

CALIFORNIA HIGH-SPEED RAIL AUTHORITY
FINANCE AND AUDIT COMMITTEE MEETING

TRANSCRIPT OF PROCEEDINGS

DEPARTMENT OF FOOD AND AGRICULTURE AUDITORIUM
1220 N. STREET
SACRAMENTO, CA 95814

HYBRID VIA IN-PERSON AND REMOTE

THURSDAY, MAY 1, 2025

9:00 A.M.

Reported by:
Martha Nelson

APPEARANCESBOARD MEMBERS

Tom Richards, Chair

Nancy Miller, Vice Chair

Lynn Schenk

Henry Perea

Emily Cohen

James C. Ghielmetti

Martha Escutia

STAFF

Ian Choudri, Chief Executive Officer

Jamey Matalka, Chief Financial Officer

Tom Fellenz, Legal Counsel

Alice Rodriguez, Board Secretary

Margaret Cederoth, Director of Planning and Sustainability

Basem Maullem, Statewide Regional Director

Emily Morrison, Chief of Contract Administration

Gary Walker, Executive Program Director

PUBLIC COMMENT

See Lee, Boys & Girls Club of Merced County

David Schwegel

Rob Davidoff

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P R O C E E D I N G S

9:02 a.m.

THURSDAY, MAY 1, 2025

CHAIR RICHARDS: Good morning, ladies and gentlemen, and welcome to the May 1st meeting of the California High-Speed Rail Authority's Board of Directors.

We'll start this morning with the role, please.

MS. RODRIGUEZ: (Off mic.) (Indiscernible.)

BOARD MEMBER ESCUTIA: Here.

MS. RODRIGUEZ: Chair Richards?

CHAIR RICHARDS: Here.

MS. RODRIGUEZ: Director Camacho? He was here.

BOARD MEMBER SCHENK: He was here, yeah.

CHAIR RICHARDS: He was here. He had to leave.

MS. RODRIGUEZ: Okay. Vice Chair Miller?

VICE CHAIR MILLER: Here.

MS. RODRIGUEZ: Director Perea?

BOARD MEMBER PEREA: Here.

MS. RODRIGUEZ: Director Ghielmetti?

BOARD MEMBER GHIELMETTI: Here.

MS. RODRIGUEZ: Director Escutia?

BOARD MEMBER ESCUTIA: Here.

MS. RODRIGUEZ: Director Williams?

Director Cohen?

BOARD MEMBER COHEN: Here.

1 MS. RODRIGUEZ: Assemblymember Carrillo?

2 MS. RODRIGUEZ: Senator Gonzalez?

3 Mr. Chair, we have a quorum.

4 CHAIR RICHARDS: Thank you.

5 Emily, would you do the Pledge of Allegiance this
6 morning?

7 (The Pledge of Allegiance is recited in unison.)

8 CHAIR RICHARDS: And will the Secretary please
9 advise the people here in the audience and those who are
10 joining us from around the state how they can address the
11 Board this morning?

12 MS. RODRIGUEZ: Thank you, Mr. Chairman. Good
13 morning, everyone. Before we begin public comment for the
14 California High-Speed Rail Board of Directors meeting, I
15 would like to review some important information.

16 For members of the public who have joined us in
17 person and wish to provide public comment, you will be
18 called on in the order we received your card. If you are
19 joining the meeting via Zoom and wish to provide public
20 comment, please use the raise-your-hand feature located at
21 the bottom of your app. If you are dialing in by phone,
22 pressing the number two will raise your hand and put you
23 into the queue.

24 Speakers will be called on in the order their
25 hands are raised. Once you are in the queue and your name

1 is called, please click the prompt on your screen to allow
2 your microphone to be unmuted. If you are joining by
3 phone, we will call on you by the last four digits of your
4 phone number. At that point, you will hear a message that
5 your phone is being unmuted.

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

11 Mr. Chair, we'll begin with public comment in
12 person with See Lee followed by David Schweigel.

13 CHAIR RICHARDS: Good morning, Ms. Lee.

14 MS. LEE: Good morning, Mr. Chairman, members of
15 the Board, Mr. Choudri, and members of the general public.
16 My name is See Lee, the CEO for the Boys and Girls Club in
17 Merced County.

18 I want to first and foremost thank Mr. Choudri
19 for the beautiful op-ad piece in our local accounting
20 times, outlining the plans and updates for the high-speed
21 rail, including the segment from Merced and Bakersfield. I
22 found that to be helpful in our situation.

23 But I'm here today for two occasions.

24 First, I wanted to share with all of you our 2024
25 annual review, demonstrating the potential impact that we

1 could have on the organization if we don't find a solution
2 as to how we relocate our services. Last year alone, we
3 served 3,713 children and families in Merced County, the
4 highest number since the inception of the organization in
5 1993.

6 And you know, I just wanted to express the
7 disruption that high-speed rail has caused our organization
8 and our community. It's funny because I find it now more
9 than ever that I'm doing more work for high-speed rail in
10 educating our community about the work that you're doing
11 than the club and ourselves. (Clears throat.) Excuse me.
12 So I'm here to ask, you know, some people are telling me, I
13 should load up a bus full of parents and residents and
14 demand things from the organization, the Authority. Others
15 are asking me to take legal actions. But I trust that in
16 this room, we have the right people to make the right
17 decision, that we don't have to go down those paths.

18 I am asking you today, we have spent nearly a
19 quarter of millions of dollars from our own pocketbook, our
20 own organization, to do high-speed rail-related relocation
21 work, a bootstrap youth-serving organization. I am asking
22 you as the Authority, you're here because you can
23 negotiate.

24 MS. RODRIGUEZ: Fifteen seconds.

25 MS. LEE: You are here because you can make

1 decisions. And I'm asking you to provide us with resources
2 and support to relocate our Boys and Girls Club.

3 Thank you again for your time, and thank you for
4 the great work that you're doing across the nation.

5 CHAIR RICHARDS: And thank you for joining us,
6 Ms. Lee. Thank you.

7 MS. LEE: Thank you, Chair.

8 MS. RODRIGUEZ: Next up, David Schwegel.

9 CHAIR RICHARDS: Good morning, Mr. Schwegel.

10 MR. SCHWEGEL: Good morning, HSR Board. David
11 Schwegel with some observations.

12 We had some design-build consultants behave badly
13 by taking advantage of unpredictable right-of-way
14 acquisition to generate creative change-order composition,
15 costing the taxpayers \$9 billion, generating cost
16 escalations and schedule elongations, making the project
17 not attractive for private investment, and generating
18 uncertainty in land acquisition for the O'Birdy (phonetic)
19 Ranch. A more appropriate approach would have been for the
20 consultant to say, hey, either you will acquire 100 percent
21 of the right-of-way, or you will find another consultant.

22 On Merced to Sacramento, a regional consultant
23 spent \$7.5 million drawing lines on the map. Now, check
24 out what Precision Civil Engineering was able to do with
25 just \$1 million, conduct low-level field investigations to

1 determine those lines to be unfeasible, conduct new low-
2 level field investigations and design new routes that were
3 feasible, write the connected corridor study that was used
4 in the State Rail Plan, conduct public outreach that was so
5 effective that Merced to Sacramento has more stakeholder
6 support than any other project section as evidenced in the
7 February 2020 Board meeting in this room. And Precision
8 Civil Engineering also took detailed notes and prepared
9 detailed reports on the public comments at every single
10 Board meeting, including the 142 public comments in the
11 tidal wave in a meeting in Los Angeles.

12 If every consultant did what Precision Civil
13 Engineering did, and again, Precision Civil Engineering
14 only spent \$1 million, we would have an IOS running from
15 Bakersfield all the way up --

16 MS. RODRIGUEZ: Fifteen seconds.

17 MR. SCHWEGEL: -- to Sacramento, with Sacramento
18 having tremendous ridership potential, second-busiest
19 Amtrak station, nation's largest urban infill project,
20 capital city of the world's fifth largest -- fourth largest
21 economy now.

22 Thank you so much.

23 CHAIR RICHARDS: Thank you, Mr. Schwegel.

24 MS. RODRIGUEZ: Mr. Chair, that concludes our in-
25 person comment.

1 We'll now move to Zoom, and we'll start with Rob
2 Davidoff.

3 MR. DAVIDOFF: Good morning. Thank you for
4 allowing me to speak.

5 I wanted to first of all say to the Board and Mr.
6 Choudri, in particular, that I appreciated the push for
7 stable funding and that I look forward to the efforts of
8 the legislature and the governor in securing that. I hope
9 to hear good news, as I'm sure you do as well.

10 On the subject of good news and specifics, I was
11 curious, I called in and asked about the Canal 922
12 irrigation canal in CP 4, which I believe is the only
13 section of uncompleted guideway in CP 4.

14 I know that's in litigation at the moment, but I
15 was curious if it was possible to provide any update on
16 when that would be proceeding, since I saw that it has been
17 removed from the list of utility relocations to be
18 completed at all in CP 4.

19 And also, any updates on the process of beginning
20 right-of-way acquisition for the Merced extension and the
21 Bakersfield extension would be of interest.

