

## CALIFORNIA HIGH-SPEED RAIL AUTHORITY

## BOARD OF DIRECTORS MEETING

June 29, 20223  
10:00 a.m.

LOCATION

California High-Speed Rail Authority  
Department of Food and Agriculture Auditorium  
1220 N Street  
Sacramento, CA. 95814

Public Comment by Zoom:  
<https://hsr-ca-gov.zoom.us/j/82726172478>

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

Pursuant to Government Code section 11133, the California High-Speed Rail Authority's June 29, 2023, board meeting will be conducted in-person and via webinar. Board Members will participate in the meeting from The Department of Food and Agriculture, 1220 N Street, Sacramento, CA, and individual remote locations. Members of the public can view the board meeting either in-person or online at <https://hsr.ca.gov/>.

Reported by:  
M. Nelson

APPEARANCESBOARD MEMBERS

Tom Richards, Chair

Nancy Miller, Vice Chair

Lynn Schenk

Anthony Williams

Ernest Camacho

Henry Perea

Emily Cohen

EX OFFICIO BOARD MEMBERS

Assembly Member, Dr. Joaquin Arambula

STAFF

Brian P. Kelly, Chief Executive Officer

Brian C. Annis, Chief Financial Officer

Alicia Fowler, Chief Counsel

Paula Rivera, Chief Audit Executive

Bruce Armistead, Chief of Rail Operations & Maintenance

Melissa Figueroa, Chief of Strategic Communications

LaDonna DiCamillo, Regional Director for Southern  
California

Scott McConnell, Metro Executive Officer

APPEARANCES (Cont.)

Daniel Horgan, Deputy Chief Operating Office

Britton Snipes, Board Secretary

PRESENTERS:

Tom Richards, Chair, Board and Finance & Audit Committee

Tom Fellenz, Former Chief Legal Counsel

Alicia Fowler, Chief Counsel

Paula Rivera, Chief Audit Executive

Brian P. Kelly, Chief Executive Officer

Bruce Armistead, Chief of Rail Operations & Maintenance

Melissa Figueroa, Chief of Strategic Communications

LaDonna DiCamillo, Regional Director for Southern California

Scott McConnell, Metro Executive Officer

PUBLIC COMMENT: (\*for Zoom / Online Participants)

Steve Roberts, Rail Passengers Association of CA & NV,  
RailPAC

Kurt Goddard, SNC-Lavalin Atkins

\*Marvin Norman, Resident of San Bernardino, RailPAC Member

Kenneth Shiotani, National Disability Rights Network, NDRN

Brian Yanity, Rail Passengers Association of CA & NV,  
RailPAC

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P R O C E E D I N G S

10:00 a.m.

PROCEEDINGS BEGIN AT 10:00 A.M.

CALIFORNIA, THURSDAY, JUNE 29, 2023

CHAIR RICHARDS: Good morning, everyone. We're going to start the meeting for the California High-Speed Rail Authority's Board of Directors for June the 29th, welcome.

We'll start this morning by Mr. Secretary, please call the roll.

MR. SNIPES: Thank you, Mr. Chairman.

Director Schenk.

BOARD MEMBER SCHENK: (No audible response.)

MR. SNIPES: Chair Richards.

CHAIR RICHARDS: Yes.

MR. SNIPES: Director Camacho.

BOARD MEMBER CAMACHO: Here.

MR. SNIPES: Vice Chair Miller.

VICE CHAIR MILLER: Here.

MR. SNIPES: Assembly Member Arambula.

EX OFFICIO BOARD MEMBER ARAMBULA: Here.

MR. SNIPES: Director Perea.

BOARD MEMBER PEREA: Here.

MR. SNIPES: Director Ghielmetti.

BOARD MEMBER GHIELMETTI: (No audible response.)

1 MR. SNIPES: Director Escutia.

2 BOARD MEMBER ESCUTIA: (No audible response.)

3 MR. SNIPES: Director Williams.

4 BOARD MEMBER WILLIAMS: Here.

5 MR. SNIPES: Senator Gonzalez.

6 EX OFFICIO BOARD MEMBER GONZALEZ: (No audible  
7 response.)

8 MR. SNIPES: Director Cohen.

9 BOARD MEMBER COHEN: Here.

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

11 CHAIR RICHARDS: Thank you.

12 If I could ask Director Camacho, if you'd lead us  
13 in the Pledge of Allegiance.

14 (Whereupon the Pledge of Allegiance was recited.)

15 CHAIR RICHARDS: Thank you.

16 Mr. Secretary, if you'd please now advise the  
17 people in the audience and those who are calling in how  
18 they can address the Board this morning.

19 MR. SNIPES: Thank you, Mr. Chairman.

20 Good morning, everybody. Before we begin the  
21 public comments for the High-Speed Rail Board Of Directors  
22 Meeting I would like to go over some important information.  
23 For members of the public who have joined us in person and  
24 wish to provide public comment, you will be called on in  
25 the order you have received your card. If you're joining

1 the meeting via Zoom and wish to provide public comment,  
2 please use the raise your hand feature located in the  
3 bottom of your screen. Or if you are dialing in by phone,  
4 pressing the #2 will raise your hand and put you into our  
5 queue.

6           Speakers will be called on in the order that  
7 their hands are raised. Once you're in the queue, and your  
8 name is called please click the prompt at the bottom of  
9 your screen to allow your microphone to be unmuted. If you  
10 are joining by phone, we will call on you by the last four  
11 digits of your phone number. At that point, you will hear  
12 a message that your phone is being unmuted.

13           Each speaker will be given two minutes to speak.  
14 I will remind you when you have 15 seconds remaining. When  
15 it is your turn to speak, please slowly and clearly say  
16 your first and last name, and if applicable, state the  
17 organization you are representing.

18           Mr. Chairman, we will begin with the in-person  
19 speakers. Our first speaker is Steve Roberts.

20           CHAIR RICHARDS: Good morning, Mr. Roberts.

21           MR. ROBERTS: Good morning, Chair and Members of

22 --

23           CHAIR RICHARDS: I tell you what, we've been told  
24 that what you need to do if you could, Mr. Roberts, is get  
25 it as close as you can to your mouth otherwise you're --

1 MR. ROBERTS: Yeah, it was off --

2 CHAIR RICHARDS: Okay. Perfect, thank you.

3 MR. ROBERTS: Good morning, Chair and Members of  
4 the High-Speed Rail Authority Board. My name is Steve  
5 Roberts. I'm President of the Rail Passenger Association  
6 of California. It's an all-volunteer statewide  
7 organization.

8 Link Union Station with its run-through tracks  
9 was envisioned as a transformative project, especially  
10 critical for Metrolink and these times to become a regional  
11 rail network. But for over 40 years, we have watched the  
12 effort to build these run-through tracks at LA Union  
13 Station. There just seems to be a lack of political will  
14 that meant there were never enough resources, staff,  
15 funding, to move this project forward in a timely manner.  
16 And inner city commuter rail and now high-speed rail just  
17 seem to be an afterthought with LA Metro.

18 It is telling that this project that was so well  
19 developed, and has such a huge geographical reach, was not  
20 included in the Twenty-eight by '28 initiative. The  
21 failure to prioritize this project has resulted in delay  
22 and an endless cycle of budget shortfalls, redesign,  
23 construction inflation, then another budget shortfall, and  
24 on and on and on and on.

25 The last redesign deleted the term "bad

1 connection" and shortened the platforms, both of which  
2 limit operational flexibility. Southern California Board  
3 Members, this is your signature project. It was -- we  
4 cited it last year in the last year's funding discussions  
5 as being the key project.

6 Central city hub stations or run-through tracks  
7 provide direct regional connectivity and are the world's  
8 standard of excellence. LA Metro needs to prioritize this  
9 project, identify resources, and get Phase 1 completed for  
10 fully operational run-through tracks. Thank you.

11 MR. SNIPES: Thank you.

12 Our next speaker will be Kurt Goddard.

13 CHAIR RICHARDS: Good morning, sir.

14 MR. GODDARD: Good morning. My name is Kurt  
15 Goddard. I'm with Atkins North America, Inc. I manage the  
16 rail and transit practice for Atkins here in the US. We're  
17 an international engineering company. We do high-speed  
18 rail all over the world including HS2.

19 One of the -- we proposed on the rail systems  
20 engineering contract recently that was awarded to Network  
21 Rail, we protested that award. One of the core principles  
22 delivering this type of program is complete transparency,  
23 competitiveness, and fairness. And we feel that some of  
24 those procedures of California High-Speed Rail weren't  
25 followed correctly. And that there's an appearance of a

1 conflict of interest with Network Rail as they're currently  
2 working for WSP as a part of the PTP.

3 Network Rail Consulting didn't disclose pertinent  
4 organizational conflict of information as a part of their  
5 submission on this contract while involved in the project  
6 for nearly seven years. Network Rail Consulting has an  
7 organizational conflict of interest as they remained active  
8 during the procurement period and could have had access to  
9 confidential information provided by our team.

10 Network Rail Consulting Statement of  
11 Qualifications submittal was non-compliant with the RFQ as  
12 they provided a response that was over the 50-page limit.  
13 Network Rail Consulting SOQ submittal was improperly scored  
14 as we feel that those unnumbered pages were scored, because  
15 those pages had a lot of information that they scored very  
16 high on. And how could that have been scored high when it  
17 should have been disregarded?

18 It's our position that any of these four  
19 violations of policy in the RFQ process should have  
20 resulted in Network Rail's Consultancy being disqualified.  
21 It's our position that the procurement has been unfair and  
22 noncompetitive. We requested Network Rail Consulting be  
23 disqualified outright, and that Atkins who scored second by  
24 less than a point, be awarded the contract. Thank you.

25 CHAIR RICHARDS: Thank you, sir

1 MR. SNIPES: Mr. Chair, we will now move to the  
2 Zoom participants.

3 Once again if you're joining the meeting via Zoom  
4 and wish to provide public comment, please use the raise  
5 your hand feature located at the bottom of your screen. Or  
6 if you're dialing in by phone, press the #2. This will  
7 raise your hand and put you into the queue.

8 BOARD MEMBER CAMACHO: Mr. Chairman? If we  
9 could, just during the CEO's Report get a response to that  
10 process question. Not now, but later.

11 CHAIR RICHARDS: The previous respondent?

12 BOARD MEMBER CAMACHO: The gentleman that just  
13 spoke. Brian, during your report if you could just --

14 MR. KELLY: (Indiscernible.)

15 BOARD MEMBER CAMACHO: Okay, thank you.

16 MR. SNIPES: Once again, when you're in the queue  
17 you will be called on in the name -- you will be called on  
18 in the order that you entered the queue. Each speaker will  
19 be given two minutes. I will remind you when you have 15  
20 seconds remaining. When it is your time to speak, please  
21 slowly and clearly say your first and last name, and if  
22 applicable state the organization you're representing.

23 Mr. Chair, our first speaker is Marvin Norman.

24 CHAIR RICHARDS: Good morning, Mr. Norman.

25 MR. NORMAN: Good morning, my name is Marvin

1 Norman. I'm a resident of San Bernardino and a member of  
2 RailPAC. And I just wanted to provide a few comments. I  
3 recently drove up to Sacramento. When I took the 99 I was  
4 glad to see the completed structures around Fresno. And  
5 I'm looking forward to when I will see them in the rest of  
6 the state as well.

7           One thing I'd like to point out and remember, is  
8 that I know that we're working -- that you folks are  
9 working hard on getting that construction done, the Merced  
10 to Bakersfield work done, and then the rest of Phase 1.  
11 But I also would like to put in a word for getting early  
12 work done on the Phase 2 sections that will come here to  
13 the Inland Empire, as we are doing lots of projects out  
14 here that should or would have significant impact on high-  
15 speed rail and would potentially benefit from coordination  
16 with high-speed rail.

17           So hopefully, you guys can -- once you're done  
18 getting all the Phase 1 environmentally cleared, you can  
19 immediately start working on the planning and environmental  
20 clearance work for Phase 2, so that we could get those  
21 things all lined up and align all our efforts instead of  
22 having to undo some.

23           Also I would echo Mr. Roberts' comments about the  
24 Link US, it'd be good to see that project given the type of  
25 dignity it deserves. So that we can get a usable and world

1 class system out of out of it instead of something that is  
2 less than that.

3 And finally, and I did see that recently, some  
4 awards were -- some grants were awarded to High-Speed Rail,  
5 so glad to see that and hopefully keep up the good work.  
6 Thank you.

7 CHAIR RICHARDS: Thank you, sir.

8 MR. SNIPES: Thank you.

9 Our next speaker will be Kenneth Shiotani.

10 MR. SHIOTANI: Good morning. My name is Kenneth  
11 Shiotani and I'm a Senior Staff Attorney with the National  
12 Disability Rights Network. The National Disability Rights  
13 Network is the membership organization and training and  
14 technical assistance provider for the network of protection  
15 and advocacy programs that exist in every US state and  
16 territory. The protection and advocacy programs provide  
17 legally based advocacy for people with disabilities on a  
18 full range of disability issues.

19 I primarily work on ADA issues and have a  
20 particular interest in accessible transportation. Because  
21 of my interest in expertise, I've served as an alternative  
22 member of the US Access Board's Rail Vehicle Accessibility  
23 Advisory Committee in 2014 and 2015. In recent years, I've  
24 been involved in providing input into New Railcar  
25 Procurements by Amtrak, the California Department of

1 Transportation, the Illinois Department of Transportation,  
2 and the Connecticut Department of Transportation.

3 I recently have taken part in meetings with  
4 consultants with the California High-Speed Rail Authority  
5 regarding the design for the new cars for the high-speed  
6 rail service. I've been impressed by the fact that input  
7 from the disability community has been sought at what  
8 appears to be an early stage of the procurement process  
9 rather than after initial design decisions have been made,  
10 and accessibility is then more of an afterthought than a  
11 design consideration.

12 I've also been impressed that the consultants  
13 recently met with Kendra Muller from one of our members,  
14 Disability Rights California, and did a ride with her on  
15 the Coaster Train and the San Diego Light Rail to identify  
16 existing accessibility challenges and features on those  
17 cars.

18 From what I understand at present, I think there  
19 is potential for the new high-speed rail cars to be a model  
20 for accessible rail cars for the future, for the world if  
21 our input continues to be accepted. So I've just been  
22 impressed with that.

23 CHAIR RICHARDS: Thank you very much, sir.

24 MR. SNIPES: Our next speaker is Brian Yanity.

25 CHAIR RICHARDS: Good morning, sir.

1           MR. YANITY: Good morning, Members of the Board  
2 and Chair. My name is Brian Yanity. I am Vice President  
3 South of the Rail Passenger Association in California or  
4 RailPAC. And I would like to echo what Mr. Roberts, the  
5 President of RailPAC said about Link Union Station.

6           That project, I was hoping it would be open to  
7 show off to the world for the 2028 Olympics. And it really  
8 needs to move forward. And we don't want to cut too much  
9 of the good stuff out of it, don't want to be penny wise  
10 and pound foolish, despite cost overruns, because this is a  
11 project that will last a century. We've got to keep that  
12 in mind or more. So you know, it's about legacy for future  
13 generations and not just our generation.

