

CALIFORNIA HIGH-SPEED RAIL AUTHORITY

BOARD OF DIRECTORS MEETING

TRANSCRIPT OF PROCEEDINGS

IN-PERSON

THURSDAY, OCTOBER 20, 2022

10:00 A.M.

Reported by:  
Martha Nelson

APPEARANCESBOARD MEMBERS

Tom Richards, Chair

Nancy Miller, Vice Chair

Lynn Schenk

Martha Escutia

Anthony Williams

Ernesto Camacho

James Ghielmetti

Henry Perea

Margaret Pena, Director

STAFF

Brian P. Kelly, Chief Executive Officer

Alicia Fowler, Chief Counsel

Moe Ramadan, Board Secretary

Darin Kishiyama, Director of Contract Management

Margaret Cederoth, Director of Planning and Sustainability

PUBLIC COMMENT

David Schwegel

Benda Veenendaal, Fresno Council of Governments

Frank Quintero, City of Merced

APPEARANCESPUBLIC COMMENT

Sharon Gonzales, Renne Public Policy Group, on behalf of  
City of Bakersfield

Beth Munoz

<u>INDEX</u>		<u>PAGE</u>
Proceedings		5
Public Comment		8
1.	Consider Approving the September 15, 2022, Board Meeting Minutes	9
2.	Consider Awarding the Contract for Program Delivery Support Services	16
3.	Consider Awarding the Contract for Design Services for Central Valley Station (formerly Item 4)	55
4.	2022 Sustainability Report (formerly Item 3)	63
5.	CEO Report	73
6.	Finance and Audit Committee Report	90
7.	Closed Session	93
	Adjourned	94

P R O C E E D I N G S

10:01 a.m.

THURSDAY, OCTOBER 20, 2022

CHAIR RICHARDS: Ladies and gentlemen, welcome to the October 20th meeting of the California High Speed Rail Authority's Board of Directors. Thank you for coming.

And if we could ask the secretary to please call the roll?

BOARD SECRETARY RAMADAN: Thank you, Mr. Chairman.

Director Schenk?

BOARD MEMBER SCHENK: Here.

BOARD SECRETARY RAMADAN: Chair Richards?

CHAIR RICHARDS: Here.

BOARD SECRETARY RAMADAN: Director Camacho?

BOARD MEMBER CAMACHO: Here.

BOARD SECRETARY RAMADAN: Vice Chair Miller?

VICE CHAIR MILLER: Here.

BOARD SECRETARY RAMADAN: Assemblymember Arambula?

ASSEMBLYMEMBER ARAMBULA: Here.

BOARD SECRETARY RAMADAN: Director Perea?

BOARD MEMBER PEREA: Here.

BOARD SECRETARY RAMADAN: Director Ghielmetti?

BOARD MEMBER GHIELMETTI: Present.

1 BOARD SECRETARY RAMADAN: Director Escutia?

2 BOARD MEMBER ESCUTIA: Here.

3 BOARD SECRETARY RAMADAN: Director Williams?

4 BOARD MEMBER WILLIAMS: Here.

5 BOARD SECRETARY RAMADAN: Director Pena?

6 BOARD MEMBER PENA: Here.

7 BOARD SECRETARY RAMADAN: Senator Gonzalez?

8 Mr. Chairman, we have a quorum.

9 CHAIR RICHARDS: Thank you, Mr. Secretary.

10 If we could stand and we've got a flag up.

11 And if we could ask Director Schenk to lead us in  
12 the Pledge of Allegiance.

13 BOARD MEMBER SCHENK: Please join me.

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

15 CHAIR RICHARDS: Thank you, Director Schenk.

16 And if I could start the meeting with just a  
17 quick comment. I'm both happy and sad to report to  
18 everyone, and the people in the public, that our Secretary  
19 has been offered an opportunity to move forward.  
20 Unfortunately, it's not with the High-Speed Rail. And  
21 we'll miss him but we wish him well.

22 And, Moe, if you could come over here and just  
23 stand with us?

24 (Colloquy between Board Members)

25 CHAIR RICHARDS: Alright, ladies and gentlemen,

1 let me just read this. This is:

2 "To Moamen Ramadan, Wednesday, October 26th" -- this  
3 is October the 20th -- oh, the 26th is your last day then,  
4 "2002."

5 "Moe, thank you for all your hard work and the  
6 dedication in helping us build the nation's first  
7 high-speed rail system. Through your contribution to  
8 strategic communications and the Board of Directors,  
9 you have been the ticket to our success. We wish you  
10 the best in your future endeavors."

11 And it's from the Board of Directors and all of  
12 the management and staff at High-Speed Rail. Your ticket.

13 MR. RAMADAN: Thank you, Mr. Chair.

14 CHAIR RICHARDS: And may I also have the record  
15 reflect that it would be the direction of this Board, it  
16 would be the direction of this Board, that on the first  
17 train with paying passengers onboard, you and your family  
18 would be offered free tickets from Merced to Bakersfield  
19 and back.

20 (Applause)

21 Thank you, Moe.

22 BOARD MEMBER SCHENK: I can take my wheelchair  
23 onboard.

24 CHAIR RICHARDS: You can't be up in the cab,  
25 though. That's where Lynn Schenk will be.

1 BOARD MEMBER SCHENK: Or my coffin, one or the  
2 other.

3 CHAIR RICHARDS: I don't acknowledge that.  
4 Thank you again, Moe.

5 With that, we will move to public comment and ask  
6 our Secretary to advise the public how they can address us.

7 BOARD SECRETARY RAMADAN: Thank you, Mr.  
8 Chairman.

9 Good morning all. Before we begin public comment  
10 for the California High-Speed Rail Board of Directors  
11 meeting, I would like to go over some important  
12 information.

13 For our Board Members joining remotely over the  
14 teleconference line, please be cognizant that the audio can  
15 be picked up in the speakers, and the hosts cannot mute  
16 you.

17 For members of the public who have joined us in-  
18 person and wish to provide public comment, you will be  
19 called in the order that we have received your card.  
20 Please slowly and clearly say and spell your first and last  
21 name and, if applicable, state the organization you  
22 represent. Public comment is limited to two minutes unless  
23 directed otherwise.

24 We're also allowing members of the public to  
25 provide remote public comment by telephone after in-person



1 public comment. If you are on the phone and wish to  
2 provide public comment, please press one and zero and that  
3 will put you into the queue.

4 We will start with in-person public comment for  
5 David Schwegel.

6 David Schwegel.

7 CHAIR RICHARDS: Mr. Schwegel, good morning.

8 MR. SCHWEGEL: Good morning, Board of Directors.  
9 This is David, D-A-V-I-D, Schwegel, S-C-H-W-E-G-E-L,  
10 spelled like Schwegel, rhymes with bagel. I haven't  
11 started my own engineering firm but, if I do, it will be  
12 called Bagel Engineering Services, because my name rhymes  
13 with bagel.

14 This public comment is dedicated to Joe Hedges.  
15 Joe, I used to live in the state of Washington,  
16 and I thank you so much for your valuable service. You  
17 were at the top of the food chain back during the 11 weeks  
18 I was the change order manager for High-Speed Rail CP 2-3.  
19 And under your leadership, you inspired me to orchestrate  
20 the efforts of my change management team to put together  
21 this Change Order Managers Manual, which I will be leaving  
22 with Moe once I'm done here.

23 There was an incentive for including an article  
24 on Cascadia because the Washington State Civil PE stamp is  
25 really cool looking. It's got a silhouette of George

1 Washington. For those of you who have driven the state of  
2 Washington, you'll notice that the state shield is a  
3 silhouette of George Washington.

4 I'd like to pose a challenge to the public.  
5 Here's the question: How can low, rock-bottom bids, like  
6 the less than a billion dollars that CP 1 was bid at,  
7 become superseded by creative change order composition? I  
8 understand the latest costs now of CP 1 are in the  
9 neighborhood of \$5 billion, plus or minus a billion.

10 BOARD SECRETARY RAMADAN: Fifteen seconds  
11 remaining.

12 MR. SCHWEGEL: We're starting to follow the trend  
13 of the Bay Bridge here.

14 So the public is challenged to, in two minutes,  
15 explain how creative change order composition supersedes  
16 low bidding.

17 Thank you.

18 CHAIR RICHARDS: Thank you, Mr. Schwegel.

19 MR. RAMADAN: Do we have anybody else for public  
20 comment in person? If you wish to provide public comment,  
21 please provide me your green card.

22 If not, John, do we have anybody on the queue for  
23 remote public comment?

24 OPERATOR: We have four queued up for phone  
25 comment.

1           Our first caller is Brenda Veenendaal with Fresno  
2 Council of Governments.

3           Please go ahead.

4           MS. VEENENDAAL: Thank you. Can you hear me?

5           CHAIR RICHARDS: Yes.

6           MS. VEENENDAAL: Good morning.

7           CHAIR RICHARDS: Good morning.

8           MS. VEENENDAAL: Good morning to all of you.

9           This comment is in regard to agenda item four,  
10 Consider Awarding the Contract for Design Services for the  
11 Central Valley Station. And on behalf of the Fresno  
12 Council of Governments, we appreciate the opportunity to  
13 offer support for the contract and to assist with input to  
14 the station design moving forward.

15           We also look forward to working with the  
16 Authority staff on any further details for this regional  
17 station that will serve not just the residents of the City  
18 of Fresno and Clovis, but our rural cities and communities  
19 as well. And we will plan to communicate openly and  
20 thoroughly with the three public transit operators and  
21 High-Speed Rail to address accessibility, mobility and  
22 equity issues, as well as to address the new requirements  
23 coming online, such as EV charging facilities and all of  
24 that.

25           Thank you to the High-Speed Rail Authority for

1 continuing to partner with Fresno COG, our regional public  
2 transit agencies, and jurisdictions in this very important  
3 planning endeavor.

4 CHAIR RICHARDS: Thank you very much. And please  
5 thank your members for their support of High-Speed Rail and  
6 Tony Boren.

7 MS. VEENENDAAL: Thank you.

8 OPERATOR: Our next caller is Frank Quintero from  
9 the City of Merced.

10 Go ahead, please.

11 MR. QUINTERO: Good morning, Chair Richards and  
12 Board members. Frank Quintero, Deputy City Manager, City  
13 of Merced.

14 I, too, am speaking on agenda item four. We  
15 support staff's recommendation to bring up F+P and Arup for  
16 the design services of the station.

17 Happy to report that, a week ago, High-Speed Rail  
18 ACE Train and Amtrak had a public information meeting which  
19 was very positive. And the residents are looking forward  
20 to participating in this activity, moving the station  
21 forward. And there's a lot of momentum going in our  
22 direction with design services for the track between Madera  
23 to Merced, and now this.

24 So we, again, just ask you to support Staff and  
25 their recommendation.

1 Thank you all.

2 CHAIR RICHARDS: Thank you, sir.

3 OPERATOR: Our next caller is Sharon Gonzales,  
4 City of Bakersfield.

5 Please go ahead.

6 MS. GONZELES: Good morning, Mr. Chair and  
7 members of the Board. My name is Sharon Gonzales. I'm  
8 with the Renne Public Policy Group, calling today on behalf  
9 of the City of Bakersfield, also like the callers prior to  
10 me speaking on agenda item four.

11 I wanted to just briefly take a moment to thank  
12 the Authority and its Planning staff for really working  
13 together with the city and facilitating the staffing  
14 necessary during the design phase. We look forward to  
15 continued discussions and opportunities to coordinate with  
16 the authority as we seek state and federal funding to  
17 adequately tie the station into the community, specifically  
18 looking to drive development and encourage economic  
19 development.

20 So, again, just thank you for your continued  
21 collaboration, and we look forward to continuing to work  
22 with the authority.

23 CHAIR RICHARDS: Thank you.

24 OPERATOR: Our last caller in queue is Beth  
25 Munoz, no affiliation provided.

1           Go ahead, please.

2           MS. MUNOZ: Good morning and thank you, everyone,  
3 for providing me with the opportunity to speak.

4           I recently graduated from the CVTC Program in  
5 Sonoma (phonetic), sponsored by the High-Speed Rail, and I  
6 just wanted to talk a little bit on my experience.

7           I'm very grateful for the opportunity that the  
8 program provided me, just in general with giving me options  
9 of career pathways that I really didn't know that would  
10 have been possible for me. And I really appreciate the  
11 program and hope that it can grow into something much  
12 larger.

13           I think this is a good program for everybody in  
14 the Central Valley, especially for people that are  
15 generally having trouble finding employment and career  
16 opportunities. And I think it would be a great program in  
17 the future for even students in schools and just getting  
18 out of high school for them to really explore the trades  
19 and different opportunities that they may not have had the  
20 chance to look at before.

21           So, again, I just want to say thank you very much  
22 for this experience that you're providing by funding this  
23 program.

24           CHAIR RICHARDS: And thank you for your time for  
25 addressing us. Thank you.

1 BOARD SECRETARY RAMADAN: John, do we have  
2 anybody in the queue?

3 OPERATOR: Sir, the queue is clear.

4 BOARD MEMBER PEREA: Mr. Chairman?

5 CHAIR RICHARDS: Yes.

6 BOARD MEMBER PEREA: This is Henry.

7 CHAIR RICHARDS: Hi.

8 BOARD MEMBER PEREA: I just wanted to follow  
9 up -- hi. How are you everybody?

10 I just wanted to follow up on the last speaker.  
11 She was a graduate of our last training program. And she  
12 received the highest score possible in the mathematical  
13 part of her equation which earned her an apprenticeship  
14 opportunity with one of the building trades in Fresno.

