

CALIFORNIA HIGH-SPEED RAIL AUTHORITY

BOARD OF DIRECTORS MEETING TRANSCRIPT OF PROCEEDINGS

HELD JANUARY 21, 2026

AT 9:00 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

Nancy Miller, Vice Chair

Ernest Camacho, Board Member

Emily Cohen, Board Member

Martha Escutia, Board Member

Henry Perea, Board Member

Lynn Schenk, Board Member

Anthony Williams, Board Member

Assembly Member Juan Carrillo, Ex Officio Board Member

Authority Staff

Ian Choudri, CEO

Adam Brezine, Chief Counsel

David Bennett, Principal-in-Charge, Program Delivery Services

Andrea Giuricin

Edward Fenn, Chief of Construction

Catrina Blair, Chief of Small Business

Tawnya Southern, Attorney

Derek Boughton, Reporting Branch Chief

Jamey Matalka, Chief Financial Officer

External Presenters

Pierre Vilain, Managing Director, KPMG

Public Commenters

Carter Lavin, Co-Founder Transbay Coalition, Oakland resident

Paul Wermer, San Francisco

Josh Pedrozo, Chair, Merced County Board of Supervisors

Matthew Serratto, Mayor, City of Merced

Frank Quintero, Deputy City Manager, City of Merced

Pete Varma, Burlingame

Illary Archilla, President and CEO, Terravanta

Laura Uden, Consultant, EWI

Stacie Guzman, Executive Director, Merced County Association of Governments

Keith Dunn, State Building Construction Trades Council and District Council of Iron Workers

Eric Ohlsen, Mayor, City of Palmdale

1 PROCEEDINGS

2 *(Meeting commenced at 9:35 a.m.)*

3 CHAIR TOM RICHARDS: And welcome back.

4 We are now calling to order the January 21st Board Gen -- or
5 Board Meeting and ask our -- ask our Secretary to call the roll.

6 BOARD SECRETARY: BOARD SECRETARY: Director Schenk?

7 BOARD MEMBER LYNN SCHENK: (No audible response.)

8 BOARD SECRETARY: Chair Richards?

9 CHAIR TOM RICHARDS: Here.

10 BOARD SECRETARY: Director Camacho?

11 BOARD MEMBER ERNIE CAMACHO: (No audible response.)

12 BOARD SECRETARY: Vice-Chair Miller?

13 VICE-CHAIR NANCY MILLER: Here.

14 BOARD SECRETARY: Director Perea?

15 BOARD MEMBER HENRY PEREA: (No audible response.)

16 BOARD SECRETARY: Director Escutia?

17 BOARD MEMBER MARTHA ESCUTIA: (No audible response.)

18 BOARD SECRETARY: Director Williams?

19 BOARD MEMBER ANTHONY WILLIAMS: Here.

20 BOARD SECRETARY: Director Worthe?

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

22 BOARD SECRETARY: Director Cohen?

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

24 BOARD SECRETARY: Assembly Member Carrillo?

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

1 BOARD SECRETARY: Senator Gonzalez?

2 SENATOR LENA CONZALEZ: (No audible response.)

3 BOARD SECRETARY: We have a quorum.

4 CHAIR TOM RICHARDS: Thank you.

5 And we'll ask if we could, Assembly Member Carrillo, to lead us in
6 the Pledge of Allegiance.

7 ASSEMBLY MEMBER CARRILLO: Good afternoon.

8 MEETING PARTICIPANTS: I pledge allegiance to the flag of the
9 United States of America, and to the republic for which it stands, one
10 nation under God, indivisible, with liberty and justice for all.

11 CHAIR TOM RICHARDS: Thank you, Assembly Member.

12 And ladies and gentlemen, today, with regards to moving into our
13 Public Comment, we're going to take the Zoom comments first.

14 And, Mr. Secretary, please advise the public here and on Zoom
15 how they can address the Board this morning.

16 BOARD SECRETARY: Thank you, Mr. Chairman.

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

20 If you are joining the meeting via Zoom and wish to provide
21 Public Comment, please use the raise your hand feature located at the
22 bottom of the app. Speakers will be called on in the order their hands
23 are raised. Once you are in the queue and your name is called, please
24 click the prompt on your screen to allow your microphone to be
25 unmuted. If we have any callers joining by phone, I will give instructions

1 on how you can make a Public Comment following the Zoom
2 participants. For members of the public who have joined us in person
3 and wish to provide Public Comment, you will be called up in the order
4 we received your card.

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

9 We're going to begin with the Zoom commenters.

10 Our first speaker is Carter Lavin, followed by Paul Wermer.

11 MR. CARTER LAVIN: Great. Can folks hear me?

12 UNIDENTIFIED SPEAKER: Yes.

13 UNIDENTIFIED SPEAKER: Yes.

14 UNIDENTIFIED SPEAKER: Yes.

15 MR. CARTER LAVIN: Yes. Okay. Excellent. Hi there.

16 So, my name is Carter Lavin. I'm an Oakland resident and the co-
17 founder of the Transbay Coalition. We are an 11,000-member
18 grassroots organization of transit supporters throughout the nine
19 county Bay Area.

20 Calling in to start the year with a simple message for you all. We
21 want the project built as soon as possible. Pick up the pace and be
22 more assertive in advocating for what the project needs to be able to
23 move forward faster. State lawmakers right now are drafting new
24 legislation to make California a better place. And I sincerely hope that
25 the Authority is working with multiple lawmakers on multiple fronts on

1 policies that would enhance the project in multiple ways to speed up
2 delivery and lower costs at the same time. We should not be just
3 asking for one thing and trying -- you know, putting all our eggs in one
4 basket. There's a lot of people throughout the State who support transit
5 and better projects. We should be pushing on that.

6 At the same time, I hope you have a robust set of asks going out
7 to each and every County Board of Supervisors in every local
8 jurisdiction the project goes through from San Francisco to Los
9 Angeles. As a federal government, current administration shows itself
10 to be no ally to the people of California in this vital project to connect
11 and transform our State. It's crucial that the Authority get clear and
12 frank with its ask at all levels of government in California.

13 At the end of the day, this is an amazing project. We absolutely
14 need it. And it is your responsibility to help people understand why it's
15 taking so long. And yes, we need more funding, but there's a lot of
16 other policy fixes and other things that could be changed that would
17 make it easier for you all to operate and deliver the project that we are
18 so eagerly clamoring for.

19 BOARD SECRETARY: Fifteen seconds.

20 MR. CARTER LAVIN: So, thank you very much.

21 So, to start the year, I just want to remind you, go -- go a lot
22 bigger, go a lot faster. We're here for it and we're excited for it. Thank
23 you.

24 CHAIR TOM RICHARDS: Thank you.

25 BOARD SECRETARY: Next up is Paul Wermer.

1 CHAIR TOM RICHARDS: Good morning, Mr. Wermer.

2 MR. PAUL WERMER: Good morning. I should say I'm -- my name
3 is Paul Wermer. I'm a resident of San Francisco. And I think Carter
4 addressed a lot of the issues. I would like to explain why I think this is
5 so important.

6 My wife and I recently had a very pleasant trip from San
7 Francisco down to Claremont, California, entirely by rail, a couple of
8 short segments by bus. And the views from the Coast Starlight were
9 beautiful. The views coming back on the San Joaquin were fascinating
10 because I got to see the construction sites of the high-speed rail, and
11 that was really something. What I compared it to were my experiences
12 on the Eurostar train from London to Paris, travel in Japan on the
13 Shinkansen, and riding into Italy on the Frecciarossa , all of which had
14 marvelous views, but there was one significant difference. They
15 actually got me to places in a timely manner, competitive with flight.

16 We really need --

17 BOARD SECRETARY: Fifteen seconds.

18 MR. PAUL WERMER: -- high-speed rail as soon as possible, and
19 I urge you to do everything possible to accelerate it. Thank you.

20 CHAIR TOM RICHARDS: Thank you.

21 BOARD SECRETARY: That concludes our Zoom participants.
22 We're going to move to our in-person speakers.

23 CHAIR TOM RICHARDS: We'll call Supervisor Pedrozo from
24 Merced County. Good morning, Supervisor, Mr. Chair.

1 MR. JOSH PEDROZO: Good morning, Mr. Chair, Members of the
2 Authority, CEO Choudri. Josh Pedrozo, Merced County Board of
3 Supervisors.

4 On behalf of the Merced County Board of Supervisors, we
5 appreciate the California High-Speed Rail Authority's continued
6 engagement with our region and its commitment to advancing a
7 transformative statewide transportation system.

8 As the Authority evaluates a potential change in the Merced
9 Station location from downtown Merced to a site in southern
10 unincorporated Merced County, we wish to express the County's
11 conceptual support for a thorough and collaborative review of this
12 option and inclusion in your upcoming Draft Business Plan.

13 Merced County recognizes that station siting decisions are
14 complex and must balance system performance, constructability, long-
15 term operational efficiency, environmental considerations, and regional
16 economic outcomes. The proposed southern Merced County location
17 presents an opportunity to examine potential advantages related to
18 land availability, construction feasibility, multimodal connectivity, and
19 regional access, particularly for residents throughout the broader
20 county and neighboring jurisdictions. We believe it is appropriate to
21 objectively assess whether this alternative may better advance the
22 Authority's goals while still delivering meaningful benefits to the Merced
23 region.

24 Merced County values the importance of ensuring that any station
25 location supports access, stimulates sustainable economic

1 development, and integrates effectively with local transportation
2 networks and land use planning.

3 Again, thank you for your commitment to strong communications.
4 The communications have been phenomenal since the last time I was
5 here, and I really appreciate that.

6 Merced County stands ready to work collaboratively with the
7 California High-Speed Rail Authority, and we appreciate the Authority's
8 partnership. We look forward to continuing conversations with your
9 team as this important matter advances.

10 Again, thank you for your ongoing communication. It was rough at
11 first, but now it's turned around, and one of my colleagues on the Board
12 of Supervisors made the comment that, you know, he's been on the
13 Board for, I think, almost eight years and he's talked more about high-
14 speed rail in the last like four weeks. So, I'm very happy about that. So,
15 thank you guys very much.

16 CHAIR TOM RICHARDS: Thank you, Mr. Chairman. We're happy
17 to be working closely with you, as we have in the past.

18 And I believe also we have Mayor Serratto from the City of
19 Merced?

20 MR. MATTHEW SERRATTO: Yes.

21 CHAIR TOM RICHARDS: Good morning, Mr. Mayor.

22 MR. MATTHEW SERRATTO: Good morning, sir. How are you?

23 CHAIR TOM RICHARDS: Well, thank you.

1 MR. MATTHEW SERRATTO: Good morning, Chair Richards,
2 CEO Choudri, Members of the Board. Great to be here. Thank you, as
3 always, for allowing us this opportunity.

4 Again, I'd echo many of the comments that my colleague
5 Supervisor Pedrozo made. We have joined, I think, over the past few
6 months, a great relationship with the Authority and all the
7 communication, both with CEO Choudri and members of the staff, also
8 Board members as well. Thank you, Mr. Perea, Mr. Williams,
9 everybody else who's met with us.

10 And again -- well, a huge thing that, you know, I've seen, I've felt,
11 I've learned from our community over the past few months is how much
12 we care about this project, how important it is to the City of Merced and
13 how there's deep support in town for it. We had -- recently at our
14 Council Meeting, we had a very thorough, robust discussion on the
15 potential of moving the station, or you know, the possibility of moving
16 the station from the planned location in downtown Merced to a location
17 in southeast Merced. We had a great discussion. We're going to come
18 back again on the 27th of January, relatively soon, to complete that
19 discussion. So, at the initial meeting -- not getting ahead of our Council,
20 but I think there's a majority of Council members who expressed
21 support for the move. However, a number of Council members wanted
22 to continue thinking about it and discussing it a little more too, and
23 conduct lacking more outreach to the community, because it's certainly
24 a big change for us and when it comes to our downtown, our general
25 plan, and everything. So, it's just a lot for us to work on. But I anticipate

1 another good discussion on the 27th, and a vote, potentially, on
2 supporting that project.

3 So, again, thank you all for everything you have done. I have
4 come with -- if you recall, my colleague from Livingston last time came
5 with doughnuts. I don't come with doughnuts, but I came with two
6 props. This is kind of a --.

7 CHAIR TOM RICHARDS: We're pretty disappointed, actually.

8 UNIDENTIFIED SPEAKER: Yeah.

9 MR. MATTHEW SERRATTO: I know. Okay. I'll sit down. But this --
10 I'll -- we'll bring these next time.

11 This is -- Stacy from our COG, or Association of Governments,
12 will like this too. This is a hat from YARTS. This is Yosemite Area Rapid
13 Transit.

14 CHAIR TOM RICHARDS: All right.

15 MR. MATTHEW SERRATTO: Regional Transit -- Regional Transit,
16 sorry.

17 And the -- Merced has a bus system, yards that connects to
18 Yosemite. Both stations, and in particular, I think a proposed southeast
19 station will have a wonderful connection to Yosemite as well. So, it'd be
20 a great opportunity for Yosemite ridership.

21 And then also too, on my phone, I took a picture of an article that
22 hangs in the City Manager's office. It's probably hard to see from here,
23 but it's a Merced Sun-Star article, a historical article about Merced. And
24 there it says, railroad shaped community. So, way back when, when

1 Merced was founded, it was built around the railroads, like so many
2 other of the Valley cities.

3 And I think this is the modern day expression of that, which I think
4 would really help our town, a lot of Valley towns, and really help the
5 town grow.