14           And I also want to echo Mr. Norman's comments  
15 about proceeding with Phase 2 environmental. But I wanted  
16 to say a few things about the LA-Anaheim project segment  
17 and the EIR. I was seeing here in the presentation it will  
18 be for later in the meeting today about abandoning the  
19 Colton Intermodal Yard. That BNSF apparently is not  
20 interested in that anymore or the High-Speed Rail Authority  
21 does not want to be involved in that.

22           But I think we need to address the Barstow  
23 International Gateway, which is in the Lenwood area, which  
24 the Lenwood stadium tracks have been part of this EIR. And  
25 from what I gather from what BNSF has put out about the

1 Barstow International Gateway, they're talking about short-  
2 haul trains between that facility at Lenwood and the ports  
3 or maybe Hobart or something. And if that is the case --

4 MR. SNIPES: Fifteen seconds.

5 MR. YANITY: -- freight rail electrification in  
6 the future needs to be looked at, because there could be a  
7 lot of potential for shared infrastructure of the  
8 electrification. Thank you.

9 CHAIR RICHARDS: Thank you, sir.

10 MR. SNIPES: Mr. Chairman, we have no other  
11 attendees that would like to provide public comment.

12 CHAIR RICHARDS: Thank you, Mr. Secretary.

13 Ladies and gentlemen, we'll move on to our  
14 agenda. But before we do that are you -- they passed these  
15 out, is anybody speaking to this or is this for -- I'd like  
16 to mention something before we get into the agenda.

17 Director Perea and Director or Dr. Arambula  
18 joined others yesterday and the day before in Fresno with  
19 regards to celebrating the RAISE grant that the Authority  
20 received for the help to renovate the historic depo in  
21 Fresno. It was attended by the Deputy Administrator of the  
22 Federal Railroad Administration, Jennifer Mitchell. But it  
23 was a great event. And the purpose of this was this RAISE  
24 grant. This structure, let me tell you about the  
25 structure. This structure was built initially in 1872.

1 And it was built by the Central Pacific Railroad. It was  
2 later demolished. Originally, actually, it was up by the  
3 San Joaquin River North of what has become Fresno.

4           And when Leland Stanford, who was building the  
5 Central Pacific Railroad from Los Angeles or excuse me, San  
6 Francisco through the Central Valley to Los Angeles --  
7 which sounds familiar -- so as he came through the station  
8 was substantially up at the north end of what is now the  
9 metropolitan area of Fresno. And he came across a farm  
10 that had I think maybe 2,000 acres of beautifully irrigated  
11 land in the middle of the desert, which was made possible  
12 by another pioneer in that Fresno area that brought in  
13 canals. And so he decided at that moment that the station  
14 needs to be -- their Central Pacific station needs to be  
15 moved south also in farmland. And it was moved to within a  
16 couple miles of the farm that he had looked at. And he saw  
17 this as the potential of the growth of an area and the  
18 importance of the agriculture to it.

19           And so in 1889 after having sold Central Pacific  
20 to Southern Pacific, the depot was built. And it's a  
21 beautiful structure that's been added to and modified from  
22 time to time over the years. But it's been sitting vacant  
23 for a number of years since Union Pacific took over. The  
24 Authority ended up buying that property. It's adjacent to  
25 where our Fresno, the first High-Speed Rail station is

1 planned to be developed and built and that's the first  
2 station in the entire United States.

3           So what happened is the management made an  
4 application for a RAISE grant of \$20 million. We received  
5 it. And with about another match of around 13 million or  
6 so, that's the estimated cost of the renovation along with  
7 the park that will be built that will straddle the old  
8 depot, and our new station. And it was just simply a great  
9 event. And the history of it also ties to one thing. When  
10 Leland Stanford moved the station, it was small wooden  
11 structure, down to that site it was in the same year that  
12 the City of Fresno became the City of Fresno.

13           So we are renovating and taking care of the  
14 history for the community of Fresno on the most iconic  
15 building and the actual building that we have all come to  
16 know over the years. It's the reason for the growth of  
17 Fresno. It's where they moved the population. It's where  
18 all the goods and services, agriculture in this instance  
19 moved from the Central Valley, connected the region, the  
20 State of California and in fact the entire country.

21           For two decades -- not decades -- for 200 years,  
22 two centuries, railroads have been moving people and goods  
23 and connecting them. And so this is the next step and the  
24 first step for High-Speed Rail. So it was a great day. We  
25 asked for more money as you can imagine, but we were

1 absolutely thrilled for what we got and they were really,  
2 really very happy about it also.

3 Did you have anything you wanted to add?

4 EX OFFICIO BOARD MEMBER ARAMBULA: I wanted to  
5 appreciate the Authority for submitting the application.  
6 It's always important for us to figure out how we can braid  
7 funding. And it was impressive to see how many locals  
8 stood up and spoke about how transformative this investment  
9 will be. I was grateful to be there. The momentum that  
10 we're building, the state leaning in and supporting as  
11 well, is a good sign of things to come. And I do believe  
12 that the future is bright both for Fresno and for High-  
13 Speed Rail.

14 CHAIR RICHARDS: Thank you, Joaquin.

15 Anything, Henry? (No audible response.) Okay.

16 Brian, please (indiscernible) where is Brian?  
17 Brian? Brian, please make sure that your staff lets -- or  
18 you let them know how appreciative we are of what they did  
19 yesterday. Melissa, Tony, Meg who I put on the spot in a  
20 way, but I knew she was the right person because they were  
21 asking about specifics of what we're going to do. And she  
22 made a blow away presentation. So a big clap for  
23 everybody.

24 Thank you. We will now, ladies and gentlemen,  
25 move into our agenda. Item Number One is the May 11th

1 Board Minute Meetings. Do I have a motion for approval?  
2 BOARD MEMBER: (No audible response.)  
3 CHAIR RICHARDS: A second?  
4 BOARD MEMBER: Second.  
5 CHAIR RICHARDS: A motion and second. Please  
6 call the roll.  
7 MR. SNIPES: Director Schenk.  
8 Chair Richards.  
9 CHAIR RICHARDS: Yes.  
10 MR. SNIPES: Director Camacho.  
11 BOARD MEMBER CAMACHO: Yes.  
12 MR. SNIPES: Vice Chair Miller.  
13 VICE CHAIR MILLER: Yes.  
14 MR. SNIPES: Director Perea.  
15 BOARD MEMBER PEREA: Yes.  
16 MR. SNIPES: Director Ghielmetti.  
17 Director Escutia.  
18 Director Williams.  
19 BOARD MEMBER WILLIAMS: Yes.  
20 MR. SNIPES: Director Cohen.  
21 BOARD MEMBER COHEN: Yes.  
22 CHAIR RICHARDS: Thank you.  
23 MR. SNIPES: Mr. Chair, the motion carries.  
24 CHAIR RICHARDS: Before we start on Item Number  
25 Two you will recall some time ago, towards the end of last

1 year and beginning of this year, we took on looking into  
2 the organizational conflict of interest policy that the  
3 Authority has. And we asked Vice Chair Miller and Director  
4 Escutia to confer and work with management and staff on  
5 this.

6 So this is the follow up to that and the  
7 presentation that our old and very dear friend, Tom  
8 Fellenz, who as many of you know was our Chief Counsel for  
9 a number of years and decided to come out of retirement to  
10 be here with us today.

11 So anyway with that, Vice Chair Miller, do you  
12 want to introduce this, beyond that?

13 VICE CHAIR MILLER: I just want to thank my  
14 Committee Member Martha Escutia. She was instrumental in  
15 assisting us in this and making many recommendations that  
16 were I think, helped make this document more user friendly.  
17 And also, Laura Uden, who was a member of the BAC who also  
18 assisted. So what you're seeing today has got the full  
19 Committee recommendation.

20 Go ahead, Tom, and thank you.

21 MR. FELLEENZ: Thank you. Chairman Richards and  
22 Board Members, it's a pleasure to be here in front of you  
23 making this presentation. And we prepared a slide -- a  
24 PowerPoint presentation. There it is, there's the first  
25 slide.

1           Okay, so I just want to go over first the purpose  
2 of the existence of the policy. It was developed in order  
3 to comply with the federal grant agreements. Those  
4 agreements require the Authority to maintain procedures for  
5 identifying and preventing real and apparent organizational  
6 conflicts of interests. And the policy's intended to  
7 ensure a fair and transparent procurement process, maximize  
8 competition, and minimize the risk of bid protests and  
9 litigations. And also just we'll add that it is to have  
10 the contractors give us a fair, unbiased help when they are  
11 under contract with us. So they have the interest of the  
12 Authority in mind.

13           The policy is based on state and federal  
14 procurement laws, court history, and administrative  
15 decisions, and best practice guidelines from both FRA and  
16 FTA. And Caltrans also has an organizational conflict of  
17 interest policy that we used to help us guide the  
18 improvements to this recent amendment. Next slide.

19           The history of the policy and the amendments, the  
20 policy was created in 2011. And the reason again for the  
21 policy was to comply with the grant agreements. The  
22 Authority was awarded the grants that they have in the  
23 Central Valley, the EIR Grant and the FY 10 Grant in 2010.

24           So then, following that, we took the task of  
25 putting together these organizational conflict of interest

1 policies. And with outside counsel and the Legal Division  
2 at the time, we put together the original policy. And at  
3 that time, we did request and received stakeholder input.  
4 And there was a public comment period.

5 And then it was amended again in November of  
6 2020, again with stakeholder input, to address the evolving  
7 nature of the High-Speed Rail program at the time. And now  
8 in late 2022, as Vice Chair Miller has mentioned, we had a  
9 Board Committee assist us and I'd just like to say that  
10 they were very helpful in guiding us through. And we  
11 really appreciate the Legal Division really appreciates all  
12 the help we got from Vice Chair Miller and Board Member  
13 Escutia. And so here we are, once again undertaking the  
14 amendment to the policy. Next slide.

15 And I think we've covered some of this through  
16 your introduction, Tom, and your comments Board Member  
17 Miller. But the subcommittee was formed to direct the  
18 process. We met and reviewed the draft together with the  
19 Committee. And they directed us to put a comment public  
20 comment together, a period for two months from December  
21 21st to February 21st. And we put it on the website and  
22 invited the public to give us comments on the policy.

23 And the draft policy was also sent to the  
24 Business Advisory Committee on January 13th, 2023. And the  
25 staff presented the policy to the BAC on January 25th,

1 2023, and invited them to make comments as well. Next  
2 slide.

3           This is a summary of what the proposed changes  
4 are from the policy that had previously been in place. We  
5 lessened the focus on design-build, contracting structure,  
6 and broadened the methods, broadened it to address methods  
7 of delivery other than design-build. And we condensed some  
8 of the sections to do that.

9           We clarified that potential bidders should be  
10 identifying potential conflicts of interest related to  
11 oversight of the work of other entities on the High-Speed  
12 Rail Project, if the contractor has a financial  
13 relationship with those entities on projects outside the  
14 Authority's program. And we did have that occur at one  
15 time. And the Board looked into this aspect of having  
16 potential conflict for work outside of the Authority. And  
17 so now we've incorporated that requirement in the policy.

18           We also clarified the proposals include both  
19 statements of qualifications and bids. It had just focused  
20 on the word bid before. But often these procurements that  
21 we put out are statements of qualifications that are  
22 submitted.

23           We also improve the definition of "regional  
24 consultants" by incorporating engineering and environmental  
25 consultants in that definition. Which in fact, they are

1 involved in the environmental process, because they take  
2 the project through a design phase of 15 to 30 percent as  
3 part of the environmental process.

4           We also made a clear description of the process  
5 for seeking an organizational conflict of interest  
6 determination. Because some of the comments we got back  
7 from those that provided comments was that maybe there  
8 should be a little more clarity for the process that is  
9 necessary to make that determination. We also had a  
10 statement that the responsibility or ability for  
11 determining an actual or apparent conflict rests with the  
12 Authority, not the entity seeking the determination is the  
13 Authority that needs to make that decision. So we made  
14 that very clear in the amendments.

15           We also have additional factors that we included  
16 that we will consider when the bidder performs the work on  
17 multiple contracts. We updated hypotheticals, which we had  
18 at the end, which were not exactly part of the policy  
19 itself. But are there to assist those that are seeking a  
20 determination as a guidance of the type of information that  
21 they may want to provide us and the types of scenarios that  
22 we might look at with that information. So we updated  
23 those to match recent conflict examples.

24           We've been, in the Legal Division, performing a  
25 lot of determinations in recent times. And so we had a lot

1 of examples. And it was a good opportunity for us to  
2 incorporate some of those examples that were the actual  
3 determinations we made into these hypotheticals.

4 And then there was also, as part of the comments,  
5 some confusion about this compatibility matrix that we had  
6 at the end of the policy. And so we've removed that  
7 matrix. We felt it created confusion at this time, at  
8 least. Next slide.

9 Sure. Okay, sure. There's a matrix at the end  
10 and it shows a chart what the contract is, and if you had  
11 another contract, in another axis, you could compare them  
12 to see whether it would perhaps lead to a conflict if you  
13 had both contracts, because it's really about multiple  
14 contracts. And that matrix seemed to be confusing to some.  
15 But you'll see as in the next slide, we're still  
16 considering -- or next couple of slides -- we're still  
17 going to be considering updating that matrix. But I think  
18 we just needed a little more time to take a look at it and  
19 also determine whether that was worth keeping, and whether  
20 it is helpful, and doesn't lead to any confusion.

21 MS. FOWLER: If I could just add, Tom. When we  
22 removed that, we also, at a prior Board Meeting, had  
23 directed staff to attend pre-award construction meetings  
24 with lawyers to answer complex questions. And then to have  
25 kind of a help desk where you could call if you had

1 questions, because the matrix was confusing. So we're  
2 trying to work on that. There were some inconsistencies in  
3 it. But the biggest thing was we're available to help you  
4 solve a problem before the bid occurs. So there's  
5 something there that they can ask questions.

6 MR. FELLEENZ: And another thing that we noticed  
7 is some of the contracts that were referenced in the matrix  
8 itself, wasn't inclusive of all the types of contracts we  
9 have today. Because this was originally put together in  
10 2011, so the program has changed quite a bit. And so I  
11 think it's an opportunity to improve on that. So we're  
12 looking at that for future for future inclusion. And it  
13 wouldn't be the policy itself that we would need to renew,  
14 but instead it would be an additional document they would  
15 have for reference. I need the previous slide. I didn't  
16 finish the previous slide. Can you go back one? Oh there  
17 it goes, okay.

18 So the actions we agreed upon in consultation  
19 with the Board, the Committee in response to comments that  
20 we received, is we're going to develop a checklist for the  
21 participants in procurement, which includes a time estimate  
22 for the Authority to respond to organizational conflict of  
23 interest determination requests. And the checklist and  
24 timeline will be included in your future procurement  
25 documents.

1           We also are going to have information for each  
2 procurement posted on the website, which would include  
3 information about the Authority's policy including a  
4 checklist and a timeline.

5           The Authority is going to require a statement  
6 signed under penalty of perjury by the firm executive who  
7 wants to compete in our contract competition that the firm  
8 considered the policy and performed conflicts checks prior  
9 to submitting its bid or statement of qualifications.

10           We also are going to have procurement documents  
11 that will include the requirement that contractors self-  
12 certify annually that required organizational conflict of  
13 interest mitigations are in place. Sometimes we require  
14 those mitigations to be in place. So that would be part of  
15 this self-certification, if that in fact was a requirement  
16 piece that we required of them. And that the Authority  
17 contract managers will enforce this requirement of conflict  
18 mitigations.

