

CALIFORNIA HIGH-SPEED RAIL CEO Report

Brian Kelly Chief Executive Officer October 20, 2022



2023 PROJECT UPDATE REPORT



October CEO Report

PROJECT UPDATE REPORT Existing Requirements

- The requirements for the Project Update Report (PUR) were established in 2015 by Assembly Bill 95 that added Section 185033.5 of the Public Utilities Code (PUC)
- The PUR is due on or before March 1 of each year ending in an odd number
- PUR requirements established by AB 95 include the following:
 - » A summary of the overall progress of the project
 - » The current and projected budget by segment
 - » A comparison of the current schedule and budget to the 2012 Business Plan
 - » A summary of milestones and issues during the prior twoyear period and milestones expected in the next two-year period
 - » A thorough discussion of risks to the project and steps taken to mitigate those risks

Assembly Bill No. 95
CHAPTER 12
An act to amend Sections 99314.6 and 185035 of, and to add Section 185033.5 to, the Public Utilities Code, to repeal and add Section 7104.4 of the Revenue and Taxation Code, to amend Sections 73.1, 156.1, 157.2, and 894.6 of, to add sections 156.5, 894.9, and 2106.6 to, to add and repeal Section 73.2, of, and to repeal Article 4 (commencing with Section 894.6) of Chapter 8 of Division 1 of, the Streets and Highways Code, to amend Sections 5205.5 and 22352 of the Vehicle Code, and to amend Item 2665-306-6043 of Section 2.00 of the Budget Act of 2012 (Chapter 21 of the Statutes of 2012), relating to transportation, and making an appropriation therefor, to take effect immediately, bill related to the budget.
[Approved by Governor June 24, 2015. Filed with Secretary of State June 24, 2015.]
LEGISLATIVE COUNSEL'S DIGEST
AB 95, Committee on Budget. Transportation. (1) Existing law creates the State Transit Assistance program, under which certain revenues in the Public Transportation Account are allocated by formula for public transportation purposes. Under that program, funds may not be allocated to a transit operator for operating purposes unless the operator meets one of 2 specified efficiency standards, subject to certain exceptions. However, existing law suspends those restrictions with respect to allocations for operating purposes made through the 2014–15 fiscal year. This bill would continue the suspension of those restrictions through the 2015–16 fiscal year. (2) Existing law, the California High-Speed Rail Act, creates the High-Speed Rail Authority to develop and implement a high-speed rail system in the state, with specified powers and duties. Existing law requires the authority is establish an independent peer review group for the purpose of reviewing the planning, engineering, financing, and other elements of the authority's funding plan for each corridor. Existing law specifies the required qualifications for the members of the peer review group. This bill would revise the required qualifications for certain members of the peer review group. (3) Existing law, as part of an amendment of the Budget Act of 2012, appropriates \$2,609,076,000 from the High-Speed Passenger Train Bond Frain to the High-Speed Rail Authority for construction of the high-speed rail project and makes that appropriation available for encumbrance until June 30, 2018. Existing law requires the authority to provide a project update



PROJECT UPDATE REPORT New Requirements

- In June 2022, Senate Bill 198 added Section 185033.7 of the PUC, added further reporting in the PUR with a focus on the Merced-to-Bakersfield segment
- Schedule Updates now to include:
 - » Completion of the 119-mile dual track segment
 - Completion of right-of-way, planning, and advance engineering, and stakeholder agreements for the Merced and Bakersfield extensions
 - » Completion of a funding plan that includes federal funding awards for the Merced to Bakersfield segment
 - » Additional milestones required for the completion of the Merced to Bakersfield segment and the full Phase 1 System

• Cost and Funding Updates now to include:

- » Costs of civil works and contract cost for the Merced to Bakersfield segment
- » Merced-to-Bakersfield costs of right-of-way, acquisitions, utilities, third-party agreements, rolling stock, and stations
- » Funding commitments beyond the Merced to Bakersfield segment

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Senate Bill No. 198
CHAPTER 71
An act to amend Section 14533.5 of, to add Section 14669.20 to, and to add Chapter 6 (commencing with Section 14560) to Part 5.3 of Division 3 of Title 2 of, the Government Code, to amend Section 39719 of, and to add and repeal Section 39719.3 of, the Health and Safety Code, to amend Section 6821 of the Public Contract Code, to add Sections 185033.7 and 185036.5 to, and to add Division 19.7 (commencing with Section 187000) to, the Public Utilities Code, to amend Section 117 of, and to add Sections 104.3 and 2196.2 to, the Streets and Highways Code, and to amend Section 22511.55 of the Vehicle Code, relating to transportation, and making an appropriation therefor, to take effect immediately, bill related to the budget.
[Approved by Governor June 30, 2022. Filed with Secretary of State June 30, 2022.]
LEGISLATIVE COUNSEL'S DIGEST

SB 198, Committee on Budget and Fiscal Review. Transportation. (1) Existing law requires the Department of Transportation to advance funds to a public entity eligible for those funds for a guideway project when specified conditions exist, including, among others, that the California Transportation Commission has allocated the funds pursuant to specified provisions of law. If, upon completion of the project, the advance, together with specified interest on the advance, exceeds that portion of the actual reimburseable costs for which the public entity has not been reimbursed, existing law requires the public entity to repay the excess to the state for deposit in an account from which the advance was made. Existing law requires the department to submit a report to the Legislature if the department encounters any substantial problems in carrying out the funding advance program.

