CALIFORNIA HIGH-SPEED RAIL AUTHORITY

BOARD OF DIRECTORS MEETING

THURSDAY, MARCH 17, 2022
11:00 AM

TRANSCRIPT OF PROCEEDINGS

REMOTE WEBINAR

*On January 5, 2022, Governor Gavin Newsom issued Executive Order, N-1-22 regarding the COVID-19 outbreak. This order removes the requirement that a location be made available for the public to gather for purposes of observing and commenting at the meeting through March 31, 2022.

The California High-Speed Rail Authority’s March 17, 2022, Board Meeting will be conducted via webinar and teleconference. Board Members will participate in the meeting from individual remote locations. Members of the public can view the Board Meeting online at hsr.ca.gov. Those wishing to provide public comment must register at the link below. Registration is necessary because the link needed to join the virtual meeting must be sent to a valid email address. The Authority does not use the email address provided for any purpose other than to send the meeting link to a speaker. Once registered, you will receive a confirmation email providing a link and telephone options to participate in the meeting.

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Register to provide public comment.

Reported by:
M. Nelson
APPEARANCES

BOARD MEMBERS

Tom Richards, Chair
Nancy Miller, Vice Chair
Lynn Schenk
Ernest Camacho
Henry R. Perea, Sr.
James C. Ghielmetti
Martha M. Escutia
Margaret Pena
Anthony Williams

EX OFFICIO BOARD MEMBERS

Assembly Member, Dr. Joaquin Arambula
Senator Lena A. Gonzalez (Absent.)

STAFF

Brian P. Kelly, Chief Executive Officer
Boris Lipkin, Northern California Regional Director
Serge Stanich, Director of Environmental Services
Alicia Fowler, Chief Counsel
Moe Ramadan, Acting Board Secretary
APPEARANCES (Cont.)

PRESENTERS:

Brian P. Kelly, Chief Executive Officer
Boris Lipkin, Northern California Regional Director
Serge Stanich, Director of Environmental Services
Tom Richards, Finance & Audit Committee Chair
Alicia Fowler, Chief Counsel

PUBLIC COMMENT:

David Schwegel, Phelps Engineering Services
James Eichenbaum, Self
Laura Uden, NSI Engineering, Inc. High-Speed Rail Business Advisory Council
Blair Beekman, Self

PUBLIC COMMENT: AGENDA ITEM 2:

Frank Quintero, City of Merced
Consuelo Hernandez, City of Sacramento
Michael Rosson, Sacramento Area Council of Governments
Will Oliver, Fresno Economic Development Organization
Daniel Leavitt, San Joaquin Joint Powers Authority, San Joaquin Regional Rail Commission
Wil Ridder, Tri-Valley-San Joaquin Regional Valley Authority
Dylan Stone, Madera County Transportation Commission
APPEARANCES (Cont.)

PUBLIC COMMENT: AGENDA ITEM 2: (Cont.)

Edith Robles, Stanislaus Council of Governments
Laura Uden, High-Speed Rail Business Advisory Council
Marlee Smith, Silicon Valley Leadership Group
Steve Roberts, President of Rail Passenger Association
Arnaldo Rodriguez, City of Madera
David Schwegel, Phelps Engineering Services
Blair Beekman, Self
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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.

CALIFORNIA, THURSDAY, MARCH 17, 2022

CHAIR RICHARDS: It is March 17th, 2022, and this is the California High-Speed Rail Authority’s Board of Directors meeting. Welcome everyone from the Members of the Board. Thank you for joining us. Today’s meeting will start momentarily, but first we’ll call the meeting to order.

Mr. Secretary, will you please call the roll?

MR. RAMADAN: Thank you, Mr. Chairman.

Director Schenk?

BOARD MEMBER SCHENK: Here.

MR. RAMADAN: Chair Richards?

CHAIR RICHARDS: Here.

MR. RAMADAN: Director Camacho?

BOARD MEMBER CAMACHO: Here.

MR. RAMADAN: Vice Chair Miller?

VICE CHAIR MILLER: (No audible response.)

MR. RAMADAN: Assemblymember Arambula?

EX OFFICIO BOARD MEMBER ARAMBULA: (No audible response.)

MR. RAMADAN: Director Perea?

BOARD MEMBER PEREA: Here.
MR. RAMADAN:  Director Ghielmetti?
BOARD MEMBER GHIelmetti: Present.
MR. RAMADAN: Director Escutia?
BOARD MEMBER ESCUTIA: Here.
MR. RAMADAN: Director Williams?
BOARD MEMBER WILLIAMS: Here.
MR. RAMADAN: Director Pena?
BOARD MEMBER PENA: Here.
MR. RAMADAN: Senator Gonzalez?
EX OFFICIO BOARD MEMBER GONZALEZ: (No audible response.)
MR. RAMADAN: Mr. Chairman we have a quorum.
CHAIR RICHARDS: Thank you, Moe.
And if we bring the flag up, we will have the Pledge of Allegiance, please.
(Whereupon the Pledge of Allegiance was recited.)
CHAIR RICHARDS: Thank you very much.
That's a pretty fancy outfit you got on there, Director Williams.
BOARD MEMBER ESCUTIA: Oh, let's see the outfit.
BOARD MEMBER WILLIAMS: You know I'm trying to stay warm in this crazy weirdness of it's sort of, I don't know, spring showers. (Overlapping colloquy.)
BOARD MEMBER SCHENK: Are you wearing the green there?
BOARD MEMBER WILLIAMS: Yeah.

BOARD MEMBER SCHENK: You're looking good, Anthony.

BOARD MEMBER WILLIAMS: Yeah.

CHAIR RICHARDS: So what I'd like to do before we start the agenda is so everyone in the public knows that for those of you who wish to address us today there's going to be two public comment sessions. The one that will immediately follow these comments that I'm making will be on all items, except for Item Number 2.

Item Number 2 is the 2022 Business Plan Update. After the public comment session we'll go to the -- for the first one we'll go into our agenda. When we get to Item Number 2, CEO Kelly will give us an update on the 2022 Business Plan, after which all of you who wish to comment on the Business Plan, we will then have another public comment period for you to do so.

So again, on the first public comment period anything you'd like to address the Board about except for Item Number 2, the Business Plan.

With that we'll move into our agenda. Item Number 1 is the Approval for the Minutes for the February 17th, 2022, meeting. Are there any questions or comments or any changes, requested changes for the February meeting? If we have none, do we have a motion for approval?
BOARD MEMBER CAMACHO: So moved.

BOARD MEMBER SCHENK: Second.

CHAIR RICHARDS: Director Camacho and Director Schenk, all in favor?

(Ayes.)

CHAIR RICHARDS: Any objections? Passed unanimously, thank you.

We’ll now move into -- I’m going to back up on you, Moe. We’ll now do the first public comment session. So please, if you’d advise the people who would like to speak to us how they do that.

MR. RAMADAN: Thank you, Mr. Chairman.

Good morning, all. Welcome to the California High-Speed Rail Board of Directors public meeting. Today we are hosting this meeting remotely via the Zoom application. In a moment we will begin to take public comment.

Please note if you wish to provide public comment on Agenda Item 2, an opportunity for public comment on that specific agenda item will be offered after it has been presented to the Board and the public.

If you wish to provide public comment on all other items, please listen to these instructions to go over some important technical aspects of this meeting for offering your public comment.
If you are logged into this meeting via the Zoom application, please use the “raise your hand” feature typically located at the bottom of your screen, so that I may call on you to provide your comment.

If you're dialing in by phone pressing #2 will raise your hand and put you into our queue. Speakers will be called in the order that their hand is raised. Once you've been in the queue and your name is called, in the web meeting please click the prompt on your screen to allow your microphone to be unmuted. On the phone we will call on you by the last four digits of your phone number. At that point you'll hear a message that you are being unmuted.

Once unmuted, it will be your turn to speak. Please slowly and clearly say and spell your first and last name, and if applicable state the organization you represent.

After your introduction, each speaker is allotted two minutes to provide their comment. I will interject at one minute and forty-five seconds to provide a fifteen-second warning.

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

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

If you do not wish to provide comment and simply want to watch the meeting you can do so by logging on to “hsr.ca.gov,” and looking for the link to our live stream.

Mr. Chairman, first up for public comment we have David Schwegel. David Schwegel.

CHAIR RICHARDS: Good morning, Mr. Schwegel, and welcome. Mr. Schwegel?

MR. SCHWEGEL: Okay. Am I unmuted now?

CHAIR RICHARDS: You are, and welcome. Please go ahead.

MR. SCHWEGEL: Thank you so much. David, D-a-v-i-d Schwegel, S-c-h-w-e-g-e-l, spelled like “sweet gel, rhymes with bagel.” I’m with Phelps, P-h-e-l-p-s, Engineering Services, spelled just like Michael Phelps in Talkspace: Therapy for All.

I'm in Reno, Nevada. And honestly, I'm kind of feeling like I need some therapy myself, because I am stressing out about renewing my Washington state civil engineering license. Washington state is a state with very high standards of professional conduct. And I'm stressed out for two reasons.

Number one, your PCM Consultant on Construction
Package 2-3, Arcadis, made me sign an agreement “not to sue statement” after they violated California Labor Code section 970B on fraudulent induction in order to get my severance package which, according to Washington State Engineering Law is a bribe. And they have a no-tolerance policy for bribery in the State of Washington for their engineers.

Second, I paid membership dues to both the Registered Traffic Engineers of America who is focused on elevating traffic engineering registration in California from title protection to regulate the practice. And then I paid membership dues to the American Society of Civil Engineers in Region 9, the California region. And unbeknownst to me, I found out the ASCE Region 9 opposed elevating traffic engineering registration in California from title protection to regulate the practice. So that, according to --

MR. RAMADAN: Fifteen seconds remaining.

MR. SCHWEGEL: -- law is a conflict of interest.

My call to action for you is this, please let's step it up and make sure that we hold our consultants and professional associations’ feet to the fire to abide by the law. Thank you.

CHAIR RICHARDS: Thank you, Mr. Schwegel.

MR. RAMADAN: Mr. Chairman, next up for public
comment we have first name James, first name James.

CHAIR RICHARDS: James, please go ahead.

MR. EICHENBAUM: Hello. Can you hear me?

CHAIR RICHARDS: Yes, we hear you.

