

# **CALIFORNIA HIGH-SPEED RAIL AUTHORITY**

## **BOARD OF DIRECTORS MEETING TRANSCRIPT OF PROCEEDINGS**

**HELD OCTOBER 9, 2025**

**AT 9:30 A.M.**

### **LOCATION:**

**California Department of Food and Agriculture**

**1220 N Street,**

**Sacramento, CA 95814**

**and virtual via Zoom**

Electronic Reporter: N/A

Transcribed by: Nithish Kumar

Datagain

## APPEARANCES

### Board Members

Tom Richards, Chair

Ernest Camacho, Board Member

Emily Cohen, Board Member

Henry Perea, Board Member

Lynn Schenk, Board Member

Anthony Williams, Board Member

Jeffrey Worthe, Board Member

Assembly Member Juan Carrillo, Ex Officio Board Member

### Authority Staff

Ian Choudri, CEO

Paula Rivera, Chief Auditor

Emily Morrison, Chief of Contracting

Thomas Fellenz, Chief Counsel

Adam Brezine, Chief Counsel

Brent, (surname and position unidentified)

Alice Rodriguez, Secretary

### External Presenters

None

### Public Commenters

Matt Serratto, City of Merced, Mayor

Frank Quintero, City of Merced, Deputy City Manager

David Schwegel, Vang Incorporated Consulting Engineers

Ernie Ochoa, Resident of Merced

Robert Delina, Resident of Merced

APPEARANCES (Contd.)

Public Commenters (Contd.)

Patty Vasquez, Resident of Merced

Parwinder Uppal, Resident of Merced

Japjeet Singh Uppal, City of Livingston, Council Member

Avneet Uppal, Resident of Livingston

Mary Camper, Resident of Merced

Shane Smith, City of Merced, Council Member

1                                    PROCEEDINGS

2                                    *(Meeting commenced at 9:30 a.m.)*

3            CHAIR TOM RICHARDS:    Good morning, ladies, and  
4 gentlemen. Welcome to the California High-Speed Rail Authority's  
5 Board of Directors Meeting for October 9, 2025.

6            If we can start by asking the Secretary to call the role.

7            SECRETARY ALICE RODRIGUEZ: Director Schenk?

8            BOARD MEMBER LYNN SCHENK: Here.

9            SECRETARY ALICE RODRIGUEZ: Chair Richards?

10          CHAIR TOM RICHARDS:    Here.

11          SECRETARY ALICE RODRIGUEZ: Director Camacho?

12          BOARD MEMBER ERNIE CAMACHO: Here.

13          SECRETARY ALICE RODRIGUEZ: Vice-Chair Miller?

14          VICE-CHAIR NANCY MILLER: (No audible response.)

15          SECRETARY ALICE RODRIGUEZ: Director Perea?

16          BOARD MEMBER HENRY PEREA: Here.

17          SECRETARY ALICE RODRIGUEZ: Director Escutia?

18          BOARD MEMBER ESCUTIA: (No audible response.)

19          SECRETARY ALICE RODRIGUEZ: Director Williams?

20          BOARD MEMBER ANTHONY WILLIAMS: Here.

21          SECRETARY ALICE RODRIGUEZ: Director Worthe?

22          BOARD MEMBER JEFFREY WORTHE: (No audible response.)

23          SECRETARY ALICE RODRIGUEZ: Assembly Member Carrillo?

24          ASSEMBLY MEMBER JUAN CARRILLO: (No audible response.)

25          SECRETARY ALICE RODRIGUEZ: Senator Gonzalez?

1       SENATOR LENA CONZALEZ: (No audible response.)

2       SECRETARY ALICE RODRIGUEZ: Mr. Chairman, we have a  
3 quorum.

4       CHAIR TOM RICHARDS: Thank you.

5       MS. EMILY COHEN: Ah --.

6       CHAIR TOM RICHARDS: And ladies and gentlemen, and  
7 colleagues, you heard a new name on our Board, Jeff Worthe joins the  
8 Board, and we welcome him. He is an appointment of Governor  
9 Newsom. We could be not anymore thrilled to have him, and I can say  
10 right with that.

11       Jeff is from the Los Angeles area. His company owns and controls  
12 about eight million square feet of commercial space in Southern  
13 California, primarily the LA area. I think his office is headquartered in  
14 Santa Monica. And one other thing of note, that that touches me really  
15 closely personally, is he has been a leader of the LA Children's Hospital  
16 for 20-something years and has been amazing at things that you can  
17 read about. But Jeff, thank you very much for joining us and taking the  
18 call --

19       BOARD MEMBER JEFFREY WORTH: Mm-hmm.

20       CHAIR TOM RICHARDS: -- although, I know you can't escape it  
21 when it comes from the Governor. So, anyway, welcome aboard.

22       SECRETARY ALICE RODRIGUEZ: Mr. Chair --.

23       CHAIR TOM RICHARDS: I also have asked Jeff to join with Ernie  
24 Camacho on our Construction Subcommittee.

25       With that --

1 SECRETARY ALICE RODRIGUEZ: Mr. Chairman -- Mr.

2 Chairman?

3 CHAIR TOM RICHARDS: Yes?

4 SECRETARY ALICE RODRIGUEZ: Sorry. Apologies, when I  
5 called the roll, I forgot to get Director Cohen. So, I just wanted for the  
6 record -- Director Cohen?

7 BOARD MEMBER EMILY COHEN: (No audible response.)

8 CHAIR TOM RICHARDS: I saw her on the screen a few minutes  
9 ago.

10 CHAIR TOM RICHARDS: Yeah.

11 BOARD MEMBER ERNEST CAMACHO: She's on mute.

12 CHAIR TOM RICHARDS: Yeah.

13 SECRETARY ALICE RODRIGUEZ: But we can see she's here.

14 CHAIR TOM RICHARDS: Yeah. Well, when --.

15 SECRETARY ALICE RODRIGUEZ: (INDISCERNIBLE 0:14:57)

16 CHAIR TOM RICHARDS: Yeah.

17 SECRETARY ALICE RODRIGUEZ: We'll mark --.

18 CHAIR TOM RICHARDS: Yeah.

19 SECRETARY ALICE RODRIGUEZ: Okay. Thank you. Apologies  
20 for that.

21 CHAIR TOM RICHARDS: All right. Thank you.

22 Well, why don't we start this out right, and we will have the Pledge  
23 of Allegiance, and then we're going to ask our new Board Member to  
24 lead us in the Pledge.

25 MEETING PARTICIPANTS: I pledge allegiance to the flag of the

1 United States of America and to the Republic for which it stands, one  
2 nation under God, indivisible, with liberty and justice for all.

3 CHAIR TOM RICHARDS: Thank you.

4 With that, before we get into the agenda, if we can ask our  
5 secretary to advise the people in this room, as well as those around  
6 California, on how they can address the Board this morning.

7 SECRETARY ALICE RODRIGUEZ: Thank you, Mr. Chairman.

8 Good morning, everyone. Before we begin Public Comment for  
9 the California High-Speed Rail Board of Directors Meeting, I would like  
10 to review some important information.

11 For members of the public have joined us in person and wish to  
12 provide public comment, you will be called in the order we received  
13 your card. If you are joining the meeting via Zoom and wish to provide  
14 public comment, please use the raise your hand feature located of the  
15 bottom of the app. Speakers will be called on in the order their hands  
16 are raised. Once you're in the cue and your name is called, please click  
17 the prompt on your screen to allow your microphone to be unmuted. If  
18 we have any callers joining by phone, I will give instructions on how  
19 you may make public comment following the Zoom participants.

20 All speakers will be given two minutes to speak. I will remind you  
21 when you have 15 seconds remaining. When it is your turn to speak,  
22 please slowly and clearly say your first and last name, and if  
23 applicable, please state the organization you are representing.

24 Okay. First up will Mayor

25 First step will be Mayor Matt Serratto. You will be followed by

1 Frank Quintero.

2 CHAIR TOM RICHARDS: TOM RICHARDS: Good morning, sir.

3 MR. MATT SERRATO: (INDISCERNIBLE 0:16:54), CEO Choudri.

4 Good morning --.

5 CHAIR TOM RICHARDS: You may have to stand a little bit closer

6 to that very low microphone, we'd appreciate it.

7 MAYOR MATT SERRATO: Good morning, Chair Richards. Good

8 morning CEO Choudri. Good morning, Directors. Good morning,

9 Assembly Member Carrillo.

10 My name is Matt Serrato. I'm the Major of the City of Merced.

11 I want to thank you first for coming and meeting with us back on

12 September 5th. A number of Members from the Authority came. We

13 really appreciate the working partnership. We've had a --.

14 UNIDENTIFIED SPEAKER: (INDISCERNIBLE 0:17:20)

15 MR. MATT SERRATO: Oh. Go on then.

16 MR. MATT SERRATTO: Is that -- that's better. Okay. Sounds

17 good. Do you want me to start again, or --

18 UNIDENTIFIED SPEAKER: Take --.

19 MR. MATT SERRATTO: -- no, we're good. Thank you. Take three,

20 folks.

21 UNIDENTIFIED SPEAKER: Thank you.

22 MR. MATT SERRATTO: Again, I wanted to thank everyone for

23 coming to meet with us in Merced.

24 We've been working on this project for a long time, and we are

25 deep in advanced planning stages as well, even last night. We have a



1 community focus group that's working on this who are already in the  
2 process of doing significant community outreach and engagement  
3 when it comes to our Downtown Station Area Plan, and for a variety of  
4 other plans as well. Our property owners are very familiar with the  
5 project. We're in advanced planning stages as well. I think in the last  
6 few months too, I have really realized and almost been surprised by the  
7 depth of support for the project in our community. There are so many  
8 people in Merced who are really excited about this project.

9 Merced and SB 198 and the California State Rail Plan is in Phase  
10 1 in the 171-mile stretch for a reason. Merced to Bakersfield is the  
11 cheapest to build, the fastest to get to market. It offers really high-  
12 quality connections both to the Bay area through Amtrak and ACE,  
13 potentially with a connection to Palmdale, to Southern California  
14 through Brightline and Metrolink, also up to Yosemite via buses as well.  
15 And then Amtrak too is starting service soon from Merced to San Jose  
16 with their Route 40. So, it offers all kinds of different great connections.

17 Merced, as the other Central Valley cities, is very fast growing.  
18 Just in the last five years our population has grown 16.6%, compared  
19 to roughly a 0.5% growth statewide. So, very fast growing.

20 What high-speed rail does is it allows us to grow right. You look at  
21 what these cities are now, cities like Fresno, cities like Merced, all up  
22 and down the valley, these cities are growing fast. And what high-  
23 speed rail does is it allows us to build that infrastructure, put that the  
24 infrastructure in now, so that 20, 30, 40, 50 years down the line we've  
25 have grown right. We've grown in a smart way. We've grown in a way

1 that is transit oriented, that reduces sprawl, and really provides a great,  
2 great, standard of living for our community and great way to travel. We  
3 all know going up and down all of the freeways in California, I think  
4 California's drive 340 billion miles a year, but those freeways are busy,  
5 and they're clogged, and it's no different up and down I-5, no different  
6 up and down 99. And providing that high-speed rail spine, and  
7 especially with those great connections, really promotes an incredible  
8 statewide transportation network, and we're really excited to be part of  
9 it.

10 So, we're committed to being great partners. We've done  
11 everything we could over the last few years. And, again, we know it's  
12 lot of work. We know how hard your job is. We see it on our end as well  
13 too, but, again, here in the City of Merced, we're committed to  
14 maintaining the partnership and remain a good partner.

15 So, I want to thank you all for the great work difficult work that you  
16 do. Thank you.

17 CHAIR TOM RICHARDS: Mr. Mayor --

18 CHAIR TOM RICHARDS: Yes.

19 CHAIR TOM RICHARDS: -- first of all, on behalf of everybody on  
20 this Board, thank you for coming this morning.

21 Secondly, you have heard the apology before, but our apologies  
22 for having not addressed the adjust- -- or the amended PUR Project  
23 Update Report with you, and the members of your team in Merced,  
24 prior to its having found its way to the public, but I promise you that will  
25 not happen again.

