

CALIFORNIA HIGH-SPEED RAIL AUTHORITY

BOARD MEETING

TRANSCRIPT OF PROCEEDINGS

REMOTE VIA ZOOM

THURSDAY, FEBRUARY 17, 2022

11:00 A.M.

Reported by:  
Marlee Nelson

APPEARANCESBOARD MEMBERS

Tom Richards, Chair

Nancy Miller, Vice Chair

Lynn Schenk

Martha Escutia

Anthony Williams

Ernest Camacho

James C. Ghielmetti

Henry R. Perea, Sr.

Joaquin Arambula, Assemblymember

Margaret Pena

STAFF

Brian P. Kelly, Chief Executive Officer

Alicia Fowler, Chief Counsel

Derek Boughton

Darin Kishiyama, Director of Contract Management

Moe Ramadan, Board Secretary

Christine Inouye, Chief of Strategic Delivery

Christine Inouye, Chief Engineer of Strategic Deliverance

PUBLIC COMMENT

Matthew Serratto, Mayor, City of Merced

APPEARANCESPUBLIC COMMENT

Lee Ann Eager, Fresno County Economic Development Corporation

Marie Campbell, Sapphos Environmental, Inc.

Laura Uden, NSI Engineering, Inc.

Paul Katchadourian, Katch Environmental, Inc.

Blair Beekman

Beth Lamont

Virgal Woolfolk, Virtek Logistics

Matt Cremins, California-Nevada Conference of Operating Engineers

Tate Baugh

Joel Alonzo, G & J Heavy Haul, Inc.

Margaret Jackson

Jonathan Powell

Dillon Savory, Fresno-Madera-Tulare-Kings Central Labor Council

Jake Wood, Operating Engineers Local 12

Charles Lavery, Operating Engineers Local 3

Laura Robbins, S2 Engineering

Darrin Williams, Operating Engineers Local 3

Patrick Boileau, Operating Engineers Local 3

Chris Snyder, Operating Engineers Local 3

Wyatt Meadows, Operating Engineers Local 3

APPEARANCESPUBLIC COMMENT

Debra Roak, CRA Consultancy Group, LLC

Jesus Vargas, VSCE, Inc.

Joe Giles, Operating Engineers Local 3

Regina Markos, Bubba's Water Truck Service

Mitchell Bechtel, Ironworkers Local 118

Mike West, State Building and Construction Trades Council

Justin Barnard, Operating Engineers Local 3

Sandy Bergam, iWalk, Inc.

Keith Dunn, Association for California High-Speed Trains

Carlos Padilla, Operating Engineers Local 3

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P R O C E E D I N G S

11:00 a.m.

PROCEEDINGS BEGIN AT 11:00 A.M.

THURSDAY, FEBRUARY 17, 2022

CHAIR RICHARDS: Good morning, ladies and gentlemen, and welcome to the California High-Speed Rail Authority's Board of Directors meeting for February this February 17th, 2022. Thank you for joining us.

Before we get started into the meeting, we'll first call it to order and ask our Secretary to please call the roll.

MR. RAMADAN: Thank you, Mr. Chairman.

Director Schenk?

BOARD MEMBER SCHENK: Present.

MR. RAMADAN: Chair Richards?

CHAIR RICHARDS: Here.

MR. RAMADAN: Director Camacho?

BOARD MEMBER CAMACHO: Present.

MR. RAMADAN: Vice Chair Miller?

VICE CHAIR MILLER: Here.

MR. RAMADAN: Assemblymember Arambula?

BOARD MEMBER ARAMBULA: Present.

MR. RAMADAN: Director Perea?

BOARD MEMBER PEREA: Here.

MR. RAMADAN: Director Ghielmetti?

1 BOARD MEMBER GHIELMETTI: Present.

2 MR. RAMADAN: Director Escutia?

3 BOARD MEMBER ESCUTIA: Here.

4 MR. RAMADAN: Director Williams?

5 BOARD MEMBER WILLIAMS: Here.

6 MR. RAMADAN: Director Pena?

7 BOARD MEMBER PENA: Here.

8 MR. RAMADAN: Senator Gonzalez?

9 Mr. Chairman, we have a quorum.

10 CHAIR RICHARDS: Thank you, Mr. Secretary. And  
11 can we bring the flag up, please?

12 Please repeat with me.

13 (The Pledge of Allegiance is recited in unison.)

14 CHAIR RICHARDS: Thank you. And good morning,  
15 colleagues.

16 Before moving forward with our agenda, I'd like  
17 to turn the floor over to Vice Chair Miller.

18 VICE CHAIR MILLER: Thank you.

19 CHAIR RICHARDS: Good morning, Vice Chair Miller.

20 VICE CHAIR MILLER: Yes. Thank you, Chair  
21 Richards.

22 I know that you've all seen the letter from Laura  
23 Uden and Jesus Vargas. And I wanted to just start the  
24 meeting by letting you know that I immediately reached out  
25 to both of them after I received that letter to apologize.

1 It was a poor choice of words on my part, and I wanted them  
2 to know that, and I contacted them immediately, and I  
3 wanted you to know that, too. It was just an  
4 unfortunate -- you know, and I don't really have an excuse,  
5 and I wish that I would have caught myself.

6 But be that as it may, I had a call with both  
7 Laura and Jesus after that yesterday, along with Pam  
8 Muzikami of the Authority, the Deputy Director, to just  
9 talk about some of the issues that they had raised and to  
10 explore it a little bit deeper, which we did. And I'm  
11 happy to say I think it was a really productive and  
12 successful meeting.

13 I am going to attend the BAC next week and we're  
14 going to talk through some of the issues with them. And  
15 Staff, obviously before my prompting, has been working with  
16 them a lot, and Brian, as well, as I know our Chair has,  
17 and I think Ernie, as well.

18 So I just wanted to make my apology public in  
19 this meeting so that you know that I feel that way. And,  
20 hopefully, we'll move forward in a better position, at  
21 least I've pledged to do that.

22 So thanks very much, Chair Richards, for giving  
23 me this opportunity.

24 CHAIR RICHARDS: Thank you, Vice Chair Miller.  
25 And if I may, for my colleagues and the people in the

1 public, ladies and gentlemen, Nancy Miller is a  
2 distinguished member of the legal profession and an expert  
3 in California, and an expert in environmental law and  
4 representation of government agencies at all levels in our  
5 state. She's volunteered her time and resources to public  
6 service throughout her career. Nancy is committed to this  
7 project. And for me, it has been an honor and continues to  
8 be, and a privilege, to work together and to learn from  
9 Nancy Miller.

10 Thank you very much, Vice Chair.

11 VICE CHAIR MILLER: Well, thank you. I didn't  
12 want statements.

13 CHAIR RICHARDS: I know, but I said --

14 VICE CHAIR MILLER: Because before you were going  
15 to do --

16 CHAIR RICHARDS: -- I wanted to.

17 VICE CHAIR MILLER: Okay.

18 BOARD MEMBER ESCUTIA: (indiscernible), Nancy.

19 VICE CHAIR MILLER: Enough of that.

20 CHAIR RICHARDS: That's from my heart, so --

21 VICE CHAIR MILLER: Okay. Thank you.

22 CHAIR RICHARDS: Okay.

23 BOARD MEMBER WILLIAMS: All right. Well, the  
24 listen, then I'll keep myself brief --

25 BOARD MEMBER SCHENK: And I'd like to say

1 something, too, Tom.

2 BOARD MEMBER WILLIAMS: -- and just say --

3 CHAIR RICHARDS: Okay. I started. Go ahead,  
4 Director Schenk.

5 BOARD MEMBER SCHENK: Yeah. Well, as, I guess,  
6 the senior member of this Board and someone who's been  
7 connected to high-speed rail since the early '80s, I will  
8 say this.

9 First of all, I believe that every member of this  
10 Board, every member, is committed to the goals of enhancing  
11 and increasing the participation of small business. I know  
12 that to be true from both our public and private  
13 conversations. And I know that to be true of Nancy Miller.  
14 We are dedicated to that cause. We know that small  
15 business is the lifeblood of California. It's where jobs  
16 are created. And as I say, we are all more than just  
17 committed, passionately dedicated, and Nancy is, as well.  
18 I have known her for many years.

19 We all -- I mean, anybody who has not misspoken,  
20 anybody who has not said a word that they regret, I want  
21 you to raise your hand because I want to put a medal on  
22 you. We've all done it. I have done it numerous times.  
23 It happens. And her apology is clearly sincere. Again, I  
24 know her commitment and dedication to this.

25 And so, as a member of the public, I accept your

1 apology given in good faith, Nancy. And you are a  
2 tremendous value to this Board. I can't imagine you not  
3 being on it. And I feel privileged to be a colleague of  
4 yours on this Board.

5 BOARD MEMBER WILLIAMS: And, Mr. Chair --

6 VICE CHAIR MILLER: Thank you.

7 CHAIR RICHARDS: Yes, Director Williams?

8 BOARD MEMBER WILLIAMS: Yeah. I would just say,  
9 first of all, I echo all of your remarks and of you, Lynn.  
10 But I just wanted to add kind of, I guess I've known Nancy  
11 for longer than we probably would want -- care to admit,  
12 going back as colleagues in the legislature. And I also  
13 know her personally to be a person who is, you know,  
14 obviously welcoming of all and not in any way dismissive  
15 of, you know, the unique backgrounds and challenges that we  
16 all have as Californians.

17 So I would just add that I know her to be a  
18 person of integrity and care and kindness, and someone who  
19 wants all of us to succeed, so I would just add that.

20 CHAIR RICHARDS: Thank you, Director Williams.

21 VICE CHAIR MILLER: Thanks Anthony.

22 CHAIR RICHARDS: All right, we will now move on  
23 to public comment.

24 And, Mr. Secretary, if you would please let the  
25 people who are watching or listening to us know how they

1 can address the Board this morning?

2 MR. RAMADAN: Thank you, Mr. Chairman.

3 Good morning all. Welcome to the California  
4 High-Speed Rail Board or Directors public meeting. Today  
5 we are hosting this meeting remotely via Zoom. In a  
6 moment, we will begin public comment. First, we want to  
7 run through some important technical aspects of this  
8 meeting for offering public comment.

9 If you are logged into this meeting via the Zoom  
10 application, please use the raise-your-hand feature,  
11 typically located at the bottom of your screen, so that I  
12 may call on you to provide your comment. If you're dialing  
13 in by phone, pressing pound two will raise your hand and  
14 put you into our queue.

15 Speakers will be called in the order that their  
16 hand is raised. Once you've been in the queue and your  
17 name is called, in the web meeting, please click the prompt  
18 on your screen to allow your microphone to be un-muted. On  
19 the phone, we will call on you by the last four digits of  
20 your phone number. At that point you'll hear a message  
21 that you are being un-muted.

22 Once un-muted, it will be your turn to speak.  
23 Please slowly and clearly say and spell your first and last  
24 name and, if applicable, state the organization you  
25 represent. After your introduction, each speaker is

1 allotted two minutes to provide their comment. I will  
2 interject at 1 minute and 45 seconds to provide a 15-second  
3 warning.

4 Our court reporter is on the line to record these  
5 comments. If they need you to spell or repeat something,  
6 they may interject.

7 I will notify you when your time is nearly up.  
8 At the end of your comment, we will disable your  
9 microphone. However, you are welcome to stay on the line  
10 to continue watching or listening to the meeting.

11 If you do not wish to provide comment and simply  
12 want to watch the meeting, you can do so by logging onto to  
13 hsr.ca.gov and looking for the link to our livestream.

14 Mr. Chairman, first up for public comment, we  
15 have Matthew Serratto.

16 Matthew Serratto?

17 CHAIR RICHARDS: Good morning, Mr. Serratto, and  
18 welcome.

19 MAYOR SERRATTO: Right. Good morning everybody.  
20 Matthew Serratto, M-A-T-T-H-E-W S-E-R-R-A-T-T-O, Mayor,  
21 City of Merced. I'm just here again to wish everybody a  
22 good morning and remind you that the City of Merced stands  
23 in support of this project. We're a willing partner, have  
24 been, and we're committed to a real constructive process  
25 and a great partnership, and a project that benefits the

1 entire state.

2           So when it come to so many goals, such as vehicle  
3 mile traveled reduction, climate change, or valley-to-  
4 valley connection, Yosemite travel, all kinds of things, I  
5 mean, this is an infrastructure project that could really  
6 benefit and provide a backbone for growth for generations  
7 for not just Merced and the Central Valley but the entire  
8 99 Corridor, one of the fastest growing regions it the  
9 state.

10           So I just wanted to lend our support and  
11 reiterate our partnership. And I'm excited to help partner  
12 with you guys on this.

13           Thank you.

14           CHAIR RICHARDS: Thank you for joining us again,  
15 Mayor.

16           MR. RAMADAN: Mr. Chairman, next up for public  
17 comment, we have Lee Ann Eager.

18           Lee Ann Eager?

19           CHAIR RICHARDS: Good morning, Ms. Eager, who is  
20 now the Chair of the California Transportation Commission.

21           MS. EAGER: Yes. Thank you, Chair Richards. I'm  
22 looking forward to working closely with you in that role.  
23 Today, I'm calling in as President and CEO of the Fresno  
24 County EDC. But it's hard to take off your hats and switch  
25 from one to the other, so this will be all-inclusive.

1 I'm calling in to support the draft Business  
2 Plan. I really want to thank you all for your  
3 transparency. In this day and age, being transparent is  
4 always difficult. And this Business Plan certainly does  
5 that. It tells us where we need to go. It tells us how to  
6 get there. And it tells us the ups and downs of how we got  
7 here. So I just want to let you know how much I really  
8 appreciate that.

9 I think most of you on this dais know that I have  
10 been a supporter of this project for over a decade and my  
11 support of the project has never waned. And that's because  
12 I have always seen what this can do for the Central Valley  
13 of California, particularly, but for the state of  
14 California. As I travel around the world and I see what  
15 transportation projects have done for the areas that  
16 they're in, I know this is something that's really needed.

17 And I hope you'll let me, at this time, give a  
18 really special thank you to Director Schenk. You have been  
19 there for the ups, the downs, the ins, the outs, and you  
20 have never fallen back and said, oh, this is too tough for  
21 me. You have continued to fight the good fight for as long  
22 as I can remember, so thank you so much. And we'll  
23 continue to fight this fight together.

24 Thank you.

25 CHAIR RICHARDS: Thank you, Lee Ann.

1           MR. RAMADAN: Mr. Chairman, next up for public  
2 comment, we have Marie Campbell.

3           Marie Campbell?

4           MS. CAMPBELL: Good morning.

5           CHAIR RICHARDS: Good morning.

6           MS. CAMPBELL: Thank you.

7           CHAIR RICHARDS: Good morning, Ms. Campbell.

8           MS. CAMPBELL: Good morning. Thank you for the  
9 opportunity to speak this morning. My name is Marie,  
10 M-A-R-I-E, Campbell, C-A-M-P-B-E-L-L, and I am the Chief  
11 Executive Officer for a minority and woman-owned business,  
12 Sapphos Environmental, Inc. We have had the pleasure of  
13 being deployed on the California High-Speed Rail Project  
14 since 2017. We currently are providing 30 to 50 staff  
15 working in various offices on Construction Packages 1, 2-3,  
16 and 4.

17           I understand that, as a small business, having an  
18 opportunity to work on the California High-Speed Rail is an  
19 honor. And many others have struggled to find their place  
20 within the team. I wanted to share with you this morning  
21 that I believe that anyone who provides quality services  
22 should continue to go through the process. It can be a  
23 daunting process. There are a lot of businesses in  
24 California. But I will share with you some comments that I  
25 was asked to share recently in preparation for Women's

1 History Month next month.

2 The question I was asked is: What advice would  
3 you give to other females in the construction industry?  
4 And I think this applies to other minorities in the  
5 construction industry, as well.

6 And my answer would be, do your job to the best  
7 of your ability. As a Hispanic woman, I have repeatedly  
8 been able to overcome the misperceptions of others based on  
9 biases and prejudices of others based on race and gender by  
10 providing quality work and services.

11 In the end, humans are hardwired to win to  
12 survive. And it's the easiest to survive with quality team  
13 members.

14 MR. RAMADAN: Fifteen seconds remaining.

15 MS. CAMPBELL: Thank you.

16 No one wants to be on a team with poor  
17 performers. And irrespective of race, gender, religion,  
18 political affiliation, or sexual orientation, you will win  
19 if you provide quality work.

20 Wishing you all the best in your endeavors to  
21 inspire --

22 MR. RAMADAN: Over the two-minute time limit.

23 MS. CAMPBELL: -- to inspire others. Thank you.

24 CHAIR RICHARDS: Thank you, Ms. Campbell, and  
25 congratulations.

1           MR. RAMADAN: Mr. Chairman, next up for public  
2 comment, we have Laura Uden.

3           Laura Uden?

4           CHAIR RICHARDS: Good morning, Ms. Uden. Ms.  
5 Uden is the Chair of the Business Advisory Board for the  
6 California High-Speed Rail Authority.

7           So welcome.

8           MS. UDEN: Thank you. And I'd like to start by  
9 thanking Director Miller for her comments and her agreement  
10 to participate in our meetings going forward. We view that  
11 as a very positive step.

12           I'd like to talk today specifically about the  
13 Conflict of Interest Policy again. I want to say, small  
14 businesses support this project. But for us to be able to  
15 do that fully, we have to be able to participate.

16           I've had a history of communications with the HSR  
17 Legal Team and the Board. I sent a letter after my last  
18 communication at the February 1st Board meeting. I'd like  
19 to get that entered into the minutes if it hasn't been  
20 already. But the response to my later was, basically, we  
21 share the same goal to permit integrity and transparency in  
22 competitiveness. And they want to ensure that we  
23 understand -- that they understand our perspective. And  
24 they're going to meet us to get some input.

25           While all of that is good, it's only going to

1 help if it's going to result in some changes to the  
2 implementation approach that is currently conflicting out  
3 the subcontractors under Jacobson Sinair (phonetic), as an  
4 example, where the prime has been conflicted out, and all  
5 subs, without consideration of their scope. I understand  
6 they may be working on this but we don't have any evidence  
7 yet that any of that is going to change, so I'm concerned  
8 about that.

9 I'd like to talk about my concerns about the  
10 mitigation approach. As I say, small businesses under  
11 primes that have worked previously, I was expecting to hear  
12 from them, that small businesses under primes that have  
13 worked previously on contracts will either be conflicted  
14 out or they'll work on mitigation or will take them on a  
15 case-by-case basis. I didn't get any of that kind of a  
16 response to my letter, so there was no actually detailed  
17 response. It was a very vague and high-level response.

18 The policy talks about the importance of  
19 balancing goals to not unnecessarily restrict the pool of  
20 proposers. FTA guidance actually allows for conflicts to  
21 exist. It says, "When a recipient has done all that can  
22 reasonably" --

23 MR. RAMADAN: Fifteen seconds remaining.

24 MS. UDEN: -- "be done to avoid, neutralize or  
25 mitigate a real or apparent conflict of interest and it's

1 still in the best interest of the recipient to proceed,  
2 they can do so if they document the decision." This is FTA  
3 Best Practices Procurement Manual.

4 I would suggest that we take an approach that  
5 leans much more heavily --

6 MR. RAMADAN: Over the two-minute time limit.

7 MS. UDEN: -- on participation.

8 BOARD MEMBER SCHENK: Excuse me, Tom, could we  
9 allow Ms. Uden to finish her comments?

10 CHAIR RICHARDS: Yes, we are.

11 BOARD MEMBER SCHENK: Thank you.

12 CHAIR RICHARDS: We're doing that.

13 BOARD MEMBER SCHENK: Thank you.

14 CHAIR RICHARDS: Thank you.

15 MS. UDEN: I would like to ask that we lean much  
16 more heavily on the side that allows participation, and  
17 also suggest a solution that might involve High-Speed Rail  
18 management and engineering staff in the mitigation  
19 discussions instead of making it the decision of a legal  
20 team with no right of appeal.

21 I'd like you to consider these issues in your  
22 votes on the RFQs today as I think this is all still in  
23 flux with no evidence that mitigations are going to work,  
24 and it's going to impact a lot of small businesses if it  
25 goes forward as it is.

1 Thank you very much.

2 CHAIR RICHARDS: Thank you.

3 MR. RAMADAN: Mr. Chairman, next up for public  
4 comment, we have Paul Katchadourian.

5 Paul Katchadourian?

6 CHAIR RICHARDS: Good morning, Mr. Katchadourian.

7 MR. KATCHADOURIAN: Good morning. Thank you so  
8 much for the time. I'd like to address my support for the  
9 draft. And I would like to also speak on behalf of small  
10 business and disabled veteran-owned businesses. I'm both.

11 This project has allowed us to grow from -- since  
12 2014, when we first got on it, from six employees as a  
13 small local restoration company to -- we're still a small  
14 business but we have 40 employees now.

15 And in our expansion, 85 percent of our employees  
16 that we have added have all come from the NEO (phonetic)  
17 program or from EDC programs, Second Chance where we've  
18 gotten people who are on public assistance, given them good  
19 jobs in the union, and it's worked out really good for us.  
20 It's worked out really good for these people with these  
21 opportunities. Some of them who were on public assistance  
22 prior are now homeowners and very successful and they're  
23 just doing a great job for me. And as this program funding  
24 expands and allows us to hire more, we're going to continue  
25 with reaching out to people who need jobs in these

1 capacities and give more opportunities to people who need  
2 help.

3 Not only that, this program has also allowed us  
4 to expand to the point where we're increasing our bonding  
5 level to where we can -- it's like a seed job, where we're  
6 able to -- now we're building police stations and fire  
7 stations, and part of schools in Fresno, health clinics.  
8 Our company would have never had those opportunities  
9 without the high-speed rail.

10 MR. RAMADAN: Fifteen seconds remaining.

11 MR. KATCHADOURIAN: I support the high-speed  
12 rail. It's been a wonderful addition, California needs it,  
13 and it's just the whole program has just worked out great  
14 for this small disabled veteran-owned business.

15 Thank you so much.

16 CHAIR RICHARDS: Thank you. And thanks for --  
17 we're happy to have you onboard.

18 MR. RAMADAN: Mr. Chairman, next up for public  
19 comment, we have Blair Beekman.

20 Blair Beekman?

21 CHAIR RICHARDS: Good morning, Mr. Beekman.

22 MR. BEEKMAN: Hi. Blair Beekman here. I spoke  
23 at the Finance Committee meeting this morning. Just kind  
24 of the same thing, what I said at that meeting. I'm new to  
25 the process. I'm trying to understand ideas of clarity for

1 the process.

2 I feel the light rail -- I mean, the light  
3 rail -- the high-speed rail from L.A. to Sacramento could  
4 still always be considered an important concept for  
5 ourselves. And I think in order to purchase land, either  
6 from Merced to Sacramento through Turlock or through Tracy,  
7 I think it presents an idea of just more open available  
8 land, especially if you're going through the Tracy area,  
9 and then into Stockton and into Sacramento.

10 It's from there, with easier land purchases, that  
11 you can consider the ideas of secondary BART tracks from  
12 Dublin into Tracy or, perhaps, secondary BART tracks from  
13 Antioch into Sacramento to consider light-rail help.

14 So I'm curious about the Tri-Valley rail system  
15 that's going around -- (ambulance siren in background)  
16 excuse me, there's an ambulance going on, very sorry.

17 So I'm curious about the Tri-Valley railroad  
18 system in the Dublin area right now. That system may be a  
19 redundant to what can be a feature of the high-speed rail  
20 into Tracy. It may be of some help but I thought I would  
21 just simply note it at this time openly to question.

22 And so I guess that's about all. I'm really  
23 going through the ideas of clarity.

24 MR. RAMADAN: Fifteen seconds remaining.

25 MR. BEEKMAN: Thank you. I'm really going

1 through the ideas of clarity, you know, for the future of  
2 the system and a simplified efficient system for ourselves,  
3 just looking how to address that.

4 Thank you.

5 CHAIR RICHARDS: Thank you.

6 MR. RAMADAN: Mr. Chairman, next up for public  
7 comment, we have Beth Lamont.

8 Beth Lamont?

9 CHAIR RICHARDS: Ms. Lamont, welcome. Hello?

10 MR. RAMADAN: Beth, if you would like to provide  
11 public comment, please un-mute your microphone.

12 MS. LAMONT: Hello?

13 CHAIR RICHARDS: Yes. Hi. We hear you now.  
14 Welcome.

15 MS. LAMONT: Okay. Sorry about that. Thank you  
16 for having me today. I just wanted to say, my name is  
17 Elizabeth Lamont and I work for West Coast Drilling. We're  
18 a drilling contractor and we're drilling the piers for the  
19 supports for the high-speed rail. We've been on the  
20 project through other contractors as a sub. And we've  
21 recently started working directly with the High-Speed Rail.

22 And I just want to say, I really appreciate.  
23 We're a small business. We're woman-owned. I'm Native  
24 American. And this has been a great opportunity for us as  
25 a small, growing company, especially in this construction

1 climate right now where there's so much more competition  
2 than we had 47 years ago when we started.

3 But I just appreciate that the High-Speed Rail  
4 has been diligent about awarding, you know, a larger  
5 percentage of their projects to minority-owned companies.  
6 We've been around a long time, so we also like to think  
7 that we perform very good work. And we have the equipment  
8 to kind of do something that other people can't do because  
9 of the nature of the battered piers.

10 But I've appreciated working with the small  
11 business advocates at the High-Speed Rail. Everybody that  
12 we've worked with, from Superintendents Carlos and Ali  
13 (phonetic), on the site have worked together with us and  
14 had great communication and, you know, have been a very  
15 large asset to our last few years in the industry.

16 And I just, basically, wanted to say thank you.  
17 And I appreciate the opportunity to be a part of this  
18 project. I think it's a great project.