19           Those mitigations, the Legal Division determines  
20 need to be made. And we work with the contract managers  
21 within the organization to make sure they understand what  
22 those mitigations are. And they monitor whether those are  
23 in place and they'll enforce this requirement in the  
24 contract. The contract managers will continue to provide  
25 oversight for mitigations required after the organizational

1 conflict of interest determination.

2 And finally, the Authority will consider  
3 developing a new matrix, as I just mentioned, to assist the  
4 stakeholders. And so we're going to be looking at that as  
5 well. And it will be a standalone document that would be  
6 posted on the website. Next.

7 So, the recommendation to the Board is that the  
8 amended organizational conflict of interest policy be  
9 accepted by the Board for use from the date of acceptance  
10 forward. So, thank you so much for listening to the  
11 presentation, and I'm here if you have questions.

12 BOARD MEMBER CAMACHO: I have a question.

13 MR. FELLEENZ: Sure.

14 BOARD MEMBER CAMACHO: The conflict of interest,  
15 as I understand it, we have two ways of asking the question  
16 or conflict. And that is the proposer might request or ask  
17 the agency whether or not they are conflicted. Secondly,  
18 when they submit proposals, which we're mandating that they  
19 disclose any potential -- they may be, they may be not.  
20 But so does that necessarily relieve them of the  
21 responsibility of listing that on a proposal, because they  
22 got a clearance two or three months prior to that? Do you  
23 understand what I'm saying?

24 MR. FELLEENZ: Well, the companies as you know,  
25 are dynamic in the engagements that they take on. And

1 sometimes new work that they could take on might create a  
2 potential conflict that didn't exist when they put their  
3 procurement together. So as a dynamic, one of the blind  
4 spots that we have in the Authority and the Legal Division  
5 is, we don't really know what the businesses that are  
6 competing for our contracts are engaged in. So it's  
7 really, with their help and responsibility, that we can  
8 make those determinations. So they need to continue to  
9 keep us informed if things change on their side.

10 So I do think, to answer your question, is it's  
11 very possible that there will be an obligation for them to  
12 reach out and ask for another determination based on  
13 changed facts. At the same time, they can rely on our  
14 determination if facts haven't changed, because we've gone  
15 through and consulted with them. We have been making quite  
16 an effort to reach out and meet with those that want to,  
17 through Zoom calls, and the like. So does that answer your  
18 question?

19 BOARD MEMBER CAMACHO: Yes. So I guess the point  
20 is, if I understand you correctly, is there an undue  
21 reliance on the initial inquiry back to the agency that  
22 they're asking whether or not they may have a potential  
23 conflict? And if the agency says no, we don't believe it  
24 to be, and when they submit then they don't have to comply  
25 with that portion of the RFP, which would be they have to

1 list everything that that potentially could be. And so  
2 there's a conflict there.

3 MS. FOWLER: I think we're speaking of; I think  
4 it was called the Form D, (phonetic) Ernie --

5 BOARD MEMBER CAMACHO: Yeah.

6 MS. FOWLER: -- they submit, I think I would love  
7 to go back and look at that and provide it to you just to  
8 make sure we get the answer correct. But I think Tom's  
9 point is well taken, every response we ever give, every  
10 determination always ends with, "This is based on the facts  
11 provided to us at this point in time." If at any point,  
12 even if they've been our contractor for two or three years,  
13 anything new comes up they have to come back and do another  
14 one on the determination side. But let me find out the  
15 answer for you on the Form D side. I understand where  
16 you're going.

17 BOARD MEMBER CAMACHO: And then, I think I got an  
18 answer earlier. There's also a pending bill at the  
19 Legislature, AB 344, which is dealing with how the state is  
20 going to view conflict of interest. And as I understand it  
21 there is no conflict between what the state is proposing by  
22 law versus what we have, correct?

23 MS. FOWLER: That's correct. So this is just  
24 proposed legislation. But were it to pass in its current  
25 state, we don't see a conflict with either the old policy

1 or the one we're proposing to amend today.

2 BOARD MEMBER CAMACHO: I just thought the Board  
3 should be aware of that.

4 MS. FOWLER: Absolutely.

5 MR. FELLEENZ: Thank you.

6 MS. FOWLER: And we'll keep track of legislation,  
7 always, to make sure --

8 BOARD MEMBER CAMACHO: Thank you.

9 MR. FELLEENZ: And I'll make one more point on  
10 your original question. If circumstances changed, and  
11 there appeared to be a potential conflict or was a conflict  
12 in the procurement cog or process or after a contract is  
13 awarded, we certainly would work with the contractor to see  
14 if those conflicts can be mitigated completely.

15 And so it's a continuous back and forth with the  
16 contractors and the Authority to make sure there are no  
17 conflicts. And it's similar to the FPFC has conflict  
18 requirements as well. And so the status of anyone's  
19 personal financial situation can change. And so it's that  
20 individual's obligation, if they're in a position that the  
21 FPFC laws apply to them, to continue to monitor and  
22 understand whether something's changed that to create a  
23 conflict and whether it can be mitigated.

24 BOARD MEMBER CAMACHO: Thank you.

25 CHAIR RICHARDS: Do we have any other questions

1 or comments from any members of the Board?

2 BOARD MEMBER CAMACHO: Move approval.

3 CHAIR RICHARDS: Okay, we have a motion for  
4 approval by Director Camacho. Is there a second?

5 BOARD MEMBER SCHENK: Second.

6 CHAIR RICHARDS: By Director Schenk.

7 Please call the roll.

8 MR. SNIPES: Director Schenk?

9 BOARD MEMBER SCHENK: (No audible response.)

10 MR. SNIPES: Chair Richards.

11 CHAIR RICHARDS: Yes.

12 MR. SNIPES: Director Camacho.

13 BOARD MEMBER CAMACHO: Yes.

14 MR. SNIPES: Vice Chair Miller.

15 VICE CHAIR MILLER: Yes.

16 MR. SNIPES: Director Perea.

17 BOARD MEMBER PEREA: Yes.

18 MR. SNIPES: Director Ghielmetti.

19 Director Escutia.

20 Director Williams.

21 BOARD MEMBER WILLIAMS: Aye.

22 MR. SNIPES: Director Cohen.

23 BOARD MEMBER COHEN: Yes.

24 CHAIR RICHARDS: Thank you.

25 MR. FELLEENZ: Thank you very much.

1           CHAIR RICHARDS: Thank you, Mr. Fellenz. Thank  
2 you very much. And Alicia, thank you for your oversight  
3 through this whole process also.

4           Yes, Director Schenk.

5           BOARD MEMBER SCHENK: If I may just a thank you  
6 to Vice Chair Miller and Director Escutia for doing this.  
7 It took a lot of work. And you brought us to an important  
8 place of consensus. So thank you very much.

9           CHAIR RICHARDS: It's truly a job well done.  
10 Thank you, Vice Chair Miller, and for Director Escutia out  
11 there.

12           Anyway, thank you very much. And we'll now move  
13 on to Item Number Three, which is the Independent Review  
14 Audit. Director or our Internal Audit Manager, our  
15 Director Paula Rivera. Good morning.

16           MS. RIVERA: Thank you. Good morning, Chair  
17 Richards, Board Members. I'm Paula Rivera. I'm with the  
18 Authority Audit Office. And I bring to you today the  
19 results of an external peer review that we had.

20           We've undergone this external peer review. It  
21 was performed by the California Association of State  
22 Auditors, which is audit managers from other departments  
23 review each other's internal control systems and compliance  
24 with those internal control systems. The audit standards  
25 require that we make the results of our peer review

1 available to the public and present the results to the  
2 Board.

3           In accordance with government auditing standards  
4 and the international standards for the professional  
5 practice of internal auditing, the Chief Audit Executives  
6 must develop and maintain a Quality Assurance and  
7 Improvement Program.

8           The Audit Office's Quality Assurance and  
9 Improvement Program includes staff receiving adequate  
10 training related to audit standards, internal processes and  
11 practices documented in an audit manual, two levels of  
12 review for each audit assignment, an annual internal  
13 quality assurance review, and an external peer review, at  
14 least every three years.

15           This year's external peer review team was  
16 comprised of auditors at the supervisory and management  
17 level from the Department of Transportation, the Franchise  
18 Tax Board, and the California Lottery. The peer reviewers  
19 found that our internal quality control system was suitably  
20 designed and operating effectively, to provide reasonable  
21 assurance of compliance with the standards.

22           The external peer reviewers had one observation  
23 which was documented in the management letter. And their  
24 recommendation was to document the assessment of the audit  
25 team's overall competency during audit planning. We have

1 internal conversations about the auditors who are assigned  
2 to a particular audit. We just weren't documenting those  
3 conversations. The audit standards require that we do.  
4 And we've updated our procedures to be documenting that in  
5 our planning.

6 Are there any questions?

7 CHAIR RICHARDS: By the --

8 BOARD MEMBER WILLIAMS: Mr. Chair, I did have one  
9 question.

10 CHAIR RICHARDS: Yes.

11 BOARD MEMBER WILLIAMS: Thank you for this and  
12 congratulations on -- I guess not congratulations, you're  
13 not supposed to be congratulated for what you're supposed  
14 to do. And you're doing what you're supposed to do, so  
15 thank you for that.

16 MS. RIVERA: Thank you.

17 BOARD MEMBER WILLIAMS: I did just want to drill  
18 down just a little bit on that. When you say you have  
19 conversations -- just for my own -- because I didn't --  
20 what I read of it, I think it's clear, but for my brain I  
21 just wanted to hear just a little bit more detail about  
22 when you -- clearly when you're having those conversations  
23 you are assessing the competency of the auditors and their  
24 involvement in the audit. And it just wasn't clear what  
25 the nature of those conversations were. I mean, are you

1 asking them? Are you not asking, but are you evaluating  
2 their qualifications to the degree that is necessary for  
3 that particular audit I guess is the question.

4 MS. RIVERA: Yes.

5 BOARD MEMBER WILLIAMS: Okay.

6 MS. RIVERA: Yes.

7 BOARD MEMBER WILLIAMS: So I just wanted to make  
8 sure that's on the record.

9 MS. RIVERA: Yes. When we have an audit coming  
10 up, we have a manager's meeting. The three senior managers  
11 and I will decide which auditors to assign. Not every  
12 auditor needs to have the entire amount of competencies,  
13 but the team as a whole needs to be competent to perform  
14 the audit. And as I mentioned, we have lots of  
15 conversation about who we're going to assign. But now to  
16 comply with the audit standards we document those  
17 conversations and those decisions as part of our planning.

18 BOARD MEMBER WILLIAMS: All right, thank you.

19 CHAIR RICHARDS: Okay. Any other questions?

20 Yes, Director Schenk.

21 BOARD MEMBER SCHENK: Paula, this question would  
22 ordinarily in a public company be asked in Executive  
23 Session, but we don't do that so I'll ask Brian to plug his  
24 ears. I just -- due diligence here, do you have the  
25 resources that you need to do the audits? And do you have

1 the cooperation that you need from management and staff?

2 MS. RIVERA: Yes, we do.

3 CHAIR RICHARDS: Thank you, Director Schenk.

4 BOARD MEMBER SCHENK: Unplug your ears, Brian.

5 (Laughter.)

6 CHAIR RICHARDS: Any other questions and  
7 comments?

8 I would only then just report briefly to my  
9 colleagues. When this occurs, in each instance that it has  
10 occurred, I end up being interviewed by the auditors and  
11 have the opportunity also to ask questions, so and that's  
12 just with the auditors. In this instance it was a Zoom  
13 call.

14 And it's always been very interesting, and I've  
15 always asked them some very direct questions that we would  
16 normally do in a closed session in a private sector board.  
17 But I guess it's beyond fair to state that we stand very  
18 high among our peers in terms of the audit reviews that  
19 have been done, and now have been done. And they're always  
20 done by different groups of people, but it's been pretty  
21 consistent.

22 So I mean I've always congratulated Paula and her  
23 leadership in this internal review or committee, our  
24 internal audit committee. And I think it's well deserved.  
25 And I didn't hear anything this year that would cause me to

1 say anything different to you. So I think it was also  
2 very, very positive really reported. And I think I'm more  
3 than able to say that to you, because it's true. But that  
4 anyway, thank you very much, Paula.

5 MS. RIVERA: Thank you.

6 CHAIR RICHARDS: That is an information item. We  
7 will now move on to Item Number Four and this one is an  
8 action item, and this is with regards to the Audit Plan.

9 MS. RIVERA: So part of our internal quality  
10 assurance system is that each year that we don't have an  
11 external peer review, we have auditors who internally look  
12 to see if our quality assurance system is working. They  
13 review workpapers. They look at the documentation that we  
14 have. And so I bring that today to you for your  
15 information to show that we're in compliance with our  
16 Internal Quality Assurance Program. I also bring our Audit  
17 Plan.

18 The Audit Plan is a risk-based Audit Plan  
19 identifying priorities for our audit activities. In order  
20 to develop the Audit Plan, audit topics were solicited from  
21 Executive Management and the Finance and Audit Committee  
22 members.

23 So the plan has five audits listed on it. Three  
24 audits are activities that we have in progress: incurred  
25 cost contract compliance audits, audit of small business,

1 and pre-award evaluations.

2 BOARD MEMBER CAMACHO: How do you determine the  
3 number of hours? So I see you have two categories, or you  
4 have 1,500 hours.

5 MS. RIVERA: For the audits that we have in  
6 progress the hours, once we've decided on our objectives  
7 then we look at sort of the scope of what our audit will be  
8 and then we can define what the hours are. When the others  
9 that we're proposing, like the Civil Works Certification,  
10 that's based on our best estimate ahead of time. Once we  
11 get into defining the objectives, we may -- or if we add  
12 additional staff, we think we're going to have two and we  
13 have three, then we'll refine that once we get into the  
14 planning process.

15 BOARD MEMBER CAMACHO: I asked that only for the  
16 question I asked during the Finance and Audit Committee  
17 meeting was the goal setting process and our inability to  
18 reach those goals. And that's part of the audit that, as I  
19 read your scope here, is including recruitment contracting  
20 in good faith efforts. Maybe if we spent more time looking  
21 at those areas and why they're not really reaching those  
22 goals. As Brian said that we reach it in professional  
23 services, but we may not be reaching it in the other areas.  
24 Maybe it needs more attention to that, so we can come back  
25 with some recommendations as to what we're missing.

1 I've never in the five or six years that I've  
2 been on this Board, I've never heard a recommendation as to  
3 how we can be doing better. I just hear that we're  
4 stagnant, or we're static in terms of the percentages that  
5 we're using in minority and small businesses, which has  
6 been about 22 to 23 percent. So I'm just wondering whether  
7 or not there's a better job that we can be doing. And if  
8 we could get recommendations from an audit team that  
9 suggests maybe if we were deficient on one area, we could  
10 be improved in those areas.

11 MS. RIVERA: Okay, that's one of our objectives  
12 is to meet with prime consultants who have the small  
13 business requirement in contracts, to understand what  
14 efforts are being performed. Do you have documentation of  
15 your good faith efforts? You've looked in the type of work  
16 that you do. Is it there just aren't a sufficient number  
17 of say disabled veterans business enterprises maybe. So  
18 the documentation that the primes retain will be key to our  
19 understanding as to why the goals aren't being met.