1           Secondly, your being here is very meaningful to us, and for those  
2 of us who have been on the Board for some period of time, there is not  
3 a stronger partner and more committed partner to this project than has  
4 been your city.

5           So, thank you very much for coming, and we'll look forward to a  
6 continued working relationship with the City of Merced and your  
7 people.

8           MR. MATT SERRATTO: Thank you, Tom. Thank you very much.  
9 We appreciate that. You guys --

10          CHAIR TOM RICHARDS: Thank you.

11          MR. MATT SERRATTO: -- we've --

12          CHAIR TOM RICHARDS: -- (INDISCERNIBLE 0:21:22).

13          MR. TOM RICHARDS: -- enjoyed --.

14          BOARD MEMBER LYNN SCHENK: Well, I just want to say thank  
15 you for being here. And can we take you on the road up and down the  
16 State because your enthusiasm is just infectious.

17          MR. MATT SERRATO: Yeah. Let's -- .

18          BOARD MEMBER LYNN SCHENK: It's wonderful. I would love to  
19 --.

20          MR. MATT SERRATTO: Yeah. We've been -- and every time --  
21 there's been multiple Town Hall meetings in Merced, and the  
22 community comes out, and everybody is really excited about it.

23          CHAIR TOM RICHARDS: Okay.

24          MR. MATT SERRATTO: They really are. And just these last  
25 couple of weeks too, just seeing how much --

1 CHAIR TOM RICHARDS: Yeah.

2 MR. MATT SERRATTO: -- people are excited for this. So, again,  
3 thank you for --.

4 CHAIR TOM RICHARDS: Thank you.

5 MR. MATT SERRATTO: And good to see you again, Tom.

6 Thank you, Lynn.

7 SECRETARY ALICE RODRIGUEZ: Next up, Frank Quintero,  
8 followed by David Schwegel.

9 CHAIR TOM RICHARDS: Good morning, Frank.

10 MR. FRANK QUINTERO: Good morning, sir.

11 Just a slight height difference there.

12 Good morning, Chairman Richards, and Honorable Board  
13 Members.

14 My name is Frank Quintero. I'm the Deputy City Manager for the  
15 City of Merced.

16 On August 28th, I approached the Board concerning Merced  
17 being re-sequenced from Phase 1 of the High-Speed Rail Construction  
18 Plan, and, as Chair Richards addressed, the lack of communication.

19 Thank you for listening to us, and we are especially grateful for the  
20 meeting that we had with Mr. Tollefson, Basem Muallem, Peter Whippy  
21 and Diana Gomez. That meant a lot to us when they sat across from  
22 our Council Members and staff who have been working on this project.

23 We still look forward to meeting with Board Member Williams and  
24 CEO Choudri. So, thank you. And we had the opportunity to speak, and  
25 again, thank you for your kindness and reaching out to us.

1        Although the proposed re-sequencing of Merced from Phase 1  
2        has not been rescinded, we're hopeful because of the cap and trade  
3        commitment of \$1 billion per year through 2045, and that will continue  
4        to keep us in Phase 1, Statement 1, the CEO is quoted in the LA Times  
5        as saying how crucial it is to build the 171 mile portion from Merced to  
6        Bakersfield, and we too feel that that is a crucial movement.

7        We hope to discuss with staff in a timely manner how the project  
8        is impacting our businesses along the plan line. Some are looking for  
9        an opportunity to relocate, some just want to know the timing of the  
10       necessity to relocate, while others are wanting to open businesses  
11       along the plan line too, and they are waiting. So, there are just a few  
12       things we still need to work out.

13       We look forward to re-engaging with consultants such as Stantec,  
14       Arup, and (INDISCERNIBLE 0:23:55) --

15       SECRETARY ALICE RODRIGUEZ: 15 seconds.

16       MR. FRANK QUINTERO: -- on engineering and land use matters,  
17       and in the future downtown station.

18       September 5th was a good start. We look forward to carrying this  
19       on in the future. Thank you all very much.

20       CHAIR TOM RICHARDS: Thank you, Frank.

21       SECRETARY ALICE RODRIGUEZ: Next up, David Schwegel. He  
22       will be followed by Ernie Ochoa.

23       MR. DAVID SCHWEGEL: Good morning, HSR Board. This is  
24       David Schwegel, with Vang Incorporated Consulting Engineers.

25       And I invite us to go back to president (sic) Gavin Newsom's first

1 State of the State address. We're going to put all of those change  
2 orders online for everyone to see, and Legislature said, woohoo.

3 I had just accepted the job as Change Order Manager on CP23,  
4 and I said, I've got to conduct a listening tour of Legislators and staff in  
5 the capitol. So, I heard them out, and I said to the extent that it  
6 depends on me, I will make sure that the change order process is done  
7 as quickly and efficiently as possible with taxpayers front and center.  
8 I moved down to my job in Selma and was reprimanded for the  
9 listening tour because it didn't make money for the company.

10 Additionally, I was told make the change order process as complicated  
11 as possible so that the pay checks will keep flowing. Managing a  
12 change order is a cakewalk -- positioning statement of the PCM,  
13 positioning statement of the design builder, reconciliation statement,  
14 next change order. I was dumped 11 weeks after relocating my family  
15 from Rockland to Clovis. If I had it to do over again, I would have  
16 declined the severance package and sued them.

17 My ask for the Authority is this. If a consultant loses a court case  
18 against an employee, kick them off the project.

19 Now, let's talk about something a little more pleasant, private  
20 investment. Approach Apple, they have a space ship in Cupertino, and  
21 let them know that Microsoft is dumping a whole bunch of money into  
22 Cascadia, up in the Pacific Northwest, and we can bring your corporate  
23 headquarters --

24 SECRETARY ALICE RODRIGUEZ: 15 seconds.

25 MR. DAVID SCHWEGEL: -- within 45 minutes of your operations

1 in with your operations in Elk Grove, and that is going to be your key to  
2 the capital city of the world's fourth largest economy. So, think about  
3 Apple, and think about advancing the Caltrain corridor.

4 Thank you.

5 CHAIR TOM RICHARDS: Thank you.

6 SECRETARY ALICE RODRIGUEZ: Ernie Ochoa is up after,  
7 followed by followed by Robert Delina.

8 MR. ERNIE OCHOA: Good morning.

9 CHAIR TOM RICHARDS: Good morning.

10 MR. ERNIE OCHOA: I also two the two hour drive to be here  
11 today. Thank you for allowing me to speak, Chair. --

12 CHAIR TOM RICHARDS: You're welcome.

13 MR. ERNIE OCHOA: -- Mr. Choudri, and the rest of the Board.

14 I am here today speaking to you all as a long time and concerned  
15 community member of Merced County. I am also a longtime  
16 commercial agent in the area, and an elected official. I serve on the  
17 Merced Community College Board of Trustees.

18 I wanted to make it clear to you all today that the community of  
19 Merced has lately felt blindsided by the new proposed changes to the  
20 high-speed rail route, and it has been a lot of years of delays, and a lot  
21 of years of disappointment.

22 And as you all probably already know, we are a community that's  
23 very, very underserved. We are a low income community. We are  
24 predominantly a Latino community. And we have been  
25 underrepresented by the State for many, many years.

1       We are a community that can't afford to lose our momentum,  
2       especially now that we have UC Merced and our backyard. Our  
3       community desperately needs more opportunities such as a high-  
4       speed rail. And high-speed rail, to us, is the ticket, no pun intended.

5       As a commercial agent I speak to many members of our  
6       community and investors, developers, that come from outside of our  
7       community that have made plans and plan to invest millions of dollars  
8       in Merced. All of the capital -- all of this capital has been based on the  
9       fact that the downtown high-speed rail station --

10       SECRETARY ALICE RODRIGUEZ: 15 seconds.

11       MR. ERNIE OCHOA: -- is coming sooner than later. And  
12       every marketing packet, every memorandum that I look at from  
13       commercial national brokers has one common point, that high-speed  
14       rail is coming to downtown Merced.

15       I personally know a local --

16       SECRETARY ALICE RODRIGUEZ: That's two minutes.

17       MR. ERNIE OCHOA: -- business owner, a Latino family that has  
18       already invested millions and plans to relocate their business, and they  
19       have been taken on a long roller coaster ride as well.

20       It's time that this happens now in Merced, not in Phase 2, not in  
21       Phase 3. The City of Merced needs the high-speed rail station.

22       And thank you for your time.

23       CHAIR TOM RICHARDS: Thank you, Mr. Ochoa.

24       SECRETARY ALICE RODRIGUEZ: Okay. Robert Delina is next,  
25       followed by Patty Vazdes (phonetic) -- Patty, I apologize.



1 CHAIR TOM RICHARDS: Good morning.

2 MR. ROBERT DELINA: Good morning. So, my name is Robert  
3 Delina. I'm a business owner in Merced, actively engaged in the  
4 community. I serve in a number of community based organizations,  
5 everything from the Board of the Hospital, Board of the Chamber,  
6 Downtown Theater Association, and so on and so forth.

7 I can tell you every one of them is devastated to see what came  
8 out in the latest plan. It proposed resequencing of Merced, as was  
9 mentioned, we have so momentum, finally. This is an underserved  
10 disinvested community that has not received their due investments  
11 from the State historically.

12 Aside from all of that logical reasons why Merced should be  
13 included, including brand new UC State facility, we have Yosemite  
14 park. It's a global treasure right in our backyard as well. We're known  
15 as the gateway to Yosemite. We have the only true multimodal station  
16 in the entire system, with five different connections, and an airport  
17 within five miles.

18 Business has definitely been stifled in downtown. Downtown is  
19 looking rough. People don't know what to do. They don't know when it  
20 is coming and when to invest in and when not to invest. The biggest  
21 drawdown has been the lack of investment because people don't know  
22 what's happening.

23 For us, it's not enough to just not re-sequence. This partnership --  
24 because Merced has been vocally very for the rail, this partnership has  
25 become to feel almost felt abusive.

1        You may recall, some of you -- many of you were not here, staff,  
2        you definitely were not here in 2016 when a similar rearrangement was  
3        proposed that removed the Merced Station and the Merced leg. We  
4        had to come out in forced to show how important this was to us, and  
5        how we wanted to remain a partner, and yet here we are, --

6        SECRETARY ALICE RODRIGUEZ: 15 seconds.

7        MR. ROBERT DELINA: -- nine years later, going through the  
8        exact same thing again. It feels like being stabbed in the back by your  
9        best friend, right. We're very, very for high-speed rail. We'd love to go  
10       on roadshow and talk about great it is and what it means to use.

11       SECRETARY ALICE RODRIGUEZ: That's two minutes.

12       MR. DELINA: But it just doesn't feel good to be blindsided like this  
13       for a second time in just a decade.

14       Anyway, if we need to, we can come and show up in force and  
15       show you again just how important this is to our community. But being  
16       re-sequenced out Phase 1 is just a nonstarter for us.

17       Thank you.

18       CHAIR TOM RICHARDS: Thank you.

19       SECRETARY ALICE RODRIGUEZ: Next up, Patty Vazquez,  
20       followed by Parwinder Uppal.

21       MS. PATTY VASQUES: My name is Patty Vasquez. I live in  
22       Merced as well. I'm a Realtor.

23       I am here on behalf of the Hispanic community. As a daughter of  
24       Hispanics, I felt like the Merced community has been let down over and  
25       over by Sacramento. We finally got some momentum going with the

1 UC creating opportunities -- growth, job, and education, as well as  
2 housing for our community.

3 And resequencing the rail train will slow down that progress. The  
4 reason why it's important is it allows for kids, and it allows the next  
5 generations to stay in Merced and travel to Merced, rather than going  
6 to other cities, find education and jobs in other cities, and leave that  
7 money in other cities. Moving the train will continue to enforce that,  
8 rather than allowing us to seek education, jobs, and growth in Merced.