MR. EICHENBAUM: Hello and good morning, my name is James Eichenbaum, J-a-m-e-s E-i-c-h-e-n-b-a-u-m. I know it's a mouthful and I'm unaffiliated with any organization. I'd like to thank the Board of Directors, the CEO and all the other administrators, staff and workers involved in the mega project. I'm from Gilroy, California. And like many other young members of the community and across the state the high-speed rail gives me hope for the future and a sustainable, equitable and freer California.

The EIR/EIS for San Jose to Merced was released a little less than a month ago. Since it will greatly affect my community, which I love so much, I'm moved to strongly encourage the Board to carefully consider the options for moving forward with this project. I believe that when you do so, you'll agree with me and many of my community members that Route Alternative 3 has too many environmental costs and outweighs any benefits. And I strongly support you moving forward with Alternatives Routes 1 or 4, with 4 being identified as the preferred alternative by the Authority.

Gilroy needs high-speed rail downtown and I
believe that full-grade separation offered by Alternative 1 would, in my view, offer the best speed reliability and integration with traffic and most importantly safety. Recently we saw a passenger locomotive from a different Transit Authority in the Bay Area crash into construction material on an at-grade track. And no one was hurt, but accidents do happen, and I would be devastated if such an event occurred in my community in Gilroy. Please take this into consideration for your final decision next month, full speed ahead. Thank you, that is all.

CHAIR RICHARDS: Thank you, Mr. Eichenbaum.

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

CHAIR RICHARDS: Good morning, Ms. Uden.

MS. UDEN: Good morning, thank you. L-a-u-r-a U-d-e-n. I represent NSI Engineering, but also a lot of small businesses on the Business Advisory Council. I want to talk briefly about the conflict-of-interest policy again. I've been working on my own (indiscernible) --

CHAIR RICHARDS: We've lost your audio.

MS. UDEN: Sorry, I got unmuted there. Can we figure out how to stop my time and start me again?

CHAIR RICHARDS: Yeah. Well, we're going to go back to two minutes, Laura, so you can start over.

MS. UDEN: Thank you. So I've been working on
this project on the conflict of interest for five weeks and they replied, HSR Legal replied right away. But it's sorting out the mitigations and our work scope is taking the time. I've had multiple meetings, emails and letters back and forth. I just wanted you to know it's not a quick process.

While it might be possible for some primes and environmental subs to -- to not be possible for primes and certain environmental subs to be on both PDS and other types of high-speed rail contracts, there are many situations where small subs should be allowed to be on both without a conflict of interest.

For example, on original consultant contracts there are firms that have little or no input to the environmental documents and also no decision-making authority, document control, project controls like scheduling, invoicing, public outreach, small business utilization, and scope that's focused on meeting Authority requirements like configuration risk and quality management, which is what we do.

So the main issues of potential conflict are preparing EIR/EIS, which as I said we don't do. Overseeing your own work, and we put forward a mitigation that says we've organized a team, so we don't oversee our own projects. And access to sensitive information in which
case we could set up a firewall to avoid sharing the
sensitive information between those of us working on PDS
and those of us working on other things.

The mitigations offered by the Authority were if
you’re on an existing contract you have to leave it before
you can confirm participation on a team for the PDS
pursuit. Or if you're not on an existing contract only
pursue PDS and nothing else.

The problem with these for small businesses is in
the first case if you have to leave an existing contract to
get on a potential contract, not only is that a bird in the
hand worth two the bush, but it's also potentially December
before we would get paid on PDS. And we can't go that long
without income.

We also can't pursue only one contract --

MR. RAMADAN: Fifteen seconds remaining.

MS. UDEN: -- at the expense of pursuing nothing
else.

My request is to please work with the small firms
to identify what their actual scope is and mitigations that
won't put them out of business. Thank you very much.

CHAIR RICHARDS: Thank you, Ms. Uden.

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

CHAIR RICHARDS: Mr. Beekman, good morning.
MR. BEEKMAN: Hi, good morning. Blair Beekman here, B-e-e-k-m-a-n is my last name. Thanks for the meeting today. This is one of my first times talking at the regular CHSR meeting. Usually I've been speaking at the morning Finance meeting and now I’m trying to speak at the regular public comment time, thank you.

As to what I have tried to say at the financial meetings, I'm a beginner to this process and in my “beginner-ness” I'm interested in what was the beginning ideas of CHSR and that was a route from L.A. to Sacramento. And it's my feeling that if you practice those ideals, I think that can necessitate and create a sense of how to work the entire program better, in my beginners understanding of things.

On for instance the Merced, I think the Merced through Tracy, the Sacramento line, is an interesting idea that can reflect on the Bay Area in how the future of high-speed rail can be a processed with as minimal of disturbances of people’s homes as possible. And I think the Merced to Tracy-Sacramento line is the way to go about that. And that has an important effect of how CHSR can go into the San Francisco Bay Area. And it's not just San Jose that we need to be concerned about, it's also the East Bay, Dublin and to Pleasanton area and Livermore.

And I think the Tri-Valley railroad system can be
questionable. I think --

MR. RAMADAN: Fifteen seconds remaining.

MR. BEEKMAN: -- I think you could possibly use BART, a new extension of BART, into the Central Valley and from Antioch into Sacramento possibly. It’s those ideas that make everything available for the future of the Bay Area. Good luck in that process.

MR. RAMADAN: You’re over the two-minute time limit.

CHAIR RICHARDS: Thank you. And I would only say to Mr. Beekman and for all of you out there, I strongly encourage you in terms of your research on this project to please join, please go to our website. And you'll find a tremendous amount of information, both relevant historically as well as currently. So thank you again, Mr. Beekman.

Go ahead, Mr. Secretary.

MR. RAMADAN: Mr. Chairman, I'm going to briefly go over the instructions again.

For members of the public who wish to provide comment on all agenda items, excluding Agenda Item 2, please listen to these instructions. If you are logged into this meeting via the Zoom application, please utilize the “raise your hand” feature typically located at the bottom of your screen, so that I may call on you to provide
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Mr. Chairman, none of the attendees have motioned to raise their hands to offer public comment.

CHAIR RICHARDS: Okay, thank you Mr. Secretary. With that, we will close the first section of public comment today. And we will now move on to Agenda Item Number 2, which is a status of the Draft 2022 Business Plan. And for that CEO, Brian Kelly. Good morning, Brian.

MR. KELLY: Good morning, Mr. Chairman and Members, happy St. Patrick's Day to everybody.

BOARD MEMBER SCHENK: And to you.

CHAIR RICHARDS: And to you too.

MR. KELLY: Thank you very much, big day here. I am pleased to offer today the summary of the 2022 Draft Business Plan including an update as to where we are in the plan and an outline of what's in this plan. And
then I look forward to the public comment period, which will immediately follow my presentation.

So as I get into this let me just start by saying or reminding members that our last business plan, our 2020 Business Plan, because of the COVID pandemic was adopted and presented to the Legislature just ten months ago. We were pushed back an entire year during the COVID process. And this draft plan is therefore a bit of a bridge document for us.

It addresses three key issues. It provides updates on the meaningful project progress that we've had. It outlines new opportunities for this Authority and this project with the addition of federal and state funding that is either approved or pending. And it updates the Authority’s cost estimates reflecting advance work we've done. And namely that's the completion of the environmental work on two Southern California segments. And the completion of all scope and scheduled determinations on our Construction Package 4 in the Central Valley. And finally, it reflects the receipt of a new federal grant that we received in November of 2021.

So I want to pause here for just a moment Mr. Chairman and just ask that the -- I can't see on my screen the PowerPoint presentation, so I want to make sure that it's up if it’s not up. There we go.
Okay, so again just a reminder for members on a little bit of housekeeping here. This Business Plan in this is required by the Public Utilities Code. We submit one every two years, even-numbered years under normal circumstances. Again, because of COVID last year the 2020 Plan was done in 2021. I note that here on this document. Obviously COVID-19 affected both our timing and our cadence around the document.

And as we work through this particular `22 Business Plan we will have again in less than a year, due to the Legislature, our 2023 Project Update report. So there is a lot of things that we are condensing into a smaller, shorter period of time than we normally do. And because of these things again we've looked at the `22 Plan as being a bit of a bridge document. It provides updates on progress, opportunities since April of 2021, it includes limited updates forecast, and a preview will be covered in the 2023 Project Update Report.

Again, a couple of reasons of why we see this as a bridge document, not just the COVID issue, but also there remains some legislative uncertainty in terms of what the entirety of our scope and resources will be. That's a conversation we're having in the Legislature in real time. Those things need to conclude for us to be more clear about certain things.
We know our track and systems bids are due to come in in July of this year and that will certainly affect or give us a better understanding of what cost issues remain for the Merced to Bakersfield extensions.

We have commercial settlements that we're settling with CPs 1 and 2-3 right now that we're looking to complete in May of this year.

We’ve worked closely with the State Transportation Agency to update the ridership and revenue model that is used, will be applied to this project. But is also used for estimating ridership on connecting services that we will be a part of in affecting both their ridership and ours. And so all of these things we show that it's a good time to update as much as we can right now. There's some things that need to come in over the course of next year and we will move forward on a more robust project update report in 2023.

With that said, I would move to the next slide and just say two additional things. There are really two elements of our work program that we highlight in this Business Plan. And the first is -- and I'm going to take them up in reverse order here, but the first is the work plan that we intend to do with the estimated budget that we have. And I will get into that a little bit later, but we have an estimated budget between now and 2030 that is
roughly between $22 and $25 billion. And so we have a program that we are moving forward with that falls into that range and we will talk about that.

And then the second part of our work program is what we now can do with new availability of federal funds. And a pending state budget appropriation that's part of this budget conversation that the Governor included in this budget proposal, which is a $14.9 billion Transportation Infrastructure Plan. So the biggest change really from the 2020 Business Plan to now is a change in opportunity. And what I mean by that of course, is there's new federal money in the game, money that should be and could be available for this project. And new money at the state level that as the budget settles it can also determine how quickly we can do certain things.

So on the second element, which is both the Governor's -- with the availability of new federal money. And again, in the Governor’s program he has pitched in the budget this year again the remaining appropriation of our bond funds, the Prop 1A bond funds, $4.2 billion. Our proposal is to use those funds simply to complete construction in the Central Valley. Those bond funds have been reviewed for that purpose and approved for that purpose, and so we think that's the right use of those funds.
The Governor has proposed $3.75 billion additional for rail and transit projects including grade separations up and down the state of California in all regions of the state.

$750 million for active transportation, which is typically bicycle and pedestrian safety-type projects.