22 Thank you for your time.

23 CHAIR RICHARDS: Thank you, sir.

24 MS. RODRIGUEZ: Next up will be Marvin Norman.
25 Mr. Norman? Mr. Norman? Oh, he has unraised his hand.

1 It looks like we have no more requests for public
2 comment, so that will conclude our public comment.

3 CHAIR RICHARDS: Thank you very much.

4 MS. RODRIGUEZ: Mr. Chair, I've also received an
5 update. If folks who are speaking, whether they're at the
6 podium or Board members, to please speak into the
7 microphone and be sure to turn them on.

8 CHAIR RICHARDS: Okay, thank you.

9 Alright, ladies and gentlemen, then that will
10 complete our public comment this morning.

11 Moving on to our agenda items, item number one is
12 the approval of our March 6th Board meeting minutes. We
13 have amotion by -- and a second.

14 Please call the roll.

15 MS. RODRIGUEZ: Director Schenk?

16 BOARD MEMBER SCHENK: Yes.

17 MS. RODRIGUEZ: Chair Richards?

18 CHAIR RICHARDS: Yes.

19 MS. RODRIGUEZ: Director Camacho?

20 Vice Chair Miller?

21 VICE CHAIR MILLER: Yes.

22 MS. RODRIGUEZ: Director Perea?

23 BOARD MEMBER PEREA: (Off mic.)

24 MS. RODRIGUEZ: Director Ghielmetti?

25 BOARD MEMBER GHIELMETTI: Yes.

1 MS. RODRIGUEZ: Director Escutia?

2 BOARD MEMBER ESCUTIA: Yes.

3 MS. RODRIGUEZ: Director Cohen?

4 BOARD MEMBER COHEN: Yes.

5 MS. RODRIGUEZ: The motion carries.

6 CHAIR RICHARDS: Thank you.

7 Ladies and gentlemen, item two is the Fresno
8 Station Early Works Construction Contract Approval to
9 Solicit Bids for Construction.

10 Ms. Cederoth? Good morning.

11 MS. CEDEROTH: Good morning. Let's double check
12 this is working fine. Okay. Great.

13 Good morning, Chair Richards, Vice Chair Miller,
14 and members of the Board. I'm Meg Cederoth. I'm here to
15 present two action items to the Board this morning. I
16 believe action item number one is related to an action item
17 to approve Notice to Proceed 2 for the Central Valley
18 Station's final design, and specifically advancing final
19 design work for the Fresno Station, including standard
20 drawings and specifications for modular components for the
21 high-speed rail stations.

22 So next slide.

23 As you know, the Authority qualified the joint
24 venture of Foster + Partners and Arup to perform all the
25 design services, including post-occupancy commissioning,

1 for the four Central Valley stations. The Authority has
2 been advancing design work for the four Central Valley
3 stations since execution of the contract in March of 2023
4 and is now ready to advance to NTP2 work.

5 Next slide.

6 The contract was broken up into NTP1 and NTP2 in
7 order to respond to available funding. NTP1 comprised the
8 pre-design and administration work, the site investigation
9 and analyses, concept design, and schematic design.

10 Next slide.

11 The analysis, the investigation, and design work
12 included consultation with stakeholders who have a range of
13 expertise and knowledge sets. This ranged from meetings
14 with the general public, as well as with detailed technical
15 rail and systems interface meetings.

16 Next slide.

17 For the past six months, since the completion of
18 schematic design, the Authority has been engaged in
19 detailed review of opportunities to right-size the stations
20 by looking very closely at requirements. The results of
21 this work will inform the next phase of design, which we
22 refer to as design development.

23 Next slide.

24 NTP2 activities also involve finalizing
25 specifications and standard drawings for the elements or

1 the kit of parts that are shared across all of the
2 stations, such as elevators, escalators, stairways,
3 canopies, platforms, and utility vaults, among other items.

4 Next slide.

5 One of the unique design challenges for the
6 Central Valley stations, which we've discussed before, is
7 that they need to be right-sized for opening day but have
8 the ability to be easily expanded in the future as the
9 system and ridership grows over time. Ridership and,
10 therefore, passenger flows will grow as the system expands,
11 and so the station must and can remain operational when
12 that growth happens. We, therefore, have taken a modular
13 approach to the design -- (Zoom audio begins echoing).

14 CHAIR RICHARDS: Impressive, Meg.

15 MS. CEDEROTH: Thank you.

16 CHAIR RICHARDS: Thank you.

17 MS. CEDEROTH: Okay. Alright.

18 We have taken a modular approach to the design of
19 the station, already anticipating how that they can be
20 easily expanded and further integrated into their
21 surroundings while not interrupting the passenger service
22 in the future. So this diagram illustrates that modular
23 approach and station expansion as the system expands.

24 Next slide.

25 Typologies help to organize those modules of

1 station expansion. Each typology represents a station that
2 is comfortable and easy to navigate for passengers and easy
3 to operate and maintain for the owners. This means using
4 durable materials and natural light and ventilation,
5 shading and orientation to create the best possible
6 passenger experience. Typologies help the Authority to be
7 organized and consistent across the range of stations on
8 the system. And through the kit of parts, they share a
9 common design language but are adaptable to each station
10 city. Typology D is the reference case for the first
11 building block for all four stations.

12 Next slide.

13 BOARD MEMBER SCHENK: Excuse me, Meg, even with
14 my glasses, I can't see, I couldn't see this. And I think
15 it probably goes to what I would be asking as a question.
16 So --

17 MS. CEDEROTH: Yes.

18 BOARD MEMBER SCHENK: -- we need to make these --

19 MS. CEDEROTH: Larger?

20 BOARD MEMBER SCHENK: -- larger.

21 MS. CEDEROTH: Easier to read?

22 BOARD MEMBER SCHENK: Yeah.

23 MS. CEDEROTH: Thank you, Director Schenck.

24 BOARD MEMBER ESCUTIA: (Off mic.) And also,
25 (indiscernible).

1 MS. CEDEROTH: Yeah.

2 BOARD MEMBER SCHENK: Exactly.

3 MS. CEDEROTH: Okay.

4 CHAIR RICHARDS: But it seems like it's an
5 approach to this, similar to what all of us see in, in
6 airline terminals, where they're built initially to meet
7 the requirements of this -- of the number of passengers
8 coming through, and we see them as they continue with
9 construction as, as the demand increases.

10 MS. CEDEROTH: Yes.

11 CHAIR RICHARDS: It's a similar sort of approach.
12 Thank you.

13 MS. CEDEROTH: Yes. So the typology D station
14 provides all of the functional requirements, including
15 conditioned waiting areas, amenities for the and they allow
16 for growth and development around the station.

17 And just to provide -- I realized, I think, in
18 the translation into the slides, the resolution and quality
19 of the slides got a little bit lost, but this includes
20 things like parking, local bus connections, vending
21 machines, and other passenger services, some station
22 operations booth and a room for station staff, as well as
23 other passenger services that's conditioned waiting space
24 for the passengers. And then sort of basic areas on the
25 site, including parking -- oh, thank you -- parking, a

1 shaded platform, waiting area, platform service
2 infrastructure, which is all of the information, the
3 communications, the technology that allows the station to
4 communicate with the wider system. And then the vertical
5 transportation. So elevators, escalators, and stairways.
6 And those are all of the components that make up the first
7 building block, which we've put into this typology D for
8 the four Central Valley stations.

9 Next slide.

10 The action today -- and the Board action is to
11 approve for the Authority staff to issue NTP2 to F&P Arup
12 to advance design under the design services contract for
13 the Central Valley stations and to execute the NTP2
14 contract for an initial amount of \$14 million for the
15 Fresno Station and kit of parts work. This is in line with
16 the program baseline scope and budget authorized by the
17 Board in January of 2024. Action today enables the
18 schedule to remain on track to complete ready-for-bid
19 documents by winter of 2026 or earlier for the Fresno
20 Station.

21 And on the next slide, the next steps include
22 initiation of that kit of parts design work, as well as
23 design development for Fresno. Staff will return to the
24 Board as the baseline is updated and funding is available
25 for the remaining stations.

1 And I'm happy to take any questions.

2 CHAIR RICHARDS: Any questions from any members
3 of the Board?

4 VICE CHAIR MILLER: I have a question.

5 CHAIR RICHARDS: Yes.

6 VICE CHAIR MILLER: Meg, thank you for this. I'm
7 assuming based on what I read that you have downsized a bit
8 the -- could you just talk a little bit about that, if I'm
9 correct?

10 MS. CEDEROTH: Yes, as I know you've discussed at
11 the Board previously, we've been taking a very close look
12 at all of the requirements for the system. And so that
13 included looking at the way the alignment came into the
14 station. Some of the ways we had configured that alignment
15 previously, including the number of tracks within the
16 station size was a little bit oversized for what we needed
17 for the first several decades of operation.

18 So the engineering staff, the rail operations
19 staff, the civil engineering staff all worked
20 collaboratively to understand how we could reduce the
21 distance between the tracks, which would therefore narrow
22 up the station, as well as analyzing those areas where we
23 could remove a track because it would be super -- in places
24 like Merced because that track would be superfluous for
25 several decades.

1 So we tried to take a very careful look at all of
2 the infrastructure we needed just for opening day and that
3 allowed the station to be reduced in size. We also
4 consulted with the rail, the early train operator Deutsche
5 Bahn, who's been looking very closely at the requirements
6 for functional requirements for the station. We understood
7 that we could co-locate or co-mingle some of those
8 passenger -- sorry, staff, pardon me, staff service
9 elements in other places.