9 So, I will keep it short to that. Thank you.

10 CHAIR TOM RICHARDS: Thank you.

11 SECRETARY ALICE RODRIGUEZ: Next up is Parwinder Uppal ,  
12 followed by Japjeet Singh Ubal.

13 MR. PARWINDER UPPAL: Hi, my name is Parwinder Uppal. I'm a  
14 resident of the City of Livingston within Merced County.

15 I'd honestly just like to speak from the perspective of a recent  
16 college grad who attended the University of Irvine, California. Our great  
17 students throughout the valley attend colleges all across the State,  
18 including, you know, especially in our Fresno campuses, Sacramento  
19 campuses, down toward Bakersfield, and all the way down to So-Cal  
20 as well. And the same is true now for students from across our State  
21 who are flocking to our new and improved UC Merced campus.

22 Honestly, for me, with the initial completion date, the expected  
23 completion date of 2020, without ever looking into the project, I was  
24 super excited. That would have been right in the middle of my college  
25 career to be able to utilize the high-speed train.

1           It would have fundamentally transformed the way students like  
2   myself are consistently going to and from college campuses across the  
3   State. And the only major alternative for students who aren't driving  
4   themselves is the Amtrak system, which, while I'm grateful for the  
5   regular rail system, it wouldn't come close to the potential -- just the  
6   efficiency of a high-speed rail system. It would be just transformative. It  
7   would greatly open up accessibility, I think, for students all across our  
8   valley to attend the colleges across the State that they feel would be  
9   best for them, rather than limiting themselves due to geographic  
10   constrictions, and spurring economic growth going into the future.

11           And, in general, I'm a big believer in large infrastructure projects,  
12   like high-speed rail connecting the major cities of our State. I think it's  
13   one of the amazing abilities that only our State agencies have the  
14   capacity to accomplish, and I would really love to see it come to  
15   fruition, including our Merced City Station.

16           CHAIR TOM RICHARDS: Thank you.

17           SECRETARY ALICE RODRIGUEZ: Next up is Japjeet Singh  
18   Uppal, followed by Keith Dunn.

19           CHAIR TOM RICHARDS: Good morning.

20           MR. JAPJEET SINGH UPPAL: Good morning. My name's Japjeet  
21   Singh Duppal. I'm a City Council Member in the City of Livingston,  
22   which is a small little farm town in Merced County. High speed rail was  
23   approved when I was six years old. I had no idea what was going on at  
24   the time. So, it's kind of surreal now to be in a position where I can  
25   advocate for my city.

1       We're planning to have an ACE train station in our downtown that  
2   has the intention of connecting to high-speed rail in Merced. We were  
3   as disappointed as anybody in Livingston to see the potential that  
4   Merced could be left out of the high-speed rail project. I'm really happy  
5   to see that our folks from Merced have been active in advocating since  
6   then, the constant communication, it looks like, between the Authority  
7   and them, and we're big advocates of it being able to get there.

8       At the last High-Speed Rail Meeting, Deputy City Manager of  
9   Merced, Frank Quintero, had made a point about partnership, and we'd  
10   like to like to that that one step further, above just partnership, which is  
11   also connection. I know in Sacramento, we're far away from you guys,  
12   it's about two hours, and it's difficult to have those face to face  
13   interactions, but we really want to build a connection with our  
14   communities that are going to be impacted by this project.

15       And I thought one way that might be nice to do that, we have a  
16   local gym in Livingston, which is a 30-second walk from where our ACE  
17   train station is going to be. It's one of our local donut shops. Shout out  
18   to the Lau family. I think it's the best donut shop in the 209. I don't think  
19   it's close, and I'd argue that it's the best donut shop in the entire  
20   Central Valley segment. And so, I wanted to bring some of those here  
21   for you guys to try. Now, these are just donut holes. If you want to try --  
22   if you want to try better donuts, aside from the holes, you're going to  
23   have to come out to Livingston to check them out. But I would gladly  
24   invite you all to the city, try the donuts there from the Lau family.

25       SECRETARY ALICE RODRIGUEZ: 15 seconds.

1 MR. JAPJEET SINGH UPPAL: I was mindful of FPPC  
2 requirements, so these are \$6. And so, we should be well underneath.  
3 I'm going to give these to the Clerk now.

4 MS. EMILY COHEN: Ernie and I get to make a special trip down  
5 there.

6 CHAIR TOM RICHARDS: (INDISCERNIBLE 0:36:54) material, as  
7 opposed to a gift. Okay. Thank you.

8 MR. JAPJEET SINGH UPPAL: And I'll close by saying that we're  
9 all in on this project. This is going to fundamentally transform our  
10 communities when it reaches Merced, and we want to build that  
11 partnership, that connection with the Authority to make sure that we  
12 can get there. I left my contact with the Clerk.

13 I hope you guys enjoy those. A lot better coming if you guys ever  
14 visit. Just shoot us a call and we'll take care of you. Thank you.

15 CHAIR TOM RICHARDS: Thank you very much.

16 SECRETARY ALICE RODRIGUEZ: Next up is Keith Dunn.

17 MR. KEITH DUNN: Thank you, Mr. Chairman. I don't know how I  
18 follow donuts.

19 CHAIR TOM RICHARDS: You know what, you just don't.

20 MR. KEITH DUNN: All I can suggest is that I partner with  
21 Assemblyman Carrillo, and we commission a study to determine what  
22 the best donuts are in the 209, which will require Board Members to go  
23 down and try them. Tough act to follow.

24 I want to start today -- again, Keith Dunn here at State Building  
25 Construction Trades Council, and others -- to talk about a little bit of

1 good news, and I'm going to talk about some of the comments that  
2 came earlier, but I want to commend especially Assembly Member  
3 Carrillo for his partnership with his colleagues in the Assembly and  
4 Senate, specifically Jackie Irwin, Assembly Member Irwin, and Senator  
5 Monique Limón, in passing and extending the Cap-and-Trade program,  
6 which provides some stability for this program. Over the years that I've  
7 been involved in this program, which go back quite a long way, longer  
8 than a decade, before I was gray, there's been a lack of stability. We  
9 now have that. I want to commend CEO Choudri, and his team,  
10 because I saw in real time the interactions that they had, not only with  
11 Assembly Member Carrillo, but also with the Administration in the  
12 Governor's Office. And going into the last few weeks before things shut  
13 down, there was not a lot of faith that that line could be crossed, and  
14 this project could be extended, and Members of the Legislature could  
15 all agree. And I just want to take a moment and recognize the hard  
16 work and effort that went into that, because CEO Choudri, and his  
17 team, the Legislature, and the Governor, have provided certainty.

18 And what you're hearing today, and again, we need to do a better  
19 job and work with our cities in the Central Valley, but what I'm hearing  
20 today as someone who's been around for a long time is people want to  
21 be a part of this. We have municipal governments and their citizens  
22 coming here, traveling two hours, bringing you donuts, to tell you we  
23 want to be a part of this program. And that's a change. And I think  
24 you're going to see that coming from the Assemblyman Carrillo's  
25 district as well, where I'm hearing very excited individuals and city

1 government officials who are wanting to be a part of this process.

2 We have a lot of work to do, but this certainty is going to start  
3 bringing in other interests to help magnify the capital that has been  
4 provided by the state. But we won't -- we talk about --

5 SECRETARY ALICE RODRIGUEZ: 15 seconds.

6 MR. KEITH DUNN: -- the feds at this point in time. But I just want  
7 to say, as someone who has been around a long time, it's really  
8 exciting. I'm excited to hear the comments and excitement out of the  
9 Central Valley. I'd like to magnify that and build it out across the entire  
10 state. We've got a lot of good things in our future, and I just want to  
11 make sure that you're hearing some good news, in addition to all the  
12 great things we do for the climate, and employment, and everything  
13 else. It's a transformational project that's going to change how not only  
14 California --

15 SECRETARY ALICE RODRIGUEZ: Two minutes.

16 MR. KEITH DUNN: -- moves our people -- thank you. I'll -- but  
17 also the entire nation. So, good job. Congratulations to the CEO and  
18 the Board. You guys did a great job these last couple of months.

19 CHAIR TOM RICHARDS: Thank you, Keith, and thanks for your  
20 support.

21 SECRETARY ALICE RODRIGUEZ: Okay. Mr. Chairman, we will  
22 now move to the Zoom participants.

23 Once again, if you're joining the meeting via Zoom and wish to  
24 provide public comment, please use the raise your hand feature  
25 located at the bottom of your screen.



1 First up is Avneet Uppal.

2 CHAIR TOM RICHARDS: Good morning.

3 MS. AVNEET UPPAL: Hi, can you hear me?

4 CHAIR TOM RICHARDS: Yes, we hear you well, thank you.

5 MS. AVNEET UPPAL: Okay, great. Yeah, I am also speaking as a  
6 resident of Merced County, and I'm also from the small town of  
7 Livingston, California, as well.

8 And I really just want to echo a lot of what you guys have already  
9 heard. These proposed changes do come as a big shock to the  
10 community. And like everybody else, I really just want to reinforce that  
11 we are an invested community as a whole, and not just the city of  
12 Merced, but the entire County in itself. Merced County is made up of a  
13 lot of small rural towns, and we are all equally invested, and we've  
14 been supporters of this project for a really long time.

15 I remember in 2016, I was a college freshman sitting in my  
16 California government class, and I had a really snobby professor  
17 talking down about this project and saying what a waste of  
18 infrastructure dollars it's going to be, and he was specifically referring  
19 to the idea that like, oh, more students would take this. And my brother  
20 actually spoke earlier, and I think he downplayed it a little bit. And I  
21 actually had a moment to speak to my class, and said, well, I have a  
22 sibling in that exact situation. From Livingston, we drive 20 minutes to  
23 Merced, put him on the Amtrak train, and from there he gets to about  
24 Modesto and hops on to three to four different buses to finally get to  
25 LA, where then he would take an Uber to Irvine, and it was a lot of

1 stalking his location the entire time to make sure he was getting there  
2 safe.

3 But aside from that accessibility throughout California, for those of  
4 us who do live in Merced County, and these rural communities, the  
5 amount of opportunity and magnitude for increase of just access to the  
6 rest of the State and its resources is --

7 SECRETARY ALICE RODRIGUEZ: 15 seconds.

8 MS. AVNEET UPPAL: -- instrumental.

9 So, again, I can really do is, like I said, echo the voices of  
10 everybody that you've already heard before, and just reiterate that  
11 Merced is truly a key place for this train, and we would love to see it  
12 there and continue --

13 SECRETARY ALICE RODRIGUEZ: That's two minutes.

14 MS. AVNEET UPPAL: -- to work with you guys to make sure it's a  
15 great project. Thank you.

16 CHAIR TOM RICHARDS: Thank you.

17 SECRETARY ALICE RODRIGUEZ: Next up is Mary Camper.

18 CHAIR TOM RICHARDS: Good morning.

19 MS. MARY CAMPER: Good morning. Good morning, Chairman  
20 Richards, and Members of the Board. I am Mary Camper, and I  
21 represent the Merced Boosters.

22 I join you this morning to urge you to keep your commitment to  
23 delivering the Merced to Bakersfield segment in the first phase of high-  
24 speed rail. Merced is where regional, state, and national connections  
25 come together. It's not just a dot on the map. It's a strategic hub.

1 Businesses have invested, developers have planned, and the City has  
2 prepared because the State promised Merced would be part of the first  
3 operating segment. This corridor can be built fastest at the lowest cost  
4 and offers the strongest link between Northern and Southern California  
5 through the Central Valley. Skipping Merced now would undermine  
6 trust, install the economic momentum we've built around UC Merced,  
7 the downtown station plan, and our regional connectivity.

8 I encourage you to move forward, honor the law, keep your  
9 promise, and build Merced to Bakersfield first. Thank you.