19 MR. RAMADAN: Fifteen seconds remaining.

20 MS. LAMONT: I can't wait, personally, to be able  
21 to use it and not take that long drive.

22 Anyway, thank you so much.

23 CHAIR RICHARDS: And thank you.

24 MR. RAMADAN: Mr. Chairman, next up for public  
25 comment, we have Virgal Woolfolk.

1 Virgal Woolfolk?

2 CHAIR RICHARDS: Good morning, Mr. Woolfolk or  
3 Woolfolk. And I'm sure I massacred that.

4 MR. WOOLFOLK: Yes. Good morning. How are you?

5 CHAIR RICHARDS: Good, thank you, and welcome.

6 MR. WOOLFOLK: Thank you, sir. The reason I'm  
7 back again, I spoke last month about our inability to  
8 provide work on this project that we were awarded contract  
9 work on. And I'm listening to other comments and it seems  
10 that those companies that do construction have profited,  
11 but if you're in planning, design, engineering, those type  
12 of areas where the bigger companies get the majority of the  
13 work, we're not getting the work.

14 I contacted Staff, particularly Ms. Blair. She  
15 sent me back a notice that she would get back with me. She  
16 has not.

17 We have Sinair (phonetic) and Plans Work  
18 (phonetic). We've pretty much finished this project and we  
19 were left out of the project. We're a service, disabled  
20 veteran business, minority business. We've been highly  
21 recommended for this project but we're -- I mean, I started  
22 back working on this project in the legislature back in the  
23 '90s.

24 We are a good company. We work a lot with BART,  
25 L.A. Metro, Caltrans, I'm a former Caltrans employee, I

1 understand how this process works, but this system has  
2 failed us.

3           And what's really most hard about it is Staff's  
4 inability to reach out to us and explain or help us or  
5 assist. That's the biggest problem. You know, we're  
6 trying to find out why they don't keep us abreast of the  
7 project status, why we have not been called in for any  
8 meetings. How come we haven't been given a chance of  
9 finish up the project? I spent almost \$700,000 starting  
10 this project up. I had to take loans. This impacted my  
11 company. I'm just now paying those loans off and I haven't  
12 gotten the work. This is really, really serious and it's  
13 something that you guys really need to look into.

14           And the big thing is why isn't Sinair and Plans  
15 Work responding and making sure that we got the work that  
16 we were promised --

17           MR. RAMADAN: Fifteen seconds remaining.

18           MR. WOOLFOLK: -- signed contracts?

19           That's the whole issue, do what you said you were  
20 going to do. This was supposed to help small businesses.  
21 And unless you're doing construction, it does not.

22           That's my comment.

23           CHAIR RICHARDS: All right, sir. Thank you.

24           And I assume that we have his contact  
25 information, Mr. Secretary?

1 MR. RAMADAN: Correct.

2 CHAIR RICHARDS: Okay. Thank you.

3 MR. RAMADAN: Mr. Chair, next up for public  
4 comment, we have Matt Cremins.

5 Matt Cremins?

6 CHAIR RICHARDS: Good morning, Mr. Cremins.

7 MR. CREMINS: Thank you, Mr. Chairman and Members  
8 of the Board. Matt Cremins here on behalf of the  
9 California-Nevada Conference of Operating Engineers. We're  
10 happy to be here today in support of agenda items four and  
11 five, which will start the process of procuring design work  
12 that we feel is crucial to the completion of this project.

13 Our organization has recognized the tremendous  
14 amount of progress made by the Authority over the past  
15 three years, including making major headway on a central  
16 design work, over tripling the number of structures under  
17 construction, and nearly doubling the miles of guideway  
18 that's been opened for work.

19 Given this progress and what it means for our  
20 members and our apprentices who are contributing to this  
21 project, we'd like to sincerely thank the Board for all  
22 their hard work. And we would sincerely appreciate your  
23 support of items four and five.

24 Thank you very much.

25 CHAIR RICHARDS: Thank you, sir.

1           MR. RAMADAN: Mr. Chairman, next up for public  
2 comment, we have Tate Baugh.

3           Tate Baugh?

4           CHAIR RICHARDS: Good morning, Ms. Baugh.

5           MR. BAUGH: Hi. It has been an honor for me to  
6 speak to this.

7           CHAIR RICHARDS: Tate, I'm sorry.

8           MR. BAUGH: Can you hear me?

9           CHAIR RICHARDS: Yes, I do. I stepped all over  
10 you. Welcome aboard, Mr. Baugh.

11          MR. BAUGH: All right. Hi. I'm making a public  
12 comment about -- regarding the high-speed rail stations,  
13 and I'm going to try to make it short, as quick as I can.

14          One, I heard there will be a bus route from the  
15 high-speed rail station in Bakersfield to somewhere in  
16 Southern California until the Phase 1 extension from  
17 Bakersfield to Anaheim opens. And I just trying to  
18 understand where exactly this bus route is going to end at  
19 in Southern California from the high-speed rail station in  
20 Bakersfield?

21          And two, I'm also trying to ask as a  
22 recommendation that there should be, also, a bus route that  
23 will provide passenger service from the high-speed rail  
24 station in Bakersfield to Mammoth Lakes because the Eastern  
25 Sierra Transit Public Authority provides service from

1 Mammoth Lakes from Southern California to weekdays only and  
2 it's not fair. And people who are in Mammoth Lakes may  
3 need to access to the high-speed rail station because I  
4 found out the purple route of the Eastern Sierra Transit  
5 Authority operates every day, including holidays, which  
6 includes year-round.

7 And then last but not least, which is number  
8 three, I'm also recommending there should also be a bus  
9 route that will provide service temporarily, which is  
10 seasonal, from the Merced high-speed rail station to  
11 Yosemite National Park from Thanksgiving Day through Easter  
12 Sunday.

13 And that is all I have.

14 CHAIR RICHARDS: Thank you, Mr. Baugh.

15 MR. RAMADAN: Mr. Chairman, next up for public  
16 comment, we have Joel Alonzo.

17 Joel Alonzo?

18 CHAIR RICHARDS: Good morning, Mr. Alonzo.

19 MR. ALONZO: Good morning. Thank you, Board, for  
20 taking the time. My name is Joel Alonzo, J-O-E-L  
21 A-L-O-N-Z-O, and I'm the Controller for G & J Heavy Haul,  
22 Inc. Our company is a company that's been providing  
23 trucking services throughout the -- throughout California  
24 over the last 16 years. We actually moved to the Central  
25 Valley because of our work with the High-Speed Rail. We

1 started that work clear back in 2017.

2 We have grown our staff as a result of the  
3 opportunity from just over 25 to just about 100 employees,  
4 so tremendous there for the employees in our area. In  
5 addition, we employ over 30 subcontractors to us during the  
6 busy portions that we have in our work.

7 We appreciate our growing relationship with our  
8 employment in our area. And we thank you very much for  
9 allowing us to participate. Thank you, again, for what you  
10 are doing for the state of California. And we look forward  
11 to a continued relationship in this area.

12 CHAIR RICHARDS: Thank you, sir.

13 MR. RAMADAN: Mr. Chairman, next up for public  
14 comment, we have Margaret Jackson.

15 Margaret Jackson?

16 CHAIR RICHARDS: Good morning, Ms. Jackson.

17 MS. JACKSON: Good morning and thank you for the  
18 opportunity to share. And I'm Margaret Jackson,  
19 M-A-R-G-A-R-E-T, Jackson, J-A-C-K-S-O-N.

20 I'd like to first say that I'm in strong support  
21 of the high-speed rail project and the small businesses  
22 opportunities to procure and grow their businesses. I'm  
23 one of the newest members of the BAC (phonetic). I'm  
24 looking forward to collaborating more with the High-Speed  
25 Rail and really supporting our small businesses throughout

1 the state of California. I have a mass media background.  
2 My Chief, Katrina Blair, reached out to me in 2020 to  
3 consider the opportunity to be part of the BAC, and so I'm  
4 very excited to be able to do that this year.

5 And a little bit about my background. I have  
6 eight years with a small business development center, a  
7 Director of an SBDC center, and now a Regional Advisory for  
8 the NorCal (phonetic) SBDC, in addition to a radio show  
9 personality here in Silicon Valley (indiscernible). But my  
10 business goal is to support your agenda and supporting our  
11 small businesses and growing and getting them  
12 opportunities.

13 It has to be boots on the ground and I'm part of  
14 those boots on the ground and working with your outreach  
15 team with Chief Katrina Blair and Ashely Mitcheler  
16 (phonetic) and Damon Dorm (phonetic). I've already been  
17 able to get mass communication out. We've already been on  
18 air. I've been on air discussing and talking about the  
19 direction of the high-speed rail and the good work that's  
20 happening with small businesses procuring.

21 So again, I look forward to it. Thank you for  
22 the opportunity. And just keep up the good work. Small  
23 businesses really want the opportunity.

24 MR. RAMADAN: Fifteen seconds remaining.

25 MS. JACKSON: I'm done.

1 CHAIR RICHARDS: Thank you very much. Thanks for  
2 joining us.

3 MR. RAMADAN: Mr. Chairman, next up for public  
4 comment, we have Jonathan Powell.

5 Jonathan Powell?

6 MR. POWELL: Hi. I'm John --

7 CHAIR RICHARDS: Mr. Powell, welcome.

8 MR. POWELL: Hi. Yes. I'm Jonathan,  
9 J-O-N-A-T-H-A-N, Powell, P-O-W-E-L-L. I want to voice my  
10 support for high-speed rail. And I want to appreciate the  
11 work the Authority is doing by paving the way and bringing  
12 high-speed trains to California as soon as possible.

13 With the Olympics currently going on in China,  
14 and thinking ahead to the L.A. Summer Olympics in 2028, has  
15 or could the Authority ask for state or federal funding to  
16 advance and build Burbank to Palmdale section by 2028, if  
17 that is a possible timeline for the Authority? Or has the  
18 Authority explored any other ideas to get support through  
19 Olympic preparations?

20 Thank you and keep up the great work.

21 CHAIR RICHARDS: Thank you, sir.

22 MR. RAMADAN: Mr. Chairman, next up for public  
23 comment, we have Dillon Savory.

24 Dillon Savory?

25 CHAIR RICHARDS: Mr. Savory, good morning.

1           MR. SAVORY: Good morning, Mr. Chairman and  
2 Members of the Board. It's good to be with you all. I'm  
3 the Executive Director of the Fresno-Madera-Tulare-Kings  
4 Central Labor Council. We represent approximately 50,000  
5 workers in our four counties.

6           I just want to commend you all for the work that  
7 you're doing, the tough hard work in the face of criticism.  
8 I know that this project has been long overdue and it is --  
9 it's going to take a lot of work to get done.

10           I'm also here in agreement with my brother, Matt  
11 Cremins, to voice our support for the agenda items four and  
12 five. Please approve the release of the RFQs for Merced  
13 and Madera, as well as Fresno to Bakersfield. Again, keep  
14 in line, everything you're doing is great. There's  
15 obviously some concerns with some small business owners and  
16 we trust that you will get some of those things done, some  
17 of the other callers today, but ultimately, you're making  
18 great process.

19           I want to give a special shout out to Mr. Perea,  
20 as well as Mr. Arambula, for helping keep Fresno as the  
21 center point of the discussions and making this project  
22 happen here locally.

23           Thank you for your time.

24           CHAIR RICHARDS: Thank you.

25           MR. RAMADAN: Mr. Chairman, next up for public

1 comment, we have Jake Wood.

2 Jake Wood?

3 CHAIR RICHARDS: Good morning, Mr. Wood.

4 MR. WOOD: Good morning, Mr. Chairman and Members  
5 of the Board. First off, happy Thursday to you all, and  
6 thank you for letting me have the time. My name is Jake  
7 Wood, J-A-K-E W-O-O-D, and I'm on -- I'm here on behalf of  
8 the Operating Engineers Local 12.

9 Like my other brother said, I'm here in support  
10 for agenda items number four and five, which are crucial to  
11 the completion of this project. The progress that the  
12 Authority has made over the past three years is nothing  
13 short of amazing and encouraging for the future.

14 Our members and apprentices that have contributed  
15 to the project have almost completed 100 percent of the  
16 design work. And with that experience and training gained  
17 during this time, we will be moving forward more safely and  
18 efficiently with that knowledge, so we are ready to go. So  
19 with your approval of items four and five, we can keep this  
20 project moving forward and into the future.

21 So thank you again for your time. And, please,  
22 everybody stay safe.

23 CHAIR RICHARDS: Thank you, sir.

24 MR. RAMADAN: Mr. Chairman, next up for public  
25 comment, we have Charles Lavery.

1 Charles Lavery?

2 CHAIR RICHARDS: Good morning, sir.

3 MR. LAVERY: Yeah. Good morning. Thank you guys  
4 all for your public service. I appreciate that. I am here  
5 on behalf of the Operating Engineers Local 3. I'm also a  
6 member of the Citizens Advisory Committee for the Transbay  
7 Terminal in San Francisco for the past six years. And I'm  
8 here to voice support for agenda items four and five, which  
9 are part of the procural [sic] processes that will be  
10 crucial to the completion of the project, this historic and  
11 climate-mitigation project.

12 We're proud and encouraged by the progress you  
13 have made over the past three years, including completing  
14 almost 100 percent of the design work, and increasing the  
15 number of structures under construction from 19 to 66,  
16 doubling the number of miles of guideway open for work, and  
17 putting hundreds of operating engineers to work and  
18 thousands of Californians.

19 Given this progress and what it means for our  
20 members and apprentices, we're proud to be here in strong  
21 support and would encourage your approvals of items four  
22 and five.

23 Thank you.

24 CHAIR RICHARDS: Thank you.

25 MR. RAMADAN: Mr. Chairman, next up for public

1 comment, we have Laura Robbins.

2 Laura Robbins?

3 CHAIR RICHARDS: Good morning, Ms. Robbins.

4 MS. ROBBINS: Good morning.

5 CHAIR RICHARDS: Welcome.

6 MS. ROBBINS: Good morning. Thank you. My name  
7 is Laura Robbins and I am part of S2 Engineering, a small  
8 business, construction management and materials testing  
9 firm based in Rancho Cucamonga, although there's five  
10 regional offices. S2 Engineering is actually a DBE and  
11 we're working on Construction Package 4. And I wanted to  
12 say thank you because the High-Speed Rail Program has given  
13 us the opportunity to become part of this landmark project  
14 and we are humbled and honored to be contributing to the  
15 success of the program.

16 In my role as the Office Manager on CP 4 in Kern  
17 County, I can say I work with over 80 people, 14 different  
18 firms on this team, both large and small companies. And  
19 (indiscernible). Now there's two of us. And I've seen  
20 this being the case for several small businesses here and I  
21 want to say thank you because the way that the Authority  
22 promotes its DBE and Small Business Program has been  
23 wonderful for us and other firms.

24 Thank you.

25 CHAIR RICHARDS: Thank you, Ms. Robbins.

1 MR. RAMADAN: Mr. Chairman, next up for public  
2 comment, we have Darrin Williams.

3 Darrin Williams?

4 CHAIR RICHARDS: Good morning, Mr. Williams.

5 MR. WILLIAMS: Good morning. My name is Darrin  
6 Williams. I'm a Business Agent with the Operating  
7 Engineers Local 3. It's D-A-R-R-I-N W-I-L-L-I-A-M-S.

8 I come here today to voice how much I am in  
9 support of the high-speed rail. Specifically, I wish to  
10 highlight and point out agenda items four and five, the  
11 request for qualifications for the Merced to Madera Project  
12 section, as well as the Fresno to Bakersfield Project  
13 section.

14 In short and in closing, we should finish what we  
15 start.

16 Thank you.

17 CHAIR RICHARDS: Thank you, sir.

18 MR. RAMADAN: Mr. Chairman, next up for public  
19 comment, we have Patrick Boileau.

20 Patrick Boileau?

21 CHAIR RICHARDS: Mr. Boileau, welcome.

22 MR. BOILEAU: Good afternoon. My name is Patrick  
23 Boileau, P-A-T-R-I-C-K B-O-I-L-E-A-U. I am the Deputy  
24 Protocol Director with the Operating Engineers Local 3.  
25 Wanted to just express general support for the project.

1 Thank you and all the other Board Members for all the  
2 diligent leadership you guys do with this project, and  
3 express support for agenda items four and five, the  
4 expansions into Madera and Bakersfield.

5 Thank you very much for your time.

6 CHAIR RICHARDS: Thank you, sir.

7 MR. RAMADAN: Mr. Chairman, next up for public  
8 comment, we have Chris Snyder.

9 Chris Snyder?

10 CHAIR RICHARDS: Good morning.

11 MR. SNYDER: Good morning. Chris Snyder. I'm  
12 the Political Director for the Operating Engineers Local 3  
13 out of Alameda. And we're fully in support of agenda items  
14 four and five.

15 We have hundreds and hundreds of members out  
16 there, over 400 members out there, working as we speak.  
17 We've actually had apprentices come on, work the entire  
18 four years of their apprenticeship and journeyed out, and  
19 those folks are from the valley. They're from the areas  
20 that have desperately needed investment into an area that's  
21 traditionally not seen the types of investments that, you  
22 know, we see up here in the Bay Area or down in the L.A.  
23 Basin.

24 So I highly encourage you, urge you to support  
25 agenda items four and five. And I really thank you for

1 your service and your time this morning. And we're here to  
2 support the project in any way we can, manpower, political  
3 action, boots on the ground and, you know, we're given the  
4 next generation of folks in that area not only a job but a  
5 career.

6 So thank you.

7 CHAIR RICHARDS: Thank you, sir.

8 MR. RAMADAN: Mr. Chairman, next up for public  
9 comment, we have Wyatt Meadows.

10 Wyatt Meadows, apologies for the mispronouncing.

11 CHAIR RICHARDS: Thank you, Mr. Meadows. Good  
12 morning.

13 MR. MEADOWS: Good morning, Mr. Chairman and  
14 Members of the Board. Not a problem. Yeah, it's Wyatt  
15 Meadows, W-Y-A-T-T M-E-A-D-O-W-S. And I'm a District  
16 Representative out of Fresno for the Operating Engineers  
17 Local Union 3. And I'm here today to voice my support for  
18 agenda items four and five, as well.

19 You know, I'm a firm believer that we're putting  
20 the right -- you know, we're putting people to work, we're  
21 getting people to -- you know, getting them to have a  
22 living wage, and we're creating opportunities for people  
23 that wouldn't have been there before. So I urge you guys  
24 to, please, complete what we started and let's keep this  
25 thing going.

1 Thank you.

2 CHAIR RICHARDS: Thank you, sir.

3 MR. RAMADAN: Mr. Chairman, next up for public  
4 comment, we have Debra Roak.

5 Debra Roak?

6 CHAIR RICHARDS: Good morning, Ms. Roak.

7 MS. ROAK: Well, good morning. You guys said my  
8 name correctly. That's an honor, very grateful to be here.  
9 Again, my name is Debra Roak. I'm a newly-appointed member  
10 of the California High-Speed Rail Business Advisory  
11 Council. And as a previous member of DGS Small Business  
12 Council, I'm very excited to work with the High-Speed Rail  
13 Authority to share my knowledge on best practices and how  
14 we advance small business initiatives on the DGS Council.

15 As a small business owner who has held government  
16 contracts, I understand many of the barriers in entering  
17 government contracting. My firm assists with small  
18 businesses navigating the many processes involved preparing  
19 to successfully bid government projects.

20 After reading the Small Business Newsletter on  
21 LinkedIn, I was inspired by many of the success stories and  
22 felt that I had something to contribute to this project.  
23 And through my relationships with the small business  
24 community, I want to bring more qualified businesses to the  
25 numerous opportunities that exist with the high-speed rail.

1 I am working forward -- I'm looking forward to  
2 serving on the Council and participating in the High-Speed  
3 Rail and advancing the program as I believe the program is  
4 a part of our core initiatives with my business, CRA  
5 Consultancy Group, and we lead with inclusion and  
6 diversity.

7 So with that, I want to tell you guys thank you.  
8 I'm very, very excited, again, to participate and help to  
9 be more inclusive and include some and help to solve some  
10 of these issues that these small businesses are having with  
11 the Council.

12 CHAIR RICHARDS: Thank you very much.

13 MS. ROAK: That's it.

14 CHAIR RICHARDS: Yes, thank you, and we'll do  
15 that.

16 MR. RAMADAN: Mr. Chairman, next up for public  
17 comment, we have Jesus Vargas.

18 Jesus Vargas?

19 CHAIR RICHARDS: Good morning, Mr. Vargas.

20 MR. VARGAS: Good morning, Directors. I'm  
21 wishing you Happy Valentine's Day. I truly appreciate  
22 Director Miller's comments mentioned earlier and her  
23 commitment to collaborate with us and attend Business  
24 Advisory Council meetings. That's outstanding.

25 I'm excited to see the three RFQs that are ready

1 to be released, as well as (indiscernible) of the Draft  
2 Business Plan. I do want to point to keeping in mind Laura  
3 Uden's comments, the Business Advisory Council's comments,  
4 which I will not repeat, and some of the small business  
5 comments that we heard here today while we're looking to  
6 refine these documents.

7 The Business Advisory comments are intended to  
8 promote the support for all high-speed rail programs as  
9 they get launched across the country and expand competition  
10 and offer improved participation for California businesses  
11 working on the California high-speed rail.

12 I love trains. I love high-speed rail. I have  
13 invested, done research of other active high-speed rail  
14 systems abroad to benefit my technical knowledge and that  
15 of the Authority's, as well.

16 Please partner, look to partner, explore to  
17 partner with FTA or FHWA or FAA to develop and oversight  
18 program. They have operating facilities, not like the  
19 high-speed rail here now. They have PMO programs we could  
20 learn from that can keep us on track, all puns intended.

21 Keep in mind that our businesses are being  
22 seduced by many other public agencies that are flush with  
23 funds right now and have better small business practices.  
24 Use them as benchmarks.

25 MR. RAMADAN: Fifteen seconds remaining.

1 MS. VARGAS: Use them as benchmarks to make  
2 California high-speed rail better.

3 Thank you.

4 CHAIR RICHARDS: Thanks, Mr. Vargas.

5 MR. RAMADAN: Mr. Chairman, next up for public  
6 comment, we have Joe Giles.

7 Joe Giles?

8 CHAIR RICHARDS: Good morning, sir.

9 MR. GILES: Hey. Good afternoon, Members of the  
10 Board. Joe Giles, J-O-E G-I-L-E-S. I'm an Organizer for  
11 Operating Engineers Local 3 here in Fresno. And I support  
12 the agenda items four and five. And I'm fully in favor of  
13 the high-speed rail and looking forward to finishing what  
14 we started.

15 CHAIR RICHARDS: Thank you, sir.

16 MR. RAMADAN: Mr. Chairman, next up for public  
17 comment, we have Regina Markos.

18 Regina Markos?

19 CHAIR RICHARDS: Welcome, Ms. Marcos.

20 MS. MARKOS: Hi. Thanks for letting me talk.  
21 It's Regina, R-E-G-I-N-A, Markos, M-A-R-K-O-S. I own  
22 Bubba's Water Truck Service. We provide dust control  
23 (indiscernible) for DFJD and CP 1, 2 and 3. And we  
24 started, actually, our first timely -- or when we started  
25 working out there it was June 2019. We worked for a sub

1 for a little bit before, in 2018, and then we worked --  
2 started working directly for DFJD. It's been great for us.

3 We had one truck, one employee working part-time,  
4 in June 2019. Now we're up to ten trucks and 13 employees.  
5 Not all of them are dust control. We do potable water, as  
6 well, for the Drought Program, the state Drought Program.  
7 And it's just been great. Working with DFJD has been  
8 great. It's provided us a way to, even our employees that  
9 aren't Teamsters, to be able to provide them with  
10 healthcare and starting retirements and, you know, just the  
11 things that, you know, bigger companies can do to be able,  
12 you know, to make their lives better.

13 Two of our employees, after two years working,  
14 have bought homes. They had never owned a home before, so  
15 that's pretty awesome.

16 And I mean, us, as a company, we've been able to  
17 move, you know, into a shop and a yard and an office,  
18 instead of working out of our home. And so, yeah, it's  
19 been wonderful and we appreciate the work.

20 That's it.

21 CHAIR RICHARDS: Thank you very much.

22 MR. RAMADAN: Mr. Chairman, next up for public  
23 comment, we have Mitchell Bechtel.

24 Mitchell Bechtel?

25 CHAIR RICHARDS: Good morning, Mr. Bechtel.

1 MR. BECHTEL: Aloha Members. Again, my name is  
2 Mitchell Bechtel, that's B-E-C-H-T-E-L. I represent the  
3 District Council of Ironworkers. We're just calling in  
4 support of items four and five.

5 You know, the paradigm is shifting about rail and  
6 public transportation. And this is going to be a  
7 transformative project, not only for the residents that are  
8 working on it or the workers that are working on it, but  
9 also for the state as a whole; right? I mean, once we get  
10 this thing connected from L.A. to San Francisco, it's going  
11 to alleviate the environmental burdens, it's going to take  
12 cars off the road, you know, and it will be the first in  
13 the nation. This is a win-win for everyone and I urge you  
14 guys to support it and approve it today.

15 Thank you.

16 CHAIR RICHARDS: Thank you.

17 MR. RAMADAN: Mr. Chairman, next up for public  
18 comment, we have Mike West.

19 Mike West?

20 CHAIR RICHARDS: Good morning, Mr. West. Hello?

21 MR. WEST: Good morning.

22 CHAIR RICHARDS: Yes. Good morning.

23 MR. WEST: Mike West here, M-I-K-E W-E-S-T, and  
24 I'm calling on behalf for the nearly half-million members  
25 of the State Building and Construction Trades Council, here

1 in support of agenda items four and five.

2 We support the Authority moving forward with the  
3 advanced design contracts into the cities of Merced and  
4 Bakersfield. Let's keep putting the men and women of the  
5 State Building Trades to work building our nation's first  
6 high-speed rail.

7 Thank you.

8 MR. RAMADAN: Mr. Chairman, next up for public  
9 comment, we have Justin Barnard.

10 Justin Barnard?

11 CHAIR RICHARDS: Good morning, Mr. Barnard.

12 MR. BARNARD: Good morning. My name is Justin  
13 Barnard, J-U-S-T-I-N B-A-R-N-A-R-D, and I'm a Business  
14 Agent with the Operating Engineers, and I am here to  
15 support agenda items four and five. It's a great project.  
16 It's the right time to do it. Please, let's finish what we  
17 started.