15 So we're glad that she, you know, had the time to  
16 come on and speak because it just shows the value of this  
17 training program, and the fact that it's changing lives for  
18 people who are very interested in working in the  
19 construction field and, of course, our High-Speed Rail  
20 Project. So thank you for letting her speak.

21 CHAIR RICHARDS: Thank you, Director Perea.

22 Okay, that then concludes our public comments  
23 today, and we'll start the agenda.

24 Item number one is the approval of our September  
25 25th Board Meeting minutes.

1 BOARD MEMBER CAMACHO: Move approval.

2 BOARD MEMBER SCHENK: Second.

3 CHAIR RICHARDS: A motion and second.

4 All in favor?

5 BOARD MEMBER WILLIAMS: Aye.

6 BOARD MEMBER PEREA: Aye.

7 BOARD MEMBER PENA: Aye.

8 VICE CHAIR MILLER: Aye.

9 BOARD MEMBER SCHENK: Aye.

10 BOARD MEMBER CAMACHO: Aye.

11 BOARD MEMBER GHIELMETTI: I need to abstain.

12 BOARD MEMBER ESCUTIA: Aye.

13 CHAIR RICHARDS: Yes. Thank you. We have one  
14 abstention with Director Ghielmetti, and otherwise it's  
15 unanimous.

16 We'll now move on to item number two. Ladies and  
17 gentlemen, item number two is to Consider Awarding of the  
18 Contract for the Project Delivery Support for High-Speed  
19 Rail.

20 I'd like to just make a quick comment as we move  
21 into this.

22 I, on behalf of the Board, appointed a  
23 Subcommittee to review this procurement, specifically the  
24 selection. And that Committee I would like to thank on  
25 behalf of the Board, and certainly myself, the amount of



1 work that was put in early on in their deliberations. They  
2 asked for counsel. That counsel was provided. It was  
3 outside counsel.

4 And so before we move into this, I want to  
5 acknowledge Directors Camacho and Ghielmetti for an  
6 incredible amount of work. And I'm very pleased with how  
7 hard you invested and the commitment that you made towards  
8 this.

9 I would like to give them an opportunity to make  
10 any comments they wish before we move to the staff  
11 presentation.

12 Director Camacho?

13 BOARD MEMBER GHIELMETTI: I defer to Ernie.

14 CHAIR RICHARDS: This is the first time you've  
15 ever deferred to Ernie.

16 Go ahead, Ernie.

17 BOARD MEMBER CAMACHO: Thank you, Mr. Chairman.

18 Chairman Richards formed a Subcommittee of Jim  
19 Ghielmetti and myself for the purpose of reviewing the  
20 provisions of the RFQ as it related to the conflict of  
21 interest, specifically the disclosure issues, since we had  
22 concerns about the offerors relationships with firms that  
23 were currently under contract with the authority.

24 We required additional information that required  
25 a mitigation plan. The mitigation plan proposed by AECOM-

1 Fluor, we feel, avoid actual conflicts during the term of  
2 the PDS contract.

3           With that commitment, I think Director Ghielmetti  
4 and myself, and the outside legal counsel, accept the staff  
5 recommendation to award the PDS contract to the Joint  
6 Venture of AECOM-Fluor. We feel that those mitigation  
7 efforts during the term of the contract will suffice and  
8 answer the question of conflict.

9           Thank you.

10           CHAIR RICHARDS: Thank you. Thank you, Director  
11 Camacho.

12           Yes, Director Escutia?

13           BOARD MEMBER ESCUTIA: Yeah. I have a question  
14 to Mr. Camacho, and that is how -- or maybe the question is  
15 to the Board, to Chairman Richards and to Brian Kelly: How  
16 do we ensure that these mitigation measures are being  
17 implemented continuously? How do we ensure that?

18           CHAIR RICHARDS: Well, it's certainly the  
19 responsibility of management in the oversight that it  
20 provides on its contracts, as well as the internal audit  
21 committee -- or staff, excuse me. Beyond that, I mean,  
22 that's the expectation of this board.

23           The mitigation plan that was submitted by the  
24 respondent, AECOM-Fluor, is specific and direct and should  
25 be able to be managed because it is so. And it would be

1 the expectation of the Board that it is strictly adhered to  
2 during the term of this contract.

3 That being said, any comments that our CEO would  
4 like to make, go ahead, Brian.

5 MR. KELLY: I think the short answer, in terms of  
6 making sure the Board is satisfied that it's being  
7 implemented, is we can routinely report to the Board where  
8 we are on it. There are elements in the recommended  
9 mitigation plan that are clear in terms of what we'll put  
10 in place. And as we do that, we can come back to the Board  
11 and report exactly where we are in each of those elements.

12 BOARD MEMBER CAMACHO: Mr. Chairman?

13 CHAIR RICHARDS: Yes, please go ahead, Director  
14 Camacho.

15 BOARD MEMBER CAMACHO: During this process of  
16 evaluating the conflict of interest issues, we reviewed our  
17 current policies, procedures, and compared them to the  
18 federal and state regulations and found that, perhaps, we  
19 need to review our current policies, strengthen certain  
20 areas so that there will be no issue about whether or not  
21 someone has to disclose, and I think, perhaps, if we can  
22 begin by reviewing our own policies, having outside counsel  
23 or our own existing counsel work with a committee to ensure  
24 that those conflict-of-interest issues are strengthened.

25 The policies are not intended to dilute the

1 contract pool. It's, in fact, intended to encourage more  
2 competition. And one of the things that we're finding is  
3 that if they continue to interpret the way that they've  
4 been interpreted in the past, is that we will limit the  
5 pool of people that we have available and the expertise  
6 that we have in the industry.

7 So I think that we need to revise it so that we  
8 encourage more participation. But we certainly encourage  
9 more disclosure, and that might be a beginning.

10 Thank you.

11 CHAIR RICHARDS: Thank you, Director Camacho.

12 Any other questions or comments?

13 BOARD MEMBER WILLIAMS: Mr. Chairman?

14 CHAIR RICHARDS: Yes, Director Williams?

15 BOARD MEMBER WILLIAMS: Yeah, I just, and I don't  
16 know, maybe the staff presentation might touch on some of  
17 the elements of what that mitigation plan is. I mean, I  
18 understand from the staff report that it includes things  
19 like physical separation of staff, control of reporting  
20 relationships, disassociation from other projects, and  
21 control of information, and then finally and importantly,  
22 ethics training. I think it's important to kind of maybe  
23 have the record, like, fully reflect that.

24 And I understand if there's a communication from  
25 AECOM, that specifies what that mitigation plan is, that it

1 might be important for the Board to actually have that  
2 incorporated into the record in the action, so that we have  
3 accountability as a Board to be able to also, you know,  
4 review this as appropriate.

5 CHAIR RICHARDS: Okay. I think when we get to  
6 the point of the action item or taking that action,  
7 Director Williams, if you want to make a recommendation on  
8 the language that you would like to have inserted into this  
9 draft resolution?

10 BOARD MEMBER WILLIAMS: Okay.

11 CHAIR RICHARDS: Yes, Director Schenk?

12 BOARD MEMBER SCHENK: Thank you.

13 I just want to remind and underscore how we came  
14 to this so that the public understands, and in the  
15 interests of transparency, that thanks to members of this  
16 Board, particularly Director Camacho, this came about. It  
17 did not come from the AECOM-Fluor proposal.

18 And I think that there are lessons to be learned  
19 here. There wasn't that kind of disclosure. And it took  
20 some digging on the part of Board Members to do this.

21 And I just want to make sure that the record  
22 reflects, for the public, how diligent some of the Board  
23 Members -- all of the Board members are, but in this  
24 particular case we owe a great credit to Director Camacho  
25 for bringing this to our attention, for the staff to be

1 able to deal with it with the respondents, and that we are  
2 able to come up with the mitigation that we've come up  
3 with.

4 BOARD MEMBER SCHENK: Thank you, Director Schenk.  
5 Director Camacho?

6 BOARD MEMBER CAMACHO: No.

7 CHAIR RICHARDS: Okay. Alright.

8 Seeing no other questions or comments, then, let  
9 me turn it over to our CEO for introduction, and we'll  
10 start with the presentation.

11 MR. KELLY: Thank you, Mr. Chairman.

12 I'm proud to introduce Darin Kishiyama, who has  
13 headed up much of our work, not only being the Oversight  
14 Manager for the WSP contract to date, but really head up  
15 the work that we did with working closely with our  
16 Counsel's Office on the work in the procurement here for  
17 the PDS contract.

18 And just to remind Members, we've gone through  
19 this before, but the Authority is in a bit of a state of  
20 transition. When I arrived here in 2018, the Authority was  
21 structured 30 percent state staff and about 70 percent  
22 consultant. And we are now, as we sit here today, about 55  
23 percent state staff, 45 percent consultant.

24 There is no magical proportion that we're looking  
25 for. However, we are trying to increase the capacity of

1 the state staff to oversee a project of this magnitude.  
2 And we know we need consultant help as we go forward,  
3 particularly while we're bringing on resources on the state  
4 side.

5           So the contract that is before you is a much more  
6 narrower and targeted contract than the prior contract we  
7 had for this kind of service. It's really directed at  
8 program management assistance on elements of the program  
9 going forward, and particularly as we extend our  
10 construction elements from 119 miles out to Merced and  
11 Bakersfield, the 171-mile stretch.

12           So it's, again, retention of some consultant  
13 services, but also in the context of transforming the  
14 operation as we improve our own internal state staff  
15 capacity and maintain the consultant services where we need  
16 the most assistance, and that's really what this is about.

17           And with that, I think I'll just turn it over to  
18 Darin.

19           I'd just say, again, I think the review that was  
20 conducted -- appreciate the work by the subcommittee on  
21 this -- I think the review that was conducted showed that  
22 the industries are -- it's interesting in how it's  
23 structured. And there are relationships outside of this  
24 contract that are in place and working on other contracts.  
25 And it's important that we understand how those

1 relationships work and that they don't in any way infect  
2 the work that we do here at the Authority, so appreciate  
3 the work of the Subcommittee on this.

4 And with that, Darin, I'm happy to hand it to you  
5 and have you present to the Committee.

6 Thank you.

7 MR. KISHIYAMA: Good morning. My name is Darin  
8 Kishiyama. I'm the Director of Contract Management.

9 MR. KELLY: Move closer. There you go.

10 MR. KISHIYAMA: Good morning. My name is Darin  
11 Kishiyama. I'm the Director of Contract Management. As  
12 Mr. Kelly said, I'll be the Contract Manager for this PDS  
13 contract, the Program Delivery Support contract.

14 So the summary of the request here today is I'm  
15 coming to the Board with a recommendation to consider  
16 providing approval to authorize the Chief Executive Officer  
17 to execute a Program Delivery Support contract, the PDS,  
18 with AECOM-Fluor in an amount not to exceed \$400 million.  
19 This contract will provide professional services to the  
20 Authority to support both the authority and program  
21 management and provide the technical expertise related to  
22 the delivery of the program.

23 Next slide.

24 The PDS consultant will be responsible for  
25 working closely and cooperatively with the Authority and



1 the Authority's executive leadership, financial  
2 consultants, and local and state and federal agencies.  
3 They will be responsible for supporting the Authority and  
4 managing project delivery consultants, including but not  
5 limited to regional consultants, design consultants, right-  
6 of-way consultants and environmental consultants. They  
7 will be responsible to provide the expertise to the  
8 Authority to link program management and construction  
9 management to create a singular project controls system  
10 that optimizes program management.

11 Next slide.

12 Key Authority objectives for the Program Delivery  
13 Support contract is really going back to what Mr. Kelly had  
14 said related to some of the direction that the Authority is  
15 moving in, but primarily to assign the appropriate roles  
16 for state staff and Program Delivery Support consultant  
17 staff, and consistent with the Authorities form-to-function  
18 review to ensure that state staff and the consultant staff  
19 are assigned the appropriate roles and responsibilities.

20 State staff have been augmented over time, just  
21 as Mr. Kelly alluded to earlier, to assume roles previously  
22 performed by the RDP, so now state staff are performing in  
23 a much broader influence over the program.

24 The other objective is to reduce the number of  
25 layers between -- layers and interfaces between the

1 authority and different consultants across the Authority  
2 over time, over the time of the Program Delivery Support  
3 contract.

4           The new PDS contract also includes an optional  
5 scope element of services to provide the project and  
6 construction management services for the current civil  
7 works, as well as for future opportunities to utilize those  
8 services.

9           BOARD MEMBER CAMACHO: Excuse me.

10          MR. KISHIYAMA: Yes, sir?

11          BOARD MEMBER CAMACHO: Mr. Chairman, would you --  
12 can we ask questions now or -- it's a very long report and  
13 I don't want to lose the momentum that Darin has.