10 CHAIR TOM RICHARDS: Thank you.

11 SECRETARY ALICE RODRIGUEZ: Next up, Shane Smith.

12 CHAIR TOM RICHARDS: Good morning.

13 MR. SHANE SMITH: Good morning, Chair Richards, and the  
14 Board. This is Shane Smith. I'm a Merced City Council Member  
15 representing District 4 in Merced. I'm also a member of our High-Speed  
16 Rail Subcommittee, and a practicing attorney.

17 I just want to echo what my colleagues have said from the City  
18 but also point out that I think you heard from our residents who traveled  
19 up to Sacramento today that there is maybe a difference of opinion in  
20 terms of where we are in terms of our working relationship with the  
21 Authority. I think I kind of come down somewhere in the middle.

22 But I will say, in all candor, having been one of the elected officials  
23 in Merced who was hearing from reporters that we had been re-  
24 sequenced in the High-Speed Rail Authority's plans, and then when our  
25 staff checked in, we were told that wasn't the case, but of course it

1 was, when the report came out, that I think there's some work to do in  
2 our community to rebuild trust. And I appreciate the Chair's comments  
3 at the outset of the meeting that we're well on our way to doing that.  
4 But I do think that the business community and our residents want to  
5 see that partnership actually come into effect in deeds. And I'll be  
6 looking to help facilitate that with all of my might and everything that I  
7 can do to do so and look forward to our meeting with your team next  
8 week and again appearing at Public Comment in a month.

9 So, have a great and successful meeting and I appreciate this  
10 time.

11 CHAIR TOM RICHARDS: Thank you, Mr. Council Member.

12 SECRETARY ALICE RODRIGUEZ: Mr. Chairman, we have no  
13 other attendees at this time that would like to provide public comments.

14 CHAIR TOM RICHARDS: All right. Thank you very much, Ms.  
15 Secretary.

16 Moving into our agenda items, item number one is the approval of  
17 our August 28th Board meeting.

18 BOARD MEMBER LYNN SCHENKE: Move approval.

19 UNIDENTIFIED BOARD MEMBER: Second.

20 CHAIR TOM RICHARDS: We have a motion and a second.  
21 Please call the roll.

22 SECRETARY ALICE RODRIGUEZ: Director Schenk?

23 BOARD MEMBER LYNN SCHENK: Yes.

24 SECRETARY ALICE RODRIGUEZ: Chair Richards?

25 CHAIR TOM RICHARDS: Yes.

1 SECRETARY ALICE RODRIGUEZ: Director Camacho?  
2 BOARD MEMBER ERNIE CAMACHO: Yes.  
3 SECRETARY ALICE RODRIGUEZ: Vice-Chair Miller?  
4 VICE-CHAIR NANCY MILLER: (No audible response.)  
5 SECRETARY ALICE RODRIGUEZ: Director Perea?  
6 BOARD MEMBER HENRY PEREA: Yes.  
7 SECRETARY ALICE RODRIGUEZ: Director Escutia?  
8 BOARD MEMBER ESCUTIA: (No audible response.)  
9 SECRETARY ALICE RODRIGUEZ: Director Williams?  
10 BOARD MEMBER ANTHONY WILLIAMS: Aye.  
11 SECRETARY ALICE RODRIGUEZ: Director Worthe?  
12 BOARD MEMBER JEFFREY WORTHE: (No audible response.)  
13 SECRETARY ALICE RODRIGUEZ: Director Cohen?  
14 BOARD MEMBER EMILY COHEN: Aye.  
15 SECRETARY ALICE RODRIGUEZ: Mr. Chairman, the motion  
16 carries.  
17 CHAIR TOM RICHARDS: Thank you.  
18 SECRETARY ALICE RODRIGUEZ: Mr. Chairman, I also wanted  
19 to provide a reminder for Board Members and presenters that are up,  
20 to speak closely and loudly into the microphones for the  
21 transcriptionists. Thank you.  
22 CHAIR TOM RICHARDS: Thank you.  
23 Ladies and gentlemen, item number three is the architect  
24 engineer, indefinite delivery, indefinite quantity contract.  
25 Emily, good morning.

1 MS. EMILY MORRISON: Good morning.

2 UNIDENTIFIED SPEAKER: Chairman, how about item two?

3 MS. EMILY MORRISON: Oh.

4 CHAIR TOM RICHARDS: I'm sorry. Did I jump over it? Oh, I'm  
5 sorry, I did this to Paula in the F & A meeting also.

6 Paula, are you here?

7 UNIDENTIFIED SPEAKER: (INDISCERNIBLE 0:47:08)

8 CHAIR TOM RICHARDS: Maybe it wasn't a mistake. Maybe I did  
9 it purposefully. I'm not sure. Sorry.

10 Sorry, Emily.

11 MS. PAULA RIVERA: Good morning, Chair Richard, Board  
12 Members. I'm --

13 CHAIR TOM RICHARDS: Good morning and forgive me.

14 MS. PAULA RIVERA: -- Chief Auditor with the Authority. I bring to  
15 you today our plan for having an external quality assessment  
16 performed.

17 Now, starting in 2017, we've had an external peer review or  
18 quality assessment every three years. The ex- --.

19 UNIDENTIFIED SPEAKER: The microphone.

20 MS. PAULA RIVERA: Oh, sorry.

21 The external quality assessment evaluates our compliance with  
22 the elements of the audit standards for our office as a whole, and for  
23 individual audit assignments.

24 This morning, I'll provide a brief overview of the internal audit  
25 standards, provide background for your approval of our plan for an

1 external quality assessment. Next slide, please.

2 Our -- the Audit Office reports administratively to the Chief  
3 Executive Officer and functionally to the Board. We have three teams  
4 of auditors made-up of an entry-level Auditor, a working-level Associate  
5 Auditor, and a Lead Auditor reporting to a Senior Manager. Next slide,  
6 please.

7 We follow two sets of standards, generally accepted  
8 governmental auditing standards, or the Yellow Book. They are used  
9 for audits of federal funds, specifically the contract compliance audits  
10 that we perform. Peer review is required every three years, and they're  
11 issued by the GAO, Government Accountability Office. We also follow  
12 the Global Internal Audit Standards, or the Red Book. Those are used  
13 for performance audits, pre-award reviews, and other audit services  
14 that result in a report. An external quality assessment is required by  
15 Red Book every five years, and those standards are issued by the  
16 Institute of Internal Audits.

17 Both Yellow Book and Red Book standards were revised in early  
18 2025. I brought a revised Audit Charter to you in January to comply  
19 with the elements that needed to be addressed in the Charter. The  
20 changes were related to external quality assessments and internal  
21 quality assessments, Audit Committee reporting, and there's some  
22 additional documentation requirements. Next slide, please.

23 I'd like to take this opportunity to walk you through, at a very high  
24 level, the Global Internal Audit Standards. There are five domains, 15  
25 principles, and 52 standards. Each standard has a requirement,

1 considerations for implementation, and examples of evidence of  
2 conformance. Next slide, please.

3 This is a graphic that shows how the standards kind of layer. The  
4 first two domains cover all, and then the third, fourth, and fifth domain  
5 are segmented. The first domain is the purpose of internal auditing.  
6 Internal auditing strengthens the organization's ability to create, protect,  
7 and sustain value by providing the Board and management with  
8 independent, risk-based, objective assurance, advice, insight, and  
9 foresight. Next slide, please.

10 The next domain is ethics and professionalism. And these are the  
11 five principles within ethics, and then we have the individual standards.  
12 Next slide, please.

13 Governing is the next domain. We have three principles, and the  
14 standards are identified. Both the ethics and professionalism, and the  
15 governing, apply to the Audit Office as a whole. Next slide, please.

16 Managing is the fourth domain. And these principles and  
17 standards govern how we will manage the Audit Office. Next slide,  
18 please.

19 The fifth domain is related to how we perform our audits. So, of all  
20 of the standards that we follow, the ones that are specific to an  
21 assignment are in this fourth (sic) domain. So, there's a lot that goes  
22 into how we develop our Audit Office, how we maintain our audit office,  
23 how we assess quality within the office. That sort of infrastructure is in  
24 place before we get started on any audit. Next slide, please.

25 So, with that kind of high-level graphic introduction in mind, the



1 external quality assessment assesses all of those principles and  
2 standards, and how we've developed our processes and how we follow  
3 our processes.

4 So, Global Internal Audit Standard 8.4 requires that the Board  
5 approve our plan for an external quality assessment, and that standard  
6 requires that it's performed once every five years. The Yellow Book  
7 standards require that an external peer review is performed every three  
8 years. And so, we follow the more stringent of the standards within  
9 whichever standard applied to our office as a whole. Internal Audit  
10 Standards say the requirement can be met through a self-evaluation  
11 with independent validation, which is new in the Revised Standards this  
12 year.

13 Our proposal is to continue with an external quality assessment  
14 every three years. And, in addition, we propose the external  
15 assessment performed by an independent qualified assessment team  
16 instead of a self-evaluation. We feel there's value in having audit  
17 professionals within the state government evaluate our quality  
18 management systems, and we perform a self-assessment in the  
19 interim years when we're not having the external assessment.

20 Are there any questions?

21 CHAIR TOM RICHARDS: Any questions for Paula?

22 UNIDENTIFIED SPEAKER: Excuse me?

23 BOARD MEMBER HENRY PEREA: I have a few questions.

24 CHAIR TOM RICHARDS: Yes, Director Perea.

25 MS. PAULA RIVERA: Yes.

1 BOARD MEMBER HENRY PEREA: Thank you for the  
2 presentation.

3 So, just so I'm clear, the people that you're auditing, or  
4 organizations, is it internal? Our organization, as well as all of our  
5 vendors, or -- I mean, who exactly are you auditing?

6 MS. PAULA RIVERA: Yes. We're -- we perform performance  
7 evaluations, performance audits, compliance audits -- of Authority  
8 processes. But we also perform contract compliance audits and pre-  
9 award reviews of consultants. The pre-award is of a consultant team  
10 before there's an agreement with the Authority, and the contract  
11 compliance audit is either interim to the contract or post, when the  
12 contract is completed.

13 BOARD MEMBER HENRY PEREA: Okay. And you just -- you  
14 mentioned the self-evaluation process --

15 MS. PAULA RIVERA: Mm-hmm.

16 BOARD MEMBER HENRY PEREA: -- which is an option that  
17 you're not recommending we do.

18 MS. PAULA RIVERA: Correct.

19 BOARD MEMBER HENRY PEREA: What is that? What do -- and  
20 who would conduct that?

21 MS. PAULA RIVERA: So, each year that we're not having an  
22 external peer review, we have a team of auditors who look at all of the  
23 assignments that we've done in the year, and they sample half, and  
24 they look to see that we followed all of the elements of the standards  
25 with -- that we've included in our Audit Manual.

1        So, we're doing a self-assessment two out of three years. So, the  
2        third year, I'm proposing an external evaluation. We could continue with  
3        that self-assessment in the third year, and then it requires a validation  
4        by somebody else that we've performed it.

5        So, the proposal is to have both the -- self-assessments in the two  
6        interim years, and then an external assessment in the third year.

7        BOARD MEMBER HENRY PEREA: Mm-hmm. Okay. Just so I'm  
8        clear, so the self-evaluation is something that the companies that we  
9        contract with would -- at some point in this process, they would  
10       conduct, at their time and cost?

11       MS. PAULA RIVERA: No. I'm sorry, I wasn't clear.

12       The auditors perform that self-assessment of the Audit Office. So.  
13       we're auditing ourselves.

14       BOARD MEMBER HENRY PEREA: Auditing ourselves. Got it.  
15       Okay.

16       Okay. The question I have, and it is a broader question, and I  
17       understand that this is something we have to do, we're required to do  
18       these audits, and it makes sense that we do. But from a functional  
19       operating standpoint, we have a lot of contractors out there, a lot of  
20       subs, that they work on the margin a lot of times when -- as they  
21       contract with the primes, as an example.