18 Thank you very much and have a great day.

19 CHAIR RICHARDS: Thank you, sir.

20 MR. RAMADAN: Mr. Chairman, next up for public  
21 comment, we have Sandy Bergam.

22 Sandy Bergam?

23 CHAIR RICHARDS: Good morning, sir.

24 MS. BERGAM: Thank you, Chair Richards. My name  
25 is Sandy Bergam, S-A-N --

1 CHAIR RICHARDS: Sorry, Sandy.

2 MS. BERGAM: -- that's all right, S-A-N-D-Y  
3 B-E-R-G-A-M, and I'm the President of iWalk, Inc. I want  
4 to thank you all for your energy and commitment to  
5 California and the small businesses of Californians.

6 iWalk is a small, woman-owned business providing  
7 professional engineering, surveying, planning, and  
8 stormwater services to public and private sector clients.  
9 We hold Small Business and Small Business Public Work  
10 Certifications for the Department of General Services and  
11 Woman Business Enterprise Certifications for the CPUC  
12 Supplier Clearinghouse.

13 Working for California Rail Builders on  
14 Construction Package 4 in the southern San Joaquin Valley  
15 has provided iWalk with the ability to provide continuous  
16 employment to engineers, technical writers and office  
17 staff, and to introduce interns and entry-level engineers  
18 to large -- this large-scale construction and environmental  
19 permitting and compliance project.

20 As a businessowner, I've had the assurance of  
21 consistent cash flow. And it's enabled us to have modest  
22 growth in our numbers and major growth in hiring  
23 individuals who need flexible work schedules. We hire both  
24 men and women but many of whom, especially during the  
25 pandemic, needed time working remote schedules so that they

1 could manage their families and commitments of caring for  
2 children. And working in this environment has enabled us  
3 to grow and help those individuals.

4 The Business Team at CRB has both been  
5 knowledgeable and friendly --

6 MR. RAMADAN: Fifteen seconds remaining.

7 MS. BERGAM: -- and helped me to navigate the  
8 contract and insurance needs of a very complex project.

9 So thank you for what you're doing to enable  
10 small businesses to continue working on this project.

11 CHAIR RICHARDS: Thank you.

12 MR. RAMADAN: Mr. Chairman, I'm going to briefly  
13 go over the instructions, just to make sure everybody who  
14 wishes to provide public comment can.

15 If you're logged into this meeting via the Zoom  
16 application, please use the raise-your-hand feature,  
17 typically located at the bottom of your screen, so that I  
18 may call on you to provide your comment.

19 Mr. Chairman, we have up for public comment next,  
20 Keith Dunn.

21 Keith Dunn?

22 CHAIR RICHARDS: Good morning, sir.

23 MR. DUNN: Good morning, Chairman and Board  
24 Members. This is Keith Dunn with the Association for  
25 California High-Speed Trains. I'd like to thank you for

1 the opportunity to provide comment today in support of  
2 agenda items four and five.

3           It's very telling to hear all these small  
4 businesses that are desperately trying to maintain work  
5 with Authority to provide high-speed rail for California.  
6 There's no better way to meet that need and provide that to  
7 them than to move forward with agenda items four and five.  
8 This is a project that has supported the labor community  
9 throughout the state with generational opportunities to  
10 build upon the American dream.

11           We encourage you to continue to move forward and  
12 to make sure that we're funding this program in a timely  
13 manner to ensure that it's built as soon as possible.

14           Thank you for the opportunity to comment. And we  
15 look forward to continuing to work with you moving forward.

16           CHAIR RICHARDS: Thank you, sir.

17           MR. RAMADAN: Mr. Chairman, next up for public  
18 comment, we have Carlos Padilla.

19           Carlos Padilla?

20           CHAIR RICHARDS: Mr. Padilla, welcome.

21           MR. PADILLA: Good morning, Mr. Chairman, Members  
22 of the Board. My name is Carlos Padilla, C-A-R-L-O-S  
23 P-A-D-I-L-L-A. I'm a Business Representative for the  
24 Operating Engineers Local 3 here in Fresno. And I've been  
25 on this project since the beginning of CP 1 and I've seen

1 it start from ground level and just it's excelled the last  
2 couple years. It's had great progress.

3 I want to offer my support and ask for your  
4 support to keep moving forward with all that you've done so  
5 far and ask for your support to keep going with this  
6 project, do not let it stop. I ask that you just help us  
7 finish what we've started.

8 I've seen firsthand, visiting this project once a  
9 month, the members that have grown from apprenticeship from  
10 journeymen, and all the businesses that have spoken, I've  
11 seen them onsite. They've all grown and excelled at this  
12 project. And I can see more coming and doing the same  
13 thing with the future projects.

14 Please, please, offer your support for items four  
15 and five on today's agenda.

16 Thank you so much.

17 CHAIR RICHARDS: Thank you, sir.

18 MR. RAMADAN: Mr. Chairman, none of the attendees  
19 have motioned to raise their hand and we have not had any  
20 new attendees join since the instructions have been  
21 provided.

22 CHAIR RICHARDS: Thank you, Mr. Secretary.

23 With that then, ladies and gentlemen, we will now  
24 close the public comments and we'll move into today's  
25 agenda items.

1           Item number one, colleagues, is the consideration  
2 of the February 1st Board meeting minutes. Do we have a  
3 motion for approval?

4           BOARD MEMBER PEREA: Motion to approve.

5           CHAIR RICHARDS: Director Perea. And a second?

6           VICE CHAIR MILLER: Second.

7           CHAIR RICHARDS: Vice Chair Miller.

8           Please call the roll.

9           BOARD MEMBER ESCUTIA: Wait. Wait. Mr.  
10 Chairman, I raised my hand because I have a question.

11           CHAIR RICHARDS: Oh, I'm sorry. I didn't see  
12 your hand, Martha. Go ahead.

13           BOARD MEMBER ESCUTIA: No. Thank you so much.

14           Basically, what I would just like to say is that  
15 the minutes do not really reflect the robustness of  
16 discussion that we had on conflict of interest on February  
17 the 1st. I spoke to Staff about this and, you know, I know  
18 it's very hard for them to monitor a transcript and to, you  
19 know, I guess what they would consider the relevant parts  
20 of the discussion, you know?

21           But I think, you know, one thing that I learned  
22 is, to make it easier for Staff, and that is to ask  
23 questions but, at the same time, I'm going to demand  
24 answers to my questions. And if my questions don't get  
25 answered, I'm just going to turn lawyer and say, strike the

1 answer as nonresponsive, we need an answer. Because I know  
2 that that would also make it easier for Staff, you know, to  
3 monitor this and to really highlight that as a discussion.

4 For example, you know, one of the questions that  
5 I asked was the fact that the term "unfair competitive  
6 advantage" is still really not clearly defined. And, in  
7 fact, I had a discussion with Alicia on, you know, how to  
8 define that and I really still don't get clarity on that.

9 But most importantly, one thing that I find, and  
10 I did mention it in my comments, though the minutes are not  
11 reflected, so I hope, as you're taking notes right now for  
12 the minutes for next week, that this comment that I'm going  
13 to make right now is clearly articulated in future minutes  
14 or, at least, you know, it deserves an amended minute, and  
15 that is that our conflict of interest policy is silent on  
16 the issue of timing of the decisions made by the Board  
17 staff, whether it's the decision to decide who's conflicted  
18 or not, whether it's the decision to decide whether  
19 mitigation measures are adequate or not, that is silent.

20 And the reason why I think timing is critical and  
21 we should clarify it is because we don't ever want to, by  
22 our inaction, we do not ever want to harm competitors in  
23 terms of having time for them to form their teams.

24 So I feel I'm going to abstain on this question  
25 of the minutes for the reason I just articulated.

1 Thank you, Mr. Chairman.

2 CHAIR RICHARDS: Thank you, Director Escutia.

3 All right, we do have a motion and a second.

4 Secretary, please call the roll.

5 MR. RAMADAN: Director Schenk?

6 BOARD MEMBER SCHENK: Yes.

7 MR. RAMADAN: Chair Richards?

8 CHAIR RICHARDS: Yes.

9 MR. RAMADAN: Director Camacho?

10 BOARD MEMBER CAMACHO: I will abstain for the  
11 same reason that Martha abstained.

12 MR. RAMADAN: Vice Chair Miller?

13 VICE CHAIR MILLER: Yes.

14 MR. RAMADAN: Director Perea?

15 BOARD MEMBER PEREA: Yes.

16 MR. RAMADAN: Director Ghielmetti?

17 BOARD MEMBER GHIELMETTI: Abstain. I was not at  
18 the meeting.

19 MR. RAMADAN: Director Williams?

20 BOARD MEMBER WILLIAMS: Aye.

21 MR. RAMADAN: Director Pena? I believe you're  
22 muted, Director.

23 BOARD MEMBER PENA: I'm going to abstain for the  
24 same reasons.

25 CHAIR RICHARDS: Okay. Thank you.

1 MR. RAMADAN: Mr. Chairman, the motion carries.

2 CHAIR RICHARDS: Okay. Thank you.

3 Let me just ask a quick question to Director  
4 Escutia.

5 BOARD MEMBER ESCUTIA: Yes, sir?

6 CHAIR RICHARDS: Yes. I just -- I'm not sure I  
7 heard correctly, Martha. You've talked with Staff and did  
8 you say that they were preparing an amendment to the  
9 minutes or I wasn't clear what you said or meant then?

10 BOARD MEMBER ESCUTIA: They said that they were  
11 going to go back and look into the transcript, you know?  
12 But I do understand that, you know, Staff is very busy.  
13 And now that -- when I spoke to Staff and they said that,  
14 you know, if there's a question and an answer that,  
15 obviously, that would be recorded. Well then, obviously,  
16 that makes the burden on me, you know, to frame my concerns  
17 in a question and answer format.

18 But, however, in these type of discussions,  
19 especially in teasing out the nuances, it goes beyond a  
20 question and answer, but many times it involved colored  
21 commentary, a commentary that puts -- the thing that puts  
22 the question into context. And I think that, obviously,  
23 the minutes do not reflect that.

24 I think that we should also put a link to the  
25 video or a link to the transcript so that it's more

1 accessible for the public.

2           But I just don't, as I told you, Mr. Chairman, I  
3 don't want people ten years from now to go back into the  
4 record and say, oh, my god, Martha Escutia was asleep at  
5 the wheel. I'm never asleep at the wheel. You may not  
6 agree with me all the time, you know, but I do try to do my  
7 homework a bit, you know, in advance of these meetings.  
8 And I'm just trying to be helpful in terms of how do we  
9 really, you know, say, for example, having minutes that  
10 reflect the true complexity of the discussion that we had  
11 on conflict of interest. And, frankly, that meeting did  
12 not do the subject matter of conflict of interest any  
13 justice.

14           CHAIR RICHARDS: Okay.

15           BOARD MEMBER ESCUTIA: You know, I still have a  
16 lot of questions outstanding.

17           CHAIR RICHARDS: Okay. All right. Thank you  
18 very much.

19           BOARD MEMBER SCHENK: May I make a comment, Tom?

20           CHAIR RICHARDS: Yeah. Sure.

21           BOARD MEMBER SCHENK: Thank you. As the veteran  
22 of many, many corporate board meetings and minutes, I think  
23 what we need to do is have an understanding of what is the  
24 role of the minutes. I mean, we don't have to record every  
25 detail. It's the idea to have information that led to the

1 determination of a decision, you know, generally what was  
2 discussed, who suggested it, whether Martha or whatever,  
3 and then who on Staff is responsible for the follow-up.

4 But the idea of having a link so that people can  
5 access the whole record, I think that's fine, but minutes,  
6 generally speaking, are not a word-for-word record of what  
7 happened. That's what we have in our recording.

8 So I think what maybe it would help if we can all  
9 get something presented to us on what our record -- what  
10 our minutes should reflect, some things that we agree to,  
11 and that we all start from the same basis of what minutes  
12 should record. Because, you know, I just come down a  
13 little bit differently about how in depth minutes should be  
14 when there is, in fact, a record and a video and whatever,  
15 which certainly should be made available very transparently  
16 to the public.

17 And then, of course, minutes should always  
18 reflect what decisions, what votes, and how the votes were  
19 taken.

20 CHAIR RICHARDS: Yeah. Okay. Good.

21 MS. FOWLER: Chair Richards, the Legal Team would  
22 be happy to provide what Director Schenk has asked for the  
23 whole Board and we can --

24 CHAIR RICHARDS: Yes. Okay.

25 MS. FOWLER: -- take direction from you from

1 there.

2 CHAIR RICHARDS: All right. Thank you, Alicia.

3 And I do think, Martha, as I said to you, also, I  
4 think that just noting the link in our minutes for people  
5 to realize that they've got the link and they can go to the  
6 link to get a complete detail of it.

7 But I'll look forward to what you're working on,  
8 Ms. Fowler.

9 BOARD MEMBER SCHENK: Alicia, if we could get  
10 that in draft form so that everybody can comment back? And  
11 that way we can come to some consensus of what our minutes  
12 should reflect.

13 CHAIR RICHARDS: Agreed.

14 MS. FOWLER: Okay. Great.

15 CHAIR RICHARDS: Thank you. All right. Thank  
16 you. Thank you. Thank you, Martha.

17 Yes?

18 BOARD MEMBER CAMACHO: Tom, once quick comment.

19 CHAIR RICHARDS: Sure.

20 BOARD MEMBER CAMACHO: You know, I've read and  
21 I've heard this over and over again, you know, history  
22 books and the history of events and they've noted this,  
23 that if it's not in writing, it didn't happen. And so  
24 that's how we piece together education.

25 So I think that what Martha was suggesting at

1 least should capture the essence of the discussion and I  
2 don't think that the minutes have done that.

3           So I do agree, Lynn, with what you're saying, but  
4 I also agree with Martha that -- and I believe that I've  
5 heard this enough, if it's not in print, it didn't happen  
6 or it wasn't said.

7           So I get concerned that the minutes don't reflect  
8 that.

9           MR. KELLY: Mr. Chairman?

10          CHAIR RICHARDS: Yes, please, go ahead.

11          MR. KELLY: I just want to be clear on a couple  
12 of points for the Board's edification.

13          The first is Martha did contact us about issues  
14 with the minutes, or what she thought was -- may have been  
15 omitted from the minutes. I had a conversation with Staff  
16 on that issue. We talked about whether there needed to be  
17 an amended set of minutes before the Board. But to  
18 Martha's credit, I think recognizing the busyness of Staff,  
19 said we did not have to in this case.

20          But I also want to be clear with the Board  
21 Members that, for every one of our meetings, not only is  
22 the full video of the meeting available online on our  
23 website but, also, full written transcripts of our meetings  
24 are put together, and so whatever we have to do to link to  
25 those. But to speak to the issue of things being written,

1 formal written transcripts of the entirety of our meetings  
2 are done and we can make those available either publicly or  
3 to Board Members. And those are separate from the minutes  
4 which are, you know, generally high-level summary  
5 expressions of the conversation.

6 So I want to defer to Alicia on making sure the  
7 minutes capture the things that are important to the Board  
8 Members. But I also just want to reiterate the Board  
9 Members that full written transcripts and video links are  
10 available for the entirety of the meetings.

11 CHAIR RICHARDS: Okay. Thank you, Brian. Thank  
12 you, all.

13 Okay, Alicia, we'll look forward to your  
14 responses then.

15 Moving on to agenda item number two is the  
16 Economic Impact Analysis.

17 MR. BOUGHTON: Thank you, Chairman Richards and  
18 Board Members. Today I'm going to go over the 2021  
19 Economic Impact Analysis.

20 So this new analysis shows the continued progress  
21 of the nation's first high-speed rail project as a strong  
22 economic driver. The Authority is proud of the work the  
23 project is doing to help disadvantaged communities, for  
24 women and men to work throughout the state, and to create  
25 vast opportunities for small businesses. So the numbers in

1 this economic analysis that I'll present to you will help  
2 prove this.

3 Next slide, please.

4 So since 2017, the Authority has annually  
5 produced this Economic Impact Analysis Report which  
6 measures the impacts of the planning and construction of  
7 the high-speed rail system. We've analyzed all the fiscal  
8 year data since July 2006 all the way up until June of  
9 2021. So this report that we're going over today captures  
10 the 2021 fiscal year.

11 Next slide.

12 Now we have three main indicators that we that we  
13 capture each year? The first is job years, which are the  
14 equivalent number of one-year-long full-time jobs for that  
15 project. So for example, one employee over five years  
16 equals five job years, same as five employees working for  
17 one year would also equal five job years, or ten half-time  
18 employees working for one year equals five job years. And  
19 this is different from the jobs created number that we tout  
20 as 7,300 right now. And that job years takes into account  
21 time frames, as well.

22 The next indicator is labor income which includes  
23 all forms of employment income, including compensation,  
24 wages, benefits and payroll taxes that firms or the High-  
25 Speed Rail pays to its employees plus income earned by

1 self-employed workers or unincorporated sole  
2 proprietorships.

3           And the final number, the large number, is the  
4 economic output, which is an estimated value of all  
5 economic activity taking place as a result of High-Speed  
6 Rail expenditures. So the dollar invested in High-Speed  
7 Rail sparked several activities, in addition to labor  
8 income, such as the purchase of goods and services  
9 (indiscernible) from those activities. So that's,  
10 essentially, kind of like the Authority's benefit to for  
11 the TGP of the state.

12           Next slide.

13           So how the economic impacts are calculated are an  
14 accumulation of the economic effects, so there's three  
15 different effects that are taken into account. They're  
16 basically the ripple effects of the economy.

17           So the first effect is the direct effect which  
18 is, essentially, generated by direct spending from the  
19 Authority on the project, whether in the form of to our  
20 contractors or vendors or to our employees.

21           Then you have indirect effects which are the next  
22 step in the supply chain.

23           MR. BOUGHTON: So these impacts are disbursed  
24 among the industries that supply intermediate business  
25 services, firms with direct impacts. So for example, if we

1 pay our design-build contractors and they purchase concrete  
2 or steel supplies, that's an indirect effect.

3           Then finally you have induced effects that result  
4 from an income earned by direct and indirect employees who  
5 spend elsewhere in the economy. So for example, the High-  
6 Speed Rail employees get paid by the High-Speed Rail and  
7 they use that, their salaries, to purchase housing or  
8 groceries or retail, whatnot, and that's an example of the  
9 indirect effects.

10           Next slide.

11           So for this analysis, we review the contact  
12 level, the historical invoice data, for the last three  
13 fiscal years to determine project spending by activity and  
14 geography. That's a main point of this analysis is  
15 assigning our expenditures and our impacts where the  
16 expenditures occurred, so by the geography, not just by the  
17 project statement. So we utilize an industry standard  
18 economic model, in this case IMPLAN, to apply our economic  
19 multipliers to spending in order to determine those direct,  
20 indirect, and induced benefits to local and regional and  
21 the statewide economies. And we've been doing this report  
22 very similarly since 2017. And since then, we've had our  
23 peer review, our methodologies and our outputs, and those  
24 include University of the Pacific, Kern (phonetic) Finance  
25 and Department of Labor, and our Peer Review Group. We've

1 all gotten positive feedback from them, so we continue to  
2 tap their support. And the 2021 analysis follows the same  
3 methodology.

4 Next slide.

5 So since July of 2006 up until June 2021, the  
6 program has expended \$8.5 billion, so this is our primary  
7 input number used to calculate the economic benefits for.

8 Next slide.

9 So the first impact that we'll go over today is  
10 job years. Again, job years is equivalent to the number of  
11 one-year-long full-time jobs supported by a project. So  
12 since 2006, we've calculated 70,500 job years supported by  
13 this project. And last year alone, that's over 10,000 job  
14 years supported by this project alone.

15 Next slide.

16 This chart here shows the job years impact over  
17 time. Each year, they kind of -- they've been steadily  
18 increasing. This last fiscal year, we've had a record  
19 number of jobs supported, like I said, over 70,000 job  
20 years for this job -- or for this project.

21 Next slide.

22 So the next indicator is labor income which,  
23 again, includes all forms of employment income, like your  
24 wages, your benefits, and payroll taxes. And that has an  
25 impact of \$5.2 billion with over \$840 million in last

1 fiscal year alone.

2 Next slide.

3 And so this chart shows the labor income impacts  
4 over time, as well. Again, last year was a record so far  
5 of \$840 million with labor income impacts to a total of  
6 \$5.2 billion for this project so far.

7 Next slide.

8 And final indicator is the economic output. And  
9 this represents total contribution the program has made to  
10 the gross domestic product, or GDP, in California, and  
11 that's what we call the economic value add, so that's a  
12 large number, \$13.7 billion. So again, we invested \$8.5  
13 billion into this project and the economy and we,  
14 basically, are impactful and get back \$13.7 billion of  
15 economic activity. So last year alone was \$2.2 billion of  
16 economic output.

17 Next slide.

18 And this discharge here shows the economic output  
19 over time. Again, last year was a record so far for us,  
20 \$2.23 billion of economic output to get to us about \$13.7  
21 billion for this project to date -- or as of June 2021.

22 Next slide.

23 So this page here really shows one of the  
24 benefits of this analysis, which is where we captured the  
25 data. We assigned the data by where it's expended, not

1 just by where the contract is located. So for example, if  
2 our design-builders (indiscernible) in Central Valley, they  
3 might have subcontractors that are based in, say, L.A.  
4 area, so we assign those expenditures and those economic  
5 benefits to the zip codes and to the regions that they are  
6 located in, so we capture where these impacts are felt  
7 throughout the state, not just, again, not just where the  
8 contracts are based out of.

9 So, obviously, the Central Valley is still the  
10 main driver of this project, so there's a calculated impact  
11 of \$5.4 billion of economic output to date. And then we've  
12 got, next up, it's Sacramento area where the authority is  
13 headquartered at \$2.1 billion of economic output. Then you  
14 have Southern California, which is \$1.8 billion of economic  
15 output calculated. And then, finally, the Bay Area with  
16 \$1.4 billion of economic output calculated.

17 Next slide.

18 So this year we did a little bit different  
19 inclusion in this analysis. We used projections for each  
20 of the project segments. So this will include dollars  
21 already spent and then projected budgets to construction  
22 completion. So we measured or calculated each segment to  
23 come up with these totals. So for the Central Valley, for  
24 example, we calculated and estimated 230,000 (phonetic) job  
25 years through completion of construction with \$21.2 billion

1 of economic output.

2 Next slide.

3 We also have Northern California. We estimate  
4 142,000 job years with \$30.4 billion in economic output  
5 through construction completion.

6 Next slide.

7 And finally, Southern California, an estimated  
8 321,000 job years with over \$70 billion of economic output  
9 that we calculated.

10 Next slide.

11 And then to sum it up, we have more by regions.  
12 And so the Central Valley, an estimated \$41 billion of  
13 economic output. Total for valley-to-valley, which is  
14 inclusive of the Central Valley, of almost \$70 billion of  
15 economic output. And finally, for all Phase 1 of this  
16 project, we estimate 666,000 job years and a total of  
17 \$142.3 billion of economic output.

18 Next slide.

19 So that pretty much wraps up the analysis. The  
20 benefits of this investment on this project continue  
21 throughout the economy, particularly in the Central Valley  
22 where over half of the project's investment is incurred in  
23 disadvantaged communities. And we further support equity  
24 through our job training programs. We generated \$5.4  
25 billion of economic activity in the Central Valley alone,

1 which was an area that was, obviously, really hard hit by  
2 the last Great Recession.

3           And just for example, in Fresno alone, we've  
4 helped to decrease the unemployment rate from a high of 17  
5 percent in 2010 to 8.3 percent in 2021. So again, the  
6 investment in this project is felt throughout the state,  
7 especially in the hard-hit areas.

8           And final slide.

9           Here's a link to a couple of our supporting  
10 documents. We have the Technical Supporting Document,  
11 which is the full-on memo that describes our methodologies  
12 and outputs that we do each year for this report, and  
13 that's located on our website. We also have a two-page fax  
14 sheet that you can view and look at that shows these  
15 numbers in kind of an easy-to-digest format. Then finally,  
16 we have a full webpage dedicated to the economic activity  
17 and that's -- you can link to it through our hsr.ca.gov  
18 website.

19           Any questions?

20           VICE CHAIR MILLER: I don't have a question but  
21 thank you for that. It was informative. Appreciate it.

22           MR. BOUGHTON: Thank you.

23           CHAIR RICHARDS: Thank you, Vice Chair Miller.

24           Any questions at all for the presentation and for  
25 Derek?

1           Derek, good job. Thank you very much.

2           MR. BOUGHTON: Thank you.

3           CHAIR RICHARDS: All right, Members, we will now  
4 move on to items three, four and five, obviously, one at a  
5 time. I'd just like to make a couple of quick comments  
6 before we move forward on this, just for your  
7 consideration.

8           With regards to all of these three agenda items,  
9 as you know, these are all requests for qualification, the  
10 first being the program delivery support services which is,  
11 comparatively with the three, it's obviously the most  
12 expansive in terms of scope. And the other two are  
13 certainly more limited, the Merced to Madera design, as  
14 well as the -- in the Bakersfield-Fresno EIR, but the  
15 locally generated alternative for Bakersfield, those are  
16 certainly more specific.

17           So what I want you to just consider, first of  
18 all, I certainly support moving forward with all three.  
19 What I'm concerned about is if we're going to have,  
20 probably, the area in which there might be the larger  
21 number of disqualifications -- of qualifications for  
22 conflicts of interest, it would likely be in the project  
23 delivery services contract, which we would assume that  
24 there would be a large number of small businesses who are  
25 tying themselves or trying to be tied to teams proposing on

1 the -- on that RFQ.

2           So if they get conflicted, not necessarily  
3 because of them but, perhaps, because of the team they're  
4 on, by the time that they've determined -- they've been  
5 able to determine they're conflicted there may not be an  
6 opportunity for them to participate on either four or five,  
7 which probably would have a lesser likelihood in general  
8 for a conflict.