10 We didn't need to duplicate spaces within each
11 station, but that modular approach to design that means is
12 as the system expands, as we have more staff operating the
13 system, as there's more need for staff oversight within
14 each of the stations, we can modularly expand the station
15 to include those back of house rooms. So those are
16 facilities for staff.

17 VICE CHAIR MILLER: So as I understand it, we
18 understand that given our budget constraints, we're not
19 designing -- we're designing a bare bones-type station. Am
20 I correct in that?

21 MS. CEDEROTH: We are designing, to your words,
22 bare bones. I would say it's all of the components we need
23 for safe, comfortable, code-compliant passenger rail.

24 VICE CHAIR MILLER: Of course.

25 MS. CEDEROTH: Right.

1 VICE CHAIR MILLER: Okay. Thank you so much.

2 BOARD MEMBER PEREA: Mr. Chairman?

3 CHAIR RICHARDS: Yes?

4 BOARD MEMBER PEREA: I'd like to make a motion to
5 approve.

6 BOARD MEMBER SCHENK: We still have discussion --

7 BOARD MEMBER PEREA: Okay.

8 BOARD MEMBER SCHENK: -- if you wouldn't mind?

9 BOARD MEMBER PEREA: Sure.

10 CHAIR RICHARDS: Ms. Schenk?

11 BOARD MEMBER SCHENK: Hi Meg. This is really
12 exciting. You know, it sort of makes it makes it real.

13 I just got back a couple days ago from Japan, and
14 I couldn't help myself, you know, from Shikoku to Hokkaido,
15 from Osaka to Kanazawa, I mean, the first place I go is the
16 rail station. And I've seen these places since 1981, when
17 I first saw it, and the tremendous, really well done
18 development around the stations, whether it's hotels or
19 office buildings, department stores, shopping malls,
20 integrated to the station, where people come out or go into
21 the station, and all of this is around there and the
22 vibrancy.

23 So at some point, I would like to see what this
24 will look like, and what it might look like in the
25 surrounding areas for the development that we know will

1 come with all of these stations.

2 So, Ian, if it's okay with you, I'll give Meg a
3 call. And I really would like to see this, because the
4 excitement that I saw these past few weeks, and the designs
5 in the station, and I'm sure that, you know, the experts
6 are doing things that are being done there, but I'd like to
7 see for myself --

8 MS. CEDEROTH: Yeah.

9 BOARD MEMBER SCHENK: -- in the design itself,
10 because this is hard for me to figure out --

11 MS. CEDEROTH: Yes.

12 BOARD MEMBER SCHENK: -- what's there --

13 MS. CEDEROTH: Yes, (indiscernible).

14 BOARD MEMBER SCHENK: -- and what isn't.

15 MS. CEDEROTH: Yes.

16 BOARD MEMBER SCHENK: Thank you.

17 CHAIR RICHARDS: Thank you, Director Schenck.
18 Director Ghielmetti?

19 BOARD MEMBER GHIELMETTI: Meg, great
20 presentation. I appreciate the effort that your staff made
21 and you've made in terms of doing this modular approach. I
22 think it's very common sense, so please continue.

23 My only concern is the funding. We show that 80
24 percent of the funding is coming from the federal
25 government and 20 percent from the state. I'm very nervous

1 about receiving the federal funding and what that does and
2 how, if it doesn't come through, how are we going to fill
3 the remaining \$11.2 million?

4 MR. CHOUDRI: Yeah, well --

5 BOARD MEMBER GHIELMETTI: I didn't think she was
6 going to answer.

7 MR. CHOUDRI: I will let Meg focus on what she
8 presented to you for the stations.

9 But the funding, today we are going through the
10 compliance review with the DOT and we have provided all the
11 information. We have not received anything in terms of
12 that we were not compliant to what we committed through the
13 grant agreement. These activities that Meg is talking
14 about and others are part of our baseline schedule so that
15 we need to continue to move forward. The risk of what
16 happens if the federal grant money delivery, we're not
17 saying anyone has asked us to remove that, that is yet to
18 be seen.

19 So at this point, the program is moving on the
20 baseline schedule that we had. If we see any risk to that,
21 we'll come back to the Board and we'll inform whatever
22 decision will be.

23 BOARD MEMBER GHIELMETTI: Yeah, I think I just
24 want to make my fellow Board members aware that if we
25 proceed with this contract, both this item and the next

1 item, is the Board prepared to do the backstop if the fed
2 money doesn't come through?

3 VICE CHAIR MILLER: Well, I think it's a
4 contingency. I mean, we're going forward because we
5 assume --

6 BOARD MEMBER GHIELMETTI: It obviously it has to
7 come out of contingency or somewhere, but I'm just saying
8 that I want to make sure my fellow Board members are aware
9 that if the federal money does not come through, somebody's
10 got to backstop these contracts if they're approved.

11 VICE CHAIR MILLER: Well, the contracts will also
12 have a provision that are dependent upon funding. So it's
13 not as if we are then contractually obligated; right?

14 MR. CHOUDRI: Yeah, most of our contracts are all
15 of them, they sometimes do --

16 BOARD MEMBER GHIELMETTI: There's a termination
17 issue.

18 MR. CHOUDRI: Yeah.

19 BOARD MEMBER GHIELMETTI: But, you know, you set
20 somebody up for a full contract and, you know, they can
21 come back and ask for a claim after that.

22 I just want to make sure that the Board's aware
23 that when we go forward with this, if we go forward, if it
24 passes, that there's got to be a backstop here somewhere
25 along the way if the federal government doesn't perform.

1 VICE CHAIR MILLER: The backstop would be in the
2 contract language, I think, that we --

3 CHAIR RICHARDS: Good morning.

4 BOARD MEMBER GHIELMETTI: Yeah.

5 MR. MATALKA: If I could add to the conversation,
6 I think, Director Ghielmetti, you bring up a good point,
7 but within our baseline, we carry program-wide contingency.
8 So if in an event something was to happen, we'd have
9 options available to us within our already approved
10 baseline to cover costs if in an event that was to happen.
11 But as --

12 BOARD MEMBER GHIELMETTI: I just want to make
13 sure that my Board members --

14 MR. MATALKA: -- (indiscernible).

15 BOARD MEMBER GHIELMETTI: -- are aware that it's
16 going to have to come from somewhere.

17 BOARD MEMBER ESCUTIA: So Jamey

18 MR. MATALKA: Yes?

19 BOARD MEMBER ESCUTIA: -- within your baseline in
20 terms of contingency, do you have right now enough money to
21 cover this should we not get federal funds?

22 MR. MATALKA: Absolutely.

23 VICE CHAIR MILLER: Well, I would also ask to our
24 lawyer that we have, I mean, I'm assuming because I've seen
25 these contracts before, that there are usually funding

1 provisions in there; correct?

2 MR. FELLEENZ: Yes.

3 VICE CHAIR MILLER: Okay.

4 MR. FELLEENZ: Yes. Contingent on funding.

5 VICE CHAIR MILLER: Great.

6 MR. FELLEENZ: Also, there are termination clauses
7 in the contract.

8 VICE CHAIR MILLER: Right. Okay. Thank you.

9 MR. FELLEENZ: And then thirdly, this particular
10 contract is A&E. So it's different than a lump sum bid.

11 VICE CHAIR MILLER: Right.

12 MR. FELLEENZ: So the A&E just progresses and, you
13 know, we dictate the amount of work that's being performed
14 through task orders and the like. And then those would be
15 -- so we direct the work. And so the expectation is that
16 the full budget would be used for a particular contract.
17 But if circumstances changes, that might not be the case.
18 So the A&E, certainly that makes it simpler.

19 BOARD MEMBER SCHENK: And that's in --

20 MR. FELLEENZ: For a lump sum contract --

21 BOARD MEMBER SCHENK: -- the contract?

22 MR. FELLEENZ: Yes. And so for --

23 VICE CHAIR MILLER: But your point is well
24 taken --

25 BOARD MEMBER GHIELMETTI: I'm not concerned

1 (indiscernible).

2 VICE CHAIR MILLER: Director Ghielmetti.

3 BOARD MEMBER GHIELMETTI: Ian wants to stay on
4 schedule.

5 VICE CHAIR MILLER: Right.

6 BOARD MEMBER GHIELMETTI: Okay. So terminating
7 the contract is not going to help staying on schedule. So
8 you're going to have to use the contingency money in order
9 to keep moving forward. I just want my fellow Board
10 members to acknowledge that it's got to come from
11 somewhere. Someone's got to backfill this thing.

12 VICE CHAIR MILLER: And all I'm saying is that
13 there are other legal options that backfill. Okay.

14 BOARD MEMBER GHIELMETTI: That's --

15 VICE CHAIR MILLER: I know that doesn't --

16 BOARD MEMBER GHIELMETTI: Legal options aren't
17 going to keep us on the schedule.

18 VICE CHAIR MILLER: I agree. I agree. So --

19 CHAIR RICHARDS: Thank you.

20 VICE CHAIR MILLER: Thank you.

21 CHAIR RICHARDS: Just one other quick question,
22 Tom. Going back to the ARRA grant, is there anything in
23 the ARRA grant that, also staying compliant with the money
24 that we'd spent there, that we needed to be -- is this
25 somehow mentioned in our grant, it wasn't that funded

1 through the ARRA grant, but the obligations that we had
2 with the ARRA grant, do you know that off the top of your
3 head, is it?

