

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, AUGUST 28, 2025

8:30 A.M.

Reported by:

Martha Nelson

APPEARANCESBOARD MEMBERS

Tom Richards, Chair

Nancy Miller, Vice Chair

Ernie Camacho Director

STAFF

Ian Choudri, Chief Executive Officer

Alice Rodriguez, Secretary

Jamey Matalka, Chief Financial Officer

Ed Fenn, Chief of Construction

<u>INDEX</u>	<u>PAGE</u>
1. Consider Approving the July 10, 2025, Finance and Audit Committee Meeting Minutes	5
2. Financial Update by Chief Financial Officer <ul style="list-style-type: none"> • Financial Reports Executive Summary • Accounts Payable Aging & Disputes Report • Cash Management Report • Administrative Budget & Expenditures Report • Capital Outlay Budget & Expenditures Report • Total Project Expenditures with Forecasts • Contracts & Expenditures Report 	6
3. Central Valley Update by Chief of Construction <ul style="list-style-type: none"> • Central Valley Status Report Executive Summary • Central Valley Status Report 	15
Adjourned	21

P R O C E E D I N G S

8:37 a.m.

THURSDAY, AUGUST 28, 2025

CHAIR RICHARDS: Good morning, everyone. Welcome to the Finance and Audit Committee meeting of the California High-Speed Rail Authorities Board of Directors for August the 28th, 2025.

So we'll first ask the Secretary to call the roll.

SECRETARY RODRIGUEZ: Chair Richards?

CHAIR RICHARDS: Here.

SECRETARY RODRIGUEZ: Director Camacho?

DIRECTOR CAMACHO: Here.

SECRETARY RODRIGUEZ: Vice Chair Miller.

DIRECTOR MILLER: Here.

SECRETARY RODRIGUEZ: Chairperson, we have a quorum.

CHAIR RICHARDS: Thank you.

So I'd like to just make a quick announcement. You note that those of you who follow us and have been here or on any other form of communication, that Jim Ghielmetti is not here, and Jim decided much to our angst that it was time that he wanted to retire, so he has withdrawn from this Committee and from his participation as a Board member in the Board of Directors for the Authority. So he's going

1 to be sorely missed and worked very hard both in front of
2 the microphone and behind, and was a huge help and benefit
3 to this project and to each of us, so we wish him well, and
4 I'm sorry he decided to leave us at this time.

5 And with that, we will also now ask our Secretary
6 if she can tell the people here or who are calling in how
7 they can make comments to us.

8 SECRETARY RODRIGUEZ: At this time we have not
9 received any in-person requests for public comment.

10 If you're joining us online, please use the raise
11 your hand feature on the Zoom app. If you're dialing in by
12 phone, you can hit pound two.

13 There's no public comment at this time.

14 CHAIR RICHARDS: I guess we got everybody's
15 attention, then, or nobody's attention. That's probably --
16 all right. Well thank you. Thank you.

17 Then we'll move into the agenda this morning.
18 Item number one is the approval of the July 10th committee
19 meeting.

20 Do we have a motion?

21 VICE CHAIR MILLER: Moved.

22 CHAIR RICHARDS: Second?

23 We have a motion and a second. All in favor?

24 I'm not going to ask you to do this.

25 All in favor? We must -- okay. Thank you.

1 SECRETARY RODRIGUEZ: It carries.

2 CHAIR RICHARDS: Moving into the meat of our
3 committee meeting this morning will be the financial update
4 from Jamey Matalka, our CFO.

5 Good morning, Jamey.

6 CHIEF FINANCIAL OFFICER MATALKA: Good morning,
7 Chair Richards, Vice Chair Miller, Director Camacho.

8 Today I'll be covering the August 2025 Financial
9 Reports Executive Summary with data through June 2025. The
10 reports present the closeout of the prior year for the full
11 fiscal financial data of 24-25.

12 CHAIR RICHARDS: Can you get a little closer to
13 the microphone?

14 CHIEF FINANCIAL OFFICER MATALKA: Yes. Sorry.
15 Okay. Hopefully, that's a little bit better.

16 CHAIR RICHARDS: Yeah. Thank you.

17 CHIEF FINANCIAL OFFICER MATALKA: In addition, I
18 just want to share one note. When we do complete a fiscal
19 year, the Authority's financial office completes our
20 financial reports that are required for the state
21 reporting, and our deadline is September 2nd. We're on
22 track to submit those actually a day earlier than the
23 timeline, although there is a holiday, so we will be
24 submitting it on time.