9           And in keeping with our strong interest in having  
10 as large a small business participation as possible on all  
11 of the work that we do, one way that we could mitigate that  
12 lack of potential opportunity because of, frankly, running  
13 out of time to more or less, as Brian would say, to pivot  
14 in a different direction onto either -- either to four or  
15 five or both of them, they would just simply be out of luck  
16 in terms of responding to a different alternative. And  
17 this obviously makes -- is based upon a determination by  
18 the Authority that their team has a conflict, let's say, in  
19 that PDS RFQ.

20           I think a way that we can deal with this and  
21 provide that probability of having the alternative to  
22 taking a look at four or five and, perhaps, finding a team  
23 there would be to consider the following in our action  
24 today, and that would be to approve all three, if you're so  
25 inclined, but to delay the actual release of four and five

1 for 30 days, which then, during that 30-day period, anybody  
2 who's conflicted out of being -- of participating in the  
3 PDS contract would have an opportunity to find a new team  
4 on four and/or five.

5           If we release them all at the same time, then by  
6 the -- because this is all professional services that we're  
7 talking about, if we release them at the same time, by the  
8 time that they find out they're conflicted or disqualified  
9 from the PDS, teams will have already been being formed or  
10 formed already for four and five.

11           So the idea is to try to provide those teams who  
12 are disqualified on one to have an opportunity to still  
13 find a way to participate in four or five. It increases  
14 the size of our proposal pool. And I think it really has a  
15 huge benefit, especially for small business who don't have  
16 some of the resources to make quick changes and incur costs  
17 that they don't have the funds to provide for.

18           So that's making it as simplistic as I can make  
19 it but I do think it's worthy of our consideration. And I  
20 think the result is a very strong benefit for small  
21 business and, frankly, for anybody who gets conflicted on  
22 the PDF -- or PDS RFQ, for whatever the reason the  
23 determination was made that there was a conflict, that  
24 there's still an opportunity to stay in the pool that we  
25 want to keep as large as possible that will be then, also,

1 responding to either one of the other or both of the other  
2 two RFQs.

3           So those -- that's the comment or the long  
4 comment I wanted to make to you and ask you to keep that in  
5 mind as we move through items three, four and five and  
6 consider, especially, the idea of approving all three,  
7 releasing the item number three, the program delivery one,  
8 and holding the other two for 30 days.

9           So, yes, Director Camacho?

10           BOARD MEMBER CAMACHO: Yeah. Does that -- the  
11 PDS RFQ that we would be voting on, will then we be assured  
12 from Staff that we will get a determination within the next  
13 week, or whatever period of time, so that it releases those  
14 firms in the event there is a conflict?

15           CHAIR RICHARDS: You know, I think that that's  
16 what the goal will be. And I would say that anybody who is  
17 responding to PDS RFQ, if they have any concerns or anyone  
18 has any concerns about a conflict of interest, they should  
19 notify the Authority as early as possible within that 30-  
20 day period with the intent that by the -- before the end of  
21 the 30 days, or certainly not before the -- well, before  
22 the end of it, that they will have then notified us as to  
23 whether or not they have a conflict so that they are able  
24 to move -- they're able to have an equal footing on either  
25 one of the other two, which will not have been released for

1 that 30-day period.

2           And as you all know, when the RFQ is released is  
3 what really starts a lot of the work and the interaction  
4 with the Authority with regards to questions, with regards  
5 to meetings that the Authority will be holding with  
6 respondents to the PDS RFQ. And there will be none of that  
7 occurring on the other two in that interim period because  
8 the RFQ had not been released and that's what triggers our  
9 ability to move forward on the procurement. We first,  
10 obviously, have to release it.

11           So we will have approved it, we're just -- would  
12 consider we would be providing a 30-day delay on four and  
13 five.

14           MS. FOWLER: If I may, Board Chair, just to --

15           CHAIR RICHARDS: Yes. Hi.

16           MS. FOWLER: -- make sure I understand -- or to  
17 respond to Board Member Camacho's inquiry?

18           CHAIR RICHARDS: Sure.

19           MS. FOWLER: This wonderfully robust dialogue has  
20 actually brought in quite a few conflict requests, which I  
21 think is good. I think everybody is hearing this and they  
22 understand the process. We are working through them as  
23 quickly as we can. Certainly, the ones in hand, you know,  
24 we can absolutely have those done in the next, I'd say, two  
25 weeks, as long as everybody has been very responsive so

1 far, and they have been, getting back to us if we need more  
2 information. But I just have a feeling this discussion  
3 today will also generate more.

4 And so we can absolutely promise to, you know,  
5 get these out as quickly as we can. But I can assure you,  
6 you know, as more flow in we're going to need a little bit  
7 more time to get to them as they come in. And to Board  
8 Chair Richards's point, they may keep coming in, even after  
9 the RFQ gets out, but we will keep working very diligently.

10 CHAIR RICHARDS: So everybody -- I think, Ernie,  
11 that people need to be encouraged. They're listening to  
12 us, certainly, and the staff and management will reassert  
13 the importance of notifying us as quickly as possible. If  
14 it looks like we've got a problem in responding timely,  
15 then that's something that I'm sure that our Chief Counsel  
16 will discussion with management and we'll come up with what  
17 do we need to do in order to get the answers out?

18 One of the things that are really critical for  
19 people to understand is if -- they need to provide all the  
20 information in order to allow Alicia's department to make a  
21 determination. And so if there's a request for  
22 information, they need to respond as quickly as possible.  
23 And I think that what we do is we see what this generates.

24 But the key to this is to keep as many people  
25 qualified in the pool to produce as large a response in

1 terms of numbers of alternatives and numbers of people  
2 participating in our RFQ process. We wouldn't have this  
3 situation if we only had one RFQ coming out right now but  
4 we've got all three of them. And the one that we, I think,  
5 will generate a large number of subcontractors under the  
6 teams is likely to be the project delivery services RFQ.

7 MR. KELLY: Mr. Chairman?

8 CHAIR RICHARDS: Uh-huh. Yes, Brian?

9 MR. KELLY: No, I just, as you consider this, I  
10 just wanted to comment on one other thing that I think is  
11 important. Typically it's the -- I mean, this is not the  
12 first RFQ we've done. And we've applied conflict of  
13 interest review to all RFQs before.

14 As we talked about on February 1st, we've had 67  
15 inquiries. In 52 or 53 of them we've said you're eligible  
16 to participate, including, sometimes, with mitigation  
17 measures. That's an 80 percent participation rate. And  
18 some people are conflicted, and in 20 percent of the cases,  
19 we found that to be the case.

20 But I do want to say, in the schedule, which I  
21 think is important, about the PDS, we would issue the RFQ  
22 as early as tomorrow because -- assuming the Board's  
23 approval, but we've built in a 12-week period, which is an  
24 extensive period, before the SOQs are actually due. And I  
25 say that because in between the issuance and that time, we

1 will have a pre-bid conference with businesses, including  
2 small businesses, on how we will interact on this issue,  
3 answer any questions, other questions about this that they  
4 can't ask unless the RFQ is issued. And so we'll have a  
5 pre-bid workshop and conference with them in March and  
6 will -- and any conflict -- or questions that come in, as  
7 Alicia said, we'll endeavor to move quickly so that  
8 everybody is notified where they are.

9           And I think I'd just say that the timing issue of  
10 the other one might allow those who are -- who have some  
11 kind of a conflict to be responsive to the second or third  
12 RFQ that comes down the line.

13           But I want to make sure that the schedule issue  
14 is understood because all of our RFQ processes build in the  
15 opportunity for this kind of review, this kind of  
16 communication and, ultimately, a resolution of the issues.  
17 And so in that regard, nothing's new here.

18           CHAIR RICHARDS: Yeah. Thanks Brian.

19           MR. KELLY: Thank you.

20           CHAIR RICHARDS: Yes, Martha?

21           BOARD MEMBER ESCUTIA: Okay. Thank you, Mr.  
22 Chairman.

23           You know, this discussion in timing in terms of  
24 the timing of the decision making of our internal staff,  
25 what we're doing right now is exactly my concern that we're

1 developing this policy, basically, on the fly right now.  
2 And, frankly, this issue of timing should be reflected in  
3 the actual Conflict of Interest Policy.

4 I am very concerned about the timing. I'm hoping  
5 that this delay of release of it for 30 days will be enough  
6 for Alicia to make decisions. And we really need to get a  
7 very good sense, basically, if Alicia has enough staff to  
8 make that decision, you know?

9 So I'm very concerned that maybe, perhaps, you  
10 know, in trying to push this RFQ forward that we don't have  
11 enough time and staffing for staff, you know, to make the  
12 proper decision in a timely manner.

13 Obviously, I would love for this policy on timing  
14 of decision making to be reflected in the actual Conflict  
15 of Interest Policy but I'm glad that we're having the  
16 discussion right now.

17 Second of all, and please excuse my ignorance, I  
18 don't understand these transportation projects and their --  
19 I mean, how do they even come together? So, obviously, the  
20 first thing is the RFQ, which to me, in Olympic term, both  
21 are qualifying trials, you know? They all, you know,  
22 qualify and then whoever gets top three gets to go to the  
23 final.

24 So after the RFQ is released and people come back  
25 with their responses, that pool of people of the RFQs, will

1 then those be the people that would qualify to submit a bid  
2 for an RFP, a request for proposal? Because I'm assuming  
3 that after an RFQ an RFP follows; is that true or not true?

4 CHAIR RICHARDS: Not on professional services,  
5 it's just an RFQ.

6 MR. KELLY: Not on A&E contracts.

7 BOARD MEMBER ESCUTIA: What's A&E?

8 CHAIR RICHARDS: On professional services, it's  
9 just an RFQ.

10 MR. KELLY: Architecture and engineering --

11 CHAIR RICHARDS: Yeah.

12 MR. KELLY: -- contracts. And in this case,  
13 remember, this is -- these contracts are for what's called,  
14 as Tom said, professional services. And typically the way  
15 that we execute those here and other agencies do is,  
16 through the RFQ process, there is first a call for  
17 qualifications. Those qualifications are reviewed by a  
18 review team here at the management level and, sometimes,  
19 with the benefit of outside help, as well. We review those  
20 and they are scored.

21 And then once they're -- once you score them and  
22 have them an order of the top three or four, depending on  
23 how many solicitations you get, we then go through an  
24 interview process. And we have an interview process on --  
25 with that, which is all laid out in the RFQ itself, it's in

1 the background memo, and it will be in the PowerPoint, if  
2 we can get to it, that Darin will go through on how we go  
3 through that process.

4 And then we do a full scoring through  
5 presentation against all of the metric that we laid out in  
6 the RFQ. And then we come back to the Board, to me, and  
7 then ultimately to the Board for a recommendation on that  
8 scoring and who we recommend to go forward with that. And  
9 all the scores are available, as well.

10 BOARD MEMBER ESCUTIA: All right. So Brian --

11 MR. KELLY: So we'll get back to you on that.

12 BOARD MEMBER ESCUTIA: Okay. So Brian, help me,  
13 help me understand.

14 MR. KELLY: Yeah.

15 BOARD MEMBER ESCUTIA: So then, you know, for  
16 these professional services contracts, it's basically the  
17 RFQ that's the only, you know, thing that matters. But  
18 that's an RFQ that, if we vote on it today and it's going  
19 to be, say, delayed for 30 days, that means that -- I just  
20 want to make sure that whoever is conflicted right now gets  
21 a chance to apply for this RFQ four and five.

22 CHAIR RICHARDS: That's why I'm --

23 MR. KELLY: Yeah. So --

24 CHAIR RICHARDS: -- that's why I'm --

25 MR. KELLY: -- so, yeah, I want to -- just a

1 couple of things. I hope it's clear.

2 BOARD MEMBER ESCUTIA: Do we have enough time?

3 MR. KELLY: Yeah. I mean, I'm trying to be -- I  
4 hope to clarify this here. But if they are found to have a  
5 conflict on the PDS, that does not mean they cannot,  
6 anybody who's found to have a conflict, cannot apply or  
7 participate in the other one --

8 BOARD MEMBER ESCUTIA: Okay.

9 MR. KELLY: -- and so they have an ability to do  
10 that.

11 What I would say to the Board is we are mindful  
12 of this. We also -- everybody wants a competitive, vibrant  
13 process. And so we built into our schedule on the first  
14 one, which would not be delayed, the PDS thing, we would  
15 move immediately. But we built in a 12-week timeline  
16 before the SOQs come in so that people can work through any  
17 of the conflict issues they have. And, actually, we put  
18 the draft out early so people can start asking our counsel  
19 about those issues and make some preliminary  
20 determinations.

21 But we're going through that process. Those  
22 decisions are being rendered. Guidelines, our guidance, is  
23 being developed. And we built in and we'll have a workshop  
24 that's in our schedule with industry and small business.  
25 And the SOQs are not due for 12 week after we release this.

1 BOARD MEMBER ESCUTIA: Okay.

2 MR. KELLY: And so they'll all know where they  
3 stand.

4 Now if they are conflicted here, they are still  
5 eligible to repeat in -- to compete in the other two. And  
6 what Tom is proposing is we don't lay out the RFQ for the  
7 other two immediately while this one is out. We hold those  
8 for a 30-day period and we push all of that schedule back  
9 for 30 days. And that schedule has built into it all of  
10 the same things we have for this one --

11 BOARD MEMBER ESCUTIA: Right. Okay.

12 MR. KELLY: -- to --

13 BOARD MEMBER ESCUTIA: -- Now on the PDS, which  
14 is like the big contract --

15 MR. KELLY: Yeah.

16 BOARD MEMBER ESCUTIA: -- will that RFQ require  
17 an RFP?

18 MR. KELLY: No --

19 BOARD MEMBER CAMACHO: No.

20 MR. KELLY: -- because, generally, A&E contracts  
21 do not.

22 BOARD MEMBER ESCUTIA: No, I'm talking about the  
23 program --

24 MR. KELLY: Yeah.

25 BOARD MEMBER ESCUTIA: -- the --

1 CHAIR RICHARDS: No, there's no RFP.

2 MR. KELLY: There's no RFP.

3 BOARD MEMBER ESCUTIA: So for all these RFQs  
4 there is not going to be an RFP?

5 MR. KELLY: Not on these type of contracts,  
6 that's correct.

7 BOARD MEMBER ESCUTIA: All right. Okay.

8 BOARD MEMBER CAMACHO: So the -- it will be  
9 substituted by the interview process, in a sense?

10 MR. KELLY: Yes, because what we're after here on  
11 these kind of contracts more than anything else is  
12 qualifications --

13 BOARD MEMBER CAMACHO: Yeah.

14 MR. KELLY: -- is qualified expertise to give us  
15 the services that we're looking for. And so it is very  
16 common across the board in agencies, in transportation  
17 circles, for these kind of contracts to be qualifications-  
18 focused, and that's what we are doing here.

19 Now I will say to you that we will go through a  
20 review process. Some will be invited back to present based  
21 on an initial scoring. The final scores will be presented  
22 and a recommendation will be made to the Board to,  
23 ultimately, execute. And all the scores will be made  
24 available. And so that's how we do this going forward.

25 BOARD MEMBER ESCUTIA: Okay. May I ask a

1 question of Counsel, of Alicia Fowler?

2 Alicia, do you have the staffing necessary to  
3 make these decisions on conflicts pretty quickly with a  
4 quick turnaround?

5 MS. FOWLER: I appreciate the question, Board  
6 Member Escutia, and I do feel that I do, a pretty amazing  
7 and dedicated team. You met a few of them earlier in the  
8 month and there's more behind them.

9 Now that we have the scope of work completely  
10 determined, it really has been moving much more quickly,  
11 and so I do feel I have the staff I need. But I really  
12 appreciate the inquiry.

13 BOARD MEMBER ESCUTIA: Obviously, I still want to  
14 have, with you, a discussion on Conflict of Interest  
15 Policy. That policy is still ambiguous. But I just want  
16 to make sure because, you know, a lot of the -- we're being  
17 asked to vote on something on certain assumptions, you  
18 know? But after hearing from Tom in terms of this 30-day  
19 delay, in addition to the 12 weeks that Brian is talking  
20 about that's already built into it, you know, I mean, I  
21 would think that's enough time, you know, for you, on a  
22 concurrent track --

23 MS. FOWLER: Absolutely. Absolutely.

24 BOARD MEMBER ESCUTIA: -- on a parallel track to  
25 make your conflict determinations. And if for some reason

1 you feel that you can't do it, please let us know, you  
2 know? Because, you know, I think new are here as Board --  
3 as a Board to make sure that Staff is not overwhelmed and  
4 gets the resources that they need.

5 MS. FOWLER: I appreciate that. Thank you.

6 BOARD MEMBER CAMACHO: Well --

7 CHAIR RICHARDS: Thank you, Martha.

8 Ernie?

9 BOARD MEMBER CAMACHO: Yeah. Many -- maybe this  
10 is directed towards Alicia, but many of the large agencies  
11 not only use legal staff but they use legal staff for the  
12 conflict issue, but the mitigation issue is usually  
13 determined by the engineering staff or the operations  
14 staff. Is that what we're doing here, as well?

15 MS. FOWLER: We are working with them. We  
16 absolutely don't want to make those sort of determinations  
17 in a vacuum. We sit down with the folks who will be  
18 actually handling the contract to make sure, you know, we  
19 understand from not just the proposers side but, also, from  
20 the internal folks here what would work, so, yes.

21 BOARD MEMBER CAMACHO: Oh, good.

22 MS. FOWLER: Thank you.

23 BOARD MEMBER CAMACHO: But I just wanted the  
24 Board to realize that it's not all just the legal staff  
25 that is doing -- you may be doing the conflict issue but

1 the mitigation issue, many times, is handled by engineering  
2 and/or operations.

3 MS. FOWLER: We work them in, absolutely.

4 BOARD MEMBER CAMACHO: Thank you.

5 CHAIR RICHARDS: Thank you, Ernie.

6 Any other questions?

7 BOARD MEMBER PENA: Yeah, I have --

8 VICE CHAIR MILLER: I've got --

9 BOARD MEMBER PENA: -- a question. Oh, sorry.

10 VICE CHAIR MILLER: Go ahead.

11 CHAIR RICHARDS: Yes, Margaret.

12 BOARD MEMBER PENA: I have a question for Alicia.

13 Do people -- do you -- when you -- when we issue  
14 these proposals does it -- do you indicate right up front  
15 that people can come to you with a potential conflict of  
16 interest issue?

17 MS. FOWLER: Yes. In the presentations that have  
18 been done thus far, and in the documentation and the new  
19 presentations, they always give them the email site and the  
20 phone number to reach out to us on these.

21 BOARD MEMBER PENA: Okay. Okay. So they have  
22 that right up front?

23 MS. FOWLER: Yes.

24 BOARD MEMBER PENA: Okay.

25 CHAIR RICHARDS: Thank you.

1 BOARD MEMBER PENA: Thank you.

2 CHAIR RICHARDS: Any other questions or comments?

3 VICE CHAIR MILLER: I have one if --

4 CHAIR RICHARDS: Yes, Vice Chair Miller.

5 VICE CHAIR MILLER: I'm just wondering if it's  
6 possible, and when we get to the actual motion, if we can  
7 add some of these points into our resolution as policy  
8 directives, right, because we have to be a little bit  
9 careful here? But I have like five that I think we've been  
10 talking about, which is timely and robust responses to  
11 conflict questions.

12 At the pre-bid conference, I'd like to see there  
13 be conflict staff available to answer questions that people  
14 may have because that's where a lot of people call in.

15 I do think we'd want to authorize, if we have to,  
16 additional staff if you need it. I mean sometimes, you  
17 know, other agencies might be available with lawyers, or  
18 even your outside counsel, if you need to get something  
19 quick and you have an overwhelming --

20 MS. FOWLER: Yes.

21 VICE CHAIR MILLER: -- number of requests; right?  
22 I don't know if we need to authorize that but I think  
23 that's --

24 MS. FOWLER: No, I have --

25 VICE CHAIR MILLER: -- part of --

1 MS. FOWLER: -- your executive authorization to  
2 do that. Thank you.

3 VICE CHAIR MILLER: All right. And then when you  
4 get to mitigation issues, I agree with Ernie, and I think  
5 it was Martha that brought this up, is that the -- it's  
6 not -- that's not just a legal determination, it is an  
7 engineering, because you have to figure out exactly how you  
8 can separate some of the project specifics. And I don't  
9 know if I'm saying that very articulately but that issue is  
10 one that was raised last month, as well, or last week,  
11 whenever we had our last meeting.

12 So I don't know if that goes into a resolution or  
13 just our intent is enough. But I think we're all wanting  
14 to see that because we've built a lot up, in the conflicts  
15 area, we've built up a group of small businesses, disabled  
16 veteran businesses, minority business. We don't want to  
17 lose that in this next process; right? Because we're now  
18 transitioning to kind of our next construction large phase.

19 So to the extent that those people can be dealt  
20 with quickly in terms of potential conflicts, you know, the  
21 better it's going to be for us, I think, and for our -- and  
22 I know everybody agrees with this, so I don't think that's  
23 a problem. I just don't know if it should be an intent  
24 resolution when we're approving these or just saying it is  
25 enough?

1 CHAIR RICHARDS: So we just need your guidance on  
2 this, Alicia, on when we get to the point where we are  
3 making a motion here.

4 MS. FOWLER: Understood. Yeah, let me think on  
5 that. I, you know, I always worry about opening ourselves  
6 up to protests we don't intend with language we, you know,  
7 we're realizing would be used in a way we didn't intend.

8 CHAIR RICHARDS: Yes.

9 MS. FOWLER: But, yeah, let me work on --

10 CHAIR RICHARDS: Okay. Okay.

11 MS. FOWLER: -- some of that.

12 CHAIR RICHARDS: Okay.

13 BOARD MEMBER SCHENK: Tom?

14 CHAIR RICHARDS: Yes, Director Schenk.

15 BOARD MEMBER SCHENK: Thank you. Yeah, just  
16 reflecting on all this, I just want to, I guess, reiterate  
17 what I said early on and that is the commitment of each of  
18 us, which I know is there, the sincere determination to  
19 make sure that small business can, in a practical way, be  
20 involved, and that the conflict situation, as Ernie and  
21 Martha have so well articulated it, is not such a  
22 roadblock, you know, to implementation. I listened  
23 carefully to Mr. Vargas and Ms. Uden, you know, and there  
24 are some specifics in there that make a lot of sense.

25 And so I hope that -- not hope but expect that in

1 this time period that Brian Kelly discussed, that those all  
2 will be addressed, and addressed in a timely manner.  
3 Margaret brought up something interesting, you know, like  
4 where can people turn to, to express it? Well, we have an  
5 email, we have a phone number.

6 But I want to add to what Vice Chair Miller so, I  
7 think, eloquently, you know, described that reflects, I  
8 think, all of us here, that we also have some time limits  
9 in responding to small business. I listened to the  
10 gentleman who said that he didn't get any response on his  
11 design proposal. That's just, frankly, not acceptable.

12 And so it does go back to the issue of having  
13 enough staff to make sure that people get a response. They  
14 may not like the response, they might not like the answer,  
15 but they are deserving of the respect of getting an answer  
16 in a timely way.

17 So I think I, for one, really appreciate this  
18 very robust discussion that we've all had. Everybody was  
19 very engaged and gave their best thoughts to this. I think  
20 that Alicia, Brian, the staff have heard us. And I really  
21 look forward to this being a much better process because of  
22 it.

23 CHAIR RICHARDS: Thank you, Director Schenk, very  
24 much.

25 All right, thank you all for your comments. And

1 we'll now move forward into -- with agenda item number  
2 three, which is the request for approving the release of  
3 the request for qualifications for the program delivery  
4 support services contract.

5 MR. KELLY: Tom or Mr. Chairman?

6 CHAIR RICHARDS: Yes.

7 MR. KELLY: Sorry. I just wanted to introduce  
8 Darin Kishiyama if I could?

9 CHAIR RICHARDS: Thank you.

10 MR. KELLY: This is the presentation on the  
11 substantive elements of the PDS RFQ that would go out.  
12 Just a reminder for the Board Members, the PDS is the  
13 program delivery support services contract that we are  
14 distinguishing from what used to be called the RDP  
15 contract. The RDP contract has been in place with WSP as a  
16 partner since 2013. That was a longer contract and a  
17 bigger contract.

18 What you'll see in the presentation from Darin  
19 going forward is that we are trying to be a little bit more  
20 targeted with this PDS one going forward. The during is a  
21 little bit shorter. And we're really trying to target it  
22 to where we need the specialized or contracted help in not  
23 in areas where state staff or other contract services are  
24 providing service.

25 So you'll see in this presentation that there's a

1 little bit more of a targeted approach to how we do this  
2 going forward, also recognizing that we've been adopting  
3 what we call the form-to-function process which is  
4 having -- making sure that we have, you know, state  
5 services doing state functions and contractors doing, you  
6 know, contracted-for functions appropriately, and so that's  
7 part of this, as well. You'll see that reflected here.

8           The last thing I'll say is there are -- an  
9 important element of this is the carefulness that we need  
10 to apply to the handoff between the RDP and the PDS as the  
11 new services come online. And so as Darin gives this  
12 presentation, he'll talk about a transition period for  
13 certain services that the RDP is applying now that we'd be  
14 moving to the new provider. And some of those have a  
15 shorter term transition and some of them have a slightly  
16 longer one. But that transition period is important. We  
17 talked a lot to industry about making sure that the  
18 transition or the handoff from one entity to another is  
19 done carefully so that we have -- we don't lose any  
20 services that are needed to move the program.

21           So with that, Mr. Chairman, I'm happy to  
22 introduce Darin Kishiyama, who has been our Director of  
23 Contract Management, particularly on the RDP contract, and  
24 he's done loads of work on this PDS approach. And it's  
25 been, as I said, nuanced and delicate but he's done a nice

1 job. I'm happy to have Darin presentation to the Board.

2 So thank you, Mr. Chairman.

3 CHAIR RICHARDS: Thank you very much, Brian.

4 And welcome, Darin.

5 MR. KISHIYAMA: Thank you. Good afternoon. My  
6 name is Darin Kishiyama and I'll be presenting the request  
7 to release the RFQ, the request for qualifications, for the  
8 program delivery support contract.