4 MR. FELLEENZ: So the particular funding sources
5 for this contract are the --

6 CHAIR RICHARDS: Yeah, I know --

7 MR. FELLEENZ: Federal, state --

8 CHAIR RICHARDS: what they are for this one.

9 MR. FELLEENZ: -- partner.

10 CHAIR RICHARDS: But I'm just -- what obligations
11 we incurred with the ARRA grant when we accepted it and
12 spent the money, whether it also contemplated, for
13 instance, I think the completion of the 119 miles and that
14 sort of thing?

15 MR. FELLEENZ: Yes, that's the scope of the work
16 that needs to be completed --

17 CHAIR RICHARDS: Right.

18 MR. FELLEENZ: -- within the ARRA grant, correct.

19 CHAIR RICHARDS: Okay.

20 MR. FELLEENZ: Correct. Yes.

21 CHAIR RICHARDS: Okay. But is it silent as to
22 train, the train stations --

23 MR. FELLEENZ: There's --

24 CHAIR RICHARDS: -- as you as you recall?

25 MR. FELLEENZ: You know, there's an overlap

1 between the ARRA grant and the F1N

2 CHAIR RICHARDS: Yeah.

3 MR. FELLEENZ: -- grant.

4 CHAIR RICHARDS: Yeah.

5 MR. FELLEENZ: Certainly, one of those has the
6 stations as a component.

7 CHAIR RICHARDS: Yeah.

8 MR. FELLEENZ: So some of the tasks within the
9 grants overlap.

10 CHAIR RICHARDS: Yeah.

11 MR. FELLEENZ: So we've expended the ARRA grant
12 funding already --

13 CHAIR RICHARDS: Right, of course.

14 MR. FELLEENZ: -- so these stations. But this
15 particular item is not funded with the F1N.

16 CHAIR RICHARDS: Right. Yeah, I was just -- all
17 I was questioning is did we incur an obligation in the ARRA
18 grant by spending the money that we needed, as we move
19 forward, we obviously needed to have stations, and did it
20 basically suggest that while it's not funding it, that's
21 what we also have to have?

22 MR. FELLEENZ: Yes, stations are part of it --

23 CHAIR RICHARDS: Okay.

24 MR. FELLEENZ: -- are part of the commitment.

25 CHAIR RICHARDS: Alright. Okay. Thank you.

1 MR. MATALKA: And Chairman Richards, if I could
2 add to that?

3 CHAIR RICHARDS: Sure.

4 MR. MATALKA: -- (indiscernible) on the path is
5 correct because the ARRA grant is helping us deliver a
6 system. That was the theme, the principle behind it --

7 CHAIR RICHARDS: Right.

8 MR. MATALKA: -- to help us moving. So, yes,
9 stations in the bigger picture --

10 CHAIR RICHARDS: Okay.

11 MR. MATALKA: -- are part of that theme.

12 CHAIR RICHARDS: Okay. Thank you, Jamey.

13 Alright, thank you.

14 Any other questions or comments? If not, do we
15 have a motion?

16 BOARD MEMBER PEREA: Yeah, I'd like to make a
17 motion.

18 And first, Meg, thank you for the presentation
19 and thank you for the work you've done with Fresno, talking
20 about that visioning around the station and what could be,
21 because I know Fresno's pretty excited about it and they've
22 been working on it.

23 And of course, our conversation right now, our
24 absolute top priority is to stay on schedule; right? But
25 we also know, you know, we have to look at our federal

1 funding, what may or may not happen, but we do have
2 contingencies; right? And we do have backstops legally in
3 case something else is, you know, another path we want to
4 travel. But the point is, in my mind, is we stay on
5 schedule. If we need to pivot, that staff come back to us
6 in a timely manner so that we can make a full informed
7 decision. And I think it's all we can do at this point
8 with the goal that we're going to stay on schedule.

9 CHAIR RICHARDS: Thank you.

10 BOARD MEMBER PEREA: So with that, I'd like just
11 to make a motion to approve approval to begin work on NTP2
12 for the Central Valley stations.

13 CHAIR RICHARDS: Alright, we have a motion.

14 Is there a second?

15 VICE CHAIR MILLER: Second.

16 CHAIR RICHARDS: A motion and second.

17 Please call the roll.

18 MS. RODRIGUEZ: Director Schenk?

19 BOARD MEMBER SCHENK: Yes.

20 MS. RODRIGUEZ: Chair Richards?

21 CHAIR RICHARDS: Yes.

22 MS. RODRIGUEZ: Vice Chair Miller?

23 VICE CHAIR MILLER: Yes.

24 MS. RODRIGUEZ: Director Perea?

25 BOARD MEMBER PEREA: Yes.

1 MS. RODRIGUEZ: Director Ghielmetti?

2 BOARD MEMBER GHIELMETTI: A cautious yes.

3 MS. RODRIGUEZ: Director Escutia?

4 BOARD MEMBER ESCUTIA: Yes.

5 MS. RODRIGUEZ: Director Cohen?

6 BOARD MEMBER COHEN: Yes.

7 MS. RODRIGUEZ: Mr. Chairman, the motion carries.

8 CHAIR RICHARDS: Thank you.

9 Thank you, Ms. Cederoth.

10 And now moving on to the next agenda item, which
11 is agenda item number three. Ladies and gentlemen, this is
12 the Fresno Station Early Works Construction Contract
13 Approval to Solicit bids for Construction.

14 MS. CEDEROTH: Thank you. So the Authority has
15 prepared an Early Works package for the Fresno Station that
16 comprises groundbreaking for the future high-speed rail
17 station in Fresno. Staff are seeking Board approval for a
18 solicitation for construction bids and award to the lowest
19 bidder for this Early Works package.

20 The project is composed of three major elements:
21 renovation of a historic depot located within the overall
22 Fresno Station complex; Early Works at the H Street Station
23 entrance, which also allows access to the historic depot;
24 and Early Works at the G Street entrance to the station,
25 which many of you will know as Chinatown.

1 Next slide.

2 This is giving you a bird's eye view of the plan
3 we saw on the last slide with all of those projects laid
4 out. The overall station footprint, the future high-speed
5 rail station footprint is in yellow, while in white are the
6 Early Works projects that make up this construction
7 package. To the top of the slide, you see the Chinatown
8 Mobility Hub and G Street Early Works. And for the bottom
9 of the slide, you see the H Street Early Works and the
10 historic depot renovation.

11 Next slide.

12 Work at the historic depot includes renovations
13 for seismic and ADA compliance, re-roofing, restoration of
14 historic elements, and demolition of non-contributing
15 structures.

16 On the next slide, Early Works at the H Street
17 Station entrance include utility relocations and new
18 utility connections and site improvements, including
19 access, sidewalks, stormwater management, parking, electric
20 vehicle charging, and landscape as well as lease space
21 opportunities.

22 Next slide.

23 Early Works at the G Street entrance include
24 similar utility relocations and new connections, as well as
25 site improvements, including site paving, sidewalks,

1 stormwater management, parking with electric charging, and
2 shade and landscape elements. The scope at the G Street
3 entrance also includes transit vehicle charging and scooter
4 and bike parking, making this a mobility hub.

5 Next slide.

6 This project utilizes a mix of state and federal
7 funds for a total project cost of \$58,090,000. We are
8 using two types of federal funds and have established the
9 scope of the subprojects to clearly delineate the sources
10 used for distinct project components.

11 Next slide.

12 We anticipate a total duration of approximately
13 27 months to complete construction and close out for this
14 project, making the facility and site ready for occupancy
15 in late 2027 and early 2028. Award will be to the lowest
16 responsible bidder per the Public Contract Code, and the
17 small business goals are assigned corresponding to the
18 funding used.

19 Next slide.

20 After today's Board action, the staff will
21 complete the package and issue for solicitation scheduled
22 for the third quarter of this year. Contract award and
23 notice to proceed is scheduled for December of this year
24 with groundbreaking in early 2026.

25 I'm happy to take any questions.

1 CHAIR RICHARDS: Thank you.

2 Questions for Ms. Cederoth?

3 Yes, Mr. Ghielmetti.

4 BOARD MEMBER GHIELMETTI: I won't repeat
5 everything, but --

6 CHAIR RICHARDS: Please.

7 BOARD MEMBER GHIELMETTI: -- this is another 80
8 percent/20 percent. And I just want my fellow Board
9 members to realize the shortfall here is \$40 million-plus.

10 So, Jamey, I don't know if we have enough
11 contingency to cover that.

12 MR. MATALKA: Yes, Director Ghielmetti, I can
13 confirm we do --

14 BOARD MEMBER GHIELMETTI: Okay.

15 MR. MATALKA: -- more than enough for that.

16 BOARD MEMBER GHIELMETTI: So I just want to go on
17 record that if there's a back shortage, it's going to be a
18 little over \$40 million.

19 CHAIR RICHARDS: Thank you, Director Ghielmetti.

20 BOARD MEMBER ESCUTIA: Excuse me, \$40 million for
21 this project, but you also have enough contingency to cover
22 the other project that we just voted upon?

23 MR. MATALKA: Yes.

24 BOARD MEMBER ESCUTIA: Alright.

25 MR. MATALKA: Yes. The issue would only come

1 into play if we were looking at billion-dollar contracts.