$1.2 billion for what's called port-related or supply-chain projects. In California we have trade corridors. We have port trade corridors of national significance with all of our major ports here. And there's a program that the Governor has put out to invest more in those to try to clear up some supply-chain issues.

And then there's a $400 million program for climate adaptation projects. Again, this is one of the cleanest projects in the nation and so we think that's relevant for us as well. So that's on the state side.

And then on the federal side -- if we move to next slide -- this slide should look familiar to the members. We've talked about this before -- but this is a snapshot of the Infrastructure Investment and Jobs Act Bill that was passed by the Congress at the end of 2021. And it provides over the course of the next five years a total of about $70 to $75 billion in funds in six competitive pots that we have played in in the past. We’ve been awarded grants out of them in the past, and we intend to play in
going forward. And some of them are new like the third one down, the National Infrastructure Project Assistance Program. This is dedicated specifically to mega projects.

And then at the top the Federal State Partnership Intercity Passenger Rail Program, which is a $12 billion program that is outside now of the Northeast Corridor funding that's available for rail, intercity, high-speed and other passenger rail services systems around the country.

And so these are two of the mega projects. And they are megaproject pots I would say that we want to compete in.

And the others are things like INFRA Grants and RAISE Grants and CRISI Grants, things that are more familiar to members because we've applied for those grants in the past. And we've received a RAISE grant as recently as November of 2021.

But in total there's again a large amount of money available in these federal pots that provide new opportunity for us. If we go to the next slide.

The Business Plan lays out what the kinds of things we'd like to accomplish with some of this opportunity. One, I know it's a key concern to Board Member Perea, but we see an opportunity here to go for federal funds where we can take the idea of a single track
off the table. And pursue funding to make sure that we're delivering the two-track operating alternative immediately in the Central Valley between Merced, Fresno and Bakersfield.

We think there's an opportunity to invest statewide to advance engineering and design work as every project section across the state is environmentally cleared.

We have been there -- a letter was submitted to the Administration during the fall where some of the legislative leaders had called for advanced design work to occur in some segments around the state. And again, we think there's opportunity for federal and state funding to allow us to do that.

We want to leverage new federal and state funds for targeted statewide investments, particularly those in shared corridors in the Bay Area and Los Angeles. So these are things like in the Southern California area there's a series of grade separations that if you do them early, they benefit systems like Metrolink, but they will also be needed for our system when we're operating down there in the Central Valley. It's something like the Merced Station final location of that where all three systems will go to one station, so that's a good investment of federal funds.

And in the Bay Area, this is something like
completing the electrification of the Caltrain Project,
which is a corridor that again in the short term you would
be electrifying what is now in a diesel service in the Bay
Area. But you finish that and then that corridors is
electrified for what will ultimately be our corridor in the
Bay Area. So again a good opportunity to do investments
around the state of statewide significance on shared
corridors.

And then finally there's a bill pending at the
federal level still called the Build Back Better Bill. It
may move forward under a different moniker, but the idea is
that that bill’s got a $10 billion program and it's
specifically for high-speed rail. And so we're going to
watch that closely, because if that passes then I think we
can start talking about how we get a funding package to
extend in the Bay Area as soon as possible, coupling those
dollars with other funds. Next slide.

In terms of how we would use our current budget
that we have, not counting new federal and state funds,
we've estimated our budget between now and 2030 of
somewhere between $23 and $25 billion. And the reason
there's a range there is because as members know, our key
source of state funding is Cap-and-Trade. While it's been
stable lately -- we'll talk more about that later -- but
while it's been very stable there has been moments of
volatility in that program, particularly as COVID was
taking off. So there is a little range on what the
expectations of those would be.

But in terms of using our $23 to $25 billion
budget we are recommending the same course of action that
we've said before, which is we want to complete all the
environmental work for Phase I from Los Angeles to Los
Angeles and Anaheim, all the way to San Francisco.

We want to advance our goal to initiate the
operating service of electrified service of the 172-mile
route in the Central Valley.

And we want to complete our funding commitment to
the bookend projects in Northern and Southern California.
I know the members know what those are, those are the key
things that we want to get done.

And again the reason with what this slide shows,
is the reason we want to get that operating run going in
the Valley is it’s got some important attributes for us.
It allows the trains to operate at high speeds to 120 miles
per hour. We estimate it increases ridership in the region
by 4.8 million riders versus a no-build scenario. The
revenue increases for the state. This is a subsidized run
today, but we see revenue increases of $117.2 million
versus what that system brings in now. And we see travel-
time reductions of between 90 and 100 minutes on that run
in the Valley.

And so those things plus the air quality benefits like the reduction in greenhouse gas emissions, and the reduction in VMT, this is why we want to get an operating run going here. Of course our goal is to accomplish that within this decade. And so again that's why we are pushing for this, and we continue to do so in this Business Plan.

Next slide.

We also had some updates on important progress elements in the Business Plan and we'll just touch on a couple of those here. The Business Plan goes into much more detail on these, but since 2018 we've advanced design work in the Valley from what was roughly about 30 percent done to now, really closing in on 100 percent. Working to get the design changes that address third-party concerns in the contracts; 71 percent of the structures are now in construction or completed; 72 percent of the miles of guideways is either completed or now in progress.

And our Central Valley Right-of-Way, which has been a historic difficult issue for the Authority. We revised the leadership and the goals and objectives of that division, and we've had pretty good results. We have now 90 percent of the right-of-way in the Central Valley in hand and we're ahead of our schedule to complete 95 percent by the end of the year and be fully done by then in early
And of course the environmental clearances, which is a big part of how we’re advancing the project for all of Phase 1. We’ve cleared 300 miles to date. We’ll be coming back to the Board with another roughly 90 miles in April. And then again in July we’ll be back for the San Francisco to San Jose run to add, I think it’s another 43 miles, on the order of 43 miles of that segment. So that 430 miles be cleared by the middle of this month. And we’ll move to complete the final two in the next year or so. Next slide.

Again, just looking at that environmental work you know, when I first started working here the only part of this map here that was yellow was Madera to just Poplar Avenue. And now with the work that the Board has done, and the team has done by advancing our environmental work, we’ve cleared all the way to Palmdale in Southern California. We’ve cleared the stretch between Burbank and L.A. And again by July of this summer of ‘22 we look to clear into the Bay Area. That said, what it looks like is to see almost the entirety of the Phase 1 system cleared. And there that’s what we’re working toward. Next slide.

Other key updates, Northern California updates are in this program, in terms of the progress we’re making on bookend projects and other things. We brought into this Business Plan new connectivity maps that show how high-
speed rail connects to other public transportation services in those regions. And we provided more data about partnerships and progress, key benefits on a regional or local basis with the introduction of high-speed rail service.

Our program baseline budget, we indicated in the program that we, the Board, adopted an additional $2.3 billion in expenditure Authority in just December of 2021. And so we've indicated that in the Business Plan. And we've deferred our larger program baseline budget until after we conclude the budget conversations with the Legislature, so we have a formal understanding of scope and resources available to the program.

We also updated our capital cost estimates, which I know was reported a lot in the media. But as we have cleared environmental segments, environmental documents, as this Board knows we identify impacts from the projects in each of these communities that are affected, and we put in place mitigations for those. And those mitigations do come with costs. Things like avoiding the Caesar Chavez National Monument in the Bakersfield to Palmdale stretch; enhanced noise barriers around Tehachapi; design changes to make sure we were limiting our displacements in the Burbank to L.A. run; tunneling to get next to the new terminal. Those kinds of things certainly bring additional costs.
And as we always promised we would do, as those RODs complete, we update the cost estimates. And that's what we've done in this Business Plan as well. Next slide.

Again that's just a reflection of our budget needs as we look at completing the work that's before us. If you include getting an operational run in the Central Valley, finishing our bookend projects in North and South, completing all the environmental work and really getting an operational run on a two-track basis. Our estimate of cost for that is between $22 and a half and roughly $24 billion under this program. If we want advanced design work in Northern and Southern California, adds about $600 million additional dollars for this. And so we have a range there of expenditures in our budget and that goes against the estimated range of budget that again is along that line between $23 and $25 billion; and that's what we propose to use those dollars for.

I will just say on the advanced design work in Northern and Southern California, it is most opportune for us to try to do that with new state funding so we can preserve all of our existing budget dollars for the work we’re looking to do in the Valley and completing the environmental work, getting the bookend projects done first. Next slide.

This is just a picture of a chart that's in all
of our business plans. And it is in this one we lay out our cost estimates for the entirety of the Phase 1 system in ranges. The low range is that $72.3 billion figure, the high range is $105.129. For all of the Phase 1 system we have a base cost estimated between $87 and $88 billion. And that really will be more determined when we see how things settle out with the track and systems and other elements of cost on the Merced to Bakersfield piece. But when those settle that range will narrow there in the middle.

I would say as I've said here when we complete RODs, when we complete the environmental work, we do update the cost estimates. And I would expect that as we complete more RODs, we will continue to be at the higher end of the range here, because those RODs with all the mitigations we have to account for that. And so the base number will climb as we finish more and more RODs. And so that's just part of getting the work done. And again I do believe we will end up within the range that's depicted here. Next slide.

While this is an expensive project it's worth noting that this is a study that was first done by the Authority, I want to say 2016, it could have been even earlier than that. We updated it in 2018 and I think again in 2020. But when you consider the mobility and the
capacity benefits of the high-speed rail system from San Francisco all the way to L.A., even with a high-end cost of $105 billion, for example, versus the cost of expanding highways and airports to provide the same kind of mobility capacity it's still a relative bargain. It's about half the cost of the expenditures of extending highways, extending airports. And those issues come without any of the environmental benefits that our program comes with. So it remains a relative bargain compared to traditional transportation investments. Next slide.

I mentioned the 2023 Project Update Report. And again just reminding members we just did the Business Plan in 2021, we are updating it here, and we have a project update report due to the Legislature in early '23. Again, with that we’ll update our funding strategy as we are informed by the legislative budget discussions that go on and how or whether the federal government passes the Build Back Better Bill.

We will update our program budget and schedule as we see the track and systems work come in and finalize all remaining commercial agreements.

We have advanced design procurements already for Merced and Bakersfield extensions.

We are looking to come back to the Board to advance the Central Valley station designs.
And as I had mentioned there's a new ridership revenue forecast that just got put in place at the end of '21 and we're going to apply that to our program and update those things for the 2023 Project Update Report. And that of course will lead us to updating all capital cost estimates mostly informed by finishing the Records of Decisions for all the environmental documents.