9 CHAIR RICHARDS: Can you just let us know, Darin,  
10 what is your position with the Authority?

11 MR. KISHIYAMA: I am the Director of Contract  
12 Management.

13 CHAIR RICHARDS: Okay. Thank you.

14 MR. KISHIYAMA: And I'm also the RDP Contract  
15 Manager.

16 CHAIR RICHARDS: Okay. Great. Thank you. Go  
17 ahead.

18 MR. KISHIYAMA: So the RFQ release for the  
19 program delivery support contract, or PDS, so you'll hear  
20 me use these acronyms throughout the presentation --

21 CHAIR RICHARDS: Okay.

22 MR. KISHIYAMA: -- and the contract is in the  
23 amount of -- not to exceed \$400.

24 Next slide.

25 So the summary of the request is to approve the

1 issuance of the RFQ to begin the procurement process of a  
2 contract for the program delivery support services. The  
3 program delivery support contract will provide the  
4 professional architecture and engineering services to the  
5 Authority for support and technical expertise in the  
6 delivery of the program.

7 Next slide.

8 So when we were developing the scope of this  
9 contract the Authority had some very mindful and key  
10 objectives for the program delivery support contracts.  
11 These were to assign appropriate roles for state staff and  
12 the consultant staff. So this is, more or less, what Mr.  
13 Kelly was referring to, being consistent with the  
14 Authority's form-to-function, to assure that state staff  
15 are performing those state functions and that the  
16 consultants are assigned the appropriate roles and  
17 responsibilities.

18 The Authority will maintain the overall  
19 responsibility for the program direction, stewardship,  
20 oversight, and make those decisions that only state  
21 employees must make.

22 Under form-to-function, state staff have been put  
23 into accountable roles. So over the past few years since  
24 we adopted the form to function, state staff have been  
25 assuming the roles that were previously performed by the

1 current RDP.

2           The second main goals that we're looking at was  
3 reducing the number of layers and interfaces between the  
4 varying different consultants that the Authority contracts  
5 with. So the new PDS contract includes an additional scope  
6 element, optional to be put in place, related to the  
7 project and construction management services for the civil  
8 works.

9           The last point being scope of services to be  
10 provided under separate contracts or also accomplished with  
11 the state staff through form-to-function include finance,  
12 leadership, information technology, planning  
13 sustainability, strategic cogs (phonetic) and special  
14 projects, rail and operations delivery, safety and security  
15 to the operations, and construction management services for  
16 track and systems and train sets.

17           Next slide.

18           BOARD MEMBER CAMACHO: Mr. Chairman?

19           CHAIR RICHARDS: Yes, please, go ahead, Director  
20 Camacho.

21           BOARD MEMBER CAMACHO: Can we ask or would you  
22 prefer we wait until the end or shall we make -- ask  
23 questions as we go along?

24           CHAIR RICHARDS: Are you asking me or are you  
25 asking Darin?

1 BOARD MEMBER CAMACHO: Yeah. I was asking you  
2 to --

3 CHAIR RICHARDS: No.

4 BOARD MEMBER CAMACHO: -- reflect?

5 CHAIR RICHARDS: I would prefer that we go to the  
6 end, unless Darin is able to do this without losing  
7 concentration on what he's going to say next.

8 MR. KISHIYAMA: I can go either way. It depends  
9 on -- again, some of these things I'll cover a little bit  
10 later in the presentation, so it might be best to hold it  
11 until the end.

12 CHAIR RICHARDS: All right. Okay. all right.  
13 Go ahead, please.

14 MR. KISHIYAMA: So this slide shows the current  
15 level of support provided by the RDP. We currently have 15  
16 different tasks across the breadth of the Authority that  
17 provides a variety of different skill sets and expertise to  
18 the various different functions within the Authority. The  
19 Authority provided the -- well, the RDP provided the  
20 Authority a team of resources to support the day-to-day  
21 management and deliver of the program.

22 Next slide.

23 So this shows the intended structure of the PDS  
24 contract. And you'll notice, between the two slides, that  
25 we're reducing the breadth of what we're covering with the

1 consultant contract. So we will rely on the PDS consultant  
2 to provide the necessary skill sets and technical support  
3 under the Authority leadership in the areas of strategic  
4 delivery, engineering services, real property, program  
5 management and oversight, environmental services, capital  
6 procurements, commercial and claims oversight,  
7 infrastructure delivery, quality, process improvement, and  
8 document control.

9           You can see in the green that we're also showing  
10 the optional scope element of the project and construction  
11 management to support the civil works.

12           Also, there are some notes below that show some  
13 of the things that we've done to shift the work, actually,  
14 to state staff, so that's primarily for finance and  
15 information technology. We also are reflecting a couple of  
16 future contracts, specifically for the High-Speed Rail  
17 technical expertise for rail and operations, safety and  
18 security, and potentially for the (indiscernible) for  
19 future construction projects for rail.

20           Next slide.

21           So (indiscernible) being the scope of the PDS  
22 contract, and to assure the Authority's objectives were  
23 achievable, Authority Staff conducted two outreach sessions  
24 with industries to solicit feedback, one was on August 4th  
25 of 2021 which was a virtual industry forum and provided the

1 industry, really, a program update of where the Authority  
2 is today -- or at that time, the information related to our  
3 Small Business Program, and overview of the procurement  
4 process, and a live question and response session.

5 In that presentation, we also briefed industry on  
6 the organizational conflict of interest that the Authority  
7 has in the policy and encouraged industry to start  
8 submitting for early determinations for conflict of  
9 interest checks by Authority's legal.

10 We followed the industry forum with one-on-ones  
11 with several firms that self-identified as intended primes  
12 in September to ask for them -- for more pointed additional  
13 feedback on the structure of the contract.

14 The key takeaways from these meetings was that  
15 there is strong support to include contract management, the  
16 project and construction management for the civil works,  
17 and program and project controls into the PDS scope. The  
18 market was somewhat neutral on the proposed unbundling of  
19 the future rail and operations scope.

20 It was noted at that time that, actually, there  
21 were several teams that were self-identified that were in  
22 the process of forming. But it was really unclear at the  
23 time whether or not all these teams would actually put  
24 together a bid for us. Other key firms were in the process  
25 of examining contract and strategy and/or looking for

1 partners.

2           The final key takeaway was that industry wanted  
3 to see a draft scope of the work as soon as possible. This  
4 primarily would help those teams form a more robust set of  
5 skill sets and also allow them to submit for early  
6 determinations for conflict of interest. So in hearing the  
7 industry, the Authority posted a draft scope, as well as  
8 the requirements for key personnel and additional expertise  
9 in December -- or December 23rd, 2021, and then followed it  
10 with a release of the entire draft RFQ January 13, 2022.

11           Next slide.

12           So Staff recommends a PDS contract term of four  
13 years with options to extend that will be dependent upon  
14 the performance of the PDS consultant. The contract value  
15 of the four-year contract term is \$400 million but this  
16 also includes the revised scope areas, such as the PCM  
17 element, and it also includes the performance regime which  
18 I'll discuss below. This is a qualifications-based  
19 procurement. The actual contract amount will be negotiated  
20 and recommended when we present it to the Board for award  
21 and approval.

22           Things that we're also including in the contract  
23 are similar to what we have in the RDP, so we have small  
24 business, disadvantaged business, and DVBE utilization  
25 goals that are also included, so these are the 30 percent

1 small business utilization goals inclusive of the 10  
2 percent DBE and 3 percent DVBE.

3           So in regards to the performance regime, the  
4 agreement will also include a performance-based fee in  
5 order to align the PDS consultant's performance with the  
6 Authority's objectives. This performance regime will be  
7 Riverside percent of the contract cost or \$20 million. The  
8 total performance-based fee will represent the maximum at-  
9 risk fee the consultant can earn. The milestones,  
10 deliverables, and allocation of the performance-based fee  
11 weighting will be reflected in workplans that will be  
12 annually agreed upon.

13           Next slide.

14           In addition to the traditional qualification-  
15 based submittal, the Authority will also be evaluating  
16 teams based on their program delivery approach and  
17 performance criteria. Pre-award audits will be conducted  
18 concurrently with negotiations and prior to execution and  
19 will complete before award. We're also adding in an  
20 additional pass-fail requirements, environmental, social  
21 and governance efforts, which may include the environmental  
22 sustainability efforts, socio-economic equity policies, and  
23 governance policies, or a report will be incorporated as a  
24 pass-fail requirement in the RFQ. Offerors shall provide  
25 information on their ESG efforts which may include any

1 efforts, policies, or reports.

2 Next slide.

3 So this is the proposed procurement schedule. If  
4 the Board approves the RFQ to be released, the RFQ will be  
5 released on Cal eProcure tomorrow or shortly thereafter.  
6 Within two weeks of the release of the RFQ the Authority  
7 will hold a pre-bid conference and a small business  
8 workshop, which is currently scheduled for March 3rd.  
9 Interested firms are invited to attend the virtual pre-bid  
10 conference to learn more about the requirements of the  
11 procurement and the importance of small business  
12 participation.

13 The Authority's Small Business Team will be  
14 hosting an informational workshop following the pre-bid  
15 conference to provide a detailed overview of the Small  
16 Business Program, small business compliance, and  
17 information on certifications that count toward the  
18 Authority's small business goals.

19 The SOQs will be due on May 17th. The  
20 solicitation will use the A&E, the architectural and  
21 engineering contracting method, where statement of  
22 qualifications are submitted. And the selection is based  
23 on the qualifications. Costs are not a factor in the  
24 selection but fair and reasonable costs will be negotiated  
25 with the top-ranked offer prior to executing a contract.

1           We will come back to the Board with a proposed  
2 contract for award, so you will hear this item again when  
3 the item is recommended for award at the August Board  
4 meeting.

5           Next slide.

6           So to assure that an efficient and effective  
7 transition of the workload between the RDP and PDS  
8 consultant, the current term of the RDP contract will need  
9 to be extended and amended to provide for these three  
10 transitions that we're showing here.

11           We've identified three transitions where the RDP  
12 will develop or -- well, will develop a workplan to  
13 describe the scope, schedule, and resource-based budget for  
14 these transitions. The shortest term for the transition  
15 will be approximately three months from the PDS Notice to  
16 Proceed and will allow for the largest portion of the RDP  
17 workload to transfer between the two consultants. This is  
18 primarily for the work that has well-documented processes  
19 and is common for an A&E consultant.

20           The medium-term transitions for work where the  
21 RDP will complete specific items of work to prevent a  
22 disruption in the delivery of specific critical  
23 deliverables. An example of this is the ROD/NOD scheduled  
24 to complete in 2022. Specifically to the RODs/NODs  
25 completed after 2022, those will be transitioned to the PDS

1 consultant within the short-term transition. And so this  
2 would cover the two project sections, Palmdale to Burbank  
3 and L.A. to Anaheim.

4 The longest term is expected to be up to 12  
5 months or June 30, 2023. This is for work where the RDP is  
6 providing critical support and technical recommendations to  
7 the Authority on the completion of the design-build  
8 contracts. The PDS consultant will provide similar  
9 services but the RDP will be performing nonduplicative  
10 support for disputes and claim management.

11 You'll notice there's two dashed boxes on here.  
12 Those are for those separate contracts for planning and  
13 sustainability, and rail and operations, where we expect  
14 new contracts to be procured, so the transition timelines  
15 will be dependent upon those procurements for each of those  
16 contracts.

17 Next slide.

18 So when we look at the overall schedule, this  
19 slide shows the current term of the RDP contract, and then  
20 being extended or just the standard scope until we reach  
21 the NTP for the PDS contract, which is expected to be in  
22 August of '22. We also show the three transitions, as well  
23 as the optional construction management services that has  
24 yet to be really determined when it will be applied or if  
25 it will be applied.

1           And with that, this is the end of my  
2 presentation. And I'd be happy to take any questions now.

3           CHAIR RICHARDS: Thank you, Mr. Kishiyama.

4           I'm going to now ask Members of the Board for  
5 your questions.

6           Ernie, I'll start with you.

7           BOARD MEMBER CAMACHO: Yeah. Tom? Tom?

8           CHAIR RICHARDS: Yes. Go ahead, Ernie.

9           BOARD MEMBER CAMACHO: Yeah. I'd like to ask a  
10 question.

11           Is this a Staff augmentation-type of contract or  
12 is a performance-based contract?

13           MR. KISHIYAMA: It's staff augmentation and it's  
14 performance based. So the consultant staff will be  
15 producing work products that we can gage and determine  
16 performance so that we can, one, evaluate and consider how  
17 good they're performing as a consultant to the Authority,  
18 as well as how good of a work product they're performing  
19 within the structure of the organization.

20           BOARD MEMBER CAMACHO: Okay. In the military,  
21 that's very much like a cost-plus-award-fee-type contract  
22 where you have a quality evaluator evaluating the  
23 performance of a contractor, but what you're saying is you  
24 have a hybrid.

25           The language in the RFQ talks about the

1 contractor advising as opposed to making determinations in  
2 the field. So once we do that, if we start to get means  
3 and methods, we have no way of holding them accountable.  
4 But on the other hand, you're driving them -- you're  
5 holding them to a performance-based contract when, in fact,  
6 they really don't have decision-making power.

7 So we have -- you have a provision in the  
8 contract where you have five percent of the contract cost,  
9 which is \$20 million, which tells me it's a performance-  
10 driven contract. So how do you make that determination and  
11 how is that negotiated?

12 MR. KISHIYAMA: So based off of the workplans  
13 that will engage with the RDP, we do gage their performance  
14 on things that are fully within their control. So it's not  
15 something where the Authority would get in and comingle or  
16 create a potential conflict as to who was accountable for  
17 the workload. We'll be clear with the workplan and the  
18 expectation sheets that we execute that it is wholly within  
19 the consultant's capability to be held accountable for the  
20 work product they produce.

21 BOARD MEMBER CAMACHO: Good. Now one other  
22 question.

23 Are we contemplating design-build again or are we  
24 looking at design-bid-build or some other mechanism of  
25 delivery?

1 MR. KELLY: I'm going to take that if that's  
2 okay?

3 In this instance going forward, that's a decision  
4 we want to make later because we are -- not on this  
5 contract but on the ones that are pending, and you will get  
6 a briefing on momentarily, you will see that there's a  
7 couple of NTPs in those contracts. One is to bring the  
8 design out to something like 30 or 40 percent. And then  
9 the other is to consider the second NTP, which is to bring  
10 it out all the way.

11 And so what we want to do is be at a place where  
12 we assess where we are at 30 percent and then talk to the  
13 Board at that time about the right procedure method going  
14 forward. But we have the option to have the design done on  
15 the High-Speed Rail side through that contract to bring it  
16 all the way out to 100 percent if we want do to a design-  
17 bid-build-type approach.

18 BOARD MEMBER CAMACHO: Yeah. Well, I --

19 MR. KELLY: So the final procurement method, we  
20 have not -- we are not determining yet for the future  
21 contracts.

22 BOARD MEMBER CAMACHO: Right. So the reference  
23 in here to design-build is the CP 1 through 4 that we're --

24 MR. KELLY: Yes.

25 BOARD MEMBER CAMACHO: -- that we already have in

1 place? We're not --

2 MR. KELLY: That's correct.

3 BOARD MEMBER CAMACHO: We have not necessarily  
4 determined that we're going design-build in the future?

5 MR. KELLY: That is correct.

6 BOARD MEMBER CAMACHO: That's what I wanted to  
7 clear up. Thank you.

8 MR. KELLY: Sure.

9 CHAIR RICHARDS: Any other questions or comments  
10 from Members?

11 VICE CHAIR MILLER: I have a question and it has  
12 to do with retention of personnel.

13 With these long-term contracts, so you -- I  
14 didn't see it in the RFQ but I do know that this has  
15 happened before where we -- you select a certain team,  
16 obviously because of the personalities of that team, but  
17 then sometimes those people leave or -- and so how do you  
18 handle that?

19 MR. KISHIYAMA: So within the contract itself we  
20 list out a number of key personnel. And those are the  
21 people that we're qualifying them against and actually  
22 tracking. We're not tracking every member of the  
23 consultant firm, per se, so we are just primarily concerned  
24 with the key personnel. So --

25 VICE CHAIR MILLER: And what happens if a key

1 personnel leaves the company?

2 MR. KISHIYAMA: We require the consultant to  
3 replace them in kind. So they are required by the contract  
4 to continue to provide that service unless they are  
5 relieved of it by the Authority.

6 BOARD MEMBER CAMACHO: But isn't it with your  
7 approval --

8 VICE CHAIR MILLER: Right.

9 MR. KISHIYAMA: Yes. Yes. Yes.

10 BOARD MEMBER CAMACHO: Yeah. Staff has to  
11 approve the new --

12 VICE CHAIR MILLER: Right.

13 BOARD MEMBER CAMACHO: -- (indiscernible)?

14 MR. KISHIYAMA: Yes.

15 VICE CHAIR MILLER: And can you -- so if you  
16 don't approve, do you have the ability to pivot to, maybe,  
17 to someone else, is what I'm getting at? Or I would like  
18 to see you have more flexibility there, just because I've  
19 seen that happen in contracts where suddenly someone who  
20 was, you know, the perfect person has left, and now you're  
21 having to deal with who's -- someone brand new.

22 MR. KISHIYAMA: Right. Over the term of the RDP  
23 contract, since I've been managing, we've had similar  
24 issues and we've had to struggle with trying to find the  
25 right qualified person to fill positions. We put the onus

1 upon the consultant to continue to fulfill their  
2 requirements of the contract, so we give them that every  
3 effort to be able to comply with the requirements.

4 I don't necessarily see any other contracts that  
5 really have the capability of providing the skill sets that  
6 we would need within this contract because we are trying to  
7 be very clear and deliberate about the qualifications that  
8 we are seeking.

9 BOARD MEMBER CAMACHO: And, Nancy, the leverage  
10 that they -- our staff maintains in this type of contract  
11 is they have the \$20-million contract cost, which is an  
12 award-fee type of reward. So if, in fact, they don't  
13 comply with that, it would be reflected on their  
14 evaluation.

15 VICE CHAIR MILLER: Right. I guess that's true.  
16 I've seen this happen, just sometimes, you know, you may  
17 not -- you just struggle to find the right person; right?  
18 It becomes very difficult.

19 MR. KISHIYAMA: Yes.

20 VICE CHAIR MILLER: And I don't know a good way  
21 of solving that other than you could pivot, you know? If  
22 you --

23 MR. KISHIYAMA: As Director Camacho said, we  
24 actually are doing that with the rail delivery partner  
25 contract.

1 VICE CHAIR MILLER: Right.

2 MR. KISHIYAMA: We do those evaluations as far as  
3 retention of key personnel.

4 VICE CHAIR MILLER: Okay.

5 MR. KISHIYAMA: And we do rate them. And we do  
6 associate their performance-based fee on that.

7 VICE CHAIR MILLER: Okay. All right. So you  
8 think you've got it adequately handled? It sounds like you  
9 do feel that way?

10 MR. KISHIYAMA: Yes, ma'am.

11 VICE CHAIR MILLER: Okay. Thanks.

12 CHAIR RICHARDS: Thank you, Nancy.

13 Any other questions or comments from Members of  
14 the Board?

15 All right, seeing none --

16 BOARD MEMBER PEREA: I have one, Mr. Chairman, a  
17 couple.

18 CHAIR RICHARDS: Oh, I'm sorry, Henry. Go ahead.

19 BOARD MEMBER PEREA: Don't apologize.

20 First, thank you for the presentation. The  
21 question is: The current RDP, are they going to be eligible  
22 to compete on this new process and/or will they be eligible  
23 to be part of a team member of somebody else that's going  
24 to be submitting the bid?

25 MR. KISHIYAMA: So they didn't participate in the

1 creation of the scope of services for this contract, so  
2 they are not precluded from bidding on this PDS contract.

3 One of the things that we are trying or we did to  
4 assure that it's a level playing field and that there's no  
5 advantage to the incumbent is that we created a set of  
6 reference documents for all proposers to be able to view in  
7 order to assure that everybody who is interested in bidding  
8 or proposing on this contract has the right and relevant  
9 information to go in fully informed.

10 BOARD MEMBER PEREA: Okay. So they could either  
11 directly submit a response or they could attach themselves  
12 to another team that is submitting their response?

13 MR. KISHIYAMA: Yes, sir.

14 BOARD MEMBER PEREA: Okay. And my other comment,  
15 Mr. Chairman, and to Members of the Board, just to share  
16 with you, I had a conversation with our Chairman earlier  
17 this week where he committed to an agenda item, probably in  
18 our next Board meeting, so I won't go into too much detail  
19 on it now, other than to say that, you know, my interest in  
20 seeing how we can partner in a more meaningful way with  
21 Caltrans, either to be considered as the one who would  
22 function in this role or to function more actively in other  
23 parts of our construction program.

24 You know, I'm certainly not considering or  
25 proposing that they take over the oversight, construction,

1 management, et cetera, of our program. But the discussion  
2 that I want our Board to engage in, in a more meaningful  
3 way, under an agenda item is just to see how we can  
4 expand the role of Caltrans in our project. I'll just  
5 leave it there.

6 Thank you, Mr. Chairman.

7 CHAIR RICHARDS: Thank you, Henry.

8 Any other questions or comments?

9 All right, this is an action item and the --  
10 first of all, before we go to -- Alicia, are you still  
11 onboard? I don't think there's any requirement for any  
12 change on this one. We're not looking at any change from  
13 our previous discussion. Are we good to move on forward  
14 with a request for a motion here?

15 MS. FOWLER: Yes, Board Chair.

16 CHAIR RICHARDS: Okay. We are.

17 BOARD MEMBER PEREA: I make a motion to approve.

18 CHAIR RICHARDS: Okay. Thank you. Okay. Motion  
19 by Director Perea. Is there a second?

20 BOARD MEMBER GHIELMETTI: Second.

21 BOARD MEMBER WILLIAMS: Second.

22 CHAIR RICHARDS: Second by Director Williams.

23 Thank you.

24 Please call the roll, Mr. Secretary.

25 BOARD MEMBER CAMACHO: Tom, before you do that --

1 CHAIR RICHARDS: Yes, please.

2 BOARD MEMBER CAMACHO: -- did we not add  
3 something to that that we were going to make an addendum  
4 that I think Director Miller provided to add to this  
5 motion?

6 CHAIR RICHARDS: Yeah. Let's go back to Nancy  
7 for a second. I know she listed a number of things. I  
8 didn't hear any that related to this first contract but --

9 BOARD MEMBER CAMACHO: I wasn't sure.

10 CHAIR RICHARDS: Yeah. Nancy, do you have a  
11 comment on that?

12 VICE CHAIR MILLER: Well, I was thinking this was  
13 kind of an overall policy. Maybe it's not appropriate for  
14 this particular contract but I don't see why not. Maybe  
15 someone --

16 CHAIR RICHARDS: Okay. Go ahead.

17 VICE CHAIR MILLER: -- you know --

18 CHAIR RICHARDS: Why don't we go through your --

19 VICE CHAIR MILLER: -- educate me? Sorry.

20 CHAIR RICHARDS: No, let's go ahead. Let's go  
21 through your list again.

22 VICE CHAIR MILLER: My list was -- just a second.  
23 My list was to have a robust and timely response to  
24 conflict of interest questions by our staff. In the pre-  
25 bid conference, to add conflict staff there to answer

1 questions. If you need additional staffing to be able to  
2 handle the workload that we, as a Board, are in support of  
3 that. And then that any conflicts' mitigation  
4 determination include engineering staff.

5 CHAIR RICHARDS: Okay.

6 BOARD MEMBER ESCUTIA: I think all that, Mr.  
7 Chairman, should be added to all three RFQs, you know, as a  
8 guiding policy. And I would even add more and say that,  
9 you know, these are policies that, frankly, have got to be  
10 reflected, at least in the conflict of interest document  
11 that we have. You know, I appreciate the fact that we're  
12 discussing policy right now kind of ad hoc and it's good.  
13 I agree with the five points that Nancy has made. And I  
14 think that they are so good that they have to be embedded in  
15 a serious policy document that reflects and has the intent  
16 of a policy from this Board of Directors.

17 CHAIR RICHARDS: I guess, so anything -- and I  
18 hear what you're saying.

19 VICE CHAIR MILLER: Just --

20 CHAIR RICHARDS: What I'm thinking is, is that  
21 we're talking about a request for qualification, so we're  
22 talking -- you know, this is directed to whoever is going  
23 to respond to this. So I'm not sure that what we're saying  
24 has to do with what we are saying as the Authority.

25 VICE CHAIR MILLER: I agree. Yeah, I agree. I

1 agree, Tom.

2           Let me just say, to Martha's point, I mean, in my  
3 mind it's also we're not giving any unfair advantage to  
4 anyone, right, by doing this.

5           CHAIR RICHARDS: Right.

6           BOARD MEMBER CAMACHO: Right.

7           VICE CHAIR MILLER: But it may not belong in the  
8 RFQ process, so that's why I was asking. And I do want  
9 Legal somewhere. You have to tell us exactly how we would  
10 do this. And maybe it's not in a resolution, maybe it's  
11 simply something else that we're doing, I'm not quite sure.

12           So, Alicia, that's to you.

13           BOARD MEMBER ESCUTIA: Well, the thing that I  
14 would respond --

15           MS. FOWLER: Thank you.

16           VICE CHAIR MILLER: Yes, Martha? Yeah.

17           BOARD MEMBER ESCUTIA: The thing that always  
18 scares me about intent, Nancy, as you well know, is that  
19 many times intent does not have the force of law, you know?  
20 So I just wanted to make sure, not that I want this stuff  
21 to have like the force of law and create legal actions, but  
22 it's got to be very serious. It's got to be more than just  
23 intent.

24           VICE CHAIR MILLER: Okay. So maybe right -- I'm  
25 just a little worried with the language to make it

1 something with the force of law right now. Maybe an intent  
2 and then we work on our policies?