This bill would revise and recast the funding advance program to authorize, instead of require, the department to advance funds for a transit or passenger rail project or project component when specified conditions exist. The bill would authorize the department to adopt guidelines to advance funds under these provisions. The bill would revise the conditions that are required to be met before the department may advance funds by, among other things, authorizing the funds to be advanced if the commission has allocated funds pursuant to the Transit and Intercity Rail Capital Program. The bill would require the lead applicant agency or the recipient agency to the state if the department, the Transportation Agency, or any other state agency charged with monitoring the stewardship of public funds makes a certain finding with regard to the use of funds available to the project. If



Project Update Report Theme: Getting to Operations

- Steps for delivering Merced Bakersfield is central theme to the 2023 Report
 - » Governor Newsom proposed initial service in this corridor
 - » Legislature has prioritized it with passage of Senate Bill 198
 - » Building out from the initial 119 miles of infrastructure nation's first high-speed rail test track
- Objective show Authority's plan to deliver by end of decade
 - » "Here are our goals"
 - » "Here are the milestones we are driving toward to deliver it's a multi-pronged effort"
 - » "Here are the risks"
- Southern California and Northern California regional updates
 - » Milestones over last two years and projections for next two years
 - » Emphasis on partnerships, e.g., Caltrain, Link US
 - » Potential to advance design -- pending federal grant applications
- New ridership model with new forecasts
- Continued emphasis on project benefits
 - » Economic/jobs
 - » Mobility/connectivity
 - » Climate/sustainability



Project Update Report: Outline

- Letter from the CEO
- Ch. 1 Steps to Getting Trains Running in California (*Merced-Bakersfield*)
- Ch. 2 Funding and Affordability
- Ch. 3 Advancing Statewide Northern and Southern California
- Ch. 4 Management of our Key Issues
- Ch. 5 Building Confidence Through Risk Management
- Appendices
 - » Statutory Requirements
 - Existing AB 95
 - SB 198 Schedule Updates
 - SB 198 Cost and Funding Updates





PROGRAM UPDATE





OPActor

CEO REPORT Program Update – CP 1

- Provisional Sum
 - » Change Order: 00048
 - » Justification: The Authority previously approved adding the relocation of AT&T and PG&E facilities to the CP 1 contract. This change in scope mitigated the conflicts with the High-Speed Rail alignment and PG&E/AT&T overhead and underground facilities. The total cost of executed PG&E/AT&T Provisional Sum Task Orders has exceeded the budget. This change order allows for additional funds to be allocated to continue processing facility relocation work.
 - » Scope of Work: No new change to the overall scope.
 - » Cost: \$38,000,000



CEO REPORT Program Update - CP 1

- Sweeper Package
 - » Change Order: 00455
 - » Justification: The original contract excluded stairways, cable trough, invert and walkway concrete, and precast covers (walkway) within the Trench and Aerial Structure as work elements within the CP 1 Scope of Work. The Authority revised the contract's original Directive Drawings by transferring these excluded work elements into TPZP's original contract, increasing the contract's original scope of work.
 - » Scope of Work: Added new work elements.
 - » Cost: \$63,675,300



CEO REPORT

Industry Forum Outreach

- Authority is conducting a virtual industry forum to answer questions ahead of two upcoming procurements:
 - » Rail Systems Engineering Services
 - » Construction Management Services for Rail Design-Build-Maintain contracts
- Procurements will allow Authority to enter into agreements for professional services to support and add expertise to:
 - » Rail Systems Engineering
 - » Design oversight and construction management for Track and Systems as well as manufacturing and construction management for future trainsets and facilities
- Virtual event on:
 - » Monday, October 24
 - » 11am
 - Includes live Q and A



CEO REPORT Railroad Crossing Elimination Grant Application

- Federal grant application submitted to FRA on October 11 for \$67 million
- Funding would contribute to the elimination of six at-grade crossings in Shafter as part of the Bakersfield extension:
 - » Constructs two grade separations (Poplar Ave. and Riverside St.)
 - Completes design and ROW of four grade separations (Fresno Ave., Shafter Ave., Central Ave., and E. Lerdo Hwy)
- Funding would also continue supporting the Central Valley Training Center in Selma
- Grant intended to improve the health and safety of underserved communities in the Central Valley







INNOTRANS

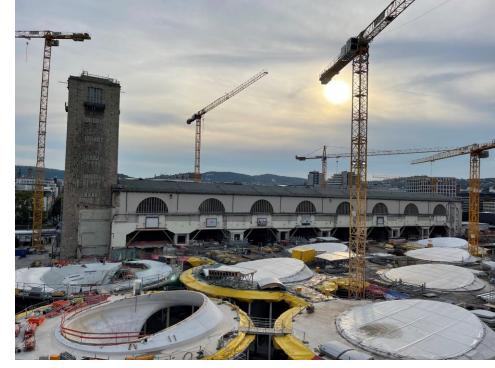




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InnoTrans 2022

- California High-Speed Rail, CalSTA, Regional Rail / Transit Partners participated in delegation visit to the 2022 international conference
- Visit included:
 - Participation on an international panel with global rail leaders
 - » Maintenance facilities site visits
 - » Construction tours
 - » Station tours and learning opportunities
 - » Operations Control Center visit and discussion
 - » Meeting with the US Embassy in Berlin
 - » Meeting with the Transport Minister









Questions



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