So that's what's in front of us in terms of the next report that we have due publicly into the Legislature.

Next slide.

Just where we are on this process remember that the draft plan comes out and that kicks off at 60-day public review period. We've had two legislative hearings on this draft plan: one in the Assembly and one in the Senate. We had our February 17th meeting where I summarized this plan once, and now today I'm summarizing it again. And we will take public comment after I complete the summary.

The end of the 60-day public comment period is April 11th. Our currently scheduled Board meeting is April 21st where the Board will then consider action and direction to adopt the Business Plan. And submit it to the Legislature by May 1st. So that's the schedule for this Business Plan. Next slide.

Just another way for the public to comment, I
know there's folks who are going to comment directly with us here today. There's also a website that's available right there for commenting directly on the program. You can also email the Authority at DraftBP2022@hsr.ca.gov. We have our mailing address that is also an available way to do it. And of course part of today's hearing as well we’ll hear public comment.

And so I think that probably concludes it. Next slide.

CHAIR RICHARDS: Thank you, Brian.

MR. KELLY: Thank you.

BOARD MEMBER ESCUTIA: so I have a question, Mr. Chairman, of Brian.

CHAIR RICHARDS: Yes, go ahead please.

BOARD MEMBER ESCUTIA: Thank you.

Hi Brian.

MR. KELLY: Hi.

BOARD MEMBER ESCUTIA: I know that we have to present this Draft Business Plan before the Legislature, but I'm also concerned about the fact that we're in the middle of budget season right now in the Legislature. And I was wondering if you have already testified before the Budget Committees of the State Legislature?

MR. KELLY: I have. I have.

BOARD MEMBER ESCUTIA: You have?
MR. KELLY: Yes.

BOARD MEMBER ESCUTIA: Okay.

MR. KELLY: In the Assembly they did the Draft Plan Oversight Committee through their Budget Subcommittee. And so that was with Subcommittee Chairman Bloom’s committee. Laura Friedman also participated as did Budget Chairman Phil Ting. And then on the Senate side they did a joint committee, which was a committee of their Budget Committee and the Transportation Committee; did a joint committee on the Senate side and I testified in that committee last week.

BOARD MEMBER ESCUTIA: Will there be another opportunity for you to testify? The reason why I'm asking is because in addition to you I think that Tom, our chairman, should also be testifying at these hearings to really give a robust perspective on the part of high-speed rail that's not only the CEO. But it's also the Chairman of the Board. And I think most agencies, as you well know, it's usually the Chairman of the Board that is also testifying. So I would just suggest that it's a darn good idea to bring our chairman. He knows a lot of people in Sacramento and it's that type of relationship-building goes a long way in the State Legislature in terms of trying to reach our goals.

I mean Mr. Chairman, Tom, would you be opposed to
that in terms of testifying before these committees?

CHAIR RICHARDS: No, of course I will.

MR. KELLY: I would just say that I could respond to that, but I certainly don't make the witness list. The Legislature does and they've invited me to testify.

The only other comment I would say is the Draft Business Plan is Management’s recommendations to the Board. And I think before you guys hear all public comment, and before you hear from the Legislature directly on this, that you’ve got to be careful having Board members get out and endorsing the draft prior to the public comment being made available to the Board.

I'm all for whoever wants to testify and I'm all for the Legislature inviting others to do it. But I would just say I'm responding to legislative requests to testify on a draft that is Management’s recommendations to the Board. And then once you guys take all the testimony, we adopt the Final Business Plan, and we go forward in the budget conversations. I think that's a great time for the Chairman and other members of the Board, okay.

BOARD MEMBER ESCUTIA: Right. Let's separate the issues here. You know, to me there's a difference between the Draft Business Plan and I understand your perspective. It's a recommendation from Management to the Board. Okay, I get that. You're right, Brian.
I'm talking now, let's talk now about the $4.2 billion that we would like to get from the Assembly and that's a budget decision. And I think that it would make a strong statement if both you and Tom were present at those type of hearings.

MR. KELLY: I'm all for it.

BOARD MEMBER ESCUTIA: Asking for that money.

MR. KELLY: They just need to invite us. I'm all for it.

BOARD MEMBER ESCUTIA: And if they send you an invitation list you can respectfully pick up the phone and say, "You know what, in addition to me I would also like to include Tom Richards, my Chair."

MR. KELLY: I spent 18 years in the Legislature, I kind of know how it works. And I'm happy to extend the invitation.

BOARD MEMBER ESCUTIA: (Overlapping colloquy) (Indiscernible) 14 years as a member.

MR. KELLY: I'm happy to extend the invitation. I just feel like I'm being extremely responsive to what questions the Legislature is asking us for, and I do think it's beneficial for Board members to advocate to Legislature as well once we adopt the Business Plan. So I'm absolutely (overlapping colloquy) --

BOARD MEMBER ESCUTIA: I'm not talking about the
Business Plan. I told you, you were right on that one. I told you that the Board members should not get ahead of it, I'm talking about the $4.2 billion.

MR. KELLY: And I'm agreeing with you. I'm agreeing with you that we ought to go forward with Board members to advocate for the $4.2 billion. No question.

BOARD MEMBER ESCUTIA: I know, and all I am saying is that if you get an invitation list from the Legislature that only limits it to you, you can respectfully pick up the phone and say, “You know what? We would also like to include our Chair.”

MR. KELLY: I could. Happy to do it.

BOARD MEMBER ESCUTIA: Do you have any objections to this Mr. Chairman?

CHAIR RICHARDS: No, I appreciate it, Director Escutia. Thank you.

BOARD MEMBER ESCUTIA: Thank you.

CHAIR RICHARDS: Thank you. We’ll work on a plan there, thank you very much.

Brian, anything else on your report?

MR. KELLY: No, I’m just happy to answer any questions you may have.

CHAIR RICHARDS: Okay, any other questions from Board members? (No audible response.) Okay, I’m flipping through here to make sure I'm not missing anybody. It
looks like we do not.

So at this point the next item of business on our agenda is now to go back to public comment for this Agenda Item Number 2 only, the Update to the Business Plan. And that would be anybody from the public who would like to address the 2022 Business Plan and comments to the Board. So with that I’m going to ask Mr. Ramadan, our Board Secretary, to advise the members of the public again how they can address us.

MR. RAMADAN: Thank you, Mr. Chairman.

Good morning, all. Welcome to the California High-Speed Rail Board of Directors Public Meeting. If you wish to provide public comment on Agenda Item 2, please listen to these instructions for offering your public comment.

First, we will run through some important technical aspects of this meeting for offering your public comment. If you are logged into this meeting via the Zoom application, please use the “raise your hand” feature typically located at the bottom of your screen, so that I may call on you to provide your comment.

If you're dialing in by phone, pressing #2 will raise your hand and put you into our queue. Speakers will be called in the order that their hand is raised. Once you've been in the queue and your name is called, in the
web meeting please click the prompt on your screen to allow
your microphone to be unmuted. On the phone we will call
on you by the last four digits of your phone number. At
that point you'll hear a message that you are being
unmuted. Once unmuted it will be your turn to speak.
Please slowly and clearly say and spell your first and last
name and if applicable state the organization you
represent.

After your introduction each speaker is allotted
two minutes to provide their comment. I will interject at
a minute and forty-five seconds to provide a fifteen-second
warning.

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

I will notify you when your time is nearly up.
At the end of your comment we will disable your microphone.
However, you are welcome to stay on the line to continue
watching or listening to the meeting. If you do not wish
to provide comment and simply want to watch the meeting you
can do so by logging on to hsr.ca.gov, and looking for the
link to our live stream.

Mr. Chairman, first up for public comment we have
Frank Quintero. Frank Quintero.

CHAIR RICHARDS: Mr. Quintero, welcome. Mr.
Quintero?

MR. QUINTERO: Good morning, Chairman Richards.

CHAIR RICHARDS: Yes, good morning and welcome.

MR. QUINTERO: Thank you. And thank you Authority members. My name is Frank Quintero, F-r-a-n-k Q-u-i-n-t-e-r-o. I'm with the City of Merced and I serve as its Deputy City Manager.

First of all, I've had the pleasure of working and being the Project Manager for High-Speed Rail in Merced since 2000. And concerning the 2022 Draft Business Plan, CEO Kelly said it best, we have in Merced a proposal to merge three rail providers at one multi-modal station, which will blend in local providers as well as urban providers to one location. Within the Plan, page 17 clearly states out the benefits for the San Joaquin Valley as a whole. And for the Central Valley, it is a clear win on why high-speed rail needs to proceed and the Business Plan continues to support that.

With that, Honorable Chairman and Authority Members, thank you very much for this opportunity to comment.

CHAIR RICHARDS: Thank you, Mr. Quintero. We appreciate all that the City of Merced has done for the project.

MR. QUINTERO: You’re welcome, sir.
MR. RAMADAN: Mr. Chairman, next up for public comment is Consuelo Hernandez. Consuelo Hernandez.

CHAIR RICHARDS: Consuelo Hernandez, welcome.

MS. HERNANDEZ: Thank you. My name, again, Consuelo Hernandez, C-o-n-s-u-e-l-o H-e-r-n-a-n-d-e-z representing the City of Sacramento. I'm here today to express our support of the 2022 Draft Business Plan, which advances the Governor's proposal and staff recommendations to pursue a Merced-Fresno-Bakersfield HSR interim-operating segment with additional stops at Kings-Tulare and Madera. The Merced-Fresno-Bakersfield interim-operating segment will improve access and connectivity to the City of Sacramento through connections with the ACE and San Joaquin services at multi-modal hub station in downtown Merced.

The City of Sacramento also supports the Governor's budget proposal for the remaining $4.2 billion in Prop 1A HSR bond funds needed to complete high-speed rail construction in the Central Valley. Thank you.

CHAIR RICHARDS: Thank you, Ms. Hernandez.

MR. RAMADAN: Mr. Chairman, next up for public comment we have Michael Rosson. Michael Rosson.

CHAIR RICHARDS: Good morning, sir.

MR. ROSSON: Good morning, Chair and Board. My name is Michael Rosson, M-i-c-h-a-e-l R-o-s-s-o-n. And I'm with the Sacramento Area Council of Governments. And on
behalf of SACOG, I am pleased to express our support for the Draft 2022 Business Plan that moves forward the Governor's proposal and the staff recommendation to pursue the Merced-Fresno-Bakersfield high-speed rail interim-operating segment.