25 So jumping into the report, we'll start with

1 slide two.

2 We continue our timely payment of invoices with
3 no late payments to report for the period. As for the
4 disputes summary portion, we did have a large dispute
5 occurred during the reporting period that peaked our
6 disputes up to over 300. That was for our CP 1 contractor
7 due to a compliance issue that was subsequently resolved,
8 and we did end up paying that in the next reporting cycle,
9 so we'll see that clear in next month's report.

10 At the bottom half of the slide, the cash
11 management report reflects total cash position of
12 approximately \$4 billion, comprised of \$305 million in Prop
13 1A funding, \$3.8 billion in cap-and-trade funding, and \$12
14 million in our rail property fund. These balances do not
15 include the additional funds from the May 2025 cap-and-
16 trade auction, although we know they will be reflected in
17 the next month's report.

18 Next slide, please.

19 CHAIR RICHARDS: Before you leave that, one for a
20 moment, Jamey, the numbers are small in comparison to the
21 balance of the project. Is there some, and it may be in
22 here, but I didn't find it, but with regards to the rail
23 property management fund -- so we had 158,000 in revenue
24 and 146 in expenditures, is there some sort of schedule
25 that you have -- without asking you to have to do one --

1 that would just identify the properties that are in it and
2 what the revenue is and what the expenditures are, and if
3 there's some detail on the expenditures? If these are all
4 things you've already got, could you -- would you forward a
5 copy of whatever that might be --

6 CHIEF FINANCIAL OFFICER MATALKA: Absolutely.

7 CHAIR RICHARDS: -- to the members of the
8 committee, please?

9 CHIEF FINANCIAL OFFICER MATALKA: We categorize
10 this in three buckets, commercial, residential, and
11 agricultural, and we have 28 properties that are
12 commercial, 11 that are residential, and 17 that are
13 agricultural.

14 CHAIR RICHARDS: Okay.

15 CHIEF FINANCIAL OFFICER MATALKA: So we can start
16 putting some notes into here to provide a little bit more
17 detail about our revenue schedule.

18 CHAIR RICHARDS: Okay. And are they all leased?

19 CHIEF FINANCIAL OFFICER MATALKA: Yes.

20 CHAIR RICHARDS: Okay. Great.

21 CHIEF FINANCIAL OFFICER MATALKA: That's where
22 the revenue comes from.

23 CHAIR RICHARDS: Yeah. I realize that. I just
24 didn't know whether they were all leased or not.

25 And then looking at the expenditures, which

1 almost equal the revenue, would be the way we'd like to do
2 it in the private sector at least, but maybe we could take
3 a quick look.

4 CHIEF FINANCIAL OFFICER MATALKA: Absolutely.

5 CHAIR RICHARDS: Okay. Thank you.

6 CHIEF FINANCIAL OFFICER MATALKA: Okay. Next
7 slide, please.

8 Okay. For the administrative budget and
9 expenditures report, we achieved a 77 percent utilization
10 of the budget for the fiscal year.

11 The high note for this reporting period is the
12 excellent work by our human resources team. They finalized
13 21 recruitments in the reporting period. Now that was
14 offset by 10 separations, but our vacancy rate was reduced
15 from 24 percent to just under 22 percent, a 10 percent
16 reduction.

17 Next slide, please.

18 CHAIR RICHARDS: And before you do that one, just
19 at the risk of being told that I'm looking at the wrong
20 thing, but on the first row at the right-hand side, the
21 current month budget at 108.9, and looking down at your
22 first note, I think it's referencing 110.9, is that it?

23 CHIEF FINANCIAL OFFICER MATALKA: Yes. Yes.

24 So, you know, this budget does mirror what is
25 accepted and adopted by the state for the overall state

1 budget, so adjustments are made throughout the year for
2 salary wages adjustments, austerity measures, reductions.
3 Like we were discussing back in January, the governor had
4 proposals to reduce positions --

5 CHAIR RICHARDS: Right.

6 CHIEF FINANCIAL OFFICER MATALKA: and dollars to
7 reduce the budget. Our budget was not immune to that. We
8 did receive a reduction that has flowed through that brings
9 our total available for last year to 108.9 million from
10 110.

11 CHAIR RICHARDS: Okay. Thank you.

12 CHIEF FINANCIAL OFFICER MATALKA: Yeah.

13 Okay. For our capital outlay report, our
14 expenditures for the period were approximately 166.4
15 million, bringing our 24-25 fiscal year total up to almost
16 \$1.5 billion. That is a 76 percent utilization of our
17 budget. Now, again, we don't utilize all the capital
18 outlay budget because there is contingency in that budget
19 that potentially we could use or not use depending on how
20 risks mature or issues come up.