2 CHAIR RICHARDS: Any other questions or comments?

3 VICE CHAIR MILLER: Well, I won't repeat myself
4 either, but --

5 CHAIR RICHARDS: Okay. Thank you.

6 Okay, I do have a couple of things I just wanted
7 to ask her and wanted to point out.

8 If you can look at the -- it's not on your --
9 well, it's not on your slides, but on the write-up, there
10 was a duplication on page one of the bullet points, so
11 bullet points two and three are the same thing. Was there
12 another bullet point that we missed or that was supposed to
13 be on it?

14 MS. CEDEROTH: So on the first page of the memo,
15 those bullet points correspond to the three major
16 components of the project, so it's renovation of the
17 Historic District --

18 CHAIR RICHARDS: Yeah.

19 MS. CEDEROTH: -- historic depot --

20 CHAIR RICHARDS: Yeah.

21 MS. CEDEROTH: -- it's Early Works and utility
22 relocations at the H Street entrance --

23 CHAIR RICHARDS: Okay, I see.

24 MS. CEDEROTH: -- and then the same --

25 CHAIR RICHARDS: One of them is G and one of them

1 is H --

2 MS. CEDEROTH: -- (indiscernible).

3 CHAIR RICHARDS: -- and that's all? Okay.

4 Let me ask another question, and it may be for
5 Jamey. I don't know the answer to it, that's why I'm
6 asking. Can we qualify for historic building credits and
7 or new market tax credits?

8 MR. MATALKA: You know, I don't actually know the
9 answer to that but we --

10 CHAIR RICHARDS: Okay, so if we can --

11 MR. MATALKA: Yeah.

12 CHAIR RICHARDS: -- they generally can -- the
13 combination of the two can provide close to 50 percent of
14 the cost. So I'm not sure. It would seem to me we're
15 renovating a structure that's on the historic register, on
16 the National Historic Register. That generally is
17 somewhere between 20 and 25 percent of the historic
18 renovation costs. And new market tax credits can generate
19 close to another 25 percent.

20 So whether or not being a government -- I know
21 local government agencies, I understand, have the capacity
22 to participate in the programs. I'm wondering whether we
23 do. And if -- so it wouldn't take long to look into it.

24 MR. MATALKA: Yeah.

25 CHAIR RICHARDS: But let's see if we can do that,

1 because that could cover 40 to 50 percent of the cost.

2 MR. MATALKA: Yeah, let us look. We'll take that
3 back. We'll take it up next time.

4 CHAIR RICHARDS: Okay.

5 MS. CEDEROTH: So the one thing we'll point out,
6 though, the historic depot renovation is covered 100
7 percent by the RAISE 2023 grant.

8 CHAIR RICHARDS: Right.

9 MS. CEDEROTH: -- from the fed government.

10 CHAIR RICHARDS: I'm sure, I know that they're
11 covered. But, you know, in consideration of also what
12 Director Ghielmetti has talked about, we can perhaps reduce
13 the liability or the potential liability. We can also look
14 at other uses if the Federal Government, FRA, is willing to
15 allow us to look at that. But it's a way that, regardless,
16 we can do this for less money, if it works. Okay, thank
17 you.

18 Any other comments?

19 Yes, Director Schenk?

20 BOARD MEMBER SCHENK: And maybe for the Fresno
21 contingent --

22 CHAIR RICHARDS: Yeah.

23 BOARD MEMBER SCHENK: -- I'm just curious, what
24 are the plans for the historic station once it's renovated?

25 CHAIR RICHARDS: Well, actually --

1 BOARD MEMBER SCHENK: Put a museum?

2 CHAIR RICHARDS: -- it's our building. What are
3 we going to use it for?

4 MS. CEDEROTH: So to begin, we're going to use it
5 for state staff and consultant staff, because this will be
6 an active construction site as we move to track and systems
7 construction, as well as the Fresno Station construction
8 overall. So the reason we're taking this action now is to
9 get the building renovated and ready for staff to move
10 into. And then, it's also available for leased space over
11 time.

12 CHAIR RICHARDS: Will this be like office and/or
13 retail space and things like that?

14 MS. CEDEROTH: Yes. We've kept the renovations
15 flexible in order to accommodate different types of uses
16 over time.

17 BOARD MEMBER SCHENK: There's one in San Diego
18 that has a wonderful museum --

19 CHAIR RICHARDS: Yeah.

20 BOARD MEMBER SCHENK: -- now.

21 CHAIR RICHARDS: Yeah.

22 MS. CEDEROTH: That's one option that's being
23 looked at.

24 BOARD MEMBER SCHENK: Just curious.

25 BOARD MEMBER ESCUTIA: Would we have access to

1 some of these, you know, perhaps conference rooms?

2 MS. CEDEROTH: Yes, that is also something we've
3 had quite a few consultations with the surrounding
4 community and the city. And part of the design of this
5 overall package is to make sure there's elements of this
6 work that are available for public use or public amenities
7 as well.

8 BOARD MEMBER ESCUTIA: Thank you.

9 CHAIR RICHARDS: Just to follow up on something
10 that Director Schenk said earlier, but we have followed and
11 been told about the value of the retail revenue generated
12 for stations in Japan specifically, which we've seen
13 numbers that are pretty consistent, around 34 percent of
14 total revenue, coming from revenue generated at those
15 stations, at and around the stations. So it's been
16 something that we've focused on really from the outset, at
17 least as long as I've been onboard, and you probably a
18 number of years before that too.

19 So, yeah, there's no question. Yeah, yeah, this
20 is a very important and historic building for the city of
21 Fresno. I think it goes back to 1880 or something like
22 that.

23 MS. CEDEROTH: It does, yes.

24 CHAIR RICHARDS: So it's a storied past with
25 regards to rail.

1 If there are no other questions or comments, do
2 we have a motion?

3 BOARD MEMBER ESCUTIA: So moved.

4 CHAIR RICHARDS: Alright, motion by -- okay,
5 motion by Director Escutia.

6 BOARD MEMBER ESCUTIA: Yeah.

7 CHAIR RICHARDS: And thank you, I did it right.

8 BOARD MEMBER PEREA: Yes, with the staff
9 direction included as listed by the Chairman.

10 VICE CHAIR MILLER: As an amendment, right.

11 BOARD MEMBER PEREA: -- to take a look at --

12 MS. CEDEROTH: Yes.

13 BOARD MEMBER PEREA: -- the new market tax rate?

14 MS. CEDEROTH: We will look into it.

15 CHAIR RICHARDS: Okay. Thank you. And seconded
16 by Director Schenk.

17 Please call the roll.

18 MS. RODRIGUEZ: Director Schenk?

19 BOARD MEMBER SCHENK: Yes.

20 MS. RODRIGUEZ: Chair Richards?

21 CHAIR RICHARDS: Yes.

22 MS. RODRIGUEZ: Vice Chair Miller?

23 VICE CHAIR MILLER: Yes.

24 MS. RODRIGUEZ: Director Perea?

25 BOARD MEMBER PEREA: Yes.

1 MS. RODRIGUEZ: Director Ghielmetti?

2 BOARD MEMBER GHIELMETTI: A cautious yes.

3 MS. RODRIGUEZ: Director Escutia?

4 BOARD MEMBER ESCUTIA: Yes.

5 MS. RODRIGUEZ: Director Cohen?

6 BOARD MEMBER COHEN: I'll give this one a
7 cautious yes, too.

8 MS. RODRIGUEZ: The motion carries.

9 CHAIR RICHARDS: Thank you.

10 MS. CEDEROTH: Thank you.

11 CHAIR RICHARDS: Thank you, Meg, very much.
12 Great job.

13 Well, ladies and gentlemen, item number four is
14 the CEO report.

15 Mr. Choudri.

16 MR. CHOUDRI: Good morning. So as we continue in
17 looking at the program-overall status and seeing where we
18 can have efficiencies and improvements, the focus for the
19 team and my own remain on improving the delivery of the
20 current commitments we have for building the 119 miles.
21 What we are seeing there is that the improvements we could
22 make are in the areas where our stakeholders, partners who
23 are providing support to us, such as the freight railroads,
24 we are working with them now to improve the schedule so we
25 can finish all the work in CP 1, 2-3, or is almost

1 completed by the end of 2026. So our focus remain in
2 completing 119 miles as soon as we can.

3 And the other aspect of the program we are
4 looking at is a complete bottom-up estimate of the entire
5 program. And then with our new strategy on getting from
6 finishing the Merced to Bakersfield, and then getting to
7 Palmdale, and then also looking at the Gilroy opportunity,
8 when we are doing the bottom-up estimate, there are two
9 reasons for us to do that.

10 One is we need to know the true cost of the
11 program overall.

12 And two is also have a strategy of stabilizing
13 the funding and financing that I've been talking about for
14 months because we need to stabilize the funding and
15 financing scheme so we can either bond or take federal
16 loans or invite private sector. And we will talk about the
17 private sector in a minute. That's where we are focusing.

18 The other area that we are also streamlining and
19 looking at efficiencies is within our own organizational
20 structure. We'll talk a little more about that in detail.

21 Next slide.

22 The improvement for the schedule of completion of
23 current civil work, the team has been laser focused on
24 getting all the actions that they need to to take out all
25 factors that are stopping the work or was stopping the work

1 to get that done so that we can move and finish all the
2 structures that we had to put in place within 2026.