6 So, thank you again for all your continued work, and we
7 appreciate the opportunity to be here.

8 CHAIR TOM RICHARDS: Thank you, Mayor. And we invite both
9 you and the Chair, Mr. Pedrozo, to join us often.

10 MR. MATTHEW SERRATTO: Yeah.

11 CHAIR TOM RICHARDS: Thank you.

12 MR. MATTHEW SERRATTO: You're welcome.

13 BOARD MEMBER HENRY PEREA: Chairman? If can just briefly
14 the Mayor and the Supervisor for coming today and their words. But I
15 really want to thank CEO Choudri and his team. They've done some
16 fantastic work in Merced.

17 CHAIR TOM RICHARDS: Yeah, and I'd like to call out Peter
18 Whippy on that, who's been down there and engaging. And Peter, good
19 job. Thank you, wherever you are.

20 BOARD MEMBER EMILY COHEN: Just wanted to echo that to
21 you, Peter.

22 CHAIR TOM RICHARDS: Thank you.

23 BOARD MEMBER EMILY COHEN: I wanted to echo the same
24 thing. What a turnaround. And -- what a turnaround. Thank you very

1 much to High-Speed Rail team members, and also my fellow Board
2 member --

3 CHAIR TOM RICHARDS: Yeah, thank you, Anthony. And thank
4 you, Henry.

5 BOARD MEMBER EMILY COHEN: -- Anthony Williams, for
6 putting in the work. So, thank you very much for -- for coming, that's
7 wonderful, and to High-Speed Rail.

8 CHAIR TOM RICHARDS: Okay. (INDISCERNIBLE 0:15:59)
9 Secretary.

10 BOARD SECRETARY: Our next Public Comment will be coming
11 from Frank Quintero, followed by Pete Varma.

12 CHAIR TOM RICHARDS: Good morning, Mr. Quintero. Welcome
13 back.

14 MR. QUINTERO: Good morning, Chair Richardson. Thank you
15 very much. Again, my name's Frank Quintero. I'm the Deputy City
16 Manager for the City of Merced.

17 And I'm just going to be honest with you. I think Alice Rodriguez
18 from your staff said it best when she said, I miss my family, it's been a
19 week. And that's how often we've been communicating with High-
20 Speed Rail. So, thank you to Mr. Whippy, and Mr. Tollefson, Mr. Mullen,
21 Ms. Gomez, and Mr. Turan. They've been outstanding in working with
22 the City, the County, the Association of Governments. We've had eight
23 meetings. Two were with our Council. Very much appreciate the visit
24 from Mr. Perea and from Mr. Williams online. All are just strengthening
25 the partnership that we see is just developing.

1 Lots of decisions still to be made on what it will take to complete
2 high-speed rail, the land use, the engineering, the planning, etcetera.
3 And I feel that we're getting there. We're definitely on the right path.

4 We look forward to reading the 2026 Draft Business Plan. And
5 just continue to state, as you've heard from Supervisor Pedrozo and
6 from Mayor Serratto, let's continue to build on this partnership.

7 And Mr. Choudri, thank you. Your staff has been fantastic. Thank
8 you.

9 MR. IAN CHOUDRI: Thank you.

10 CHAIR TOM RICHARDS: Thank you, Mr. Quintero.

11 BOARD SECRETARY: Next up is Pete Varma, followed by Illary
12 Archilla. I'd just like to remind everyone to speak clearly into that
13 microphone.

14 MR. PETE VARMA: Thank you. Good morning. Giving thanks for
15 the opportunity to speak on behalf of small business. That's my
16 passion. And I've spoken before about it, Board of Directors.

17 There's been tremendous changes that we have seen on various
18 different events, events in Burlingame, and there was a pre-bid
19 meeting in Sacramento, which had made an opportunity to meet some
20 of the prime contractors and engage with them about subcontracting
21 small business.

22 I've been serving on Small Business Council for high-speed rail,
23 representing the Construction Committee, and it's our Charter that we
24 want to make sure that many of the smaller business gets an
25 opportunity to participate.

1 With this said, I have prepared a one-page document for all of the
2 Board of Directors. It will be shared with you. And I think this provides a
3 roadmap to meet and exceed some of the goals that you have, you
4 know, work out for you. And it is doable.

5 And as I was looking at today's Agenda, and there's a remark by
6 Derek Boughton, from -- Chief, and it talks about the social impact on
7 hiring small businesses -- creates a lot of jobs, creates wealth in the
8 community, and it builds families and gives an opportunity for small
9 contractors to send their kids to school and do that. That's what we're
10 here for, and that's what we want to do. And I wanted to thank you
11 again for making those changes, that the words are being heard from
12 the small business, that the changes are been made.

13 And now is a great time to 2026 to take it to the next level. And I
14 hope that you can work with us to get it there. Thank you so much.

15 CHAIR TOM RICHARDS: Thank you, sir.

16 BOARD SECRETARY: Next up is Illary Archilla, followed by Laura
17 Uden. Apologies if I'm misspelling or mispronouncing anyone's name.

18 MS. ILLARY ARCHILLA: No worries.

19 CHAIR TOM RICHARDS: Yeah.

20 MS. ILLARY ARCHILLA: Good morning, CEO, Chair, and Board
21 of Directors. My name is Illary Archilla. I'm a small business owner,
22 from Terravanta, and I appreciate you accepting my comments today.

23 The reason why I'm here is because I want to bring to your
24 attention a small structural process issue that is affecting currently

1 small businesses and micro businesses that are currently participating
2 in high-speed rail.

3 The small businesses and micro businesses that do not have yet
4 fully audited FAR 31 compliant indirect cost rates are still required to
5 compete under the same rules as large established businesses. This
6 creates a disadvantage for small businesses. It reduces their cost
7 recovery rate and increases their compliance, even when the costs are
8 reasonable. For the agency, this causes inefficiencies while maintaining
9 low risk, low contract, dollar value contracts. Some of the peer
10 agencies are already adopting some flexible processes that eliminate
11 this burden.

12 I really encourage the Board of High-Speed Rail to look into
13 processes that are already existent within other agencies that not only
14 help small businesses, but that also maintain accountability and reduce
15 the risk.

16 This is not about lowering standards. This is really about scaling
17 processes that allow small businesses to participate, to continue
18 providing services, and that match the risk and the dollar value of the
19 contracts.

20 As somebody mentioned, small businesses are the backbone of
21 the economy. If we allow sustainable, scalable processes for small
22 micro businesses --

23 BOARD SECRETARY: Fifteen seconds.

1 MS. ILLARY ARCHILLA: -- it will help the communities, but it will
2 also generate more competition, which at the end helps the agency as
3 well. Thank you so much.

4 CHAIR TOM RICHARDS: Thank you.

5 BOARD SECRETARY: Next up is Laura Uden, followed by Stacy
6 Guzman.

7 CHAIR TOM RICHARDS: Good morning, Ms. Uden.

8 MS. LAURA UDEN: Good morning, Board, and thank you for
9 always having us here and letting us speak. The Public Comments are
10 important.

11 As you know, I've represented small businesses on the program
12 for a decade on the Business Advisory Council, and I've worked on the
13 program since 2009, so longer than a lot of people.

14 I'm speaking today on behalf of my firm and the dozens of other
15 firms that are potentially being impacted by some financial issues that
16 are happening right now to us. Illary spoke about some of that.

17 We're basically -- the businesses on high-speed rail, the small
18 businesses, are facing a financial trifecta that could take us out and I
19 want you to be aware of that.

20 It starts with three projects being put on hold with 24 hours'
21 notice. That was M2M LGA and the station's contract. We've been
22 waiting for six months to find out whether we're ever going to get work
23 on those again, but that was a significant loss of income, and for some
24 firms, all of their income.

1 The second thing that's happening is that with the political and
2 economic environment that we're in, which is not the fault of this
3 Authority, of course, it's very difficult to get work with other agencies.
4 People are putting projects on hold, as were some of the projects that
5 were originally announced a year ago for the high-speed rail.

6 Then the third issue is that we've had a recent financial audit on
7 some of these projects, including one that I'm on, that has required
8 significant repayment back to the Authority. In some cases, it's because
9 a firm hadn't established their indirect cost rate. In some cases, it's
10 because the PPP loans meant that any expenses that you would have
11 paid with those funds had to be removed from your indirect cost rate.
12 And this was something that, you know, only large primes were really
13 aware of in most cases. So, with all of this, we're being asked to pay
14 back significant funds. Most of us stand ready to try to figure that out,
15 but we're also being told that there's not going to be any payment plan
16 allowance at all, though we must pay it all back immediately. And you
17 need --

18 BOARD SECRETARY: Fifteen seconds.

19 MS. LAURA UDEN: -- to be aware that is likely going to bankrupt
20 many firms. Some of them have lost all of their business because the
21 projects were put on hold, and now they're expected to pay back tens
22 or hundreds of thousands of dollars immediately. It's not possible.

23 We ask the Board to work with the Authority to find a solution that
24 is reasonable and possible. Thank you.

25 CHAIR TOM RICHARDS: Thank you.

1 CHIEF COUNSEL ADAM BREZINE: Next up is Stacie Guzman,
2 followed by Keith Dunn.

3 MS. STACIE GUZMAN: Good morning. My name is Stacie
4 Guzman, Guzman, Guzman, I answer to them all.

5 I am the Executive Director of the Merced County Association of
6 Governments, which the way we're structured, we also serve as the
7 Transit Joint Powers Authority for Merced County, and as Mayor
8 Serratto mentioned, the Yosemite Area Regional Transportation
9 System. It's hard to follow those three gentlemen, and I will try to be
10 uncharacteristically brief, which they probably will joke at when I'm
11 done.

12 But I have spoken to this Board before, shared comments, largely
13 virtual, most recently after the release of the Supplemental Report back
14 in August. At that time, I had felt compelled to express my frustration
15 with the lack of communication and what the effect of being blindsided
16 really had on partnerships that had been really critical.

17 So, the decision to drive up today was to again speak on
18 communication, but in a much more positive note. Since August, as
19 you've heard from two of my Board members and a colleague, there's
20 just been significant improvement in communication, not just in
21 frequency, but in quality, in the types of meetings we're having, the
22 types of conversations. It really is starting to feel like a partnership. The
23 Authority staff have been staying in touch with me, with everyone who
24 has spoke from Merced today, meeting with us, meeting with local
25 elected officials at the City and County level. It has really been a

1 change in the partnership, and we look forward to this open and
2 collaborative work as we move forward.

3 And lastly, I'll just say -- I want to use the last few seconds to
4 underscore that Merced's number one priority is that Merced Station
5 remain in the initial operating segment of the project. We look forward
6 to seeing that commitment preserved in the Business Plan next month.

7 And just want to thank you again and reiterate to all of the staff
8 that were mentioned, Peter and Mark, and Diane has been very
9 involved, and Basem and just -- and Alice, everyone has just been
10 really exceptional. And I know Mr. Choudri has spent a lot of time with
11 our folks as well. So, just thank you all very much.

12 CHAIR TOM RICHARDS: Thank you.

13 BOARD SECRETARY: The final speaker will be Keith Dunn.

14 CHAIR TOM RICHARDS: Good morning, sir.

15 MR. KEITH DUNN: Thank you. Thank you, Mr. Chairman, Board
16 members. It's always good to follow my friend Stacie and everyone.

17 I want to really just take a moment to highlight the fact that we've
18 got the Bay Area and the Central Valley agreeing, which, you know, for
19 those of us who have been around California, it doesn't happen often. I
20 also have been talking with the Mayor of the City of Palmdale, so we
21 can bring in Southern California, that everyone agrees we're making
22 great progress. We're making great progress. A lot of that has to do
23 with the High-Speed Rail team, and you've heard from the Central
24 Valley folks that not only your Board, but also the staff professionally
25 are really investing that time to build that partnership. And what I'm

1 hearing from them today and what I know about the Central Valley is
2 we're not just building a rail, we're building an economic lifeline.

3 By the way, I'm here on behalf of the State Building Construction
4 Trades Council as well the District Council of Iron Workers today, which
5 I forgot to mention.

6 But this is a -- we're building not just a rail line, we're building an
7 economic lifeline. It's not just in the Central Valley, but you're hearing
8 it's also connecting into the Bay Area. And I'm sure that the Mayor of
9 the City of Palmdale would say the same thing.

10 It's critically important that we take this momentum, this fantastic
11 momentum that we have that we had with the Cap-and-Invest
12 extension that happened in the fall, and Assemblyman Carrillo was
13 extremely involved in -- we thank you for your leadership -- and look at
14 the other types of changes and authorities that we need statutorily to
15 make sure that we're making those investments count. There are a
16 number of them; utility relocations, some other opportunities that we
17 have to make sure that those dollars that are limited are being spent in
18 the most appropriate way. So, I hope that we can take this collective
19 synergy throughout the State, with your help and guidance, and make
20 sure that we're communicating with our Legislature to get those
21 changes, to make sure that those limited dollars are going to build as
22 quickly as possible, as you heard from other folks today. We need to be
23 taking the chance now to do as much as we can sooner than later
24 because those dollars become less valuable with every day that
25 passes.

1 So, thank you to CEO Choudri and his team, to your Board for the
2 communication you're doing with the Valley. Let's build that economic
3 lifeline. Let's continue to make progress and get the changes that we
4 need regulatorily so that those dollars go further. With that, I say thank
5 you very much.

6 CHAIR TOM RICHARDS: Thank you.

7 BOARD SECRETARY: Mr. Chairman, we have no other
8 attendees that would like to provide Public Comment at this time.

9 CHAIR TOM RICHARDS: I do know we have the Mayor of
10 Palmdale here. Mr. Ohlsen, would you like to address the Board? And
11 welcome.

12 MR. ERIC OHLSEN: Thank you. Thank you so much for having
13 me here.

14 This high-speed rail project, for the City of Palmdale, is a
15 necessity. It's not just a good idea. It's not just jobs.