20 BOARD MEMBER CAMACHO: Thank you.

21 VICE CHAIR MILLER: Just as a follow up to that  
22 question, would you be meeting with disadvantaged potential  
23 contractors and disabled veterans, potential contractors as  
24 well to ask that same question?

25 MS. RIVERA: We certainly can. We haven't

1 developed our testing plan yet.

2 VICE CHAIR MILLER: Only to get to the question,  
3 which is, how can we increase the percentage? That might  
4 be also helpful to ask the actual contractors themselves.

5 MS. RIVERA: Okay. I agree (indiscernible).

6 VICE CHAIR MILLER: Thank you.

7 CHAIR RICHARDS: Okay, thank you. Any other  
8 questions for Paula? Hearing none, colleagues, this is an  
9 action item to approve the '23-'24 Internal Audit Plan. So  
10 do we have a motion for approval?

11 VICE CHAIR MILLER: So move.

12 CHAIR RICHARDS: Vice Chair Miller.

13 Is there a second?

14 BOARD MEMBER WILLIAMS: Second.

15 CHAIR RICHARDS: Director Williams, thank you.  
16 Please call the roll.

17 MR. SNIPES: Director Schenk.

18 BOARD MEMBER SCHENK: (No audible response.)

19 MR. SNIPES: Chair Richards.

20 CHAIR RICHARDS: Yes.

21 MR. SNIPES: Director Camacho.

22 BOARD MEMBER CAMACHO: (No audible response.)

23 MR. SNIPES: Vice Chair Miller.

24 VICE CHAIR MILLER: Yes.

25 MR. SNIPES: Director Perea.

1 BOARD MEMBER PEREA: Here.

2 MR. SNIPES: Director Ghielmetti.

3 Director Escutia.

4 Director Williams.

5 BOARD MEMBER WILLIAMS: Aye.

6 MR. SNIPES: Director Cohen.

7 BOARD MEMBER COHEN: Yes.

8 CHAIR RICHARDS: Thank you. Now that's passed  
9 and, Ms. Rivera, thank you very much as always. Okay.

10 The rest of our agenda, as you see is all  
11 informational, so moving on to Item Number Five is the  
12 Train Interior Design Briefing. And Mr. Kelly is going to  
13 make a couple quick comments at the outset.

14 MR. KELLY: Thank you, Mr. Chairman. Bruce  
15 Armistead, who is the head of our Rail Operations Division,  
16 and Melissa Figueroa, who you're all familiar with as the  
17 head of our Strategic Communications Group will present on  
18 this item.

19 But just to just to tell you why it's before the  
20 Board now. As we move toward getting into operations  
21 coming soon on the horizon is the need to move forward on  
22 train procurements, you know, purchasing the rolling stock.  
23 And one of the things we learned on our trip to Germany in  
24 September of 2022 was the work Deutsche Bahn was doing  
25 there in upgrading their rolling stock, their train system.

1 They had started a deep engagement with the public on what  
2 amenities were important for train riders, how are they  
3 complying with disability needs and requirements, as well  
4 as security issues and other things that are important to  
5 the train.

6           So I love the idea of this early public  
7 engagement. And you heard -- I think many of you heard the  
8 public comment from the gentleman who called earlier from  
9 the National Disability Group who, again understanding what  
10 those needs are, as we start the specifications for the  
11 train manufacturing is a very important step. So for the  
12 next several months we'll be continuing this dialogue,  
13 getting feedback from the public and groups that ride  
14 trains. And they will work their way into the  
15 specifications of what we do as we order the rolling stock.

16           So this is something you'll probably hear more  
17 and more about as we go forward because it will be  
18 continuous engagement with the public on this topic. We'll  
19 be going back to the Board. I'll touch on this in the CEO  
20 Report. We'll be coming back to the Board later in 2023 to  
21 get qualifications going on train procurement, because  
22 that's a long lead item. So we'll be coming back on that.  
23 But this is -- I just wanted to tell you why you're seeing  
24 this today. As we get closer and closer to rolling stock,  
25 we want to make sure that we're incorporating all the right

1 elements on the trains that we're having built.

2           So with that, Bruce, I'll let you take it from  
3 there. Thank you.

4           MR. ARMISTEAD: Good morning. Before I get  
5 started, I want to introduce Gurleen Boparai. He's come to  
6 us from Caltrans Division Of Rail and he's going to be  
7 helping out with the train sets procurement. He has a  
8 wealth of experience buying trains for the state of  
9 California. So having him on our team here at the Rail  
10 Group with the High-Speed Rail Authority is a definite  
11 plus. I'd also like to acknowledge the Early Train  
12 Operator who's helping us with the effort of designing the  
13 interior, that's one of their contractual obligations.

14           And with that we're pleased to update the Board  
15 on the progress of the ongoing project to design the  
16 interiors for the future California High-Speed Rail train  
17 sets. The Authority had set out on this project earlier  
18 this year, with the objective of providing an onboard  
19 passenger experience that will be transformational for  
20 high-speed rail travel, as the project will be for  
21 California, setting a new global benchmark.

22           We are starting the design process to be ready  
23 for the procurement process for the initial train sets  
24 required for the Central Valley service. Okay. I'll just,  
25 I'll lean in. The design concepts and guidelines that are

1 currently being developed will be included in the request  
2 for proposals for train sets alongside the functional and  
3 technical requirements.

4           They will provide guidance for the train set  
5 manufacturers regarding the onboard experience that the  
6 State of California envisions for the first real high-speed  
7 trains in the nation. The design will be fully compliant  
8 with federal and state regulations for high-speed trains,  
9 and exceed standards that have been set for the US and  
10 worldwide.

11           Stakeholder and public engagement, the interior  
12 design process is also a great opportunity to involve  
13 stakeholders and the people of California in the High-Speed  
14 Rail project. A central piece of our interior design  
15 process is collecting inputs and feedback throughout the  
16 project. We are deeply invested in ensuring a barrier free  
17 design that provides the best experience for all  
18 passengers, which means involving potential future riders  
19 and those who have a stake in the project to gain their  
20 support. And at the same time, the outreach and engagement  
21 that is happening as part of the design process allows us  
22 to showcase progress of the High-Speed Rail project and  
23 provide a preview of what to expect of the future service  
24 to the public. And Melissa will speak more about that  
25 later.

1 Custom best in class interior design, the result  
2 of our design will be a unique interior concept that  
3 incorporates inputs of Californians across the state into a  
4 best in class designed for high-speed trains operating in  
5 California. We have some major goals for 2023 and are  
6 proud that we are on track to achieve those goals by the  
7 end of the year. We'll speak more about those goals and  
8 the outlook for upcoming years. But ultimately, our focus  
9 now is to create qualitative outputs in 2023 so that we can  
10 develop and showcase an interior mockup that will not only  
11 preview the future service across the state, but also  
12 generate public excitement, awareness about the future of  
13 the high-speed rail in the State of California and in the  
14 United States. Next slide.

15 We have defined three guiding principles that  
16 will shape the standards for California's first high-speed  
17 rail service. The first principle is state of the art  
18 design. We want to create a design that exceeds standards  
19 and will get people excited about the first high-speed  
20 train. This means incorporating best practices in  
21 transportation from around the world, including innovations  
22 in technology and materials into our design.

23 Global benchmarks will be further developed and  
24 customized to ensure that the next level design meets the  
25 requirements of ADA and by America. The central principle

1 that guides our design discussions is always to think of  
2 from the perspective of future riders.

3 Through research, outreach, and user testing we  
4 gain deep understanding of the passenger needs, the  
5 passenger wants, and the whiles of their journey, or what  
6 will really excite them to ride the future high-speed rail.  
7 These needs, wants and whiles will all be incorporated  
8 through elements of the interior design to create an  
9 experience that all future riders will enjoy.

10 Lastly, we are aware that the train sets will be  
11 better being procured, will have a long and service life.  
12 So we will make sure that the interior design of the train  
13 set is resilient to any challenges throughout its  
14 lifecycle. This means planning for longevity through  
15 modular concepts, flexible spaces, durable materials, and  
16 easily maintainable and recyclable materials. We want to  
17 design not only to be an icon for high-speed rail, but a  
18 lasting one. Next slide, please.

19 Our roadmap for the interior design and the  
20 procurement process extends from 2020 to the end of 2030.  
21 We began the interior design in 2020 when we developed the  
22 first conceptual renderings of the trainset interior based  
23 on input from future riders, and draft functional and  
24 technical requirements for the interior.

25 You may have seen some of these concepts,

1 conceptual renderings in the PER (phonetic) for 2023 online  
2 or at our outreach events. We have noticed that these  
3 renderings have helped to generate a lot of excitement  
4 about the future of high-speed rail as they gave future  
5 passengers more of a tangible glimpse into what the  
6 experience might look like.

7           This year, we begin the actual design project.  
8 So far this has been a highly collaborative project between  
9 the Authority, California communities, and key stakeholders  
10 to develop a unique interior that is designed for  
11 passengers of all ages, abilities and demographics. We'll  
12 review some of the stakeholder outreach shortly.

13           In early 2024, we will finalize the design  
14 guidelines for the train set interiors, as well as the  
15 functional and technical requirements which will inform the  
16 train set procurement.

17           From 2024 to 2030, we'll be bringing the designs  
18 into reality getting trains on to the tracks. During this  
19 time we will procure and deliver to prototype train sets,  
20 which will be ready for testing. The testing and  
21 commissioning will take place on 190 mile test track  
22 through the Central Valley.

23           The Central Valley operations on the initial  
24 operating segment will commence between 2030-2033. And as  
25 you can see, we have an ambitious timeline ahead. And we'd

1 like to share details on the next steps with you diving a  
2 bit deeper into the essentials of the interior design  
3 process during the coming months.

4 And I'd like to turn it over to Melissa to take  
5 the remainder of the presentation.

6 MS. FIGUEROA: Good Morning, Board Members. My  
7 name is Melissa Figueroa. I'm the Chief of Strategic  
8 Communications for the Authority. And in coordination with  
9 Bruce's team and Deutsche Bahn we have the great pleasure  
10 of talking to the community about the interiors of the  
11 trains and our outreach events. And that's something that  
12 our team is just thrilled to be doing at this point. I  
13 can't stress enough how excited they were together in  
14 Sacramento just a couple of months ago, hear all about the  
15 work that we're doing and get out into the communities and  
16 start gathering this feedback, and bring it back to all of  
17 you.

18 I want to highlight the fact that the strength of  
19 California is its diversity. And that diversity is what's  
20 leading us to having the best train sets in the nation and  
21 the first train sets in the nation. And that's something  
22 that our team is taking very seriously. We are working to  
23 connect California through inclusive design. You heard a  
24 mention of the ADA community. We're also reaching out to  
25 the multilingual community. Communities up and down the

1 State of California, a 500-mile long system, you're going  
2 to hear and hear from every community, every ethnicity,  
3 every walk of life. And we are really listening to those  
4 people because they are our future riders.

5           So we've started that process already. And we've  
6 been in the communities. We've attended conferences like  
7 SCAG in Southern California, and gotten some really  
8 meaningful feedback that even Deutsche Bahn has commented  
9 is different than the feedback that they received when  
10 they're designing train sets in Europe. And that just  
11 speaks to the diversity of our State of California.

12           So this is the start of the process. By no means  
13 is this the end of this iterative process. We are just now  
14 getting out there with all this information and starting to  
15 collect feedback. And throughout the next 12 or so months,  
16 we're going to continue reaching out to these communities  
17 and continue to get their feedback as the designs evolve.

18           So we'll start at a very basic level, that are  
19 called white mock ups are made with cardboard, very basic  
20 elements. And we're going to be designing those here in  
21 California, here in Sacramento so we can take all of you.  
22 We can take members of the public, our stakeholder  
23 community members of the Legislature through to see the  
24 process as it's evolving. And the stakeholders will be  
25 part of it too. We want to continue to get their feedback

1 as this is going on. If we can go to the next slide.

2 So what will happen from there is we will have a  
3 more detailed design moving through the process.

4 Ultimately, it will be what's called a high fidelity mock  
5 up, which will look and feel like a real train set  
6 interior. You can get inside of it, you can touch it, you  
7 can see the fabric, you can see what amenities, where the  
8 USB ports will be. This is very important to a lot of our  
9 future riders. As you can imagine, Wi-Fi on trains is very  
10 important. Everything from the width of the aisles, the  
11 fabric on the seats where the plugs are located, legroom.  
12 Yes, Mr. Kelly, we will make sure there's plenty of  
13 legroom. We know this is very important.

14 Even things like we know that families are not  
15 always just a three-person family, a four-person family,  
16 some families are larger, mine included. So we've heard a  
17 lot, even from our fifth graders that we spoke with not too  
18 long ago. I have a family of five or six, are you going to  
19 have seats that all my family can sit together and we're  
20 not spread apart all over the train. And that is feedback  
21 that we're taking into account as we're designing the seat  
22 configuration within the trains.

23 Also, areas for children to play and stretch  
24 their legs. For our elderly passengers to have quiet  
25 space. They don't necessarily want to be around the five-

1 year old children, we understand that. Folks from the  
2 autism community have special needs. We're listening to  
3 them too. So this is all being taken into account as we  
4 work through this process.

5           And then ultimately, like I said we'll have this  
6 high fidelity mock up that we are very much looking forward  
7 to taking around the State and showing folks what this is  
8 going to look like for the state of California. Because we  
9 recognize not everyone can come here to Sacramento to see  
10 it, so we're going to try and find a way to do a bit of a  
11 road show and take that on the road to show our public what  
12 our trains will look like. If we can go to the next slide.

13           So just to summarize a little bit on what Bruce  
14 was touching on earlier. Of course, mobility,  
15 sustainability and equity are the core of what we're trying  
16 to do here in the State of California. We look forward to  
17 your feedback. We look forward to the public's feedback.  
18 We very much acknowledge that this is a diverse state, and  
19 we want to hear all perspectives.

20           In the back of the room on your way out, I would  
21 encourage you to take a look at the poster that we brought.  
22 It's just a small sampling of some of the feedback that  
23 we've received in the different personas that we're  
24 listening to. By no means is it fully representative.  
25 It's just a small example I wanted to show you on your way

1 out today of what we're working on as a team.

2 So I think with that, I believe that was our last  
3 slide. And Bruce and I are happy to answer any questions.

4 BOARD MEMBER SCHENK: Chairman.

5 CHAIR RICHARDS: Yes, Director Schenk.

6 BOARD MEMBER SCHENK: Thanks, Melissa. This is  
7 very exciting.

8 MS. FIGUEROA: It is.

9 BOARD MEMBER SCHENK: This is it. Many years  
10 ago, I had the ICE train come and they did a run from San  
11 Diego to LA, and it was wonderful. With all of the  
12 stakeholders are members of this Board going to be able to  
13 give input? Because some of us are train road warriors.

