

CALIFORNIA HIGH-SPEED RAIL AUTHORITY

BOARD OF DIRECTORS MEETING

THURSDAY, JUNE 16, 2022  
11:30 AM

Location

California High-Speed Rail Authority  
Fresno Office Board Room  
1111 H Street Fresno, CA 93721

Satellite Location

Hyatt Regency Aventine  
3777 La Jolla Village Drive  
San Diego, CA 92122

Webcast available at: [www.hsr.ca.gov](http://www.hsr.ca.gov)

Reported by:  
M. Nelson

APPEARANCESBOARD MEMBERS

Tom Richards, Chair

Nancy Miller, Vice Chair

Ernest Camacho

Lynn Schenk

Henry R. Perea, Sr.

James C. Ghielmetti

Martha M. Escutia

Anthony Williams

Margaret Pena

EX OFFICIO BOARD MEMBERS

Assembly Member, Dr. Joaquin Arambula

Senator Lena A. Gonzalez (Absent.)

STAFF

Brian P. Kelly, Chief Executive Officer

Brian Annis, Chief Financial Officer

Garth Fernandez, Central Valley Regional Director

Daniel Horgan, Deputy Chief Operating Officer

Serge Stanich, Director of Environmental Services

Moe Ramadan, Acting Board Secretary

APPEARANCES (Cont.)

PRESENTERS:

Brian P. Kelly, Chief Executive Officer

Garth Fernandez, Central Valley Regional Director

Brian Annis, Chief Financial Officer

PUBLIC COMMENT:

David Schwegel, Phelps Engineering Services

Ann Schneider, Millbrae Councilwoman

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P R O C E E D I N G S

11:37 a.m.

PROCEEDINGS BEGIN AT 11:37 A.M.

CALIFORNIA, THURSDAY, JUNE 16, 2022

CHAIR RICHARDS: Good morning, ladies and gentlemen. And welcome to Fresno, California, home of at least three of us here today. Thank you for joining us for the June edition of the California High-Speed Rail Authority's Board of Directors meeting.

This morning we will start by asking the Secretary to please call the roll.

MR. RAMADAN: Thank you, Mr. Chairman.

Director Schenk?

BOARD MEMBER SCHENK: Here.

MR. RAMADAN: Chair Richards?

CHAIR RICHARDS: Yes, here.

MR. RAMADAN: Director Camacho?

BOARD MEMBER CAMACHO: Here.

MR. RAMADAN: Vice Chair Miller?

VICE CHAIR MILLER: Here.

MR. RAMADAN: Assemblymember Arambula?

EX OFFICIO BOARD MEMBER ARAMBULA: Here.

MR. RAMADAN: Director Perea?

BOARD MEMBER PEREA: Here.

MR. RAMADAN: Director Ghielmetti?

1 BOARD MEMBER GHIELMETTI: Present.

2 MR. RAMADAN: Director Escutia?

3 BOARD MEMBER ESCUTIA: Here.

4 MR. RAMADAN: Director Williams?

5 BOARD MEMBER WILLIAMS: Here.

6 MR. RAMADAN: Director Pena?

7 BOARD MEMBER PENA: Here.

8 MR. RAMADAN: Senator Gonzalez?

9 EX OFFICIO BOARD MEMBER GONZALEZ: (No reply.)

10 MR. RAMADAN: Mr. Chairman, we have a quorum.

11 CHAIR RICHARDS: Thank you, Moe.

12 And ladies and gentlemen, welcome, and around the  
13 state by television or radio.

14 Director Perea, if you'd lead us in the Pledge of  
15 Allegiance?

16 (Whereupon the Pledge of Allegiance was recited.)

17 CHAIR RICHARDS: Thank you, Director Perea.

18 With that, ladies and gentlemen, we will begin  
19 public comment. And again, Moe, you're up.

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

21 Good morning, all. Before we begin public  
22 comment, I would like to go over some important  
23 information. For members of the public who have joined us  
24 in person and wish to provide public comment, you'll be  
25 called in the order that we have received your card. Right

1 now would be the opportunity to provide me your comment  
2 card if you have not done so.

3           Please slowly and clearly say your first and last  
4 name, and if applicable state the organization you  
5 represent. We are also allowing members of the public to  
6 provide comment remotely by telephone after in-person  
7 public comment.

8           Public comment will be limited to two minutes  
9 unless instructed otherwise by the Chairman. The Operator  
10 has also been instructed to provide these instructions over  
11 the telephone.

12           We will start with David Schwegel. The first  
13 public comment, David Schwegel.

14           MR. SCHWEGEL: Good morning, Board Members, David  
15 Schwegel, D-a-v-i-d Schwegel, S-c-h-w-e-g-e-l, spelled like  
16 "sweet gel rhymes with bagel." I get to represent US High  
17 Speed Rail and I have three asks.

18           Ask number one is this: watch the movie "Moving  
19 Violations." Not only will you get a good laugh, you'll  
20 also be reinforced on the importance of bringing traffic  
21 engineers into the conversation to validate claims that one  
22 HSR line carries the passenger equivalent of a 12-lane  
23 freeway with airports at either end, and generates \$355  
24 billion in economic returns.

25           Two, once Palmdale to Burbank is environmentally

1 cleared by the Authority, and Merced to Sacramento goes  
2 into construction by a third party -- be it Altamont  
3 Corridor Express or Brightline -- send Toni Tonoco here in  
4 Fresno over to Washington DC to do the ask for the \$50  
5 billion federal contribution. Because Toni's enthusiasm is  
6 contagious and how could they say no with her energy and  
7 enthusiasm?

8 Third and finally, I live in Clovis, but work in  
9 Reno. Last night it took me eight-and-a-half hours to get  
10 home by plane. So remember that we need the system built  
11 and it needed to be built yesterday, because I need a  
12 viable alternative to eight-and-a-half hours by plane, or  
13 five hours by car. Thank you.

14 CHAIR RICHARDS: Thank you, Mr. Schwegel.

15 And, Garth, is Toni here? You believe in all --  
16 you agree with all that, Toni? You've got a new challenge.  
17 Okay.

18 MR. RAMADAN: Is there any other members of the  
19 public who wish to provide public comment in person before  
20 we go over the telephone?

21 Amy, (phonetic) can we begin public comment over  
22 the phone?

23 AMY: Yes, if you have a public comment for  
24 today's conference, please press 1 then 0 at this time. We  
25 have public comment from Councilwoman Ann Schneider, please



1 go ahead.

2 MS. SCHNEIDER: Thank you. Hi, my name is Ann  
3 Schneider, Councilwoman, former Mayor of the City of  
4 Millbrae. The item I'm speaking on today is the San  
5 Francisco to San Jose Reach and of course, the really  
6 disappointing final EIR on this reach in terms of how you  
7 are treating the City of Millbrae.

8 I've only read the more critical portions  
9 searching on Millbrae, and you do not include Center Street  
10 as one of the upgrade crossings. There's so many things  
11 lacking in the environmental impact report, but most  
12 saddening is the end result is, "Well, Millbrae, you will  
13 lose economically. You will not be able to build housing.  
14 We will turn you into a surface parking lot, which will add  
15 to our heat island. We'll continue to provide or create  
16 the problem of the unhoused being pushed off BART, which  
17 then fan out in these vacant properties creating fire  
18 dangers."

19 But basically, you go around the state talking  
20 about how high-speed rail is a fine financial plus to  
21 communities, is an environmental plus. But to my community  
22 it is an environmental loss. It is an economic loss. It  
23 is a housing loss and that EIR is just plain horrible. I  
24 know this will come in the next Board Meeting with a long  
25 meeting, but truly you were treating Millbrae -- what does

1 it say in the report in many places? It's more, "Sorry,  
2 Millbrae, too bad. Too bad we're going to hurt you, but  
3 it's for the better regional good." And that is shameful.  
4 Thank you.

5 CHAIR RICHARDS: Thank you, Ms. Schneider.

6 MR. RAMADAN: Amy, do we have anybody next?

7 AMY: For those of you that were late joining,  
8 please press 1 then 0 if you have a public comment. (No  
9 audible response.) And there are no further public  
10 comments, please continue.

11 MR. RAMADAN: Okay, we'll keep the line open.  
12 Thank you, Amy.

13 CHAIR RICHARDS: Thank you, Mr. Secretary.

14 And ladies and gentlemen, you'll note from our  
15 agenda today that we only have one action item, which is  
16 the minutes from our April meeting. Thereafter we have  
17 some, I think very important and interesting information  
18 items at today's meeting.

19 So, with Item Number One on the agenda, the Board  
20 minutes for April 27-28, assuming there's no changes or  
21 recommendations, do we have a motion for approval?

22 BOARD MEMBER: So moved.

23 BOARD MEMBER: Second.

24 CHAIR RICHARDS: Motion and second, please call  
25 the roll.

1 MR. RAMADAN: Director Schenk?

2 BOARD MEMBER SCHENK: Abstain since I wasn't

3 here.

4 MR. RAMADAN: Chair Richards?

5 CHAIR RICHARDS: Yes.

6 MR. RAMADAN: Director Camacho?

7 BOARD MEMBER CAMACHO: Yes.

8 MR. RAMADAN: Vice Chair Miller?

9 VICE CHAIR MILLER: Yes.

10 MR. RAMADAN: Director Perea?

11 BOARD MEMBER PEREA: Yes.

12 MR. RAMADAN: Director Ghielmetti?

13 BOARD MEMBER GHIELMETTI: Yes.

14 MR. RAMADAN: Director Escutia?

15 BOARD MEMBER ESCUTIA: Abstain, I was not

16 present.