16 We are the highest super commuter in the country. New York City
17 is second to Palmdale. Ninety minutes each way for our commuters.
18 That's early mornings and late nights that parents can't be with their
19 children. And when you have unsupervised children, they get in trouble.
20 So, it's a -- it's the public safety issue for us.

21 It's a matter of national defense. We have got Plant 42 in
22 Palmdale and congested roads that make it difficult for those
23 employees to get in and out.

1 We need to come up with alternatives. You are doing that and we
2 will stand by you and fight with you every step of the way because it is
3 a necessity to our city. What you're doing is revolutionary.

4 I say California is in the middle of a transportation revolution, and
5 Palmdale is at the center of it. So, I'm here to show you our support
6 and our commitment to you and whatever you need we're not just a
7 champion, we'll fight with you. Thank you.

8 CHAIR TOM RICHARDS: Thank you, Mayor. Thank you for being
9 here.

10 BOARD MEMBER EMILY COHEN: Mr. Mayor, thank you for
11 visiting. And I also -- I am a super commuter. And

12 I want to thank you for reminding us all that the project -- we don't
13 talk enough about how this project, what it would do for the quality of
14 life for Californians in so many ways. And we need to be able to hold
15 that vision as we move forward for families and for individuals. It
16 positively impacts every single person in this State, and really across
17 the nation.

18 And so, thank, you for coming here today. And so, briefly, but
19 importantly, reminding us all of that. And thanks to everybody in
20 Palmdale. Hang in there.

21 CHAIR TOM RICHARDS: Thanks, Director Cohen.

22 BOARD MEMBER ANTHONY WILLIAMS: Mr. Chairman?

23 CHAIR TOM RICHARDS: Yes.

24 BOARD MEMBER ANTHONY WILLIAMS: Yeah, I'd just add on to
25 that. The fact that we have a major and important city, county, in the

1 northern part of the State and a major and important city in the
2 southern part of the state coming here today, at this point in the project,
3 is an indication of the progress that we're making and the confidence
4 that I think a lot of people up and down this State have. That's earned.
5 It didn't just come. I hope we continue that, and again, replicate the
6 hard work that's been done to -- you know, to build these partnerships
7 throughout the State. So, thank you, Mayor. Thank you, Supervisor.
8 Thank you, Mayor, and all of you for being here.

9 The only other thing that I will say, too, is that we also have
10 federal stakeholders who have been very much engaged in watching
11 this. I've had multiple meetings both in Washington and here, with
12 Congressman Adam Gray, you know, from Merced. There's their eyes
13 on this, and important stakeholders who are very much engaged. I just
14 also want to acknowledge that even though he's not here physically,
15 he's very much paying attention and engaging with us on this.

16 CHAIR TOM RICHARDS: Okay. So, maybe I'll say one other
17 then, because it would be remiss not to. Had it not been for two people,
18 one, sitting to my right on our Board, our Director, Lynn Schenk, who,
19 as a U.S. Congress member, was the person who introduced high-
20 speed rail legislation for the first time in the United States.

21 And secondly, let me also say in the State of California, had it not
22 been for now Congress Member Jim Costa, we would not be where we
23 are. He championed this at the State level, while Lynn, at that point,
24 was also representing at the highest levels, a previous Governors of

1 the State of California, but he was directly responsible for the
2 legislation that puts us here today. And so, thanks to Jim Costa also.

3 With that, thank you. And are we done now? Okay.

4 We'll move on to the first item on the agenda, if we can have a
5 motion for approval of our -- thank you,

6 UNIDENTIFIED SPEAKER: Second.

7 CHAIR TOM RICHARDS: Okay. Please call the roll.

8 BOARD SECRETARY: Director Schenk?

9 BOARD MEMBER LYNN SCHENK: Yes.

10 BOARD SECRETARY: Chair Richards?

11 CHAIR TOM RICHARDS: Yes.

12 BOARD SECRETARY: Director Camacho?

13 BOARD MEMBER ERNIE CAMACHO: (No audible response.)

14 BOARD SECRETARY: Vice-Chair Miller?

15 VICE-CHAIR NANCY MILLER: Yes.

16 BOARD SECRETARY: Director Perea?

17 BOARD MEMBER HENRY PEREA: Yes.

18 BOARD SECRETARY: Director Escutia?

19 BOARD MEMBER MARTHER ESCUTIA: (No audible response.)

20 BOARD SECRETARY: Director Williams?

21 BOARD MEMBER ANTHONY WILLIAMS: Aye.

22 BOARD SECRETARY: Director Cohen?

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

24 BOARD SECRETARY: The motion carries.

25 CHAIR TOM RICHARDS: Thank you.

1 Item Number 3, ladies and gentlemen, is the -- is the.

2 Let's try 2 first. We have the CEO Performance Metrics Criteria.

3 There was -- has been a subcommittee last year and this year,
4 composed of Director Williams and myself, who have worked on the
5 metrics with others for this year.

6 And I'm going to ask Director Williams to give us a brief
7 presentation on the metrics for the CEO bonus.

8 BOARD MEMBER ANTHONY WILLIAMS: Thank you, Mr.
9 Chairman.

10 So, this -- for the second time, for our current CEO, we are
11 presenting to you the recommended metrics for determining whether
12 the CEO will receive their performance differential for 2026 in the
13 amount of \$25,000. This Board previously established metrics last
14 year. The CEO was provided that differential.

15 So, we have updated them to reflect current goals that the
16 Authority has, that the State has for the project. And as you said, Mr.
17 Chairman, these metrics were developed in consultation with a number
18 of stakeholders, but also other Board members, and, you know, an
19 understanding of kind of where we are in the project.

20 I do want to add that we did get some late input from some very
21 key stakeholders. So, I have provided to staff by email some edits to
22 what is currently in this item that I'm going to do my best to read for
23 folks to understand. And I apologize if these came late, so we were not
24 able to have this printed out for you, but I'm going to read them slowly,
25 and I can repeat them for anybody who has any questions.

1 So, I'm -- so we will basically --

2 UNIDENTIFIED SPEAKER: (INDISCERNIBLE 0:36:15

3 BOARD MEMBER ANTHONY WILLIAMS: -- and they -- well
4 they've been emailed to staff to update the document, and a final
5 document, I think, should be sent to all Board members once it's
6 completed.

7 But I'll do my best so that we can move forward with this item. So,
8 let me just go ahead and read those into the record here.

9 So, under the second group of metrics, under Procurements and
10 Requests for Expression of Interest, we're adding a bullet that will read,
11 "finalize acquisition of all remaining necessary parcels". So, that's an
12 add to that section.

13 Under Construction Milestones, we're editing the first bullet to
14 read, "prioritize actions to 1) conclude CP1 and CP23 by the end of
15 2026 enabling timely track laying", comma, and "2) complete all
16 remaining civil works". We are adding a bullet to that section that says,
17 complete remaining guideway mileage. And the final bullet under that
18 section will read, "initiate track laying between Madera and Shafter".

19 UNIDENTIFIED SPEAKER: Say that again.

20 UNIDENTIFIED SPEAKER: And you're deleting the railhead
21 prepared --.

22 BOARD MEMBER ANTHONY WILLIAMS: No, that's staying.

23 UNIDENTIFIED SPEAKER: That's staying.

24 BOARD MEMBER ANTHONY WILLIAMS: Yeah.

1 UNIDENTIFIED SPEAKER: So, that third bullet point
2 (INDISCERNIBLE 0:37:50).

3 BOARD MEMBER ANTHONY WILLIAMS: The last addition is
4 initiate track laying between Madera and Shafter.

5 Under the bullet -- under the category titled Leadership and
6 Management, we are adding a bullet that will read, "ensure appropriate
7 utilization of Governor's appointees to the Authority, including involving
8 them in all key decisions and processes related to their roles". I can
9 repeat that if anybody wants that repeated.

10 BOARD MEMBER HENRY PEREA: What does that mean?

11 BOARD MEMBER ANTHONY WILLIAMS: It means ensure
12 appropriate utilization of Governor's appointees --

13 BOARD MEMBER HENRY PEREA: To this Board.

14 BOARD MEMBER ANTHONY WILLIAMS: -- to this Authority. To
15 the Authority, not to the Board. I'm sorry if I said that. Appointee is to
16 the Authority. So, staff --

17 BOARD MEMBER HENRY PEREA: Okay.

18 BOARD MEMBER ANTHONY WILLIAMS: -- members who are
19 appointed by the Governor --

20 UNIDENTIFIED SPEAKER: To make sure they're --.

21 BOARD MEMBER ANTHONY WILLIAMS: -- to ensure that they
22 are included in all key decisions and processes related to their roles.

23 UNIDENTIFIED SPEAKER: What about appointees appointed by
24 the Legislature?

1 BOARD MEMBER ANTHONY WILLIAMS: The Legislature
2 doesn't have appointees --

3 CHAIR TOM RICHARDS: (INDISCERNIBLE 0:39:07)

4 BOARD MEMBER ANTHONY WILLIAMS: -- to the Authority. This
5 is to the Authority, not the Board.

6 CHAIR TOM RICHARDS: Yeah, it's not --

7 UNIDENTIFIED SPEAKER: (INDISCERNIBLE 0:39:14)

8 CHAIR TOM RICHARDS: -- it's not the Board members.

9 BOARD MEMBER ANTHONY WILLIAMS: Let me -- again, just
10 because I -- I may have misspoke.

11 UNIDENTIFIED SPEAKER: Got it. Got it.

12 CHAIR TOM RICHARDS: Yeah, it's management level --

13 BOARD MEMBER ANTHONY WILLIAMS: Yeah.

14 CHAIR TOM RICHARDS: -- appointees.

15 BOARD MEMBER ANTHONY WILLIAMS: It's to the Authority, not
16 the Board.

17 CHAIR TOM RICHARDS: Yeah, we're good.

18 BOARD MEMBER ANTHONY WILLIAMS: It's the staff roles that
19 are appointed by the Governor. So, that includes --.

20 UNIDENTIFIED SPEAKER: I -- I get it.

21 BOARD MEMBER ANTHONY WILLIAMS: Yeah.

22 UNIDENTIFIED SPEAKER: My apologies. Thank you.

23 VICE-CHAIR NANCY MILLER: Do we have -- do we vote to
24 include this or are we --.

25 BOARD MEMBER ANTHONY WILLIAMS: Yeah, I'm --

1 CHAIR TOM RICHARDS: Yes. Yes, these will be included in your
2 vote.

3 BOARD MEMBER ANTHONY WILLIAMS: Yeah.

4 And then the last addition is coordinate -- and this under
5 Leadership and Management, "Coordinate with the Office of the
6 Governor and the California State Transportation Agency leadership to
7 develop and implement an updated long-term plan".

8 Again, staff has these edits in an email that you probably just --
9 they just received about 20 minutes ago.

10 And I'm happy to answer any questions of the Board
11 (INDISCERNIBLE 0:40:08).

12 BOARD MEMBER HENRY PEREA: Read that last one again.

13 BOARD MEMBER ANTHONY WILLIAMS: "Coordinate with the
14 Office of the Governor and the California State Transportation Agency
15 leadership to develop and implement an updated long-term plan".

16 BOARD MEMBER HENRY PEREA: How does that differ from the
17 Business Plan, that effort?

18 BOARD MEMBER ANTHONY WILLIAMS: Well, --.

19 UNIDENTIFIED SPEAKER: Coordinate with the Office of the
20 Governor. Is that the only difference?

21 BOARD MEMBER HENRY PEREA: Well, what does it mean? I
22 mean, if we submit a Business Plan to the Legislature, --

23 BOARD MEMBER ANTHONY WILLIAMS: Right.

24 BOARD MEMBER HENRY PEREA: -- and that's our plan, --

25 BOARD MEMBER ANTHONY WILLIAMS: Right.

1 BOARD MEMBER HENRY PEREA: -- it goes to the Governor
2 too. So, what are we going to coordinate with them on?

3 BOARD MEMBER ANTHONY WILLIAMS: Well, it's -- I think what
4 it means is both with respect to the Business Plan and the Project
5 Update, that there be ongoing dialogue and coordination and
6 communication prior to finalizing and submitting drafts and submitting
7 those documents to --

8 BOARD MEMBER HENRY PEREA: Mm.

9 BOARD MEMBER ANTHONY WILLIAMS: -- the Legislature and
10 the public. The request is to include this in the item, yes.

11 BOARD MEMBER ANTHONY WILLIAMS: Yes.

12 CHAIR TOM RICHARDS: Yeah, it -- yeah, the answer is yes, it
13 has been.

14 BOARD MEMBER ANTHONY WILLIAMS: Yeah.

15 CHAIR TOM RICHARDS: Yeah. Yeah. Yeah.

16 BOARD MEMBER HENRY PEREA: Underscoring that we
17 opened up communications more --

18 BOARD MEMBER ANTHONY WILLIAMS: Yes.

19 BOARD MEMBER HENRY PEREA: -- between this Board, this
20 Executives team, and the Governor.

21 BOARD MEMBER ANTHONY WILLIAMS: Yeah.

22 BOARD MEMBER HENRY PEREA: (INDISCERNIBLE 0:41:28)
23 Got it.

24 BOARD MEMBER EMILY COHEN: So, it sounds like the
25 Governor's office is asking very clearly to keep lines of communication

1 open and strong between High-Speed Rail staff, I'm sure primarily
2 leadership, and the Governor's office, which is a fair request.