22       MS. PAULA RIVER: Mm-hmm.

23       BOARD MEMBER HENRY PEREA: And I know we have an  
24       excellent record of paying our primes quickly. I know it's gotten better,  
25       but we don't have as good a record, or the primes don't have as good a

1 record as paying their subs on time. So, they -- like I say, they operate  
2 on the margins, and it's difficult for them sometimes to think it's a good  
3 idea to contract with us when they're dealing with that.

4 Now we have the audits. I mean, they understand they have to do  
5 the audits, but when our audit teams go in, what I hear consistently is  
6 the amount of effort on their part that they have to do to -- or perform to  
7 meet all of your requirements, and the cost to them in terms of time  
8 and money is very high.

9 So, I'm trying to figure out how to reconcile those two concepts of,  
10 yes, we have to do this, but we can't do it at the expense of small  
11 businesses who can't accept the burden or deal with the burden of that  
12 audit. So, walk me through that. How do we deal with that?

13 And if you just look at the last two or three years, how many  
14 audits have you conducted? What have your findings, in general,  
15 been? How much -- have we found they're complying? Or have we  
16 found large amounts of money that we've -- we need to collect back? I  
17 mean, what have you found?

18 MS. PAULA RIVERA: Okay. I'll start with your first question, first.

19 The Audit Office has worked with the Capital Procurements team  
20 to set expectations for what would happen in an audit.

21 So, each time there's a meeting with the initial negotiation team, I  
22 advise them, the primes, that it's their responsibility to pay back any  
23 overbillings that are identified, and it's in their best interest to work with  
24 their subs to understand the systems the subs have in place to comply,  
25 and also to advise them the best way to comply.

1           In addition, once a contract is executed, the Small Business team  
2 holds a kickoff meeting, and I present in a portion of that to let them  
3 know what to expect in an audit - where we identify our scope and  
4 objectives, where we have an initial meeting, what we will look at if we  
5 look at direct labor, what we will look at when there's --. So, they're  
6 aware of the records we'll be looking at. They're aware of the  
7 processes that we'll be following, so that they can have their systems in  
8 place before an audit.

9           When we conduct an audit, we have an auditor who's assigned to  
10 each sub, and we get as much information as we can ahead of time.  
11 We go out and we visit their offices so that it's not a back and forth over  
12 email and Teams, whenever it's possible. We're in the field three to five  
13 days. And we can finish the majority of an audit in three to five days.  
14 There often are things to follow up - hey, can you show us this check  
15 was paid, those sort of things.

16          We've done four audits this year. And in each case -- well, as far  
17 as I can recollect, we've never spent more than four or five days in the  
18 field. And so, we audited the (INDISCERNIBLE 1:00:07) Regional  
19 Consultant Contract, and we had \$1.4 million of overpayments in that  
20 contract. We audited the LGA Design Services Contract, and that was  
21 part of the -- what was in the Finance and Audit Committee this  
22 morning. We have \$767,000 of overpayments in that contract. We are  
23 finalizing our audit of the Merced to Madera Design Contract, which I'll  
24 bring to the next Board Meeting. We have -- or next Finance and Audit  
25 Committee Meeting, sorry. We have approximately \$600,000 of

1 overpayments in that contract. And we're in the middle of auditing the  
2 Burbank to Anaheim Regional Consultant Section, and our auditors are  
3 in the field right now on those subs.

4 BOARD MEMBER HENRY PEREA: Okay. So, in those cases, the  
5 primes, and their subs, or just the primes would be reimbursing us that  
6 money?

7 MS. PAULA RIVERA: Our agreement is with the prime and it's the  
8 prime's responsibility to reimburse the authority for any overpayments  
9 identified.

10 BOARD MEMBER HENRY PEREA: Okay. Last question there, is  
11 it -- so, when you do these audits do you do a sampling of all of the  
12 transactions we've had with these folks? Or is it that you evaluate every  
13 transaction we've had with them for whatever period of time  
14 (INDISCERNIBLE 1:01:38).

15 MS. PAULA RIVERA: We do a -- we start with a sample. We start  
16 with two invoices, and we look to see whether or not their internal  
17 controls are functioning as they've designed them. And then those two  
18 invoices, we will look to see for each person on an invoice. We'll look to  
19 see that the rate invoice matches their payroll. And then for each year  
20 that they were on the contract if their overhead complies with the  
21 federal requirement.

22 So, if we look at two years -- or two invoices a year, and we find  
23 everything matches, they billed us what they paid their employees,  
24 then we move on to the next year. If we don't, then we double our audit  
25 sample. So, we would go from two invoices to four invoices. If we find

1 the same problems, then we could double again, four to eight, but likely  
2 if we found four months of invoices where the indirect rate is incorrect,  
3 or they've not paid their employees what they've billed the Authority,  
4 then we'll look at the entire year.

5 BOARD MEMBER HENRY PEREA: Okay. Thank you.

6 MS. PAULA RIVERA: Sure.

7 CHAIR TOM RICHARDS: Thank you, Henry.

8 Director Schenk?

9 BOARD MEMBER LYNN SCHENK: Well, first of all, Paula, as  
10 every year, I thank you for the stringent high standards that you  
11 maintain for us for the Authority.

12 Just a quick question. Do you have the resources to do these  
13 audits? What are the challenges here doing the every three years?

14 MS. PAULA RIVERA: Thank you.

15 We have the resources this year. As you know, for a long time, we  
16 had close to 50 percent vacancies. But in the last five years, we've  
17 been able to fill all our vacancies. We've been doing a number of these  
18 audits. So, the staff is now fully trained. And so, we are able to  
19 complete these audits in a shorter audit cycle, and we have all the  
20 resources we need for this year's audit plan.

21 BOARD MEMBER LYNN SCHENK: Thank you.

22 CHAIR TOM RICHARDS: Any other questions?

23 I believe that with regards to the Finance and Audit Committee  
24 Meeting, that the Members of the Committee are recommending  
25 approval to the Board of the restrictions as described by Paula for

1 moving forward with the standards, by which the FNA -- I mean the  
2 finance -- or internal, excuse me, the internal Audit Department  
3 operates.

4 So, with that if there are no other questions, do we have a  
5 motion?

6 UNIDENTIFIED BOARD MEMBER: So, moved.

7 BOARD MEMBER LYNN SCHENK: Second.

8 CHAIR TOM RICHARDS: And please call the roll.

9 SECRETARY ALICE RODRIGUEZ: Director Schenk?

10 BOARD MEMBER LYNN SCHENK: Yes.

11 SECRETARY ALICE RODRIGUEZ: Chair Richards?

12 CHAIR TOM RICHARDS: Yes.

13 SECRETARY ALICE RODRIGUEZ: Director Camacho?

14 BOARD MEMBER ERNIE CAMACHO: Yes.

15 SECRETARY ALICE RODRIGUEZ: Director Perea?

16 BOARD MEMBER HENRY PEREA: Yes.

17 SECRETARY ALICE RODRIGUEZ: Director Williams?

18 BOARD MEMBER ANTHONY WILLIAMS: Aye.

19 SECRETARY ALICE RODRIGUEZ: Director Worthe?

20 BOARD MEMBER JEFFREY WORTHE: Yes.

21 SECRETARY ALICE RODRIGUEZ: Director Cohen?

22 BOARD MEMBER EMILY COHEN: Aye.

23 SECRETARY ALICE RODRIGUEZ: Mr. Chairman, the motion  
24 carries.

25 CHAIR TOM RICHARDS: Thank you.



1 Thank you very much, Paula.

2 UNIDENTIFIED SPEAKER: Thank you.

3 CHAIR TOM RICHARDS: Okay.

4 Emily, this is phase two of today's workout. Good morning.

5 MS. EMILY MORRISON: Good morning. Thank you, Chair

6 Richards. Thank you, Members of the Board. Okay.

7 I'm here today for -- I might be too loud.

8 I'm here today for an informational item regarding our indefinite  
9 delivery, indefinite quantity contract for architect and engineer services.  
10 Next slide.

11 So, I've spoken to the Board before regarding our MATOC that  
12 was released last month on the market for our construction services.  
13 This is essentially a sister contract for the bench, for the architect and  
14 engineer professional services. So, we do plan to have multiple awards  
15 to several A & E firms from the single solicitation, that further in the  
16 slides I'll show what our current milestones look like.

17 Just like the MATOC, having an IDIQ will allow us to procure  
18 things faster. It's more streamlined. Instead of going through significant  
19 evaluation board for each individual design service or anything that  
20 follows professional services, we're allowed to reduce that on the front  
21 end and have all of their qualifications in place. That way, we can do  
22 faster delivery, quicker performance, and it also allows for better  
23 competition. Next slide.

24 Ultimately, the solicitation award process, unlike the MATOC, the  
25 award for architect and engineer is based on their qualifications. So,

1 we will be requesting -- we're going to be soliciting an RFQ. That will  
2 include two pools, which will be one for minor works to include our  
3 small businesses, and one for major works that will include the large.  
4 The minor works, we don't have a cap on the number of awardees  
5 we're looking to target. We are releasing an RFEI very shortly to get  
6 kind of a consensus of what the industry is willing to -- how much of the  
7 industry is willing to participate. We do anticipate a cap on the large  
8 business pool at approximately three, maybe four contractors at most.  
9 We do want at least two for a variety of work, along with capacity  
10 purposes, but it'll likely be targeting three or four. The pools will be  
11 evaluated separately, but they will follow the same evaluation criteria.  
12 The award will be based on the evaluation factors that we will post for  
13 our formal RFQ. That will likely be releasing in early Q1 of this -- of  
14 2026. And then price reasonableness, we always have. So,  
15 architecture and engineer services are evaluated based on their  
16 qualifications. We will still evaluate price reasonableness prior to  
17 award, along with at the task order level. All right, next slide.

18 The awardee pools -- the two pools, again, as I've said, will be a  
19 small business pool and a large business pool. The small business  
20 pool would -- can include the small business, DBE, DVBE, and then  
21 MB as well. The scope of it is going to be services for -- including but  
22 not limited to utility relocations, surveying, right-of-way acquisitions,  
23 geotechnical investigations, construction contract administration,  
24 construction inspections, roadway engineering, specialty consulting,  
25 and advisory services. The annual gross receipts for the individuals, for

1 the companies that are participating in our large business pool must  
2 have annual gross receipts exceeding \$250 million, and includes all  
3 professional services including environmental planning, design,  
4 procurement, construction, and commissioning for high-speed rail. Just  
5 like our MATOC contract, we will also have -- include on-ramp and off-  
6 ramp procedures. We will very likely not be on-ramping additional large  
7 business contractors over the life of the contract, unless we have to off-  
8 ramp one of them. But we will frequently use on-ramp procedures for  
9 the small businesses. As I've spoken in the past, there constantly is  
10 new businesses that are coming into the area, or they just started, or  
11 they didn't have enough time to bid on our current acquisition. So, we  
12 do plan to revisit on-ramp procedures for the small business pool, at  
13 least at an 18-month interval, to allow small businesses not to get  
14 locked out ultimately as long -- as well as supporting our needs as well  
15 because we will have changing requirements that maybe the small  
16 businesses we have at the time, we need more. Next slide, please.

17 And then our current upcoming procurement schedule for this  
18 acquisition. We are releasing an RFEI very soon, hopefully either at the  
19 end of this month or early in November, and we will then be reviewing  
20 RFEI submissions. I will be coming back for a formal Board approval in  
21 early '26, based on the fact that the MATOC was capped. The work  
22 was capped at \$15 million per task order. There is no cap on the task  
23 order work for the large businesses here. So, we will come back for  
24 approval for that solicitation. We do plan to then post this on Cal  
25 eProcure early in '26 as well, with the RFQ due in Quarter 2 of 2026.

1 Do I have any questions at this time?

2 CHAIR TOM RICHARDS: Any questions for Ms. Morrison? Yes,  
3 Director Perea?

4 BOARD MEMBER HENRY PEREA: Yeah. Thank you for the  
5 presentation.

6 MS. EMILY MORRISON: Absolutely.

7 BOARD MEMBER HENRY PEREA: And I would again want to  
8 compliment our CEO. I mean, this is fantastic that we're just moving a  
9 lot quicker now and getting things done on the schedule.