21 The breakout table at the bottom half of the
22 slide provides a summary of the expenditures for the full
23 year against our budget, our forecast, and then a
24 percentage of utilization.

25 I'll see if there's any questions on this slide.

1 CHAIR RICHARDS: No

2 CHIEF FINANCIAL OFFICER MATALKA: No? Okay.

3 Next slide, please.

4 For our total project expenditures report
5 summary, we provide information on both expenditures by
6 funding source and total funding by source, providing
7 updates on the program's baseline cumulative funding and
8 expenditures. Updates for this reporting cycle reflect
9 expenditures of \$14.6 billion to date, with the state
10 covering nearly 83 percent of that and the federal portion
11 at 17.6 percent. At the bottom half of the slide, our
12 total funding mostly coming from the state sources at 76
13 percent and the remaining at 23 percent from the federal
14 sources. Now this total does include federal funds
15 currently in litigation, and the recent events that are
16 occurring with federal funds.

17 Next slide.

18 On our state match and federal drawdowns of
19 funding, we proceed with the work that is at hand, showing
20 monthly updates on our drawdowns. In June, we did submit a
21 grant package to the FRA for approval to begin drawing down
22 on a smaller grant that is housed within the last line
23 here, where we label other grants under 1 million. It was
24 for the Corridor ID grant. We submitted \$110,000 in
25 eligible expenditures. In the subsequent report, you'll

1 see that we did actually get reimbursed for those funds.
2 Okay, that was the only update as far as drawdowns for this
3 slide.

4 Moving on to the next slide, for the contracts
5 and expenditures report, it reflects a net increase of six
6 contracts, bringing our total to 203 contracts for a total
7 value of \$12.7 billion. At the bottom half of the slide,
8 we provide an update on our progress against our KPIs for
9 our small business goals. The pre-November 2023 goals were
10 met and exceeded for both the disabled veteran business
11 enterprises and disadvantaged business enterprises, and
12 while the goals for small business were not fully met in
13 both scenarios, the program did achieve a strong
14 participation rate of 24 percent, and we are at 936 small
15 businesses actively working on this project, which includes
16 328 DBEs and 117 certified DVBES.

17 Okay. Next slide, please.

18 This slide provides a summary of our contingency
19 usage, which reflects 10 change orders executed during the
20 period for a total of approximately \$54 million and one
21 contract amendment issued for approximately \$6.6 million.

22 The contract amendment was for our partner -- our
23 regional consultant partner, STV -- to extend that contract
24 to help support achieving the LA to Anaheim Record of
25 Decision Environmental Document. The change orders are

1 covered in our Central Valley Status Report, which will be
2 covered by our Director of Construction, our Chief of
3 Construction, Ed Fenn.

4 CHAIR RICHARDS: Yeah. Can you just do the
5 detail briefly on the CP 2-3 contingency?

6 CHIEF FINANCIAL OFFICER MATALKA: Yeah.
7 Absolutely.

8 So what occurred there was we had a couple
9 bridges that at original time of bid were actually going to
10 be embankment rather than an elevated structure, and
11 through design advancement, understanding the typology, the
12 hydrology of that area in this drainage basin, we shifted
13 to an elevated structure for two bridges, the Lakeland and
14 Alpaugh Bridge. One is an eight-span, one is a three-span
15 bridge, and it's about 600 linear feet of elevated
16 structure for both of them, thus requiring a change order
17 to compensate the contractor to build those structures.

18 CHAIR RICHARDS: And the contractor is the one
19 who initiated the request for the change?

20 CHIEF FINANCIAL OFFICER MATALKA: Well --

21 CHAIR RICHARDS: This goes way back.

22 CHIEF FINANCIAL OFFICER MATALKA: Yeah. It goes
23 way back too -- yeah.

24 CHAIR RICHARDS: Okay.

25 CHIEF FINANCIAL OFFICER MATALKA: Yeah. Okay, and

1 this is alignment. So it's actually initiated by us as the
2 design was progressing.

3 Okay. Next slide.

4 Okay. Now for our look-ahead report, we present
5 preliminary numbers for next month's report to provide some
6 updated data of what is to come.