14 MS. FIGUEROA: Yes, we value your input. And I  
15 know that we have been talking about that with Deutsche  
16 Bahn and with Bruce's team, at what point we want to start  
17 involving you. Because we don't want to take up too much  
18 of your time too early in the process and (indiscernible) -  
19 -

20 BOARD MEMBER SCHENK: Take it up.

21 MS. FIGUEROA: Take it up. We're going to take  
22 you up on that then.

23 BOARD MEMBER SCHENK: Okay, thank you.

24 MS. FIGUEROA: Absolutely.

25 BOARD MEMBER SCHENK: Excellent report.

1           CHAIR RICHARDS: Director Williams.

2           BOARD MEMBER WILLIAMS: I've got a question for  
3 Mr. Armistead. So just looking at the schedule and you  
4 mentioned that this is in some ways an ambitious timeline.  
5 We are obviously thinking a lot about making sure we're  
6 promising and delivering in terms of those schedules.

7           So I just was curious to know what are some of  
8 the -- and I understand that this kind of tracks to the PUR  
9 and our plans to obviously get the project to an  
10 operational level. What are some of the risks specifically  
11 with respect to the train set procurement, that you see or  
12 are thinking about anticipating, so that we can kind of  
13 mitigate those risks and stay on schedule?

14           MR. ARMISTEAD: Primarily, it's the testing and  
15 commissioning of the train set. As you may have heard,  
16 Amtrak is going through a number of challenges with their  
17 train system testing and commissioning on the East Coast.  
18 So we're learning, we have a constant dialogue with Amtrak  
19 and the FRA on the testing and commissioning process. So  
20 we're learning from their mistakes.

21           And we have our dedicated test track, and one of  
22 the challenges they have is they're trying to test on a  
23 revenue railroad. So with a revenue railroad you have to  
24 find your times, and you can only do it at night or when or  
25 off service hours. So testing and commissioning will have

1 a dedicated test track. That's a mitigation that is  
2 natural for us.

3 Another challenge is making sure that all the  
4 proposers can meet both by America and the standards for  
5 220-mile-an hour trains. There are a lot of trains,  
6 electric train sets out there, but they don't go to 220.  
7 There are a select few to go to 220. So making sure that  
8 they can meet our requirements as a risk, because it limits  
9 the field of proposers. And hopefully in the very near  
10 future, we will be coming back to you with an RFQ that will  
11 show us the world of people who can meet our requirements.

12 But by America, 220 miles an hour, testing and  
13 commissioning, are the primary risks.

14 MR. KELLY: If I could just add that one of the  
15 things we've asked the federal government for our federal  
16 state grant application is funding directly for trains, per  
17 train procurement. So as that is pending, and we think  
18 we'll hear on that by the end of the year, we do want to  
19 start the process of qualifying vendors. So by the time a  
20 decision is made on that we'll know who would qualify, who  
21 can manufacturer that trains we're looking for. So that's  
22 something we'll come back to you guys on very shortly.

23 BOARD MEMBER PEREA: Mr. Chairman.

24 CHAIR RICHARDS: Yes, Director Perea.

25 BOARD MEMBER PEREA: Yeah, a couple of questions

1 for you. The first is the train sets that we all have  
2 ridden on around the world. I've been on Spain's train  
3 set. I know all of you've been on others. What is it in  
4 this process are we going to find different than what these  
5 folks in different countries have already thought of and  
6 put into practice? What is different?

7 MR. ARMISTEAD: We're trying to stick with  
8 service proven trainsets.

9 BOARD MEMBER PEREA: Right.

10 MR. ARMISTEAD: So there shouldn't be a lot  
11 different. Our interiors will be different, because our  
12 interiors will be informed by our market and our  
13 demographic as opposed to their interiors being informed by  
14 their market and demographic. So that'll be a difference  
15 that you'll see and feel inside the train set.

16 BOARD MEMBER PEREA: I'm just curious what does  
17 that mean? I mean are there -- the body shape is  
18 different?

19 MR. AMISTEAD: Yes. Well, the interior design.

20 BOARD MEMBER PEREA: What does that mean?

21 MS. FIGUEROA: Sure. Some of the early feedback  
22 we're receiving in California we are very much a Farm to  
23 Fork state. So we're hearing a lot about the food choices  
24 within the trains.

25 BOARD MEMBER PEREA: That makes sense.

1 MS. FIGUEROA: And should it be California  
2 specific? Should we have seats and configurations of four  
3 or six? Should there be tables? Should there be standing  
4 space? Should there be an area dedicated for children's  
5 play, like a play area, playground type of area within a  
6 train.

7 We're also hearing a lot about individual spaces  
8 for meetings. So if you're a traveler, but you're doing  
9 business on the train, and you need to conduct a meeting in  
10 a private space, and take a phone call that you don't want  
11 the entirety of the train to hear, is there space for you  
12 to sit and perhaps close the door so that you can have  
13 those conversations privately? Or is it a larger gathering  
14 of a meeting. You're going to have folks from the Silicon  
15 Valley, heading all the way down to the Central Valley,  
16 perhaps there's some meetings that need to occur and more  
17 of a boardroom style setting? Those are all scenarios  
18 we're considering as well.

19 BOARD MEMBER PEREA: And then in the end will  
20 whatever is developed be then criteria that bidders will  
21 have to incorporate into their bids?

22 MS FIGUEROA: Yes. Correct.

23 BOARD MEMBER PEREA: Okay. All right.

24 MR. KELLY: Yeah, then Henry that just might be a  
25 slightly different thing is ADA requirements here and in

1 America are different than internationally.

2 BOARD MEMBER PEREA: No. That makes sense.

3 MS. FIGUEROA: Yeah. Public safety, and we've  
4 done a lot of conversations with the Highway Patrol and  
5 taken into account some of their recommendations for safety  
6 on the trains as well. So those are things that we're  
7 taking very seriously as well as design.

8 BOARD MEMBER PEREA: But the other question on  
9 the timeline on page four -- so more aggressive schedule of  
10 10 years from now, the outset is 2033 to have the train  
11 sets ready for testing. Can you tell me or talk about the  
12 track and systems procurement? Because obviously, put a  
13 train set on you have to have your car track and systems  
14 in. What is -- what's happening there? I know we're going  
15 to do it in pieces now.

16 MR. KELLY: I'm going to touch on some of that in  
17 my CEO Report. But just so you're aware that we are  
18 proposing to come back to the Board with a series of  
19 procurements in the next three or four months, one after  
20 the other to start the track procurement, start the design  
21 of the track, get the train manufacturers qualified, come  
22 back with the systems procurement. These are all lining  
23 up. And what you'll hear me say in the CEO Report is I'm  
24 giving you a sense of what's ahead.

25 Bruce and Bill Casey will likely come back in the

1 July meeting and talk to you guys specifically about  
2 lessons learned from the prior procurements of what we're  
3 applying to these going forward. As well as a month by  
4 month schedule of what we'll be bringing you on the  
5 procurement front to make sure we're staying on schedule.  
6 It's in the Project Update Report.

7 BOARD MEMBER PEREA: And do we have the funding  
8 right now for the -- I understand the train sets, we're  
9 looking for federal grants for that?

10 MR. KELLY: We are looking for federal grants for  
11 the train sets. And we're funded certainly for the 119. I  
12 think our grant application requests that's pending  
13 includes the ability of us to start some of the extended  
14 work for the Merced extensions, and Bakersfield extensions,  
15 like right-of-way procurement and moving utilities, which  
16 we want to make sure we're doing in the right order as we  
17 go forward.

18 And so those are part of the grant application  
19 that are also pending. But again the timing of this stuff  
20 is fair right now for us, because we are going to know by  
21 the end of '23, what the answer is to our grant application  
22 at the federal level. And if we see that green light we're  
23 going to move forward aggressively on this stuff.

24 BOARD MEMBER PEREA: And do we have the money for  
25 the track and systems?

1 MR. KELLY: Yeah we certainly do for the 119-mile  
2 stretch. And again 171, we need the federal partnership,  
3 which we've been clear on in our application.

4 BOARD MEMBER PEREA: The last question. The  
5 train sets are going to be procured, manufactured, and  
6 delivered for testing in the Central Valley. I know where  
7 so -- we don't know who's going to be selected. But where  
8 would they be manufactured? In the United States or in the  
9 country that we select?

10 MR. ARMISTEAD: We're going to be Buy America  
11 compliant.

12 BOARD MEMBER PEREA: Buy America. So they will  
13 be procured and manufactured in the United States?

14 MR. ARMISTEAD: Yes, yes.

15 BOARD MEMBER PEREA: Do we know where in the  
16 United States?

17 MR. ARMISTEAD: No.

18 MR. KELLY: It depends who the supplier is.

19 MR. ARMISTEAD: Right.

20 MR. KELLY: So for example, Henry, Siemens has a  
21 plant here in Sacramento. They're hoping to get more High-  
22 Speed Rail business. But Siemens is one manufacturer here.  
23 The entity who is manufacturing high-speed trains, now  
24 electrified trains is Alstom who is located in Rochester,  
25 New York. And so they're another domestic manufacturer.

1           I think it's important to know that whether  
2 you're building an electrified high-speed train now or not  
3 in America, not every single component of that train is  
4 manufactured in the United States, there are components  
5 that come over and get assembled here. That'll be true  
6 with us going forward. And I think the thing that we have  
7 the opportunity to do is increase that domestic supply  
8 sooner. And that's part of the Buy America stuff that  
9 we're working with FRA on as well as Brightline.

10           BOARD MEMBER PEREA: So I don't know who's say  
11 connected to the New York, but say for example that  
12 wouldn't exclude, say Spain or Japan as one example from  
13 being the successful awardee, if they could somehow what  
14 assemble their trains somewhere in the United States?

15           MR. KELLY: They have to meet the Buy America  
16 requirements.

17           MR. ARMISTEAD: Right, right. It gets really  
18 complicated with the definition of component and  
19 subcomponent and how you meet the Buy America requirements.  
20 So it gets really complicated.

21           BOARD MEMBER PEREA: Got it.

22           MR. ARMISTEAD: I didn't mean to be evasive, but  
23 Buy American compliance is what we have.

24           MR. KELLY: And just to provide an example of the  
25 complexity, the Federal Railroad Administration has begun a

1 dialogue with both Brightline and the Authority and others  
2 about how will we all -- what's the long term plan for  
3 domestic supply of these things, recognizing that they're  
4 not all domestically supplied today. And so that's an  
5 engagement where that'll be ongoing for a while.

6 CHAIR RICHARDS: Okay, Henry.

7 Yes, Emily.

8 BOARD MEMBER COHEN: Just along those same lines.  
9 Page four says procurement of the initial train sets 2024  
10 to 2030. Between procurement, manufacturing, and delivered  
11 for testing in the Central Valley fulfilling Buy America  
12 requirements. Can you give us a sense of which portion of  
13 that Buy America puts a hurdle in front of us for the most  
14 or in the most unique way?

15 MR. ARMISTEAD: Well the experience of Amtrak has  
16 been, they had to apply for waivers for certain pieces.  
17 The glazing, bogies, and some braking equipment and a few  
18 other things. So those are the pieces that will give us  
19 challenges. But as Mr. Kelly alluded to we have a sourcing  
20 plan that we're talking with the FRA about in order to try  
21 and build up that capacity and here in this country, and  
22 have a technology transfer that would allow some of those  
23 components to be built here.

24 Of course it takes time because too -- and we  
25 need a market for high-speed trains. If there's no market

1 people won't invest millions of dollars into a plant that  
2 makes high-speed braking sets, or high-speed windshields or  
3 car body shells, if they're only going to deliver 10 of  
4 them.

5 MR. KELLY: Along those lines, just I think I've  
6 mentioned this before in a public setting, but both we and  
7 Brightline have applied for funding, federal funding for  
8 the program. And both of us are interested in funding for  
9 trains. And I think there's an opportunity for the two of  
10 us to work with the FRA on how we can implement and execute  
11 that together in a way that would meet the Buy America  
12 requirements more quickly. And also get certain  
13 efficiencies and economies of scale on how we do this.

14 So there could be, for example, there could be a  
15 joint procurement that we would engage in with. We're not  
16 there yet. But these are some of the strategies that are  
17 before us that I think the FRA will have something to say  
18 about as we go forward.

19 CHAIR RICHARDS: Thank you. Any other questions?

20 Mr. Armistead, Ms. Figueroa, thank you very much.  
21 Ladies and gentlemen, we'll now move on to the Southern  
22 California Update.

23 MS. DICAMILLO: Good morning. I am LaDonna  
24 DiCamillo.

25 CHAIR RICHARDS: Welcome.

1 MS. DICAMILLO: I'm the Regional Director for  
2 Southern California. And I'm happy to be here to let you  
3 know what's happening in Southern California, so we'll dive  
4 right in.

5 Southern California covers 164 miles. We have  
6 four project sections from Bakersfield to Anaheim. I'm  
7 going to touch on each section and what's happening in each  
8 section and do a deeper dive in the Los Angeles to Anaheim  
9 project section area.

10 So we'll start at the top. We're working north  
11 to south but we cover a wide range of geographic territory  
12 and including the agricultural areas, Bakersfield to  
13 Palmdale. So a reminder that we completed our ROD NOD in  
14 2021 for Bakersfield to Palmdale. And we're very excited  
15 about that.

16 The next slide talks a little bit where this  
17 particular project section is one that is included in the  
18 federal state partnership grant application number two.  
19 And we're very excited about the opportunity to move to the  
20 next step which would be advanced design, a particularly  
21 the geotechnical studies that are needed in and around the  
22 Tehachapi mountains. That is included in application 2 of  
23 our fed-state that also includes San Jose to Merced. And  
24 we got a lot of support for that grant application from  
25 that Bakersfield to Palmdale, those constituents there. So

1 we're excited about that potential opportunity and I  
2 understand we'll find out later this year as to how that  
3 will proceed.

4           Moving further south, the next slide. We'll take  
5 a pause at the Palmdale station. We are doing some work  
6 with Meg Cederoth's team to plan in and around the Palmdale  
7 station. Next slide.

8           Our goals -- well, I'll remind everyone that  
9 Palmdale station was included in the Bakersfield to  
10 Palmdale, EIR, environmental work, and so we do have a  
11 Record of Decision and Notice of Determination on that.  
12 But our goal is to work with the city for preservation and  
13 long-term planning of how to envision that station.

14           And we have been working with the city. We've  
15 had held a number of workshops. We've actually held five  
16 workshops to develop a common goal and a partnership there  
17 for a master plan. And in fact, our last workshop was to  
18 lay the foundation for a new Memorandum of Understanding  
19 that will we think better prepare us for grant  
20 opportunities in the future. So there is some work going  
21 on there at that Palmdale station. Next slide.

22           Moving further south into our Palmdale to Burbank  
23 project section. That draft environmental document was  
24 released late last year. And the comment period closed  
25 December 1st. We have selected a Preferred Alternative.

1 We're actually carrying six alternatives forward. And  
2 we've selected a Preferred Alternative, which is referred  
3 to as SR14A, because it kind of parallels State Route 14.  
4 It is 28 miles of tunneling. We expect to release our  
5 final environmental document later this year. Next slide.

6 We've done a number of outreach meetings for that  
7 environmental document release. These are listed here. We  
8 were kind of in a COVID wasn't quite done time period, so  
9 we had a hybrid of virtual meetings and in-person meetings  
10 for this project section specifically to tell the public  
11 about the details that were contained in the draft  
12 environmental document last fall. Next slide.

13 We've also reached out to specific stakeholders.  
14 And we've listed some examples of those specific  
15 stakeholders who have expressed interest, particularly in  
16 this project section.