3 BOARD MEMBER ANTHONY WILLIAMS: Mm-hmm.

4 BOARD MEMBER EMILY COHEN: I want to ask -- may I ask the
5 CEO if there's anything you may want to comment on?

6 MR. IAN CHOUDRI: I'll just -- I'll just talk about Shafter, Wasco.

7 BOARD MEMBER ANTHONY WILLIAMS: Yeah. So, Madera and
8 Shafter. Those --.

9 MR. IAN CHOUDRI: So, I think there's a clarification from the
10 staff. Madera to --.

11 BOARD MEMBER ANTHONY WILLIAMS: Madera to Wasco.

12 MR. IAN CHOUDRI: Yeah.

13 BOARD MEMBER ANTHONY WILLIAMS: I'm sorry.

14 MR. IAN CHOUDRI: Yeah. It's not Shafter.

15 BOARD MEMBER ANTHONY WILLIAMS: I think that makes
16 sense. Yeah. Yeah, that's right.

17 MR. IAN CHOUDRI: Yeah.

18 BOARD MEMBER ANTHONY WILLIAMS: That's right.

19 CHAIR TOM RICHARDS: Okay. Any other questions?

20 BOARD MEMBER ANTHONY WILLIAMS: Sorry, can you make
21 that change, staff? Madera to Wasco? Yeah.

22 CHAIR TOM RICHARDS: Okay.

23 UNIDENTIFIED SPEAKER: Is that --.

24 CHAIR TOM RICHARDS: Yeah. Anything else (INDISCERNIBLE
25 0:42:18)?

1 UNIDENTIFIED SPEAKER: -- motion --.

2 CHAIR TOM RICHARDS: You good?

3 BOARD MEMBER ANTHONY WILLIAMS: No, that's it.

4 CHAIR TOM RICHARDS: Okay.

5 UNIDENTIFIED SPEAKER: Motion to approve.

6 CHAIR TOM RICHARDS: All right. That's the presentation of the
7 matter that's before the Board. Will you -- do we have a motion for
8 approval?

9 UNIDENTIFIED SPEAKER: So moved.

10 UNIDENTIFIED SPEAKER: Second.

11 CHAIR TOM RICHARDS: We're going to take Director Williams.
12 Thank you. A second, please, from the Vice Chair, and please call the
13 roll.

14 CHAIR TOM RICHARDS: Okay. Please call the roll.

15 BOARD SECRETARY: Director Schenk?

16 BOARD MEMBER LYNN SCHENK: (No audible response.)

17 BOARD SECRETARY: Chair Richards?

18 CHAIR TOM RICHARDS: Yes.

19 BOARD SECRETARY: Director Camacho?

20 BOARD MEMBER ERNIE CAMACHO: Yes.

21 BOARD SECRETARY: Vice-Chair Miller?

22 VICE-CHAIR NANCY MILLER: Yes.

23 BOARD SECRETARY: Director Perea?

24 BOARD MEMBER HENRY PEREA: Yes.

25 BOARD SECRETARY: Director Escutia?

1 BOARD MEMBER MARTHER ESCUTIA: (No audible response.)

2 BOARD SECRETARY: Director Williams?

3 BOARD MEMBER ANTHONY WILLIAMS: Aye.

4 BOARD SECRETARY: Director Cohen?

5 BOARD MEMBER EMILY COHEN: Aye.

6 BOARD SECRETARY: The motion carries.

7 CHAIR TOM RICHARDS: Thank you very much.

8 We'll now move on to Item Number 3, which is the CEO Report.

9 Good morning, Mr. Choudri.

10 MR. IAN CHOUDRI: Good morning.

11 Let me -- I would like to start with a review of what we got
12 accomplished in 2026 -- or 2025, and all the effort that we put in place
13 to make the project move forward in an expedited way. So, there's a
14 short video prepared by the team that captures all the progress that
15 was made in '25. And then we will talk more about what's coming up in
16 2026.

17 (VIDEO PLAYS)

18 VIDEO RECORDING: (Music) These are just some of
19 the people making the dream of high-speed rail in
20 California a reality. Each day, as many as 1,700
21 workers report to the 119 miles of construction in the
22 Central Valley. These workers have already helped
23 complete nearly 60 structures, and in the coming
24 year, they will help us take an even bigger step

1 toward the future of transportation. This is the Winter
2 2026 High-Speed Rail Progress Report.

3 Just a handful of structures remain closed in
4 Construction Package 1, the 32 miles that stretch
5 across Madera and into Fresno County. Road 26 is
6 the last remaining structure under construction in
7 Madera County. This overpass will take cars and
8 people over high-speed rail tracks. It's made-up of 49
9 precast girders, and the deck itself took more than
10 6,500 cubic yards of concrete to complete. That's
11 enough concrete to fill two Olympic-sized pools.
12 Striping and paving still needs to be done, as well as
13 hauling in 2,500 cubic yards of embankment before
14 this structure will be completed.

15 Over the summer, work began on the Shaw
16 Avenue grade separation. The first step was
17 realigning the road away from construction so it could
18 remain open during the build-out. Substructure work
19 is underway, building vents and placing concrete
20 abutments for the structure. This project will eliminate
21 cars having to wait at the busy freight tracks that
22 currently cross Shaw Avenue. It will also allow cars,
23 bikes, and pedestrians to safely pass over high-speed
24 rail tracks.

1 The 65 miles of Construction Package 2-3 is
2 buzzing with construction work. Soon, every structure
3 needed in this stretch will either be complete or
4 underway. Manning Avenue in Fresno is one of the
5 many great separations in this section. Work is
6 underway there on the diaphragms, which run
7 between the girders, providing lateral support and
8 improving stability.

9 One of the more recognizable projects in CP2-
10 3 is the Tide Arch Bridge. It crosses over State Route
11 43 and continues to take shape. Over the summer,
12 the arches were poured and the formwork should be
13 removed in the coming weeks. Forms have been
14 striped and the arch formwork is remaining.

15 More than two dozen gigantic tub girders have
16 been placed for the Dutch John Cut Bridge and the
17 Coal Slough Bridge. These girders weighed nearly a
18 quarter million pounds each and required two cranes
19 working in tandem to be placed.
20 The largest structure so far on the project, the
21 Hanford Viaduct, is seeing the final portions of the
22 deck being completed. The last section over the San
23 Joaquin Valley Railroad will require nearly 1,000 cubic
24 yards of concrete to complete it. The Hanford Viaduct

1 is more than a mile long and will serve as the future
2 home of the King's-Tulare Regional Station.

3 Twenty-eight girders across seven spans have
4 been placed at the Corcoran Highway grade
5 separation. Formwork for the diaphragms has begun.
6 This project will take traffic over a canal, 5th Street,
7 and high-speed rail tracks.

8 Rebar is being tied and concrete is being poured on
9 various sections of the Tule River viaduct that's more
10 than 3,500 feet long. This project will take trains over
11 the existing BNSF tracks, the Tule River, and State
12 Route 43. Work is also underway, tensioning various
13 sets of interior support cables and bars along the
14 structure.

15 Some signs of progress on the high-speed rail
16 project are not as visible, but just as important. In
17 November, the Authority released one of its largest
18 contracts ever in a request for proposals for track and
19 systems construction. This step comes as we have
20 completed track installation at the railhead facility in
21 Kern County. This area will serve as the logistics hub
22 for high-speed rail materials. Both of these moves
23 mark a major acceleration toward track installation
24 later this year.

1 In Southern California, the Authority also
2 released the draft environmental documents for the
3 Los Angeles to Anaheim project section. This release
4 initiates the final step toward full environmental
5 clearance for Phase 1 of the alignment. Approval for
6 the EIR-EIS will come later on in the year.

7 All of this means 2026 will be a monumental
8 year for this program, as the dream of high-speed rail
9 comes closer to reality.

10 (VIDEO ENDS)

11 BOARD SECRETARY: Just want to remind everyone to speak
12 into the mic for our transcriptionist. Thank you.

13 MR. IAN CHOUDRI: So, this was the summary of the progress we
14 did in 2025 up to now.

15 What we are doing going forward is accelerating further all our
16 new procurements that are coming up in 2026. That includes public-
17 private partnership investors that we are looking forward to conclude by
18 May, June of 2026.

19 Some other announcements, we continue to add key staff to the
20 program at a senior level. So, today we have two individuals who have
21 joined the team. And I would ask them, both of them, to come and
22 introduce themselves.

23 First is David Bennett, in our Program Delivery Services group.
24 He is the Principal-in-Charge representing the PDS group. David?

1 MR. DAVID BENNETT: Good morning, Chair Richard, High-
2 Speed Rail Board, --

3 CHAIR TOM RICHARDS: Good morning.

4 MR. DAVID BENNETT: -- CEO Choudri.

5 It's an absolute privilege to be here. I've spent more than 40 years
6 building major infrastructure, but I've got one mission here and that's to
7 harness the partners of the PDS and our fantastic suppliers, including
8 some critical small businesses, to fulfill Ian's vision to transform
9 California High-Speed Rail this year. And the reason that I'm here is I
10 can see that drive, I see that push, I see that commitment, and this
11 program became irresistible to me. And we are going to transform this
12 from a big civil site to a railway this year. Exciting place to be, and I'm
13 very pleased to be here.

14 CHAIR TOM RICHARDS: Thank you, Mr. Bennett. Welcome.

15 MR. IAN CHOUDRI: Thanks, David.

16 The next -- we have also added another team member who is
17 going to help us in developing our strategy and comparing what we are
18 trying to build here in California with the rest of the world. Andrea
19 Giuricin, he has been pivotal. He's working with us on our Business
20 Plan on commercializing strategies and actually bringing to light when
21 these type of programs implemented in Europe and Japan, what was
22 the economic impact in those countries.

23 So, with that, Andrea, please go ahead and introduce yourself.

24 CHAIR TOM RICHARDS: Good morning, and welcome.

1 MR. ANDREA GIURICIN: Good morning. Thank you very much,
2 and it's an honor to be here.

3 Yeah, my experience is coming from different countries all around
4 the world, from Europe, Italy, Spain, France, and whatever, also Japan
5 and Korea -- South Korea, of course. And my experience is also as
6 Adjunct Professor at University Milano, Milano-Bicocca, where also we
7 have a center research on rail. But I work all around the world also with
8 the International Association of Railways, for example, College of
9 Europe and so on, to give classes about that, but also work with
10 several organization all around the world and several company all
11 around the world, especially in the high-speed rail.

12 So, I will try to catch my experience and to come here to make
13 real this project, and also to show how it's important for the economy.
14 Here, there's a huge economic corridor that I think is very, very
15 important. I will help in this project, giving a benchmarking, giving idea
16 how to attract the private, how to develop faster the project. And I will
17 try to do that and thank you very much for this invitation.

18 CHAIR TOM RICHARDS: Help us under- -- help us with the
19 pronunciation of your last name?

20 MR. ANDREA GIURICIN: It's complex also for the Italians. It's
21 Giuricin, but it's --

22 CHAIR TOM RICHARDS: Giuricin.

23 MR. ANDREA GIURICIN: -- Andrea Giuricin, but don't worry. It's
24 also in Italy.

25 CHAIR TOM RICHARDS: Okay. Hey you.

1 MR. ANDREA GIURICIN: Thank you so much.

2 CHAIR TOM RICHARDS: Thank you, Mr. Giuricin. Welcome
3 aboard.

4 CHAIR TOM RICHARDS: Okay.

5 BOARD MEMBER HENRY PEREA: Mr. Chairman?

6 CHAIR TOM RICHARDS: Yes.

7 BOARD MEMBER HENRY PEREA: If I could -- first, welcome to
8 both of you, but if I could just ask for the Board, if we could get an
9 updated organizational chart that lists out the duties of each function,
10 but just as importantly, how they are to interact with each other, how
11 that -- how that flows within the organization.

12 MR. IAN CHOUDRI: Sure. We can get that to you.

13 BOARD MEMBER HENRY PEREA: Thank you.

14 MR. IAN CHOUDRI: All right. So, we'll talk a little more about
15 moving from what we did in 2025 into what's going to happen in 2026.

16 I mean, '25 was all about strategic actions, realigning,
17 streamlining all of our processes. During that time, in that whole year,
18 we had foundational accomplishments. We reorganized the Authority
19 with one goal in mind, which was everyone should act, that we are
20 running a business, and we are going to be good custodian and drivers
21 of the public funds, and act like one executive team with one goal and
22 one vision in mind, which is to get this program to fruition and then get
23 these trains up and running. We re-engaged with the industry. We
24 continue to do that. We did that for public-private partnership for
25 infrastructure. Now we will be looking at what else we want to do for

1 other P3 investors that we are looking for renewable energy. That will
2 be coming forward this month or early next month.

3 The strategic actions that we took, we talked about that in our
4 Supplemental PUR, Project Update Report. We updated the design
5 criteria. We realigned how we are going to build in sequence, and we
6 are continuing to do that. The initial saving, as we said in our
7 supplemental PUR, was about \$14 billion. We mention also that we will
8 prepare for receiving all the commoditized materials. We have been
9 talking for six months while that site is now ready. It has been ready
10 since October last year. We will be moving now into the phase where
11 we will be receiving actually the raw material that we were talking
12 about, starting actually in the first two, three months from now, once the
13 site is up and running for -- to have some people who can work in that
14 area. So, that's done. We promised that in January of 2025, we got it
15 done by October of the same year.

16 Procurements, we -- this was an issue that identified very early on
17 when I came on board, that we were taking too long to contract for
18 smaller stuff. It was very difficult because every process was about a
19 year long. So, we implemented the Multiple Award Task Order
20 Contract, which is the MATOC, and that my Procurement Chief spoke
21 about in the previous two or three Board meetings. That is now in
22 place. MATOC, meaning we will be having contractors, small
23 businesses, who can actually go do the work when we need it through
24 a task order approach. That's in place.

1 We are also looking for the next step, which is IDIQ in different
2 quantity contracts for A&E firms. Again, having companies on board so
3 we can use the resources based on a task around the most qualified
4 people then who have the skill set that we need without going through
5 a lengthy procurement process. All in return, what it's doing to the
6 program is accelerating the engineering and construction for the
7 program.