3 CHAIR RICHARDS: I think you're right. I think  
4 that's -- I think you're right, Nancy.

5 BOARD MEMBER ESCUTIA: That's fair. That's fair.

6 MS. FOWLER: Our --

7 VICE CHAIR MILLER: But, Alicia, I need to know.

8 MS. FOWLER: Nancy or Board -- Vice Chair Miller,  
9 as you know, we are sitting down with the BAC (phonetic)  
10 starting next week on this very topic. And we'd be very  
11 happy to come back to the Board, agendized, you know, to  
12 talk to you all about the progress we made with them.

13 CHAIR RICHARDS: So I agree. So I think that  
14 really what we're saying is that the -- I think those are  
15 all great points and I think they're going to find their  
16 way into the conflict of interest -- or the COQ -- or COI,  
17 I'm sorry, policy. But --

18 VICE CHAIR MILLER: So, Alicia, is should not be  
19 in the resolution right now?

20 MS. FOWLER: Oh, I mean, I'm not taking that  
21 position, Vice Chair Miller. That's certainly up to this  
22 Board.

23 CHAIR RICHARDS: I think it can be a --

24 MS. FOWLER: We could --

25 CHAIR RICHARDS: Yeah.

1 MS. FOWLER: -- we can keep the resolution as is.  
2 We could add some Staff direction in the resolution. I am  
3 fine with either.

4 I have some thoughts about what I would want to  
5 not put in here because I, again, don't want to open the  
6 Board up to --

7 CHAIR RICHARDS: I think if it's --

8 MS. FOWLER: -- other protests but I'm happy to  
9 read you some language that may or may not meet what you  
10 guys are looking for and we can --

11 VICE CHAIR MILLER: Okay. Read us --

12 MS. FOWLER: -- talk about it.

13 VICE CHAIR MILLER: Yeah.

14 MR. KELLY: Mr. Chairman --

15 VICE CHAIR MILLER: Read away. Read away.

16 MS. FOWLER: It's all scribble. So currently, if  
17 you're in your Board materials, at the -- near the halfway  
18 through this agenda item there is a resolution already in  
19 existence. And as part --

20 BOARD MEMBER ESCUTIA: Can you please tell us --

21 MS. FOWLER: -- of that resolution --

22 BOARD MEMBER ESCUTIA: -- can you please tell us  
23 what page where you're at?

24 MS. FOWLER: Oh, gosh, I wish they were numbered.  
25 So under item three, agenda item three, there is a memo.

1 And at the back of that memo and before the pretty  
2 PowerPoint is a one-page resolution.

3 BOARD MEMBER ESCUTIA: Yes, I see it. I see it.

4 MS. FOWLER: Okay. So --

5 BOARD MEMBER ESCUTIA: And it starts with  
6 "Whereas, whereas, whereas" --

7 MS. FOWLER: Yes.

8 BOARD MEMBER ESCUTIA: -- "whereas."

9 MS. FOWLER: And when you get down to,  
10 "Therefore, it is resolved," you know, that you are  
11 resolving to move this RFQ forward --

12 BOARD MEMBER ESCUTIA: Yes?

13 MS. FOWLER: -- one thing you could do, and this  
14 is -- you know, we could add some language, I'll read this,  
15 you can tell me if you hate it, the Board directs the HSR  
16 Legal Office to, number one, attend the pre-bid conference  
17 and small business informational workshop scheduled for  
18 this RFQ to explain the conflict policy process. And this  
19 -- number two would be that the Board directs the Legal  
20 Office to report progress on responses to the COI requests  
21 on this RFQ to the Board weekly starting -- I'm just using  
22 next Thursday -- starting on February 24th. And then the  
23 third would be and the Board has directed Legal Staff to  
24 work with appropriate contact staff -- or I think just  
25 appropriate Authority staff to explore possible mitigation

1 measures to resolve potential conflicts.

2 CHAIR RICHARDS: Okay. Then I think that's  
3 certainly -- that's appropriate and a good start.

4 MS. FOWLER: It's a lot. I'm sorry. You know,  
5 it's hard to --

6 CHAIR RICHARDS: Yeah.

7 MS. FOWLER: -- I'm just doing it verbally but --

8 CHAIR RICHARDS: No, it's okay.

9 And then, Vice Chair Miller, on your five, let's,  
10 perhaps, let's go over those and see which ones of those,  
11 if not all of them would end up in the resolution but  
12 they're not in the RFQ.

13 MS. FOWLER: I will --

14 MR. KELLY: The thing, I think --

15 MS. FOWLER: -- I will say the one I am  
16 hesitant --

17 CHAIR RICHARDS: Okay. Yeah.

18 VICE CHAIR MILLER: -- Vice Chair Miller has  
19 mentioned the robust and timely and I absolutely commit to  
20 being robust and timely. I think those words are very easy  
21 to legally challenge later. They're very subjective. I  
22 think we talked last month about timely. You know, when we  
23 receive a request we reach back out for more information,  
24 we get more information. We have conversations, sometimes,  
25 about mitigation. But you know, define timely. Some of

1 that takes a while.

2 CHAIR RICHARDS: Yeah.

3 MS. FOWLER: And I would hate for someone to be  
4 able to challenge this wonderful --

5 CHAIR RICHARDS: Yeah.

6 MS. FOWLER: -- RFQ because someone thought  
7 timely meant one thing and we thought it meant something  
8 else.

9 CHAIR RICHARDS: Yeah. Good point.

10 BOARD MEMBER ESCUTIA: Well, the more reason why  
11 we have to have the discussion of timeliness in the  
12 conflict of interest discussion.

13 MS. FOWLER: Yes. Yes. And I think --

14 BOARD MEMBER ESCUTIA: More reason why we have to  
15 have --

16 MS. FOWLER: -- I think --

17 BOARD MEMBER ESCUTIA: -- the timeliness issue  
18 addressed. That's where this discussion should be, in a  
19 conflict of interest discussion, not in an RFQ.

20 MS. FOWLER: Perfect.

21 VICE CHAIR MILLER: I agree.

22 MS. FOWLER: I agree.

23 VICE CHAIR MILLER: I understand what you're  
24 saying.

25 MS. FOWLER: I agree.

1           VICE CHAIR MILLER: So let's take that language  
2 out. And I think Martha and I are in agreement that we  
3 need -- you know, the thing is just we know that with this  
4 RFQ timing there is a timing element, and you know it, too,  
5 so I don't think it needs to be in the resolution,  
6 particularly if there's some legal issue with that.

7           CHAIR RICHARDS: Great.

8           BOARD MEMBER ESCUTIA: So what does that mean,  
9 that you're withdrawing your five points from being in --

10          VICE CHAIR MILLER: No.

11          BOARD MEMBER ESCUTIA: -- (indiscernible)?

12          VICE CHAIR MILLER: No. No.

13          BOARD MEMBER CAMACHO: Can I --

14          VICE CHAIR MILLER: What I think is I'm thinking  
15 when I go to the BAC, just honestly, when I go to the BAC  
16 next week I'm going to -- this issue, I'm sure, will come  
17 up and we'll talk about that. And I will basically say, if  
18 anyone's feeling that they're not getting timely responses,  
19 they're going to have let staff know, let us know, right,  
20 let the Board know.

21          MR. KELLY: I think -- can I add something here?

22          VICE CHAIR MILLER: Please do.

23          MR. KELLY: I think what Alicia just articulated  
24 to be added to the resolution covered all of the issues  
25 that Nancy had with the exception of the requirement for

1 robust and timely response. But the other ones, where she  
2 articulated, get to Nancy's points. So not that --

3 MS. FOWLER: And then the --

4 MR. KELLY: -- (indiscernible) --

5 MS. FOWLER: -- the idea of reporting to the  
6 Board --

7 MR. KELLY: -- the same.

8 MS. FOWLER: -- on how we're doing --

9 MR. KELLY: And the -- yeah.

10 MS. FOWLER: -- and leave that timeliness, I  
11 think, to you --

12 MR. KELLY: That's right.

13 MS. FOWLER: -- to make sure you receive --

14 MR. KELLY: Report to the Board weekly on this.

15 VICE CHAIR MILLER: I agree. I agree.

16 MR. KELLY: And I -- we can --

17 VICE CHAIR MILLER: I'm good with that.

18 CHAIR RICHARDS: I agree with that, also.

19 BOARD MEMBER ESCUTIA: So is this -- so we have  
20 three resolutions, HSRA-2204, HSRA-2205, and HSRA-2206.  
21 Are we going to embed this language in each resolution?

22 MS. FOWLER: That was the vision. I simply want  
23 to make sure each of them have a pre-bid small meeting. I  
24 know the conference is taking place --

25 MR. KELLY: I think they --

1 MS. FOWLER: -- for the PDS.

2 MR. KELLY: -- they do, Alicia.

3 VICE CHAIR MILLER: I think --

4 MS. FOWLER: Okay.

5 VICE CHAIR MILLER: -- I think they do, Alicia.

6 MS. FOWLER: Then, yes, that would be the only  
7 one. I just wanted to clarify.

8 VICE CHAIR MILLER: And that would be my -- our  
9 attention, Martha; right? We want this in there?

10 BOARD MEMBER ESCUTIA: I mean, my intention is  
11 to, yes, put it in the RFQ resolution. But my intention,  
12 ultimately, from a policy perspective is to have a serious  
13 discussion on basically amending our Conflict of Interest  
14 Policy. And I really want to be part of that discussion.

15 BOARD MEMBER PEREA: Then I would say, as the  
16 maker of the motion, I would accept the suggestions that  
17 Alicia has presented. And I think Member Escutia is  
18 absolutely right, it has to be a broader discussion but in  
19 a different context. Maybe we form a Board subcommittee  
20 with Member Escutia, and maybe one or two others, to have  
21 that discussion at a more -- at a deeper level with Staff  
22 than bring something back to the Board for a full policy  
23 discussion. And I want to make that part of the motion  
24 because that's --

25 CHAIR RICHARDS: What I'd like to do with your

1 concurrence is let me work on this after the Board meeting,  
2 and I think we'll do something like that, but I'll get back  
3 to you on this.

4 BOARD MEMBER SCHENK: Well, that's a good idea.

5 CHAIR RICHARDS: Yeah. Okay.

6 BOARD MEMBER SCHENK: Okay.

7 CHAIR RICHARDS: All right.

8 BOARD MEMBER GHIELMETTI: And I concur as the  
9 seconder of the motion.

10 CHAIR RICHARDS: Okay, we have -- we do -- okay,  
11 we have the motion and second.

12 Mr. Secretary, please call the roll.

13 MR. RAMADAN: Thank you, Mr. Chairman.

14 Director Schenk?

15 BOARD MEMBER SCHENK: Yes.

16 MR. RAMADAN: Chair Richards?

17 CHAIR RICHARDS: Yes.

18 MR. RAMADAN: Director Camacho?

19 BOARD MEMBER CAMACHO: Yes.

20 MR. RAMADAN: Vice Chair Miller?

21 VICE CHAIR MILLER: Yes.

22 MR. RAMADAN: Director Perea?

23 BOARD MEMBER PEREA: Yes.

24 MR. RAMADAN: Director Ghielmetti?

25 BOARD MEMBER GHIELMETTI: Yes.

1 MR. RAMADAN: Director Escutia?

2 BOARD MEMBER ESCUTIA: Yes.

3 MR. RAMADAN: Director Williams?

4 BOARD MEMBER WILLIAMS: Aye.

5 MR. RAMADAN: Director Pena?

6 BOARD MEMBER PENA: Yes.

7 MR. RAMADAN: Mr. Chairman, the motion carries  
8 with the addendum of the policy directives in the  
9 resolution.

10 CHAIR RICHARDS: Thank you very much, Mr.  
11 Secretary. Thank you, colleagues.

12 We'll now move on to agenda item number four,  
13 agenda item number four, the RFQ for Design Services for  
14 the Merced to Madera.

15 And it will be -- Brian, did you want to do the  
16 introduction or --

17 MR. KELLY: Yes, Mr. Chairman, if I could? I  
18 just want to introduce, for purposes of the presentation  
19 here, Christine Inouye who our Chief of Strategic Delivery.  
20 Christine is heading up the work of -- is kind of, in my  
21 view, the look-forward division of the authority. We are  
22 wrapping up the environmental documents in various  
23 segments. And now we're starting the process of looking  
24 about how we go forward with things like advance design  
25 work and, ultimately, prepping for the next stages in our

1 process of delivering, you know, future construction  
2 elements.

3           And so the next step in that is this RFQ, which  
4 is two RFQs here for advance work where we've completed the  
5 environmental documents south of Fresno to Bakersfield and  
6 north of Madera into Merced. And so Christine will lay  
7 this out in this presentation.

8           And, again, just reflecting on the conversation  
9 with Director Camacho earlier, in this instance we are  
10 looking at -- you'll see Notices to Proceed in each of  
11 these to, first, bring the design far enough out so we can  
12 do things like map right-of-way, identify utility  
13 relocations, and start to identify local agreements and  
14 third-party agreements that need to be done. And then the  
15 consideration for a subsequent NTP to bring them out to 100  
16 percent if we choose to do a kind of procurement that --  
17 where we would want all of the design completed here and  
18 then, perhaps, do design-bid-build procurement contract.  
19 We don't have to make that decision today. But, as you'll  
20 see in Christine's presentation, that option is available  
21 based on how we would do this.

22           An then I would just presume, from the prior  
23 conversation, we would amend the resolutions consistent  
24 with what we did on agenda item three.

25           And so with that, Mr. Chairman, I'm happy to hand

1 it over to Christine Inouye and just say, again, one more  
2 point I think is important, these are important RFQs and  
3 process points for us because they do reflect the movement  
4 of the Authority to making sure that we are identifying and  
5 getting risk under control earlier through this process and  
6 well in advance of doing subsequent construction projects.  
7 And, really, the advance design work is the first step in  
8 that process.

9           So all of that said, Christine, you have the  
10 floor. Thank you.

11           CHAIR RICHARDS: Thank you, CEO Kelly.

12           Welcome Christine.

13           MS. INOUE: Thank you and good afternoon, Chair  
14 Richards and Board of Directors. And thank you, CEO Kelly,  
15 for the wonderful introduction. I am Christine Inouye,  
16 Chief Engineer of the Strategic Delivery of the High-Speed  
17 Rail Authority. And today I will be presenting two agenda  
18 items, number four and number five, consider providing  
19 approval to release a Request for Qualifications for Design  
20 Services for the Merced to Madera Project and the Fresno to  
21 Bakersfield Locally-Generated Alternative Project.

22           So the Authority is recommending approval to  
23 issue the Request for Qualifications, or RFQ, to procure  
24 two architectural and engineering contracts, one is for  
25 Merced to Madera, and the second for Fresno to Bakersfield

1 Locally-Generated Alternative.

2           These are RFQs will result in contracts for  
3 design and professional services to advance the design and  
4 establish the configuration footprint. The configuration  
5 footprint sets the baseline for future work and drives  
6 alignments of critical project elements. The services will  
7 also include value engineering, cost refinements, travel  
8 time enhancements, right-of-way mapping, and utility  
9 relocation requirements.

10           Next slide, please.

11           This map shows the project limits for the Merced  
12 to Madera Project section. Total length of the section is  
13 appropriate 33.9 miles within the counties of Merced and  
14 Madera. The section begins at R Street in Downtown Merced.  
15 The Authority is evaluating relocation of the approved at-  
16 grade station at Martin Luther King, Jr. Way to R Street as  
17 an elevated intermodal station. This evaluation is being  
18 done in coordination with the Altamont Corridor Express and  
19 the San Joaquin Regional Rail.

20           From Downtown Merced the alignment crosses under  
21 State Route 99 in a trench and continues at grade, crossing  
22 under Childs Avenue and Mission Avenue. There are  
23 structures to cross over Miles Creek, Owens Creek, and  
24 Dough (phonetic) Slough. It then continues south towards  
25 State Route 99 to Avenue 19 in Madera. The alignment

1 includes 40 structures, including 3 viaducts and 29.9 miles  
2 of guideway embankment.

3 Next slide, please.

4 This map shows the project limits for the Fresno  
5 to Bakersfield Locally-Generated Alternative section. the  
6 total length of this section is approximately 18.5 miles in  
7 Kern County. The project begins at the southern end of  
8 Construction Package 4 at Poplar Avenue near the City of  
9 Shafter. It then follows the BNSF Corridor through the  
10 city, heading eastward along the future Northern Beltway  
11 Corridor in Kern County. It ends at the F Street Station  
12 in Bakersfield. The alignment includes 31 structures,  
13 including 2 viaducts and 12 miles of guideway embankment.

14 Next slide.

15 The Authority recommends a procurement approach  
16 with multiple Notices to Proceed to progress the work.  
17 Merced to Madera has three Notices to Proceed. And Fresno  
18 to Bakersfield LGA has two notices to proceed. NTP-1  
19 progresses the design through a configuration footprint  
20 which is a minimum of 30 percent design. This is Stage 3.  
21 NTP-3 is an option and only applies to Merced to Madera.  
22 The work is the same as NTP-1 for the section between R  
23 Street and Martin Luther King, Jr. Way.

24 Next slide.

25 NTP-1 and, similarly, the optional NTP-3 will

1 include several key tasks and deliverables, establishing  
2 the project configuration footprint by progressing design  
3 and conducting value engineering, refined project cost,  
4 studying travel time enhancements, updating project risk  
5 assessments and schedule, right-of-way mapping, identifying  
6 utility conflicts and relocation requirements, and  
7 developing third-party agreements.

8           Next slide. Previous slide. Thank you.

9           The NTP-2 option includes the work to final  
10 design and construction-ready documents. This is Stage 4.

11           Next slide.

12           NTP-2 also includes several key tasks and  
13 deliverables, including final design and specifications,  
14 constructability and construction staging plans, updated  
15 project risk assessments and schedule, and begin securing  
16 environmental permits. The approved configuration  
17 footprint from Stage 3 provides enough design certainty for  
18 right-of-way acquisition and utility relocations to begin  
19 as the final design is being completed. So the right-of-  
20 way acquisition and utility relocations can then start in  
21 late Stage 3 or in Stage 4.

22           Next slide.

23           The contracts will have similar terms. For  
24 Merced to Madera, NTP-1, the contract is two years three  
25 months, and the contract value is \$41 million. This is

1 consistent with the expenditure authorized by the Board in  
2 December 2021.

3 NTP-2 is an option at the sole discretion of the  
4 Authority. The term is two years, with some work being  
5 done concurrently with NTP-1. The amount for this work is  
6 an additional \$103.4 million. And the Authority would  
7 request separate approval and funding for NTP-2.

8 NTP-3 is also an option at the sole discretion of  
9 the Authority. The term is two years three months. And  
10 the may be performed concurrently with either NTP-1 or 2.  
11 The amount for this work is an additional \$6.8 million.

12 For Merced to Madera Project section, we are only  
13 requesting consideration for NTP-1.

14 Next slide.

15 For the Fresno to Bakersfield LGA NTP-1 the  
16 contract term is two years three months, and the contract  
17 value is \$44.9 million. This is also consistent with the  
18 expenditure authorized by the Board in December 2021.

19 NTP-2 is an option at the sole discretion of the  
20 Authority. The contract term is two years, with some work  
21 to be done concurrently with NTP-1. The amount for this  
22 work is an additional \$72 million. And the Authority would  
23 request separate approval and funding for NTP-2.

24 And similarly for Fresno to Bakersfield LGA, we  
25 are only requesting consideration for NTP-1.

1           Next slide, please.

2           This is a qualifications-based procurement, so  
3 the actual contract amount will be negotiated with the most  
4 qualified offer. Contract includes provisions for a  
5 performance-based fee structure. The fee range is limited  
6 to between 8 percent for satisfactory performance and 11  
7 percent for exceptional work. Deliverables, measurable  
8 activities, and milestones will be included in an annual  
9 workplan. And then performance will be evaluated  
10 respective to the workplan targets and these measures.  
11 Performance-based payments will be made on a schedule from  
12 the negotiated terms.

13           In the evaluation the Authority will qualify  
14 offers for the full scope of work. But we are only  
15 requesting consideration for NTP-1 for both RFQs today.  
16 Pre-bid audits will also be conducted prior to contract  
17 execution.

18           Next slide, please.

19           The offeror shall provide information on their  
20 environment, social, and governance efforts. This may  
21 include any environmental sustainability efforts,  
22 socioeconomic equity policies, governance policies, or  
23 reports. The Authority is including the firm's ESG efforts  
24 a pass/fail minimum qualification effort in the RFQs.

25           The contract also includes small business,

1 disadvantaged business enterprise, and disabled veterans  
2 business enterprise utilization goals. These goals are 30  
3 percent for small business, 10 percent for DBE, and 3  
4 percent for DVBE.

5 Next slide.

6 The schedule for both procurements are shown here  
7 and these are the scheduled dates that we have in the draft  
8 RFQ and draft contract that is in your Board package. It  
9 does not reflect some of the conversation or discussion  
10 that happened -- that's happened during this Board meeting.

11 So with Board approval the RFQ release date is  
12 February 18th or thereafter on Cal eProcure. A pre-bid  
13 conference and small business information workshop is  
14 scheduled for March 2nd. Statement of Qualifications are  
15 due in April. And the anticipated Notice of Proposed Award  
16 is expected in May, and a return to the Board for  
17 consideration of approval to award the contracts in July.  
18 Contract execution in NTP-1 are scheduled for late July.

19 Next slide.

20 And that concludes the presentation. Thank you  
21 for your time and your consideration today. I'll be happy  
22 to take any questions.

23 BOARD MEMBER SCHENK: This is Lynn. Maybe a  
24 question, just clarification for Brian.

25 So on the timeline that Christine had, how will

1 that change --

2 MR. KELLY: Well, I think if --

3 BOARD MEMBER SCHENK: -- in terms of --

4 MR. KELLY: -- if I understand the proposal from  
5 the Chairman correctly this morning, essentially, you would  
6 push it all back 30 days for each element, so we would hold  
7 the formal release of the RFQ to March 18th, March 18th  
8 instead of February.

9 BOARD MEMBER SCHENK: Okay.

10 MR. KELLY: And you would have to conform. I  
11 think you would have to push each of the dates after that b  
12 back 30 days.

13 BOARD MEMBER SCHENK: That's what I was --

14 CHAIR RICHARDS: That's correct.

15 BOARD MEMBER SCHENK: Good. Thank you.

16 MR. KELLY: Thank you.

17 CHAIR RICHARDS: Any other questions? Yes. Any  
18 other questions, please?

19 Okay, seeing none, this is item number four, this  
20 Design Services Contract from Merced to Madera.

21 Do we have -- well, first of all, with regards to  
22 a resolution, Ms. Fowler, can you give us -- can you read  
23 the resolution as it will read, which will include the  
24 changes that we've made?

25 MS. FOWLER: Absolutely.

1 CHAIR RICHARDS: Thank you.

2 MS. FOWLER: So after the existing "Therefore it  
3 is resolved" paragraph, we will add a paragraph that says,  
4 "The Board directs the HSR Legal Office to, one,  
5 attend the pre-bid conference and small business  
6 informational workshop scheduled for this RFQ to  
7 explain the conflict of policy process, two, report  
8 progress on responses to OCOI requests on this RFQ to  
9 the Board weekly starting on February 24th, and three,  
10 work with appropriate Authority staff to explore  
11 possible mitigation measures to resolve conflicts."

12 BOARD MEMBER ESCUTIA: And where exactly in the  
13 resolution would that be, Alicia? Would it be, "Therefore  
14 be it resolved" or would it be a "whereas?"

15 MS. FOWLER: It would be a "Therefore it is  
16 resolved."

17 BOARD MEMBER ESCUTIA: Right. Thank you.

18 MS. FOWLER: I would propose it coming after the  
19 very first paragraph.

20 BOARD MEMBER ESCUTIA: Okay. Thank you.

21 BOARD MEMBER WILLIAMS: And Mr. Chairman, we  
22 would also -- it might make sense to incorporate your  
23 proposal here by saying the Board authorizes Authority  
24 Staff on or after whatever the date is --

25 CHAIR RICHARDS: Yes.

1 BOARD MEMBER WILLIAMS: -- you said March --

2 CHAIR RICHARDS: Yes. Yes. That's what I --

3 BOARD MEMBER WILLIAMS: -- to issue --

4 CHAIR RICHARDS: Yes.

5 BOARD MEMBER WILLIAMS: Yes.

6 CHAIR RICHARDS: Thank you, Director Williams.

7 That should be incorporated in the resolution, also.

8 MS. FOWLER: So we can say the Board authorizes  
9 Authority Staff to issue an RFQ for the Merced to Madera  
10 Project on, do want to say, March 17?

11 CHAIR RICHARDS: I think the 18th. Let's just  
12 make it March 18th.

13 MS. FOWLER: Let me make sure that's all right.

14 MR. KELLY: Mr. Chairman, I really think --

15 MS. FOWLER: Okay, that's fine.

16 BOARD MEMBER ESCUTIA: And also that our  
17 procurement deadlines would be extended --

18 CHAIR RICHARDS: Of them are extended.

19 BOARD MEMBER ESCUTIA: -- 30 days.

20 CHAIR RICHARDS: Yeah, all of them are extended  
21 by 30 days --

22 MS. FOWLER: Right.

23 CHAIR RICHARDS: -- each key point, each key  
24 date.

25 BOARD MEMBER PEREA: And Mr. Chairman --

1 MS. FOWLER: Yes.

2 BOARD MEMBER PEREA: -- I have one question for  
3 Staff and it's probably -- I should have asked it on the  
4 previous.

5 I understand that we're going to extend it the 30  
6 days and that's fine. But I just want to make sure that  
7 Staff is committing to meet those 30 days. We don't want  
8 any delays on this.

9 CHAIR RICHARDS: Well, I think that they're going  
10 to report to us, I think, weekly on where they are on  
11 the --

12 MR. KELLY: Our intention --

13 CHAIR RICHARDS: -- (indiscernible).

14 MR. KELLY: -- Henry, will be to --

15 CHAIR RICHARDS: Yeah.

16 MR. KELLY: -- to implement this, consistent with  
17 the revised deadlines that -- or the revised schedule that  
18 the Board has directed here.

19 CHAIR RICHARDS: Right. Right.

20 BOARD MEMBER PEREA: Understood. Brian, my only  
21 question is, you know, our job is also to hold Staff  
22 accountable to meeting deadlines.