3 The next step for us this year, which is very
4 important with our new strategy to start laying tracks
5 sooner than we were thinking before, is to complete our
6 railhead project. What's in the railhead project is where
7 we are bringing in all of our commoditized materials and
8 deliver it there so when the contractors show up to lay
9 tracks, we will provide directly that material that we are
10 going to be purchasing through various contracts. And
11 those materials generally include the rail itself, the
12 concrete ties, the cables, the wires, poles, and stuff that
13 does not change whichever contractor we choose to install
14 those items.

15 So we started railhead construction in January.
16 And I will invite our Statewide Regional Director, Basem,
17 to give us an update on where we are on the construction of
18 the railhead in Wasco.

19 MR. MAULLEM: Good morning, Chair Richards, Vice
20 Chair Miller, Board. Basem Maullem. I just want to give
21 you an update on what CEO Choudri has mentioned about the
22 railhead.

23 So this is going to be a great project for us to
24 do. We have started this project in January, mid-January
25 of this year. And what it is, it's a site. It's about a

1 145-acre site in Wasco, and we want to get all the
2 commodities into the site by this year, the commodities
3 being the rail, the ties, the ballast, the OCS, the copper.
4 And for us to do that, we have partnered with BNSF and the
5 schedule as of now is January 15th, roughly, of this year,
6 of 2025. January 15th of this year, BNSF started doing all
7 the prep work on the site, clearing and grubbing. And from
8 that point on, three and a half months later today, we've
9 done quite a bit of work.

10 So what they've been able to do is they have been
11 able to put all the embankments on the two-mile siding for
12 BN. They put the switch track. The area is about -- has
13 storage tracks. It's about six of them. Each one is about
14 a half a mile long. It's about 40-foot steel ties, bolted
15 ties. They have finished that area. They have put the
16 embankment. They cleared it, put the embankment, and they
17 put also the sub ballast. They have also put the sub
18 ballast and the embankment on the two-mile siding, and they
19 already put the switch track.

20 Going back to the six tracks, the storage tracks,
21 we will be moving forward with that and moving ahead. What
22 we're going to be doing is securing all the rest of the
23 area. So by the middle of this month, by middle of May, we
24 will have all the area ready with the embankment and the
25 sub ballast so we can start actually putting rail. Rail

1 will be done, roughly, by September of this year, we will
2 put all the rail in. What's left to be done is to complete
3 the entire 145 acres, to completely clear it and grade it.
4 We will be putting a basin in. We will be putting all the
5 roads around the perimeter and also within the 145 acre.
6 So all that will be done. And we will be putting fencing
7 and the basin, like I mentioned, and all that will be done.

8 So by the end of this year, this site will be
9 ready to receive material, and the material will be
10 received in 2026, early 2026, and we're hoping that by year
11 end, we will be laying tracks to comply with really our
12 vision. And our vision is that we want to build faster,
13 smarter, and more economically, and this will really
14 endorse that vision in that we will be procuring the
15 materials ourselves. We will be cutting the middleman. We
16 will be cutting all the overhead. And we will be able to
17 do this and monitor it and manage it ourselves.

18 So this is the report.

19 CHAIR RICHARDS: Thanks.

20 BOARD MEMBER PEREA: Basem, I have a question.
21 Just so I'm clear, you said we'll start laying track end of
22 the year 2025 or 2026?

23 MR. MAULLEM: So there's two tracks. There's the
24 tracks for the railhead facility --

25 BOARD MEMBER PEREA: Right.

1 MR. MAULLEM: -- which will be done by year end.

2 BOARD MEMBER PEREA: Yes. Oh.

3 MR. MAULLEM: Actually, by September, it will be
4 done. And then the tracks to go to the alignment, we're
5 looking at the whole alignment, the 119 alignment, will
6 probably be done in Q4 of 2026.

7 BOARD MEMBER PEREA: Great. Thank you.

8 MR. MAULLEM: Thank you.

9 MR. CHOUDRI: So as Basem was mentioning, I mean,
10 this approach that we took to secure contracts for buying
11 these commoditized materials earlier is helping us in two
12 ways. One, it improves cost. Instead of passing on these
13 type of purchases to a design-build contractor, we are
14 actually improving the cost by 15 percent to 20 percent.

15 The other element of this, which is more
16 important for us, is to start laying tracks as fast as we
17 can. So getting these commodities in Wasco Railhead
18 enables us to bring the design-builder contractor next
19 year, and they can then pick the material from this yard
20 and start laying tracks from the CP 4 going north, CP 4
21 being completed at this point with that issue of a small
22 canal that we are solving right now.

23 That's the strategy for us to pull the schedule
24 back by 18 months to two years for starting laying tracks,
25 and then continue moving north. These track construction

1 contractors, if we use the newer technologies of how we
2 build and advance machinery, we can lay about roughly a
3 mile of track in two days. So track building will be way
4 faster. We have explored those techniques. Once we start
5 get going, this work will be done pretty quick.

6 The other area that we are looking at that I've
7 asked the team to work with us in making sure we also are
8 improving our procurement and contracting strategies. That
9 has been, also, an area of improvement that I looked at
10 from day one when I came onboard. So as we were talking
11 about last month, we had a lot of positions in the
12 Executive Team that were not filled. But now I can say
13 that we are almost there to complete the Executive Team who
14 will run different functions in different offices within
15 the Authority.

16 For the contracts and procurement, we brought
17 onboard Emily Morrison, and she's here. She runs now --
18 it's all consolidated under one activity, Procurements and
19 Contracts, and then everyone reports through to Emily. And
20 she's looking at -- she has been looking since she came
21 onboard, on every possible contract that we put out in the
22 market, how we improve contracting mechanisms, how do we
23 improve the schedule of contracts, and then how we
24 administer these contracts. In the past, these contracts
25 were managed all over the place. And there were some in

1 the sites, some were in the field, some were in the
2 offices. Now it's all centralized, and Emily represents
3 that. So going forward, you can reach out to Emily any
4 time.

5 I would like to introduce her.

6 Emily, come on over and introduce yourself. And
7 also talk about what you have been doing since you came
8 onboard for many years.

9 MS. MORRISON: Hi. Test. Can you hear me?
10 Okay. Good morning, Mr. Chair, members of the Board. My
11 name is Emily Morrison. I'm the new Chief of Contract
12 Administration here at the California High-Speed Rail
13 Authority. I previously came over from the federal
14 government. I worked for the Air Force for several years,
15 worked on large-scale infrastructure contracts, putting
16 together bench contracts, essentially, multiple-award
17 construction contracts, commonly known as MACs or MATOCs,
18 along with large AE IDIQ, indefinite delivery, indefinite
19 quantity-type contracts.

20 I moved over from Mountain Home Air Force Base,
21 went over to Kirtland Air Force Base, supporting their
22 nuclear weapons program, managed the nuclear weapons
23 maintenance support contract, along with their base-wide IT
24 support contract, and then transitioned over to the VA, and
25 I managed their construction contracts for Northern

1 California, Nevada, Pac Islands, and the Philippines.

2 So bringing my experience from the federal
3 government here to High-Speed Rail, right, looking to
4 streamline processes, streamline how we have our current
5 contracts set up, so that we can buy things quicker and
6 also buy things more cost-efficiently.

7 Like Mr. Choudri had said, you know, buying
8 materials directly through these -- like these design-
9 builders, they will essentially put a markup on it, 15 to
10 20 percent. By us procuring them directly, not only can we
11 ensure, like, adequate price competition by having multiple
12 vendors provide us pricing for things like rail and the
13 ties and the ballast, and that way we can have a pretty
14 significant supply chain, where we know that we're not
15 going to have a shortage of ballast.

16 We can pre-plan our material procurements for a
17 sequencing, so that we don't have, you know, long lead time
18 events, where the design-builder comes in and they can't do
19 the work because there's a 12-month lead time on an item.
20 So what we're trying to do is set that up in advance, so
21 that we know which items, sequence them, which items have a
22 long lead time, so that we can align this with the start of
23 construction.

24 Other items that we are, in addition to material
25 procurements, looking to streamline and instate a bench

1 contract for some of our, you know, construction work that
2 we're currently seeing, a lot of our work we are using --
3 we're putting as a change order on our large construction
4 packages, and ultimately shifting that away to do a bench
5 contract that is a full small business set aside, and
6 allowing small businesses in the Fresno and Bakersfield
7 area to compete on some of this work, which we can get done
8 quicker, and in a much more affordable manner as well.

9 And then finally, once we do put, you know,
10 getting all these pieces, eventually working to get
11 multiple types of bench contracts in place, including an
12 architect engineer bench IDIQ, indefinite delivery,
13 indefinite quantity, where we can reach out directly to
14 help reduce procurement lead times. By having bench
15 contracts, we can ultimately reduce procurement lead times
16 down to something as low as 45 days, because we're
17 utilizing task orders, versus lengthy source selections,
18 where we're going to see something in the realm of six
19 months-plus sometimes.

20 And then kind of on a macro scale, bringing my
21 experience from the federal government here to help look at
22 what some of the policies and regulations that we've kind
23 of -- it's just been kind of an amalgamation that has
24 occurred over the last 15 years, to try to look to see what
25 we can do to streamline overall processes.

1 And then lastly, contract administration, which
2 will all be condensed. Capital procurements and contract
3 administration will all be condensed under my office. So
4 that way we have a better sense of, you know, also what is
5 going on post-procurement, you know, tracking these
6 requirements, making sure that they're staying on their
7 period of performance that we originally negotiated.