14          CHAIR RICHARDS: Yeah. Go ahead, Ernie.

15          BOARD MEMBER CAMACHO: The statement you made,  
16 "the PDS contract will also include, at the sole discretion  
17 of the Authority, project and construction management  
18 services," is that work included into the \$400 million, not  
19 to exceed, dollars?

20          MR. KISHIYAMA: Yes, sir.

21          BOARD MEMBER CAMACHO: How did we price that out  
22 if we don't know what the scope is?

23          MR. KISHIYAMA: The scope of services are roughly  
24 estimated upon the services that are currently being  
25 provided by the current PCMs. So we took into account the

1 resources that are currently being provided across the  
2 various CPs by the PCMs and came up with an estimate based  
3 off of the expectations.

4 BOARD MEMBER CAMACHO: One of the things that I  
5 think several of the Committee Members have asked is the  
6 dollar amount on the civil work yet to be completed. So  
7 you're talking about the civil work only on CP 1, 2-3, and  
8 4?

9 MR. KISHIYAMA: Correct.

10 BOARD MEMBER CAMACHO: Is that correct? None of  
11 the other that extend beyond that?

12 MR. KISHIYAMA: Currently, that is the intent.  
13 However, depending on how the Authority progresses on the  
14 other design services contracts, we may be able to utilize  
15 this PCM element, if timing works out.

16 So if we move to construction on the future  
17 packages, such as the design services for Merced to Madera  
18 and LGA, then perhaps the PCM element will tie them up and  
19 sync up with that work.

20 BOARD MEMBER CAMACHO: So how did you break out  
21 the \$400 million as it relates to the civil work, the CM  
22 civil work that's going to be done? What was that amount?

23 MR. KISHIYAMA: It's roughly gauging, again,  
24 going back to what we know of the current CPs and the  
25 resources that are currently being provided on those, and

1 coming up with a reasonable estimate about overtime.

2 BOARD MEMBER CAMACHO: Do you know what that  
3 estimate might be?

4 MR. KISHIYAMA: It uses roughly between \$1.5  
5 million and \$2 million per month, is the rough guess that I  
6 can recall. I have to go back and look at, specifically,  
7 my records if you want a little bit more information.

8 BOARD MEMBER CAMACHO: Since the issue of  
9 conflict of interests is still on my mind, is it not a  
10 conflict then for the PDS to perform CM services as well?

11 MR. KISHIYAMA: We'll have to evaluate that  
12 relationship as it comes about to know exactly how AECOM-  
13 Fluor would plan on staffing that work, recognizing that  
14 AECOM-Fluor is the party that we're engaging in the  
15 contract with. But they have a number of subcontracts --  
16 subconsultants underneath that seem to have that skill set.

17 BOARD MEMBER CAMACHO: I would only ask legal  
18 counsel to look at that and if, in fact, it's going to be  
19 at the sole discretion of the Authority, that it comes back  
20 to the Authority -- comes back to the Board before we  
21 implement that portion of the contract, so that we ensure  
22 that there is no conflict.

23 MS. FOWLER: Absolutely, Board Member Camacho.  
24 We will do that.

25 BOARD MEMBER CAMACHO: Thank you.

1           MR. KELLY: I would just say that I think one of  
2 the things is that we want to balance the benefits of the  
3 proposal against the challenges as well. And I think one  
4 of the benefits is one of the things we've had here at the  
5 Authority over the last several years is an atmosphere of,  
6 you know, one contractor or one consultant overseeing other  
7 consultants and layers of consultants on work that could be  
8 better streamlined and managed directly under the Authority  
9 staff.

10           So the potential to put the -- to not have  
11 redundant consultant services but have more streamlined  
12 consultant services under the direct management of the  
13 public staff is one of the things that we want to  
14 contemplate as we go forward.

15           And, again, we can come back to the board to go  
16 through the -- both the benefits and the challenges of  
17 this. But that's why we're considering moving to that  
18 model going forward.

19           BOARD MEMBER CAMACHO: But the PDS contract, I  
20 believe the original thought was to run a program -- run  
21 projects for the CM on projects. I just look at it  
22 spreading the wealth to other firms that have an expertise,  
23 and specifically in the CM world as opposed to the PM  
24 world. So it just gives them more of an opportunity to bid  
25 on work and to be able to benefit from the economic

1 mainstream of all the activity that we've had in  
2 construction.

3 BOARD MEMBER ESCUTIA: I have a question.

4 CHAIR RICHARDS: Yes, please.

5 BOARD MEMBER ESCUTIA: Thank you.

6 So, Darin, so you're saying that the \$400 million  
7 includes the money that's going to be paid to AECOM-Fluor  
8 for program management, as well as there's, embedded in  
9 there, a pot of money for construction management?

10 MR. KISHIYAMA: Yes, ma'am.

11 BOARD MEMBER ESCUTIA: Now, it's still  
12 outstanding as to whether AECOM-Fluor will do the  
13 construction management; right? That's still outstanding?

14 MR. KISHIYAMA: Yes.

15 BOARD MEMBER ESCUTIA: Which means that there's  
16 an option for the construction management portion of it,  
17 whatever it is, to be bid out and therefore promote a more  
18 competitive environment?

19 MR. KISHIYAMA: If, at some point, the Authority  
20 decides not to implement it via the PDS, and then we can  
21 descope that work potentially, and then go out and do  
22 another --

23 BOARD MEMBER ESCUTIA: Good.

24 MR. KISHIYAMA: -- (indiscernible) contract.

25 BOARD MEMBER ESCUTIA: I just want that on the

1 record. Good. I'm glad to hear that.

2 Second of all, my next question is: What about if  
3 we run out of money? What about if \$400 million is not  
4 enough? Are we looking here at a potential change order?

5 And by the way, I hate change orders, so for the  
6 record, my favorite topic, but is that what we're looking  
7 at here?

8 MR. KISHIYAMA: The contract is \$400 million.  
9 We're not to exceed value. So if we did exceed the value  
10 of the contract, as well as made any changes to the term of  
11 the contract, which is four years, then, obviously, we  
12 would need to have a contract amendment not necessarily a  
13 change order per se, but this would require a contract  
14 amendment.

15 And then processing of the amendment would  
16 also -- similar to the RDP, what we've done to support the  
17 transition, is we've added money and time to that contract,  
18 so --

19 MR. KELLY: Obviously, we'd come back to the  
20 Board for that conversation.

21 MR. KISHIYAMA: Yes.

22 MR. KELLY: The only thing I'd just say is that  
23 this contract is structured to be a four-year contract up  
24 to \$400 million, not required to spend \$400 million. The  
25 dollars are tied to specific work plans and task orders

1 that we put together and asked the consultant to deliver on  
2 behalf of the Authority.

3           There is an option in this contract, again, at  
4 the Board's decision later, whether we want to extend that  
5 contract beyond four years to add an additional two years.  
6 That's in this contract as well. But, again, that's a  
7 conversation with the board at that time. If we had to add  
8 additional money, we could.

9           Again, I think history is important here for  
10 context. And one of the things, again, as we consider  
11 whether or not to include CME services in there, if you  
12 look at, historically, both CM contracts and the RDP  
13 contract has had amendments in the past and cost increases  
14 over time.

15           What we're trying to do here is streamline that  
16 process a little bit more, have more direct accountability  
17 to the Authority on the Authority's management team going  
18 forward. And, again, if we run into any circumstances  
19 where the contract would require more money, we would come  
20 back to the Board.

21           But there are task orders, work plans, and  
22 dollars at risk if they don't perform up to those  
23 standards, as well as termination clauses that are in these  
24 contracts, as well.

25           BOARD MEMBER ESCUTIA: Alright. Thank you.



1 CHAIR RICHARDS: Director Schenk?

2 BOARD MEMBER SCHENK: Yes.

3 I see that the question I have you'll cover a  
4 little bit later. But I'd like you to keep in mind a  
5 significant interest in how some of this \$400 million,  
6 which to me sounds like a lot of money, will also be  
7 distributed and included with minority and women business  
8 owners. And how, if you could, when you get to it, expand  
9 how this is going to work so that these funds be given an  
10 opportunity for not just in the construction management but  
11 actually in the PDS, that we can spread that money to very  
12 competent and deserving minority- and women-owned business  
13 firms.

14 MR. KISHIYAMA: Yes, ma'am.

15 CHAIR RICHARDS: Go ahead.

16 MR. KISHIYAMA: Next slide, please.

17 So the graphic on this page really shows the  
18 scope of work that will be distributed across the  
19 Authority, described by work plan associated with each one  
20 of these functions.

21 So the PDS is responsible for assisting the  
22 Authority and managing and overseeing the functional  
23 components of the program shown on this chart. The scope  
24 of the contract covers various functions, including  
25 strategic delivery, real property, environmental services,

1 infrastructure delivery, engineering services, program  
2 controls, capital procurements, and commercial claims  
3 oversight, as well as quality process improvement and  
4 document control, as well as what is shown in green as the  
5 optional scope element of the PCM services.

6 Next slide.

7 So the procurement process for the PDS services  
8 contract was managed directly by Authority staff. As a  
9 qualifications-based contract, the procurement was governed  
10 by the state's architectural and engineering requirements.

11 The Authority proceeded, in accordance with the  
12 Government Code section 4525 and the Authority's  
13 regulations, Board policies for RFQs and other applicable  
14 state and federal requirements. Small Business,  
15 Disadvantaged Business Enterprises, and Disabled Veteran  
16 Business Enterprises utilization goals were also included  
17 as requirements. So we have the 30 percent SB utilization  
18 goal, ten percent DBE goal, and three percent DVBE goal.

19 Offerors were scored pursuant to the following  
20 criteria --

21 BOARD MEMBER SCHENK: Excuse me. This is where I  
22 would ask you to expand on that a little bit.

23 MR. KISHIYAMA: I do have another section where  
24 we talk about --

25 BOARD MEMBER SCHENK: Oh, you do.

1 MR. KISHIYAMA: -- specifically.

2 BOARD MEMBER SCHENK: Okay.

3 MR. KISHIYAMA: Yes.

4 BOARD MEMBER SCHENK: Thank you. Sorry.

5 MR. KISHIYAMA: So I'll expand on it there.

6 So the table here shows the breakdown of how the  
7 scoring was weighted. So 60 percent of the score was  
8 associated with a Statement of Qualifications that was  
9 submitted by each offeror, 40 percent of the weighted score  
10 was based off of the results of a discussion with each  
11 offeror, and the final score out of 100 points.

12 Next slide.

13 The Authority received two Statement of  
14 Qualifications in response to the RFQ for the Program  
15 Delivery Support services contract that was issued on  
16 February 18th.

17 The SOQs were submitted by the following  
18 offerors: Connect California, which was comprised of  
19 Bechtel Infrastructure Corporation, Mott MacDonald, Michael  
20 Baker International, CBRE, Gail Ziedler, Psomas, Vanir, and  
21 28 other SB, DBE, or DVBE firms; the second offeror was  
22 from AECOM-Fluor Joint Venture, which includes Atlas  
23 Technical, Egis Rail, Turner and Townsend, McMillen Jacobs  
24 Associate, and Jaquith Consulting Group, as well as 26  
25 SB/DBE/DVBE firms.

1 Environmental, social and governance efforts,  
2 which may include environmental sustainability efforts,  
3 socio-economic equity policies, and governance policies  
4 were also included as a pass/fail within this RFQ.

5 The two top-ranked offerors were invited to  
6 discussions with the Authority, and the two offerors were  
7 scored on their discussions using the criteria in the RFQ.

8 Next slide.

9 Final scores were computed following the weighted  
10 scoring that was just described in accordance with the RFQ.  
11 Each offeror's ranking is shown on the table below.

12 Information was included in the Notice of Proposed Award  
13 that was posted on June 17th, which was the trigger for a  
14 protest period, which is five business days after, and  
15 noting that we didn't receive any protests.

16 The offerors' total weighted scores, AECOM-Fluor  
17 at 93.59, Connect California at 84.72.

18 Pre-award reviews were conducted with the  
19 highest-ranked offeror, which is AECOM-Fluor. So we  
20 reviewed information that include payroll register, current  
21 overhead supporting documents, and other direct costs  
22 supporting their documentation.

23 The Authority staff also engaged in successful  
24 negotiations with AECOM-Fluor regarding the terms of the  
25 agreement.

1           So going back to an earlier question about the  
2 conflict of interest, we are including in the language of  
3 the agreement a conflict mitigation plan for the draft  
4 plan, due within 30 days of MTP. The conflict mitigation  
5 plan, as noted, will include discussion of how AECOM-Fluor  
6 will implement measures with -- such as physical separation  
7 of staff, control of reporting relationships,  
8 disassociation from other projects, and the control of  
9 information, as well as ethics training.

10           So the last bit on this slide is to talk about  
11 the transition between the RDP and the Program Delivery  
12 Support consultant. Elements of the PDS will include a  
13 smooth transition from the RDP based upon Authority staff  
14 experience and feedback from market outreach. The RDP  
15 contract will need to be amended for additional time to  
16 accomplish the transition for PDS consultant. So that  
17 extension of time takes us to June 30th of 2023.

18           Some RDP scope elements may require a longer  
19 transition than that, so that's why we extended the  
20 contract out to June 30th of '23, although we expect the  
21 bulk of the resources and the bulk of the scope transition  
22 to occur within the first three months after NTP.