8 Looking at the future, of course, well, the biggest action we had,
9 with the support of the Governor and the Legislature, was stabilizing
10 the funding through the State funds, through Cap-and-Invest. We got
11 commitment for \$20 billion, which is a billion a year, until 2045. That
12 helps us in opening the doors for private investors to look at the
13 financing against the funding commitment that the State made.

14 So, we'll continue to work on expanding the network beyond
15 Merced to Bakersfield. Merced to Bakersfield, as our friends here from
16 Merced talked about, is the plan. That's what we're doing. We're
17 building that, but we want to go beyond that, which is what the high-
18 speed rail is all about. It is all about connecting Southern and Northern
19 California. That's the goal. That's what public wanted. So, that's what
20 our focus is going to be going forward.

21 Construction milestones. So, 119 mile is where we would be start
22 laying tracks. That is our CP 1, 2, 3, and 4 combined, 119 miles.

23 The progress, we talked about in the video, so I'm not going to go
24 through all -- every item on that. But plan acquisition wise, we are
25 almost done. Hopefully by the end of this month or early next month is

1 100 percent, so we can move on from any updates on the right-of-way
2 acquisition.

3 The 119-mile, what does it mean to us? That we will start laying
4 tracks from the already completed CP4. CP2-3, we will move towards
5 that, and then we'll come into CP1. So, complete track laying that we
6 are planning to do by 2030-31.

7 Here is the most important part. We do have to launch the other
8 civil packages to get to Merced, and then where we have the railhead
9 at Wasco, we have to build those civil works and then continue laying
10 tracks there. What -- the objective for my Construction Chiefs and
11 everyone now in the Authority is to make sure that these contractors,
12 who have been working with us for a very long time, they complete all
13 the work necessary to allow them to lay tracks. There will be other
14 works, like protection walls between freight railroads and high-speed
15 tracks, that will go beyond. And I want to make sure that it is clearly
16 understood that the track laying is the most critical part for us.

17 Other ancillary activities like putting a sound barrier, sound wall,
18 or IPV walls, that will carry on. And people will prioritize now in a
19 sequence that we can build tracks and start testing the technology, the
20 systems, the signaling the trains.

21 So, that's the focus of why we say 2026 is very important for us, is
22 to build tracks. We'll start laying tracks from the south and we'll
23 continue towards the north, and all of our contractors have committed
24 to do that. We have some presentation that we'll talk about, that Ed will
25 explain. In CP1 we do have one overpass, and he will talk about it.

1 That is something that will go into the first quarter of 2027, but it's not
2 standing in the way of track laying.

3 So, a lot of activity is going to happen now in 2026 looking ahead,
4 what's coming up. We will award a contract for Track and Systems. Our
5 plan is to get that awarded by June of this year. We also would like to
6 have a deal --.

7 CHAIR TOM RICHARDS: Please move to the next slide.

8 MR. IAN CHOUDRI: Thank you.

9 We also are targeting to award a public-private partnership group
10 the contract by June 2026. It tells you that between now and then,
11 there's a lot of work the team is doing, and a lot of coordination with the
12 industry that continues to go on. We will release also the design-build
13 procurement for the maintenance facility now that is in final stages from
14 the design perspective. We will also move forward with Merced and
15 Bakersfield civil packages in the third quarter of 2026. And then we are
16 also planning to award a contract for Fresno Station at the end of 2026.
17 And we are going to conclude our train set bid evaluation that we
18 started last year by the end of the first quarter of 2026.

19 It's very packed agenda for 2026, a lot of activity. And you see
20 these five, six line items behind each. There are hundreds of
21 conversations with the industry partners, and these are contractors,
22 suppliers, builders, that they are engaged with us. And we will continue
23 to do that in this year and then leading into the next year.

24 The new thing that we are also launching is the procurement
25 under some sort of public-private partnership for the clean, renewable

1 energy. And so, we would like to issue the RFP for a P3 based investor
2 program by the second quarter of 2026.

3 We're also looking at launching the Request for Expression of
4 Interest for tunneling for both sides, Pacheco and Tajapese, as a
5 standalone contract.

6 Construction milestones, of course, Ed will talk more about that
7 when he comes up.

8 There are some other things that we talked about for almost --
9 since I've been here, maybe the month number two, legislative actions
10 that we need to support the program. Those are still there. Those need
11 to be resolved. They are listed here. This is not new. This list has been
12 in our Supplemental PUR. This has been something that we have been
13 talking about for months. So, we do need these to move forward.
14 There's a lot of activity around these topics, both at the administration
15 level and with the Legislature, but we have yet to get to final
16 conclusions on each one of them. As I said from the very beginning, if
17 these issues remain in the way, they will continue to impact the
18 program not in a positive way for both cost and schedule. We are going
19 to repeat that in our Business Plan as well. It's critical for the Authority
20 to maintain the progress, maintain the certainty in the schedule and
21 cost to get these issues resolved.

22 At this point, I will invite Ed to talk about construction progress.

23 UNIDENTIFIED SPEAKER: Ed Fenn.

24 MR. ED FENN: Good morning, again, Mr. Chair, Board members.

1 What we did here is -- excuse me -- we tried to provide a kind of
2 an overall depiction of what CEO Ian Choudri was explaining to you.
3 So, this graphically shows the alignment on a north of our 119 miles of
4 your CP1, on the left CP23, and CP4 on the right. So, if you just
5 understand the time, present time is at the top, and then future goes to
6 the bottom. So, you have on your vertical axis 2025, '26, '27, '28,
7 etcetera. So, that's the way the chart works.

8 And what it shows us on CP4 on the right side, you can see
9 where the Wasco, the Southern Railhead is. And the black line shows
10 our track length starting in Q4 2026. The intent of this graphic is to
11 show the overall sequence of the construction. And essentially, the way
12 we need to build our track is to access materials through the railhead,
13 which has access to class one railroads. That's how we access our
14 materials. And then track is a very linear construction fashion. So, it
15 shows us Q4 2026, construction of track in CP4, taking a bit of a
16 breather, and then progressing through CP2-3 for the bulk of the
17 remainder of 2027.

18 And then you see on the left side of the CP2-3 graphic, between
19 the yellow and the green, will be our second railhead, which will be
20 located at the location of the HMF facility, also connected to BNSF.
21 That'll be our second railhead, because at that point we're getting so
22 far away from our southern railhead, it's not economical to move
23 materials that far. So, that's when we'll shift to that northern railhead.
24 We will close in the gap going south from that railhead to CP2-3. And
25 then at that point, we'll have 65, plus 21 miles of track complete. Once

1 we have that tied together, then we'll shift forward north into CP1, and
2 that's kind of the final leg of the 119. And that work, essentially at that
3 point, it'll be late 2027 into early '28 for track construction.

4 Oversimplified version, but it explains kind of the overall what Ian
5 was describing, it shows more graphically the sequence of construction
6 for track. Wanted to share that with you.

7 And this is always a work in progress as well, but the overall
8 sequencing won't change. Dates will change when we work with our
9 tracking systems contractor.

10 CHAIR TOM RICHARDS: And I'd like to ask that you forward
11 copies of these slides that you're going over to all the Board members.

12 MR. ED FENN: Yes. Yes, indeed.

13 CHAIR TOM RICHARDS: Thank you.

14 UNIDENTIFIED SPEAKER: Any questions for Ed? Thanks.

15 CHAIR TOM RICHARDS: Thank you.

16 MR. IAN CHOUDRI: So, going forward, our focus will remain to
17 continue to streamline and optimize infrastructure. Our strategy has not
18 changed from the first month when we assembled our team, and we
19 said, where are we driving this program to? It is going to be all based
20 on three or four key elements: cost, optimization, built at the right time,
21 in right places, right size, the program, and then deliver it with a
22 strategy that gets all the obstacles that we've faced since 2015 out of
23 the way first, and then go build when the ground is ready to build. So,
24 we have right sequenced all our approaches to the program.

1 Yes, we do have still some legacy issues from the past. We will
2 continue to work on those. We resolved one today. We'll have more of
3 this cleanup that we'll continue to fix. But the future, you will not see
4 any of the past methodologies will ever be repeated.

5 So, with that, I have listed here all the accomplishments. I'm not
6 going to go through each one of them. They are here for the record.

7 There are like 52 accomplishments that we did, including hiring
8 our key staff. That is about 17 of them. We have two or three more that
9 we are waiting to get those processed. So, at that point, my team will
10 be 100 percent complete. And at that point, our entire team is going to
11 move towards go build more and get it delivered on time. When we
12 commit, the team is driven and motivated with one thing, and one thing,
13 which is if we say we're going to go get this done by that date, that's
14 team's decision. They say it, then all what they have to do is they know
15 that they have to deliver to that date. It's a schedule-driven, cost-driven
16 project, almost like a business. Thank you.

17 CHAIR TOM RICHARDS: Thank you, Ian. Any questions for Mr.
18 Choudri? All right, thank you.

19 BOARD MEMBER HENRY PEREA: Mr. Chairman, I have one --

20 CHAIR TOM RICHARDS: Yes.

21 BOARD MEMBER HENRY PEREA: -- just to --. First, Ian, thank
22 you for the report. It's pretty impressive and it was great meeting the
23 rest of your team today.

1 There's just one thing -- I mean, a lot of important information
2 here, probably the most important for me is page 7, you know, the
3 milestone dates, a lot --

4 MR. IAN CHOUDRI: Yes.

5 BOARD MEMBER HENRY PEREA: -- a lot of dates there, and it's
6 probably useful for staff, especially the new folks that have come on.

7 Obviously, you know, you're interacting with the Board of Directors
8 here, and everybody's cognizant that we have a close relationship with
9 the Legislature, the Governor, and CalSTA, you know. So, there's a lot
10 of moving pieces here, but the accountability within this structure is to
11 this Board. And I just want to share with you at least one member's
12 philosophy or thoughts in terms of how we interact.

13 You know, I know with the previous CEO, I told him the same
14 thing I told Ian when he came on board. As a Board member, you
15 know, we will stay in our lane. You know, our lane is policy, and our
16 lane is allocating the resources to you to get your job done. Your job is
17 to execute, okay. Which is why dates like this is something that, when I
18 know as a policy member, I have stayed in my lane and done my thing
19 and your job is to execute, that when you tell me you're going to do
20 something, that you do it. And if you go back in our history as an
21 organization, you know, we haven't had a great track record of meeting
22 deadlines, but I know with Ian, that's changed, and that's a good thing.

23 So, I just need you to know when you hear me making comments
24 with respect to, okay, where are we on this, because you told me this.
25 That's where I'm coming from. And I think most of our colleagues would

1 agree, especially if we're going to meet the kind of aggressive timelines
2 that we're looking at here, we have to execute. You have to execute.

3 The only thing specifically I want to mention, and I know I had a --
4 probably a little bit of a contentious staff meeting with folks back in
5 October for our October meeting, is the one thing I know we all -- we all
6 pay attention. When you tell us something, it stays in our heads. And I
7 know a few months back, probably September, we were told that the
8 PDP would be coming out for RFP in January of this year, and it did
9 not. And the nature of my call in October was, well, where is it? Where
10 are we at? And I won't repeat the whole conversation, other than to say
11 that we had a good meeting with Ian, Member Camacho and I, and our
12 Chair, a few weeks ago with respect to some of these things. And we
13 understand sometimes things change, right? So, there's some
14 dynamics we don't -- we can't control and it will change things. And as
15 we discussed this -- that particular concern that I had, our CEO said,
16 well, look, you know, we're coming May, June, like as he was saying,
17 we're going to be hopefully bringing somebody on board that's going to
18 invest, and they're going to be probably a key stakeholder in defining
19 what that new PDP will be. And that makes sense to me. So, he said
20 that RFP will probably come out in May.

21 So, in my head now, I have May. So, I know you all have a lot of
22 work to do, but I also know that we need to get that RFP done. Ian, am
23 I correct in May that that will be coming to us?

24 MR. IAN CHOUDRI: So, I men- -- yes. I mentioned that to you,
25 May and June, and it goes back to the same point we discussed.

1 You're right. It's when the private sector gets in, they will drive the
2 strategy of what the --

3 BOARD MEMBER HENRY PEREA: Yeah. Yeah.

4 MR. IAN CHOUDRI: -- program delivery team would look like. And
5 so, our target is to get the private investors in by June. And then so we
6 can release the RFP between May and June. We will have enough
7 time to get these people on board. That's -- that's --.

8 BOARD MEMBER HENRY PEREA: Okay. That's the key,
9 because -- I mean, everything has to be firing on all cylinders together.
10 And I think we -- we all know that the PDP is a critical piece of that. So,
11 to meet these deadlines and to bring these folks on board that -- with
12 all their money, they have to be working with a PDP that they have
13 confidence in, and that has the abilities and skills to move this project
14 forward. Okay? So, I just want to be clear on that. And so, June is the
15 RFP, and that's when we expect to see it.

16 But thank you, Ian. I really appreciate this report, and I'm excited
17 about where we're headed.

18 MR. IAN CHOUDRI: Thank you.

19 CHAIR TOM RICHARDS: I just want to mention one thing with
20 regards to that. And I fully agree with what you're saying, Director
21 Perea.

