15 MR. FONG: Okay.

16 BOARD MEMBER SCHENK: Okay. Thank you.

17 BOARD MEMBER LOWENTHAL: First of all thank you
18 very much, really it's a profound report about the impact
19 that we've had. My question is you stated that I think 95
20 percent of the impact was within the State of California,
21 right

22 MR. FONG: That's right.

23 BOARD MEMBER LOWENTHAL: And then you said
24 however that 37 states somehow contributed to this impact.
25 Do we have any detail, so is that five 5? Do we have any

1 detail? I think it's important to understand what these
2 other states are contributing and what the benefit is to
3 them.

4 MR. FONG: Yeah. It is 5 percent and I believe
5 the last page on your handout does have a state breakout of
6 each state's contribution.

7 As the project grows, one of the areas we want to
8 look at is the impacts more nationally. Being that it's 5
9 percent there is a cost factor of analyzing for the State
10 of California. We have a software that does our analysis
11 for the State of California. We would actually have to
12 purchase that for other states. But we did want to be able
13 to -- we are able to track at least what firms and where
14 they're located and what states they're impacted on. But
15 it is today a relatively small part of our overall
16 expenditures, but our plan in the future is obviously to
17 look and see how that grows and impacts (indiscernible).

18 BOARD MEMBER LOWENTHAL: And that includes the
19 materials?

20 MR. FONG: That is correct.

21 BOARD MEMBER LOWENTHAL: All the materials that
22 are imported from other states.

23 MR. FONG: That is correct.

24 BOARD MEMBER LOWENTHAL: Thank you.

25 CHAIR MENDONCA: Any other comments or questions?

1 Having seen many of these kinds of reports,
2 looking at different types of projects, this is very
3 thorough and I'd like to complement you on understanding
4 the importance of well-executed infrastructure plans, the
5 economic development particularly in parts of the state at
6 points in time where it needs that. So this is an
7 important analysis for the public to understand. So thank
8 you.

9 MR. FONG: You're welcome.

10 CHAIR MENDONCA: Okay. Any other items from
11 anyone? Okay. Then we will go to closed session and
12 return in a moment. Thank you.

13 (Off the record at 11:11 a.m.)

14 (On the record at 11:52 a.m.)

15 VICE CHAIR RICHARDS: We have returned from
16 closed session. The Chairman had to go to a legislative
17 hearing meeting and isn't here. He has asked me to report
18 that there was nothing to report from the closed session,
19 no action taken.

20 And with that, the March 19th meeting of the
21 California High-Speed Rail Authority Board is adjourned.
22 Thank you.

23 (The California High-Speed Rail Authority Board Meeting
24 was adjourned at 11:53 a.m.)

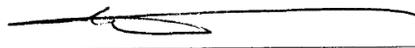
25

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 29th day of March, 2019.



PETER PETTY
CER**D-493
Notary Public

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 29th day of March, 2019.



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