



## **California High-Speed Rail** **BRIEFING: September 26, 2024 Project** **Agenda Item # 3**

**TO:** Chairman Richard and Board Members

**FROM:** Daniel Horgan, Deputy Chief Operating Officer  
Dennis Kim, Chief Advising Officer  
Jamey Matalka, Director of Risk Management and Project Controls  
Toni Tinoco, Acting Chief of Strategic Communications  
Shannon Bowley, Grants Manager

**DATE:** November 7, 2024

**RE:** Project Update

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### **Summary**

This informational item is intended to update the Board of Directors on the Authority's construction progress, risk management program, strategic communications, and grants.

### **Background**

This presentation reflects the Authority's commitment to brief the Board on program progress. This presentation provides a broad picture of progress in the areas of construction, right-of-way acquisition, communications and outreach, and grants. This report also provides a look-ahead for an upcoming two-day industry forum event in Sacramento at the end of January 2025 and the latest on the next round of Federal-State Partnership for Intercity Passenger Rail Program (FSP-National) grants.

### **Discussion**

This informational item provides an update on major activities across the program. The presentation will include further information on the following topics:

#### **1. Construction Management**

In the Central Valley, the program has made significant progress in our commitments to enhance construction project management in 2024 in the areas of:

- a. Completing project definition.
- b. Completing ROW acquisitions.
- c. Advancing third-party utility relocation.
- d. Updating design and construction activities.

#### **2. Right-of-Way (ROW) Progress**

The new management approach to ROW processes has significantly contributed to increased ROW acquisition and improved schedule forecasting.

- a. Currently, 99% (2,270) of parcels have now been delivered to the design-builder, and the remaining parcels now stands at 1% (18).
- b. 60% (589/974) of remaining utility relocations have been completed in the past twenty-seven months.

### **3. Risk Management & Project Controls**

- a. **Current Practice:** All construction contractors are required to procure a minimum \$200 million in Commercial General Liability (CGL) insurance coverage to satisfy specific requirements in railroad agreements.
  - i. \$200 million CGL limit required for all construction contracts, regardless of contract size.
  - ii. Not necessarily consistent with risk for contracted work.
  - iii. Places strain on insurance market, which is already in a “hard market” state.
- b. **Future Practice:** Owner Controlled Insurance Program – the Authority creates an insurance program where all future construction contractors are provided with CGL coverage under one umbrella policy procured by the Authority.
  - i. Efficiently meeting requirements of railroad agreements.
  - ii. Reduces strain on insurance market.
  - iii. Estimated 20%-40% in CGL insurance cost reduction for future construction contracts.

### **4. Strategic Communications Update**

- a. Recent Small Business Diversity and Resource Fair – October 23 in U.C. Merced
- b. Upcoming Industry Forum Event – January 30 & 31, 2025 in Sacramento

### **5. Federal Grants Update**

The Authority has submitted three grant applications, totaling approximately \$220.99 million, that are currently under consideration. There is also an update on the next round of Federal-State Partnership for Intercity Passenger Rail Program (FSP-National) grants.

- a. Wildlife Crossings Pilot Program (WCPP) - \$4.34 million
- b. Federal Railroad Administration Railroad Crossing Elimination (RCE) Program - \$89.65 million
- c. Reconnecting Communities and Neighborhoods (RCN) - \$127 million

**Legal Approval**

This is an informational item and does not raise any legal concerns.

**Budget and Fiscal Impact**

This is an informational item and does not have a budget or fiscal impact.

| <b>REVIEWER INFORMATION</b>  | <b>SIGNATURE</b>  |
|--|---|
| Reviewer Name and Title:<br>Natalie Daniel<br>Acting Chief Financial Officer | Signature verifying budget analysis:<br><b>Original signed 10/31/24</b> |
| Reviewer Name and Title:<br>Alicia Fowler<br>Chief Counsel                   | Signature verifying legal analysis:<br><b>Original signed 10/31/24</b>  |

**Recommendations**

This is an informational item.

**Attachments**

PowerPoint presentation.