22 The one thing I think that we've all got to be -- we have got to be
23 cognizant of is what Ian said earlier. Whoever is going to join this great
24 venture and invest a substantial amount of money is going to have a lot
25 to say about what we're doing. And so, the only thing that I would like to

1 say is to the extent that that may slide with regards to the PDS, or
2 whatever we're going to call it then, just keep us advised. Because if it
3 slides, I would make the assign- -- draw the conclusion without
4 knowing, that it's going to slide because of the discussions going on
5 between the Authority and the PPP partner. And they're going to be
6 driven a lot by those discussions. And the timing on this is going to be -
7 - in terms of bringing this to the Board is going to be impacted by those
8 discussions. If they go quickly, and there's a meeting of the minds
9 between the two, then it's going to come forward. If it's a delay, please
10 make sure that this Board knows as soon as you've determined there is
11 a delay. But the expectation today is that without that information, we
12 don't have a cause to think it is delayed.

13 MR. IAN CHOUDRI: That's correct. Thank you.

14 CHAIR TOM RICHARDS: Okay. Okay. Is that it?

15 MR. IAN CHOUDRI: That's all.

16 CHAIR TOM RICHARDS: Thank you.

17 Anybody sitting out here, and anybody who's listened to this and
18 spent time watching what's happening with this high-speed rail project
19 and this Authority, I think what you hear here is a substantial change in
20 the past in terms of moving the project forward. And we all were aware
21 that we needed -- when our previous CEO retired, we needed
22 somebody who brought with he or she the experience of having
23 developed and constructed major infrastructure projects and, in our
24 instance, high-speed rail. So, it takes this kind of background and

1 experience and leadership to move this project forward. And I, for one,
2 think we made the right decision. So, thank you, Ian.

3 BOARD MEMBER ANTHONY WILLIAMS: Mr. Chairman, if I
4 might just add on to that.

5 Yeah, these are hard decisions, and this is a tough project. But I
6 think, again, to your point, Mr. Chair, about what the public is seeing
7 and the progress that's being made. There will be fits and starts. It
8 won't be perfect. But I too share your confidence in our CEO and his
9 ability to deliver this project and to overcome whatever obstacles we
10 may have. We will hold him accountable. As you know, we had, you
11 know, in the earlier item. But I think the public expects that, and I think
12 our important key stakeholders expect it, and we should expect it of
13 ourselves.

14 UNIDENTIFIED SPEAKER: Yeah.

15 BOARD MEMBER ANTHONY WILLIAMS: And I think, you know,
16 our CEO does expect it of himself. I know his character, and I know we
17 all have, you know -- you know, we work through the difficulties and
18 that's, you know, I'm confident that we'll continue to do that.

19 CHAIR TOM RICHARDS: Thank you, Director Williams.

20 Any other comments? If not, we will move on then to the next
21 item. And I know that maybe other Board members may be getting
22 short of time, and if you need to leave in order to catch flights, please
23 feel free to do so.

24 Item Number 4.

25 Good morning.

1 MS. CATRINA BLAIR: Good morning. Good morning, Chair
2 Richards and Board members. I'm Catrina Blair, and I'm the Chief of
3 Small Business, and I'll be providing an informational update in
4 response to the Board's October 20th, 2022, resolution, which directed
5 the Authority to report annually on conflict of interest compliance, as
6 well as small business compliance.

7 I'll briefly cover the small business portion, and then turn it over to
8 Attorney, Tawnya Southern, who will cover the conflict of interest
9 portion of the presentation.

10 Next slide. Next slide, slide number three.

11 Okay. So, the Small Business team continues to work with the
12 PDS, and other Authority primes to ensure that the Small Business
13 Disabled Veteran Business Enterprise and Disadvantaged Business
14 Enterprises have opportunities to participate on this project.

15 Although the Board approved the revised goal structure in 2023,
16 the PDS must comply with the Small and Disadvantaged Business
17 Enterprise Program that was approved in 2012, which established a 30
18 percent overall small business goal, inclusive of 10 percent DBE and
19 three percent DVBE.

20 Next slide.

21 Just as it was last year, payment and utilization are the two areas
22 where the Small Business Compliance Team directs their focus. So, for
23 monitoring of payments, the PDS Small Business Officer submits proof
24 of payment to all subcontractors, and the Small Business Compliance
25 team verifies that they abide by the prompt payment timelines. And as

1 an added measure of transparency, we also post contractor payment
2 reports on the Authority's homepage and Small Business page.

3 The second area where the team focuses is utilization. So,
4 myself, the Assistant Chief, and the Small Business Advocate, we meet
5 with the PDS Small Business Officer monthly to discuss compliance
6 and the efforts the PDS is making to achieve SB, DVBE, and DBE
7 goals. In this meeting, we discuss strategy, risks, and ways to mitigate
8 those risks. The PDS also provides a monthly narrative that details
9 outreach efforts and the strategies to increase participation, and ways
10 in which they can keep their small businesses informed and educated
11 about internal practices such as proper submittal of invoices, timely
12 payments, and jobs being sought on the org chart.

13 This past year has not been without a few challenges as the
14 Authority worked with PDS through changes, both internally within
15 high-speed rail, and externally with the Disadvantaged Business
16 Enterprise Program that has impacts to the Small Business Program.

17 So, for the DBE program, effective October 3rd, the U.S.
18 Department of Transportation issued an Interim Final Rule, which we
19 refer to as the IFR, and it changed the DBE program nationwide. The
20 changes withdrew the criteria of the presumption of disadvantage,
21 which is a qualifier for a firm to be certified as a DBE. Additionally, the
22 IFR requires that all currently certified DBEs seek recertification under
23 the new criteria. During the pendency of the DBE certification
24 revalidation process, the IFR prohibits federal funding recipients, like
25 the Authority, from counting DBE participation and from placing goals

1 on its contracts. The IFR did not instruct recipients to make changes to
2 the contracts already executed. However, I've worked closely with our
3 legal team to make sure adjustments to the contract language for
4 current solicitations and contracts moving forward. Because we
5 anticipate the DBE goals to be restored in the future, the DBE goal
6 language is still included along with the language from the IFR
7 indicating the goals and the tracking are both paused.

8 So, what have we done to adjust to this change? All Authority
9 primes have been notified that DBE goals have been paused until
10 further notice. The expectation is that primes will still follow the
11 regulation in the Small Business Program Plan as it relates to DBE
12 substitution and termination. And because we're not a certifying
13 agency, we are waiting for the DBE recipients under the California
14 Unified Certification Program, which includes Caltrans, to revise the
15 certification criteria. We've also given PDS and other primes the option
16 to switch crediting to small business and/or DVBE until the DBE criteria
17 has been developed by the CUCP.

18 The other challenge that we've faced is the PDS optimization.
19 Continued optimization efforts have reduced the PDS budget and staff
20 resources, which ultimately impacted SB, DVBE, and DBE firms.
21 However, PDS has been able to continue exceeding the small business
22 and DBE participation goals.

23 Next slide.

24 During my last report out in January 2025, the PDS was doing
25 well with their Small Business and Disadvantaged Business Enterprise

1 numbers. The pain point for the PDS was their DVBE numbers. As you
2 can see here, they were at 1.09 percent DVBE.

3 Next slide.

4 This past year, we challenged them to increase their Disabled
5 Veteran Business Enterprise percentages, and they increased their
6 DVBE from 1.9 to 2.17. We're continuing to challenge them to meet or
7 exceed the goal before the end of their contract term in October. PDS
8 has implemented a plan of action and are taking measures to ensure
9 open positions are first extended to DVBE firms. Additionally, they have
10 increased their support and engagement initiatives by opening 37 new
11 DVBE eligible positions. They've also partnered with a volunteer
12 organization, Ohana Vets, to provide training to DVBE firms and
13 strengthen technical compliance and operational readiness. Other
14 ways in which they support all of their firms is with certification support,
15 active outreach and engagement. They identify barriers, such as the
16 complexities of certification and lack of awareness and readiness gaps.
17 They've also simplified onboarding and their participation process
18 where possible.

19 So, my team has made significant strides with PDS, and we
20 maintain a successful partnership, and we're looking forward to
21 continuing this partnership and assisting them with efforts to increase
22 participation.

23 This concludes my portion of the presentation, and I'll be happy to
24 take any questions before I turn it over to Tawyna.

25 CHAIR TOM RICHARDS: Thank you, Katrina.

1 Any questions?

2 BOARD MEMBER ANTHONY WILLIAMS: I know we're short on
3 time, --

4 CHAIR TOM RICHARDS: Yeah.

5 BOARD MEMBER ANTHONY WILLIAMS: -- but I do have a -- I
6 do have question that I wanted.

7 So, you mentioned that the Interim Final Rule is paused by the
8 federal government. They're doing whatever they're doing --

9 MS. CATRINA BLAIR: Mm-hmm.

10 BOARD MEMBER ANTHONY WILLIAMS: -- to dismantle things.

11 MS. CATRINA BLAIR: Yes.

12 BOARD MEMBER ANTHONY WILLIAMS: What -- it was -- it was
13 a little unclear to me what ability we have to continue to encourage
14 DBE participation in the project. And so, can you just repeat that?
15 You've encouraged our generals to continue, --

16 MS. CATRINA BLAIR: Mm-hmm.

17 BOARD MEMBER ANTHONY WILLIAMS: -- but how -- if we have
18 businesses that are awaiting certification, --

19 MS. CATRINA BLAIR: Mm-hmm.

20 BOARD MEMBER ANTHONY WILLIAMS: -- how do we -- how do
21 we continue to encourage that participation, and accommodate those
22 businesses that may be awaiting certification, --

23 MS. CATRINA BLAIR: Mm-hmm.

24 BOARD MEMBER ANTHONY WILLIAMS: -- but can't get it
25 because --

1 MS. CATRINA BLAIR: They can't get it, yeah.

2 BOARD MEMBER ANTHONY WILLIAMS: -- things are on pause.

3 MS. CATRINA BLAIR: Right. So, our contracts that are in place,
4 so all the DBE firms that are already in place, we don't touch those
5 contracts --

6 BOARD MEMBER ANTHONY WILLIAMS: Okay.

7 MS. CATRINA BLAIR: -- according to the IFR. And so, we still
8 expect our primes to operate in accordance to the federal regulation.
9 And not terminate those firms in -- under any certain circumstances
10 without just cause.

11 But for new firms, we're encouraging primes to just switch over
12 their certification to the California Certification --

13 BOARD MEMBER ANTHONY WILLIAMS: Okay.

14 MS. CATRINA BLAIR: -- for Small Business, or for a small
15 business for a personal -- pro- -- Small Business for the Purpose of
16 Public Works, which has a higher threshold.

17 BOARD MEMBER ANTHONY WILLIAMS: As opposed to
18 transportation.

19 MS. CATRINA BLAIR: Yeah.

20 BOARD MEMBER ANTHONY WILLIAMS: Got it. Okay.

21 MS. CATRINA BLAIR: Yeah, as opposed to the DBE.

22 BOARD MEMBER ANTHONY WILLIAMS: Thank you.

23 MS. CATRINA BLAIR: Aha.

24 BOARD MEMBER ERNIE CAMACHO: Mr. Chairman, a quick
25 quest- -- I'm sorry. Go ahead.

1 CHAIR TOM RICHARDS: Yes, please go ahead.

2 BOARD MEMBER ERNIE CAMACHO: And this does not impact -
3 - it may impact small minority businesses, but it doesn't impact the
4 veteran-owned businesses, correct?

5 MS. CATRINA BLAIR: No,. No, that's a State certification, so it's
6 protected, yeah.

7 BOARD MEMBER HENRY PEREA: And Mr. Chairman, --

8 CHAIR TOM RICHARDS: Okay.

9 BOARD MEMBER HENRY PEREA: -- this question may not fit
10 here, but we're talking about small business. That Public Comment that
11 we had earlier where the individual indicated that their -- some small
12 businesses, they're being required to pay all their money back
13 immediately, and it could put them out of business.

14 Who -- I hope somebody heard that. And --

15 MS. CATRINA BLAIR: Yeah.

16 BOARD MEMBER HENRY PEREA: -- I'd like some type of report,
17 whether that -- is that really true? And if so, what is it we can do to not
18 hurt these businesses?

19 MS. CATRINA BLAIR: Yeah. Sometimes when -- well, earlier --
20 yeah, earlier this year -- and Tawnya can kind of chime in -- I kind of
21 briefly mentioned our optimization. And so, we have some firms that
22 have been impacted due to the optimization. So, we had to release
23 some firms.

24 But the issue that she was talking about in terms of the money
25 that they have to pay back, it's due to the audits, --

1 BOARD MEMBER HENRY PEREA: Okay.

2 MS. CATRINA BLAIR: -- the auditing that was performed by our
3 Chief Auditor. And when there is -- when there's findings of
4 overpayments and things of that nature, then the expectation is that
5 that money is paid back. We consult with the prime contractor, but quite
6 naturally, the subcontractors are impacted if they've been -- if they've
7 been identified as exceeding the rates.

8 So, Tawnya, did you want to --.

9 BOARD MEMBER HENRY PEREA: Yeah, but there -- but the
10 issue, if I heard it correctly, was that they're demanded to pay it back all
11 immediately. Is that true?

12 MS. CATRINA BLAIR: (INDISCERNIBLE 1:28:56) about the
13 timelines for immediate payment. As far as I know, we're working with
14 the small businesses.

15 MS. TAWYNA SOUTHERN: So, as you know, and it's been
16 reported --.

17 BOARD MEMBER HENRY PEREA: Can you speak into the mic,
18 please?

19 MS. TAWYNA SOUTHERN: I'm sorry.

20 As you know, and it's been reported to the Board and Finance
21 and Audit Committee before, for other audits, the auditors, led by the
22 Chief Auditor, performs compliance audits as mandated by their roles.
23 They have to doublecheck that all the con- -- all the issues and terms
24 and conditions in the contract have been properly followed. So, there is

1 -- under auditing, they follow their audit standards and those guidances
2 (sic). So, they ensure that they follow their own rules and requirements.