7 We provide in three areas: the capital
8 expenditures, the administration summary of positions, and
9 federal grants.

10 We will see a small decline in our total
11 expenditures. For our CP packages, there'll be about
12 slightly a decline from 92 to 87.

13 On our administrative positions, we will see the
14 vacancy rate increase because we will have our new
15 positions that have just newly been authorized as part of
16 the state budget July 1st. So we got 18 new positions from
17 two budget change proposals that were approved by the
18 legislature and the administration. One is for 13
19 positions to support our NEPA delegation, supporting other
20 statewide projects so that they can get through their
21 environmental clearance. And then five positions for our
22 IT office for operational technology and data integration.
23 Again, this is for information technology integration and
24 security technology required for us to prepare for train
25 operations. This is staffing resources in our IT office to

1 help with that.

2 Then on the federal grant summary, nothing new to
3 report there as far as drawdowns or actions for next
4 month's reporting.

5 And that'll conclude my presentation for today.
6 Happy to answer any questions.

7 CHAIR RICHARDS: Any questions for Jamey?

8 Thank you, Jamey.

9 CHIEF FINANCIAL OFFICER MATALKA: Thank you.

10 CHAIR RICHARDS: Mr. Fenn?

11 Good morning, Ed.

12 CHIEF OF CONSTRUCTION MR. FENN: Good morning,
13 Mr. Chairman.

14 Vice Chairman, committee members, I'm going to
15 walk you through our Central Valley Status Report today.

16 In summary for the month of June, our total
17 expenditures for our CP packages, it was \$92.3 million, the
18 majority in package one. Change orders, our CFO, Jamey
19 Matalka, you know, kind of detailed that. That's the
20 Lakeland and Alpaugh structures that need to be elevated
21 based on hydraulic requirements.

22 The construction labor for June 2025, we're at
23 1,509 workers. The craft is consistent. Our subs
24 fluctuate through the months. You will see that later.
25 And then on progress, we're at 59 percent for both our

1 structures and guideway. Currently, we're working on 37
2 active locations.

3 Utility relocations, we've relocated 1,578.
4 Right now, we have 93 in progress. Not started is 146.
5 We're actively pursuing that. When looking at the
6 utilities in detail, there's a handful that are critical to
7 us that we're tracking closely. A lot of them are
8 ancillary at this point.

9 Similar with the right-of-way, 99.2 percent. We
10 have two parcels that we're closely tracking. The rest are
11 not impacting our guideway or the follow-on contractors at
12 this point. The railhead itself, there's been good
13 progress there with the team. There's a completion of
14 October 3rd for that railhead there. And the overall site
15 will be completed by the end of the year, that being
16 perimeter fence and subgrade of the entire site there.

17 From colleagues in Planning and Engineering
18 Office, I can just summarize. Mr. Matalka also addressed
19 this as well. We have the -- from Palmdale to Burbank,
20 excuse me, the route has been completed. Los Angeles to
21 Anaheim, advancing deliveries towards the completion of
22 that EIS. Planning and Engineering also, so our two
23 segments, M2M and LGA, we've achieved 30 percent design on
24 both those extensions. Currently working with prioritizing
25 utilities and right-of-way for those two sections.

1 Next slide, please.

2 Here's a slide of our expenditures, our monthly
3 expenditures. Again summarizing the 87.6 that Mr. Matalka
4 had addressed. You know, we see fluctuations through this.
5 We expect a more positive trend as we get towards the end
6 of the year here as more areas have opened up for us.

7 Next slide, please. And here's the construction
8 labor. As mentioned, the craft on the ground is relatively
9 consistent. We're seeing peaks and valleys based upon
10 subcontractor needs on the program itself. Again, we
11 expect an uptick in this location as well.

12 And if we can go to the next slide here.

13 So here's a summary of the progress of our
14 structures. You know, obviously we have the 92 total.
15 Recently our recent openings are Tulare Street, which was a
16 big one for us, and Avenue 88. Another notable progress in
17 the recent past is the starting Shaw Avenue in CP 1 as
18 well. When we get to September, we'll have only a few
19 structures remaining to start. That would be Olive and
20 Houston Avenue. And those are both tied up with utilities
21 that we discussed before. We're tracking closely there.

22 Next slide, please.

23 Guideway out of the 119 miles that we have, we
24 can see our completion currently at 59 percent. Towards
25 September, we get a higher number of 65 percent. Guideway

1 is also increasing. We put down 300,000 cubic yards in the
2 last four weeks, so we'll see that number significantly
3 uptick as we go there. Again, it's the function of having
4 more areas open because our right of way and utilities are
5 out of the way in order to do that work.