23           An additional amount of \$32 million was added to  
24 the RDP contract for the current year to fund work through  
25 June 30th, '23.

1 I would like to take a moment to go back to the  
2 small business aspect.

3 So in relation to the SOQ as submitted by AECOM-  
4 Fluor, in their statements of the SOQ, they identified the  
5 small business -- SB, DBE, and DVBE firms that will be  
6 working with them as subconsultants, and they had committed  
7 within the SOQ to exceed the 30 percent value as normally  
8 associated with our contracts.

9 They don't have the complete set of information  
10 associated with how the breakdown will be between each one  
11 of their subconsultants. But in their initial calculations  
12 that they had done prior to submitting the SOQ, they  
13 believed and were confident in the fact that they would  
14 exceed the 30 percent, and they stated it in their SOQ.

15 So I'll know more as to the breakdown of how  
16 they'll distribute that across the various subconsultants  
17 as we progress into the contract.

18 BOARD MEMBER SCHENK: Okay, well, yeah, I'd like  
19 to get those numbers --

20 MR. KISHIYAMA: Okay.

21 BOARD MEMBER SCHENK: -- as you get them.

22 MR. KISHIYAMA: Yes, ma'am.

23 BOARD MEMBER SCHENK: Thank you.

24 BOARD MEMBER CAMACHO: Mr. Chairman, I have a  
25 question.

1 CHAIR RICHARDS: Yes. Go ahead, Ernie.

2 BOARD MEMBER CAMACHO: Going back to the work  
3 plan and the performance metrics that you're using to award  
4 this \$20 million in award fee, if you want to call it that,  
5 I think we touched on it the last meetings that we had, and  
6 I applaud you for having a portion of the contract to have  
7 an award fee for performance.

8 But perhaps one of the things that Lynn Schenk,  
9 Director Schenk, has mentioned in terms of the inclusion of  
10 small, minority, disadvantaged, and disabled veteran firms  
11 to participate, is that we also put in the metrics for  
12 performance that we monitor those goals to ensure that  
13 they're being monitored and reward the AECOM-Fluor team for  
14 doing a good job. That's an incentive that we have, as  
15 well as we have disincentives by taking away from it when  
16 they don't meet it.

17 Now is that \$20 million also included in the \$400  
18 million?

19 MR. KISHIYAMA: Yes, sir.

20 BOARD MEMBER CAMACHO: So if we look at the CM  
21 functions, we have -- the construction management, as I  
22 recall, may be extended for another two or three years. If  
23 we take that amount of money on CP 1, 2-3, and 4, how much  
24 money is really going to be left for the PDS contractor to  
25 perform its function?

1           And I'm just wondering whether or not we have  
2 enough money in that contract or too much money, whatever  
3 it is, but I'm not sure because we've had dates. And one  
4 of the things that Director Ghielmetti and I have both  
5 talked about is when it's going to end, and what is the  
6 budget that we have to do this? And it continues to  
7 extend.

8           The CM contract CP 1, 2-3 have been our problem  
9 child, if you will, with a lot of changes, change orders,  
10 extensions of time, which cost money, whether or not they  
11 were caused by the Agency or caused by the contractor, or  
12 just by time.

13           But I'm just concerned of the extension on the CM  
14 contracts, that it will eat up those dollars which were  
15 intended to be part of the \$400 million for the PDS  
16 contract.

17           So I just want to lay that for the record, my  
18 concerns in that area.

19           MR. KISHIYAMA: Understood. And speaking to a  
20 point made earlier, with work plans established associated  
21 with the PDS contracts, we're actually able to -- with each  
22 work plan is an associated budget, so we can make sure that  
23 we're operating within the budget, as well as track that on  
24 a monthly basis, that's how we currently do it with the  
25 RDP, to make sure that we are not exceeding the value of



1 the contract, and so that we can plan for the following  
2 work plans as well as scope elements.

3           And we also keep track of that information to  
4 assure that we are not really exceeding the expectations of  
5 what the contract allows, as well as recognizing that the  
6 contract really is an actual cost reimbursement contract.  
7 So the services that they provide are what we reimburse  
8 for, and so we try to anticipate how those resources will  
9 be spread throughout the program.

10           In recognition of that, we try to be mindful of  
11 where we are with the overall budget, minus the performance  
12 regime, keeping track of that, associated, again, to the  
13 work plans and then tracking that on a monthly basis to  
14 assure that we aren't expending more than what we have  
15 planned for on a regular monthly routine.

16           And then speaking to your first point about  
17 performance objectives, those are things that the authority  
18 intends to incentivize a good partner, and especially with  
19 the PDS, to perform and incentivize them to do the things  
20 that the Authority finds good value to. So incentivizing  
21 them to perform on a contract management level to support  
22 their small businesses is definitely something that we also  
23 track. And we are currently evaluating on a monthly basis  
24 with even the current RDP.

25           BOARD MEMBER CAMACHO: Brian, I say my questions

1 are, that I'm asking, are all in the context that we have a  
2 fresh start, if you will, from a new PDS contract with a  
3 different scope of work perhaps. And we're trying to  
4 transfer from the civil work to the tracking systems work,  
5 which are completely unrelated in many ways.

6 And so I want to ensure that the PDS contract has  
7 a scope of work that is inclusive of the work that they  
8 need to do. Because it's going to be a very sophisticated  
9 work. It will be different than what we're doing with Sol  
10 (phonetic). But yet we have the remnants of the civil work  
11 which is continuing to to bleed some of our resources that  
12 was intended for a PDS contract.

13 So I'm just concerned that we have right budget  
14 so we know upfront what we're facing dollar-wise --

15 MR. KELLY: Yeah.

16 BOARD MEMBER CAMACHO: -- so that we don't  
17 come -- no one comes back to the saying, well, we didn't  
18 include this because we -- because of unintended  
19 consequences.

20 So I just want to make sure that we're doing the  
21 right thing, we're taking time to think this through and to  
22 look at all the what ifs possible.

23 MR. KELLY: Director Camacho, let me just say  
24 that I appreciate the questions you're asking. I think  
25 they're absolutely on point.

1           Remember, we're not making the decision today to  
2 move into the construction management element of this.  
3 It's a service that we wanted to make sure that the PDS  
4 contractor was capable of doing. We think they have a team  
5 that's capable of doing that work. And I think what you  
6 just articulated about where we have been in the history of  
7 the current structure is why we need to consider change  
8 going forward.

9           And so that's why we structured it this way.  
10 That way it's an evaluation we will do as we see the work  
11 progress. And we will come back to the Board before we  
12 make any decision about moving in that direction.

13           But I think for all the reasons that you just  
14 explained about the history is the reason we need to  
15 consider a different way of doing business going forward.  
16 But, again, that way we'll come back to the board and talk  
17 about it before we go down that path.

18           BOARD MEMBER CAMACHO: Thank you.

19           MR. KELLY: Thank you.

20           BOARD MEMBER CAMACHO: Thank you, Darin.

21           CHAIR RICHARDS: Go ahead.

22           MR. KISHIYAMA: So the action -- oh, go ahead.

23           CHAIR RICHARDS: Yes, Nancy, go ahead.

24           VICE CHAIR MILLER: I'm sorry. I just want to --  
25 I think what we've said -- and I want to, first of all,

1 thank our Chair and Directors Camacho and Ghielmetti for  
2 all their work on the concept issue. It was a really good  
3 decision to delay this issue so that that could get taken  
4 care of. And I think some of the issues brought up today  
5 about compliance with our DBE and disadvantaged and women  
6 enterprises and businesses is also good.

7           So what I'm hearing is that, in this motion, and  
8 I know there's some language that may be coming from  
9 Director Williams, we'll have annual compliance with the  
10 conflict of interest plan to make sure that that is being  
11 monitored. Same thing with the target goals on our  
12 disadvantaged and disabled veteran, minority, and women-  
13 owned businesses manually. And that, finally, the  
14 extension would not be granted without coming back to the  
15 Board.

16           So can you just confirm that? That's kind of  
17 what I'm hearing and I like all of those things. And I  
18 thank my fellow Directors for bringing them up.

19           CHAIR RICHARDS: CEO Kelly?

20           MR. KELLY: Yeah. Well, I mean, yes, that is --  
21 those are -- each of what you outlined is how we are  
22 intending to move forward. And, again, there will be no  
23 extension for the optional two years without coming back to  
24 the board. There will be no going into the CM element of  
25 this without talking to the Board.

1           And we do track now on the PD on the current RDP  
2 contract, and we will on this one, the participation rates  
3 for all of the small business categorizations. And so  
4 we'll, again, be able to report that back to the board  
5 routinely, and that's part of what we'll do.

6           Finally, the resolution that's before the Board  
7 also codifies, if you will, through the resolution the  
8 mitigation plan on the conflict issue.

9           BOARD MEMBER ESCUTIA: Is that going to be  
10 reflected in actual language that we're going to include  
11 right now in the draft resolution or it's just, that's your  
12 intent? And I apologize because, as a former lawmaker, I'm  
13 never wholly satisfied with just intent language.

14           MS. FOWLER: Absolutely. Both to the Chairperson  
15 and all, we have resolution language that was added a few  
16 days ago with the urging of Board members Pena and  
17 Ghielmetti, and it maybe was not in the very first version  
18 you received. So if it's okay, I will take a moment to  
19 read it.

20           The language that was added to meet this  
21 mitigation request was,

22           "The Chief Executive Officer or his designee is  
23 further directed to require that the AECOM-Fluor Joint  
24 Venture adhere to specific conflict mitigation  
25 measures, including, as applicable, physical

1 separation of staff, control of reporting  
2 relationships, disassociation from other projects,  
3 control of information, and ethics training.”

4 So that language is in the resolution. We will  
5 be voting on that when we get to that point, if that is  
6 helpful. And as Darin mentioned, also that requirement to  
7 adhere to a mitigation plan is in the contract language we  
8 have agreed to with AECOM-Fluor. And the DVBE goals are  
9 also a requirement in the contract.

10 BOARD MEMBER ESCUTIA: Madam Counsel, if I may  
11 just add? You know, for further tease out that section,  
12 and that is that, you know, in the world of conflicts, as  
13 you well know, conflicts arise when we least expect it.  
14 And, ultimately, conflict is a way of allowing for a  
15 competitive playing field, but also it's a way of also  
16 regulating human behavior. So these conflicts arise when  
17 we least expect it.

18 Can we put there some language that, ultimately,  
19 should any conflict arise in the future, the decision lies  
20 before the Authority, and also before you, to decide if  
21 there's a conflict or not? It's not up to the offeror.  
22 It's up to us. Am I correct in that?

23 MS. FOWLER: You are. And we can, certainly, add  
24 that. There is already language in the agreement that at  
25 any point a conflict issue comes up, the Authority has the

1 right to sort of review staff being proposed, staff already  
2 on the project, and can deny that that staff person or  
3 that --

4 BOARD MEMBER ESCUTIA: Yeah. As you well know,  
5 I'm very jealous of preserving our authority as a Board. I  
6 also believe that the decision of whether there's a  
7 conflict lies inherently in the Board. It's not up to the  
8 offeror to decide, oh, there's no conflict, therefore, I  
9 don't have to disclose anything. No, no, no, no, no, it  
10 doesn't work that way.

11 You know, you have to -- even if you have any  
12 doubt, and I'm saying this in public, for everybody out  
13 there who's listening, if there's any doubt in the future  
14 as to whether you have a potential conflict, pick up the  
15 phone and call up Alicia. She can give you a preliminary  
16 opinion as to whether there's a conflict or not. And  
17 frankly, I think, you know, for the benefit of everybody in  
18 the public, I think you're hearing right now from this  
19 Board of Directors that we would prefer for all of you, you  
20 know, who are the offerors now or offerors in the future,  
21 we would prefer for all of you to err on the side of  
22 transparency, err on the side of letting us know if you  
23 think there's a conflict, we'll figure it out. But it's  
24 our authority to figure it out, it's not your authority.

25 So if the language is already there, Madam

1 Counsel, then I accept what you're telling me.

2 MS. FOWLER: Thank you.

3 CHAIR RICHARDS: Thank you, Director Escutia.

4 MS. FOWLER: Thank you for that direction.

5 CHAIR RICHARDS: Director Williams?

6 BOARD MEMBER WILLIAMS: Yeah. I just wanted to  
7 just drill down a little bit on the on the language that  
8 you read, and we do have it in front of us. Just a couple  
9 of clarifying points to add to that, and maybe some  
10 suggested tweaks.

11 So the clarification is that the language that  
12 you read requires the Chief Executive Officer or designee  
13 to require that the AECOM-Fluor Joint Venture adhere to  
14 these mitigation measures that we listed. Is that  
15 requirement pursuant to the terms of the contract? Can  
16 we --

17 MS. FOWLER: Yes.

18 BOARD MEMBER WILLIAMS: -- include that by  
19 reference and can say required by contract?

20 MS. FOWLER: Yes, we can. It is in the contract?  
21 and we could add that. That's a good idea.

22 BOARD MEMBER WILLIAMS: Okay. And then secondly,  
23 I understand that not all of these will be applicable in  
24 every situation, these issues might not arise, so that then  
25 I understand the inclusion of the phrase "as applicable."