17 Our next slide talks a little bit about the  
18 comments that have come in and the categories of those  
19 comments. Many of them are, I would say typical of what we  
20 receive. I'm going to point out -- and to the hydro  
21 comments which in this particular project section have been  
22 very interesting -- because of our tunneling. Both there  
23 are concerns with how we might impact groundwater, where  
24 we're getting our water for the tunnel boring.

25 And so our team is working really hard. We had

1 481 individual submissions that then get divided into  
2 separate comments, because a lot of times there's more than  
3 one comment in each letter. And so the team is working  
4 hard to respond to these comments and put out an  
5 administrative draft to the cooperating and participating  
6 agencies soon. And then we'll hope to wrap that up by the  
7 end of this year.

8           Moving further south. Our next project section  
9 is Burbank to Los Angeles. That environmental work ROD NOD  
10 was completed in 2022 of January of last year. Next slide.

11           In that particular project section we have been  
12 working with a group that is trying to develop a park in  
13 and around the river there. You can see on the bottom of  
14 this next picture that there's a river and that area, that  
15 land that looks vacant, which is vacant. They've been  
16 acquiring for development of a park, and it just happens  
17 that in this particular project section we are planning to  
18 utilize the Metrolink corridor. And so you can see from  
19 this photo that there's existing park, the Metrolink  
20 corridor, land and the river and they wanted to connect  
21 those.

22           And so when we finished that environmental  
23 document, we agreed to work with this group called the 100  
24 Acre Partnership to kind of arc design some potential  
25 overpasses. And they're particularly interested in making

1 sure that that it's both for pedestrians, active  
2 pedestrians, and wildlife. And so we've almost finalized  
3 that report. We submitted our final draft to them and  
4 received their comments last week, and we'll finalize that  
5 report. And that'll give them something to build off of  
6 for grant opportunities in the future. So we were happy to  
7 participate with them to envision how it might look in the  
8 future to make that connection. Moving to the next slide.

9 I'm pointing out Link US or Union Station and  
10 where it falls in our alignment. We're going to have a  
11 little deeper dive on that later with Scott McConnell from  
12 Metro. So I'm going to just move on to the next slide,  
13 which is Los Angeles to Anaheim project section.

14 So you can see how that connects us in to  
15 Anaheim. This particular project section is a bit  
16 challenging. It's a very congested area. We're now into  
17 Southern California urban territory.

18 And if we move to the next slide, in 2018, the  
19 Board selected a Preferred Alternative. And this map shows  
20 the layout of where we will have our high-speed rail  
21 alignment. But the reason it's so blown out is because of  
22 the proposal for this corridor. It's currently a three-  
23 track corridor. And it's BNSF Railway, who is a freight  
24 company, it's their main route into the United States. And  
25 it's a very busy corridor. So there's existing three main

1 line tracks. It's shared with Amtrak and Metrolink  
2 operations currently. And we proposed in our 2018  
3 Preferred Alternative to come in and build what we referred  
4 to kind of casually as a two plus two scenario. So there  
5 will be two tracks dedicated to freight and two tracks  
6 dedicated to passengers. And we thought that was a nice  
7 long-term vision for this particular corridor.

8 In order to limit freight to two tracks however,  
9 it required taking trains off of that corridor. And would  
10 require us to build an intermodal facility somewhere to the  
11 east. And we located a property in the Colton area which  
12 is shown in in the little box here in orange for an  
13 intermodal facility. And this particular proposal would  
14 also require staging tracks. And then we're going to go a  
15 little bit further into those in the next slide. But I  
16 wanted to kind of see the proximity in this particular map.

17 So we'll move to the next slide, a deeper dive  
18 into what was referred to as the Colton intermodal  
19 facility. Do you want to chime in?

20 MR. KELLY: Yeah, LaDonna, can I just pause for  
21 one second just for the Board's interest. Can you go back  
22 one slide? I just want to show something on this map, just  
23 so we're all trying to come together. So that that stretch  
24 from LA Union Station to the Arctic station in Anaheim is  
25 the element here that we're talking about, whereas LaDonna

1 said it's congested with both passenger and freight rail  
2 today.

3 I just wanted the members to understand that,  
4 much like the Caltrain Corridor in Northern California  
5 between San Francisco and San Jose, this is not a stretch  
6 that will see trains going 220 miles per hour, right? This  
7 is a stretch that because of the congestion, adding  
8 additional passenger track will still be limited in this  
9 segment to about 110 to 225 miles per hour, depending on  
10 all the final design amounts that are in this.

11 The other thing I just want the members to be  
12 aware of. Under the bond law that passed, we are required  
13 to design a system where we get from San Francisco to  
14 downtown Los Angeles under a specific time requirement.  
15 That time requirement does not apply to this section.

16 And again, I just want to make sure that the  
17 applicable time requirement is San Francisco to downtown  
18 Los Angeles, this segment is not applicable for that time  
19 requirement. So I just wanted to touch on those things.

20 CHAIR RICHARDS: Right. So, Brian, with regards  
21 then to the right-of-way, are we pretty much tucked into  
22 existing rail right-of-way. Are we having to buy right-of-  
23 way anywhere as we've had to do in Central California?

24 MR. KELLY: Yeah, so we talked about this when  
25 the Preferred Alternative was before the Board. And what

1 we brought to you was the alternative that had the least  
2 amount of right-of-way to purchase. And so we are pretty  
3 much within, as LaDonna said the BNSF owned right-of-way  
4 down there where today both Amtrak and Metrolink operate  
5 there. They're limited on passenger traffic down there,  
6 because there's only three tracks. So part of this  
7 proposal is adding an additional track.

8           When you add that additional track, you would  
9 have four tracks down there in this segment. Two of those  
10 would be electrified under the proposal.

11           CHAIR RICHARDS: And that right-of-way, the width  
12 of the right-of-way will support the --

13           MS. DICAMILLO: We can get four tracks in the  
14 right-of-way.

15           MR. ARMISTEAD: In the right-of-way. Yeah. Now  
16 there are certain elements where you got to bend that a  
17 little bit, but generally that's the idea.

18           CHAIR RICHARDS: Okay.

19           MS. DICAMILLO: And there's some over under in  
20 trying to move passenger and freight into the -- yeah.  
21 There's some things we have to work around. Yeah.

22           VICE CHAIR MILLER: Is BNSF in support of this?

23           MS. DICAMILLO: They have been working with us  
24 typically until recently on the Colton thing, and I'm going  
25 to get into that.

1 VICE CHAIR MILLER: Okay, thank you.

2 MS. DICAMILLO: So that was the proposal in 2018.  
3 It included this Colton Intermodal Facility, which would  
4 allow BNSF to offload some containers that they have on  
5 their intermodal train in the Inland Empire. It would  
6 actually be closer to some of the warehouses in the Inland  
7 Empire, but it would be offloading containers and creating  
8 some truck traffic. So that's the picture that's shown on  
9 the left of the Coltan component proximity to the 10  
10 freeway and the 215 if you're from that area.

11 And then the staging tracks are really just a  
12 place, Bruce and I call it the wide spot in the pipe. It's  
13 a place where they can hold some freight trains if there's  
14 a lot of congestion within the corridor. As they get into  
15 the base in the LA basin it gives them some flexibility to  
16 hold a train in and around an area that that's convenient  
17 for them before they get into the more congested corridor.

18 So those were the two components that were  
19 contemplated by the 2018 Preferred Alternative. We move to  
20 the next slide.

21 We did a scoping for those two components in  
22 2020. We have a 30-day scoping comment period. And we  
23 received a number of comment submissions, specifically on  
24 those components. Concerns were about the truck traffic,  
25 the air quality, and the environmental justice. And I'm

1 going to go more specifically into some of those comments  
2 that have led us to think that this might not be a feasible  
3 approach. But let's do a deep dive, so the next slide.

4 A comment from San Bernardino County  
5 Transportation Authority that this didn't seem in spirit  
6 with the Governor's Executive Order, which was to reduce  
7 greenhouse gases and to take into consideration the heavily  
8 disadvantaged communities. So this particular area of  
9 Colton is a disadvantaged community. And they thought that  
10 that was inconsistent with the Governor's directive.

11 Next slide is from the Air Quality Management.  
12 These are just some samples of some of the comments we  
13 received by Air Quality Management District, asking us to  
14 proactively work with BNSF to reduce freight emissions,  
15 specifically requiring tier 4 locomotives. And the  
16 relevance of that is that BNSF and the two freight  
17 railroads have an equivalent of a tier 2 fleet. So this  
18 would be better locomotives and zero emission trucks as  
19 well, they were they were encouraging us to look at.

20 And then putting some sort of enforceable  
21 mechanism in place for us to enforce that of BNSF. And  
22 they are actually in the process now of doing a rulemaking  
23 that will include all of these elements in their rulemaking  
24 for ATMD. (phonetic) So it just added another layer of  
25 complication, or it is adding another layer.

1           Next slide is from some of our -- the City of  
2 Colton. They were open minded, I think at first, but  
3 definitely concerned about the trucks that would be part of  
4 the additional 10 freight trains that we were planning to  
5 build that facility for.

6           And then last one, the last quote is from --  
7 thank you. Oh, I thought that was last one. I'm off one.  
8 Metrolink who is already using the corridor, and we had  
9 hoped would chime in and say, "Yeah, this was a great long  
10 term plan." They didn't feel a need for Colton. They  
11 thought that there was enough capacity within the corridor,  
12 so these are quotes from Metrolink that they didn't see  
13 that it was necessary.

14           And then I think I'm going to how we responded.  
15 Okay so, I'm not that far. The next slide after this one,  
16 how we responded. So we have looked at these comments and  
17 considered the concerns from the public. And our first  
18 step was to say well, could we put the Colton component  
19 somewhere else? Would it make sense to look at other  
20 locations, but the whole point of Colton was to get trains  
21 off the corridor. And we didn't want to significantly  
22 increase truck traffic even more, longer trips. So we kind  
23 of had a limited area to look at, and we could not identify  
24 in a very urban area, something that made sense as an  
25 alternative site for Colton that didn't have similar

1 environmental justice concerns.

2           We also -- well, and taking into as you pointed  
3 out, BNSF also having seen these comments, has waning  
4 interest. I'm just referring to it as -- they just started  
5 to get cold feet also. I think they saw the uphill  
6 challenge and they became less participating. Now we're  
7 back in our slides.

8           So the Authority's Program Delivery Committee has  
9 actually reviewed what's happening, and we don't think it's  
10 realistic to proceed with Colton. So at this time we've  
11 stopped work on the Colton component. And we're focusing  
12 our time and attention on what else could we do? Is there  
13 some other alignment or something else that we could look  
14 at?

15           So we are preparing a Supplemental Alternatives  
16 Analysis. We think that we've identified something that  
17 will work within the existing corridor by instead of a two  
18 plus two scenario that we would actually share one of the  
19 passenger tracks. Similar to what they're doing now.  
20 They're sharing the three main lines. We would be sharing  
21 one of the passenger tracks. So even though we'd have two  
22 that would be electrified we'd be sharing one of the  
23 electrified tracks. And we think by doing that we can get  
24 a volume that's sufficient.

25           We're finalizing our Supplement Alternatives

1 Analysis. I will come back to you in in a couple months,  
2 so we hope to have that done. And I'll be able to give you  
3 all the details of what we're looking at for a proposed new  
4 build alternative for that area. So we haven't lost hope,  
5 but we have stopped work on that Colton component.

6 CHAIR RICHARDS: So this alternative, would this  
7 potentially lead to satisfying any rail or any line  
8 requirements within the existing right-of-way then? In  
9 other words if we only would be building one that'll  
10 eliminate also the whole thing with the going to Colton  
11 likely?

12 MS. DICAMILLO: We think that we can get  
13 sufficient volume, and an operating plan that will work for  
14 everyone within the existing corridor, adding one mainland  
15 main track. And there are some other components to what  
16 had been proposed in the LA to Anaheim section area that  
17 will make operations more efficient for passenger and  
18 freight. And we think with those components, we'll be able  
19 to get a sufficient volume of trains. It might not be the  
20 future high peak that we would have gotten with Colton, but  
21 it definitely would fit within the service plan that we're  
22 contemplating.

23 CHAIR RICHARDS: Does this likely translate into  
24 even a reduction in cost for us?

25 MS. DICAMILLO: Those are all really good

1 questions. I think it's an opportunity to share with the  
2 other partners that are in that corridor. And that is one  
3 of the things that we like about this corridor, because  
4 there are operators, other operators there. It would put  
5 us in line better for capital and operating funds. So  
6 capital funds could proceed without us there for projects  
7 that they're going to benefit well before we get there.

8 MR. KELLY: There was an open question though  
9 about who would pay for the Colton facility. And so I  
10 would just say the elimination of the Colton facility  
11 relieves some burden on us there.

12 CHAIR RICHARDS: Exactly. Okay. Thank you.

13 MS. DICAMILLO: The next slide, the last slide I  
14 have on La to A is just summarizing that we'll finish the  
15 Supplemental Alternatives Analysis. We did look at a  
16 couple other alignments, so we want to make sure that we  
17 fully let the public know of what we took a look at and  
18 we'll propose a new build alternative. And we'll be back  
19 to the Board for consideration and selection of a Preferred  
20 Alternative.

21 Okay, just a few wrap up slides. The outreach  
22 team is active in Southern California and we're trying to  
23 hit some pop-up events and go to high school presentations.  
24 So I just wanted to make sure that you knew we're  
25 continuing to focus on that activity. And one more slide.

1           I think it was at the last meeting that this was  
2 just announced like the day of the meeting, so I wanted to  
3 toot our horn again. Our partnership with Women's  
4 Transportation Seminar. The WTS LA chapter submitted High-  
5 Speed Rail as Employer of the Year for the nationwide  
6 recognition. And so Beverly Kenworthy in the center of  
7 this photo, went and accepted the award on our behalf. But  
8 it was just really an exciting opportunity and our great  
9 partnership with WTS LA.

10           With that, I think the next slide is just about  
11 our social media and staying in touch with you -- with us.  
12 And I'm going to introduce Scott McConnell with Metro, who  
13 if I can get your title right, Executive Officer Program  
14 Management Division, I got close? All right, and I'm going  
15 to let Scott talk to you about two of our bookend projects,  
16 Link US as well as Rosecrans/Marquardt , which I forgot to  
17 mention, but he's going to tell you all about.

18           MR. KELLY: As Scott gets into this, I just want  
19 to remind the Board Members and those who are newer Board  
20 Members that under the initial funding agreement for  
21 Proposition 1A there was an agreement, I think the year or  
22 two after it passed, where \$600 million would be available  
23 for projects in Northern California that in the short-term  
24 help regional operators or regional providers of service.  
25 In the long-term help High-Speed Rail, the example in the

1 Bay Area is the Caltrain Electrification Project for which  
2 we are funding about \$733 million. And a grade separation  
3 in the peninsula called the San Mateo Street Grade  
4 Separation that is now complete.

5 In Southern California, the Board voted to send  
6 the \$500 million to two projects: the Rosecrans/Marquardt  
7 Grade Separation, which at that time was identified as the  
8 single most dangerous grade crossing in California. And  
9 Scott will go through this, but that project is now in  
10 construction.

11 The second one, which is a big one is the roughly  
12 423 million that the Board agreed to put towards the LA  
13 Union Station, LA US Link or LA Union Station remodel  
14 project, if you will. To upgrade the project the facility  
15 and have it move from an end of a trail of a train track,  
16 to a Passover or run through train track, which really  
17 makes it much more efficient operationally and ultimately  
18 make improvements to the station that will accommodate  
19 High-Speed Rail in the future.