17 MR. RAMADAN: Director Williams?

18 BOARD MEMBER WILLIAMS: Aye.

19 MR. RAMADAN: Director Pena?

20 BOARD MEMBER PENA: Aye.

21 MR. RAMADAN: Director Schenk?

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

23 CHAIR RICHARDS: Thank you, Mr. Secretary.

24 Moving on to Item Two today is a Construction

25 Update and our CEO, Brian Kelly, will start it out.

1 (Off-mic colloquy)

2 CHAIR RICHARDS: Thanks for joining us today, Mr.  
3 CEO.

4 MR. KELLY: Happy to be here. I'm Brian Kelly,  
5 the Chief Executive Officer of the California High-Speed  
6 Rail Authority.

7 And the Board may recall that in May of 2021, we  
8 did a new sort of format for updating where we are in  
9 construction on the project to do a broader program update.  
10 We repeated that in November of '21. This is the first one  
11 we're doing in 2022 and we'll do one again at the end of  
12 the year.

13 So having had the members get a chance to go out  
14 and see some of the construction sites, today I thought it  
15 was also a good opportunity for us to update where we are  
16 programmatically on the program at this point. So it's a  
17 little bit lengthy, I've got roughly 45-50 slides here and  
18 then happy to answer questions. I'll move through it as  
19 quickly as I can, but again happy to entertain questions as  
20 we go.

21 For some of the slides, I'll be joined by our  
22 Regional Director down here, Garth Fernandez, and our  
23 Deputy COO, Daniel Horgan. Okay, do I have the -- okay go  
24 ahead, next slide. There you go.

25 So the first thing I want to start with is you

1 know where we are programmatically on this project. And as  
2 this slide shows all of the yellow lines on that slide are  
3 indicative of areas where we have cleared the environmental  
4 document. Our program from San Francisco all the way to LA  
5 and Anaheim is about 494 miles. And as I stand here today,  
6 we've cleared 380 of those miles environmentally. So while  
7 that's going on we have this commitment to get operational  
8 between Merced and  
9 Bakersfield. We have Caltrain electrification construction  
10 underway in the Bay Area. We just completed our funding  
11 commitment to the LA Union Station Phase 1 Project and we  
12 are advancing station planning and other design work.

13 But one thing I want to just stick on about that  
14 map and that picture right there, is it does show that  
15 we've cleared now the Bay Area to LA County both into  
16 Palmdale and then the stretch between Burbank and Los  
17 Angeles. We'll be back before our Board in August to clear  
18 the extension into San Francisco. That'll be 423 miles  
19 cleared. And we'll be back in '23 and the beginning of '24  
20 for those two sections that are remaining in Southern  
21 California. So that's where we are.

22 We've made great progress over the last 18 to 24  
23 months on the environmental side and again that picture,  
24 that yellow line there really shows that we can start to  
25 talk about this project in three distinct segments. And

1 that's what I want to do, I want to note that the value of  
2 having cleared the environmental process from the Bay Area  
3 to L.A County really then allows us to talk about this in  
4 three segments of roughly equal length where we are  
5 advancing in different ways. And I wanted to go through  
6 that a little bit with the Board today. Next slide,  
7 please.

8           The first segment I want to talk about is the Bay  
9 Area segment, which is Merced to San Francisco. Again  
10 we'll be back to certify the ROD into San Francisco in  
11 August. If we get that done that's roughly 159-mile  
12 segment. It would be 100 percent environmentally cleared  
13 as of August. We're eligible to advance the design work in  
14 '22 and '23 for those segments. And as part of that we  
15 already -- today we have eligible -- we have the corridor  
16 electrification project with Caltrain under construction  
17 now. That's a 51-mile stretch between San Francisco and  
18 San Jose.

19           More broadly than that the segment construction  
20 is unfunded today, but again getting the environmental work  
21 done, advancing the design work, advancing the Caltrain  
22 corridor work is all work to help get the electrified rail  
23 from the Valley into the into Silicon Valley or into the  
24 Bay Area. So our goals, based on where we are today as we  
25 would describe it, is to advance the design work where we

1 can in 2023.

2           Again we've finished the environmental. We've  
3 applied for some federal funding to advance that design  
4 work. And if we receive it there's a good opportunity for  
5 us to continue to advance the ball in this segment.

6           We want to identify needed right-of-way. We know  
7 for example, there's a right-of-way segment between Gilroy  
8 and San Jose that is owned by the UP Railroad that we are  
9 in negotiations on to try to clear and gain access to that  
10 right-of-way, so we can build the operating segment we'll  
11 need between Gilroy and San Jose.

12           There's an opportunity with new federal and state  
13 funding that is outside of our budget. I will be clear in  
14 the next slide, our current budget does need to be  
15 dedicated to getting the operating segment going here in  
16 the Central Valley, but there is great opportunity for  
17 shared corridor investments in these other segments  
18 including this segment and early capital investments.

19           And so with that, and advancing that work, we  
20 also would look forward to developing a more substantive  
21 funding plan as we move forward for that segment in the Bay  
22 Area. Next slide, please.

23           Southern California is the next segment. On the  
24 south there it's 164 miles from Bakersfield all the way to  
25 Anaheim, 92 miles of that 56 percent is cleared as of

1 today. The remainder will clear in '23 and '24. We again  
2 would like to advance some of that design work where we've  
3 cleared the environmental documents. And again we have one  
4 of our applications for federal funding would allow us to  
5 do that.

6 We've completed our funding partnership with the  
7 LA Union Station and LA Metro, for Phase 1 of the LA  
8 Station Upgrade including accommodating high-speed rail  
9 service when it gets there. And again this segment  
10 construction is in whole unfunded, but again the idea is  
11 advance this work, identify all the pre-construction needs  
12 we have and get it prepared for when funding might be  
13 available. So again our goals here are identical to those  
14 in the Bay Area and that's the Southern California segment.  
15 Again, about 164 miles on that segment. Next slide.

16 The Central Valley segment, this is of course  
17 where we have the most work going on in construction. You  
18 members had the opportunity to see some of that today and  
19 yesterday. Merced to Bakersfield is the 171 miles early  
20 operating segment we call it. It is 100 environmentally  
21 cleared, 119 miles are currently under construction.

22 We'll be bringing back to the Board in August,  
23 design work for 52 additional miles to cover the extensions  
24 into Bakersfield. And on the north, the extensions into  
25 Merced.



1           We have a track and systems contract with our bid  
2 procurement that is out now. And we're expecting to get  
3 those bids back in September and bring them to the Board  
4 for approval in December.

5           And then we're looking forward to getting into  
6 train procurement in 2023. Trains are a long lead item.  
7 It takes about four or five years to get those things built  
8 and available to us here. But this is the opportunity  
9 that's in front of us here and the work that we have  
10 advancing right now similar to the federal funding  
11 application for the advanced design work. We've also  
12 applied for funding for train sets for electrified train  
13 sets.

14           Of course as you all know, our goal is initial  
15 operations in the Valley by 2030 and that's where we stand  
16 today. Next slide.

17           Central Valley is where we are underway in  
18 construction, so I'm going to focus a lot of attention the  
19 next several slides on just where we are down here.

20           First, is you know where are we now and what are  
21 we trying to get to? We want to of course achieve the  
22 complete project definition here. We want to complete our  
23 right-of-way acquisitions, focus on finalizing all third-  
24 party designs. This is where we're moving utilities and we  
25 have some third parties that we have to work through to get

1 that work done.

2           And then we want to update -- I want to update  
3 our design and construction activities with you today. And  
4 of course as we move along. Next slide.

5           Achieving a full construction management here in  
6 the Valley involves the next four steps. We're defining  
7 all scope and getting it under contract via the execution  
8 of change orders. We are improving or we have improved our  
9 right-of-way planning and management and I'll go through  
10 some of those numbers in just a minute for a more accurate  
11 schedule forecasting. And also better and more reliable  
12 achievement of the acquisition of our parcels.

13           We're concentrating our third-party task force  
14 efforts on expediting the third-party design approvals for  
15 where we are moving those utilities. And we're working  
16 with the design build contractors to re-sequence work and  
17 mitigate schedule impacts where we can. Next slide.

18           First the right-of-way stat status update, you  
19 may recall I reported I think at the beginning of this year  
20 that we had re-structured the management of the right-of-  
21 way real property division. We'd put in some new  
22 performance goals and objectives, and we also put together  
23 a new schedule that we knew could be achievable on getting  
24 the parcels in place and ready to go. And our results so  
25 far are pretty promising, so I just want to spend a moment

1 on this next slide that's just a slide to show where we are  
2 currently on our right-of-way acquisitions.

3           This is for the 119 miles in the Central Valley.  
4 Between 2018 and 2022 we delivered 723 parcels. We did  
5 have to add additional parcels because design was still  
6 getting finished. Design got finished all the right-of-way  
7 and is now in and understood. And as we stand today, we  
8 need 2,309 parcels for the 119 miles, and we have delivered  
9 2,104. That's 91 percent of all the parcels we need are  
10 now delivered to the design builders. Next slide.

11           BOARD MEMBER ESCUTIA: (Indiscernible) questions  
12 after you're done?

13           MR. KELLY: No, whenever you want.

14           BOARD MEMBER ESCUTIA: Just a quick one.

15           MR. KELLY: Sure.

16           BOARD MEMBER ESCUTIA: (Indiscernible). The past  
17 two years has not made me more technically proficient, but  
18 just a quick one. Of the remaining parcels what do you  
19 foresee intractable, anything that might cause some delays?  
20 I mean you know we've been through so many issues like  
21 that.

22           MR. KELLY: No, this is the biggest struggle we  
23 have. I'm pleased with how we're managing our acquisitions  
24 now. And we're moving along. I'm going to show you a  
25 chart in just a minute that shows you we're a little bit

1 ahead of our current schedule, I think.

2 We recently had a decision by a judge down here  
3 on a couple of parcels that did not go our way and that's a  
4 setback in terms of schedule on those. And so we have to  
5 deal with that issue and those issues. We're working with  
6 Caltrans Legal on our next steps on those, but there's a  
7 couple of parcels.

8 Overall I -- you know, I think we're -- and I'm  
9 going to show you in just a second -- we're on track to  
10 deliver on our current schedule. Next slide.