8 The difficulty when you split those types of
9 procurements is essentially when you go from procurement
10 side to an administration side, you don't have that cradle-
11 to-grave contracting that allows you to see the full scope
12 and keep people on the project from the inception to close
13 out. When you transition people from one side of the
14 procurement to the other, you're ultimately going to have
15 turnover, you're going to have delays, you're going to have
16 gaps in coverage. So kind of bringing that all under one
17 office will help streamline.

18 Alright. Do you have any questions for me at
19 all?

20 CHAIR RICHARDS: Vice Chair Miller?

21 VICE CHAIR MILLER: Yeah, I was going to say --

22 MS. MORRISON: Thank you.

23 VICE CHAIR MILLER: -- that was impressive.

24 CHAIR RICHARDS: We are very much in favor of all
25 that you have just said.

1 MS. MORRISON: Wonderful.

2 VICE CHAIR MILLER: Welcome aboard.

3 CHAIR RICHARDS: We're happy to have you here.

4 MS. MORRISON: Thank you.

5 VICE CHAIR MILLER: Thank you.

6 MS. MORRISON: Alright, thank you so much.

7 CHAIR RICHARDS: Thanks, Emily.

8 MR. CHOUDRI: So continuing on improvements that
9 we are looking at within the Authority, part of Emily's
10 work that you just heard about, it is to streamline
11 processes and improving schedule. But that's not it. We
12 will continue to work over internally to look at where
13 efficiencies we can have within the organization.

14 One other thing, in the last four months,
15 continuously looking at how we are organized, we did find
16 that we have several places and functions where we have
17 significant redundancies within the Authority. When I say
18 within the Authority, that includes also our consulting
19 partners. The evaluation was done and completed for our
20 first phase of optimizations and we are implementing those.

21 And we are implementing, as I always talk about,
22 is like when you put 10 engineers to change the light bulb,
23 generally it takes 10 hours to do that. If you put one,
24 you will do it in five minutes. So we are looking at those
25 duplications, redundancies. And the reason we want to do

1 that is when we move forward, there is
2 responsibility/accountability that comes with the job that
3 we are providing to these different consulting firms and
4 our own staff. And we want to make sure that decision-
5 making process is very streamlined and it is productive and
6 it's providing the services that we need for the Authority
7 to move the program forward.

8 I will invite Gary Walker to talk a little bit
9 about the organizational strengthening that we are going
10 through right now. We are not done. I think it will take
11 us another couple of months. And by that time, we will
12 implement all the recommendations we are getting from our
13 partners who are evaluating our organizational structure
14 today.

15 Go ahead, Gary.

16 MR. WALKER: Yeah, thank you, Mr. CEO. Hopefully
17 you can hear me.

18 We have been very much looking at the
19 reorganization. We are looking at areas for improved
20 efficiencies across both staff and consultancies. We have
21 just finished pretty much what we call the Phase 1 in
22 Optimization, which has a significant reduction across all
23 the savings.

24 But more importantly, as an organization, we are
25 far more integrated now. The restructuring that we are all

1 experiencing as an organization, which includes all the
2 consultants that add real value, and those that don't,
3 actually, are part of the redundancies. What we are now
4 doing is trying to improve communication of those
5 organizations and also increase on the accountability,
6 which is imperative because the communication lines weren't
7 as smart as we could be, but we are getting there and we
8 are improving on those areas very much. So this is what
9 brings us into a one-team culture.

10 The next phase of optimization will be to
11 actually go forward in terms of where we can improve even
12 more. We're going to streamline our connections, primarily
13 with what the main offices are doing and how the
14 information flow drives its way down onto the sites. It's
15 imperative that we can short change that and get more
16 dynamic decisions to actually get faster and smarter. So
17 this is just the first of many phases that we're going to
18 go through.

19 MR. CHOUDRI: Thanks, Gary. Any questions for
20 him?

21 CHAIR RICHARDS: Same comments to you as we made
22 to Emily. Very happy to have you onboard and for these
23 changes. You've got a lot of people shouting up here for
24 you.

25 MR. WALKER: It's my privilege. Thank you.

1 CHAIR RICHARDS: Thank you.

2 MR. CHOUDRI: Okay, so continuing on looking at
3 opportunities to make this program move faster and
4 stabilizing the funding and financing, the one area that we
5 started early on in November when I looked at how do we go
6 out and stabilize the funding and how to bring the private
7 sector in, we did invite the private sector in January at
8 our industry event. And I'm very happy to report that
9 since then the private sector has been coming back to us
10 almost on a weekly basis to share with us their thoughts
11 and ideas of how they can bring our financing investments
12 into the program.

13 What is very important for us at this point is to
14 work with the administration and legislature to get to a
15 place where the backstop guarantees that we're looking for,
16 for the program, are established and they are established
17 based on what we have provided to them so that the private
18 sector then can activate and then start working with us on
19 developing a delivery approach. And we would like to do
20 that before this end of summer.

21 So the Authority has presented several scenarios,
22 financial scenarios to the administration and to the staff
23 within the Legislative Teams. Up until last week, we
24 explained how this program can move forward and we can
25 build all the connections between Merced to Bakersfield and

1 Bakersfield to Palmdale, and then from Madera to Gilroy
2 where we interconnect with other systems, which provides
3 the private sector an interest in commercializing and
4 generating revenues. That is the only scenario that works
5 for the private sector investors. We have explained that
6 to everybody who we came in contact with in the recent last
7 two months.

8 My ask has been that if we go and take that
9 action, this project can be built in less than 20 years
10 connecting both sides, south and north. And then we will
11 continue building towards San Francisco and L.A. and San
12 Diego. But that's one priority for us, is to get stable
13 backing from the state, and we'll continue to apply for
14 federal funds. We don't see any reason for us not doing
15 that because if you look at, in Western Europe and Japan,
16 we talked about, it's always be federal government that
17 puts the funding on these large, big programs.

18 Here we are doing it with some state money and
19 then some federal and then there is some uncertainty that
20 gets created. That's make this program very inefficient.
21 We could continue like we're doing but what I've explained
22 to everyone is that that will be the most inefficient way
23 to build.

24 So I'm hoping that by the end of summer we will
25 have a financial solution from the state that we can

1 actually go and engage with the private sector to come and
2 help us build this.

3 Yes?

4 BOARD MEMBER ESCUTIA: Ian, when you say that by
5 the end of the summer that you hope that we will have some
6 type of commitment from the state so that you can then go
7 to the private sector and engage with them, are you talking
8 about bonding against the revenue that we anticipate coming
9 to us by way of cap and trade?

10 MR. CHOUDRI: My point has been that the source
11 of where what we are asking the dollar amount come from.
12 whether it's cap and trade or some other funds, we are
13 giving a financial scheme. We are asking the
14 administration, the administration looking at cap and trade
15 as a source, but we need more than that.

16 So I don't want to say agnostic. We are aware
17 cap and trade is a source, but the financial plan that we
18 have presented is neutral to that.

19 BOARD MEMBER ESCUTIA: Because from what I
20 remember from my days in the state legislature, and I am
21 not an expert in financing, there is, we can finance
22 against bonds, and obviously that costs a certain amount of
23 money, or we can basically finance by using the full faith
24 and credit of the state, you know? And I don't know, how
25 much does that cost, and what's more expensive, to finance

1 against the revenue stream or to finance against the full
2 faith and credit of the state?

3 And so I'm just, you know, I'm just trying to
4 learn here, alright? I'm not trying to be an
5 obstructionist. I'm just asking questions because I'm not
6 an expert in this. You know, but obviously we are in
7 trouble. Mr. Ghielmetti has very clearly indicated that as
8 we engage in these current, you know, votes that commit us
9 to pay for this or pay for that, it almost seems, you know,
10 rather, I hate to use the word speculative, but -- you
11 know, a financing plan, for me, has been one of the weakest
12 links of this program. And I'm really, really grateful to
13 you Ian that you are talking to the private markets about
14 this.

15 You know, that cap and trade money is quite
16 substantial. That is quite substantial to bond against
17 that, you know? So at the very bare minimum that should
18 be, obviously, you know, a part of the strategy.

19 The over and above, I don't know. That's way
20 over my pay grade. You know, the governor has his ideas as
21 to how he wishes to do things. We'll be lucky if we get to
22 find out what those ideas are, you know?

23 But for right now, I want to control what we can
24 control. And that's why I'm also very, very insistent on
25 being very assertive in developing a legislative strategy

1 that's two weeks, you know, from the May revise, as well as
2 maybe five weeks before a vote comes down on the budget
3 sometime in June. I hope that our legislative staff is out
4 here listening to this, but we need to get going, you know?

5 And I am willing to help out. I am an expert in
6 advocacy plans. I have been doing this practically all my
7 life. And right now, I just don't see any activity. But I
8 do understand that the governor is also heavily engaged in
9 this. And I just hope that we all meet together towards
10 the same goal, same mission, same timing, same sequencing
11 in order for us to really, you know, start thinking very
12 seriously about the financing for this project.

13 MR. CHOUDRI: We share your comments. And,
14 actually, we will take you up on your offer to help us in
15 getting a little more organized.