20 So that's where we have voted to send these  
21 dollars. Scott is here today to update the issues around  
22 the LA Union Station project as well as the  
23 Rosecrans/Marquardt .

24 MR. MCCONNELL: Good morning.

25 CHAIR RICHARDS: Good morning.

1 MR. MCCONNELL: Can everyone hear me, okay?

2 CHAIR RICHARDS: Perfect.

3 MR. MCCONNELL: Great. Thank you for the  
4 invitation today. And thank you, LaDonna, for the  
5 introduction. So I'm here to talk about Link US as well as  
6 the Rosecrans/Marquardt project. I'm an Executive Officer  
7 with Metro working out of our Program Management Division.  
8 Next slide please.

9 So I'll start with Link US Union Station. Just a  
10 purpose and need to recap for the need, the necessity, and  
11 the priority for our project. As you can see Union Station  
12 is at the center of LA County. It serves the county, LA  
13 County, other counties, there are six other counties that  
14 we have rail service that connects to Union Station. And  
15 we also have interstate service to Union Station.

16 Metro has recently just opened in this year  
17 alone, has opened two lines. The K Line Crenshaw, and  
18 we've also completed last weekend we opened up the Regional  
19 Connector Project. And that provides improved rail service  
20 for our A and E Lines. So now there's a connection between  
21 Azusa to Long Beach as well as from Boyle Heights to Santa  
22 Monica. So Metro is actively engaged and also working on  
23 some additional extensions of their purple B line and D  
24 lines to UCLA.

25 So as we move forward with time here the rail

1 continues to expand and Los Angeles throughout the city and  
2 throughout the state, so we have new rail service here in  
3 Union Station. The purpose of our project here is really  
4 to bring it all together. And next slide please.

5 CHAIR RICHARDS: Is it too early to assess the  
6 implications on ridership with all these new lines, because  
7 it's too close to COVID, or are you seeing it already?

8 MR. MCCONNELL: Well, I don't have the details to  
9 talk about ridership.

10 CHAIR RICHARDS: No, just a general sense.

11 MR. MCCONNELL: In a general sense, I understand  
12 that yes there is less ridership than before COVID. Our  
13 understanding is the Amtrak LOSSAN service is approaching  
14 pre -COVID levels.

15 CHAIR RICHARDS: Okay, thank you.

16 MR. MCCONNELL: So this demonstrates the new  
17 high-speed rail service that's expected to connect to Union  
18 Station. We have the California High-Speed Rail connection  
19 to the north and to the south. There also is a Brightline  
20 project, which connects Las Vegas to Rancho Cucamonga. And  
21 to connect the two projects we're envisioning a high desert  
22 corridor to the north. And there are some Antelope Valley  
23 improvements to the west. All this provides increased  
24 demand at Union Station. Next slide, please.

25 So here's our tale of woe. Union Station built

1 in 1939, a beautiful station there in the lower left. It's  
2 a stub-ended station, one way in one way out, not very  
3 efficient. We have a throat to the north, which is narrow  
4 which makes it even more complicated getting trains in and  
5 out of the rail yard to the platforms. Next slide, please.

6 BOARD MEMBER PEREA: Sir, I have a question for  
7 you.

8 MR. MCCONNELL: Yes.

9 BOARD MEMBER PEREA: And maybe you answered it  
10 here. A year or so back we provided funding to complete  
11 renovation of this Union Station. Is that in progress or  
12 completed or where is that at?

13 MR. MCCONNELL: For the Metrolink, it has  
14 undergone some improvements with that investment. That's  
15 still ongoing.

16 BOARD MEMBER PEREA: Okay.

17 MR. MCCONNELL: And it's nearing completion.

18 BOARD MEMBER PEREA: Okay, thank you.

19 MR. MCCONNELL: Here's the Link US Project Phase  
20 A and B, we split it up into two phases. This is the  
21 complete project, which includes a run through structure at  
22 the stub end that goes across the one on 101 Freeway. And  
23 then it connects to the mainline tracks on the West Bank.

24 And we also need to accommodate the run through  
25 structure. We need to raise the rail yard, and also make

1 some platform improvements and make the station more  
2 accessible. It was built in 1939, it doesn't meet the  
3 current standards.

4 MR. KELLY: Hey, Scott, can I pause you right  
5 there?

6 Henry, I want to make sure that we answered your  
7 question thoroughly. The 423 million that the Board  
8 provided to the Station is for essentially this description  
9 of this project on this slide. But this work has not  
10 commenced yet. And we have not spent any of the 423 for  
11 this, so I just want to be clear on that point.

12 BOARD MEMBER PEREA: Okay, thank you.

13 MR. MCCONNELL: Next slide, please. Our first  
14 plan is Phase A. That would include a ramp shortening, or  
15 excuse me a platform shortening and a ramp to the run  
16 through structure, construction on the run through  
17 structure. And then some active transportation  
18 improvements, bike lanes in and around the area. But one  
19 thing to note is that not only do we have several rail  
20 connections, but it's envisioned that we are introducing a  
21 bike path along the LA River with the ultimate connection,  
22 connectivity to Union Station.

23 Also I wanted to mention, as a part of Union  
24 Station, we do have several bus connections. Our  
25 Patsaouras Transit Plaza connects to that. So it's an

1 active area and these improvements will help make the  
2 station more efficient. Next slide, please.

3 So here are the benefits. We have expanded rail  
4 capacity with our project. We can accommodate as much as  
5 500 trains. Right now it's 178 trains, but with the  
6 improvements we can accommodate 500 trains, daily trip  
7 events, reduce wait times, provide one seat rides across  
8 the Southern California region.

9 Right now there's a need to deboard the trains.  
10 Now with this run through service, we can connect Ventura  
11 to San Diego. We have expanded the passageway. Again, the  
12 station was built in 1939. But the new rail service we  
13 would need to expand that passageway to deliver a level of  
14 comfort for our passengers to and from the platforms.  
15 Wider rail platforms from 21 to 28 feet and ADA  
16 improvements as well. Next slide, please.

17 Last spring we worked with California High-speed  
18 Rail to develop a funding agreement. Thank you very much.  
19 We have an investment of 423 million. The agreement was  
20 based on our early work with a project. There was an  
21 expectation that we would proceed with building a project  
22 with state and local funding. And we developed I guess, a  
23 cost and schedule back in 2019 to reflect that. Next  
24 slide, please.

25 So the original agreement included us completing

1 the work in summer of 2028. However our new forecasts,  
2 we've taken a new look at the cost and schedule for the  
3 project, shows that our completion date is now in summer of  
4 2033. We've taken a new look at the schedule. We've  
5 provided some additional contingency to try and address the  
6 challenges. And next slide, please.

7 Originally we envisioned the cost for our project  
8 to be 950 million. We've taken a fresh look and come up  
9 with a new estimate for the project. Right now our  
10 estimate is at \$1.9 billion for delivering in 2023, but  
11 these cost projections at this time do not include value  
12 engineering, which is currently taking place with  
13 stakeholders. Next slide, please.

14 Some of the cost increases are shown here.  
15 Taking a fresh look, we believe that the construction cost  
16 is a little bit higher than originally expected. We've  
17 applied some additional contingency on the project.  
18 LaDonna was mentioning earlier, there are some challenges  
19 with respect to connecting to the railroad corridor south  
20 of Union Station.

21 We have a similar challenge in connecting to the  
22 West Bank, which is the West mainline just south of our  
23 station, there's an escalation. We also did not originally  
24 allow for what we call the Malabar Yard. The West Bank at  
25 this time is occupied by BNSF. They've asked in order to

1 acquire that property that we make some improvements to the  
2 Malabar Yard, which is in the City of Vernon. It's a train  
3 yard. Those improvements would be a mitigation for use of  
4 that West Bank and a storage yard that they're currently  
5 using. Next slide.

6 So as a part of our PMFA, we do have a  
7 remediation plan that is required. So we will work with  
8 staff to come up with a remediation plan to address the  
9 funding gap and the schedule slippage. And we will follow  
10 these guidelines as set forth in our PMFA. Next slide.

11 So we will work with a new cost and schedule  
12 based on the value engineering that we're currently doing.  
13 We are also going to reach out to other stakeholders to  
14 reduce risks and costs. As mentioned before we have some  
15 challenges with respect to BNSF and the timeliness of when  
16 we can acquire the West Bank. So we're covering that risk  
17 at this time with our current price. If we get some  
18 agreement with BNSF we can help reduce that cost and risk.  
19 And overall, we want to develop a funding strategy to seek  
20 additional funding to cover the funding gap.

21 We believe that there's an opportunity to get an  
22 investment at the federal level. A lot of investment has  
23 been made on the eastern corridor with the rail there. And  
24 perhaps there could be an equal investment here on the West  
25 Coast. LA is the second most populous metro region in the

1 United States. So perhaps there'll be an investment here  
2 on the West Coast and Los Angeles for this for this  
3 project.

4 Any questions before I move on to  
5 Rosecrans/Marquardt?

6 CHAIR RICHARDS: Okay. Go ahead.

7 MR. MCCONNELL: Okay. Next slide, please.

8 Here's the Rosecrans/Marquardt Project. This is a  
9 rendering as it was before we began construction. It's the  
10 most dangerous crossing in the State of California. It's  
11 also a future alignment as a part of the High-Speed Rail  
12 Project. We had an investment early on from High-Speed  
13 Rail, so thank you for that. Next slide, please.

14 Here is our funding plan. As you can see, number  
15 two is the investment from this Board, thank you. The  
16 project, next slide.

17 Overall, these are the benefits to improve  
18 safety. Obviously, it's a grade separation project, better  
19 air quality, rail efficiency, efficiency for commuters that  
20 are passing through the intersection. And it also enhances  
21 goods' movements. Next slide.

22 So here's the update. We've completed our right-  
23 of-way certification. Our final plans and specs are sent  
24 out for bid. And we awarded a construction contract to  
25 Flatiron. They're currently performing the work. We've

1 completed our AUR work and we're anticipating construction  
2 completion in fall of 2025. Next slide.

3 So here are some -- I have a few pictures here of  
4 some of the updates with respect to our construction. We  
5 have on our left some caissons that were installed, Right  
6 Bank cap construction. And next slide please.

7 You can see it now all coming together. So we  
8 have, as you can see here we've got on the right to see  
9 precast girders we've placed to accommodate the grade sep  
10 crossing. And on the left is some earth embankment  
11 construction. Next slide. Any questions?

12 CHAIR RICHARDS: If I can just ask one. With  
13 regards to the LAUS remediation when's your estimate of  
14 when that will be completed?

15 MR. MCCONNELL: Fall of this year.

16 CHAIR RICHARDS: Fall of this year? Okay.

17 MR. MCCONNELL: Yeah. So we will continue to  
18 work with staff, both your staff, Metro staff, and also  
19 with Metrolink and all the stakeholders.

20 CHAIR RICHARDS: Okay, that's great.

21 MR. MCCONNELL: To refine the cost and schedule  
22 and find opportunities to save costs.

23 CHAIR RICHARDS: Any other questions from our --  
24 yes, Director Camacho?

25 BOARDS MEMBER CAMACHO: The Delta that you have

1 on Link US is \$1 billion then?

2 MR. MCCONNELL: Roughly, yes.

3 BOARD MEMBER CAMACHO: And so you have an  
4 agreement with High-Speed Rail to complete this within a  
5 certain schedule and with certain deliverables? And if you  
6 can't then you're going to come back with a mitigation  
7 plan? That's the mitigation plan you're talking about.

8 MR. MCCONNELL: Correct.

9 BOARD MEMBER CAMACHO: Okay. Thank you.

10 CHAIR RICHARDS: Scott, thank you very much.

11 Director or Vice Chair Miller.

12 VICE CHAIR MILLER: I don't really have a  
13 question. I just wanted to thank you for the presentation.  
14 I know that Rosecrans area and it's amazing what you're  
15 doing down there and how that will help. And also for your  
16 support in the past of our project. So thank you.

17 MR. MCCONNELL: Thank you.

18 CHAIR RICHARDS: Thank you very much for coming  
19 out here.

20 MR. MCCONNELL: Thank you.

21 CHAIR RICHARDS: LaDonna. You're all done?

22 BOARD MEMBER PEREA: I have a question. I do  
23 have a question for LaDonna.

24 CHAIR RICHARDS: Yes, Director Perea.

25 BOARD MEMBER PEREA: Yeah. Going back to your

1 slide number three, page three on the Southern California  
2 conductivity.

3 MS. DICAMILLO: Yes.

4 BOARD MEMBER PEREA: If we can get that slide up,  
5 please.

6 MS. DICAMILLO: It says Bakersfield to Palmdale?

7 BOARD MEMBER PEREA: Yes. Two things: One, on  
8 the blue lines that identify the Metrolink lines, how many  
9 of those are existing lines and how many are proposed which  
10 are proposed, if any?

11 MS. DICAMILLO: I believe these are all existing.  
12 This is actually from our last business plan. I'm looking  
13 for Melissa and I don't see here. I believe they're all  
14 existing. This was straight out of our business plan to  
15 show the connectivity of what we proposed to existing  
16 lines.

17 BOARD MEMBER PEREA: Okay. So Metro Link right  
18 now has a train that runs to Palmdale?

19 MS. DICAMILLO: Yes.

20 BOARD MEMBER PEREA: Okay. All right. The  
21 question I have has to do with Brightline. The line shows  
22 the green here going to Victor Valley, then veering off to  
23 Rancho Cucamonga. I want to go back to maybe a few years  
24 when -- I mean one of our big selling points for High-Speed  
25 Rail was the connectivity that Vegas, the Vegas line was

1 going to bring to our system, connect right into it. And  
2 this is a pretty significant deviation at least from what  
3 was proposed and told to this Board.

4           So my question is around -- and also I know we're  
5 competing with them right now for federal grants that, so  
6 we're in competition for dollars. Is that decision final?  
7 Number one, and two what is the opportunity for this Board  
8 to weigh in on that line and change it going back to the  
9 original plan, which should have been to Victor Valley then  
10 to Palmdale. Because that's when it made sense. And  
11 staff, I think did a very good job in selling and  
12 explaining to us the fact that this is the connectivity  
13 that would then shoot this line across the country. And  
14 this, what is being proposed now defeats that purpose. And  
15 I don't know if this was before your time.

16           MS. DICAMILLO: Yeah. This is -- you're pointing  
17 out something on the graph that we didn't catch. I mean,  
18 this is to depict connectivity. It is not to scale. And  
19 there's probably a little bit of what you're pointing out.  
20 There's a little bit of confusion with respect to the  
21 Victorville to Palmdale. It shows on this graphic as  
22 Brightline, but it's technically not Brightline.

23           BOARD MEMBER PEREA: Correct.

24           MS. DICAMILLO: The High Desert Corridor Joint  
25 Powers Authority is working on the environmental clearance

1 for that line. So that is still proceeding and it was  
2 probably more accurate in Scott's graphic to that point.  
3 Because that's a Joint Powers Authority that is  
4 environmentally clearing between Palmdale and Victor  
5 Valley. Brightline has not committed to operate the high-  
6 speed rail, but still it's being cleared for high-speed  
7 rail service. So theoretically our operator could operate  
8 on it individually.