11 This is that slide I was referring to. A lot of  
12 bar charts here, but what it really shows you is that in  
13 January 2021 we had 1,777 parcels delivered. As of this  
14 week or at the end of May we had 2,104 delivered. We had a  
15 goal in our updated right-of-way schedule to be at 90  
16 percent by July 31st of this year and we hit that goal in  
17 April. And so as of today we're at 91.1 percent, a little  
18 bit ahead of schedule. As this chart shows at the end of  
19 the year, we're proposing to be at about 95 percent done  
20 and just really dealing with the last remaining parcels as  
21 we get into '23. Next slide.

22 This is just a slide to really show you that we  
23 are tracking closely the parcels. The different colors on  
24 these rings here are just designed to show how many parcels  
25 are in which part of the process. One, you know, starts

1 with a task or actually something called an RRL, which is  
2 the identification that we need, the parcel. Then we have  
3 a -- we do a task order. We map it first and then we do a  
4 task order to get the work going to appraise the parcels,  
5 start some negotiations, get into condemnation, and  
6 ultimately moving to delivery.

7           And so if you start at the top of these charts  
8 where it's you get that small black line and you move left  
9 in a clockwise motion, of the 205 parts we have left right  
10 now we've got about 140 -- on the order of 140 in  
11 negotiation. I think that number is 17 at the top that are  
12 in escrow now, so those will be closing soon.

13           So again we're advancing the ball. We're  
14 tracking it very, very closely. Next slide.

15           All right, this is the design and construction  
16 update for each of the CPs here in the Central Valley. I'm  
17 going to start with CP4. CP4 -- actually why don't you hit  
18 next slide there?

19           Again, just as a by way of reminder, three  
20 Construction Packages down here covering 119 miles.  
21 Construction Package 1 is the northernmost section between  
22 Madera and just south of the city of Fresno, 32 miles. 2-3  
23 is the 65 miles in the middle, they get into the bottom of  
24 -- the very top of Kern County. And then Construction  
25 Package 4 is the Tulare and Kern County and that is the 22

1 miles of the southernmost part of the 119-mile stretch.

2           So I'll start with Construction Package 4 in the  
3 next slide. Not yet I won't. (Laughter.) Before I get  
4 there, I do want to say and then you will recall this slide  
5 from before. One of the things that we've been working  
6 hard to do is get all the design of all elements of the  
7 scope completed. We need 163 total to get done. We've  
8 completed 161. The other two are supposed to be done by  
9 the end of this month in terms of approved by the  
10 Authority. One was stalled, because we didn't have the  
11 right-of-way to do Geotech work that's been solved and  
12 that'll be done by the end of the month. The other one was  
13 a sweeper package, which is a series of improvements to our  
14 structures that at one time we were going to do in the  
15 track and systems contract, but we moved it back into this  
16 construction contract. And so we're just finishing up the  
17 design of that for purposes of moving that work sooner and  
18 so that should also be done by the end of June, so 161 out  
19 of the 163 are complete. Next slide.

20           Here it is, Construction Package 4. Again this  
21 is the southernmost 22 miles of this program. Next slide.

22           Construction Package 4, again third most  
23 significant Construction Package, a 22-mile stretch. This  
24 will include construction of at-grade, retained fill and  
25 aerial sections of the high-speed rail alignment.

1           We are expecting substantial completion of this  
2 segment in March of 2023, so just about eight or nine  
3 months from now. Next slide.

4           This is our how we report to the Finance and  
5 Audit Committee on how we're doing on schedule and budget.  
6 You want to be -- have an SPI of 1 to show that you're on  
7 track here to complete the work. And we are at .97, so  
8 we're tracking sort of in between the low and the high  
9 here. And in sort of layman's terms we're on schedule to  
10 meet that March 1<sup>st</sup>, 2023, date for schedule. Next slide.

11           This is the score card on kind of where key  
12 elements of the Construction Package lie. On Construction  
13 Package 4 we've approved the design now, for as I said, for  
14 100 percent of these construction packages.

15           Our right-of-way parcels delivered to the design  
16 builder are at 84 percent.

17           Utility relocations are either complete or in  
18 progress for just about just under 60 percent of this  
19 section. And we are 100 percent all the structures are  
20 either complete or in progress down here as well as the  
21 Guideway.

22           Overall contract is spent to just about 80  
23 percent of it we've worked through. Next slide.

24           Again, a number of structures that we have  
25 underway are completed. There are 11 structures on CP4.

1 Three are complete as of today, 8 are in in progress and  
2 all of those are expected to be done, all 11 by the end of  
3 2022. Next slide.

4 The Guideway, of course, is the riding surface  
5 that will support and physically guide the high-speed  
6 train; 21.2 miles of guideway on this section underway, 9  
7 miles complete -- 12. And that's where we stand on CP4.  
8 Next slide.

9 Just a couple of issues that we solved to get 4  
10 into this sort of steady state. One is we had a large  
11 change order we settled several months ago, and brought it  
12 to the Board a while ago, on the intrusion protection  
13 barrier. That change order is executed. That scope is  
14 finalized.

15 We had a time impact, a settlement that we also  
16 dealt with several months ago. And again that's executed,  
17 and that scope is finalized. Really there's no major  
18 change orders left on CP4. And so the physical part of  
19 this is really well in hand and we're moving forward on  
20 this. Next slide.

21 We do have a couple of risk areas that we are  
22 monitoring on CP4 as we go forward. The three issues at  
23 the top are really what they are. We're working closely  
24 with a utility water irrigation district down here,  
25 Semitropic. And we have design and work plan reviews and



1 approvals that we have to work through with them.

2 We're finalizing some permits with the City of  
3 Wasco.

4 And we have some utility and railroad  
5 interactions with PG&E and BNSF that we are working  
6 through.

7 Down below is just an expression of the  
8 mitigations for each of these. For Semitropic we've  
9 assigned staff leads to work directly with Semitropic.  
10 We're now executing over-the-shoulder design reviews,  
11 working closely with our construction management team on  
12 that. And of course we executed an agreement that we  
13 talked about with the Board some time ago in 2021 on how  
14 we'll work together with Semitropic going forward.

15 And so all these additional approvals with  
16 Semitropic are in progress. We've had several approved  
17 now. We only have two left, so again working well.

18 At Wasco you may recall, we received a federal  
19 grant to fund the demolition of the former farmworker  
20 housing down there, which really helped improve our working  
21 relationship with the City of Wasco. Our Central Valley  
22 Regional Director down here is working on five separate  
23 different agreements with the City of Wasco to advance the  
24 construction. I believe three of those are concluded and  
25 two are remaining.

1           And so again a very good working relationship  
2 with Wasco at this point. And it's really a credit to  
3 Garth and his team down here who put in a lot of time to  
4 work through some thorny issues there.

5           And then with the utilities --

6           BOARD MEMBER WILLIAMS: Mr. Kelly? I have a  
7 quick question.

8           MR. KELLY: Sure.

9           BOARD MEMBER WILLIAMS: What's the timeline for -  
10 - first of all thank you and pleased to hear the good  
11 progress being made there. Do you have a sense of the  
12 timeline for when that farmworker housing complex will be  
13 completely demolished? And then do you have a sense of  
14 what will happen after that in terms of with that site?

15           MR. KELLY: Yeah, I'm going to ask Garth to come  
16 up. I can tell you on timing that they're going through  
17 some work with USEPA now to look at the site, to look at  
18 any hazmat issues that may be there, asbestos issues, other  
19 things like that. So they're in coordination with EPA  
20 doing that assessment now. But I think the objective is to  
21 have the demolition begin by the end of this year. But let  
22 me just check with Garth.

23           MR. FERNANDEZ: Yes, that's correct.

24           UNKNOWN SPEAKER: (Indiscernible.)

25           MR. FERNANDEZ: Okay, are we good?

1 UNKNOWN SPEAKER: Yes.

2 MR. FERNANDEZ: Yeah, so like Brian said the City  
3 of Wasco has worked with the EPA through a separate grant  
4 to do the preliminary environmental assessment work on that  
5 facility. We believe that the agreement will be in place.  
6 There's going to be additional construction dollars for EPA  
7 to do that work. And so we will partner with Wasco along  
8 with those grants.

9 And construction, we believe we'll start by the  
10 end of the year. It should be done in the couple of --  
11 four months. The long-term plan for that facility, we are  
12 going to use that --- all of this grant is tied to a 46  
13 Widening Project that we have with Caltrans. And so part  
14 of this is going to be used as a lay-down area for that,  
15 for the project. And we are working with the city to  
16 identify what are those minimum requirements that we're  
17 going to have for that next project.

18 MR. KELLY: Okay, thank you.

19 I think I'll move to the next slide here,  
20 Construction Package 1. This is the next slide. That is a  
21 structure that many of you saw in-person today. That's the  
22 Cedar Viaduct over the Highway 99. I am going to tell the  
23 joke. This is sponsored by McDonald's, and we will be  
24 painting those arches yellow. (Laughter.) No, just  
25 kidding. But we do hope to have 442 billion served. No,

1 just kidding.

2 All right, there you go. There you go. Again,  
3 this  
4 is a 32-mile segment. Again, it includes 19 great  
5 separations, three viaducts, a major river crossing at the  
6 San Joaquin River and two trenches that get us through and  
7 out of the downtown area.

8 We are still working on the revised baseline  
9 schedule for this. It'll be completed this summer, but  
10 part of this is getting the negotiations settled on some of  
11 the scope issues that are being put to bed right now. And  
12 we'll update that shortly. Next slide.

13 BOARD MEMBER PEREA: Brian, could you going back  
14 to -- because some folks have made those types of comments  
15 in with respect to that structure, but there is there's a  
16 purpose for those structures. Maybe you could publicly  
17 talk about why.