1 But as was also mentioned, I'm also concerned that there  
2 may be other types of conflicts that may arise that we  
3 can't possibly know now, and how do we account for those if  
4 this sort of exhaustive list is all we have before us? I'm  
5 not sure I know the solution to how to incorporate that,  
6 the fact that there may be other types of conflicts that  
7 arise, and there may be other mitigation measures that are  
8 needed to mitigate that.

9 So, I mean, the phrase that we're all accustomed  
10 to in the legislative environment is "including but not  
11 limited to," so if there's a way to include that without  
12 getting too unwieldy in the clauses in this? But But I  
13 would offer that we reflect that, you know, a recognition  
14 that there may be other types of measures, mitigation  
15 measures, that may be needed.

16 MS. FOWLER: Excellent. We can definitely do  
17 that.

18 BOARD MEMBER WILLIAMS: Yeah. And then, yes, the  
19 point that Nancy directed, that Nancy made about reporting  
20 back. So a suggestion here is, in the last resolved  
21 clause, where it requires the CEO to report expenditures on  
22 a monthly basis, that we would add, "and conflict of  
23 interest compliance on at least" -- and I'm just going to  
24 throw out an annual basis, I don't think it needs to be  
25 more frequently than that, but we should be updated on the

1 progress, at least annually, on their compliance with  
2 conflict of interest.

3           And then I think because of, you know, what I've  
4 heard from other Board Members, I would suggest that we  
5 include a requirement that CEO also report to the Board On  
6 the exercise of additional optional contract services  
7 pursuant to the terms of the contract, so we would -- prior  
8 to the execution of that contract, should that option be  
9 exercised at some point, and I think you said you would do  
10 that.

11           So that would be my suggestion for the  
12 resolution. And unless there -- if the Chair would like to  
13 entertain a motion, I would make that motion with those  
14 additional changes.

15           CHAIR RICHARDS: Thank you. I think what we'll  
16 do, as we -- when we have completed the presentation, we  
17 may need to take a short recess to allow Alicia to make the  
18 appropriate additions in the resolution that have been  
19 suggested by the board. And if you wouldn't mind  
20 participating in that, Director Williams --

21           BOARD MEMBER WILLIAMS: Alright.

22           CHAIR RICHARDS: I would appreciate it.

23           BOARD MEMBER WILLIAMS: I'm happy to do that.

24           CHAIR RICHARDS: Okay.

25           MS. FOWLER: And if I can make one more comment

1 to address a few comments?

2           Our conflict of interest policy, as it exists, is  
3 an ongoing requirement on any of our contractors. So it  
4 isn't, we start at the beginning, do you have a conflict or  
5 not, and then you come onboard and we never talk about it  
6 again. Throughout the life of any contracts, their  
7 responsibilities to come forward.

8           And they will say I, you know, I and our legal  
9 group gets emails very often about ongoing conflicts and  
10 questions. Certainly, we've had them from the current WSP  
11 contractor over the years, and I anticipate the same will  
12 continue on with the PDS. And by virtue of the policy,  
13 they all have to adhere to under contract. So it does work  
14 on an ongoing basis, if that's helpful.

15           CHAIR RICHARDS: Thank you, Alicia. You're on  
16 again.

17           MR. KISHIYAMA: Thank you. So the action and  
18 staff recommendation is to approve the associated  
19 resolution with modifications, which would, in summary,  
20 authorize the CEO or designee of the CEO to execute a four-  
21 year contract with AECOM-Fluor for up to \$400 million, and  
22 direct the CEO to manage the contract within that budget.  
23 The agreement will include a performance-based fee in order  
24 to align the PDS consultant's performance with the  
25 authorities performance objectives, and that performance

1 regime item is \$20 million less than the 400, so --

2 CHAIR RICHARDS: Thank you very much, Mr.  
3 Kishiyama.

4 Ladies and gentlemen on the Board, any other  
5 questions or comments at this moment?

6 If there are none, I'd like to recess for --  
7 we'll recess for five minutes and then we'll come back to  
8 order and look at the resolution.

9 (Off the record at 11:02 a.m.)

10 (On the record at 11:09 a.m.)

11 CHAIR RICHARDS: Ladies and gentlemen, the Board  
12 is now back in session.

13 Alright, the next item on this item number two  
14 are the next -- is the revision of the draft resolution.

15 And I'm going to ask our Chief Counsel to please  
16 go through that with the Board.

17 MS. FOWLER: Thank you, Board Chair Richards.

18 For the resolution, we won't do anything  
19 different to the first sentence, which gives the CEO or his  
20 designee authorization to execute this contract.

21 For the second paragraph, we will say,  
22 "The Chief Executive Officer or his designee is  
23 further directed to require that the AECOM-Fluor Joint  
24 Venture adhere to specific conflict mitigation  
25 measures, including but not limited to, as applicable,

1 physical separation of staff, control of reporting  
2 relationships, disassociation from other projects,  
3 control of information, and ethics training, as  
4 required by the contract."

5 The third paragraph is going to now state.

6 "The Chief Executive Officer or his designee is also  
7 directed to report the expenditures under the contract  
8 on a monthly basis to the Board's Finance and Audit  
9 Committee, and report on conflict of interest  
10 compliance and small business compliance to the full  
11 Board on an annual basis. The CEO" -- or excuse me,  
12 "The Chief Executive Officer or his designee will also  
13 report to the Board on execution of additional  
14 contract management options under this contract before  
15 undertaking that work."

16 CHAIR RICHARDS: Alright.

17 Yes, Director Escutia?

18 BOARD MEMBER ESCUTIA: What about minority and  
19 women-owned businesses?

20 MS. FOWLER: That is part of --

21 BOARD MEMBER ESCUTIA: Are they included in the  
22 small business?

23 MS. FOWLER: -- the small business compliance.

24 BOARD MEMBER ESCUTIA: Alright.

25 MS. FOWLER: Yeah.

1 BOARD MEMBER ESCUTIA: As well as disabled-owned?

2 Okay.

3 MS. FOWLER: Exactly.

4 BOARD MEMBER ESCUTIA: Okay. Thank you so much  
5 for the clarification.

6 CHAIR RICHARDS: Okay. Director Williams?

7 BOARD MEMBER WILLIAMS: Yeah. I would make the  
8 motion as described by Ms. Fowler.

9 CHAIR RICHARDS: Thank you, Director Williams.  
10 Is there a second?

11 BOARD MEMBER ESCUTIA: Second.

12 CHAIR RICHARDS: Second by Director Escutia.  
13 Secretary, please call the roll.

14 MR. RAMADAN: Director Schenk?

15 BOARD MEMBER SCHENK: Yes.

16 MR. RAMADAN: Chair Richards?

17 CHAIR RICHARDS: Yes.

18 MR. RAMADAN: Director Camacho?

19 BOARD MEMBER CAMACHO: Yes.

20 MR. RAMADAN: Vice Chair Miller?

21 VICE CHAIR MILLER: Yes.

22 MR. RAMADAN: Director Perea?

23 BOARD MEMBER PEREA: Yes.

24 MR. RAMADAN: Director Ghielmetti?

25 BOARD MEMBER GHIELMETTI: Yes.

1 MR. RAMADAN: Director Escutia?

2 BOARD MEMBER ESCUTIA: Aye.

3 MR. RAMADAN: Director Williams?

4 BOARD MEMBER WILLIAMS: Aye.

5 MR. RAMADAN: Director Pena? Director Pena?

6 BOARD MEMBER PENA: Yes.

7 MR. RAMADAN: Mr. Chairman, the motion is  
8 approved with the amendments.

9 CHAIR RICHARDS: Thank you, Mr. Secretary, and  
10 thank you, colleagues.

11 Ladies and gentlemen, my colleagues, as well as  
12 those in the audience are on phones, we are going to take  
13 out of order items three and four. Item three is an action  
14 item and would be more appropriately handled before the  
15 information items. So with your indulgence, item four is  
16 now item three, and this item will be Consider Awarding the  
17 Contract for Design Services for Central Valley Station.

18 MS. CEDEROTH: Thank you, Chair Richards. I  
19 appreciate your time and the time of the Board this  
20 morning. I'd like to go over the design services contract  
21 for the Central Valley stations.

22 This item is under consideration and is a request  
23 to the Board to approve award and execution of a design  
24 services contract for our four Central Valley stations.

25 Next slide.

1           Just a short reminder, these are the four  
2 stations. These are the concept designs we've developed  
3 for each. And this contract will take those kinds of  
4 designs and move them to a configured footprint.

5           Next slide.

6           Just to recap, this is a contract for one  
7 designer for all four of the stations. And the  
8 solicitation was for comprehensive design services through  
9 delivery, which means we sought firms who are qualified to  
10 provide final design, construction support and guide  
11 commissioning, as well as to initial concept designs. So  
12 we qualified teams for all of the work that we will need  
13 everything we need really to have functional stations for  
14 customer service.

15           We did break the contract into two notices to  
16 proceed to conform to our available funding. Notice to  
17 proceed number one, the duration is 30 months, that was a  
18 result of Board discussion in April, which should get us  
19 through the configured footprints for each station in 2025,  
20 which then we would proceed with final design bid and  
21 construction in time with our goal to have customer service  
22 by the end of the decade. The not-to-exceed value for  
23 notice to proceed number one is \$35.35 million.

24           Next slide.

25           The scope is a logical series of activities that



1 follow a sequence to meet the project's schedule of  
2 customer service by the end of the decade. Notice to  
3 proceed one specifically focuses on the activities that  
4 confirm information necessary for our configured station  
5 footprints. The first task order would cover detailed  
6 project management, quality management, systems engineering  
7 management and sustainability management plans, among other  
8 project administration requirements.

9           The station delivery team is already underway,  
10 coordinating with functional areas including rail delivery,  
11 engineering, infrastructure delivery, and other functional  
12 areas all in the service of developing these task orders  
13 collaboratively.

14           The other scope items include site analysis,  
15 investigation, planning and access for all of the four  
16 stations, right-of-way acquisition that's necessary to  
17 resolve any design or cost questions, advanced design for  
18 all four stations which will include value engineering and  
19 cost estimating, and then site adapting our existing canopy  
20 work and configuring that preferred concept and providing  
21 the configured drawings.

22           There are many site issues that will be resolved  
23 through this design process. This contractor is a critical  
24 integrator across multiple contracts that are already or  
25 soon to be underway. In Merced, they will coordinate with

1 the M to M alignment designer to integrate this station  
2 into the final approved location in Merced. In  
3 Bakersfield, similarly, they will integrate the station  
4 facilities into the viaduct that carries the trackway to  
5 the F Street location. That design work is soon to be  
6 underway with the LGA design team that the Board recently  
7 approved.

8           They will also work collaboratively with the city  
9 to finalize the design of site access work, including  
10 improvements that are likely to include modifications to  
11 Chester Avenue, Garces Circle, and State Route 204.

12           In Kings-Tulare, they will receive work from the  
13 CP 2-3 contractor at the Hanford Viaduct. And in Kings-  
14 Tulare, this designer will work on the station platforms  
15 and site access that must be connected to the existing  
16 State Route 43 roundabout and a relocated Leasy (phonetic)  
17 Boulevard.

18           In Downtown Fresno, this designer will receive  
19 the alignment work from CP 1 and finalize the integration  
20 of this facility into the surrounding urban fabric. And  
21 crucially, this designer will integrate their work with the  
22 track and systems contractor or with the track and systems  
23 provider.

24           The result will be signature stations for each of  
25 the four locations.

1           Next time.

2           Keeping with authority practice, the Request for  
3 Qualifications was managed by Staff. As this overview  
4 tells you it included, of course, our small business goals  
5 and our small business participation utilization goals.  
6 And it also included a pass/fail requirement for ESG  
7 efforts which, of course, as Darin explained, include  
8 things like socioeconomic strategies, environmental  
9 strategies, and others. And this was also included as a  
10 pass/fail requirement here.

11           Next slide.

12           After the Board meeting this past April where we  
13 received approval, we issued the Request for  
14 Qualifications. This process yielded two qualified  
15 bidders, one, a Joint Venture of Foster + Partners Arup,  
16 and the second, Gensler. The offeror teams were assessed  
17 based on disclosures and in accordance with the Authority's  
18 conflict of interest policy. And the SOQs were evaluated  
19 and scored by a Technical Committee according to the  
20 criteria in the request for qualifications.

21           We held discussions, otherwise known as  
22 interviews, with both of the offerors.

23           Next slide.

24           The final scores are a weighted combination of  
25 the statement of qualifications and the discussion scores.

1 Foster + Partners Arup Joint Venture was the top ranked  
2 offeror. They provided a cost proposal that was reviewed  
3 by the Authority, as we discussed this morning's F&A  
4 Committee, and those recommendations that you heard were  
5 already taken onboard by the Contract Management Team. We  
6 successfully negotiated an agreement and are now seeking  
7 Board approval to execute that agreement.

8 Next slide.

9 To restate, the action in front of the Board this  
10 morning is authorization of the CEO or designee to execute  
11 notice to proceed one. I'm more than happy to answer any  
12 questions.