6 Next slide, please.

7 Another depiction of the progress here on
8 structures and guideway. This is for 2025. It shows, in
9 essence, by the end of the year for structures that all our
10 structures will be either started or in progress or
11 completed. So we'll have all of them started and we'll
12 have 65 complete by the end of the year. On the guideway
13 portion, again, it shows you can see that basically the
14 diving down of the gray there, which means that we're
15 getting more of the more of the guideway in place by the
16 end of the year.

17 Next slide, please.

18 2026, this shows the plan for completion here,
19 both for structures and guideway. At the start of the
20 year, you know, we'll have the 68 structures complete with
21 24 remaining. You see the drawdown through the end of the
22 year. You know, we do have a couple critical structures
23 that, you know, we're tracking closely. On Houston Ave,
24 which is critical structure on CP 2-3, and then also the
25 Fresno trench on CP 1, so that's where our focus is.

1 On guideway, that's kind of follow-on. We'll
2 have that in place before the completion of structures for
3 the CP -- for the CP contracts.

4 Next slide please. So here's utility
5 relocations. Spoke briefly about this. Out of the 1,826
6 that we have, we have 146 right now that are not started.
7 September we'll have 123 discussing we have a couple areas
8 that are critical to utility locations, that being Houston
9 Ave that we mentioned before, also on Idaho.

10 And, you know, there's -- like I said, there's
11 six that we're tracking closely. There's a lot of these
12 are ancillary, still need to be complete, but we're -- you
13 know, we're in a good position as far as impacting
14 structures except for those two.

15 Here's just another summary of the utility
16 relocations. I don't think there's a need to kind of walk
17 through that in detail.

18 If we can go to the next slide.

19 Here's our right of way slide. In essence, you
20 see right now we have six remaining for right of way. And
21 again, these are not impacting our critical path at this
22 point. They still need to complete. Some of them need to
23 be -- follow-on work needs to be done. Some of these are
24 related to utilities as well. But the good message here is
25 this is not impacting our CPs at this moment.

1 CHAIR RICHARDS: And I assume there's no exposure
2 to need for additional parcels anywhere, since we're so far
3 down the -- down the road now.

4 CHIEF OF CONSTRUCTION MR. FENN: I would say that
5 that is accurate. You know, I think there's much less of
6 unknowns at this point. We know the unknowns. So, you
7 know, our team is confident in that. So we're confident.
8 I never say never, but I think we're in a very good spot.

9 Right of way railroad -- excuse me. So
10 there's -- there'll be seven left those are with BNSF for
11 access roads and ancillary work. Again, no guideway impact
12 for railroad right of way.

13 This slide here shows our earned value on CP one.
14 We basically have the center gray line is the -- you know,
15 the planned target. You will see that we are below that
16 target line, which means that we have to accelerate and
17 increase production as we go forward. I mean, there are
18 some positives with this. One right of way entry with the
19 San Joaquin Valley Railroad we just achieved, which opens
20 up a lot of work for us.

21 So, again, as more areas of work open for us, we
22 anticipate production to increase. Certainly a challenge
23 but we're all focused on the next three months of
24 increasing production.

25 Railhead overview pictures don't really do it

1 justice. The majority of the track is in place. We just
2 had a call with BNSF two days ago. The railhead will be
3 complete by October 3rd. The track and structure itself,
4 and I think as mentioned, the overall site itself will be
5 the end of the year, but we'll get the perimeter fence and
6 all the sub-ballasts down on the ground in anticipation of
7 material deliveries coming in mid to late 2026.

8 I believe that concludes my presentation.

9 CHAIR RICHARDS: Thank you. Any questions?

10 Thank you, Ed, very much.

11 VICE CHAIR MILLER: No. I just want to say I'm
12 just happy to hear our right of way is pretty much complete
13 because that's been something for years we've been
14 agonizing over. So thank you.

15 CHAIR RICHARDS: Ladies and gentlemen, that does
16 complete the short agenda that we've got for the committee
17 this today. Any questions or comments from my colleagues?

18 Right. Seeing that, our Board meeting is at what
19 time? 9:30. So please join us if you will at 9:30 at the
20 Board meeting today.

21 With that, the Finance and Audit Committee
22 meeting is resigned.

23 (The California High-Speed Rail Authority
24 Finance and Audit Committee adjourned at 9:02 a.m.)
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.

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 11th day of September, 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

September 11, 2025