18 MR. KELLY: Are you talking about these?

19 BOARD MEMBER PEREA: Yeah.

20 MR. KELLY: These?

21 BOARD MEMBER PEREA: Yeah, what they do in terms  
22 of supporting that structure.

23 MR. KELLY: Well, I mean I'll just say that what  
24 you see on the northern part coming into downtown Fresno,  
25 is a single art structure. That the San Joaquin River

1 Viaduct, which looks a lot like this one, and then this is  
2 coming out of it the sort of double arch structure here.  
3 And it's -- ultimately, it's not just an aesthetic feature.  
4 It's also, at the end of the day it's a load-bearing  
5 stretcher. (phonetic) That it keeps the bridge up when  
6 they tension those, the tension wires that come down from  
7 the arches. And so there is a very functional part of  
8 that, but it was also you know candidly an aesthetic choice  
9 to match how you're coming into the Fresno Valley and then  
10 coming out. And, you know I'm pleased that as much as I  
11 joke about it, that structure -- there's a lot of work  
12 going on and it has gone into that structure. And I think  
13 we're on target for a completion later this year for this  
14 structure, so again it's very visible to the public. As  
15 you see, it crosses over Highway 99, and we've made really  
16 good progress on that. Next slide.

17           Again, just our scorecard for a central -- for  
18 the CP1 rather. We've completed the design reviews on 98  
19 percent of the design packages here. The right-of-way  
20 parcels here really moved well. We're at 93 percent  
21 delivered to the design build team.

22           Utility relocations, and there are a ton of them  
23 here, I'm going to talk more this. Utility relocations on  
24 this segment through downtown Fresno, there's a lot of them  
25 between railroads utility PG&E, AT&T, I think even some

1 utility water district. We just have a lot to move here.  
2 There's on the order of 992 utility relocations through the  
3 Fresno area and so we had a lot underway here. Seventy-one  
4 percent are either in progress or completed.

5           And the structures completed, or in progress, 79  
6 percent. I'll break that down a little bit further in a  
7 minute. And 53 percent of the Guideway is either complete  
8 or in progress. We've worked through about 66 percent of  
9 this contract to date. Next slide.

10           This is just a breakdown of the structures that I  
11 talked about. There are 33 structures down in this  
12 segment: 14 of those are complete, 12 are underway, and 7  
13 are remaining to get started. At the end or by the end of  
14 '22, 4 additional structures will have begun construction,  
15 so they'll move out of the remaining category and into the  
16 underway. And 3 additional will be completed for a total  
17 of 17 structures complete by the end of 2022. Next slide.

18           Miles of Guideway in progress, again this is a  
19 32-mile stretch: 15 miles underway, 2 miles are fully  
20 completed, and about 15 miles are remaining to be to be  
21 cleared. Next slide.

22           The big thing down here is, for this construction  
23 package is a lot of scope changes that occurred post  
24 contract award. We've talked about this in the past and so  
25 we are settling those scope changes once the designs get

1 finished. We're able to settle those, get them into the  
2 contract, and move forward with the work.

3 Here's an example of three that we've negotiated  
4 in the last, I want to say six months or so: McKinley  
5 Avenue, Belmont Avenue and Golden State North and South.  
6 That's actually four, because the bottom two are two  
7 separate change orders. But those have been negotiated,  
8 executed, and that scope is finalized. Next slide.

9 Three remaining down here that are sizable and  
10 under negotiation now include the Guideway construction for  
11 what we call the missing two-and-a-half miles. This is the  
12 Caltrans 99 where Caltrans are relocated Highway 99. There  
13 was a rail element that was taken out of that contract and  
14 now we're putting it in this contractor's contract. And so  
15 we're finishing that negotiation now.

16 Church Avenue is the stretch between downtown  
17 Fresno and really the Cedar Viaduct section that you all  
18 saw today. There's a very complex interchange there that  
19 we have to work through that involves both some trenching  
20 some overpasses, and a lot of utility moves on that  
21 section. We're negotiating that right now as well.

22 And then the downtown area of Tulare, Ventura and  
23 Fresno Streets all have some changes that we are working  
24 through the scope. And finalizing those with the  
25 contractor in real time. Next slide.

1           Again, it's all about utilities down here. The  
2 primary risk areas are tied to the time it takes to move  
3 the AT&T wires, the PG&E design reviews for where we're  
4 moving PG&E facilities. And really the timeliness of our  
5 design approval and right-of-way crossing agreements with  
6 our railroad partners, these are the big risk issues.

7           We convened a third-party task force to focus on  
8 these and present leads for each of these issues. And  
9 we're working through those and having some progress on  
10 this. As I point out in the risk mitigations here under  
11 the PG&E agreement achieved, we are on target to move 230  
12 utilities in this section alone in 2022 through quarter  
13 two. We're on target to meet that. And we've also  
14 commenced some executive level conversations with PG&E to  
15 expedite some additional reviews and those are underway as  
16 well, so I'm participating in those personally.

17           And then our third-party task force, which we've  
18 set up to really focus on these issues and work through  
19 them, as of today they've had 58 issues on their task force  
20 sheet. And they've resolved 69 of those as of today, so  
21 again working through the stuff as aggressively as we can.

22           And then again as we mentioned, we're negotiating  
23 some of the big scope changes that occurred with the  
24 contractor in real time. And that those are the mitigation  
25 steps that we're working through right now. Next slide.



1           Again, not to beat a dead horse, but utilities  
2 are such the issue down the Valley I wanted to spend a  
3 little bit of time on it. I mentioned there's roughly 992  
4 utility relocations just on CP1 here; 650 of those are in  
5 progress or started. The City of Fresno averages about six  
6 times more utility conflicts than other areas of this 119-  
7 mile stretch. There's just a lot of utilities through that  
8 urban area.

9           And as I said earlier just putting the numbers  
10 together, 36 percent of those are completed, 35 percent are  
11 in progress, and 29 percent have yet to start.

12           Again, we're striving to complete over 50 percent  
13 of all relocations in '22 and '23. And there's a little  
14 chart there that shows you how we're planning to advance  
15 that work. We are on target for our goal thus far through  
16 2022.

17           BOARD MEMBER PEREA: So, Brian, of the 29 percent  
18 that are not started and the 35 percent in progress, I mean  
19 do you have a list that shows who those entities are?

20           MR. KELLY: Yes.

21           BOARD MEMBER PEREA: And where you're at, what  
22 the issue is, and when is the target completion?

23           MR. KELLY: For all of them, yes.

24           BOARD MEMBER PEREA: Can you get us a copy of  
25 that?

1 MR. KELLY: Sure. Next slide.

2 Construction Package 2-3. This is the 65-mile  
3 stretch in between 1 and 4. Next slide.

4 Again, 65 miles includes 26 grade separations in  
5 the counties of Fresno/Tulare/Kings including viaducts,  
6 underpasses, and overpasses. Again, we're working through  
7 four major commercial settlement issues with this  
8 contractor that we've briefed the Board on before and  
9 talked about in our 2022 Business Plan. And so as we work  
10 through those issues, we'll be revising the baseline  
11 schedule as well in summer of '22. Next slide.

12 Our scorecard here for where we are on the  
13 various issues on CP2-3, again 99 percent of the packages,  
14 of design packages are completed. We've given the builder  
15 90 percent of the parcels needed for right-of-way; utility  
16 relocations, about 62 percent are in progress or complete;  
17 61 percent of our structures are complete or in progress.  
18 And the miles of Guideway completed progress is about three  
19 quarters, 74 percent. Overall contract, we're through  
20 about 65 percent of the current contract. Next slide.

21 Again just a picture of where we are on each  
22 structure, on the structure count there are 49 in this  
23 section; 19 are not yet started, 19 are underway, 11 are  
24 complete. As we see in that bolted note at the top by the  
25 end of '22, 6 additional structures will begin construction

1 and 5 additional structures will be completed for a total  
2 of 16 completed, with 13 open to traffic by the end of  
3 2022. Next slide.

4 A Guideway similar as you saw earlier, 65 miles  
5 of Guideway here: 51 percent is complete, 23 percent  
6 underway and 17 remaining. Next slide.

7 The big four issues down here, which again we've  
8 talked about with the Board before and we've noted in our  
9 Business Plan. We have four commercial settlement issues  
10 that we're working through with the contractor. The BNS  
11 intrusion protection barrier has been negotiated and  
12 executed. That scope is finalized, and construction is  
13 underway.

14 The Hanford Viaduct, we negotiated a Get-to-Work  
15 T&M change order that we brought to the Board three months  
16 ago. Work has picked up on that and we are negotiating the  
17 remaining commercial issues on that. We have meetings set  
18 in June and July to finish those negotiations with the  
19 contractor.

20 Deer Creek is the viaduct -- a 3,000 foot viaduct  
21 that is initially part of the alternative change, the  
22 technical change the contractor proposed in the contract  
23 and then changed after that. So we're working through some  
24 of the commercial settlements for that. Negotiations are  
25 scheduled for that in July and early August. And again

1 we're looking forward to settling those expeditiously.

2 BOARD MEMBER ESCUTIA: Brian?

3 MR. KELLY: Yes?

4 BOARD MEMBER ESCUTIA: (Indiscernible) since you  
5 mentioned change orders here on page 37, I'd like to take  
6 you back to page 34, which is your scorecard. And at the  
7 bottom it has a 65 percent in terms of the financials of  
8 the overall contract that I guess that has been spent.  
9 Does that include the change orders?

10 MR. KELLY: Some of those it's going to depend on  
11 how they all conclude, but there could be -- we could  
12 change the -- the total contract may be impacted depending  
13 on the total negotiation settlement of the change order.  
14 So it is where it is as the contract is defined today. But  
15 as we finish all those negotiations, and other change  
16 orders, not just those four, but as we finish those, we  
17 will have to update that as part of our revised baseline  
18 schedule update. And so it will -

19 BOARD MEMBER ESCUTIA: Yeah, I would think it  
20 would be critical for the Board to also have that  
21 information in a very transparent manner.