The improved passenger rail is an essential component of achieving SACOG’s and the state's goals to reduce reliance on single-occupancy vehicles, improve mobility choices, and reduce harmful air pollutants and greenhouse gas emissions. This critical investment will benefit communities throughout the Northern California mega region and Central Valley.

The ACE and San Joaquin projects will enhance connections for residents and the visitors traveling between Sacramento, the Bay Area and the fast-growing San Joaquin valley. SACOG is also supporting our San Joaquin Valley partners to secure additional funding for its expanding ACE and the San Joaquin services between the Sacramento region and Merced.

SACOG also supports the Governor's budget proposal for the remaining $4.2 billion in Prop 1A bond funds that is needed to complete these high-speed rail construction projects in the Central Valley. Thank you.

CHAIR RICHARDS: Thank you, sir.

MR. RAMADAN: Mr. Chairman, next up for public
comment we have Will Oliver. Will Oliver.

CHAIR RICHARDS: Good morning, Mr. Will Oliver.

MR. OLIVER: Good morning. I'm with the Fresno Economic Development Corporation. And on behalf of our Board of Directors and Members, we are in support of the 2022 Draft Business Plan as it reaffirms the reasons why this work is so important for many Central Valley communities.

As you know, the Central Valley has struggled with above-average unemployment, persistent poor air quality, and unabated poverty that surpasses the Appalachians. High-speed rail development in the Central Valley has already put thousands of people to work, allowing hundreds of small businesses opportunities with contracting, and prior to the pandemic allowed Fresno and the Valley to reach record unemployment levels.

The 2022 Business Plan calls for 171 miles of electrified double-track operation connecting Merced, Fresno, and Bakersfield, which will provide much faster, more frequent, and more reliable passenger rail service than is currently available. The success of this early interim service is essential towards implementing the ultimate high-speed rail system between the Bay Area, San Joaquin Valley, and Southern California.

In addition, our civic leaders and institutions
have made great investment to position the Central Valley as a home of (indiscernible) this city has committed hundreds of millions of dollars in planned investment and projects around the Fresno station, much of which hinges on a fully functional station and trains operating throughout the state.

It's time to build off the backbone here in the Valley and finish what we started, advance designs statewide, and environmentally clear at the full 500-mile system from San Francisco to L.A. With that, we're in full support of the Draft 2022 Business Plan. Thank you.

CHAIR RICHARDS: Thank you, Mr. Oliver.

MR. RAMADAN: Mr. Chairman, next up for public comment we have Dan Leavitt. Dan Leavitt.

CHAIR RICHARDS: Good morning, Dan.

MR. LEAVITT: Hi, Chair Richards, Members of Board. Dan Levitt representing the San Joaquin Joint Powers Authority, which is the management agency for the San Joaquin intercity rail service and the San Joaquin Regional Rail Commission, which is the owner-operator of the ACE commuter rail service.

I'm speaking in support of the Draft 2022 High-Speed Rail Business Plan that moves forward the Governor's proposal and High-Speed Authority staff recommendations to pursue Merced-Fresno- Bakersfield high-speed rail interim-
operating segment, providing electrified high-speed rail
service to Californians at the earliest time possible.

The Merced-Bakersfield high-speed rail interim
operating segment with stops at Merced, Madera, Fresno,
Kings-Tulare, and Bakersfield will improve access and
connectivity to other destinations throughout California
through better connections with both ACE and San Joaquin
services in the North and San Joaquin Thruway bus services
at Bakersfield for travel to Southern California.

Our San Joaquin Joint Powers Authority 2022
Draft Business Plan, and the San Joaquin Regional Rail
Commission’s 2021 Work Program, highlight the coordination
that we've been doing with the High-Speed Rail Authority
and your Early Train Operator to ensure the success of the
high-speed rail interim service. Our integrative services
plan includes extending ACE to Merced and truncating the
San Joaquin’s' at Merced, so that both of our services meet
with high-speed rail at a multi-modal hub station in
downtown Merced.

We strongly support the Governor's budget
proposal to provide the remaining $4.2 billion in Prop 1A
funding to the Authority needed to implement interim
service. It's time to deliver true, electrified high-speed
rail operations to California as promised to the voters.

And thank you for your time today.
CHAIR RICHARDS: Thank you, Dan. For our colleagues, Director Schenk and I recall that not some number of years ago Dan Leavitt used to head up the Environmental Department for the Authority.

Go ahead, Mr. Secretary.

MR. RAMADAN: Mr. Chairman, next up for public comment a Wil Ridder. Wil Ridder.

CHAIR RICHARDS: Mr. Ridder, welcome.

MR. RIDDER: Good morning. My name is Will Ridder, and on behalf of the Tri-Valley - San Joaquin Valley Regional Rail Authority I thank you for the opportunity to provide comment today on the California High-Speed Rail Authority’s Draft 2022 Business Plan.

The Tri-Valley - San Joaquin Valley Regional Rail Authority is responsible for the implementation of the Valley Link Rail Project. It will provide a new 42-mile, 7-station rail connection between the Dublin/Pleasanton BART Station in Alameda County and the North Lathrop-Altamont Corridor Express Station in San Joaquin County with all-day service on BART frequencies during peak periods.

Valley Link will provide critical statewide rail connectivity closing a key gap between BART and the state rail system in the Central Valley, linking nearly 500 miles of commuter and intercity rail with more than 130 stations.
throughout the Northern California mega region. Consistent with the State Rail Plan and the California High-Speed Rail Authority Draft Business Plan, Link will expand equitable access by providing the Bay Area and communities in San Joaquin County with integrated connectivity to the Merced-Bakersfield high-speed rail interim operating segment and Sacramento through the existing Altamont commuter express and future Valley Rail passenger rail services.

We support the Merced-Bakersfield high-speed rail interim operating segment. We also support the Governor’s Fiscal Year ’22-23 budget proposal to utilize the remaining $4.2 billion in Prop 1A high-speed rail bond funds for high-speed rail.

We look forward to working with your staff to include the identification of the Valley Link Rail Project in the Draft 2022 Business Plan and will be following up with a letter on these details as part of the formal comment process. Thank you.

CHAIR RICHARDS: Thank you, Mr. Ridder.

MR. RAMADAN: Mr. Chairman, next up for public comment we have Dylan Stone. Dylan Stone.

CHAIR RICHARDS: Good morning, Mr. Stone.

MR. STONE: Thank you. I'm Dylan Stone with the Madera County Transportation Commission. We are in strong support of the Authority’s Draft ’22 Business Plan to
implement the Fresno-Madera-Merced-Bakersfield interim service. That includes stops in Kings-Tulare and here in Madera.

As the Madera County Transportation Commission we are the metropolitan planning organization responsible for preparing our region’s long-range transportation plans and we think this project is a very important aspect of our long-range plan and long-range vision for the Madera region and the San Joaquin Valley.

A key goal we have here is to reduce greenhouse gas emissions and we believe we do that by shifting more travelers onto other modes and commuter rail is one of the key modes that we do want to see travelers from our region shipped onto.

What the Business Plan outlines is a much faster and more frequent and more reliable passenger rail service than what's currently available to travelers in our region. It more than doubles the available service frequency and it does so as soon as possible, and that's a really important aspect that's in this plan, and all of this on clean electrically powered trains.

We support the Authority’s Draft 2022 Business Plan as well as the Governor's budget proposal for $4.2 billion in remaining Proposition 1A high-speed rail bond funds, and that they are directed to complete the delivery
of this important work here in the Central Valley. Thank you, Chairman Richards, and Members of the Board.

CHAIR RICHARDS: Thank you, Mr. Stone.

MR. RAMADAN: Mr. Chairman, next up for public comment we have Edith Robles. Edith Robles.

CHAIR RICHARDS: Good morning, Ms. Robles.

MS. ROBLES: Good morning, Chair Richards and members of the Board. My name is Edith Robles, E-d-i-t-h R-o-b-l-e-S and I'm with the Stanislaus Council of Governments.

So on behalf of Stanislaus, I'd like to express our support for the draft of California High-Speed Rail Authority's 2022 Business Plan. This plan does advance the Governor's proposal and the High-Speed Rail’s plan to pursue the Merced-Fresno-Bakersfield high-speed rail interim operating segment, with the additional stops at Kings-Tulare and Madera. The San Joaquin Valley and more specifically Stanislaus County, does have a unique geographical layout as many areas in our region are isolated from the more urbanized areas and this does limit our access to both local and regional sources, resources and services.

The Merced-Fresno-Bakersfield interim operating segment will help improve access and connectivity to the Stanislaus County through the connections with the Altamont
Corridor Express for ACE services and the San Joaquin Amtrak services at the multi-modal stations in downtown Merced.

Stanislaus also supports the Governor's budget proposal for the remaining $4.2 billion in Proposition 1A high-speed rail bond funds needed to complete and electrify high-speed rail’s interim service between Merced and Bakersfield. Thank you for your time.

CHAIR RICHARDS: Thank you, Ms. Robles.

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

CHAIR RICHARDS: Good morning again, Ms. Uden.

MS. UDEN: Good morning, Board members, and thank you for letting me speak again. I'm speaking to you now as the High-Speed Rail Business Advisory Council Professional Services Committee Chair.

I have yet to finish reading the Plan in detail, but I wanted to draw your attention to what I consider a significant gap. The 2022 Business Plan is supposed to be an update according to the purpose of the plan, an update on what occurred over the last ten months affecting our program, progress and opportunities, and management’s recommendations to the Board on how to address those.

My comment is that it doesn't really discuss small business impacts at all. The 2020 Business Plan at
least mentioned achievements and goals sprinkled throughout the Plan. Small businesses are required to complete this critical program. With this in future High-Speed Rail business plans, they should at least summarize the important small business, disadvantaged and disabled veteran business goals, the achievements to date, gaps and the key issues impacting small businesses such as utilization, timely payments and small business support, and plans to improve those areas.

It should also take credit for the achievements to date and discuss the significant impact of this critical program on small businesses throughout the state. We're doing a lot of good out there and we're not really calling it out here. And I think this is an important place to do it, because this is all some people are going to read about the program.

I'm going to provide these comments as well through the official comment process, but I just wanted to say please include a discussion on small businesses, achievements and gaps, and your approach to addressing those gaps as part of your plan, going forward. Thank you.