3 However, once an audit is final and it's been reported, there is an
4 opportunity for small businesses, or other businesses, including the
5 prime, to address a committee that is already in place, or when there
6 are issues that need to be raised or elevated. So, we have encouraged
7 certain firms -- advised them of that ability. And it is, you know, prime- --
8 predominantly three executive level positions. And there is more
9 flexibility. So, in the auditing, there are standards and not flexibility.
10 They have to follow their rules.

11 So, for the process -- I think you're asking, can we -- do we have
12 some flexibility after the audit? The Authority can decide to have some
13 flexibility with the recouping of the funds or how that payment would be
14 made back.

15 BOARD MEMBER HENRY PEREA: Okay. I mean, I don't know if
16 this Board needs to take a position on that, but I don't think we should
17 be in the business of putting anybody out of business. So, if we're
18 doing that to anybody, I think we need to stop.

19 MS. TAWYNA SOUTHERN: It would just --.

20 BOARD MEMBER HENRY PEREA: But if you need more
21 direction, I think you need to ask us for an adjustment to that policy.
22 Because if they owe the money, they owe the money, that -- we
23 understand that. But we shouldn't be hurting them to the extent that
24 they go out of business.

1 MS. TAWYNA SOUTHERN: Yeah. I would just caution there are a
2 lot of fact-based issues. So, I think as long as we have the flexibility, we
3 could address concerns. And if there are concerns, we could also
4 apprise the Board, especially for small business related entities.

5 BOARD MEMBER HENRY PEREA: Could we get a report from
6 you on who is in that zone right now --

7 MS. TAWYNA SOUTHERN: Yes.

8 BOARD MEMBER HENRY PEREA: -- that you're dealing with,
9 and what -- how much they owe, and what the discussions are related
10 to their payback.

11 MS. TAWYNA SOUTHERN: If it's okay, can I ask Paula Rivera's
12 team to do that? And I can support whatever.

13 BOARD MEMBER HENRY PEREA: Sure, sure. Whoever would
14 do it.

15 MS. TAWYNA SOUTHERN: She would be the one. I don't want to
16 give you, inaccurate information --

17 BOARD MEMBER HENRY PEREA: Thank you. Okay.

18 MS. TAWYNA SOUTHERN: -- but I'm happy to support it.

19 MS. CATRINA BLAIR: Do we have any additional questions
20 before I turn it over to Tanya?

21 CHAIR TOM RICHARDS: No.

22 MS. CATRINA BLAIR: Okay.

23 CHAIR TOM RICHARDS: Thank you very much.

24 MS. CATRINA BLAIR: Thank you.

25 CHAIR TOM RICHARDS: Thank you.

1 MS. TAWYNA SOUTHERN: And I would ask -- Paula is here, if
2 you wanted address, or would you just like to wait, later? I saw her
3 coming up. Did you have any questions for Paula, or do you want to
4 say that --.

5 CHAIR TOM RICHARDS: I'd rather let her have time to get
6 whatever together that Director Perea is asking for.

7 MS. TAWYNA SOUTHERN: I just wanted to acknowledge that
8 she was here, if --

9 CHAIR TOM RICHARDS: Yeah, thank you.

10 MS. TAWYNA SOUTHERN: -- if you did need to.

11 CHAIR TOM RICHARDS: Hi, Tawnya.

12 MS. TAWYNA SOUTHERN: Hi. This is my third Annual Update to
13 the Board. Everyone knows I get nervous every year, so I'm trying to
14 speak a little slowly, and make sure my voice doesn't get even higher.
15 We are under a time crunch. I'll try to make it a little fast.

16 So, this is the contract for program -- for Program Delivery
17 Support. As we know, there were some conflict of interest issues that
18 the Board was concerned about. So, we implemented a second layer
19 of conflict requirements and reporting.

20 So, the first level is that we have our standard organizational
21 conflict of interest requirements that is in every Authority contract. And
22 then for this contract with AECOM-Fluor, we have a second level of
23 requirements called a Conflict Mitigation Plan, and it identifies
24 measures that were put in place at the initial portion of the contract,

1 and we monitor and have reporting requirements quarterly and as
2 necessary.

3 This is our third update. We first reported in December of 2023.
4 The second one was in Fresno last year in January of 2024. And we
5 are diligently still working with AECOM and Fluor to ensure that all of
6 the Board's concerns were addressed, and that all of the potential or
7 actual conflicts of interest are addressed during the management of the
8 contract.

9 First thing with the Plan, it does, as I said, require quarterly
10 reporting. And then it also requires supplemental reports for any
11 specific potential or actual conflicts that are identified as the contract
12 progresses.

13 To date, there have been 10 supplemental reports and quarterly
14 reports that also have been filed in compliance with the Plan. We work
15 closely with the attorneys and -- for AECOM and Fluor and also keep
16 our Contract Manager and staff apprised.

17 The Mitigation Plan, as we have here, requires the identification of
18 key personnel and additional expertise resources and, if necessary,
19 ensures that necessary mitigation measures are put in place.

20 AECOM-Fluor joint venture continues to update this information
21 and track all personnel changes. And we work closely with them to
22 ensure that all the individuals on the project, as well as entities, have
23 any potential or actual conflicts addressed early on before they come
24 aboard.

1 The Plan requires reporting the relationships of each of the
2 consultant staff. The plan requires identification of measures that are in
3 place. And if there are any mitigation, we also require individual teams
4 and other necessary measures that would ensure that the Authority
5 receives the best work products and work from our consultant free of
6 unfair or disadvantage due to conflicts.

7 Next slide, please.

8 A description of how the PDS will control the information relative
9 to the Authority's operations and strategy are also included in the Plan.

10 AECOM and Fluor continue to implement security controls and
11 tracking of these issues that can arise during the management of the
12 contract. They have been utilizing project-specific servers and separate
13 cloud environments. The process implemented to promote awareness
14 and to instruct staff on the importance of impartiality and preventing the
15 roles of any bias, fraud, waste, and abuse includes ethic trainings.

16 AECOM and Floor continue to take steps to ensure we are aware
17 of the -- sorry, that they are aware of the Plan, the requirements of the
18 Plan, and their obligations and responsibilities under the Plan.

19 PDS also has implemented a live web-based conflict of interest
20 training specific to this project and the consultants process to assess
21 the effectiveness of the Plan and address litigations -- sorry, address
22 issues and other issues that can arise during the PDS process
23 management of this contract, and they also have their attorneys closely
24 engaged with the Authority's Counsel to ensure that we do not arrive at
25 any actual conflicts.

1 Next slide, please.

2 So, finally, we can report to the Board that the Authority and
3 AECOM-Fluor are committed, and continue to be committed, to
4 ensuring that all potential and/or actual conflict of interest issues are
5 immediately addressed as they are identified. Once identified, the
6 Authority and AECOM -Fluor staff and attorneys continue to work
7 collaboratively with the Authority staff, and they will also -- they also
8 help to mitigate -- mitigate -- sorry, implement mitigation measures that
9 sufficiently address potential and/or conflict of interest issues. To date,
10 we have agreed on mitigation measures for certain key personnel and
11 additional expertise resources on the project, as well as related
12 projects.

13 One of the key issues is, you know, environmental, NEPA, and/or
14 CEQA issues. Our PDS Consultant is integral to our NEPA assignment
15 work. So, we have to pay close attention to any related work in the
16 State or outside that can impact that.

17 We also have some projects that the Authority will be either
18 touching or working with. And that's another area, that's one of the key
19 issues that we always address through these supplemental reports and
20 quarterly reports. And just want to assure the Board that we continue to
21 take the conflict requirements seriously.

22 And I look forward to any questions if you have, although I do
23 note that Board Member Escutia did leave. So, she asked a lot of
24 questions last year.

1 CHAIR TOM RICHARDS: Okay. Do we have -- do we have any
2 questions for Tawnya today? You did a great job last year.

3 MS. TAWYNA SOUTHERN: Thank you very much.

4 CHAIR TOM RICHARDS: Thank you very much, Ms. Southern.
5 Thank you.

6 MS. TAWYNA SOUTHERN: Next year I'll be even better.
7 Appreciate it. Thank you.

8 CHAIR TOM RICHARDS: Looking forward to it. Thank you.

9 Colleagues, we're now moving to Item Number 5, Economic
10 Impact Report from High-Speed Rail Authority Investments.

11 MR. DEREK BOUGHTON: Thank you, Chair Richards and Board
12 Members. My name is Derek Boughton. I'm the Reporting Branch Chief
13 at the Authority. We're here today -- also with me is Pierre Vilain,
14 KPMG's Managing Director and our head of our economics team for
15 KPMG. He'll be presenting with us as well.

16 So, what we're doing today is updating the Annual Economic
17 Impact Report. We're also highlighting this year the social -- societal
18 economic benefits. In the past, we've presented this to the Board a few
19 years ago. But we're now going to try to do a better job, a more
20 consistent job of presenting these to the Board each year that
21 highlights the operational benefits of the program.

22 So, I will highlight the economic benefits of the investment to date,
23 or as of June of 2025. Then Pierre will go over the societal economic
24 benefits for operational benefits.

25 Next slide.

1 So, we've analyzed now almost 20 years' worth of investment and
2 expenditures in this project. So, since July of 2006 through June of
3 2025, so 19 years' worth.

4 For the last Fiscal Year alone, we've supported over 13,000 job
5 years and also generated \$2.9 billion in total economic activity just in
6 one Fiscal Year. So, over the last 19 years, we're at almost 122,000
7 jobs supported, with \$9.5 billion in labor income, and \$24.6 million in
8 total economic output.

9 And also, after Pierre presents, we'll go over a quick walkthrough
10 of our newly created public benefits of the High-Speed Rail webpage
11 that's now on the BuildHSR site. It kind of shows where these societal
12 benefits occur throughout the State and the impacts up and down our
13 alignment.

14 Next slide.

15 So, what we've analyzed so far is \$14.6 billion of investment,
16 again, since 2006. Last year's investment was \$1.5 million -- or sorry,
17 billion, which is what we use as the input for our economic model.

18 Next slide.

19 So, we've now -- again, we've now supported over 122,000, or
20 almost 122,000 job years over the last 19 years, with 13,200 coming
21 last year alone. And that's -- you know, you heard from the Public
22 Comments say just how impactful it is to small businesses in the length
23 of time that this project has supported these investments. And this kind
24 of shows you, you know, again, over 19 years' worth of investments in
25 the State and through Central Valley, in particular, it's a lot of small

1 businesses impacted. So, 122,000 jobs supported is a massive number
2 that we're proud of to increase every year.

3 Next slide.

4 Labor income, we're up to \$9.5 billion now in labor income since
5 2006.

6 Next slide.

7 And then the large number, the kind of GDP equivalent, the
8 economic output, we're up to twenty- -- over \$24 million -- billion worth
9 of economic output against since just 2006 through June of 2025. And
10 last year alone was \$2.8 billion worth of impact.

11 And then, next slide.

12 So, also something new for this year, we've added a new metric,
13 which is the total tax revenue impact. That includes federal, State, and
14 local taxes; and from economic activities stimulated by our investment,
15 which includes sales and use tax, property tax, income taxes, and
16 personal taxes. So, it's another metric that we're capturing now going
17 forward. This number is only for one Fiscal Year because we can't go
18 backwards in time due to a lot of variations in the IMPLAN modeling
19 software. So, every year now we'll be capturing this going forward.

20 Next slide.

21 So, this is the slide that shows the breakdown of the impacts by
22 region. Continuing the trend of obviously the Central Valley being the
23 most impacted region right now economically. All -- you know, and it
24 breaks it down into the Southern California, Sacramento, and Bay
25 Area. I won't go through all the numbers because there's a lot of them,

1 but as you can tell, every year it grows larger impacts. Again, Central
2 Valley is the main economic driver of this project so far.

3 Next slide.

4 So, our projected future impacts through construction and
5 completion, for Phase 1, we'll -- we're estimating 890,000 job years
6 supported, a labor income of \$70 billion, a total economic output of
7 \$192 billion for construction of Phase 1. And then total tax revenue of
8 \$27.6 billion estimated.

9 And then -- so, if you guys don't have any questions, I can
10 answer questions now, or we can have Pierre jump into the societal
11 benefits. Yeah.

12 CHAIR TOM RICHARDS: Thank you.

13 UNIDENTIFIED SPEAKER: Thank you.

14 MR. PIERRE VILAIN: Good morning, Mr. Chair, Members of the
15 Board. I'm really happy to be here to present our discussion of societal
16 economic benefits. I've had the pleasure of being involved in
17 calculating these and producing these reports for all of the economic
18 benefits, actually, and it's a pleasure to be here.

19 I'm going to be talking today about the societal economic benefits,
20 which are really different from what Derek Boughton has just described
21 that are tied to construction. These are the benefits that are tied to the
22 service itself once it's operating, and specifically users, the people who
23 take the service, but also the rest of society as a whole. This is usually
24 the approach that's taken to measure the benefits of an infrastructure
25 such as high-speed rail. And while we have not presented these in this

1 setting so far, these analyses have actually figured quite prominently in
2 all of the High-Speed Rail -- many of the High-Speed Rail grant
3 applications over a number of years.

4 Next slide, please.

5 So, the sort of the marquee number that I want to start off by
6 talking about is really that if we take the Phase 1 service, once it's
7 operating, and we look over 30 years, which is kind of the typical way
8 these analyses are done, 30 years of operation, and we total up these
9 benefits, which can all be -- the ones we're talking about here can all
10 be monetized. It can be transferred from things like travel times into
11 dollar values, which makes it easy to summarize. We get to \$160 billion
12 over 30 years for the service as a whole.