22 MR. KELLY: Absolutely.

23 BOARD MEMBER ESCUTIA: To see how much is being  
24 spent on change orders.

25 MR. KELLY: Sure, I think we briefed the

1 legislative staff and we're happy to brief the Board as  
2 well on where we stand on this.

3 BOARD MEMBER ESCUTIA: That would be great, thank  
4 you.

5 MR. KELLY: Absolutely.

6 VICE CHAIR MILLER: Just as a follow-up to that,  
7 Mr. Brian, do we still have contingency remaining -

8 UNKNOWN SPEAKER: Microphone, please?

9 VICE CHAIR MILLER: I'm sorry, just as a follow-  
10 up to that, do we still have contingency remaining in this  
11 construction package?

12 MR. KELLY: Yeah, as you know from the Finance  
13 and Audit hearings we have -- we updated our re-baseline  
14 schedule or our - sorry, our baseline budget. We updated  
15 in December to add to the contingencies specifically so we  
16 can work through these negotiations. And there is amounts  
17 remaining in each of the three contracts.

18 VICE CHAIR MILLER: Right, so when you update  
19 this information, the contingency information is  
20 (indiscernible).

21 MR. KELLY: Yeah, and that's in the Finance and  
22 Audit material that all the Board Members have in terms of  
23 where the contingencies stand right now.

24 VICE CHAIR MILLER: Thank you.

25 MR. KELLY: Okay, next slide.

1 BOARD MEMBER PEREA: Brian, I have one question  
2 regarding this slide here, I know it's been ongoing the  
3 discussions and negotiations with Dragados on change orders  
4 and all, and they've been challenging. Where exactly are  
5 we at with them you know in terms of settlement?

6 MR. KELLY: Well, we've settled the top one,  
7 which was sizable. And the next two that are coming up, we  
8 are working through differences. We don't value in the  
9 same way.

10 BOARD MEMBER PEREA: Right.

11 MR. KELLY: And so we're just working through  
12 those. We have scheduled meetings coming up in June and  
13 July. And my expectation is that the intention is to  
14 settle those. So my expectation is when we're meeting  
15 again in August, I've got three out of four of these done.

16 BOARD MEMBER PEREA: Is there any value in  
17 considering asking Dragados to change the project manager  
18 or director that they have on site?

19 MR. KELLY: Yeah, we've done that from time to  
20 time in other areas. We've done it with other contracts.  
21 Here, I will just tell you my perspective on this.  
22 Dragados has a new leadership team and not on the ground,  
23 but as a corporate entity if you will.

24 BOARD MEMBER PEREA: Over in Spain? Yeah, okay.

25 MR. KELLY: Yeah, but in New York and LA now.

1 BOARD MEMBER PEREA: Okay.

2 MR. KELLY: And that's who I'm meeting with  
3 directly on some of these issues. And they brought in some  
4 outside help to work through the issues. My sense is we're  
5 getting better. And my sense is that these are going to  
6 conclude. And then the work will progress. And so from  
7 where I stand, I think we're in a much more positive  
8 partnering or working relationship now.

9 In fact, just two weeks ago, you know, after some  
10 stagnant numbers we've reached the highest level of workers  
11 in the field on the construction sites. And most of that  
12 was the lift on 2-3. And so getting things like the IPB  
13 settled got that work going. You know, getting these  
14 others too settled will get the work going.

15 And I think we're in a better place in the  
16 negotiations than we've been, because there has been some  
17 change on both sides.

18 BOARD MEMBER PEREA: So what level now is the  
19 current local administrator playing in those negotiations?

20 MR. KELLY: They played a role in the  
21 negotiations in helping define and value and estimate the  
22 issues. But these -- and we each have a negotiating team  
23 that we've assigned on this. And then our team comes in  
24 involving, you know, our lead down here. Our Level II  
25 Lead, which is Garth. Our Counsel's in that negotiation as

1 well as Mr. Horgan and some of his team. And then they  
2 work with me directly on it. And on the other side it goes  
3 all the way up to their CEO.

4 BOARD MEMBER PEREA: All right, thank you.

5 MR. KELLY: Next slide. Our primary risk areas  
6 here on 2-3, this does not have the same level of utility  
7 issues that CP1 does. But we are working through again  
8 some of the right-of-way acquisitions for critical utility  
9 relocations.

10 Third-party coordination for again design  
11 reviews, we do have interactions with a lot of utility  
12 districts here and so we have to work through those things.  
13 Again, it's not on the level that we see on CP1.

14 So I say that because I'm very confident when we  
15 get the commercial settlement issues done, the work here  
16 can progress at a much more quick pace, because the sort of  
17 precursor work is not at the same issue.

18 Again, at the bottom of this page we have risk  
19 mitigations underway including working through finalization  
20 of key right-of-way issues by the end of the year.

21 That third-party task force I mentioned earlier  
22 has solved about 43 percent of the issues affecting 2-3.  
23 And again we're actively negotiating those commercial  
24 settlements to get the work going. Okay, next slide.

25 There was as I reported to the Board, I think



1 both three months ago and again two months ago, we had a  
2 quality issue onsite at the Tied Arch Bridge Rebuild down  
3 here. This is a structure; a Type 1 structure that  
4 supports high-speed rail trains located on State Route 43  
5 between Davis and Cairo avenues. The structure is 249 feet  
6 and spans over State Route 43.

7           There's no structure in place now, but in the  
8 pouring of the concrete for the abutments that would  
9 support those structures our quality team noticed some  
10 quality issues with the pour. We brought in an outside  
11 third-party team to review the quality of that pour. And  
12 to sort of cut to the chase we compelled the builder to  
13 have to rebuild that abutment, because the pour was not  
14 strong enough.

15           And so that that work is done. It will be  
16 remedied at the contractor's cost, and this is not a  
17 critical path issue so will not affect the schedule on 2-3.  
18 But I did report this to the Board three months ago and two  
19 months ago. And I just wanted to say this was our quality  
20 control issue that we had in place down here on CP2-3. Next  
21 slide.

22           Our Track and Systems, just to update you guys  
23 again all of this civil work that we got going on 119 miles  
24 is the precursor to lay the track and put the systems in  
25 place. So just by way of reminder, we have proposals due

1 on the track and systems contract by Q3, 2022. That's  
2 looking like September, a preferred bidder to the Board by  
3 December, end of the year. And a Board determination on  
4 whether or not that's what we want to do. And if so, we'll  
5 start the first notice to proceed on that immediately upon  
6 the Board's approval.

7 So that's where we are on Track & Systems, next  
8 slide.

9 Program Risk, this is an issue that Board Members  
10 raised with me before, particularly Mr. Camacho, in prior  
11 conversations, prior Board meetings. So we do want to talk  
12 a little bit about this. This is really not a high-speed  
13 rail problem, but it's an industry problem and it's a  
14 global problem. And this issue is inflation.

15 And so we have escalation rates that we have in  
16 our contracts that we use for direct costs relative to the  
17 project. That's at 4.12 percent, and obviously with  
18 inflation hitting us, there are claims for higher costs for  
19 some of these things. We're seeing commodity costs higher  
20 for things like steel and concrete. And so we do think  
21 there will be claims that we are seeing in some of the  
22 estimates of change orders that are a bit higher, because  
23 of the inflation issues we're in right now.

24 I think just two weeks ago the CPI came in at 8.6  
25 percent as reported by the federal government. So we're

1 working with the contractors on the right indices to use.  
2 And what we want to do is sort of stay with our escalation  
3 rate. We'll do a true up in place where we will true up  
4 where these are when we see exact cost tied to specific  
5 issues that are in the work that they're doing. And so -

6 BOARD MEMBER CAMACHO: Brian, Brian do we have  
7 contingency built in to cover those inflated costs?

8 MR. KELLY: I would say when we put the  
9 contingency in place for these I don't -- at that time we  
10 were not anticipating a 9 percent inflation. But I will  
11 say that if this persists for some time certainly it will  
12 erode the contingency quicker. So I wouldn't say we set  
13 aside contingency specifically for inflation, but we did  
14 set higher contingencies to deal with the settlement of  
15 issues. And this is an issue that we have to monitor  
16 closely.

17 And again this is not an issue that's high-speed  
18 rail specific. I've been consulting a lot with the  
19 California Transit Association, and for virtually every  
20 project in the State of California they're seeing these  
21 kinds of impacts on procurements and things like that.

22 So we're monitoring it. We're watching it. And  
23 we will report back on any direct impacts we're seeing on  
24 this.

25 BOARD MEMBER CAMACHO: Going forward on new

1 contracts are we looking at -- I mean they're talking about  
2 inflation continuing to escalate. And obviously materials  
3 as we've seen over the past two years have gone crazy. Are  
4 we anticipating adjusting our estimates to include those  
5 or?

6 MR. KELLY: I think what I would say is the next  
7 big construction piece that we have out is the track and  
8 systems. And we're going to have to see what those look  
9 like when they come in and how inflation has affected those  
10 bids. And so then we'll have to make a judgment. I can  
11 tell you that I'm familiar with other transit entities in  
12 the State of California that went out on procurements.  
13 Their estimates for those procurements were exceeded by the  
14 bids that came in, mostly because of the inflationary  
15 issues. And they, in some cases made a decision to rebid.  
16 Or they negotiated different elements of the contract. And  
17 so right now I think we want to see what comes in and we'll  
18 act accordingly on that.

19 BOARD MEMBER CAMACHO: Okay, thank you.

20 MR. KELLY: Next slide. This is just a slide,  
21 there's been some questions both from the Board and from  
22 legislative folks and staff. And so this is a slide of  
23 sort of an estimate that we've put together to depict where  
24 we are in the funding for the entirety of the Merced to  
25 Bakersfield stretch. And I might ask Brian Annis to step

1 up here with me on this since he put most of the work into  
2 this.

3           But the essence of this is that we, of course  
4 estimate how much revenue we'll get from Cap and Trade.  
5 That is the only source of ongoing revenue we have for this  
6 project and that are very low. And we estimate about 21.2  
7 billion coming in at the very high. We see about 25.2  
8 billion.

