



California High-Speed Rail **BRIEFING: May 11, 2023, AGENDA ITEM #2**

TO: Board Chair Richards and Board Members
FROM: Brian Kelly, Chief Executive Officer
DATE: May 11, 2023
RE: Construction Update

Summary

Information Item to update the Board of Directors on Program Delivery activities.

Background

This presentation reflects the Authority's commitment to brief the Board periodically on program progress. The CEO, COO, and Deputy COO will present a program update with a PowerPoint presentation to the Board. This presentation expands on the monthly Central Valley Status Report to provide a broader picture of program activities and final project challenges. This Program Update aims to give the Board a look at where program activities are and what is on the horizon as construction advances, the Authority strives for full project definition, and we look towards advancing design and Track and Systems procurement.

Discussion

This information item provides an update on major activities across the Program, including achievements and goals relative to environmental clearance, right-of-way (ROW) delivery, construction on the 119 miles in the Central Valley, and detailed information on status of third-party utility relocations for CP 1-4. The presentation will include further information on the following topics:

1. Achieving Construction Management

In the Central Valley, the Program has made significant progress in our commitments to improve construction project management. The primary areas in which the Program expects to achieve construction management by the end of 2023 include:

- a. Instituting a complete project definition.
 - ✓ Cross Creek Viaduct is the only commercial issue the remains outstanding and is currently in arbitration.
- b. Completing Right-of-Way (ROW) acquisitions.

- ✓ The improvements made in ROW planning, forecasting, and management increased capacity and productivity and helped surpass the 95% project goal in December 2022.
- c. Focused efforts on finalizing third-party designs
 - ✓ The Chief Executive Officer delegated authority to the Director of Real Property, Dennis Kim, to be the executive in charge of leading Third-Party relationship strategies, including increased engagement of third-party executives and workshops focused on process improvements with AT&T, PG&E, and railroads.
- d. Updating design and construction activities to finalize project schedules.
 - ✓ Working with Design-Build (DB) contractors to re-sequence work and mitigate schedule impacts.
 - ✓ Revised Baseline Schedules (RBSs) have been submitted by the contractors for Construction Package (CP) 1 and CP 2-3. The RBS for CP 2-3 remains conditionally accepted and CP 1 has been approved.

2. Right-of-Way Progress

A new management approach to Right-of-Way processes has contributed to increased ROW acquisition and improved schedule forecasting. Parcel delivery was projected to reach 95% in December 2022 but surpassed that with over 96% (2,208) parcels delivered. The Authority is ahead of schedule in delivering Right-of-Way, and the number of remaining parcels now stands at just over 3% (78).

3. Construction Progress

In the Central Valley, third-party requirements are largely identified, bringing the project scope into greater focus and stabilizing the ROW footprint. To obtain a full project definition, the Authority is advancing efforts to finalize scope and schedule. Negotiations are underway that will finalize new scope into the contracts, and the potential for re-sequencing work to mitigate schedule impacts. Progress and remaining challenges in each of the construction package (CP) in the Central Valley will be detailed, including the following:

- a. CP 1: The Revised Baseline Schedule has been accepted and all major commercial issues previously reported have now been resolved. The primary risks have been identified and mitigated; however, risks remain that include extended road closures in the City of Fresno, potential delays to irrigation dry-up windows due to spring snow melt impacts, remaining Railroad submittals to be submitted and approved, and third-party utility relocations still pending completion.
- b. CP 2-3: The Revised Baseline Schedule was conditionally accepted in October 2022 and is still subject to final approval. The Deer Creek Viaduct change order is now agreed and executed and Cross Creek Viaduct is in arbitration. The primary risk areas are ROW acquisitions for utility relocations and delays with third-party design reviews/approvals.
- c. CP 4: The Actual Earned Value as of March 31, 2023, was 91.6%. The primary risk that remains is relative to design reviews/approvals for Semitropic Water Storage District. Mitigations include a targeted effort to obtain the final design approval is pending.

Additional key performance indicators for each construction package will be provided in the presentation.

4. Construction Package 2-3 Storm/Flooding Impacts

In March 2023, the Central Valley experienced severe weather that caused heavy rainfall and snowpack build in the Sierra Nevada mountains. This resulted in flooding throughout the Central Valley and significant impacts to construction sites in CP 2-3. The Authority partnered with Tulare and Kings County, and the Local Flood Response Agency to provide support to the impacted communities within these regions. This included the reopening of Whitley Avenue in the City of Corcoran to be utilized as an evacuation route.

As the temperature continues to increase over the next several months, the snowpack melt may result in ongoing floods within these counties. The Authority continues to monitor for potential impacts to construction and is engaging with the irrigation districts to determine canal diversion options and other mitigation efforts.

Additional information on the work done to support the impacted communities will be provided in the presentation.

Legal Approval

This is an informational item, and by itself, does not raise any legal concerns.

Budget and Fiscal Impact

This is an informational item, and by itself, does not have a budget or fiscal impact.

REVIEWER INFORMATION	SIGNATURE
Reviewer Name and Title: Brian Annis Chief Financial Officer	Signature verifying budget analysis:
Reviewer Name and Title: Alicia Fowler Chief Council	Signature verifying legal analysis:

Recommendations

This is an informational item.