9 So with respect to that particular corridor  
10 showing it as Brightline is probably not entirely accurate,  
11 because Brightline has said that that they are focused on  
12 their Rancho Cucamonga connection.

13 BOARD MEMBER PEREA: Right.

14 MS. DICAMILLO: And that is their full commitment  
15 for their plan right now, not to Palmdale. It doesn't mean  
16 things can't change at some point in the future. But it's  
17 not (indiscernible).

18 BOARD MEMBER PEREA: And I'm glad you said that  
19 because, Mr. Chairman, if it meets with your approval I'd  
20 like this Board to maybe engage a little bit deeper on that  
21 whole issue. And maybe have a presentation going back to  
22 the original plan to connect to Palmdale. We need to talk  
23 about the deviation now that we're seeing. And I think if  
24 we're going to be in competition with them now for federal  
25 funding, I think this Board needs to take a position on

1 where that Brightline should be connecting.

2 CHAIR RICHARDS: Yeah. I think good points  
3 Director Perea. I think with regards to Brightline -- I  
4 think from everything that I'm aware of, or what I've  
5 certainly read like you have, their line is -- they've got  
6 it planned now, which is going from Las Vegas to  
7 Victorville and down to Rancho Cucamonga. I think that's  
8 reasonably approved at this point. And as best I know they  
9 have their rights to the right-of-way et cetera, et cetera.

10 In terms of Palmdale, I think that still may be  
11 at some point a possibility, certainly a question mark.  
12 But their focus is clearly -- and with the approvals  
13 they've gotten, is to go to Rancho Cucamonga.

14 BOARD MEMBER PEREA: But the original was to go  
15 to Palmdale; is that correct?

16 CHAIR RICHARDS: The original idea was that they  
17 were going to meet with us in terms of our line at Palmdale  
18 and they would connect in at that point at Palmdale. That  
19 was the longer term line, and initially it was always to  
20 Victorville. So but the expectation certainly was that.  
21 I'm not sure that the expectations change, but one of the  
22 challenges I would have guessed would be that we've got to  
23 get to Palmdale. So getting to Palmdale without us getting  
24 there, there's really nowhere for them to go other than as  
25 was mentioned earlier it touches to Metrolink at that

1 point.

2 But I think that the other thing you're asking,  
3 as you've noticed and Brian will mention, we're going to  
4 have a workshop in September. Certainly, a major portion  
5 of that workshop will be just a discussion of Brightline.

6 BOARD MEMBER PEREA: Okay.

7 CHAIR RICHARDS: Okay.

8 BOARD MEMBER PEREA: Thank you.

9 CHAIR RICHARDS: You're welcome.

10 LaDonna, that's a great -- this has been a great  
11 presentation. We couldn't have asked for any more. Okay.

12 MS. DICAMILLO: Thank you.

13 CHAIR RICHARDS: Thank you.

14 Mr. Kelly.

15 MR. KELLY: Thank you, Mr. Chairman and Members.  
16 I'm just going to do the monthly CEO Report I do. And  
17 mostly pick up starting with where Henry left off, which is  
18 the issue of how and when we connect with Brightline. The  
19 initial Brightline plan was Vegas to Victorville as Tom  
20 indicated. The question has always been where would we  
21 connect ultimately with their system. There's roughly a  
22 50-mile stretch between Victorville and Palmdale. And as  
23 Palmdale was on our alignment, there was a lot of  
24 conversation and talk about how the service could connect  
25 through that high desert corridor as we work through that.

1           That's still something that we are talking -- I  
2 want to continue to talk about with Brightline. They made  
3 a unilateral of course decision to pivot to Rancho  
4 Cucamonga, which they're now doing. They've worked out  
5 some right-of-way agreements with the state agency, and  
6 Caltrans using the I-15 Corridor to build that. And so the  
7 question still remains, where's the best connecting point  
8 with High-Speed Rail and Brightline. And that's the  
9 subject of the first thing I have on this list, which as  
10 Tom mentioned we're looking at doing both a Board Meeting  
11 and a workshop relative to the Brightline, the emergence of  
12 the Brightline system and how it affects our system.

13           You know, from where I stand the good news is  
14 there's the expansion of electrified high-speed rail going  
15 on in California, both in Southern California and in  
16 Northern California. And it's good now to start talking  
17 about how will these two systems complement each other and  
18 work together. So that's something that we want to bring  
19 to the Board in the workshop in San Diego on the third week  
20 of September.

21           Now I will just say these dates say September  
22 20th and 21st. We may have a low move one way or the  
23 other. We'll come back to the Board, but we're trying to  
24 nail down facilities in San Diego for that. But again we  
25 have a Board Meeting on day one and day two, a workshop

1 dedicated to some of the Brightline issues, and so that  
2 that's forthcoming. Okay, next slide.

3 Utility relocations, again responding to Director  
4 Perea. I did include in all of the members background  
5 stuff some utility relocation numbers, and estimates of  
6 dates for 96 key utility relocations that are part of our  
7 overall goal to move utilities.

8 As you heard, at least the Finance and Audit  
9 Committee heard earlier today, on CP1 which is the part of  
10 our construction package that has the most utility  
11 relocations there are a total of 992 relocations to do  
12 through downtown Fresno of water, energy, electricity and  
13 gas lines and telecom lines.

14 And 774 of those are underway. As we speak now,  
15 they're either completed or in progress. That leaves 218.  
16 Of that 218, there's 96 that we identify that are tied to  
17 project elements that are on the critical path. Or these  
18 are the project elements that will be done at the lab, the  
19 latest time in our schedule for CP1 to be concluded. Of  
20 these 96 we are planning to get 82 of them done in 2023 and  
21 14 of them done in 2024, of these 96 for this purpose.

22 Our goal for 2023 calendar year is to move 239  
23 utilities, which is in the information we provide to the  
24 Finance and Audit Committee each week and all the Board  
25 members have access to that data.

1 (Off-mic colloquy.)

2 MR. KELLY: Sorry? The two -- it's in the F&A  
3 material, not in the Board material, but on the utility  
4 stuff. It's in what we call the Central Valley Update  
5 Report.

6 BOARD MEMBER PEREA: Okay, thank you.

7 MR. KELLY: Which is in the F&A numbers. Anyway,  
8 so that is our plan and our program to move forward on  
9 utility relocations. And I know, Henry, I don't know if  
10 there's any additional questions you want to go through now  
11 or I'm happy to pause.

12 BOARD MEMBER PEREA: Yeah, just if you have the  
13 substantial completion timeline for CP1.

14 MR. KELLY: Yes. Yes. Well, we're finishing up  
15 the final TIA with CP1. As I've indicated in prior Board  
16 meetings. It'll be in 2026 and we're finalizing what month  
17 that'll be through the execution of our final TIA.

18 BOARD MEMBER PEREA: About when do you think  
19 you'll have that by?

20 MR. KELLY: Well, I think we'll have it by July.

21 BOARD MEMBER PEREA: By July.

22 MR. KELLY: July hearing. I think we're at the  
23 finalizing with our team. We're looking and we're  
24 finalizing that TIA now.

25 BOARD MEMBER PEREA: Okay.

1 MR. KELLY: And so we should have that in July.

2 BOARD MEMBER PEREA: And from a strategy  
3 standpoint, what is it we're doing with these third-party  
4 folks to elevate the discussions with their higher ups to  
5 (indiscernible).

6 MR. KELLY: (Overlapping colloquy.) Good  
7 question. Several things. We, one, dedicated new  
8 personnel to head up just a third-party question. There's  
9 really two divisions within the Authority three, actually  
10 that come into play on moving these utilities. One is the  
11 folks on the ground, the construction guys who are leading  
12 the construction work, and identifying the utilities that  
13 got to be moved.

14 But to make sure that we have a keen focus on  
15 that, because, look I've said this before and you guys are  
16 all sick of hearing me say this, but we are moving  
17 utilities out of sequence, right? We're doing this after  
18 we started construction. So that's not where we want to  
19 be, we will not be in that position going forward. But  
20 while we're doing this, it's a bit of a grind.

21 So that said we've dedicated personnel to the  
22 third-party issues to go after what the guys in the ground  
23 identify. Dennis Kim, who's been heading up our right-of-  
24 way work is now our third-party director as well. And he  
25 is working with the guys on the ground, the construction

1 management team. We brought in additional resources from  
2 our PDS contract.

3 And they're all identifying the highest priority  
4 issues, working through what those are, what that schedule  
5 will look like to meet our ultimate completion date. And  
6 anything that needs to be elevated is getting elevated. We  
7 initially elevated about 67 items that had to be elevated  
8 to get resolved. As I'm sitting here today, 66 of those  
9 are resolved.

10 There's one issue remaining, which is an AT&T  
11 issue on Stanislaw Street, which will be a structure you're  
12 probably familiar with that will be demolished ultimately.  
13 But there's AT&T equipment on that. So we have to work  
14 through with them where we locate, and how we relocate,  
15 that equipment. And that's a conversation we're having  
16 between me right now and the highest level of AT&T.

17 BOARD MEMBER PEREA: All right, thank you.

18 MR. KELLY: Sure. Okay, the last issue which I  
19 referenced earlier, next slide here. Oh, sorry, no, no,  
20 stay on this. Go back. Sorry, yesterday on this one right  
21 here.

22 The other thing I just want to report to the  
23 Board, relative to utilities is we have essentially an  
24 account that's referred to as our provisional sums account.  
25 Which is an account that we from time to time replenish to

1 make sure we can finish all of the utility work that's in  
2 front of us. Mostly, it's tied to PG&E and AT&T  
3 facilities.

4           And we just executed an order to move 107 million  
5 into the provisional sums account, so we can have  
6 sufficient funding to complete the utilities work that's in  
7 front of us. And so I just want to report to the Board  
8 that we executed that. And how it works is money goes in  
9 that account, and then we issue task orders on a timely  
10 basis when the residuals are ready to move. And we work  
11 through that, that account to complete the work. And next  
12 slide.

13           I mentioned earlier upcoming procurements and I  
14 just wanted to take a moment to talk about it. Again, I'll  
15 conclude on this unless there's any other questions. But,  
16 you know, we laid out a schedule in the Project Update  
17 Report on how we get the 119 Miles done and how we can move  
18 to get the 171 operating segment underway. And that's  
19 going to require the Board to work with us on approving  
20 important procurements that are coming up.

21           And so to deliver on that schedule, both in the  
22 PIR and our agreement with the Federal Railroad  
23 Administration we're going to want to advance these things  
24 in the later half of 2023. Both the installation of track  
25 and systems where the civil works are completed. You'll

1 see us coming back with track first on CP4, because that'll  
2 be completed before CP1 and 2-3.

3           We've got to get into the conversation on the  
4 procurement of trains. And that means we want to start  
5 qualifying train manufacturers. We will be coming back as  
6 soon on that as well. And we want to implement the  
7 procurement strategy that incorporates broader procurement  
8 methods, probably smaller contracts than we've had before,  
9 increased flexibility, and an emphasis on maximizing  
10 qualified bidder pools.

11           And so Bruce Armistead, who you heard from  
12 earlier out of our Rail Ops Division, and to Bill Casey,  
13 our Chief Operating Officer who's got quite a bit of  
14 experience and expertise in some of these procurement  
15 methods, will talk to the Board next month about exactly  
16 the lessons learned that we are applying.

17           And then you can count on us coming before you in  
18 the subsequent months, August, September, October to  
19 advance some of these procurements. And I just wanted to  
20 prepare the Board for that dialogue that we're going to  
21 have coming up. And again, it's going to be important that  
22 we execute that to stay on our current schedule.

23           So we're also doing this way in a timed way, in a  
24 phased way to make sure that we know where we are with  
25 federal funding before we make any commitments are broader

1 than the things we know we have to get done. So with that  
2 said, I'm happy to answer questions or take any comments.

3 CHAIR RICHARDS: Thank you.

4 Any questions for our CEO? Thank you, Brian.

5 MR. KELLY: Thank you.

6 CHAIR RICHARDS: Let me just finish quickly with  
7 dropping a few numbers from Finance and Audit for my  
8 colleagues and for the public. These numbers again will be  
9 as of April the 30th we had \$3.4 billion in cash available,  
10 of which roughly 950 million of that was Proposition 1A and  
11 another 2.4 million was Cap-and-Trade. What's not included  
12 in there, the May auction for Cap-and-Trade, the estimate,  
13 and it's still not at this point (indiscernible) find  
14 exactly. But the estimate is that we'll get about 244  
15 billion or excuse me, million -- I wish billion.

16 On the admin budget, we are up year over year.  
17 But the basic reason for it is the filling of 59 vacant  
18 positions year over year, about 1.2 million up from the  
19 previous.

20 Monthly expenditures for the month of April, we  
21 had 127 million, of which 84.5 million were for design-  
22 build contract expenses. The expectation for May, and  
23 that's an expectation, is the 127 looks like it might be  
24 up, as well as the design-build up to about 84.5 or excuse  
25 me, 96.5 from the 84.5 that it was this year -- or excuse

1 me, this the month of April.

2 Contingency summary, we had at the end of April  
3 still about 2.1 billion remaining.

4 In the Central Valley Construction Report, labor  
5 onsite average daily was up by 277 employees a day or  
6 contractors today I should say . That's up to 1,246 was  
7 the average per day.

8 Right-of-way, we're sitting right now at 71  
9 parcels is all that is left out of 2,293 were necessary for  
10 the 119 miles. The final two parcels have already been  
11 delivered. And so CP4 -- meaning the final two on CP4,  
12 there are no parcels left to be delivered in CP4.

13 Utility relocations, there were 16 relocations in  
14 the month of April. That means that completed are 1,034,  
15 in progress another 390. And approve to start 21, not  
16 started and not approved to start are 390. There's a total  
17 of 1,836 utility relocations necessary -- excuse me -- in  
18 the 119 miles.

19 In terms of CP construction progress there were  
20 no additional structures or guideways in April. We were  
21 still, as you recall, we were still suffering from or  
22 benefiting at the same time for most of the state,  
23 benefiting from the rain but suffering on the construction  
24 schedule.

25 So with that unless there are any questions that

1 will complete just a quick summary of F&A for today.

2           For those in the public either here or out and  
3 listening or watching, we are now going to go into a closed  
4 session. I'll come back after the closed session to let  
5 you know if there's anything to report. I'm going to guess  
6 that we might be able to do that in about 30 minutes.

7           So thank you for being with us, and hang on if  
8 you want to hear if there's anything to report on closed  
9 session. Otherwise, we look forward to seeing you next  
10 month.

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

12           (On the record at 1:05 p.m.)

13           CHAIR RICHARDS: Good afternoon, again. Ladies  
14 and gentlemen, the California High-Speed Rail Authority's  
15 Board of Directors has completed a closed session this  
16 afternoon, the 29th of June. We have nothing to report.  
17 And so with that -- in other words no decisions, no  
18 anything, but simply nothing to report.

19           So with that we wish you all a good weekend and  
20 Happy Fourth of July. This meeting is adjourned. We'll  
21 see you in July.

22           (The California High-Speed Rail Authority

23                           Adjourned at 1:05 p.m.)

24  
25

## 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.

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IN WITNESS WHEREOF, I have hereunto set my hand this 18th day of July, 2023.



MARTHA L. NELSON, CERT\*\*367

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