9           I will say that Cap-and-Trade revenues have come  
10 in very robust lately. The last four auctions exceeded a  
11 billion dollars for a year. That's double the low here for  
12 500 million a year, so it's been very robust, very good for  
13 us thus far.

14           If it comes in low and costs are extremely high,  
15 we could be short on some of the Merced to Bakersfield  
16 funds. If it comes in medium to high, we estimate here  
17 about a \$2.2 billion cushion for that. And then that does  
18 not include our application for federal money, but we have  
19 also applied for federal funding. And if we get some of  
20 the federal funding, we see a low end of this of about 1.6  
21 billion surplus and a high end of a 7 billion surplus. So  
22 we just have to see how those things come in.

23           We have just at the end of May applied for the  
24 first tranche of federal funds for some of this work. And  
25 we'll see how that goes. The second tranche that we'll

1 apply for will be in the fall of this year. We'll be  
2 applying for what they call the federal state program.

3 Is there anything I missed there?

4 MR. ANNIS: No.

5 MR. KELLY: Okay, thank you. Next slide.

6 Okay, that concludes my presentation. And with  
7 that I'm happy to answer any additional questions or move  
8 on.

9 CHAIR RICHARDS: Any additional questions for our  
10 CEO?

11 VICE CHAIR MILLER: I just have one final one  
12 which is on this last slide on this program risk. Did you  
13 think about inflation when you were making this, the cost  
14 of inflation when you were doing this graph? (No audible  
15 response.) Not specifically? Okay, thanks.

16 MR. ANNIS: Yeah, I'll just mention on these  
17 there's reference on the right side column to the Business  
18 Plan pages where we pulled these numbers. So we just used  
19 existing numbers to do a different type of comparison and  
20 no specific adjustment for recent inflation.

21 CHAIR RICHARDS: Thank you, any others?

22 BOARD MEMBER PEREA: I have a couple questions,  
23 Mr. Chairman.

24 CHAIR RICHARDS: Yes, go ahead, Henry.

25 BOARD MEMBER PEREA: Brian, a lot of good

1 information and just piggybacking on this morning's tour  
2 thanking Garth and Toni and all staff that participated.  
3 And of course all the people working on the ground. I mean  
4 they're doing some amazing work out there.

5           What I want to ask in in relation to this  
6 presentation is I know last year we started talking about  
7 homing in more on construction schedules that we can all  
8 rely on. And you were going to have something to us early  
9 this year. Then we talked about July. This isn't that is  
10 it, this stage report, no?

11           MR. KELLY: No, this is not that.

12           BOARD MEMBER PEREA: So next month we'll be  
13 getting a more firm construction schedule (indiscernible)?

14           MR. KELLY: Yes. We will do it this summer.

15           BOARD MEMBER PEREA: Yeah, and the awarding of  
16 the track and systems, and hopefully by the end of the  
17 year, are we -- is our plan and will our schedule, be in a  
18 position to deliver all 119 miles ready to go. And not do  
19 a strategy of do this piece and that piece, because it  
20 seems to me that would cost more, the time and money?

21           MR. KELLY: Yeah, the strategy for the track and  
22 systems contract is to have the winner of that contract  
23 first focus on design. There's a maintenance array  
24 facility and an operating center that they have to then  
25 construct. And then we'll get to transferring over all the

1 civil packages to lay the track in its entirety.

2 We want to allow them to lay the track as  
3 efficiently as possible, so we want to do it. And transfer  
4 that over when all the civils are done for the grades.

5 BOARD MEMBER PEREA: All right, thank you.

6 MR. KELLY: Thank you.

7 VICE CHAIR MILLER: Just follow up on that, I'm  
8 sorry, we still have the option of double track in there,  
9 right?

10 MR. KELLY: Yeah, so as we pointed out the  
11 Business Plan in 2020, and repeated in the 2022 Business  
12 Plan, I think one of the things we're most excited about  
13 with the federal largesse if you will, is the opportunity  
14 to make sure this is a double track out of the gate. We  
15 only considered singletrack because we had a constrained  
16 budget, but we are pursuing specifically in our application  
17 for federal funds, funding for the double track. Okay,  
18 thank you.

19 CHAIR RICHARDS: Thank you, colleagues. Thank  
20 you, CEO Kelly.

21 We'll now move on to Agenda Item Number Three,  
22 which is the Authority's federal grant strategy. And we'll  
23 bring up our CFO, Brian Annis.

24 MR. ANNIS: Great, good afternoon, Board Members.  
25 As Brian Kelly just mentioned, we have applied for some



1 federal grants through the Bipartisan Infrastructure Law  
2 and have some additional major applications coming up later  
3 this year. So we thought it was appropriate to walk you  
4 through some of that.

5 So this presentation is going to first start by  
6 looking backwards and outline some of the grants we've  
7 received in the past. We're then going to look more  
8 specifically at the Bipartisan Infrastructure Law and the  
9 six programs under which we plan to apply. We're going to  
10 talk about how what our strategy is to really maximize our  
11 receipt of federal funds. And lastly, we'll go through the  
12 specific two large grant applications we submitted on May  
13 23<sup>rd</sup> and will end with a calendar of future application  
14 opportunities.

15 So clearly our project is what I what I'll call a  
16 national scale project. It's a project of national  
17 significance. It's a mega project, so over the longer  
18 history of the project we've always assumed that the  
19 federal government would be a significant funding partner.

20 I look back at the 2008 Business Plan for  
21 example, in that we assume federal dollars would cover from  
22 a third to a half of the cost of building high-speed rail.  
23 The federal government really starting with the American  
24 Recovery and Reinvestment Act of 2009, put some significant  
25 funding toward building high-speed rail in America. We

1 received two large grants from 2009 and 2010 totaling about  
2 \$3.5 billion. When we look at that amount of federal money  
3 compared to our total funding, federal money makes up about  
4 15 percent.

5           So you can see that in the past we have not met  
6 our target for federal contributions, but with the  
7 Bipartisan Infrastructure Law we think there's an  
8 opportunity now to even that out a bit. And our plan that  
9 was included in the 2022 Business Plan outlines a target of  
10 \$8 billion of federal funds. And so we plan to apply for  
11 that over multiple years, over multiple programs.

12           But if we're successful in that, that would bring  
13 the federal funding share up to about 37 percent. So we  
14 start toward that goal really with our May 23rd  
15 applications and I'll get to those in the in a bit more  
16 detail, in a few more slides.

17           History, again the top two rows here are large  
18 federal grants from 2009 and 2010. And that was really the  
19 last large federal grant opportunities that the federal  
20 government offered, but we did very well in both of those  
21 programs. Since then we have been awarded two smaller  
22 grants. In 2017 we were awarded a \$600,000 Environmental  
23 Protection Agency Brownfield Grant for a site cleanup. And  
24 just last year we were awarded a \$24 million RAISE grant  
25 for the Highway 46 City of Wasco Project.

1           Before our most recent Bipartisan Infrastructure  
2 Law applications in May we have two other relatively  
3 smaller grants outstanding. These are RAISE grants for  
4 2022 that were submitted earlier in the spring.

5           We have a \$8.5 million grant request to rebuild  
6 the Fresno Historic Depot, which is just outside this  
7 meeting facility. That would seismically retrofit that  
8 historic depot and also do some electrification for  
9 charging stations and site activation for the parking lot  
10 area in front of the historic depot. And that of course  
11 will be part of our Fresno Station Complex here that will  
12 ultimately be built here in downtown Fresno.

13           We also applied for a \$25 million grant to  
14 support our Merced Extension Design Project, who are  
15 currently -- as was alluded to -- in the procurement stage  
16 for that design contract.

17           BOARD MEMBER: Brian, what's the historical  
18 timeline to get those grants?

19           MR. ANNIS: Well, historically the awards are  
20 announced from three to five months after the applications  
21 are submitted. So for the applications we submitted in May  
22 we're hoping to hear no later than October whether we're  
23 successful. These RAISE grants I believe were submitted in  
24 early April, so probably toward the end of the summer we'll  
25 hear on those.

1 BOARD MEMBER: Thank you.

2 MR. ANNIS: This is a slide that's been brought  
3 to the Board several times. This is a list of the six  
4 federal Bipartisan Infrastructure Law programs under which  
5 we were eligible for all, or parts of our High-Speed Rail  
6 Program.

7 The column in the middle appropriated those are  
8 the dollars that the Bipartisan Infrastructure Law did  
9 appropriate to allocate over five years that bill also  
10 authorized additional amounts that are in the column to the  
11 right that require Congress to appropriate those dollars in  
12 the future, in order for those to be available.

13 And the far column total is a combination of both  
14 the dollars already appropriated and the additional  
15 authorizations should they be appropriated in the future.

16 But I'll use this slide to maybe flag the two  
17 largest programs or the two largest opportunities for us.  
18 The top program is the Federal-State Partnership for Inner  
19 City Rail that of course is a large dollar amount. The 12  
20 billion that were listed as already appropriated, excludes  
21 the northeast corridor of Amtrak that was separately  
22 funded. And so this is the dollars available outside the  
23 northeast corridor for everyone to compete for. So because  
24 it's an inner city rail program there are a smaller set of  
25 applicants. Obviously, those that are providing inner city

1 rail services or improving infrastructure that will benefit  
2 inner city rail services.

3           Maybe the next largest that we're interested in  
4 is the third category down, National Infrastructure Project  
5 Assistance Program, which is an acronym, NIPA. But it's  
6 also called by a nickname of Mega for mega projects. And  
7 that's the project that we applied for in May. And again  
8 I'll go through the specifics there.

9           The other four programs generally are applicable  
10 to components of our projects such as grade separations, so  
11 we plan to apply to those programs as well for those  
12 components of our program that we're eligible for.