23 MR. KELLY: Yes.

24 BOARD MEMBER PEREA: Just want to make sure that  
25 that's included.

1 MR. KELLY: Yes. I think that's, in part, why  
2 the resolution will include the language of us reporting  
3 back to you weekly --

4 CHAIR RICHARDS: Right.

5 MR. KELLY: -- on where we are on the COI issues.

6 BOARD MEMBER PEREA: All right. Thank you.

7 CHAIR RICHARDS: Okay.

8 MS. FOWLER: Okay. So again, at the second line  
9 of the paragraph, "Therefore it is resolved" --

10 CHAIR RICHARDS: Um-hmm.

11 MS. FOWLER: -- you've "authorized Staff to issue  
12 an RFQ for design services for the Merced to Madera  
13 Project" --

14 CHAIR RICHARDS: Um-hmm.

15 MS. FOWLER: -- "on or after March 18th, 2022 for  
16 a contract value up to \$41 million for NTP-1."

17 CHAIR RICHARDS: And you've got all the language  
18 in there with regards to the --

19 MS. FOWLER: Yes.

20 CHAIR RICHARDS: -- stating that all the key  
21 dates beyond that will all each be extended by 30 days?

22 MR. KELLY: I think they have to as a matter of  
23 practicality.

24 CHAIR RICHARDS: Okay. Okay. Yeah.

25 MS. FOWLER: Yes. Yes. It doesn't --

1 CHAIR RICHARDS: Okay. Fine.

2 MS. FOWLER: Those dates aren't addressed in the  
3 resolution, that's correct, Brian.

4 CHAIR RICHARDS: Right, as long as you don't need  
5 to state it, that's fine.

6 MS. FOWLER: Okay. Thanks.

7 CHAIR RICHARDS: Okay. Everybody good with that?

8 BOARD MEMBER SCHENK: Yes.

9 CHAIR RICHARDS: All right, then we -- do we have  
10 a motion for approval of HRSA 22-04?

11 BOARD MEMBER SCHENK: So moved as amended.

12 CHAIR RICHARDS: Thank you, Director Schenk.

13 A second, please?

14 BOARD MEMBER ESCUTIA: Second.

15 CHAIR RICHARDS: Is that Director Escutia?

16 BOARD MEMBER ESCUTIA: Yeah. Believe it or not,  
17 yeah.

18 CHAIR RICHARDS: I love you, Martha.

19 BOARD MEMBER SCHENK: It's been (indiscernible)  
20 here, Martha.

21 BOARD MEMBER ESCUTIA: Well, I have to reward  
22 movement, you know?

23 CHAIR RICHARDS: Well, thank you so much. We  
24 appreciate. Anyway --

25 BOARD MEMBER WILLIAMS: Mr. Chairman, just for

1 the record

2 CHAIR RICHARDS: -- we have a motion.

3 BOARD MEMBER WILLIAMS: -- just for the record --

4 CHAIR RICHARDS: Yes?

5 BOARD MEMBER WILLIAMS: -- I think you misspoke.

6 Did you misspeak on the number?

7 CHAIR RICHARDS: I don't know.

8 BOARD MEMBER WILLIAMS: It should be HSRA 22-05

9 or am I looking at the wrong one?

10 MS. FOWLER: Yeah, 05, that's correct.

11 BOARD MEMBER WILLIAMS: Yeah. That's right.

12 CHAIR RICHARDS: Oh, you know what? In my book,  
13 everything was put in one -- in the binder, just one column  
14 from what it was supposed to be, so, okay, 05.

15 Thank you, Director Williams.

16 All right, we have a motion and second.

17 Mr. Secretary, please call the roll.

18 MR. RAMADAN: Thank you, Mr. Chairman.

19 Director Schenk?

20 BOARD MEMBER SCHENK: Yes.

21 MR. RAMADAN: Chair Richards?

22 CHAIR RICHARDS: Yes.

23 MR. RAMADAN: Director Camacho?

24 BOARD MEMBER CAMACHO: Yes.

25 MR. RAMADAN: Vice Chair Miller?

1 VICE CHAIR MILLER: Yes.

2 MR. RAMADAN: Director Perea?

3 BOARD MEMBER PEREA: Yes.

4 MR. RAMADAN: Director Ghielmetti?

5 BOARD MEMBER GHIELMETTI: Aye.

6 MR. RAMADAN: Director Escutia?

7 BOARD MEMBER ESCUTIA: Yes.

8 MR. RAMADAN: Director Williams?

9 BOARD MEMBER WILLIAMS: Aye.

10 MR. RAMADAN: Director Pena?

11 BOARD MEMBER PENA: Yes.

12 MR. RAMADAN: Mr. Chairman, the motion carries  
13 with the addendum of policy directives added in the  
14 resolution.

15 CHAIR RICHARDS: Thank you, Mr. Secretary, and  
16 thank you, ladies and gentlemen.

17 Moving on to agenda item number five is the  
18 consideration of the RFQ for Design Services for the Fresno  
19 to Bakersfield Locally-Generated Alternative Project  
20 Section.

21 Brian, again, for the introduction, please.

22 MR. KELLY: Mr. Chairman, the presentation done  
23 by Christine Inouye covered both.

24 CHAIR RICHARDS: All right. Thank you very much.

25 MR. KELLY: And so here, I just think we need to

1 make sure that the resolution is conforming.

2 CHAIR RICHARDS: Yeah.

3 MR. KELLY: And then, with that, we can move  
4 forward with the, I think, with the motion.

5 CHAIR RICHARDS: Okay. So are you saying there's  
6 no need for any presentation on this at all?

7 MR. KELLY: No. The presentation was already --

8 CHAIR RICHARDS: Yeah.

9 MR. KELLY: -- given.

10 CHAIR RICHARDS: What I've just noticed, I've got  
11 the same for both, so that just didn't get put in mine.

12 Okay, so we have the Locally-Generated  
13 Alternative resolution. The resolution would be with the  
14 same changes that we have just acted on.

15 So with that, unless anybody would like the Chief  
16 Counsel to read the resolution, the Board would -- or the  
17 Chair is ready to accept a motion for approval and a  
18 second, please.

19 VICE CHAIR MILLER: Moved.

20 CHAIR RICHARDS: Vice Chair Miller.

21 And a second?

22 BOARD MEMBER CAMACHO: Second.

23 CHAIR RICHARDS: That was Director Camacho. A  
24 motion and a second.

25 Mr. Secretary, please call the roll.

1 MR. RAMADAN: Thank you, Mr. Chairman.  
2 Director Schenk?  
3 BOARD MEMBER SCHENK: Yes.  
4 MR. RAMADAN: Chair Richards?  
5 CHAIR RICHARDS: Yes.  
6 MR. RAMADAN: Director Camacho?  
7 BOARD MEMBER CAMACHO: Yes.  
8 MR. RAMADAN: Vice Chair Miller?  
9 VICE CHAIR MILLER: Yes.  
10 MR. RAMADAN: Director Perea?  
11 BOARD MEMBER PEREA: Yes.  
12 MR. RAMADAN: Director Ghielmetti?  
13 BOARD MEMBER GHIELMETTI: Aye.  
14 MR. RAMADAN: Director Escutia?  
15 BOARD MEMBER ESCUTIA: Aye.  
16 MR. RAMADAN: Director Williams?  
17 BOARD MEMBER WILLIAMS: Aye.  
18 MR. RAMADAN: Director Pena?  
19 BOARD MEMBER PENA: Aye.  
20 MR. RAMADAN: Mr. Chairman, the motion carries  
21 with the addendum of the policy directives included in the  
22 resolution.  
23 CHAIR RICHARDS: Thank you, Moe, very much.  
24 Ladies and gentlemen, moving on to agenda item  
25 number six is the 2022 Draft Business Plan Summary.

1           And CEO Kelly, you're up.

2           BOARD MEMBER CAMACHO: Mr. Chairman, one quick  
3 question.

4           CHAIR RICHARDS: Yeah.

5           BOARD MEMBER CAMACHO: I mean, this is actually  
6 related to --

7           CHAIR RICHARDS: Yes. Go ahead, Ernie.

8           BOARD MEMBER CAMACHO: -- my video won't go on  
9 because it says that the host has stopped it. Not that I  
10 need to be seen but I just thought that it's easier to  
11 talk.

12           CHAIR RICHARDS: Okay. Thank you. Hopefully  
13 I.T. has heard that and we can make -- is this on your end,  
14 Ernie, or on our side.

15           BOARD MEMBER CAMACHO: It says the host has  
16 stopped the video.

17           CHAIR RICHARDS: Oh, okay, then it sounds like  
18 our side.

19           MR. KELLY: Mr. Chairman, bear with me.

20           CHAIR RICHARDS: We'll try to get that fixed.

21           MR. KELLY: Okay.

22           CHAIR RICHARDS: Oh, there you are. Good.  
23 You're back on, Ernie.

24           BOARD MEMBER CAMACHO: Thank you.

25           CHAIR RICHARDS: Okay. All right, Ernie.

1           Okay, go ahead, Brian.

2           MR. KELLY: Thank you, Mr. Chairman and Board  
3 Members. As you know, in early February, we released  
4 our -- I think it was on February, I'm sorry, February 7th,  
5 we released the 2022 Draft Business Plan, as I summarized  
6 in January for the Board.

7           Just by way of reminder, the draft at this point  
8 is a recommendation from the staff on where we are and  
9 where we would propose to go on the program in the '22  
10 Business Plan. We are now in the midst of the 60-day  
11 public comment period. We had some public comment this  
12 morning. But I'll say for the Board now that at our March  
13 hearing we will have a more formal, both review of the  
14 Business Plan and separate and direct and public comments  
15 on what's in the Business Plan at the March hearing.

16           So here, today, I wanted to go do a high-level  
17 review of what's in the Business Plan. I know that each  
18 Member has received that plan. We are entering a period  
19 where we will go into some legislative hearings to get  
20 legislative comment on the Business Plan and, again, come  
21 back to the Board in March.

22           In April, we will come back to the Board for any  
23 amendments or revisions to that plan and a final adoption  
24 so we can submit it to the legislature by May 1st under the  
25 statutory requirements.

1           So with that said, if I can pull up the  
2 presentation, I'll go through this as quickly as I can.  
3 I'm mindful it's been a long hearing. All right. Can we  
4 pull up the PowerPoint, maybe? There we go. Okay. Thank  
5 you.

6           All right. Next slide, please. Wait, wait,  
7 wait. Sorry guys. This is the wrong PowerPoint. This is  
8 the CEO PowerPoint. We want to go back to the 2022 Draft  
9 Business Plan PowerPoint, item number six. Great. Thank  
10 you. Perfect. Right there. Okay.

11           By way of reminder, the Business Plan is required  
12 by the Public Utilities Code section 185033 every two  
13 years. This is a slightly different Business Plan, mostly  
14 because we're effected, like everybody else in the world,  
15 by COVID. And our 2020 Business Plan was not released  
16 until Spring of 2021, which was just ten months ago. So  
17 the COVID-19 impacting the timing and cadence of the  
18 Business Plans, we're designed this one to be a little bit  
19 of a bridge document between what we just released and what  
20 we're proposing to come back with more substantively in the  
21 2023 Project Update Report with the legislature next year.

22           And so, in some ways, we don't have a ton of  
23 updates over where we were just ten months ago but there  
24 are some important things that we highlight here and new  
25 opportunities that we discuss, as well as updating status

1 of where we are in the program.

2           This 2022 Business Plan, as I said, is a bit of a  
3 bridge document, updates on progress and new opportunities  
4 since April of 2021. It includes limited updates to  
5 forecasts and previews that we'll cover in the Project  
6 Update Report.

7           Next slide.

8           The most significant change from April 21 to  
9 today is the reemergence of our federal partner as a  
10 funding partner in high-speed rail and public transit  
11 infrastructure generally. As you all know, the  
12 Infrastructure Investment and Jobs Act was enacted by  
13 Congress in -- I think it was in December of 2021. And we  
14 have identified opportunities to compete in no less than  
15 six different federal funding pots where, there, we're  
16 identified roughly between \$60 billion and \$70 billion of  
17 new funding over the next five years in various pots that  
18 we have an ability to play in.

19           In addition to that, there's a bill pending at  
20 Congress now called the Build Back Better Bill, which has a  
21 provision in it that is specific to high-speed rail, a \$10  
22 billion program for high-speed rail projects specifically  
23 around the country.

24           And so we are evaluating federal programs and we  
25 are developing a grants' strategy. It's important to

1 remind the Board and public that, certainly under the Biden  
2 Administration, we've had a very helpful partner to date on  
3 federal funding for this program. Not only did we see a  
4 billion dollars come back to this program that the prior  
5 administration tried to rescind, we also were the  
6 recipients of a \$25 million grant in November for work that  
7 we're doing in the City of Wasco. And so now, with new  
8 opportunity, we intend to opportunity, we intend to, you  
9 know, compete vigorously for additional federal funds as we  
10 go forward.

11 In addition to that, at the state level, Governor  
12 Newsom has included in this budget proposal a roughly \$15  
13 billion transportation infrastructure investment plan  
14 including, again, the request for \$4.2 billion of our  
15 remaining Prop 1A funds to be appropriated for this  
16 project, nearly \$4 billion, \$3.75 billion, for rail and  
17 transit investments around the state, including grade  
18 separations, some \$750 million for active transportation  
19 project which are typically pedestrian and bicycle safety  
20 projects, some \$1.2 billion for port-related or trade  
21 corridor investments to help with supply chain issues, and  
22 some \$400 million for climate adaptation projects.

23 Next slide.

24 The opportunity that is presented for us and that  
25 we hope we can work out in communications with legislature

1 in the months ahead is the ability to clarify how these  
2 funds can be brought to bear for us to do some important  
3 things. For example, we had indicated in the prior  
4 Business Plan that we, because of budget constraints, we  
5 may be limited to a single track in the Central Valley.

6 But we think with the availability of new  
7 funding, we'll have an opportunity to fund a two-track  
8 initial operating segment in the valley, invest statewide  
9 in the advance engineering and design work, like we just  
10 approved for Bakersfield and Merced, but to other segments  
11 where we finish the environmental work around the state, an  
12 opportunity to leverage new federal and state funds for  
13 targeted statewide investments, particularly in shared  
14 corridors in the Bay Area and Los Angeles Basin. This  
15 would be things like helping Caltrain finish their funding  
16 for Caltrain electrification in the Bay Area. It could be  
17 funding for the single station in Downtown Merced instead  
18 of two different stations.

19 And in Southern California, as an example, it  
20 could be for early grade separations that, in the short  
21 term, help with Metrolink's corridor but will also help our  
22 corridor by the time we get there. So an example of some  
23 kind of shared corridor investments that can be made.

24 And then, particularly, is the Build Back Better  
25 Bill, as we see that resolve in Congress, there is an

1 opportunity to advance a longer term funding strategy about  
2 how to put the funding pieces together to emerge from the  
3 Central Valley and connect to the Bay Area as soon as  
4 possible.

5           So we indicate this opportunity and these parts  
6 of the conversation in this Business Plan are important  
7 elements for us going forward. And, really, it's made  
8 possible by the availability of new funding.

9           Next slide.

10           We do update some progress issues. Obviously, in  
11 the Central Valley the key update is how we've moved the  
12 project along. We've advanced the design from only 30  
13 percent in 2018 to now nearly 100 percent for all of the  
14 structures and guideways that we are working on in the  
15 valley. We are working now on design changes that address  
16 third-party concerns getting finalized in the scope in the  
17 contract. Seventy-one percent of the structures are now  
18 completed or under construction. Seventy-two percent of  
19 the miles of guideway are completed or in progress now,  
20 which we report to our F&A Committee each month.

21           We took important steps in 2021 to revamp the  
22 management and the, really, the outcomes that come out of  
23 our Right-of-Way Division, including the establishment of  
24 30-, 60-, 90-day goals, and more comprehensive mapping and  
25 tracking of our right-of-way progress. The result has been

1 good. We now have, as I'm speaking to you, about 2,069  
2 parcels that we have delivered to the design-build  
3 contractors which means that, for the first time in the  
4 program's history, 90 percent of the right-of-way has now  
5 been delivered to the contractors.

6 And of course, as you all know because it's the  
7 work you're doing, we're advancing the environmental  
8 documents statewide. And so we just did, with the last  
9 adoption of the Burbank to Los Angeles segment, we've  
10 cleared 300 miles to that environmental process. And we're  
11 coming back to the Board in April, and again in June, for  
12 the San Jose to Merced and the San Francisco to San Jose  
13 segments, which will mean we will have cleared 430 miles by  
14 July 2022. That's an essential step for us to advance the  
15 entire statewide program.

16 Next slide.

17 Another update -- other updates that are  
18 important in the Business Plan. We do indicate that we  
19 came to the Board in December and sought and received a  
20 \$2.3 billion expenditure authorization so that we can  
21 address specific issues going forward on this project,  
22 advance the design work like we just discussed in the prior  
23 items. We are deferring a formal program budget baseline  
24 update until we conclude the conversations with the  
25 legislature, which will probably be later this year on the

1 question of the \$4.2 billion of Prop 1A funds.

2           And we've updated with new connectivity maps in  
3 the document showing how high-speed rail will connect to  
4 other local public transportation services in the Bay Area  
5 and in Los Angeles. And this is largely designed to  
6 respond to issues of understanding better for the public  
7 and some policymakers how our system interacts and will  
8 work with the local and regional rail and transit  
9 providers, so we took steps to display that in this  
10 Business Plan.

11           We also updated our capital costs. And, mostly,  
12 those updates were tied to, as we completed the  
13 environmental work and we identified additional mitigations  
14 that were important to get that environmental work done, we  
15 identified that there were costs associated with those.  
16 And as a transparency matter, we report those in the  
17 Business Plan, which we did here.

18           Just by way of reminder on things like the  
19 Bakersfield to Palmdale or Burbank to L.A., the extensions,  
20 we did things like went around the Cesar Chavez National  
21 Monument which required us to make changes to the project  
22 scope and design. We did enhanced noise barriers around  
23 the City of Tehachapi. We did stream restoration and  
24 safety enhancements along the Pacific Crest Trail. And  
25 similarly, at the Burbank Airport and that stretch down

1 there, we chose an underground tunnel so we can get close  
2 to the Burbank -- the new Burbank Airport terminal. That  
3 also had us lessen our impact on residences and businesses  
4 substantially.

5 And so we do report when we make those kind of  
6 mitigations. There are some costs associated with those  
7 and we did report those in the Business Plan.

8 Next slide.

9 We also wanted to indicate to folks what would be  
10 coming up. We have a Project Update Report that's due to  
11 the legislature in every odd-numbered year. Business Plans  
12 are generally an even-numbered year. Odd-number year is  
13 the Project Update Report. And I think after the budget  
14 discussions are settled and we see the resolution of Build  
15 Back Better legislation, we'll have more comprehensive  
16 things to update on our funding strategy going forward. We  
17 want to update the program baseline and budget schedule  
18 tied to that, including having the benefit of having our  
19 track and systems bids come in so we can apply those. With  
20 design procurements, we'll update on where we are with the  
21 Merced/Bakersfield/Central Valley stations.

22 And the other thing is at the end of '22, working  
23 closely with the California State Transportation Agency, we  
24 are using a new ridership model now that we're just  
25 implementing. And that ridership model will enable us to

1 have more dynamic ridership projections. And it will  
2 include some elements of ridership that were not included  
3 in prior models. And so we'll have the benefit of that to  
4 update our ridership and revenue forecasts. These are the  
5 things that we'll be reporting on more comprehensively as  
6 we get to the 2023 Project Update Report. And again, we  
7 will update our capital cost estimates as we complete more  
8 and more RODs as we forward. And so those are the things  
9 that we'll be updating as we move from this document to the  
10 2023 Project Update Report.

11 Next slide.

12 Just in terms of schedule, as I said, we put the  
13 draft plan out February 8th, I'm reminded here, for a 60-  
14 day public review. We have a hearing today and I'm  
15 providing the summary now. There were some public comments  
16 about the plan. On March 17th, we'll have a more formal  
17 review of this plan, including dedicated public comment to  
18 the Draft Business Plan. And then at the Board meeting, we  
19 will seek direction from the Board on getting that plan  
20 finalized for adoption and submittal to the legislature by  
21 May 1st.

22 So that is our schedule on this plan. There will  
23 be more and more public comment that will come in over the  
24 course of the next 45 days or so. And again, that will all  
25 be part of the record about this plan. And we'll come back

1 to the Board for final direction as we move to adoption of  
2 the final plan.

3 Next slide.

4 Just for the public purposes, ways to submit  
5 comments on the Business Plan, online comment through the  
6 Draft '22 Business Plan website, and that website is  
7 displayed here. You can email the Authority at  
8 draftpb2022@hsr.ca.gov. And, of course, we're happy to  
9 accept comments by regular mail, as well. And again, our  
10 two upcoming -- our next upcoming public comment  
11 opportunity before the Board will be at our March 17th  
12 hearing.

13 Mr. Chairman, I think with that, that's my  
14 summary. And I'm happy to answer any questions from Board  
15 Members.

16 CHAIR RICHARDS: Thank you, CEO Kelly.

17 Questions for Brian from Members of the Board?

18 Yes, Director Camacho?

19 BOARD MEMBER CAMACHO: Yeah, Brian, one -- apart  
20 from this that your presentation just made, I had asked for  
21 an update on the funding that we were working with MTA or  
22 the L.A. Division of MTA --

23 MR. KELLY: Yeah.

24 BOARD MEMBER CAMACHO: -- that 420. Where are we  
25 with that or could you get me a status on that?

1           MR. KELLY: Yeah. Yeah. I mean, I can summarize  
2 it for you now, but I'm happy to also provide any  
3 additional information you may want.

4           We are really in negotiation back and forth on  
5 what's called the Project Management and Financing  
6 Agreement, PMFA. The PMFA is a document that we execute  
7 before dollars can be dedicated or spent to the project.  
8 And we did -- we executed a similar one on the Caltrain  
9 Electrification Project before we made dollars available  
10 there.

11           We are in the negotiation stages there. And I  
12 would say that, fundamentally, what it's coming down to is  
13 making sure that the Authority has rights, access rights  
14 and operating rights, to be able to get in and out of the  
15 L.A. Union Station Project that we are providing almost  
16 half-a-billion dollars to fund. And working closely with  
17 Metro and Metrolink to make sure that we are able to  
18 preserve those rights and do it in a way where everybody's  
19 operational concerns are met. And I think I would say  
20 that, fundamentally, that's the final issue that we're  
21 trying to resolve before we can execute that PMFA. But I'm  
22 eager to do it. And we're hoping to bring it back to the  
23 Board soon.

24           BOARD MEMBER CAMACHO: Great. Thank you. I  
25 think it would help us politically at the end of the day.

1 MR. KELLY: Sure. I don't disagree.

2 BOARD MEMBER CAMACHO: Thank you, sir.

3 MR. KELLY: Thank you.

4 BOARD MEMBER CAMACHO: Thank you.

5 CHAIR RICHARDS: Thank you. Thank you, Ernie.

6 Any other questions or comments for Brian?

7 VICE CHAIR MILLER: Brian, did I hear you say we  
8 got the grant for Wasco?

9 MR. KELLY: We did, yeah.

10 VICE CHAIR MILLER: Great.

11 MR. KELLY: That was announced, I think, in  
12 November. We are very pleased, very, very pleased by that.  
13 I think it's helped us a great deal. Our working  
14 relationship with the City of Wasco has never been better,  
15 so we're working hard to make sure we maintain that.

16 VICE CHAIR MILLER: There you go. Thanks.

17 CHAIR RICHARDS: Your working relationship with  
18 this Board would be better if you could find us some money.

19 MR. KELLY: Well, as I indicated, Mr. Chairman,  
20 there's some \$70 billion in that federal pot.

21 CHAIR RICHARDS: No, no, no, just a small amount,  
22 Brian.

23 MR. KELLY: I've got to go get it.

24 CHAIR RICHARDS: Okay.

25 BOARD MEMBER WILLIAMS: Thanks for the work --

1 CHAIR RICHARDS: All right. Thank you.

2 BOARD MEMBER WILLIAMS: -- on Wasco, Brian.

3 CHAIR RICHARDS: Thank you.

4 Director Williams, did you have something?

5 BOARD MEMBER WILLIAMS: No, I was just saying --

6 I was just chiming in on the -- my camera is not working

7 but I was chiming in on the --

8 CHAIR RICHARDS: Okay.

9 BOARD MEMBER WILLIAMS: -- on the Wasco thing,  
10 just appreciated the partnership and the hard work of the  
11 staff on that.

12 MR. KELLY: Thank you, Anthony.

13 BOARD MEMBER SCHENK: Yeah. Thank you.

14 CHAIR RICHARDS: Thank you. Thank you, Director  
15 Williams.

16 All right, moving on to --

17 BOARD MEMBER PEREA: Mr. Chairman?

18 CHAIR RICHARDS: Yes?

19 BOARD MEMBER PEREA: I have couple things,

20 just --

21 CHAIR RICHARDS: Oh, hi. Hi Henry. I'm sorry.

22 BOARD MEMBER PEREA: That's okay, Mr. Chairman.

23 Three things, Brian. One, the bridge, this plan  
24 being a bridge to the previous plan, does that mean that  
25 the components of the previous plan all still hold or will

1 this plan --

2 MR. KELLY: Yeah.

3 BOARD MEMBER PEREA: -- be replacing that plan?

4 MR. KELLY: Yeah. I think, as we indicated in  
5 the Draft Business Plan, our proposal for how we would move  
6 forward, the things that we want to achieve next are  
7 estimates for doing it, we have not changed. And so we,  
8 you know, we still want to get to an operating segment  
9 between Merced and Bakersfield as the initial building  
10 block of the system and we maintain all that here. We are  
11 certainly making other moves. I think we need  
12 clarification from the legislature, candidly, on when and  
13 how we will be able to utilize the \$4.2 billion in bond  
14 dollars that are holding out.