CHAIR RICHARDS: Thank you, Ms. Uden.

MR. RAMADAN: Mr. Chairman, next up for public comment we have Marlee Smith. Marlee Smith.

MS. SMITH: Thank you, Chairman Richards and
Members of the Board. This is Marlee Smith, M-a-r-l-e-e S-m-i-t-h. I’m the Director of Transportation Policy for the Silicon Valley Leadership Group, which represents over 350 tech and innovation economy employers in the Bay Area and is in support of the Draft 2022 Business Plan.

High-speed rail is essential for development of the local economy and economy and the state economy and connects Central Valley residents to well-paying jobs in the Silicon Valley, which greatly expands economic opportunity across the state while radically reducing commutes and transportation costs for workers. Thank you.

CHAIR RICHARDS: Thank you for your comments, Ms. Smith.

MR. RAMADAN: Mr. Chairman, next up for public comment we have Steve Roberts. Steve Roberts.

CHAIR RICHARDS: Good morning, Mr. Roberts.

MR. ROBERTS: Good morning, Chair Richards, and Members of the Board. My name is Steve Roberts. I'm President of the Rail Passenger Association of California, an all-volunteer statewide organization of advocates for public improved rail, intercity rail, and commuter rail.

Our membership endorses the 2022 California High-Speed Rail Business Plan and urges the Board to adopt the Plan. And we also are strong supporters of the Legislature appropriating the Prop 1A funding to complete this project.
Our members ride this rail service, and we will be riding it in the future. And we looked anxiously to keep this program underway and moving forward for the benefit of Californians, and specifically the citizens who live in the San Joaquin Valley. Thank you.

CHAIR RICHARDS: Thank you, sir.

MR. RAMADAN: Mr. Chairman, next up for public comment we have Arnaldo Rodriguez. Arnaldo Rodriguez.

CHAIR RICHARDS: Good afternoon, Mr. Rodriguez.

(No audible response.) Mr. Rodriguez?

MR. RAMADAN: Arnaldo, if you wish to provide public comment, right now would be your time.

MR. RODRIGUEZ: Yes, thank you very much, Chair Richards. I apologize for that. I haven't figured out how to operate Zoom.

CHAIR RICHARDS: No problem.

MR. RODRIGUEZ: And thank you very much. To Members of the Board, my name is Arnoldo Rodriguez, A-r-n-o-l-d-o, Rodriguez R-o-d-r-i-g-u-e-z. I serve as the City Manager for the City of Madera.

First and foremost thank you very much for your service to our state and our community. The City of Madera is in support of the Draft 2022 Business Plan to implement the Merced-Fresno-Bakersfield interim service that includes stations at the various locations, specifically in the city...
of Madera. We believe that this is of the utmost importance, especially in the San Joaquin Valley knowing that in the Central Valley is served or is a key trade corridor for a lot of the produce, and that's tributed worldwide. We collectively understand, and I think it is rightly acknowledged, that we cannot build additional highways to serve the needs of the community. And collectively we are going to have to begin to identify alternative modes of transportation, specifically rail.

And kind of with that being said, the City of Madera along with the county are really excited to be constructing a new Amtrak station, hopefully a high-speed rail station right outside of the city boundaries that we believe can serve as a model in not only for high-speed rail, but also the nation for new TOD development. It's adjacent to the state’s kind of newest community college and we feel that we have the proper players in place, we have willing partners to build a --

MR. RAMADAN: Fifteen seconds remaining.

MR. RODRIGUEZ: -- environment. And with that thank very much, Chair Richards, we really appreciate it.

CHAIR RICHARDS: And to you too, Mr. Rodriguez. Thanks for joining us.

MR. RAMADAN: Mr. Chairman, next up for public comment we have David Schwegel. David Schwegel.
CHAIR RICHARDS: Mr. Schwegel, good afternoon.

MR. SCHWEGEL: Good afternoon.

This is David D-a-v-i-d, Schwegel S-c-h-w-e-g-e-l -- you know the drill -- spelled like sweet gel, rhymes with bagel, with Phelps P-h-e-l-p-s Engineering Services, just like Michael Phelps Talkspace: Therapy for All.

If I am successful at renewing my Washington civil license -- and I do plan to call the Board later on today to see if I can renew it, given the constraints that I am facing -- I would definitely want to work on Cascadia high-speed rail.

Now I’m noticing in the Business Plan that you have a slide that talks about the cost of high-speed rail versus the cost of expanding aviation and roadway to have the same carrying capacity. I would highly recommend getting in touch with Roger, R-o-g-e-r Millar M-i-l-l-a-r. He is the Washington State Secretary for Transportation. And what he did is he asked his staff at WASHDOT to calculate the cost of adding one northbound and one southbound freeway lane through the State of Washington. They came up with a cost of $108 billion.

Now compare that, and keep in mind this only going to fill up with traffic once it opens, for Cascadia high-speed rail. We're talking a $24 to $42 billion system that will have a comparable carrying capacity of 12 lanes.
MR. RAMADAN: Fifteen seconds remaining.

MR. SCHWEGEL: Plus airports at either end plus $355 billion in economic returns. We need to use those sorts of arguments in the Business Plan to really sell it to the feds and state alike. Thank you.

CHAIR RICHARDS: Thank you, Mr. Schwegel.

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

CHAIR RICHARDS: Mr. Beekman, welcome back.

MR. BEEKMAN: Hi, thank you. Blair Beekman here to speak on my second item of today, and to further speak about. It was nice to hear someone at our earlier public comment time from Sacramento speak on high-speed rail items. And I'm interested as I've said in that process.

I think it provides -- to always be considering and thinking about and talking about the L.A. to Sacramento line as originally planned for the high-speed rail. It creates the idea of openness and accountability that I think you're talking about at this time. And it's true openness and accountability that creates just better funding practices, and easier ways to get funding, and an overall way that we can all better talk about and feel comfortable with the project.

I work with -- there's a whole new field developing in the future of openness and accountability
with the future of surveillance technology and data collection for local communities. It’s open public policies and guidelines that really help organize how a city and a community talks about its technology and how it plans and how technology will be placed in the -- how you can hold it accountable.

And you can ask, the public can simply ask now more, “What technologies are being placed?” And they don't have to feel they are in fear. That we're in a constant state of war in asking. It's a question of our community democracy. It’s these sorts of good organizational practices that could really help --

MR. RAMADAN: Fifteen seconds remaining.

MR. BEEKMAN: -- with the questions of future openness and accountability with the CHSR project. And I wish you luck in understanding those concepts. It's those concepts that build our brighter, happier future. Good luck in those efforts.

CHAIR RICHARDS: Thank you, Mr. Beekman.

MR. RAMADAN: Mr. Chairman, I'm going to briefly go over the instructions for any of the attendees who might have joined after they were provided.

For the attendees who wish to provide public comment on Agenda Item 2, if you are logged into this meeting via the Zoom application, please use the “Raise
your hand” feature typically located at the bottom of your screen, so that I may call on you to provide your comment.

If you're dialing in by phone pressing #2 will raise your hand and put you into our queue. Speakers will be called on the order that their hand is raised. Once you've been in the queue when your name is called in the web meeting, please click the prompt on your screen to allow your microphone to be unmuted. On the phone we will call you by the last four digits of your phone number. At that point you'll hear a message that you are being unmuted.

Mr. Chairman, none of the attendees have motioned to raise their hand and we have not had any new attendees join after the instructions were provided.

CHAIR RICHARDS: Okay. Thank you, Moe, I appreciate that.

Ladies and gentlemen with that we will now close the second public session, or public comment session. And we'll move on to Agenda Item Number 3, which is the Northern California Regional Update. And to present that this afternoon will be the Northern California Regional Director, Boris Lipkin and Serge Stanich.

Good afternoon, gentlemen.

MR. LIPKIN: Thank you, Mr. Chairman and Members of the Board. Good afternoon to you as well.
This is really a bit of a presentation that's a preview of things to come in Northern California. I did a pretty comprehensive overview of the many activities we're doing in the region back in October and so this is our next Northern California Regional Update. We're going to be focusing specifically on the two Northern California environmental documents, one of which is out for public circulation in the public now, and coming to you next month, and one that's coming up.

And because we're focusing on environmental documents, I have Serge joining me so that if we do get into questions about the environmental process we can tag-team and help answer those. So next slide, please.

And so starting with the San Jose to Merced project section, again this is the one that we're going to focus on most today. This project section is our key connection between the Central Valley and what has already been approved through the Central Valley Wye in previous segments that the Board has acted on. And to the Bay Area getting up to San Jose and actually ending just north of the station in Santa Clara.

In this project section, and you can see the red box on the map, the original set of decisions was really focused more than 10 years ago -- and some of these as much as 15 years ago -- on the route to get from the Central
Valley to the Bay Area, so the Altamont Pass versus the Pacheco Pass. With the Board's decision to go with the particular pass for that route, we started the environmental process on this section back in 2009. We've worked extensively with the communities that we go through and looking at various alternative options before settling on a preferred alternative.

Back in 2019 we published a draft environmental document in 2020, made some revisions to it in '21, and we're here today having published the final environmental document last month. Next slide, please.

So in this project section it's roughly 90 miles, as I mentioned, stretching from Scott Boulevard in Santa Clara through San Jose and Santa Clara County before turning east across the Pacheco Pass in joining the Central Valley Wye.

We have four alternatives that we studied in the draft and final environmental documents. The preferred alternative is the purple line, Alternative 4, which extends the blended system and follows the existing rail corridor from San Jose to Gilroy before turning east on the dedicated line with convergence around Casa de Fruta. If you're familiar with driving on 152, that's a big landmark there. And going through to Carlucci Road in Merced County. Next slide, please.
A few refinements that we made between in the preferred alternative just to highlight things that have evolved, continued to evolve, since the Board identified the preferred alternative back in 2019. We made some changes on the design of the Guadalupe River Bridge which is just South of Diridon Station to make sure that we're not affecting the 100-year floodplain there as we build through that area.

And then we've also incorporated two design variants, one around Diridon Station to increase the speed of the curves going in and out of the station from 15 to 40 miles an hour. And one, some very minor modifications to the design of the tunnels in Pacheco Pass to increase the speed there from 200 to 220 miles an hour. And both of those, all of those have been incorporated in the final EIR/EIS. Next slide, please.