13           EX OFFICIO BOARD MEMBER ARAMBULA: Brian, before  
14 you go from that slide?

15           MR. ANNIS: Yeah?

16           EX OFFICIO BOARD MEMBER ARAMBULA: It said there  
17 was additional authorization required. How realistic is  
18 that, what are the current nature of those conversations at  
19 the federal level? Can you expound on that?

20           MR. ANNIS: Yeah, you know those are I think not  
21 ready to take to the bank if you will, the additional  
22 authorization. There is the first year of that has already  
23 occurred. And the footnote at the bottom here indicates  
24 that the federal appropriations did fall below the  
25 authorized levels for federal fiscal year '22. So we're

1 hoping that the federal fiscal year '23 does exceed the '22  
2 levels, but yeah, we've already seen a reduction of the  
3 authorized amounts. And that's every year for five years  
4 that we'll be tracking that.

5           So here we're breaking out our \$8 billion target  
6 into three categories. And as I mentioned before we're  
7 hoping for a bit of a catch-up in the federal funding share  
8 of funding for our project. So we're looking at asking for  
9 money at the highest federal match range. In other words  
10 if the federal dollars will fund 60 percent of the project  
11 to a state match of 40 percent, then we'll apply for 60  
12 percent. If it's 80-20 we'll likely go in at the 80  
13 percent match, again in recognition that the State of  
14 California has already put in a large share of funding for  
15 this project.

16           This first category is specific to the Merced to  
17 Bakersfield segment with the set cost of the second track  
18 added in. And in this case using the high end of the range  
19 that's cited in the Business Plan, we indicate a \$6 billion  
20 total cost here. And at the high-match level for those  
21 programs that offer an 80-20 match, we could bring in as  
22 much as 4.8 billion of federal funds. So we've started  
23 toward that goal with the most recent applications and will  
24 plan to come back later in the fall to ask for more.

25           The next two categories of our federal strategy,

1 at the top here we have a category of advancing the system  
2 statewide with a focus on those segments that have cleared  
3 environmental and advancing the design to the configuration  
4 level of design where we map specifically the right-of-way  
5 need. We identify the utilities in additional detail. And  
6 we look for additional value engineering opportunities as  
7 the design moves forward.

8           So that's a category to be ready to construct  
9 outside the Central Valley, to ready the local communities  
10 where in some cases if it's a shared corridor they may want  
11 to advance components early before high-speed rail is  
12 there. And it also recognizes some of the investment  
13 opportunities that might come in the Valley to Valley  
14 stretch such as some targeted right-of-way acquisition,  
15 things of that nature.

16           There we've put in an amount of 2 billion total  
17 with 1.6 billion being available from federal funds.

18           And the last category I would characterize as  
19 partnership projects really along the whole Phase 1, High-  
20 Speed Rail Corridor, these are some projects that we would  
21 anticipate having a lot of local support. And perhaps some  
22 local funding in fact to do some early grade separations,  
23 to do some key connections perhaps in transit.

24           And at the bottom of this one we list a seventh  
25 federal program, the Federal Transit Administration Capital

1 Program. So that's a program that High-Speed Rail cannot  
2 directly apply for, but some of our partners may choose to  
3 apply.

4 And in fact, that's what happened with the  
5 Caltrain Electrification Project. They received money from  
6 High-Speed Rail. But the federal share was not from the  
7 Federal Railroad Administration, but from the Federal  
8 Transit Administration, because of the Caltrain use of that  
9 corridor.

10 So that's an opportunity that I think is  
11 important to highlight. And you know maybe something in  
12 the south, in the Metrolink and LA Metro areas that might  
13 be an opportunity there to look beyond just the Federal  
14 Railroad Administration of grant programs. But again also  
15 the FTA programs.

16 Considerations to maximize federal funding, we  
17 have every time there's a federal webinar on the Bipartisan  
18 Infrastructure Law, we participate to learn how we're most  
19 competitive. One of the things they've said is they've  
20 encouraged applicants to apply through multiple programs,  
21 so where you are eligible for more than one, apply for more  
22 than one, and that'll increase your chances of award. Also  
23 recognize it's a multi-year program and where you're  
24 unsuccessful in one grant application try again in another  
25 program over multiple years.



1           USDOT has indicated they may consider what they  
2 call a letter of intent mechanism. And that's a statement  
3 that in a multi-year program they intend to fund the  
4 project over multiple years in future grants. So that's  
5 not necessarily a guarantee, but we're hoping they consider  
6 this for the High-Speed Rail Project. If they award us  
7 funds from Year 1 that they enter a Letter of Intent with  
8 us to fund additionally grants in the future years.

9           USDOT also indicates they're looking at an  
10 applicant's track record and funding commitment. And again  
11 there's no state anywhere close to California in a state  
12 commitment to funding high-speed rail. And we're also of  
13 course in construction completing environmental clearance  
14 etc. So we're, I feel, very strong in terms of a lot of  
15 the track record considerations.

16           Lastly USDDOT is considering criteria such as  
17 addressing climate change, racial equity, high-wage  
18 construction jobs etc. And we feel California is very  
19 aligned with the Biden Administration in these areas and  
20 we'll speak to it in our grant applications.

21           So as I mentioned we applied for two grants in  
22 May, as May 23rd was the deadline when we submitted the  
23 grants. So the first one is Merced to Bakersfield  
24 construction cost, and we focused on a couple things and  
25 deciding what to apply for here.

1           One is this is in what's called the Multimodal  
2 Program. It includes really three federal grant programs:  
3 the Mega Project Program I mentioned, which is a large one.  
4 Also they included the program called INFRA that's  
5 primarily focused on freight and grade separations, and  
6 also a rural program. So we checked the box that we're  
7 eligible for all three of those programs. And you know per  
8 the federal advice, maximize our chances for award in doing  
9 that.

10           And we also applied for really the next tranche  
11 of work on our on our program contracts that will be  
12 executed in the shorter term.

13           So and lastly, I'll mention because this is  
14 probably a more competitive program than the Inner City  
15 Rail Program, we tried to forward the elements we thought  
16 would be most competitive for the federal decision makers  
17 awarding the grant funds.

18           So what we did apply for was one, six high-speed  
19 train sets. We think it would be attractive to move  
20 forward and build true high-speed rail trains in North  
21 America, buy America trains. And so we included that in  
22 the application.

23           Also the second track starting with 119 mile  
24 segment, we asked for federal funding for that to  
25 additionally complete the design for the two extensions

1 from the Merced extension and the Bakersfield extension.

2           And this is a case in point of sometimes applying  
3 for the same scope in multiple grant programs, because we  
4 have already applied. This is our second time to apply for  
5 the Merced Extension Design. We also applied under the  
6 RAISE program for that.

7           And lastly, our first two stations in Central  
8 Valley, construction are Fresno and Kings/Tulare. So we  
9 included those station costs in our grant application as  
10 well.

11           The second application was to advance design  
12 outside the Central Valley where we have environmental  
13 clearance or where we hope to have Board approval for  
14 environmental clearance at the August meeting. So that's  
15 the San Francisco to San Jose/ San Jose to Merced,  
16 Bakersfield to Palmdale and Burbank to Los Angeles. For  
17 those two environmental sections that are not listed there,  
18 the Palmdale to Burbank and Los Angeles to Anaheim, those  
19 would be future applications.

20           So we have the - the federal government has  
21 indicated the next few rounds of Notices of Funding  
22 Opportunities or NOFOs as they call them. And we expect  
23 three for the remainder of this calendar year. The first  
24 two are those programs where components of our project are  
25 eligible such as the Railroad Crossing Elimination Program

1 and the CRISI Program.

2           So in there we will likely look at things such as  
3 some of our Bakersfield and Merced extension grade  
4 separation projects. Especially those where we're also  
5 separating from an existing freight line.

6           And then the biggest program or biggest  
7 opportunity is the Federal State Partnership Program for  
8 Inner City Rail. And that NOFO is expected to be released  
9 in October. Typically there's six to eight weeks from when  
10 the NOFO is released until the application is due. So for  
11 that federal state partnership, if that's released in  
12 October probably applications due in late November-  
13 December. And then we would hope to find out the awards in  
14 the spring.

15           And that concludes the presentation.

16           CHAIR RICHARDS: Thank you, any questions for our  
17 CFO?

18           Go get the money, Brian.

19           VICE CHAIR MILLER: Yeah, go get them, Brian.

20           CHAIR RICHARDS: All right, ladies and gentlemen  
21 we're going to have a five-minute recess now. And we'll be  
22 back in five minutes.

23           (Off the record at 12:54 p.m.)

24           (On the record at 1:12 p.m.)

25           CHAIR RICHARDS: The meeting is brought back to

1 order. Thank you for indulging us. I know that was a few  
2 minutes more than five.

3 So next on our agenda is our CEO report, and CEO  
4 Brian Kelly.

5 MR. KELLY: Thank you, Mr. Chairman and Members.  
6 As I do at each of these Board Meetings, there are several  
7 program update activities that I want to update the Board  
8 on relative to the work that's in front of us. And the  
9 first thing I want to start with is where we are on some  
10 important procurements that we have coming before the  
11 Board.

12 We have the Program Delivery Services RFQ, the  
13 Madera to Merced Advanced Design RFQ, and the LGA that's  
14 the Bakersfield Extension Advanced Design RFQ. I'm also  
15 going to update you a little bit on what's coming before  
16 the Board in August on the San Francisco to San Jose  
17 EIR/EIS. And then lastly just a general program update on  
18 a couple of things that have gone on in Southern  
19 California. Next slide.

20 The first procurement that I just want to  
21 reference, just to give you a sense of where we are on  
22 schedule, is the Program Delivery Support Contract Update.  
23 We issued the Request for Qualifications with the Board's  
24 approval in February of 2022. Statements and  
25 Qualifications were received on May 17th and the

1 Authority's evaluation team found both SOQS to be fully  
2 responsive. Two consortiums submitted SOQs, each with more  
3 than two dozen subcontractors identified on each. The  
4 Notice of Report proposed award will be posted on June 17<sup>th</sup>,  
5 tomorrow, 2022.