10 Okay. You're going to release it this month, early next month. So,  
11 the evaluation will happen by December?

12 MS. EMILY MORRISON: We will start -- so, we will be evaluating  
13 their RFEI submissions. It's part of our market research process to see  
14 -- it'll develop how many -- kind of how many I want for our small  
15 business pool.

16 The formal RFQ release for bidders to start looking and how to  
17 propose will be in '26. Just like the MATOC, we will be having industry  
18 forums. And we do have the upcoming industry forums as well. Myself,  
19 I will be in San Francisco and Fresno in the upcoming two. And we do  
20 have a representative that will be at the LA, which we can talk about  
21 submission requirements for both the MATOC, along with some of the  
22 general requirements for the A & E services. We will then have follow-  
23 on small business workshops come late winter, early spring, right after  
24 we release that, so that we can kind of help small businesses so that  
25 they're able to bid on that work as well.

1 BOARD MEMBER HENRY PEREA: Yeah. Okay. And just my  
2 point around that is for the last four or five years, I mean, when we  
3 release timelines --

4 MS. EMILY MORRISON: Mm-hmm.

5 BOARD MEMBER HENRY PEREA: -- historically, there's been  
6 slippage in those timelines. And I know Ian doesn't --

7 MS. EMILY MORRISON: Not under me.

8 BOARD MEMBER HENRY PEREA: -- (INDISCERNIBLE 1:12:42)  
9 slippage.

10 MS. EMILY MORRISON: Not under me, no.

11 BOARD MEMBER HENRY PEREA: Yeah. Yeah.

12 MS. EMILY MORRISON: No, sorry.

13 BOARD MEMBER HENRY PEREA: I just want to make sure that  
14 we're meeting all these deadlines, --

15 MS. EMILY MORRISON: Yes.

16 BOARD MEMBER HENRY PEREA: -- and that we do have it  
17 before the Board.

18 MS. EMILY MORRISON: Or --.

19 BOARD MEMBER HENRY PEREA: And you may have answered  
20 one question for me too that I had about you're coming back to the  
21 Board for approval.

22 MS. EMILY MORRISON: Correct.

23 BOARD MEMBER HENRY PEREA: But is there a -- Counsel, is  
24 there a threshold number of where you don't have to come back for  
25 Board approval after we've released or approved the RFI or whatever's

1 going on?

2 MS. EMILY MORRISON: So, to give -- I'm going to give you a  
3 little of a synopsis. So, the IDIQs, right, or issuing task orders is an  
4 effort to cut down the procurement timeline on the front end of the  
5 acquisition. So, roughly I can save about 90 to 120 days on the front  
6 end.

7 Why I'm going to come back is because the task orders for the  
8 large businesses are going to exceed our CEO Choudri's delegation  
9 authority of \$25 million. So, the request is -- to come back, is can we  
10 have the authority to solicit, and solicit only, for all task orders that fall  
11 under the IDIQ, but any awards that exceed our delegation authority  
12 are going to come back for the Board for approval.

13 So, it will help reduce it from a two-step, to a one-step. And that  
14 way, you still will see all task orders awards over \$25 million prior to  
15 award. So, we issue a NOPA and then we would come back and say  
16 we are requesting approval for these design services at, say, \$50  
17 million for this task order. It will help us save time on the front end.

18 So, that's why we're going to be coming back to approve -- for  
19 approval.

20 BOARD MEMBER HENRY PEREA: Okay. So, anything under  
21 \$25 million, after we have approved releasing the RFEI or whatever --

22 MS. EMILY MORRISON: Mm-hmm.

23 BOARD MEMBER HENRY PEREA: -- that's once it's done, it's  
24 done?

25 MS. EMILY MORRISON: Correct.

1 BOARD MEMBER HENRY PEREA: Counsel if you --.

2 MR. THOMAS FELLEENZ: That's what the request will be to the  
3 Board, that -- that we -- you give us that authority to do that for the  
4 ones under \$25 million.

5 BOARD MEMBER HENRY PEREA: Okay. So, right now you don't  
6 have that authority.

7 MR. THOMAS FELLEENZ:) Correct.

8 BOARD MEMBER HENRY PEREA: You're asking for the  
9 authority?

10 MR. THOMAS FELLEENZ: Correct.  
11 Because now, we have to come to the Board for approval of the RFQs  
12 --

13 BOARD MEMBER HENRY PEREA: Correct.

14 MR. THOMAS FELLEENZ: -- and approval of the contract. So,  
15 we're -- for the smaller contracts, we're saying that with your approval,  
16 we can do those on our own because you've given us a more blanket  
17 approval. It will streamline the process because we don't have to come  
18 back to the Board for multiple times for some of these smaller  
19 contracts.

20 But the ones that are exceeding the dollar amount threshold  
21 through the delegation to the Board to the CEO, certainly we would  
22 come back to the Board for pools for those, each and every one of  
23 them that exceeded the \$25 million.

24 BOARD MEMBER HENRY PEREA: Mm-hmm.

25 MS. EMILY MORRISON: My quick clarification -- Tom, thank you

1 so much for that.

2 My quick clarification is the ones over \$25 million, we are going to  
3 be requesting to come back once, rather than twice, to help reduce the  
4 acquisition pool timelines for those.

5 BOARD MEMBER HENRY PEREA: Mm-hmm. Okay. Well, that  
6 makes sense.

7 So, is that part of this request here that we waive --.

8 MS. EMILY MORRISON: No, sir, not at this time. I'll have a formal  
9 one for you in January.

10 BOARD MEMBER HENRY PEREA: Okay. So, we have not  
11 changed the policy yet with respect to contracts coming back for final  
12 approval?

13 MS. EMILY MORRISON: No, sir.

14 BOARD MEMBER HENRY PEREA: That'll be a different agenda  
15 item?

16 MS. EMILY MORRISON: Yes, --

17 BOARD MEMBER HENRY PEREA: Okay.

18 MS. EMILY MORRISON: -- and that will be limited to just architect  
19 and engineer task orders that fall under the scope of this IDIQ only.

20 BOARD MEMBER HENRY PEREA: Okay. All right, thank you.

21 MS. EMILY MORRISON: Thank you.

22 CHAIR TOM RICHARDS: Any other questions for Emily?

23 BOARD MEMBER LYNN SCHENK: Yes.

24 CHAIR TOM RICHARDS: Director Schenk?

25 BOARD MEMBER LYNN SCHENK: Thank you. Hi, Emily.



1 MS. EMILY MORRISON: Hi.

2 BOARD MEMBER LYNN SCHENK: This IDIQ, I don't -- have we  
3 ever done this before, or the -- has Caltrans done it? Any other state  
4 agencies that you know of?

5 MS. EMILY MORRISON: So, the MATOC is the same thing. It's  
6 also an IDIQ. It's type of -- it's a contract type overall. So, the release of  
7 the MATOC also followed the indefinite delivery, indefinite quantity  
8 contract type.

9 My understanding is here -- is, no, the State of California has not  
10 had any IDIQs. The federal government has been doing IDIQs for -- I  
11 mean, as far back as I can remember when we started learning on how  
12 to do these various contract types. IDIQs are the bread and the butter -  
13 - bread and butter contracting for the Department of Defense.

14 BOARD MEMBER LYNN SCHENK: Yeah. I'm glad we didn't do it  
15 before because I didn't remember that we did do it. So, this is  
16 essentially grossly pre-approving these two pools when you bring it to  
17 us for the vote.

18 My interest is in the small business and the DBEs with what's  
19 going on in the federal government now. And, I mean, I think that  
20 they're trying to eliminate all of this, it seems, to what I'm reading. How  
21 does that impact what we're trying to do in that pool -- the small pool,  
22 both the ones that we contract with directly and that our subs contract  
23 with?

24 MS. EMILY MORRISON: That's a fantastic question. I'm going to  
25 lean into our current Chief Counsel. We just had a conversation about

1 that yesterday. Tom or Adam can take it away.

2 MR. ADAM BREZINE: Yeah, we're -- this is all fast moving.

3 Sorry, can you hear me?

4 UNIDENTIFIED SPEAKER: Yeah.

5 MR. ADAM BREZINE: Thanks.

6 Relatively fast moving and recent developments. We're looking at  
7 it, and we'll be having some guidance discussions internally shortly, but  
8 that's all we've got on that right now.

9 BOARD MEMBER LYNN SCHENK: Okay. Yeah, but please keep  
10 us up to date, --

11 MS. EMILY MORRISON: Absolutely.

12 BOARD MEMBER LYNN SCHENK: -- and even between  
13 meetings, as far as I'm concerned.

14 MS. EMILY MORRISON: Absolutely.

15 BOARD MEMBER LYNN SCHENK: There's a very --

16 MS. EMILY MORRISON: The --.

17 BOARD MEMBER LYNN SCHENK: I'm afraid about the impact on  
18 small businesses here, and --

19 MS. EMILY MORRISON: And -- oh, go ahead.

20 BOARD MEMBER LYNN SCHENK: -- and disadvantaged  
21 businesses and women-owned businesses.

22 MS. EMILY MORRISON: Yeah. Yeah.

23 And the procurement -- from a procurement standpoint, we're  
24 going to keep moving forward and pressing with what we know is law  
25 for right now and working with our Chief Counsel to make sure as soon

1 as we get an update, we will take that into consideration and then build  
2 that into our updated IDIQ.

3 BOARD MEMBER LYNN SCHENK: Thanks, Emily.

4 CHAIR TOM RICHARDS: Any other questions?

5 BOARD MEMBER ERNIE CAMACHO: I just want to comment.

6 The --

7 CHAIR TOM RICHARDS: Yes.

8 BOARD MEMBER ERNIE CAMACHO: -- the set-aside that Lynn  
9 Schenk was referring to is only as it relates to federal dollars, correct?  
10 Not -- it --.

11 MS. EMILY MORRISON: That is correct.

12 BOARD MEMBER ERNIE CAMACHO: If in fact it's state funded,  
13 then we have no concerns over what the feds do?

14 MS. EMILY MORRISON: That is correct.

15 BOARD MEMBER ERNIE CAMACHO: Thank you.

16 CHAIR TOM RICHARDS: And Emily, did I see you having a  
17 question a few minutes ago.

18 BOARD MEMBER EMILY COHEN: Yes. Thank you.

19 First, thank you, Emily. I commend you and the team for these  
20 changes. I -- it seems pretty promising for as far as financial and time  
21 efficiencies.

22 Going back to the DBE, I guess it's more of a comment, but my  
23 understanding of it is it's going to be really important for the high-speed  
24 rail team to make sure that they are separating out exclusively state-  
25 funded work from anything that blends state and federal to ensure

1 compliance with both federal law now and state law, which are very  
2 different regarding DBE programs, so that we don't lose -- we don't put  
3 ourselves at risk in either scenario. And I know we talked a little bit  
4 about it yesterday, but that's important for the Board to know and it's  
5 important for Legal to be aware of because it is effective immediately.

6 And so, I just -- I don't know if there's a question in there. How are  
7 we addressing that? I understand legal dissent there. They're aware of  
8 it and looking into it. But I think that's one of the most important things  
9 that the team will have to do, is make sure that there's clarity around  
10 how different parts are being funded to ensure compliance on both  
11 sides, state and federal now. Not easy.

12 CHAIR TOM RICHARDS: Okay. Thank you.

13 MS. EMILY MORRISON: Thank you.

14 CHAIR TOM RICHARDS: And Ms. Morrison, I assume it goes  
15 without saying that once these pools have been set and various firms  
16 are included in separate pools, their performance will continue to be  
17 evaluated during the contract period, and changes made as  
18 appropriate?

19 MS. EMILY MORRISON: Absolutely. And that's part of the  
20 purpose of having the off-ramp procedures as well.

21 CHAIR TOM RICHARDS: Yeah. Yeah. Okay. Good. All right.  
22 If there are no other questions, thank you very much, Emily.