Just to cover some of the key kind of statistics for this section, it's as I mentioned almost 90 miles. About 15 miles down is on viaduct and then another 15 miles is in two tunnel sections. One is a mile-and-a-half tunnel, which we call Tunnel One. And then Tunnel Two is a 13-and-a-half-mile tunnel, which is the longest proposed tunnel in the entire system. We have about 30 miles of the systems at grade and various other portions are on an embankment and then a few miles of a little bit of trench.
We also have a variety of water crossings and roadway crossings throughout this section. And we do have various interactions with roads in which we realign and some which we close, again depending on the exact location and design of the system. Next slide, please.

So to give a sense, again -- and the Board had identified the preferred alternative back in 2019 -- and this was one of the summaries that we used at that time in terms of the comparison between the alternatives. And so with the preferred alternative and really the difference being that we're using the existing rail corridor between San Jose and Gilroy, and so we're not having to build a whole new dedicated alignment which would impact a lot more of the communities. So we have in the preferred alternative, using the existing corridor we have the fewest displacements.

We have the fewest impacts on wetlands and habitats. Again, you know when you're building on an existing rail line you're not building on other things.

We have the best access to transit and connecting services, both in Gilroy, and in San Jose.

The fewest visual impacts and fewest impacts to parks along the way, which is very important on the federal regulatory side things.

The lowest capital costs.
And from really one of the key differentiators for this alternative is it allows for the extension of electrified Caltrain service to Gilroy, which has been a long-time goal for those communities as well as for Caltrain as part of their long-range vision. It is really right now we're helping them electrify the line from San Jose to San Francisco. But with this preferred alternative they would be able to completely replace their diesel fleet and move to fully electrified service, increasing the service in the corridor from what they are able to operate today, and obviously reduce emissions and provide other benefits to the communities, including ones in between our stations in San Jose and Gilroy. Next slide, please.

So just to give again a quick snapshot of the environmental process -- and we'll be coming back with a lot more on this next month -- so this is again just skimming the surface on some of these things, but we will have a lot more to say in April when we actually ask for your approval.

We had two comment periods on this project section, one was back in 2020. When we published the draft environmental document we received almost 750 submissions, submissions being letters or public comment that people gave at our hearings for example. When we delivered those into individual comments that we then respond to, we got
almost 5,000 comments in total. About 500 of the submissions were a form letter that we received.

When we published the revised and supplemental draft EIR/EIS in 2021 that was really focused on some regulatory changes around the treatment of endangered species, including mountain lion and monarch butterfly, as well as noise and light mitigation for wildlife. We received 16 submissions and 226 comments on that one.

And of course then our work since that time has been responding to every comment and then addressing the issues that they've raised. Next slide, please.

And this is just meant to try to give us at least a sense of where the 5,000 comments were focused on. And so we had a variety of topics that really bubbled up, and we'll be talking about this more, but everything from specific alternatives, there was a big focus on displacements, on wildlife habitat and movement, certainly on traffic and cultural resources, and of course environmental justice.

And so in response to the comments that we received, we either modified or added additional analysis in the final environmental document. We also modified or added additional mitigations to address the issues that were raised. And of course you know, we will have a lot more to say about this next month and as we brief the Board
on the way to asking for your approval. Next slide, please.

And just again the little bit of preview of what we'll be talking about in April, we'll cover in a lot more depth the history of the alternatives’ development. I gave just sort of the couple of bookends of where we started in terms of alternatives versus in particular where we landed with the final EIR, but there's a whole story in between there.

And we’ll provide an overview of the stakeholder engagement that we've had over the many years, over 13 years of developing this project section.

We'll talk about the key project effects and mitigation measures.

We’ll focus on station planning in both San Jose and Gilroy and the work that we're doing with those communities.

And important, we have a variety of important wildlife areas in this project section, so we'll cover wildlife movement and impacts and the mitigations that we're proposing there, as well as environmental justice and other key topics from the final environmental document.

So I think that's -- and then one more slide, I think, on this part.

So and again this is sort of our standard
procedure. We'll have a two-day Board meeting in April where we'll ask -- well we will first give our presentation. During Day One we will take public comment on the final.

And for the Board's consideration the Board will have an opportunity to ask us to come back and clarify anything on Day Two. And then you'll be asked to consider whether to certify the final environmental document as the CEQA lead agency and then the approve the preferred alternative and related CEQA decision documents and direct the Authority, or the CEO to issue the Record of Decision under the Authority’s NEPA assignment. So those will be the actions in front of you next month.

And then I think I have just two quick slides to cover the San Francisco to San Jose project section and updates. And this one is a little bit of a further look ahead, this one whereas we're wrapping up San Jose to Merced we're turning our attention towards finalizing San Francisco to San Jose, and so we expect this one in the coming months.

But this project section is a little bit unique, at least in Northern California, where we are both already investing in this quarter through the electrification project. And really what we're studying is when we're using the Caltrain corridor what are the needed
improvements on top of the electrification project in order to have high-speed rail service here.

And so we have three stations that we’re looking at in San Francisco and Millbrae and San Jose in this project section. We have two alternatives that differentiate between the location of the light maintenance facility, either on the east or west side of the tracks in Brisbane. The preferred alternative has that on the east, Alternative A.

We also looked at an option that that had a passing track and one that didn't in the middle of the corridor between San Mateo and Redwood City. Again, the preferred alternative was the one without an additional passing track based on our operational analysis for the blended system with Caltrain.

And then we had various options for the approach into Diridon Station, that's primarily driven by the decisions ultimately made in San Jose to Merced there because those need to obviously tie in together as the intersection points.

We also had an additional design bearing that we looked at around the Millbrae Station and we’ll be covering that in more detail as we get to this one as it comes up in its order.

BOARD MEMBER ESCUTIA: Excuse me, Boris? On
Millbrae, I would be very interested in being kept abreast of that. I have been approached by several Council Members of Millbrae and they're very concerned that their opinions, their thought processes as to what's the best location for the station, is not being taken into consideration.

MR. LIPKIN: Yeah, we don't have a lot of engagement with the city. And I'd be happy to set up a briefing with you to give you the background on how that's going and where we're at with them if that would be of interest.

BOARD MEMBER ESCUTIA: Thank you.

CHAIR RICHARDS: Anything else, Mr. Lipkin.

MR. LIPKIN: Yeah, last slide I promise. I'm almost done here.

Just a similar overview kind of the process here. We published our draft environmental document back in 2020. We came back with a revised and supplemental draft EIR last year. That one was focused on the monarch butterfly. We don't have mountain lions on the peninsula or at least mountain lion habitats. And as well as the Millbrae design variant that I mentioned.

And then we're looking to publish the final EIR/EIS here in late spring, so late May or to June. And then looking to bring that one to the Board in the summer, so probably July or August as we are finishing that one.
off.

So that's the quick swing around the two project sections in Northern California. And again we'll have a lot more next month on San Jose to Merced and a lot more on San Francisco to San Jose in the coming months. So thank you, happy to answer questions.

CHAIR RICHARDS: Thank you very much. Any questions for Mr. Lipkin? (No audible response.) Seeing none then Boris, thank you. We'll look forward to seeing you in a month or so.

With that members and colleagues, we have now moved onto Agenda Item Number 4, which is the CEO Report. Brian Kelly, you're up.

MR. KELLY: Thank you Mr. Chairman. I will be brief there's only a couple of items to cover in this CEO report this month. If we could pull up the PowerPoint, please.

I'm going to cover three items in this -- there you go -- three items in this report. One is an update on our most recent Cap-and-Trade auction from earlier this month. An update on our future Board meetings, which will be different than what we've done in recent months. And then there's a great video at the end, just a couple of minutes long, which is our spring construction update, which I am happy to share with the Board and the public.
So let's go on to the first slide, please.

This slide just depicts where Cap-and-Trade has been, and particularly the last four auctions on the right side of this slide, is what I call your attention to. These have been the best. If you annualized the four auctions, quarterly auctions, it's been the best year in the history of the program for Cap-and-Trade funds for High-Speed Rail. That’s an annualized figure of $1.047 billion from Cap-and-Trade.

And just four auctions, the last one in February, was just under $244 million. And you see we had a record high the month before that, and two very strong auctions just prior to that as well. So you could see really if you start in the middle where that gold line is you can see the stabilization as we come out of COVID. And how the market is stabilizing, and the auctions are very robust.

The primary driver of the higher auction proceeds is auction settlement price is significantly about what they call the reserve price. In February that auction settlement price was $29.15 per allowance versus a reserve price of $19.70.

So it just shows that the allowances are in high demand. And I think as long as we've got strong policies nationally and in the state on moving forward on strong greenhouse gas reduction strategies, this will continue to
be a vibrant program.

The final '22 Business Plan will be updated to include the February auction in the final draft. Next slide.

Moving from Cap-and-Trade I just want to remind the Board members or indicate that beginning next month in April we go back to the sort of pre-COVID protocols and practices for our monthly meetings. So the upcoming April meeting is proposed to be a two-day Board meeting. It's currently scheduled April 20th and April 21st. Again, it’s in-person at what's called the East End Complex, 1500 Capitol Avenue. It’s the Department of Healthcare Services here in Sacramento. We have met there before in their nice auditorium, it's really good facility for us.

And again, we expect that action items coming up are the question of adopting the 2022 Business Plan. And as Boris just outlined, the EIR/EIS for the San Jose to Merced sections. But again, we're getting back to in-person meetings. Next slide.

BOARD MEMBER SCHENK: Brian, before you move on?
MR. KELLY: Yes?
BOARD MEMBER SCHENK: Since it's a two-day meeting and it's in-person, can we at least start the second day earlier than 11:00? You know, like 9:00 or --
MR. KELLY: Yeah, let's look at that. I know
that the thing that we just have to plan for is to make sure that the environmental team has sufficient time to respond to the comments the day before. And so I just want to make sure that they've got sufficient time. I'll go back and look at that and we will try to do it as early as we can on the second day.

BOARD MEMBER SCHENK: Yeah, because without high-speed rail there are very limited flights back.

MR. KELLY: Yeah, and just to note getting back to the future in-person meetings, I know that some Board members, some Directors, may wish to call in. Of course we want to encourage as much in-person is possible at this point. However, I understand that some may still want to call in or do it remotely. And I just want to remind folks of sort of the pre-COVID rules for that.

The Authority must include a teleconference location for Board members not participating in-person on the agenda. Those locations must be accessible to the public, so it's not the same as being able to do it from, say your home. It's got to be in a place where the public can be accessible.