6 The remaining procurement activities on this one  
7 are one, we'll do a cost proposal, and the rate sheet form  
8 is due for the most qualified offeror. That'll be subject  
9 to auditing within the Authority before we get to the final  
10 award agreement negotiations with the most qualified  
11 offeror including the pre-award reviews will get underway.  
12 There is a protest period that kicks off when the Notice of  
13 Proposed Award comes out. And all of this will be brought  
14 back to the Board for ultimate approval by the Board at our  
15 August Board of Directors meeting And so that's the update  
16 on the program delivery services contract. Next slide,  
17 please.

18 The second RFQ that we have out is the Merced to  
19 Madera Design RFQ. The Request for Qualifications for  
20 Design Services for Merced to Madera, and the Fresno to  
21 Bakersfield Locally Generated Alternative were released on  
22 March 18<sup>th</sup>, 2022.

23 With respect to Merced to Madera there were three  
24 statement of qualifications that were received on May 26<sup>th</sup>.  
25 The Authority's evaluation team found all the SOQs to be

1 fully responsive. The Authority held discussions with all  
2 three offerors on June 14 2022. And the Notice of Proposed  
3 Award will be posted on June 17<sup>th</sup>, again tomorrow.

4 For the Advanced Design for Merced to Madera,  
5 again this will come back to the Board, the Authority's  
6 Board, for agreement and award at the August Board of  
7 Directors meeting.

8 And again similar to the other procurement, the  
9 remaining activities include again the Cost Proposal Rate  
10 Sheet Forms due from the most qualified bidders or  
11 offerors. The agreement negotiations with the most  
12 qualified offerors including pre-award reviews. And again  
13 the Board's full consideration of the award in August.

14 And then finally the Advanced Design Work for the  
15 Bakersfield Extension or what we call the Locally Generated  
16 Alternative RFQs came in on March 8, are approved on March  
17 18<sup>th</sup>.

18 We received four Statements of Qualifications on  
19 June 10<sup>th</sup>. The Authority's evaluation team has just begun  
20 the review of those SOQs for responsiveness. Discussions  
21 will be held at the end of the month on June 30th and the  
22 Notice of Proposal Award is anticipated on July 5<sup>th</sup>. And  
23 again, just like with the other two we'll bring those back  
24 to the Board for full approval at the August Board Meeting.  
25 Next slide.

1 I'm going to ask Serge Stanich, the Director of  
2 our Environmental Services Division to just come up. Come  
3 on up. We have the next three slides that just cover what  
4 we're proposing to bring before the Board on the  
5 environmental document at the August Board Meeting. Serge?

6 MR. STANICH: Thank you, Brian.

7 so the San Francisco to San Jose Final EIR/EIS  
8 was released last Friday, June 10<sup>th</sup>. This is the  
9 culmination of a few years of work with the draft EIR/EIS  
10 released in July of 2020.

11 During that time we received about 151 comment  
12 letters those were delimited. There was a number of  
13 comments within each letter, so just over 2,121 individual  
14 comments were received on that draft EIR.

15 As we advanced the preparation of the document  
16 there was the listing of the monarch butterfly, which  
17 triggered an Element for Recirculation. And we also  
18 contemplated a revised design for the Millbrae station, so  
19 we circulated a draft in 2021, July of 2021, for a 45-day  
20 comment period. We received 25 comment letters there with  
21 136 individual comments.

22 So this final EIR/EIS that was published last  
23 Friday has a 30-day wait period that's required under NEPA  
24 statute before the Board can take action. So we'll see if  
25 any comment letters come in but, we will be presenting to



1 the Board in August for the Board's consideration of that  
2 project. And between now and then we're continuing to do  
3 some outreach with some of the stakeholders along the  
4 corridor.

5 So an overview of the project, it's about 43  
6 miles from the 4<sup>th</sup> and King Station to the San Jose Diridon  
7 Station. But a portion of that was already approved in the  
8 San Jose Merced project section, that approval that the  
9 Board took in April.

10 So that overlap period is not part of this  
11 approval, but we've considered two build alternatives in  
12 this project. Alternative A and Alternative B, along with a  
13 No Build Alternative. They differ in the elements that are  
14 essentially secondary so Alternative B, not the preferred,  
15 has some passing tracks.

16 There's also difference between the proposed  
17 locations for the LMF, the Light Maintenance Facility in  
18 Brisbane. There's an east location and a west location.  
19 The east location is part of our preferred alternative  
20 there. And then the consideration of the station at  
21 Millbrae. And that's part of the Preferred Alternative A.

22 And then there's the extension up to the  
23 Salesforce, the DTX extension. But that is a project  
24 element that's taken on by others.

25 So a quick overview, we'll have another two-day

1 Board Meeting in August of the 17th and 18<sup>th</sup>. Staff will  
2 present to the Board on the morning of the first day with  
3 an overview of the project, a summary of the alternatives  
4 that were considered in the development of it, as well as  
5 descriptions of the preferred alternative. And then we'll  
6 also go over the environmental document changes that were  
7 made in consideration of public input. And then we will  
8 present to the Board the considerations.

9 After our presentation, the Board will have an  
10 opportunity to hear public comments and then present  
11 questions to the staff.

12 And staff will again return the following day to  
13 provide any detailed questions that the Board may have on  
14 the environmental document subject to continuance.

15 The Authority counsel will then walk the Board  
16 through the Considerations for Approval. So that  
17 summarizes it, any questions?

18 CHAIR RICHARDS: Any questions for Serge? (No  
19 audible response.) No questions, thank you.

20 MR. KELLY: All right, next slide now?

21 Just two general program updates for you and then  
22 we'll conclude. The first is a happy announcement that  
23 there was a groundbreaking on June 3rd for the  
24 Rosecrans/Marquardt Grade Separation. This is a grade  
25 separation down in the, I want to say Santa Fe Springs

1 area, but in the LA area. And it was once identified as  
2 the most dangerous grade crossing in California. And we  
3 were significant financial contributors to this project; 77  
4 million from the Authority for the \$156 million project.  
5 And construction will begin later this month and will be  
6 completed in 2025. So we're just pleased to be a part of  
7 that team do to address that issue down in Los Angeles.

8           And then the final update, next slide now, is  
9 just to inform you all that we did execute this week an  
10 agreement with Metrolink and it's really a cooperative MOU  
11 on how we will work together between the Burbank and  
12 downtown Los Angeles station. We have a shared corridor  
13 with Metrolink through that section. And so in that  
14 section we've got several issues that we need to work  
15 through as we advance our program affecting a maintenance  
16 facility they have. And to make sure that we are working  
17 together on joint operations in the same corridor.

18           So we did execute that. It was actually a long  
19 time in coming, but the purpose of the MOU was just to  
20 establish the organizational framework to engage in  
21 partners in planning design. And the eventual construction  
22 and improvements of that corridor both for Metrolink and  
23 for the coming high-speed rail service. So I just wanted  
24 to update the Board that we concluded that in the last week  
25 as well.

1           And that concludes my CEO report. Thank you, Mr.  
2 Chairman.

3           BOARD MEMBER PEREA: I have a quick question, Mr.  
4 Chairman?

5           CHAIR RICHARDS: Yes, go ahead.

6           BOARD MEMBER PEREA: Brian, do you have an update  
7 on the Vegas to Palmdale system?

8           MR. KELLY: Well, no. I mean what I can tell you  
9 is I don't have an update, because I think I was just  
10 talking more informally with one of our Board Members about  
11 this earlier. And I would just say I think there's a  
12 little bit of a project shift going on, or at least an  
13 organizational shift going on, on how Brightline wants to  
14 address that project. And whether or not it's going to be  
15 a private-only funded thing or a private-public funded  
16 thing. And I think they're working through that process  
17 now. And I'd let that play out before I say anything more  
18 about it, I think.

19           BOARD MEMBER PEREA: Okay.

20           CHAIR RICHARDS: Any other questions?

21           VICE CHAIR MILLER: I don't have a question, but  
22 is this an appropriate time to thank the staff for our tour  
23 today?

24           CHAIR RICHARDS: It's never an inappropriate time  
25 to thank the staff.

1           VICE CHAIR MILLER: Well, I just had an excellent  
2 time, so for everyone involved -- and I, you know, it was  
3 Garth that drove me around -- us around today. It was a  
4 treat. It was eye-opening. I think in many regards, at  
5 least for me, I learned some new acronyms. And we climbed  
6 some structures. It was a lot of fun and I just want to  
7 thank you all.

8           It's a lot -- we talk a lot about high-speed rail  
9 in Sacramento, but to come down here and actually see the  
10 progress that's been made in the last couple years is  
11 amazing, so thank you.

12           UNKNOWN SPEAKER: Thank you.

13           CHAIR RICHARDS: Well, I think Ernie and Joaquin  
14 and I can make everybody happy. We are going to now have  
15 all of our meetings in Fresno. (Laughter.) So anyway,  
16 thank you, Brian.

17           Any other questions? (No audible response.)

18           All right, ladies and gentlemen that concludes  
19 the agenda for this meeting.

20           We will immediately -- after this meeting the  
21 Finance and Audit Committee meeting will be gaveled to  
22 order. And we will not be having a presentation on the  
23 Central Valley Construction Update, because you've gotten -  
24 - or you've received a more in-depth one previously in this  
25 meeting. So you're certainly welcome to stay for the

1 Finance and Audit Committee immediately after this.

2 And for this meeting at least it's adjourned and  
3 thank you very much. We'll see you on August 17th and 18<sup>th</sup>.  
4 We're not quite sure absolutely where it's going to be, but  
5 some of us are hopeful, so thank you.

6 (The California High-Speed Rail Authority  
7 adjourned at 1:24 p.m.)

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## CERTIFICATE OF REPORTER

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

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

IN WITNESS WHEREOF, I have hereunto set my hand this 9th day of November, 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 9th day of November, 2020.



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