23 MS. EMILY MORRISON: Thank you. Appreciate it.

24 CHAIR TOM RICHARDS: Mm-hmm.

25 Moving on to item number four, which is our CEO Report, and this

1 is our CEO.

2 MR. IAN CHOUDRI: I just put something on the screen.

3 Really, the CEO Report, at this time, is all about our one-year  
4 completion of the new team since I came on board, it was September  
5 16th, 2024, and September 16th, 2025, was one year on this program.  
6 And I just wanted to share all the accomplishments that we achieved in  
7 one year, and then what we are doing going forward. So, I'm not going  
8 to go through every slide and read through it, but I'll give you the bigger  
9 picture of where we are after one year on this program.

10 So, get to slide number three. These were the six areas when we  
11 took this program in a different direction starting in September last  
12 year. Those are the six areas for me to kind of immediately look at to  
13 stabilize the program.

14 One was -- the top priority for us was to stabilize the funding. And  
15 the reason we wanted to do that, in order this program to move forward  
16 in any credible way, we had to find a mechanism to get this program  
17 financed. Financing has to be against some funding commitment from  
18 the State. While we were doing that in the first month, September,  
19 October, at the same time, our federal government was working quite  
20 the opposite on that. And so, we had to then even put a lot more effort.

21 And I really, really want to appreciate everyone who participated  
22 in the last six months of the process that we went through together.  
23 Starting from the Governor, stood fast to support the strategy that we  
24 put forward. The Legislature who worked with everyone. We spent a lot  
25 of time together in the last six months. The trades, our labor partners,

1 they were steadfast supporting us, our team, who actually worked on  
2 the Project Update Report.

3 And when we put out the Update Report, there was also a  
4 strategy that we laid out where we were saying how to move this  
5 program forward, and build all the way from south, north, and the  
6 current commitments we have under 171 mile. And so, we did present  
7 multiple options for the Legislature to look at. And it has schemes and  
8 financing mechanisms in it. And that came to fruition through cap and  
9 invest \$1 billion a year, 20 years, which provides the platform for us to  
10 now go finance against that. We are happy to share that with you. We  
11 have posted it on our website also.

12 All the companies or equity partners or financiers who are  
13 interested in responding to the RFEI, all the results are in. We had  
14 more than 30 companies who responded to it. So, that's moving  
15 forward.

16 We will be releasing some procurement documents on engaging  
17 with the public-private partnership partners in the next month or so and  
18 then selecting partners to advance the program by mid-next year.

19 Procurement strategy, as you heard, I'm not going to repeat what  
20 Emily was saying, but all the effort we did in the procurement area was  
21 all to streamline the work processes. And now we are at a place where  
22 we can quickly respond to the project needs, having these IDIQs,  
23 MATOC contracts, by shortlisting companies who have the right  
24 qualifications for what we need to get done. And so not get into the  
25 bureaucracy of like every time we wanted to a small work order, we

1 had to go through 10 months of process, which was cumbersome in  
2 itself when I came on board.

3       Design and construction, we did a lot of improvements. Design  
4 criteria was updated multiple times. And the target for our engineering  
5 and planning team literally was to look at are we building, are we  
6 designing our high-speed rail system to the similar criteria as we had in  
7 Europe, Japan, Taiwan, other places. And there were improvements  
8 that were needed because the program was using some criteria that  
9 were not relevant to high-speed rail. So, those were changed and  
10 modified. As a result, construction costs, of course, was our target to  
11 reduce, and we were able to reduce significantly. You saw in our  
12 Business Update Report, that Merced Bakersfield cost went down by  
13 \$14 billion. And so, that was all the improvements we did in the design  
14 criteria.

15       Organizational structure that we updated. Well, the evidence is  
16 here. All of our team leaders are the ones who present and discuss  
17 with us in each department how they are improving processes and  
18 methodologies to actually optimize the cost for our program.

19       Funding and finance, well, when we look at -- going to the slide  
20 number four, looking at \$1 billion through 2045, which is, as we all  
21 know, this program was always on very unstable grounds when it came  
22 to funding. So, now we have a stable platform. We also went ahead  
23 and did the complete bottom-up estimate for the 171 mile. And now we  
24 are engaged for the Business Plan Update in 2026, all Phase 1, all the  
25 way to LA, and on the other end, all the way to San Francisco. That will

1 be coming up.

2 Well, while we were right-sizing all -- and streamlining all of our  
3 processes, we were also right-sizing our teams, external and internal.  
4 And today, with the optimizations that we went through after  
5 streamlining it, we were able to optimize \$18 million just in the top part  
6 of the consulting contracts we had. Which, in a way, for us, when we  
7 optimize this, we are adding to the construction some funds, moving it  
8 from this side of the ledger and focus is now build as fast as we can as  
9 we move forward.

10 Slide five, we just talked about it. Emily went at length. So, I'm not  
11 going to go on that again.

12 Construction -- design and construction, of course, we touched on  
13 that. This is just to tell you all this effort went in the last 10, 11 months  
14 for a program that has been ongoing for -- well, 2008 and then  
15 construction in 2013, changing it fundamentally to where it is today in  
16 11 months. I think I would like to congratulate my team. They worked  
17 very hard to get to this place where we are in a very short amount of  
18 time.

19 Going onto slide seven, the new Executive Team that you see,  
20 and they come and present every time, they are the one actually  
21 moving this project forward in a very streamlined, scheduled, structured  
22 way. So, dates matter when we say -- to your point, Director Perea,  
23 they do matter to my team. If we say we are going to be doing this to  
24 the public by that date, then the team is accountable for that. They're  
25 empowered for making all the right decisions, but they're also



1     accountable because this has been an issue in the past, but the past is  
2     like behind us now at this point.

3             Going to slide eight, briefly, you know we are going through a full  
4     assessment of our existing contract package 1, 2, 3, 4. Four is  
5     complete.

6             When we are looking at the new contracts in the future, we will be  
7     looking at balancing risk between us, the industry, and also our  
8     partners who are working with us for design services or oversight  
9     services. We will be reforming the way we have been doing in the past,  
10    versus how we will be doing the business in future. So, there will be  
11    more news coming out on that in the coming weeks.

12            While we were doing the discussions with the Legislature, and  
13    you were part of that discussion when we talked about other legal  
14    legislative authorities we need as high-speed rail -- going to slide  
15    number nine. We were asking at that time, and when we were  
16    discussing the funding stabilization there were these seven items that  
17    we asked the legislature to look at to give us more jurisdictional power  
18    as a State agency. We represent the State of California. We represent  
19    taxpayers' money that is being deployed on this program.

20            So, my view was we need these reforms, these changes, High-  
21    Speed Authority, without these tools in our toolbox, will continue to  
22    have one problem, which is going to be the biggest one, is on the cost  
23    and the schedule. Those two -- those items are tied to these changes.  
24    We get the funding portion done. However, these seven items need to  
25    be passed, approved, given to us as tools. Why we do that is just

1 because it makes sense for our Authority, High-Speed Rail  
2 organization, to get all the hurdles out of the way.

3 We will come back to the Legislature in January again. And some  
4 of these items that I have been talking with the Legislature for a long  
5 time, we have actually written some language. So, we can share that  
6 with you when we all come back in session.

7 So, that -- those changes, plus the funding and stabilization, does  
8 one thing that we can be guaranteeing. We will see this system up and  
9 running in our lifetime with the trains. So, we can take that thing behind  
10 us, and not talk anymore about it, and say, all right, we'll see the trains.  
11 We'll see the trains -- very, very short time from today.

12 Going to -- I'll go straight to something important for us. We will be  
13 launching -- this is slide 12. We'll be launching a tracking systems  
14 contract. This -- when I was on the other side of the industry, that was  
15 the first procurement the High-Speed Rail Authority was doing, so --  
16 and I was not in this role that I have. That was back in 2014. Now we  
17 are launching it. So, we did it very fast, but we know what we are  
18 doing.

19 So, I would like Brent and Emily to kind of talk about what is  
20 coming up. It's different than what was done before. We are kind of  
21 stabilizing the way we engage with the industry. And things that we are  
22 putting in this procurement are also with some innovative thinking on  
23 how we would like to secure a track builder, a contractor who knows  
24 how to lay tracks, a contractor in that group who know how to build the  
25 systems and technologies. But we are also being creative on like what

1 kind of pricing we need from them initially.

2 So, I will pass to both of you to talk what is included in this RFP,  
3 because this is one of the largest efforts in the procurement this year  
4 that will go forward, which is very important for us in order to start  
5 laying tracks at some point next year. Go ahead. Yeah.

6 MS. EMILY MORRISON: Thank you. Thank you, CEO Choudri.

7 So, we are going to be coming to the Board for formal approval  
8 for our solicitation for our track and systems construction contract,  
9 which we have entitled TSCC. We will be going to the Board in  
10 November. We were looking to release the procurement in December.

11 The work is going to cover construction, installation, testing,  
12 commissioning of track, the overhead catenary system, the traction  
13 power, the train control, the telecommunications, and the SCADA  
14 systems.

15 The RFP is going to include a lead contractor for the track and  
16 OCS, a designer for the traction power, train control,  
17 telecommunications, and SCADA systems, and an integrator  
18 responsible for the testing and commissioning. In addition, we are  
19 going to be looking for detailed pricing for the track and OCS  
20 construction work that we'll be releasing in this RFP.

21 I'm going to then lean into my colleague, Brent.

22 MR. BRENT (SURNAME UNIDENTIFIED): Sure. Thanks, Emily.

23 And that detailed pricing is available because of the work that's  
24 been done by the Authority's designer on the track and OCS design.  
25 So, we'll be in a position to actually get firm pricing for portions of that

1 construction aspect for the project.

2 The RFP will not include some other things. The new packaging  
3 approach is very deliberate to reflect where we are, and where we are  
4 not, in terms of level of project development and design. So, the  
5 designer for the track in OCS will not be part of the team we're  
6 procuring. We will keep that design work on our side of the house,  
7 through to 100 percent design and designer of record. It also, just for  
8 clarity, no longer includes the power generation and the battery electric  
9 storage systems. At one point in time, that was lumped into this  
10 contract. We'll be doing that as a separate procurement early next year.  
11 It does not initially -- and this is the interesting part, I think, it does not  
12 initially include the OEMs, the equipment manufacturers, for the  
13 traction power, the train control, and the comms systems. We think  
14 there is value in advancing design a little bit further on those elements  
15 with the selected team. And then we will have them run an open  
16 solicitation, with Authority input over the shoulder, on an open book  
17 basis to bring them in within an allowance that will establish after the  
18 initial selection of the track and OCS contractor and their designer.

19 So, it's a bit of a hybrid between conventional delivery methods to  
20 try and get the optimal result for where we are in the different portions  
21 of the project. Yeah.

22 MR. IAN CHOUDRI: Thank you, Brent, and Emily.

23 Any questions for them?

24 CHAIR TOM RICHARDS: Any questions for -- all right. Thank you,  
25 very much.

1 MS. EMILY MORRISON: Thank you.

2 MR. IAN CHOUDRI: All right. Going to slide 14. Of course, we  
3 will continue to further optimize. We hit all of our targets that we wanted  
4 in the year number one.

5 Now, we are going to go forward with what we have to continue to  
6 build on the foundations that we established in the first year, meaning  
7 refine our organizational structure even further. We are hiring, at the  
8 state level, key leaders, as you see here we have four more to go. So,  
9 we would like to bring our Chief Technology Officer, at the senior level.

10 We are inheriting now, taking back all the infrastructure from all  
11 the contractors who are finishing up the work. That means also we  
12 have to stand up our organization for infrastructure operations and  
13 maintenance. So, we have a role for that Chief that is out there,  
14 advertised. We need to build that in order for us to be moving from just  
15 a builder organization, to be builder and operations organization, like  
16 we end up -- we will end up being there.