Ensuring the equipment is sufficient. We have to post an agenda at those teleconference locations. And if any member or the public attends at the teleconference location they must be able to address the governing body in
the same manner as those attending in-person. All votes taken at the meetings with teleconference must be with a roll call vote.

So again, we're not excluding any options that were not provided before, but we do have to go back to those prior rules for how we do it. And I want to make sure the members all are aware of that, okay. Next slide.

This is just a brief video for the members and then this will conclude the CEO Report for this month. And it's just a simple update on what we call our Spring Construction Update. We try to put these out quarterly and this is the latest, so I think with that I’ll as the team to run the video.

(Start of Spring Construction Update Video.)

“NARRATOR: Let's start in Construction Package 1. At the Avenue 15 1/2 grade separation in Madera County the construction of the substructure is complete. Concrete has been placed at the east abutment while the abutment to the west is taking shape. Between downtown and Fresno’s Chinatown, work continues on the Tulare Street underpass.

“Both tracks of the Union Pacific Railroad have been cut over to the shoofly, a temporary track built for construction of the underpass.

“And to the west you can also see progress at the G Street bridge where crews have placed concrete for the
bridge deck that will take traffic over the underpass.

“Concrete has been placed to form three of the four concrete arches at the Cedar Viaduct over State Route 99.

“And just to the south, MSE walls continue to go up bringing the Cedar Viaduct and Muscat Avenue Viaduct together.

“In February in Construction Package 2-3, the Authority celebrated the completion of the South Avenue grade separation.

“At Adams Avenue, 16 concrete precast girders for the superstructure of the grade separation have been placed.

“Next up, the setting of precast concrete panels to form the deck of the structure.

Crews at the Conejo Viaduct are working late nights and weekends, to set 248 precast concrete girders for the pergola section of the structure.

“As of March 1st, 33 girders that stand nearly 124 feet long, and weigh more than 150,000 pounds each, have been placed.

“Twelve precast concrete girders will be installed at the Dover Avenue overcrossing in Kings County this spring. When complete, the overcrossing will stretch nearly 227 feet long.
“And in Tulare County, more than 100 Cast-in-Drill Holes, or CIDH holes have been completed for the foundation of the Tully River Viaduct; 32 of the 75 columns needed for the pergola section are also now complete.

“2022 kicked off with Construction Package 4 with 15 precast concrete girders being installed at the McCombs Road grade separation in Kern County; 360 precast concrete deck panels will be installed to form the top of the superstructure.

“Carpenters and ironworkers continue to work on the remaining edge girder sections and the Wasco Viaduct.

“Post-tensioning activities are now underway to reinforce the concrete before the last four girders are installed on the south side of the pergola structure.

“And at the Kimberlina Viaduct, nearly 560 cubic yards of concrete was poured to form the lower deck of the structure.

“Ironworkers will continue working on the stem walls by continuing to tie rebar. And crews will place concrete throughout the spring.”

(End of Spring Construction Update Video.)

CHAIR RICHARDS: You with us, Brian?

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

With that, that concludes my CEO Report. I’m happy to answer any questions if there are any.
CHAIR RICHARDS: Any questions for Brian?

BOARD MEMBER PENNA: I actually have a question.

CHAIR RICHARDS: Yes, Margaret, please.

BOARD MEMBER PENNA: Going back to the Business Plan and the question or the comment by Ms. Uden during the comment period, is it -- could you respond to that, Brian? Is it appropriate to put into the Business Plan? And is that done?

MR. KELLY: I appreciate the question, Director Pena. I actually think her comments were very well advised. And I think we should absolutely put in some elements in the Business Plan of our small business goals and participation, absolutely. And so I think -- and not only that, but also the things we're working through with small business groups. So I think her comments were on point.

BOARD MEMBER PENNA: Okay, thank you.

CHAIR RICHARDS: Any other questions for Brian?

BOARD MEMBER PEREA: Yeah, Mr. Chairman, I do have one question for Brian.

CHAIR RICHARDS: Yes, go ahead, Henry.

BOARD MEMBER PEREA: You had mentioned in your first report that in July we should be closing the bids or receiving the bids on the tracking?

MR. KELLY: Track and systems, yes.
BOARD MEMBER PEREA: Would you give a little more
detail on that in terms of what -- how many applicants we
have at this point?

MR. KELLY: (Overlapping colloquy.) Sure.

BOARD MEMBER PEREA: (Indiscernible) and what
that process will be. And then from July forward then what
will be the plan?

MR. KELLY: Yes. As you know, this has been a
long procurement mostly affected by really two things:
affected by the COVID pandemic, and affected by, in part,
the Legislature’s want for us to slow down the track and
systems contract. We’ve tried to be responsive to both.

So initially we had three bidders on this
contract. At the height of the COVID one of the bidders,
we think due to market risks at the time COVID first
struck, dropped out. And we have two remaining bidders
left on this program. And the bids are due in for the
track and systems in July. Once those are in, we will
update the Board on what those look like. And I think
we're not intending to come back to the Board for any award
of those until October.

But I would also say that as those come in, I
expect there will be additional conversation with our
policymakers and folks from the Legislature about what
those bids look like, what they are and before we come back
to the Board for any final action. But that's where it stands right now. We are looking at a July bid date and roughly an October award date if we move forward.

BOARD MEMBER PEREA: Okay and they're bidding on the single and the dual track?

MR. KELLY: They are bidding on both. Yes, we want to see pricing for both.

BOARD MEMBER PEREA: Okay, thank you.

CHAIR RICHARDS: Any other questions for our CEO? Yes Lynn?

BOARD MEMBER SCHENK: Yeah, Brian, you know it's been a long time since I've been up in the area, you know, COVID (indiscernible). I for one would love to get a tour if it doesn't impact too much on staff.

MR. KELLY: Yeah, you mean on that construction site?

BOARD MEMBER SCHENK: Yes.

MR. KELLY: Oh, absolutely. Yeah, we will make that work anytime.

BOARD MEMBER SCHENK: If we could arrange that maybe there are others who want to join, but I want to say it's been too long since I've been up there.

MR. KELLY: Why don't we put out at the staff level, why don't we put out an invite to Board Members? We've got to be mindful of making sure we don't have a
quorum. But yeah, we could do it in sections. But I'd love to bring all Board Members out at some point to see to see the construction sites, absolutely.

BOARD MEMBER SCHENK: Great. I think it's important that we see it. Yeah, thank you.

MR. KELLY: Thank you.

CHAIR RICHARDS: Thank you, Lynn.

Any other questions? (No audible response.) All right Brian, thank you. We'll move on.

MR. KELLY: Thanks, Mr. Chairman.

CHAIR RICHARDS: Yes, okay.

Let me just touch on Item Number 5 on the F&A, the Finance and Audit Committee Report this morning. I'm sensitive to the fact that we've also got a closed session after this, so I'll go as quickly as possible.

Under Accounts Payable and Aging, two things: I'd say one, the Authority has not had a late payment now for five years as was pointed out by our CFO today compared to where we were when we were many years ago. That's pretty astounding.

In terms of Disputed Invoices, about the same as last month, just slightly above $96 million.

In terms of Invoices Paid, they were up by about $24 million to $111 million. This would be for the month of January.
And the value of Invoices in Process, down about $1 million to $74 million.

In looking at our Cash Management, our cash balances this again, at the end of January $1.67 billion. That was down about $130 million from the month before.

Brian has already talked about Cap-and-Trade. I would only let you know that that $1.67 does not incorporate the amount that we expect to have placed in our account for both the November and February Cap-and-Trade sales. And with that in mind that would increase our bank account by about $567 million for those, the receipts from those two sales.

On our Capital Outlay Budget, I think I mentioned last month the expectation in terms of the budget is at about for this -- that would be for the ‘21-22 fiscal year -- about $1.7 billion. Extended through January it’s at $703 million. That was, excuse me, that was about 41.3 percent of the expected expenditure for the fiscal year with about 58 percent of the fiscal year having passed.

Our Small Business Utilization Rate was up 110th of a percent to 23.6 percent. And it’s been steadily going up at roughly that rate for the last several months.

We had a Contingency drawdown of about $244 million. And that was not spent, but it was the drawdown making allocation for that contingency amount. It included
primarily a TIA of about $122 million; the Golden State Boulevard in Fresno, $47 million; and a contract extension of $27 million.

With regards to the Central Valley Status Report, we averaged in January, 802 workers per day on our construction sites. In terms of construction project our process structures under construction are completed, remained at 66 out of a total of 93 that will be unnecessary for the completion of 119 miles. The guideway of 119 miles, the amount under construction or completed it increased by 1 mile to 87 miles.

And Right-of-Way, 8 parcels were delivered in January. That took us to 249 parcels with a need of -- or excuse me, 2,049 if I didn't say that -- with a need of 22,186 so we're about 90 percent on our right-of-way delivery.

And with that I'll conclude that. Are there any questions on that? (No audible response.)

If there are none, we will now for the people from the public, you will note if you have looked at our agenda, we do have a closed session and we'll move to closed session now. I don't expect this to be all that long, I'm going to guess maybe around 30 minutes. After which time I'll come back and let you know if there's anything to report from the Board and we'll try to keep
that at about 30 minutes.

So with that thank you all for joining us. And a quick shout-out to all of our IT people who make this possible every month, and to our Board Secretary for the phenomenal jobs that all if you do, along with of course all the people, other people behind the scenes who are making this project happen.

Thank you all, both staff and management.

With that we will now go to closed session. And we'll be back, or I will be back hopefully in about 30 minutes. Thank you.

(Off the Record at 12:10 p.m.)

(On the Record after closed session.)

Good afternoon, ladies and gentlemen. This is the California High-Speed Rail Authority Board Meeting for March 17th.

As you who have been with us know that we moved to closed session. We are back from closed session and closed session has been finished by the Board. And I am back to report to you that there is nothing to report from today's meeting. So I apologize that it took a bit more than 30 minutes than I thought it would take, but with all of that thank you for being with us.

And we'll look forward to seeing you in next month. And that is a two-day meeting having to do with
environmental authorization and approvals.

So with that, thank you again for joining us. Be safe, all the best, and this meeting is now adjourned.

(The California High-Speed Rail Authority went into closed session at 12:10 p.m. and was later adjourned.)
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 30th day of March, 2022.

MARTHA L. NELSON, CERT**367
TRANSCRIBER'S CERTIFICATE

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

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

IN WITNESS WHEREOF, I have hereunto set my hand this 30th day of March, 2022.

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