13 CHAIR RICHARDS: Thank you, Miss Cederoth.

14 Any questions for -- yes, Director Camacho?

15 BOARD MEMBER GHIELMETTI: I just have --

16 CHAIR RICHARDS: Or Director Ghielmetti, go  
17 ahead, please.

18 BOARD MEMBER GHIELMETTI: I just have --- it's  
19 the same comment I always make, 30 months seems like a long  
20 time. Is there any way we can cut that back?

21 MS. CEDEROTH: That 30 months takes us through to  
22 2025 to get to configured footprint. And we'll be managing  
23 very closely to time. So there are certainly stations that  
24 are going to be quicker than 30 months. And we certainly  
25 have taken onboard your advice that we move this design

1 along as expeditiously as possible.

2 BOARD MEMBER GHIELMETTI: Thank you.

3 CHAIR RICHARDS: Any other questions or comments  
4 from my colleagues? Seeing none -- yes, please.

5 BOARD MEMBER SCHENK: I'm sorry. I do.

6 Stations are so important going forward for the  
7 economic development of the areas. And, you know, I've  
8 seen them, literally, all over the world.

9 I guess my question is: Where along the line will  
10 this Board be able to see some of these designs as they go  
11 along? Will we have any input? You know, many on the  
12 Board are experienced in not so much design but in that  
13 reality and the practical aspects of what a station can be  
14 and do in a community.

15 So I'm just wondering sort of process here. Are  
16 they going to come up with the design and present it to us  
17 or is their staff input along the way, is there Board input  
18 along the way?

19 MS. CEDEROTH: Yes. This this is going to be  
20 very closely managed by Staff and, of course, expeditiously  
21 managed, as Director Ghielmetti reminded us. But there  
22 will be opportunities for the Board, as well, to consider  
23 the designs and understand the process.

24 BOARD MEMBER SCHENK: And I'm assuming, I hope  
25 correctly, that there will be tremendous sensitivity to not

1 just the letter of the ADA law but the spirit of it, as  
2 well, so that we have practical applications here on how  
3 people with disabilities access and utilize the stations?

4 MS. CEDEROTH: Yes, absolutely. I think you  
5 speak to an incredibly important criteria for the  
6 Authority, which is that the stations are universally  
7 accessible, which means that we take into consideration  
8 all -- a range of different aspects and a range of  
9 different elements to that access so that they are the best  
10 stations we can make them.

11 BOARD MEMBER SCHENK: Thank you.

12 CHAIR RICHARDS: Any other questions or comments?

13 Alright, seeing none, we have draft resolution  
14 HSR 22-23, Approval to Award Contract for Design Services  
15 for Central Valley Stations.

16 BOARD MEMBER PEREA: Motion to approve.

17 BOARD MEMBER SCHENK: Second.

18 CHAIR RICHARDS: Okay, we have a motion for  
19 approval. Is that Director Perea?

20 BOARD MEMBER PEREA: Yes, sir.

21 CHAIR RICHARDS: And was the second from Director  
22 Schenk?

23 MR. RAMADAN: Director Schenk?

24 BOARD MEMBER SCHENK: Yes.

25 MR. RAMADAN: Chair Richards?

1 CHAIR RICHARDS: Yes.

2 MR. RAMADAN: Director Camacho?

3 BOARD MEMBER CAMACHO: Yes.

4 MR. RAMADAN: Vice Chair Miller?

5 VICE CHAIR MILLER: Yes.

6 MR. RAMADAN: Director Perea?

7 BOARD MEMBER PEREA: Yes.

8 MR. RAMADAN: Director Ghielmetti?

9 BOARD MEMBER GHIELMETTI: Yes.

10 MR. RAMADAN: Director Escutia?

11 BOARD MEMBER ESCUTIA: Aye.

12 MR. RAMADAN: Director Williams?

13 BOARD MEMBER WILLIAMS: Aye.

14 MR. RAMADAN: Director Pena?

15 BOARD MEMBER PENA: Yes.

16 MR. RAMADAN: Mr. Chairman, the motion carries.

17 CHAIR RICHARDS: Thank you, Mr. Secretary.

18 Ladies and gentlemen, we will now move on to

19 revised to item number four, which is the 2022

20 Sustainability Report.

21 And Meg, you're still on.

22 MS. CEDEROTH: Yes. Thank you very much.

23 So, Chair Richard and Vice Chair Miller on the  
24 phone, as well as members of the Board, I appreciate this  
25 opportunity to share a few aspects of this year's

1 Sustainability Report with you. This year's report focuses  
2 not just on our program's process, but it situates it in  
3 the wider context of the audacious plans and policies,  
4 programs and regulatory actions of the State of California,  
5 work that they've undertaken to move this, the largest --  
6 fifth largest economy in the world to carbon neutrality as  
7 soon as practicable. It's always a pleasure to share our  
8 sustainability progress with the Board.

9 Next. Oh, it worked.

10 As our achievements in sustainability, the  
11 hundreds of activities to advance the ambitious goals and  
12 targets that the Board has set reflects the actions of  
13 everyone on this program across all functional areas and in  
14 all aspects of delivery. And this is a direct  
15 manifestation of the Board-adopted policy for  
16 sustainability for the system.

17 You appreciate that sustainability as an umbrella  
18 has been intentionally approached at the Authority to  
19 address social, environmental, and governance factors.  
20 These are multiple issues that are all incredibly  
21 important. And this report is a consistent presentation of  
22 those ESG elements annually, in conformance with global  
23 standards.

24 California has taken a leadership position for  
25 decades to advance critical environmental and social



1 issues. California and its leaders have not shied away  
2 from the bold deeds necessary to evolve our economy and its  
3 underlying infrastructure, particularly its transportation  
4 infrastructure, to not just mitigate but to adapt to the  
5 rapidly and dramatically changing climate and resulting  
6 hazards.

7           The speed and the reliability of high-speed rail,  
8 of dedicated passenger rail that runs entirely on renewable  
9 energy is, as Secretary Omishakin noted in his remarks  
10 about our report, is a game changer in terms of  
11 California's climate strategy.

12           The billions of vehicle miles the system saves  
13 from our over congested roadways, and the influence that  
14 the system has on reducing carbon dioxide emissions, not  
15 just an aberration but already in construction, and our  
16 mitigation practices illustrates the standard that we are  
17 setting.

18           So illustrating a system as complex as high-speed  
19 rail in construction and operation, and all the ways that  
20 the system contributes to both carbon sinks and sources, is  
21 essential for regularly illuminating to our stakeholders,  
22 including the legislature and the general public, the role  
23 that our system plays in meeting the state's carbon targets  
24 that are enshrined in code.

25           And reporting helps us annually to retool our

1 actions and assess our policies. Annually, environmental  
2 sustainability topics are important evidence to our  
3 delivery teams on the effectiveness of our approaches. And  
4 it honors our promises with detailed progress reports on  
5 restorative mitigation activities.

6 As our policy states, we strive to be a model of  
7 sustainable infrastructure. And to that end, our  
8 Infrastructure Delivery Teams, our Construction Management,  
9 and our Procurement Teams have focused on what aspects of  
10 delivery, such as equipment, can and should evolve to be  
11 most environmentally responsible, as well as cost  
12 effective.

13 The progress on Tier 4 equipment alone shows the  
14 results that are possible when you pay attention to an  
15 issue. These practices matter to the communities in which  
16 we are building because they are substantially cleaner in  
17 terms of local air quality than the alternatives which are  
18 actually still allowable under law. So we've avoided more  
19 than 190 metric tons of criteria air pollutants. You can  
20 also think of that is 420,000 pounds, if you prefer.

21 And our experience with these higher standards  
22 for equipment for fleets should position well to  
23 practically tackle the coming revolution in zero-emissions  
24 vehicles. Our own commitment, which we discussed in April  
25 of 2021, mirrors and anticipates the implementation of

1 state regulation to transform the transportation sector to  
2 zero emissions by 2035.

3           So the Authority Board has made very public  
4 policy-leading commitments to zeroing out criteria air  
5 pollution and greenhouse gas emissions from construction.  
6 And I am very pleased to report that we are still on the  
7 positive side of that balance equation. This is due to our  
8 partnership with other state agencies, including CAL FIRE  
9 and the Department of Conservation. We've leveraged their  
10 core competencies in urban greening and habitat and  
11 agricultural conservation in order to carry out mitigation.  
12 The more our actions in construction avoid emissions, the  
13 more the project is delivering on the promise of  
14 sustainable infrastructure.

15           One sterling example is our construction  
16 recycling requirement. While construction has put about  
17 15,000 tons of material into a landfill since the start of  
18 construction, our contractors have actually composted  
19 almost the same amount, and they have reused in  
20 construction within 64,000 tons, which is about four times  
21 what we sent to landfill. And then, of course, overall,  
22 we've recycled 93 percent of the material from  
23 construction. This is an exceptional result. It is unique  
24 among projects globally. It's certainly extraordinary for  
25 projects in California and the U.S.

1 California is also unique in its very dedicated  
2 approach to climate adaptation. And that was initiated by  
3 executive order, and then put into legislation, and has  
4 asked us, or infrastructure projects like us, to  
5 incorporate climate data and approach adaptation  
6 purposefully.

7 So implementation of a purposeful adaptation  
8 approach includes work with the Authority's Enterprise Risk  
9 Management Team, who have enthusiastically and rationally  
10 incorporated climate considerations into the Enterprise  
11 Risk Management Plan. And as we've discussed previously  
12 with the Board, implementation of the entirety of the  
13 Authority's Adaptation Plan has also included things such  
14 as addressing climate hazards through methodologies and  
15 criteria for analysis and design.

16 Sustainability always considers how we meet the  
17 needs of today's society without compromising the ability  
18 of future generations to meet their needs. This is a focus  
19 on quality of life for multiple generations. And quality  
20 of life often depends upon a very good job.

21 Happily, we have provided more than 8,600 job  
22 years, as well as the apprenticeship and the training  
23 opportunities at the center in Selma. And these continue  
24 to be to deliver ladders of opportunity for men and women  
25 who want to reenter and advance within the workforce.

1           Our focus includes applying an equity lens in  
2 multiple areas, not least of which, in the station planning  
3 and the process of learning what the surrounding  
4 communities consider most useful and appealing in the  
5 station site. These station neighborhoods will interact  
6 with the station sites daily. And if we can advance  
7 station improvements as quickly as possible to bring more  
8 people to the station areas in a positive way, this helps  
9 build our ridership.

10           This is all in the service of catalyzing.  
11 Whoops. I think we want to go back. There we go.

12           This is all in the service of catalyzing 15-  
13 minute communities. And this a very stylish way of  
14 referring to the fact that we are all willing to walk about  
15 5 to 20 minutes to run an errand, be it drop off a child at  
16 daycare or school, or pick up groceries, or walk to work if  
17 our housing is conveniently situated.

18           You know, the catalyzing 15-minute cities is  
19 important because this helps us to deliver on the promise  
20 of high-speed rail. And our post-ROD planning activities  
21 have explored transit-oriented opportunities, including  
22 housing and multiuse developments at the station itself and  
23 in the surrounding blocks.

24           The more we work with our partners to enable  
25 those denser developments, the sooner the promise of the

1 system is delivered. And working with our partners means  
2 sitting down with them to cocreate solutions and making  
3 sure that the broadest relevant community is informed on  
4 what is happening on the program. The hundreds of events  
5 and open houses help us to know where and how the program  
6 is delivering benefits, particularly to disadvantaged  
7 communities.

8 In 2021, for example, over 57 percent of the  
9 investment was made in disadvantaged communities, bringing  
10 direct income, as well as indirect economic activity to  
11 that inspired jobs and economic growth. Over the whole of  
12 delivery, that's spent more than \$4 billion to  
13 disadvantaged communities. That we are intentional in  
14 focusing on these benefits speaks not just to the social  
15 pillar but also to governance and how we apply fundamental  
16 ethics and values in the delivery of high speed rail.

17 We will continue to embed social, environmental,  
18 and economic considerations into delivery as we advance the  
19 service contracts and the capital projects necessary to  
20 realizing our goal of customer service by the end of this  
21 decade.

22 Because you've already heard from Darin and  
23 myself today, the ESG plans and policies are required of  
24 consultants and contractors wishing to do work with us.  
25 However, there are additional issues that we want to

1 advance, both in our organizational practice and in system  
2 delivery. These issues were underscored by the internal  
3 and external stakeholders who we surveyed earlier this year  
4 in order to understand how we should update or evolve our  
5 sustainability plan.

6           Greenhouse gas emissions and meaningfully  
7 addressing them across the program continued to be of the  
8 highest importance, but transparency and accountability,  
9 safety, stakeholder engagement, and the influence of the  
10 system on economic development are also areas we must  
11 maintain focus in order to honor our stakeholders  
12 priorities.

13           Reporting is a valuable act of transparency. It  
14 helps to demonstrate our progress. It reveals to us areas  
15 where we can improve. And it keeps us organized.

16           I've given you a very quick run-through of the  
17 Sustainability Report, and the various aspects of  
18 sustainability we undertake at the Authority. And I will  
19 emphasize again, and I hope that you have seen, how  
20 environmental, social and governance issues are influenced  
21 by and implemented by everyone in the Authority, and that  
22 we have all worked to make California high-speed rail a  
23 model of sustainable infrastructure.