16 BOARD MEMBER ESCUTIA: (Off mic.)
17 (Indiscernible.)

18 MR. CHOUDRI: Thank you. Thank you so much.

19 BOARD MEMBER COHEN: Mr. Chair?

20 CHAIR RICHARDS: Yes, Director Cohen?

21 BOARD MEMBER COHEN: What challenges are in the
22 way that could be addressed? What challenges stand in the
23 way of making this a more attractive or the most attractive
24 project possible for the private sector right now?

25 MR. CHOUDRI: It is the -- like the Director was

1 saying earlier, is the backstop, is the guarantee of the
2 state, is the commitment over time. So we can -- we are
3 doing the value for money analysis right now, so we know
4 what the cost will be for, let's call it, borrowing. The
5 challenge is getting a state commitment on the backstop, or
6 we can call it securitization or the guarantee, using the
7 credit worthiness of the state for X amount of dollars for
8 X number of years. If we get that, private sector is ready
9 to invest more.

10 BOARD MEMBER COHEN: So it's funding, it's just
11 funding? There's nothing else standing in the way? You
12 know, for a long time, right-of-ways, utilities --

13 MR. CHOUDRI: No. I mean, those are project
14 activities. We have a very clear understanding of how
15 we're going to go do those activities in the future. It is
16 the funding. It is the backstop guarantees, yeah.

17 BOARD MEMBER GHIELMETTI: It's the funding, but
18 it's your plan too now to go all the way from Gilroy to
19 Palmdale. That's enticing.

20 MR. CHOUDRI: That is what private sector --
21 well, First, when I looked at it in October, to me, getting
22 out of the Central Valley and connecting it to the
23 population centers is the most critical feature of this
24 program. So, yes, that is what we put it out to the
25 industry and the response was very positive.

1 BOARD MEMBER GHIELMETTI: I just wanted to make
2 sure everyone understood, it's the guaranteed funding and
3 it's the new plan of getting from Gilroy to Palmdale.

4 MR. CHOUDRI: That is correct. I mean, if we
5 look at Caltrain system that we already electrified, So now
6 you have a resident in Fresno able to go to San Jose in the
7 Silicon Valley to work and be back, the one direction ride
8 is less than 45 minutes. So, I mean, it changes the whole
9 landscape --

10 BOARD MEMBER GHIELMETTI: Right.

11 MR. CHOUDRI: --for where these systems are
12 getting connected. And same as on the Palmdale side. Now,
13 once the higher desert corridor interconnects with Victor
14 Valley, now you have a rider from Fresno or San Francisco
15 could actually get to Vegas by the three different systems.

16 BOARD MEMBER GHIELMETTI: That may cost them a
17 lot of money.

18 MR. CHOUDRI: Yeah, I know, but it will be a lot
19 of fun too. That will be the party train going to Vegas,
20 yeah.

21 That's all for me. Open to any questions,
22 comments.

23 BOARD MEMBER PEREA: I do have --

24 CHAIR RICHARDS: Thank you.

25 BOARD MEMBER PEREA: -- question, Mr. Chairman.

1 I'm sorry.

2 CHAIR RICHARDS: Sure, please.

3 BOARD MEMBER PEREA: This presentation, very good
4 information. Thank you. Have legislative committees seen
5 this presentation?

6 MR. CHOUDRI: Yes. We, a couple of days ago, we
7 had about 10 people from different offices in the
8 Legislative Team, staff visited us. We sat down, we
9 explained, we walked them through all those scenarios that
10 I just talked about.

11 BOARD MEMBER PEREA: Alright. Thank you.

12 VICE CHAIR MILLER: Is it -- may I?

13 CHAIR RICHARDS: Yes, Vice Chair.

14 VICE CHAIR MILLER: A couple of things. The
15 project update report that you mentioned on page four, the
16 supplemental, I know that there are -- we will be hearing,
17 I think, publicly about that. When will that be submitted
18 to the legislature and to the public?

19 MR. CHOUDRI: So we said in August. Initially
20 when we said it will come out after we release the updated
21 report, that the supplemental really will include three
22 things, funding financing schemes, hopefully we can
23 finalize that we just talked about, new cost, bottom-up,
24 and then the schedule. Those we were targeting towards
25 August to deliver.

1 Now, as soon as we release that information, we
2 got a lot of interest from the administration to see if we
3 can pull those pieces of information as they become
4 available earlier. So what we did then, we said to
5 ourselves, okay, the supplemental full document, we are
6 evaluating if we can release earlier than August, however,
7 can we release some of the information as it becomes
8 available even sooner than that?

9 So Merced portion of the cost estimation, we
10 could probably release that. Within a week or two, that
11 will become available because of what the Director was
12 mentioning before of what's going on, on cap and trade
13 discussions. That will help in that. Then we will release
14 the Bakersfield section. And then by sometime in July, we
15 will have the entire package that will be the report that
16 will include also the Gilroy and Palmdale section. That
17 will be, we are targeting now, towards July instead of
18 August.

19 VICE CHAIR MILLER: Well, that would be good
20 because of the budget situation and people are going to
21 want to know that information.

22 Is it possible to do it in a more generic, large
23 overall picture where you're giving one large number
24 instead of -- only because of the timing? The quicker that
25 information is available, the better.

1 MR. CHOUDRI: We can look at that, yeah.

2 VICE CHAIR MILLER: Just --

3 MR. CHOUDRI: We can look at that, if you can do
4 that. What we are trying to avoid is using any parametric
5 type of estimates. We're trying to do complete bottom-up.
6 So it's, number one, we have a level of confidence in the
7 cost estimate over 90 percent. Then schedule, we are doing
8 the same thing. So the teams are really working day and
9 night to make sure when they deliver the numbers, these are
10 the numbers we can stand behind for the next 10, 15
11 years --

12 VICE CHAIR MILLER: Right.

13 MR. CHOUDRI: -- and not move much. If we do a
14 global assessment of the program based on some parametric
15 data, we can provide that kind of number. But really, our
16 intent is to go down into deep details and just understand
17 fully the program. That's why we are releasing, as soon as
18 the information becomes available, we are releasing it
19 right away. So that's why it got into sections that I just
20 said. That is the only reason.

21 VICE CHAIR MILLER: Okay. Thank you.

22 CHAIR RICHARDS: Any other questions for CEO
23 Choudri?

24 Hearing none, thank you. I think that it's fair
25 to say, also, that you've got the complete support of this

1 Board.

2 Ladies and gentlemen, we only have one other item
3 on our agenda today. Just a quick update from a high level
4 from our Finance and Audit Committee meeting earlier this
5 morning.

6 These numbers are as of February the 28th of
7 2025. The Authority has approximately \$4 billion in the
8 bank, of which about \$670 million of it is from Proposition
9 1A and R3.7 billion from cap and trade. And this does not
10 include another \$213 billion -- or million, I wish it was
11 billion, \$213 million from the February auction in cap and
12 trade. And that's our share.

13 The capital outlay budget for February, there
14 was \$85.2 million spent. The expectation in March is about
15 double that, but not quite double, it's about \$151 million
16 for March.

17 Total expenditures to date on this project, which
18 includes going back to the very beginning, and it includes
19 all facets of the project, there's been approximately \$14
20 billion spent. Of the money that's been spent, 82 percent
21 has been spent by funds from the State of California, 82
22 percent; 18 percent from the federal government. Total
23 project funding, so that's spent, but the total project
24 funding is 73 percent from the State of California and 23
25 percent from the federal government.

1 We have, in terms of grants, we've got one
2 outstanding grant application that was submitted in
3 December. It's through the federal -- or for the federal
4 state partnership, and it's for \$536 million. That grant,
5 the intent of the grant's funding is to do tunnel designing
6 for the environmentally-cleared sections of Bakersfield to
7 Palmdale and Gilroy to the Central Valley.

8 With regards to construction, in the month of
9 February, we averaged 1,501 workers on our sites daily.
10 That's an increase of 160 from the month before. And with
11 regards to other progress, of the 92 structures needed in
12 the Central Valley, 52 percent have been completed, 33 --
13 or excuse me, 32 or 35 percent are in process. And of the
14 119 miles of guideway, 69 miles have been completed, that's
15 58 percent; 27 percent are in progress -- or excuse me, 27
16 miles, that's 23 percent are in progress, and 8 have not
17 started yet, 8 miles.

18 Utility relocations, there were 12 relocations
19 that were completed in the month of February. Of the 1,541
20 or 80 -- 18 -- excuse me, 84 percent, only 285 are
21 remaining, of which 113 of those are in process and 172
22 have not started yet.

23 And finally, on right-of-way, of the 2,294
24 parcels that the Authority needed for the 119 miles, only
25 21 are left to be purchased.

1 So with that, that's the Finance and Audit
2 Committee update for you.

3 Do any of my colleagues have any other comments
4 today?

5 Seeing none, Tom, do you have any comments? No?
6 Okay. Good news. A lot of good news today.

7 Thank you all for being with us today. This
8 concludes the May 1st meeting of the California High-Speed
9 Rail Authority, and the meeting is adjourned.

10 (The California High-Speed Rail Authority Board
11 adjourned at 10:24 a.m.)
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CERTIFICATE OF REPORTER

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

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

IN WITNESS WHEREOF, I have hereunto set my hand this 23rd day of May, 2025.



MARTHA L. NELSON, CERT**367

CERTIFICATE OF TRANSCRIBER

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

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

I certify that the foregoing is a correct transcript, to the best of my ability, from the electronic sound recording of the proceedings in the above-entitled matter.



MARTHA L. NELSON, CERT**367

May 23, 2025