17 We are deploying a lot of technology to optimize some of our  
18 inspections and processes that we do, like for utility investigations. We  
19 are working with firms who will bring a lot of advanced technologies for  
20 underground systems that we need to figure out how to avoid this issue  
21 of utility relocations we had for the last 10 years on this program.

22 We are also separating, de-risking the program, looking at all the  
23 early works, packaging. And we want industry to kind of know that, that  
24 we are not going to be blindly moving the risk to the contractor knowing  
25 very well that they are not able to handle that, which is all relevant to

1 acquisition of land. We are going to be responsible and do ahead of the  
2 procurement of civil packages. We want to get that cleared. Utility  
3 relocation. We will do that as early work packages. Geotechnical  
4 investigation is the other risky part that, when we start talking about  
5 tunneling through the mountains, and doing very, very high, tall bridges  
6 and viaducts, we would like to do all the geo tech investigations in-  
7 house so we can share the information with the builders, which is  
8 normally the most risky part for them. And so, why are we doing all  
9 that? It is just to bring cost certainty in the program and avoid the  
10 change orders that we went through in the past.

11 Same thing we will do for the designers. The design firms who are  
12 working for us, everyone will have a key performance indicator system  
13 in place. So, as they move, they are also being held to the same  
14 standard we have for our leaders.

15 So, Authority staff is committed and working and bringing to us  
16 these solutions that you heard today while we want our design firms  
17 and consulting firms to hold themselves to the same standard. And so,  
18 we will be implementing in the new procurements that approach. So  
19 those are the main areas of improvements we'll continue to look for.

20 I'm looking forward to actually start back in January discussions  
21 around, hey, Department of Finance and Legislature, thank you for the  
22 down payment of \$20 billion. Well, we need a lot more than that. So,  
23 we'll be back in that conversation, I think, in January. We'll be  
24 discussing those seven points, plus where is my other money  
25 discussion.

1           So, thank you. That is the update from me.

2           CHAIR TOM RICHARDS: Yeah. I think you got everybody's  
3 attention at the end there. I'm not going to ask for any responses from  
4 our Ad Hoc Member of the Board at this point.

5           Thank you, Ian.

6           Moving on, ladies and gentlemen, a quick update from the -- a  
7 report, actually, from our Finance and Audit Committee Meeting this  
8 morning.

9           In terms of cash available to the Authority, we have -- these  
10 numbers are, by the way, are at the end of July -- \$4.3 billion available.  
11 The overwhelming majority of that is \$3.9 billion that is proceeds from  
12 cap and trade. The other larger balance is from the Proposition 1A,  
13 which is at \$312 million. And we have a small amount, \$13 million from  
14 our Rail Property Fund. That's revenue earned from properties that we  
15 own.

16          The capital outlay for the month of July was \$133.6 million, of  
17 which \$87.4 million were for the construction packages.

18          Total project expenditures, to date, from the very outset of  
19 California High-Speed Rail is \$14.8 billion, of which 82.5% of that are  
20 investments from the state of California, and roughly 17.4% from the  
21 federal government in terms of funding.

22          We did apply for one grant in the month of July, which is a small  
23 one for \$111,000 with -- from the -- or with the Federal Railroad  
24 Administration for a project that would be for a cut corridor ID grant  
25 package.

1 Central Valley Construction Report included an average of about  
2 1,350 workers on our project sites in July. The progress report, on  
3 terms of structures, as you know, at 119 miles. We have 92 structures,  
4 55 have been completed, 32 are underway, five have not yet started.  
5 And in the month of July, there was one completed -- or one -- yeah,  
6 one completed in CP1 and one in CP23. Of the 119 miles of guideway,  
7 72 miles have been completed, 18 miles are underway, and 19 have  
8 not started. There were two miles completed in CP23 in the month of  
9 July.

10 In terms of utility relocations, 88 percent of the -- or 1,604 utility  
11 relocations have occurred, out of a total requirement of 1,826. There  
12 are 93 relocations that are in progress, and 129 that have not started at  
13 this point, at least at July 31st.

14 Right-of-way, we are standing at 99.2 percent or 2,276 parcels of  
15 land that were necessary for the development and construction of 119  
16 miles, which that, the total was 2,294. So, there are 18 parcels that  
17 have not been completed yet in terms of our having gained control of  
18 those 18 parcels. None of those are impeding construction.

19 And that is a fast summary of Finance and Audit today.

20 Let me move on quickly. Are there any -- just -- excuse me. You're  
21 not a board member.

22 MR. IAN CHOUDRI: I know. I just --.

23 CHAIR TOM RICHARDS: But go ahead.

24 MR. IAN CHOUDRI: I really wanted to thank the Mayor and our  
25 friends from City of Merced. What I would like to share -- I mean, we



1 appreciate that you all came here and discussed with us some of the  
2 concerns you have.

3 In response to that, I would like to share with you that we will  
4 come back to you and look at what other options are there for us to  
5 actually accelerate the construction towards Merced. And so, we'll be --  
6 I will be asking my Engineering and Planning team to take a deeper  
7 dive and look at that. And when I come back -- when I go with you,  
8 Director Williams, we will share that with them.

9 CHAIR TOM RICHARDS: Yeah.

10 MR. IAN CHOUDRI: That was just a comment.

11 CHAIR TOM RICHARDS: Yeah. No, no, thank you very much.

12 Do any of my colleagues on the Board have any comments this  
13 morning?

14 BOARD MEMBER HENRY PEREA: I have one comment.

15 CHAIR TOM RICHARDS: Yes, Henry?

16 BOARD MEMBER HENRY PEREA: One is a question for you,  
17 and the other just a comment.

18 On your Finance and Audit Committee Report --

19 CHAIR TOM RICHARDS: Mm-hmm.

20 BOARD MEMBER HENRY PEREA: -- on the third party issues  
21 and the right-of-way, is there anything that you're concerned about, or  
22 with respect to when we start laying track next year, will there be any  
23 holdups on that? Are we going to be clear?

24 CHAIR TOM RICHARDS: We're aware of none at this point.

25 BOARD MEMBER HENRY PEREA: What's that?

1 CHAIR TOM RICHARDS: We are aware of none at this point.

2 BOARD MEMBER HENRY PEREA: Perfect. Okay, thank you.

3 And just a couple of things.

4 One, Director Camacho and I, a week or so back, we were in Los  
5 Angeles at the American Council of Engineering Companies  
6 Organization. And our organization received an award for the fine work  
7 that we're doing in high-speed rail, and Ian and his team were there to  
8 accept the award. And it was good to be at such a big gathering and  
9 getting the type of recognition that our organization got. So,  
10 congratulations to you for that.

11 And I just wanted to -- I think a comment made in public  
12 comment, but I want to reiterate it here, thanking you, Ian, and your  
13 team, for all the fine work you've done in securing the money. We don't  
14 have it all, but we have a good chunk of money committed to us, and  
15 that would not have happened without your hard work, and the  
16 understanding that folks are very comfortable now with the direction  
17 we're heading. Of course, Assemblyman, thank you for your help. I  
18 know the hard work you did at the Assembly to make that happen. So,  
19 thank you very much.

20 CHAIR TOM RICHARDS: Director Schenk?

21 BOARD MEMBER LYNN SCHENK: Yeah. I just want to add a  
22 welcome to our new Board Member, Jeff, and to our new Counsel,  
23 Adam. You don't know what you've got yourself into, but we welcome  
24 you. It's always good to have new perspective and fresh ideas.

25 And Ian, thanks to your Chief of Staff for making things

1 administratively a little better. I can hear everybody at the microphone  
2 and making things more efficient. So, thank you.

3 CHAIR TOM RICHARDS: And so, before we move into a closed  
4 session. Oh, I'm sorry.

5 EX OFFICIO BOARD MEMBER JUAN CARRILLO: Mr. Chair, I  
6 also want to welcome the Member of the Board. I was the newbie. Now  
7 I'm not the newbie anymore. So, welcome.

8 CHAIR TOM RICHARDS: How does it feel?

9 EX OFFICIO BOARD MEMBER JUAN CARRILLO: I also want to  
10 comment on what Mayor Merced said earlier today.

11 I really appreciate the vision that the Mayor has in connecting also  
12 to Brightline, something that I think will be very beneficial to high-speed  
13 rail, having that connection between Palmdale to Apple Valley with  
14 Brightline. Because that's the vision that we should have in California,  
15 to not only concentrate on high-speed rail, but also the partnership with  
16 Brighton as well. I think that that's something that it's worth mentioning,  
17 because having that high desert corridor connection, it will really give  
18 us a chance in California to actually deliver to Californians what we  
19 promised. So again, I just want to thank the Mayor for those comments  
20 and, again, look forward to a continued partnership.

21 Legislature, as the CEO mentioned, looking forward to those  
22 conversations once we come back. And that's going to be here before  
23 we know it, January 5th is when we come back. So, happy to start  
24 those conversations early so that we have a package prepared so that  
25 we can continue to support.

1 MR. IAN CHOUDRI: Thank you for that, and we will work with you  
2 on that before January.

3 CHAIR TOM RICHARDS: Yeah. And we -- I'm sure I speak for all  
4 of our Members of the Board, we appreciate the fact that you've made  
5 the time, and are making the time, to actually attend these Board  
6 meetings. It's massively helpful for us and certainly inspires us to make  
7 sure that we don't disappoint anybody along the line. Thank you very  
8 much.

9 EX OFFICIO BOARD MEMBER JUAN CARRILLO: Yeah. You  
10 have my commitment to participate as much as I can. Obviously, when  
11 there's a Session, there'll be limited time, but I'll --

12 CHAIR TOM RICHARDS: Yeah.

13 EX OFFICIO BOARD MEMBER JUAN CARRILLO: -- I plan on  
14 being here --

15 CHAIR TOM RICHARDS: Thank you.

16 EX OFFICIO BOARD MEMBER JUAN CARRILLO: -- at every  
17 meeting. Thank you.

18 CHAIR TOM RICHARDS: Okay.

19 And I also would say that it's been a year, I think, as of September  
20 the 16th, sometime before that, I asked Director Williams to step in and  
21 lead the effort in finding a new CEO for our organization. As some of  
22 you may know, but certainly all the Board Members, we had well in  
23 excess of 100 applications. We had quite a large number of very  
24 qualified applicants. I am confident that we got the right guy.

25 And this has been an amazing whirlwind year of change and

1 redirection. And I think as a Member of this Board, I could not be  
2 happier with the direction that we're headed in.

3 So, Ian, thank you very much.

4 MR. IAN CHOUDRI: Thank you.

5 CHAIR TOM RICHARDS: Yeah.

6 MR. IAN CHOUDRI: Thank you very much.

7 CHAIR TOM RICHARDS: Yeah.

8 Anyway, ladies and gentlemen, we have, I hope, a short closed-  
9 session today. Yeah? I've got a yes from the Attorney. So, good. So,  
10 we'll get back to you shortly. I would say certainly within 30 minutes,  
11 maybe 20 minutes, 15 and a half minutes. We'll be back. So, -- and let  
12 you know if there's anything to report out but thank you for attending  
13 and we will see you shortly.

14 (Closed session commenced at approximately 11:07 a.m.)

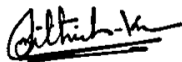
15 CHAIR TOM RICHARDS: Ladies and gentlemen, the closed  
16 session of the California High-Speed Rail Authorities Board of Directors  
17 is closed. We have nothing to report to the public. Thank you for joining  
18 us today. The meeting is now adjourned.

19 *(Meeting concludes at approximately 11:22 a.m.)*

CERTIFICATE OF TRANSCRIBER

I, Nithish Kumar, a transcriber for Datagain, do hereby certify: That said proceedings were listened to and transcribed by me and were prepared using standard electronic transcription equipment under my direction and supervision; and I hereby certify that the foregoing transcript of the proceedings is a full, true, and accurate transcript to the best of my ability.

In witness whereof, I have hereunto subscribed my name this 16th day of October 2025.

A handwritten signature in black ink, appearing to read 'Nithish Kumar', with a horizontal line drawn underneath the name.