15 And I want to say, you know, respectfully to all  
16 parties, we all have a -- we're all trying to bridge  
17 differences on this, but we do need to get a uniform policy  
18 recommendation on how we're going to move forward. And I  
19 think that's important and I would hope that we have this  
20 in place through this budget conversation so the Project  
21 Update Report can be clear on exactly where we're going and  
22 how we're going. And so I'm really hopeful that this is  
23 the year we can resolve those things. And I would just  
24 observe that sometimes, you know, new federal or state  
25 funds can be big helpers in making sure we can get an

1 agreement in place.

2 And so we didn't change much. And we want to see  
3 some things resolved that need to resolve with the  
4 legislature and other places and then we'll update more  
5 things in the 2023 Project Update Report.

6 BOARD MEMBER PEREA: Okay. So the question, one  
7 question I have, is in the previous document it says that  
8 we're going to commence testing of the electrified high-  
9 speed rail system in 2025.

10 MR. KELLY: Yeah.

11 BOARD MEMBER PEREA: We're going to certify  
12 trains by 2027, and that trains will be in service by the  
13 end of the decade. And if I heard correctly in this  
14 presentation today, that says that delivery will be as soon  
15 as possible. So are we going to be replacing the specific  
16 timelines that we had in the -- that we've had for the last  
17 three or four years?

18 MR. KELLY: Well, as you know and as we've  
19 discussed through other presentations to the Board,  
20 particularly in November most recently, and we've talked  
21 about, we are working through some of the scope issues and  
22 commercial settlement issues on CP 2-3 and 1. And as we do  
23 those, we'll be evaluating any schedule impacts. We'll  
24 update that when that work is concluded but it's not  
25 concluded right now. We continue to work through it. And

1 when we do we'll update all schedule-related impacts tied  
2 to that.

3 And so we've indicated we would conclude that  
4 work, we hope in Q2 of 2022, and so as we do that, we'll  
5 update as soon as we can. But I don't have all of that  
6 settled yet but we're working through it.

7 BOARD MEMBER PEREA: Thank you. Okay. Because  
8 as, I mean, we all know, part of a business plan is the  
9 timelines, the delivery schedules.

10 MR. KELLY: Yeah.

11 BOARD MEMBER PEREA: And I think what --

12 MR. KELLY: Yeah.

13 BOARD MEMBER PEREA: -- what we owe the taxpayers  
14 and we owe the governors, the state legislature, and the  
15 federal government, with all the money they're committing,  
16 is a schedule that we can live with.

17 MR. KELLY: Yes.

18 BOARD MEMBER PEREA: So, yeah, I hope you get  
19 that data sooner rather than later.

20 MR. KELLY: I appreciate that.

21 BOARD MEMBER PEREA: And the last point I just  
22 want to make, I know you're in the comment period for this  
23 plan, but I just want to just emphasize, at least speaking  
24 for myself, a single track does not work and will not work  
25 in the Central Valley. I mean, if we are the spine of this

1 system, you can't operate at 220 miles and hour with the  
2 timelines that we're promising on a single track. You  
3 know, the research I've done in other countries, yes, you  
4 do find single tracks but they're on secondary lines, not  
5 on your primary lines.

6 So you know, I know money has been an issue, it  
7 looks like we're getting money, but I think we need to make  
8 a strong commitment at some point. And I'm hoping in this  
9 plan that we will deliver a two-track system.

10 MR. KELLY: Well, I do too. And I think I would  
11 just say that the single-track option was initially put in  
12 the last Business Plan totally as a response to our budget  
13 constraint. Hopefully, with new federal money and state  
14 funds, we can address that issue. And we are pretty clear  
15 in this plan that that is our preferred option. That's  
16 what we will be pursuing federal funds primarily for is to  
17 make sure we can settle that issue.

18 BOARD MEMBER PEREA: Great. Thank you.

19 CHAIR RICHARDS: Thank you. Thank you, Henry.  
20 All right. Thank you, Brian.

21 Item seven, ladies and gentlemen, is the CEO  
22 Report, so you're still up, so go on, Brian.

23 MR. KELLY: Okay. Thank you, Mr. Chairman.

24 Board Members, again, this is the monthly CEO  
25 Report that I provide to the Board each month.

1           Next slide.

2           I'll go through the issues that I'm going to  
3 cover here. The first is a little bit of a primer for the  
4 Board Members on what's coming to you in April, which is  
5 the San Jose to Merced Project section Final EIR/EIS.  
6 We're hoping to bring that before the Board for your  
7 consideration at our April Board meeting.

8           I want to talk to the Board about something that  
9 I've discussed at different levels with the Chairman and, I  
10 think, Mr. Ghielmetti on a tunneling workshop that we'd  
11 like to do with the Board in March. I have to update you  
12 on some change order updates, as well as contract  
13 extensions that we have worked through, and so I'm going to  
14 go through each of these. And again, at the end, I'll be  
15 happy to answer any questions.

16           So with that, let me start with the update on  
17 what's coming to you all on the San Jose-Merced Final  
18 Environmental Document. First of all, on Friday, February  
19 25th, we'll be publishing the Final EIR/EIS for the  
20 publicly-released -- or will be publicly released for the  
21 San Jose to Merced Project section. NEPA requires a 30-day  
22 waiting period prior to considering certification or  
23 approval of the documents, so we're putting this really  
24 about 60 days in front of our April hearing, but we have to  
25 do that for NEPA purposes.

1           At the April 20th-21st Board meeting, which will  
2 be a two-day Board meeting, as all of the environmental  
3 consideration meetings are, we will consider certifying the  
4 Final EIR/EIS as the CEQA lead, approving the preferred  
5 alternative and related CEQA decision documents, and  
6 directing the Authority's CEO, myself, to issue the Record  
7 of Decision under the Authority's NEPA assignment. This is  
8 part and parcel of what we do at all of these Board  
9 meetings where we consider the environmental document.

10           Next slide.

11           Again, just as a sort of broad reminder, this is  
12 the San Jose to Merced section. this is a section that is  
13 approximately 90 miles long and connects the Central Valley  
14 with Downtown San Jose. There's upgrades to the existing  
15 rail corridor between San Jose and Gilroy, including a  
16 Diridon design variant, dedicated high-speed rail  
17 infrastructure their Pacheco Pass in the San Joaquin Valley  
18 connecting to the Central Valley Wye. And two tunnels in  
19 this section, which is a little bit of a foreshadow to  
20 something I'll talk to you about next, but two tunnels in  
21 this section, one 13-and-a-half miles and one about a mile-  
22 and-a-half, in the Pacheco pass, including a tunnel design  
23 variant. There are two stations involved here, the  
24 Downtown Gilroy Station and the San Jose Diridon Station,  
25 and two maintenance facilities, South Gilroy Maintenance

1 and Weigh (phonetic) Facility, and a maintenance and weigh  
2 siting near Turner Island Road.

3 Next slide.

4 Again, just some of the statistics on this, 88.8  
5 miles, close to 90 miles long. The viaducts combined, 15.2  
6 miles of viaducts, 26 miles of embankment. We see the  
7 tunnel numbers, 15.1 miles of tunneling through the Pacheco  
8 Pass. We cross 141 different waterbody crossings, and a  
9 total number of roadway crossings of 29. Total number of  
10 permanent public and private roadway closures, eight from  
11 San Jose to Gilroy and seven from Gilroy to Carlucci Road.

12 Next slide.

13 As all of these CEO documents reflect every time  
14 we talk about them, we've been talking about these things  
15 for some time, you see on this one, we started to develop  
16 the alternatives for this segment between San Jose and  
17 Merced back in 2009. We had a partial revision to the  
18 program EIR/EIS in 2012. The Board identified the  
19 preferred alternative, which we call Alternative 4, through  
20 here in 2019.

21 We released the Draft EIR/EIS in 2020, did a  
22 revised Draft EIR and Supplemental Draft EIS in 2021, and  
23 we are preparing now to bring the final the Board in April  
24 of 2022.

25 Next slide.

1           So that's -- that concludes the sort of, you  
2 know, brief snapshot of what's coming to you in April.  
3 And, again, we'll be publishing the draft -- or sorry, the  
4 Final EIR/EIS document on Friday, February 25th.

5           The second item I wanted to report and talk to  
6 the Board about, we have also scheduled a two-day hearing,  
7 which has always been set since we adopted our calendar,  
8 for March this year, March 16th and 17th. And what we  
9 would like to propose here is doing one day, I think we're  
10 proposing on March 16th, to have a workshop specifically on  
11 tunneling and tunneling issues that we have on this  
12 project.

13           The reason we think this is an important thing to  
14 talk about is the three segments in the state of California  
15 for our Phase 1, the entirety of our Phase 1 segment, that  
16 have tunnels account for about half of the program's --  
17 sorry, about half the program cost. So if you think about  
18 our system statewide being, you know, on the order of a \$90  
19 billion program, some \$45 billion to \$50 billion are in  
20 segments where there's tunneling. We have significant  
21 tunneling between Palmdale and Burbank, significant  
22 tunneling between Bakersfield and Palmdale, and as I  
23 indicated, about 15 miles of tunneling between Merced and  
24 San Jose.

25           So the idea is to bring in some tunneling experts

1 with experience in transportation tunneling projects from  
2 five fields, design, heavy civil contractor, tunnel boring  
3 machine manufacturer, public sector, and academia. And the  
4 primary purpose is to hear from experts on things like best  
5 practices and lessons learned in tunnel construction,  
6 scheduling, and cost modeling, opportunities to mitigate  
7 cost and risk, and to focus areas of near-term planning,  
8 including important preconstruction work that's really key  
9 and important when it comes to tunneling.

10 So what we're envisioning here is bringing in a  
11 panel of experts, have them moderated by another expert in  
12 the field, and have them talk about some of the issues that  
13 they've seen that are important in this area, knowing that  
14 it's a big issue for us, and then opening up that panel to  
15 questions from the Board and others. It would be a  
16 workshop that would be held publicly. And so that is --  
17 that's what we're contemplating here.

18 I see Mr. Ghielmetti has a hand up.

19 BOARD MEMBER GHIELMETTI: Brian, you know, I  
20 understand we might be able to meet in person in April.

21 MR. KELLY: Yeah.

22 BOARD MEMBER GHIELMETTI: Would this workshop on  
23 tunneling be better held when we can meet in person?

24 MR. KELLY: It could be. I mean, I'll defer to  
25 the Board on that. It certainly could be. We just, you

1 know, we know that we have two-day thing on the calendar in  
2 March. I think the earlier we have these conversations the  
3 better. But I, you know, I don't have a strong opinion one  
4 way or the other, other than I think it's an important  
5 conversation for us to have and for the Board to engage in,  
6 again, mostly because so much of our cost issues are tied  
7 to segments with significant tunnelling.

8 But I defer to the Board on that. We can do it  
9 either Zoom in March or we can wait for an in-person  
10 hearing and do it then. Again, I defer to the Board.

11 CHAIR RICHARDS: Well, in April, Brian, do we --  
12 is it -- don't we already have a two-day meeting?

13 MR. KELLY: Yeah. I mean, I would probably --

14 CHAIR RICHARDS: Okay.

15 MR. KELLY: -- not choose April for it. I would  
16 have to say that.

17 CHAIR RICHARDS: It's environmental, so I don't  
18 know that we've got the time and the attention to do it in  
19 April. I agree with Jim, it's, there's no question, it's  
20 better in person but you weigh it against is it better? We  
21 know it's better in person but do we really want -- do we  
22 want to delay it any longer?

23 BOARD MEMBER GHIELMETTI: I mean --

24 CHAIR RICHARDS: It's an interesting part of what  
25 we're getting ready to do and has been looming over our

1 shoulders forever. Costs that we've heard in the past were  
2 amazingly large. The idea of updating what the technology  
3 is and cost is going to be incredibly helpful, I think, to  
4 all of us, certainly to me.

5 BOARD MEMBER GHIELMETTI: Well, we're not going  
6 to build a tunnel for a while.

7 CHAIR RICHARDS: No, I know, but it's just -- I  
8 think the -- well, you're right, and there's no question  
9 we're not.

10 BOARD MEMBER GHIELMETTI: Right. You know, if  
11 May is a better month, let's push it off to May.

12 MR. KELLY: That is an option. I mean, I would  
13 just say April is -- because April, we'll both have the  
14 environmental document and the adoption of the Business  
15 Plan, we don't want to do April.

16 CHAIR RICHARDS: No.

17 MR. KELLY: But if May is better for the Board,  
18 we can make that work.

19 CHAIR RICHARDS: You know, the other thing that  
20 might be the case, Brian, but I don't know how far along  
21 you've been in talking to these experts, we might have an  
22 easier opportunity at making sure that you are able to fill  
23 your panel, unless you've already been working on it and  
24 you think you've already got it filled in March.

25 MR. KELLY: Yeah. We have been working on it. I

1 think we can make it work on either date.

2 CHAIR RICHARDS: Oh.

3 MR. KELLY: But again, look, I appreciate the  
4 perspective that in-person might be best and I'm certainly  
5 open to the Board's direction on that.

6 CHAIR RICHARDS: We want to look at these  
7 machines and hang onto them, so in-person would be great.

8 BOARD MEMBER SCHENK: Yeah. And are we scheduled  
9 for a two-day meeting in May, as well? I had that down as  
10 a tentative.

11 MR. KELLY: Yeah. It is not, at this time, I  
12 don't believe. It's not in May.

13 BOARD MEMBER SCHENK: Oh, okay. I think we were  
14 asked to at least tentatively hold two days, so if others  
15 have held it, we could probably use that time.

16 MR. KELLY: I mean, we could make it work, and I  
17 come back to the Board with a specific schedule on that.  
18 But again, if the preference is to do it in person, we'll  
19 find a date to do that.

20 VICE CHAIR MILLER: Is there any -- I mean,  
21 should we talk about a hybrid? I know some people are  
22 doing this, where it's part, you know, a public hearing  
23 and, also, Zoom.

24 MR. KELLY: Yeah. I would imagine that when we  
25 go back to the public hearing, we'll still have -- oh,

1 sorry, the in-person hearings, we'll still have a Zoom  
2 component to what we're doing --

3 VICE CHAIR MILLER: Right.

4 MR. KELLY: -- because once you open up public  
5 comment avenues, you want to maintain them, even when we're  
6 back in person, so I think --

7 CHAIR RICHARDS: I guess the --

8 MR. KELLY: -- we'll have that.

9 CHAIR RICHARDS: -- the thing that I think about,  
10 too, is I just wonder, I don't know where these experts are  
11 going to come from but if they're from other parts of the  
12 country, maybe even outside the country, regardless of when  
13 we have it, do you have any sense for whether any of them  
14 were going to be participating in a virtual way, on Zoom or  
15 something like that, or do you think that they --

16 MR. KELLY: I can tell that --

17 CHAIR RICHARDS: -- would (indiscernible)?

18 MR. KELLY: -- I can tell you that all are  
19 outside of California, some are international, five have  
20 confirmed. But again, you know, we can work through the  
21 dates.

22 Again, what I think is important is that we have  
23 this dialogue and we start looking at this issue. But  
24 again, the specific time to do it is something that I'm  
25 happy to work through, I just don't want to do it in April.

1 CHAIR RICHARDS: Okay, so we'll -- if you  
2 would -- so take a look at May and whatever and just come  
3 back to us with whatever you find out is going to work best  
4 for them and for you and us.

5 VICE CHAIR MILLER: Well, wait. Wait. Before we  
6 leave this, I mean, it is true, we're not building anything  
7 for a while, but we are building our budgets and we're  
8 trying to get a handle on the cost. And I just know, once  
9 we hit the summer, everyone's availability starts to go  
10 down.

11 So, Jim, is this a thing where if it was -- it's  
12 a -- I don't know. I've never been -- I've been to one  
13 hybrid meeting and it seemed to work okay. Most people  
14 came by -- attended by Zoom. But it sounds like if our  
15 experts are attending by Zoom anyway --

16 BOARD MEMBER GHIELMETTI: You know, I just think  
17 it's -- these kinds of presentations, I've been through  
18 them before on the CTC, are better in person. And during  
19 recess you can talk to some of the people about it and  
20 answer some off-the-record questions or whatever. Zoom  
21 doesn't do it for me. I think if you really want to get  
22 into the technology of drilling tunnels, I think we're  
23 better off doing it in person. That's my personal opinion.

24 CHAIR RICHARDS: Brian, well, how long --

25 VICE CHAIR MILLER: Well --

1 CHAIR RICHARDS: Go ahead, Ernie.

2 BOARD MEMBER CAMACHO: Yeah. I agree --

3 CHAIR RICHARDS: Yeah.

4 BOARD MEMBER CAMACHO: -- with you, so much so,  
5 two years ago I visited -- I went to both Spain and to  
6 Italy, but in Italy, I visited a tunneling -- to see them  
7 tunneling. And prior to that, in my other life as a rail  
8 construction corporation, we toured Europe and we visited  
9 the new Australian -- Austria tunneling methods. And I  
10 absolutely agree, it's much better to be able to talk to  
11 them face-to-face. You get much more out of them and you  
12 learn a great deal more.

13 And I realize the issues with Zoom that we have  
14 and the availability of that but if, in fact, they're going  
15 to present through Zoom, or are they presenting in person,  
16 Brian?

17 MR. KELLY: Well, look, because they are all from  
18 out of California, and some international, and because the  
19 COVID protocols are still in place, we've been working on  
20 this as a Zoom thing.

21 VICE CHAIR MILLER: Right.

22 BOARD MEMBER CAMACHO: Oh.

23 MR. KELLY: However, I don't disagree with the  
24 in-person --

25 CHAIR RICHARDS: Yeah.

1           MR. KELLY: -- request and benefit. And I think,  
2 well, let me do this, I think what's really beneficial for  
3 the Board and all of us is to start to hear and think about  
4 these issues and what we need to do to plan for them. And  
5 I would just say, let me come back to you on options --

6           CHAIR RICHARDS: That sounds great. It's in your  
7 hands.

8           MR. KELLY: -- (indiscernible).

9           BOARD MEMBER CAMACHO: Very good.

10          CHAIR RICHARDS: Perfect. Okay. Go ahead.  
11 Let's move on.

12          MR. KELLY: Okay. Thank you, Mr. Chairman. I'll  
13 go back to the presentation.

14          Next slide, please.

15          Okay, I'm going to update on a couple of change  
16 orders that I want to report to the Board. That list of  
17 change orders that you see there on Construction Package 1  
18 are those that I identified that we have to negotiate to  
19 complete getting scope into that project. And what I'm  
20 going to tell you here is that we've already done the  
21 Belmont Avenue overcrossing. I already reported that to  
22 the Board.

23          And I'm reporting to you today the conclusion of  
24 the Golden State North and South Alignment. So the top two  
25 of those are now complete. And we are in negotiation on

1 McKinley Avenue which is close to final negotiation and  
2 pending internal approval. And we're in negotiation on  
3 what's called the guideway for Caltrans 99, so that is  
4 where we are on these. And I just want to, again, put some  
5 context to these. The first two are complete. And the  
6 next ones are in negotiation now.

7           So a little detail on the Golden State North and  
8 South.

9           Next slide, please. Those are the two that are  
10 done. Next slide, please. I stepped all over the great  
11 graphic.

12           Two elements of Golden State. And, listen, it's  
13 a theme that I keep repeating every time I update a change  
14 order to the Board, but Golden State Boulevard, north and  
15 south, is another example of a series of scope changes that  
16 were pushed -- not pushed but negotiated with permitting  
17 and approval agencies after the contract was awarded, in  
18 this case mostly with the City of Fresno and the railroads,  
19 the freight railroads, and that required us to alter design  
20 and scope. And that was executed between 2015 and 2018.  
21 And we are getting the change orders implemented now and  
22 putting it into the project.

23           The first one is -- they all involve widening of  
24 local roadways that are along where our alignment are, some  
25 demolition of some bridge structures tied to the freight

1 railroads, and the addition of things like additional  
2 traffic signaling and things like that. So the totality of  
3 this is two elements, one is Golden State North, the other  
4 is Golden State South. Golden State North was negotiated  
5 at \$19.2 million. And Golden State South was negotiated at  
6 \$28.2 million. And so we've executed those. And now that  
7 we've done that, the work can commence shortly on that  
8 work.

9           So I'm just, again, updating the Board on these  
10 change orders.

11           Next slide.

12           Time impact delay, we, as you know, when we have  
13 been in a time impact delay on these construction packages  
14 due to delays from right-of-way delays, third-party  
15 agreement delays or other things, we have to negotiate a  
16 time impact. We do it every couple of years. And on TPZP,  
17 we just concluded a time impact -- a delay that we had to  
18 conclude. And before, Brian Annis indicated to the Finance  
19 and Audit Committee that \$40 million of that was paid in  
20 January. The rest goes out in the future over months. But  
21 the totality of that delay and that package was \$121.9  
22 million. And that covered almost two years of delay tied  
23 to the TPZP CP 1 contract, so we just completed that TIA,  
24 as well, and is part of also getting that dispute behind us  
25 and move forward on the work on CP 1.

1           Next slide.

2           Contract extensions. There are two contract  
3 extensions, I think, that I'm going to talk about. Here  
4 the first is Log Harris (phonetic), who was the PCM on CP  
5 1. Their contract expired at the end of 2021, so we are  
6 extending it a 12-month period to 2022. It costs about  
7 \$2.7 million a month, I guess a little bit less, so this is  
8 a 12-month extension to get to the end of the year.

9           A couple of things on this before we extend it  
10 again. I'm asking -- I've asked and directed our staff to  
11 do a full evaluation on these services before we consider  
12 any other extension. And also I would note in the PDS RFQ  
13 that you just approved, we are considering PCM services  
14 here. And we will, as we bring on the new Board, we will  
15 consider that option as opposed to an additional extension  
16 here. It is something that we will consider as we go  
17 forward. So I need to report to you that we've made this  
18 extension to make sure we have management services in  
19 place. But there will be options on this as we get to the  
20 end of 2022.

21           Next slide. Oh, sorry. That's it.

22           So with that, I'm happy to answer any questions  
23 of the Board.

24           CHAIR RICHARDS: Any more questions for Brian?

25           All right, Brian, thank you very much.

1 MR. KELLY: Okay. Thank you, Mr. Chairman and  
2 Board Members.

3 CHAIR RICHARDS: Thank you.

4 I'll just run very quickly through a few points  
5 on Finance and Audit. And that will then conclude our  
6 meeting for today.

7 With regards to disputes, that is result of  
8 invoices which we have a dispute on, they increased in  
9 December, and all these numbers are for December, increased  
10 to \$96.6 million, up about \$50 million, all due to or  
11 primarily due to disputes with the DB on CP 2-3, Dragados  
12 Flatiron.

13 Cash management, we've got -- at the end of  
14 December we had \$1.88 billion available to the Authority.  
15 That represented \$158 million increase from the month  
16 before. That was due to the receipt of the ARRA proceeds  
17 from the August cap-and-trade auction of \$252 million less  
18 the expenditures in December which were \$72 million. The  
19 February cap-and-trade auction occurred yesterday. And  
20 there should be preliminary results of what our share might  
21 be as early as next Thursday.

22 On admin and budget, we've gone through 50  
23 percent of the fiscal year. We've spent about 30 percent  
24 of our admin budget, that's \$27.2 million that we've spent.  
25 The budget for -- annually -- or for this fiscal year is

1 \$91 million.

2           And the vacancy rate, that is unfilled positions,  
3 state positions, 31.9 percent, about 137 vacancies. And  
4 those jumped way up when we entered into the '21 or '21-22  
5 budget as a result of the budget passed by the legislature,  
6 and then an additional amount that we're allocated, I  
7 believe, in September.

8           On capital outlay for the month of December, we  
9 spent \$90 million, which was \$9 million over and above what  
10 we had spent in November. Of that, design-build  
11 expenditures were \$44.6 million.

12           Also what happened, the CFO updated the budget  
13 for '21-22. We originally had adopted a budget of \$2.3  
14 billion. That's been adjusted down with what they think  
15 the actual expenditure forecast will be at about \$1.7  
16 billion.

17           Small business utilization rate increased up to  
18 23.5 percent. That's an overall, on the year, the previous  
19 12 months, that's 11.4 percent increase over 12 months ago.

20           On contingency, there were \$44 million drawn down  
21 on contingency, \$39 million of which were for the Belmont  
22 Avenue construction that the CEO just mentioned and was  
23 reported to the Board, also, in January, and then we heard  
24 that again this morning -- or this afternoon.

25           And (clears throat) excuse me, regarding the

1 Central Valley Status Report, labor on the sites in  
2 December were at 766, which were a decrease of 123 from the  
3 month before, which is, we were told, is attributable to  
4 seasonal fluctuations and holidays, as well as wet weather.  
5 As you recall, we had -- the last real rain we had,  
6 certainly in the valley and I assume around the state, was  
7 quite a lot in December.

8           On our construction programs of structures, we've  
9 got 66 out of 93 that are underway or substantially  
10 complete. That's an increase of one from the previous  
11 month. And guideway, 86 miles out of 119, that's 72  
12 percent. There's no change from the month before. And  
13 right-of-way, which Brian also mentioned, as we stand today  
14 we have 269 parcels that have been purchased and delivered.  
15 At the end of December it was 241, that was 89 percent.  
16 We're now over 90 percent.

17           And that is a quick summary of F&A today. Any  
18 questions from anybody on that? All right. Well, thank  
19 you very much.

20           That concludes our agenda today. And to my  
21 colleagues, thank you all very much for your well-placed  
22 comments, and for the work that you've done to get here  
23 today, and for getting us through this meeting.

24           For you and the public, thank you for joining us.  
25 We will look forward to seeing you next month. And we

1 appreciate your participation.

2 With that, to all of you, have a good day.

3 (The California High-Speed Rail Authority Board  
4 meeting adjourned at 2:30 p.m.)

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## CERTIFICATE OF REPORTER

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 28th day of February, 2022.



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MARTHA L. NELSON, CERT\*\*367

## CERTIFICATE OF TRANSCRIBER

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.

I certify that the foregoing is a correct transcript, to the best of my ability, from the electronic sound recording of the proceedings in the above-entitled matter.



MARTHA L. NELSON, CERT\*\*367