24           I'm happy to take any questions.

25           CHAIR RICHARDS: Thank you, Meg, for all of that.

1 Congratulations and thank you.

2 Any questions or comments for Meg?

3 BOARD MEMBER PEREA: Good job.

4 CHAIR RICHARDS: Yeah. Thank you very much.

5 VICE CHAIR MILLER: If I could -- could I ask one  
6 question? I'm sorry.

7 CHAIR RICHARDS: Yeah.

8 VICE CHAIR MILLER: Can you hear me, Tom?

9 CHAIR RICHARDS: Yes, Vice Chair.

10 VICE CHAIR MILLER: Do you work -- yeah. Now do  
11 you work with the Design Team, this new contract that we  
12 just did, the item before, in terms of -- I mean, I'm sure  
13 you do. But maybe you could just explain a little bit how  
14 that our sustainability requirements and our design and  
15 construction sort of interface and complement each other?

16 MS. CEDEROTH: Oh, yes, happy to.

17 So, yes, I do work with the Design Team, as well  
18 as the sustainability requirements. And we've taken, from  
19 a practical implementation standpoint for facilities that  
20 we're building, we've actually embedded high performance  
21 design or sustainable design requirements into the design  
22 criteria which all contractors have to follow, including  
23 our station designer. And we've also set very high levels  
24 of high performance design for the facilities. The  
25 stations will be zero-net energy in terms of performance.



1 It will be LEED Platinum facilities. And they are, of  
2 course, going to be incredibly water efficient, as well as,  
3 you know, reducing sort of critical issues in the area,  
4 such as the heat island effects that often arises.

5 I think I heard all of your question, Nancy, but  
6 I'm happy to expand.

7 VICE CHAIR MILLER: Yeah. Thank you. Thank you  
8 very much. Appreciate it.

9 CHAIR RICHARDS: Thank you, Nancy.

10 And thank you again, Meg.

11 We will now go to the CEO Report.

12 CEO Kelly?

13 MR. KELLY: Thank you, Mr. Chairman and Members.

14 I'll quickly run through the CEO Report for this month,  
15 including a Project Update Report, summary, which is an  
16 important document that we'll be working on heading into  
17 the end of 22 in the beginning of 2023. So let me just  
18 jump into this. I cut here, let's see. Oops. Oops.  
19 There we go. Sorry. Okay.

20 The first element here is that we have, under  
21 current law, a Project Update Report that's due the  
22 legislature in every odd-numbered year. It's due on March  
23 1st of 2023. And this year's Project Update Report  
24 is -- whoops -- it's additive over what is normally  
25 required from the Authority. And it's really important

1 that we talk about this because there are elements in the  
2 Project Update Report that are due that are important. And  
3 as I mentioned, they are additive to what's been typically  
4 requested of us in the past.

5           The original Project Update Report was  
6 established by the legislature with AB -- or AB 95 back in  
7 2015. And that required the report to include a summary of  
8 the overall progress of our project, current and projected  
9 budget by segment, a comparison of the current schedule and  
10 budget to the 2012 Business Plan, a summary the milestones  
11 and issues during the prior two year period, as well as  
12 milestones that are expected in the next two-year period,  
13 and a thorough discussion of risks to the project and steps  
14 taken to mitigate those risks. We will include all of  
15 these elements in the Project Update Report that will be  
16 due in March.

17           But there's also a series of additional elements  
18 that are now required that that came as part of the budget  
19 agreement on June of 2022. And some of these requirements  
20 that are due are issues we've talked about at prior Board  
21 meetings. And the reason I wanted to talk to the Board  
22 about them and give you a review of this today is because  
23 this is the place we're going to do a comprehensive update  
24 of where this program is We come into the beginning of  
25 2023, including exactly where we are on cost estimates and

1 schedules. We're required to include our risk assessments  
2 and our probability assessments that we are using to  
3 describe risks, schedule, cost, budget, all of these  
4 things.

5           So this Project Update Report this year includes  
6 additional things like making sure that we're updating the  
7 completion specifically on the 119-mile dual track segment  
8 that we're now in construction on, completion of right-of-  
9 way planning, advanced engineering, and stakeholder  
10 agreements specifically for the Merced to Bakersfield  
11 extensions.

12           I would remind the Members that in the budget  
13 agreement this year, the legislature said the highest  
14 priority for the use of our funding going forward is the  
15 implementation/the construction of the Merced to  
16 Bakersfield extensions as a dual-track system. And so  
17 they're asking now, as we do that and we report to them  
18 through this Project Update Report, exactly where we are  
19 and, specifically, the issues, completion of a funding plan  
20 that includes federal funding awards for the Merced to  
21 Bakersfield segment, and additional milestones required for  
22 the completion of the Merced to Bakersfield segment and,  
23 ultimately, before Phase 1 system.

24           Costs and funding updates are now also to include  
25 the cost of the civil works and contract costs for the

1 Merced to Bakersfield segments, from Merced to Bakersfield  
2 costs of right-of-way acquisitions, utilities, third party  
3 agreements, rollingstock and stations, and funding  
4 commitments beyond the Merced to Bakersfield segment.

5           Now as the Members, because of the activities  
6 we've taken since the budget bill passed, we have just  
7 begun some of the advanced design process on advancing the  
8 work to Merced and Bakersfield. You just approved a  
9 contract to advance design of the stations. So we'll  
10 estimate costs as best as we have them while we're in the  
11 early design stages, but that will be part of what's in  
12 this Project Update Report due to the legislature, again,  
13 on March 1st.

14           The other reason I mentioned this is because,  
15 while it's due to the legislature in March 1st, I do want  
16 to talk to the Board about the preparation of this document  
17 leading up to March 1st, where we are, what will be coming  
18 in this document. When we know more about specifically  
19 where the schedule is, I want the Board to know, we'll talk  
20 about it publicly. My objective is that by the time we put  
21 out a Project Update Report to the legislature, we've  
22 covered a lot of the ground in our public hearings leading  
23 up to that March 1st date.

24           So I wanted to make sure the Board knew what was  
25 expected of us as we're coming into this March 1st date and

1 that we'll have continued updates from me as to in terms of  
2 where we are and where we're going leading in to that March  
3 1st report.

4 BOARD MEMBER GHIELMETTI: Brian, will we get a  
5 draft before that March 1st date? I mean, I'm --

6 MR. KELLY: Yeah. I'm going to -- I will lay out  
7 the outline for what this looks like now. And there will  
8 be -- we will work with the Board to draft this out before  
9 we get the final, yes.

10 BOARD MEMBER GHIELMETTI: Thank you.

11 MR. KELLY: Okay. So, again, the theme of the  
12 Project Update Report that you'll be hearing is really us  
13 getting to operations, the objective of the Authority now.  
14 And, again, the push from the legislature with the Budget  
15 Act is to get the the Merced to Bakersfield segment in  
16 operation. So our goal, as everybody knows, is by the end  
17 of the decade, by 2030. And so we're going to lay out this  
18 in the Project Update Report. Steps for delivering Merced  
19 to Bakersfield is a central theme of the report, our  
20 objective showing the Authority's plan to deliver by the  
21 end of the decade.

22 We will need help on this. We've been clear that  
23 to double track this, we'll need some additional federal  
24 help. And we are actively working on federal grants, so  
25 we'll talk more about that. And as those are awarded, we

1 will update the Board on that, and the legislature.

2           There are updates for Southern California and  
3 Northern California Regional updates, as well. While our  
4 priority is building the Central Valley segment, the Board  
5 Members all know we have investments in the Bay Area, for  
6 example, with the electrification of the Caltrain system,  
7 as an example, the completion of the San Mateo Street -- or  
8 the grade separation that's already done. And in Southern  
9 California, as you know, we're partners on the L.A. Union  
10 Station Phase 1 project, as well as the Rosecrans-Marquardt  
11 Grade Separation. So, again, we'll update these things as  
12 well.

13           There is a new ridership model with new  
14 forecasts. And this is an important element, as well. You  
15 know, a lot of things happen pre-COVID, when the world  
16 changed, and so we have to accept that, we have to look at  
17 that, and we have to make new estimates about what our  
18 ridership model will look like in a post-COVID world. And  
19 we will forecast that. And, of course, the ridership model  
20 ties to the revenue model. And so these things will also  
21 be explicitly reviewed and laid out in the Project Update  
22 Report.

23           And, of course, there will be a continued  
24 emphasis on the project benefits. As we go forward and we  
25 expand this project, the fact of the matter is that

1 economic development will expand, job opportunities will  
2 expand. We'll talk about the mobility and the connectivity  
3 benefits of what we're doing. And as Meg Cederoth just did  
4 so eloquently, we will continue to talk about the climate  
5 and sustainability goals as we go forward.

6           The quick outline of what that PUR will look  
7 like, the Project Update Report, it typically starts with a  
8 letter from me to the Board and to the public. And then we  
9 have the chapter outlines for each chapter, again, steps to  
10 getting to operations in the Central Valley, Merced to  
11 Bakersfield, the funding and affordability issues,  
12 advancing the work statewide, including Northern and  
13 Southern California segments, management of our key issues,  
14 and of course, building competence through risk management.  
15 We are implementing a much more aggressive Risk Management  
16 Program here at the Authority under the directorship of  
17 Jamey Matalka, and that that work is underway.

18           There will be appendices that will be part of  
19 this. And that is, of course, making sure that we are  
20 responsive to the legislative directives here through AB 95  
21 and SB 198, both schedule updates and constant funding  
22 updates.

23           So this is all due on March 1st and this is what  
24 we're working on in real time. It's really the highest  
25 priority for us as a day-to-day basis in getting these

1 things solidified and nailed down as we as we go forward.

2 So that's the Project Update Report.

3 I will say now, there's been a lot of questions  
4 about schedule, and I do want to comment on where we are on  
5 schedule. Right now, as the Board knows, and certainly the  
6 F&A members know, on CP 4, we have a completion schedule of  
7 that on March 23 and we are still operating on that,  
8 working hard with the contractor and our third-party  
9 partners to stay on schedule for the March 23 date.

10 That's important, Ernie, actually, because of  
11 something you said earlier about where we have CM work  
12 ongoing when we bring on the PDS. CP 4 will likely be done  
13 for all purposes by the time that the PDS goes --

14 BOARD MEMBER CAMACHO: Well, that's the only one  
15 that is done then; correct?

16 MR. KELLY: What's that?

17 BOARD MEMBER CAMACHO: That's the only one that  
18 will be done?

19 MR. KELLY: It will be at this time. As we  
20 indicated in the subdivision (d) funding plan (phonetic)  
21 that the Board approved at our last meeting, we have a  
22 roughly 2025 estimate for the completions of CP 1 and 2-3.  
23 We have received the schedule from the contractor on CP 1  
24 for that 12/25 date. And at CP 2-3, the scheduling from  
25 the contractor is March 26. We are now applying risk



1 analysis to those schedules and we'll finalize those  
2 schedules as we go through a negotiation process with the  
3 contractor. But that's roughly the timelines on those,  
4 again, consistent with what we had in the subdivision (d)  
5 plan.

6 BOARD MEMBER CAMACHO: We should certainly  
7 celebrate that, the completion of CP 4, when it happens.

8 MR. KELLY: You know, it is reflective of an  
9 important thing that we've achieved on 4 and that we're  
10 working hard to achieve on 2 and 2-3, and that is full  
11 definition of scope in the project. Once you have that in  
12 place, schedule and cost becomes simpler to talk about.  
13 And 4, were able to execute on 4 because all of that is  
14 known and understood. We're working like heck to get the  
15 rest of that done for 2 and 2-3 and we'll solidify those  
16 schedules.

17 I will say this, one more thing that's really  
18 important about the Project Update Report, it will be  
19 subject to review by the oncoming or upcoming Inspector  
20 General's Office. And it's going to be very clear. And my  
21 intention is that the one word I want apply to the Project  
22 Update Report is credible. It will be a credible document  
23 that we will put forward because it's going to undergo  
24 review from others. And I expect to get a clean bill of  
25 health when third parties review that we put forward. So

1 that's my commitment to the Board and to policymakers,  
2 really to the public, that the Project Update Report be an  
3 extremely credible document.

4 I also update the Board every month on any change  
5 order that is in excess of \$25 million. There's two here  
6 that I want to talk about today.

7 One is, actually, it's a change order, but really  
8 it's about how we move the utilities. We do this through  
9 what's called a provisional sum account. And the  
10 provisional sums are dollars we put into a specific account  
11 that then is used to move utilities, mostly PG&E and AT&T  
12 issues. We have supplemented the account, mostly relative  
13 to CP 1, by \$38 million. And, again, not all \$38 million  
14 is necessarily called, but we want the account to be robust  
15 as we estimate what it will cost to get to the end of  
16 though, for work on this.

17 And so this is here. And then as each task order  
18 comes up to move the utility, we release funds from the  
19 visual sum account. So that was an activity that we just  
20 undertook to adjust the provisional sums so we can get  
21 through the rest of the utility or relocation work for --  
22 under our current budget.

23 The sweeper package is actually less, again, less  
24 of a change or and more of an added scope to the CP 1  
25 project, but I want to talk about this for a minute.