13 So, what's it made of? It's made -- for about half of it, are these
14 direct user benefits that I mentioned. So, these are what you would
15 expect if you're looking at what's the benefit of high-speed rail. They
16 are travel time savings for these users, reliability, a trip on high-speed
17 rail is more reliable than other modes, typically, and that can be
18 measured and quantified. These users also save vehicle operating
19 costs if they're shifting out of their car, which is most of them are
20 projected to be coming from car. That trip from -- on high-speed rail will
21 no longer incur vehicle operating costs. And then there's also an
22 important aspect, which is the experience of being on high-speed rail,
23 which can be measured, which can be monetized. It's a -- the rail car
24 itself, the station, all of these aspects of the trip also go into this benefit
25 for the users.

1 If you could go to the next slide, please.

2 Then there's also another -- a whole other dimension to these
3 benefits, which are the benefits that accrue to society as a whole. And
4 so, the main ones here are environmental benefits, in particular from
5 the reduction of emissions. Safety. Safety is also a part of the user
6 benefit, but we can also think of it as an overall social benefit. And I
7 would say that while all of these benefits that we're talking about are
8 future benefits, for the most part, there are aspects of the program
9 which are already generating safety benefits and have been for a
10 couple of years, and that's through the upgrade of intersections, which
11 have already started to yield a safety payoff for the public.

12 Could we go on to the next slide, please?

13 So, a very important aspect of any intercity rail, and one that up
14 until recently was very hard to actually get a measure, like a dollar
15 metric, and really understand more than just simply in a sort of
16 conceptual sense, and this is what we refer to as wider economic
17 benefits, which is you have a high-speed rail system between, say, San
18 Francisco and L.A., you're going to be adding a lot of connectivity to
19 certain types of businesses, certain types of occupations that greatly
20 benefit from that service. If you travel on high-speed rail in Europe, if
21 you travel on high-speed rail on the Acela in the Northeast Corridor,
22 and you do so particularly during the peak hours, you know
23 immediately what that means by just looking at who's on the train. You
24 can tell that it's got an overwhelmingly business-oriented market during
25 those hours. So, there's the -- these wider economic benefits are

1 generally seen and have been documented to generate benefits for
2 certain types of workers. Not all workers benefit from face-to-face
3 interaction. But for those who do, it can be significant. And from the
4 firms that employ them, the profit impact can be significant as well.
5 During our work for the Authority, we were able to develop estimates of
6 this from essentially looking at what happened on the Acela when the
7 Acela system was introduced on the Northeast Corridor and use those
8 estimates and factor them as future benefits for high-speed rail. Now, I
9 want to say that it's -- while the numbers are important, it's also a
10 benefit that we're not being overly aggressive in imputing it to a large
11 number of workers. We're really keeping it to specifically the
12 occupations and industries that have been documented, not just in the
13 U.S., but in other countries, to benefit from this connectivity.

14 Can we go on to the next slide, please?

15 So, a couple of other societal benefits that we've been -- that
16 we've quantified and included into the reporting of future high-speed
17 rail benefits for California. And these have included freight efficiency.
18 We expect freight efficiency from reducing conflict on shared lines once
19 the Amtrak service will no longer be sharing it with freight. There will be
20 some higher capacity that freight operators will benefit from, and we've
21 quantified that. We have also quantified things that are typical of a
22 project such as this, such as the reduction in noise, the reduction in
23 congestion on the overall road network, and as well as pavement wear
24 and tear.

1 One final aspect of these benefits, which we talk about in a lot of
2 our -- in a lot of our reporting, but don't quantify, is network resiliency.
3 And that, I think, is something we all think that that's something that
4 needs to be -- that needs to be remembered and mentioned, although
5 quantifying that particular aspect is still something that is the -- sort of
6 the social science is not quite there yet. So, we've just talked about it
7 qualitatively.

8 So, just to wrap up, I don't -- I would say next slide, but I'll just
9 wrap up very quickly. In terms of -- we -- in our report, we basically give
10 you a table listing all of these benefits. So, I invite you to take a look at
11 them, and you can see how you get to that \$160 billion over 30 years.
12 But I will say also, in terms of taking those benefits of the service and
13 comparing them to the costs, which is what's fundamental to the
14 benefit-cost analysis that you have to take on to do, let's say, an
15 application for specific types of grants, and generally to be able to
16 demonstrate that your project is socially profitable. What we have
17 found typically the -- for the high-speed rail system, the cost to benefits,
18 I should say -- so, excuse me, the benefits to costs have been over
19 two. The last time with the most updated numbers, for the -- that we
20 published for the FSP grant, they were 2.1, which means -- you usually
21 need to be able to demonstrate that you're over one, you know, that
22 you're -- the societal benefits are higher than the cost. For the high-
23 speed rail program, they're comfortably above the cost.

24 If there are any questions, I'd be happy to entertain them.

1 CHAIR TOM RICHARDS: How -- how do -- is 2.1 something you
2 see in a very unusual sense, or is it common?

3 MR. PIERRE VILAIN: It really depends on the project. You want it
4 to be -- you want to be able to show that it's over one.

5 CHAIR TOM RICHARDS: Okay. Yeah.

6 MR. PIERRE VILAIN: For high-speed rail, you know, you've
7 tended to see benefits that are -- if they're over one, which you hope
8 that they are, ---

9 CHAIR TOM RICHARDS: Mm-hmm.

10 MR. PIERRE VILAIN: -- they don't tend to be within the five, six,
11 seven range, which is extremely high for an infrastructure project, --

12 CHAIR TOM RICHARDS: Okay.

13 MR. PIERRE VILAIN: -- just because of the nature of the projects.

14 CHAIR TOM RICHARDS: Yeah, that's what I wanted to know.
15 Okay. Thank you, Pierre. Thank you very much.

16 MR. PIERRE VILAIN: Thank you.

17 MR. DEREK BOUGHTON: Yeah.

18 Okay. Just if we could go to the Public Benefits of the California
19 High-Speed Rail page.

20 Okay. I'm just going to briefly highlight this. This something that
21 Aaron Sprecher of my team, and our Comms and IT team of the
22 Authority really did well to put together in the last couple of weeks.

23 So, what this web page does now, which is on the, again, the
24 BuildHSR site, is go through the societal economic benefits, and kind
25 of throw them into an interactive map. So, you can kind of drill down

1 and see where these benefits are coming to, or coming from, and
2 where they're hitting in the State.

3 And then, so this the main splash page, right, which shows the
4 numbers that Pierre was referencing earlier on the legend on the left-
5 hand side, obviously overlaid with our alignment.

6 And then if we can go to the travels -- or the wage and property
7 tab, there we go.

8 So, this one here shows the wage lifts. Again, I'm not going
9 through all the numbers, just kind of to highlight the heat map
10 viewpoints of where these impacts are hitting. Obviously, the Central
11 Valley, Southern California, and the Bay are the main beneficiaries of
12 these benefits. But you'll see if you drill down into some of these other
13 areas that impacts, you know, throughout California, and not just to
14 direct users.

15 All right, so we go to travel.

16 Again, this is travel time savings. These are massive amounts of
17 time savings, which is, you know, part of the reason for building this
18 whole project is to save time, to shrink the distances between San
19 Francisco to LA via time. So, we calculate those estimates there. And
20 again, the terminuses are where the main savings are occurred.

21 And then we can go to safety.

22 Again, this is the safety view. So, this is the traffic accidents
23 reduced, again, all through our improvements of grade crossings, and,
24 you know, making the rail lines more efficient and safer.

1 So, again, there's a lot of options to go through and drill through.

2 So, please, you know, if you're interested, just go to the BuildHSR site,

3 and it'll be one of the maps there. And we'll update this every year.

4 Any questions on the map?

5 VICE-CHAIR NANCY MILLER: Can you forward those slides to

6 us?

7 CHAIR TOM RICHARDS: Yeah.

8 MR. DEREK BOUGHTON: Yeah, yeah.

9 VICE-CHAIR NANCY MILLER: We don't have those. Yeah, thank
10 you.

11 MR. DEREK BOUGHTON: Absolutely.

12 CHAIR TOM RICHARDS: Please. Did you say -- did you --

13 MR. DEREK BOUGHTON: (INDISCERNIBLE 1:56:50)

14 CHAIR TOM RICHARDS: -- you said they're on the website/?

15 VICE-CHAIR NANCY MILLER: Oh, they're on our --

16 MR. DEREK BOUGHTON: Yeah.

17 VICE-CHAIR NANCY MILLER: Just forward me that link then.

18 MR. DEREK BOUGHTON: Okay.

19 CHAIR TOM RICHARDS: Yeah, that'd be great.

20 (INDISCERNIBLE 1:56:59)

21 VICE-CHAIR NANCY MILLER: There's a lot on the website right
22 now.

23 MR. DEREK BOUGHTON: Sounds good.

24 VICE-CHAIR NANCY MILLER: Thank you. It's great.

25 CHAIR TOM RICHARDS: Derek, thank you very much.

1 VICE-CHAIR NANCY MILLER: Appreciate it.

2 CHAIR TOM RICHARDS: In the absence of the Finance and
3 Audit Committee meeting today, I've asked our CFO to give us a five-
4 minute brief of --

5 VICE-CHAIR NANCY MILLER: Two.

6 CHAIR TOM RICHARDS: What, two? Two minutes.

7 VICE-CHAIR NANCY MILLER: One.

8 BOARD MEMBER HENRY PEREA: Two minutes, 30 seconds.

9 VICE-CHAIR NANCY MILLER: Oh.

10 CHAIR TOM RICHARDS: Okay. Thank you very much, Jamey,
11 and we'll see you later. No, please. No answers either. So, all right,
12 Derek -- I'm -- all right, Jamie, sorry.

13 MR. JAMEY MATALKA: Okay. Let me jump right in then.

14 So, our cash position is a robust, strong \$4 billion currently. It
15 does not contain yet the November 2025 auction proceeds that are
16 \$211 million. We are waiting for the State to issue the Executive Order
17 to receive those funds.

18 I'm also happy to report that our disputes with our contractors
19 have decreased to \$104 million, from a peak in June 2025 of \$306
20 million. It's a 66 percent reduction.

21 Our administrative budget remains the same. We have spent \$6.9
22 million against that through five reporting periods, and our vacancy rate
23 is 24.9 percent. We have 386 filled positions of the 514 authorized.

24 On the capital side, we spent \$163 million for the month, mostly in
25 our design-build packages. CP1 was at \$30 million, CP2-3 was at

1 \$94.3 million, and we had zero for CP4. All other categories accounted
2 for \$45.6 million.

3 Our total expenditures to date are at \$15.3 million, 83.2 percent of
4 that is State funded, 16 percent is federally funded.

5 We will be updating our reports to -- in the next month, to reflect
6 the rescission of two federal grants. So, we're processing those
7 currently.

8 Also, in addition, we have 199 active contracts.

9 And as far as our small business utilization metrics are, we are at
10 25.1 percent of our pre-November 2023 small business goal, which is
11 up 1.2 percent year over year. And our post-November 2023 goal, we
12 are at 25.8 percent, which is 0.8 percent higher than target. We are
13 also exceeding our Disadvantaged Business Enterprises and Disabled
14 Veteran Business Enterprises pre-November 2023 goals. We have 974
15 small businesses actively working on the project. That is 13 more since
16 we last reported.

17 And we had some contingency usage during the reporting period
18 of approximately \$1.6 million. There were four change orders in the
19 CP1 project. The largest one was for \$1.2 million to compensate the
20 contractor for increased construction work on a water main between
21 Fresno and G Street due to a redesign. The other three were smaller, a
22 combined \$400,000, to compensate the contractor for increased work
23 on utility relocations at Pine Avenue, West Avenue, and McKinley
24 Street.

25 That covers the report for today in a short two minutes.

1 CHAIR TOM RICHARDS: All right. Any questions?

2 BOARD MEMBER ANTHONY WILLIAMS: I don't have a question,
3 but just a request for follow-up on something, because that 24 percent
4 vacancy rate sounded pretty high to me. I don't know, I'd just like to see
5 kind of what that's been over the last several years, five years, --

6 MR. JAMEY MATALKA: Yeah.

7 BOARD MEMBER ANTHONY WILLIAMS: -- let's say.

8 MR. JAMEY MATALKA: Yeah. Absolutely. I can provide you some
9 information on that because just last year we did get 70 new positions
10 through the budget. So, part of that is trying to fill those positions. Yeah.

11 CHAIR TOM RICHARDS: Yeah. So, it goes up and down. Yeah.

12 MR. JAMEY MATALKA: Yeah.

13 CHAIR TOM RICHARDS: You still have -- you still have you still
14 have a job here.

15 VICE-CHAIR NANCY MILLER: And I just --

16 UNIDENTIFIED SPEAKER: Okay.

17 VICE-CHAIR NANCY MILLER: -- the right-of-way and utility
18 relocation parcels, it seems like we're moving. Any --.

19 MR. JAMEY MATALKA: Yeah, we actually have a nice update to
20 provide to you.

21 VICE-CHAIR NANCY MILLER: Yeah.

22 MR. JAMEY MATALKA: This report is as of November, it showed
23 10 remaining.

24 VICE-CHAIR NANCY MILLER: Right.

25 MR. JAMEY MATALKA: Now, today, we're down to four.

1 VICE-CHAIR NANCY MILLER: Okay. Great. Thank you.

2 CHAIR TOM RICHARDS: Thank you very much, Jamey.

3 MR. JAMEY MATAKA: Thank you.

4 CHAIR TOM RICHARDS: Any other questions or comments?

5 Ladies and gentlemen, thanks for your attention. Thanks for
6 hanging in here with us, and we will see you in February -- no, we will
7 see you in March. Yeah.

8 So, the meeting's adjourned. Thanks again.

9 *(Meeting concludes at approx. 11:00 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 2nd day of February 2026.

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