1           The sweeper package is a series of works, like  
2 table troughs for maintenance purposes, staircases for  
3 emergency exits from structures we may have. Originally,  
4 this work was not in the CP 1 contract and it was  
5 contemplated to be work that would be done by the track and  
6 systems contractor. However, the CP 1 contractor is  
7 already mobilized out at the site. And they already  
8 have -- they've already done work related to these  
9 facilities.

10           So we made a decision, a management decision, to  
11 negotiate with TPZP to add the scope of work to their  
12 contract, again, because they've already done the work on  
13 the structures, they're mobilized on the site, and we think  
14 it's more efficient and the work can be done more quickly  
15 by putting the scope back in their -- in their contract,  
16 rather than waiting for the track and systems contract to  
17 be awarded. So we did that and that's the second change  
18 order here that that want to report to the Board. Total  
19 cost was \$63.6 million. But, again, we think the benefit  
20 of this is advancing this work more quickly and more  
21 efficiently without having to get a new team mobilized in  
22 the site.

23           BOARD MEMBER GHIELMETTI: Do both of these change  
24 orders come out of our contingency fund?

25           MR. KELLY: I'll look at Brian. Yeah, they do in

1 this case.

2 BOARD MEMBER GHIELMETTI: They do?

3 MR. KELLY: Yes.

4 So those are the updates I had on the change  
5 order issues.

6 The next issue is some upcoming activity with  
7 industry that I think is important.

8 We are conducting a virtual industry forum to  
9 answer questions and ahead of what could be upcoming  
10 procurements. We have a rail systems engineering services,  
11 and the CM services for the rail, design-build maintain  
12 contracts. These are relative to the track and systems  
13 contract. As Director Camacho noted earlier, there's a  
14 separate construction management contract that's tied to  
15 that. The rail systems engineering services is a contract  
16 that was prior performed through the RDP contract. But the  
17 specialization here is really on specific high-speed rail  
18 operations, so our rail operations firm wanted to break  
19 that out from the new pts and do a specific procurement for  
20 that.

21 So we're starting with an industry outreach on  
22 this. All this will come back to the Board before we move  
23 forward on these. But the procurements will allow the  
24 authority to enter into agreements, ultimately, for  
25 professional services in these areas.

1           The virtual event for the industry feedback and  
2 conversations is Monday, October 24th at 11:00 a.m. and  
3 that will include live Q&A with our rail ops team and the  
4 industry.

5           In addition, we have had -- we have undertaken a  
6 very, as you know, a very aggressive and active approach to  
7 applying for federal funds that may become available. The  
8 federal government did us all a big favor with the  
9 enactment of the Infrastructure Investment and Jobs Act,  
10 the IIJA. As we've reported to this Board before, and we  
11 put in our 2022 Business Plan, Staff, we estimated six  
12 different accounts that we think we can play in for under  
13 that Act. The total dollars over the next five years in  
14 those six account accounts is on the order of \$75 billion.  
15 So we, every time a new NOFA or NOFO comes out, we look at  
16 project elements we have and we put forth applications.

17           So, one, I want to remind the Board, we have a  
18 major application pending on what is called the Mega Grant  
19 Program. We have a \$1.3 billion application pending for  
20 that. That's now at USDOT. We expect that award to be  
21 known by the end of November.

22           And the second one, which we just submitted, was  
23 the Rail Crossing Elimination Grant Application. As you  
24 all know, we're doing a series of grade separations in the  
25 Central Valley which are great safety projects in an area

1 where the state where there's a lot of dangerous grade  
2 separations. And as we look forward to expanding into  
3 Bakersfield and Merced, there will be more grade  
4 separations we need to get done. So we applied on October  
5 11th for \$67 million in federal funding to contribute to  
6 six at-grade crossings in the Shafter area. These are part  
7 of the extension of the work into Bakersfield. This would  
8 construct two grade separations and allow us to complete  
9 design and right-of-way for four additional grade  
10 separations on the path to downtown Bakersfield.

11 Funding would also continue supporting the  
12 Central Valley Training Center in Selma. I know that  
13 Director Perea talked earlier about the benefits of that  
14 workforce development program. We want to continue that  
15 program. So our grant application here, I think, requested  
16 on the order of \$2.8 million for the Workforce Center to be  
17 matched by some of our state funds to keep that going much  
18 further. And, again, the grant is intended to improve the  
19 health and safety of these underserved communities in the  
20 Central Valley.

21 One comment I wanted to make, also, about recent  
22 activities of the staff, we were invited in September to go  
23 to Germany. The FRA had accepted a panel, position on a  
24 panel, and they could not make it and we were asked to fill  
25 in, if you will. So we brought our Director of Rail

1 Operations, as well as our Director of Sustainability and  
2 Planning. We have the opportunity to not just participate  
3 on a global panel about high-speed rail and update the  
4 international community about where we are in California  
5 and what we're doing to advance high-speed rail, but we  
6 also had the opportunity, and thank you to Dutch Bond  
7 (phonetic) for their staff and the work they did to show us  
8 maintenance facilities, how they operate their maintenance  
9 facilities, construction tours of onsite construction  
10 elements, station tours which were incredibly impressive.

11           It's hard to explain in words exactly how  
12 advanced their stations and trains systems are. I can tell  
13 you that the Berlin station sees something like 6,000  
14 trains come and go a day. And some 300,000 people pass  
15 through that station every day. And if you just think  
16 about that number, that is more than the totality of all  
17 train stations in California combined, and it's one city in  
18 Germany. So, again, it was impressive to see.

19           Their stations are more than just train stations,  
20 they're really shopping centers, as well, food, retail,  
21 other things are involved. And it took them, you know,  
22 decades to get there, and we're trying to get there, but  
23 the magnitude of it was, was impressive.

24           We also visited their operational control center.  
25 We had opportunity to with the U.S. Embassy in Berlin. And

1 we also met with the German Transport Minister to talk  
2 about what they're doing.

3           You know, I was just share with the Board, they,  
4 too, are dealing -- had to deal with COVID. They saw huge  
5 dips in ridership when COVID was at its peak. And they did  
6 something that they found great success, but now they're  
7 figuring out how to extend it, and that was they offered --  
8 the German government invested two-and-a-half billion euro  
9 to offer a single ticket ride for nine euros for a three  
10 month period for riders to ride on any any train in their  
11 system. And they did it for three months, nine euros is a  
12 bargain for that, but it was so wildly popular. And now  
13 they're figuring out how to extend it to price it  
14 correctly.

15           So going forward, they want to price it but  
16 subsidize it less, and so they're going through that now.  
17 But the idea is a single ticket and having to ride various  
18 transit operators. And, again, something that is so simple  
19 and something that is so much easier for transit riders,  
20 wildly popular there, and they're looking to extend it.

21           So it was a great opportunity for us to see kind  
22 of our future. And it was a it was quite a trip.

23           With that, Members, I'm happy to answer any  
24 questions.

25           CHAIR RICHARDS: Any question for our CEO?



1 Thank you, Brian.

2 MR. KELLY: Okay. Thank you.

3 BOARD MEMBER PEREA: Mr. Chairman, I do have one  
4 question.

5 CHAIR RICHARDS: Director Perea.

6 BOARD MEMBER PEREA: Yes. Thank you.

7 Brian, on the decision on the heavy-duty  
8 maintenance facility, I understand that that that is now  
9 back in play. I just wanted to make sure that Fresno and  
10 Fresno County are still in the mix and that decision.

11 MR. KELLY: Yeah, I mean, I'm going to say this,  
12 Director Perea, we can probably talk about this more  
13 offline, if that works for you, but I would say that, as  
14 you know, we worked through an agreement with Fresno and  
15 Fresno Work some time ago for the location of a maintenance  
16 and weigh facility. That actually had the most economic  
17 benefit of all the facilities that we're going to build, as  
18 well as a training center, and an operational control  
19 center in Fresno.

20 And I know in the past the Authority had gone out  
21 and done a sort of a back and forth with all the  
22 communities in the Central Valley about where to locate  
23 that heavy maintenance facility. And nine different cities  
24 had put forth their proposals and hopes that it would be  
25 located there.

1 I'm going to tell you my approach to this and,  
2 again, we'll have a back and forth with the Board on this.  
3 I think the heavy maintenance facility needs to be operated  
4 at a location that works best for our operations. And I do  
5 not -- I don't really want to engage in a sweepstakes with  
6 the counties and the cities on this. I think we have to  
7 make a decision about where that's going to be located  
8 based on the most efficient operations of our system. And  
9 that's the recommendation that the staff will bring to the  
10 board.

11 And so that's my approach on this. That's what  
12 we're working on. And that's where I can say it is.

13 BOARD MEMBER PEREA: Well, and that's fine. I  
14 mean, that makes absolute sense. I think my only point is  
15 that we not be taken out of the competition until it's --  
16 or the decision until we get to the end. But, yeah, we can  
17 talk more offline. Thank you.

18 MR. KELLY: Thank you.

19 CHAIR RICHARDS: Thank you, Henry.

20 Okay, thank you, Mr. Kelly.

21 Very quickly, ladies and gentlemen, just  
22 highlights of the Finance & Audit Committee meeting earlier  
23 this morning.

24 On cash management we've got -- the Authority has  
25 about \$2 billion in cash; \$1.9 billion of that are cash --

1 or is Cap and Trade proceeds. It does not include the \$161  
2 million that's the projected proceeds for the on August  
3 17th, '22 auction. The next auction, by the way, is in  
4 November 16 for Cap and Trade.

5 On capital outlay, our capital outlay budget  
6 during the month of August, the \$98 million was expended,  
7 of which \$55 million had to do with our design-build  
8 contracts. Contingency summary, we retain, right at this  
9 point, or just through August, let's say, \$2 billion  
10 remaining in contingency, of which about \$1 billion is  
11 associated with our CPs, CP 1, 2-3, and 4.

12 Monthly authorized contingency drawdown was \$30  
13 million in the month of August.

14 The Construction Report for the Central Valley  
15 structures, that 68 of 93 have been completed or are  
16 underway. That was an increase of one from the prior  
17 month.

18 Guideway, 87 out of 119 are either completed or  
19 underway. No change from the prior month.

20 Labor has ticked up and that is labor on our day  
21 jobs. Average daily labor has -- rose to 1,188 per day,.  
22 That's an increase of 75 over the previous month. U

23 Utility relocation, ten relocations in the month  
24 of August of '22. That brings us to 880 out of 1,863 have  
25 been completed, 372 are in progress, 64 have been approved,

1 and 547 have not started at this point, meaning August  
2 31st.

3 And right-of-way, ten parcels were delivered in  
4 August. That brings us to 2,125 out of 2,321, or 93  
5 percent, of the right-of-way parcels have been secured.

6 With that, unless there's any questions from my  
7 colleagues, let me just let you know that we'll add one  
8 item to our agenda today -- not to the agenda today, but we  
9 want to let the Board Members know that at the end of each  
10 meeting, if you have anything that you would like to be  
11 agendized for the next meeting for -- it may not make the  
12 next meeting, depending upon the agenda, but it would be  
13 agendized as soon as possible. At the end of each meeting  
14 and before the closed session, we'll ask the Board Members  
15 if any member would like to have anything added to a future  
16 agenda. Okay. So, well, I don't take credit for that. I  
17 have some really good colleagues who have suggested it but  
18 I absolutely agree with it.

19 So I don't know if anybody would like to have  
20 something added to -- yes, Ernie?

21 BOARD MEMBER CAMACHO: To help us with some of  
22 the issues we've been dealing with, it might be helpful if  
23 we could agendize, for the near future, a list of all the  
24 contracts that will be coming up. We have tracking  
25 systems, we have CM on those, but other related contracts

1 that could have an impact on our conflict of interest  
2 issues, so we can get ahead of them.

3 So if we can get a preview of, perhaps, the next  
4 six months' contracts coming up, or even if they could go  
5 farther out, that would even be more useful, but at least  
6 the next six months, that would be helpful.

7 CHAIR RICHARDS: Thank you, Ernie.

8 Any other questions or comments today?

9 Alright, well, as the Board Members know, we have  
10 a Closed Session. For those of you in the public, we are  
11 going to move into Closed Session, and I'll return after  
12 Closed Session to close this meeting and to record anything  
13 that is required to be recorded.

14 So we are in Closed Session and we'll see you  
15 shortly. We think that might be somewhere between 15 and  
16 20 minutes.

17 (The Board recessed into Closed Session at 12:03 p.m.)

18 (The Board reconvened at 12:45 p.m.)

19 CHAIR RICHARDS: Ladies and gentlemen, we've  
20 completed our recess. The Board completed its Closed  
21 Session and we have nothing to report .

22 And so with that, thank you very much for joining  
23 us this month. We'll see you next month. The meeting is  
24 now adjourned.

25 (The California High-Speed Rail Authority Board

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

meeting recessed for the day at 12:45 p.m.)

## CERTIFICATE OF REPORTER

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

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

IN WITNESS WHEREOF, I have hereunto set my hand this 9th day of October, 2022.



MARTHA L. NELSON, CERT\*\*367

## CERTIFICATE OF TRANSCRIBER

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

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

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



---

MARTHA L. NELSON, CERT\*\*367

November 9, 2022