



## CALIFORNIA HIGH-SPEED RAIL AUTHORITY DRAFT RESOLUTION #HSRA 24-04

### **Adoption of the Final 2024 Business Plan and the Capital Cost Estimates Policy for Annual Reports**

**Whereas**, the California-High Speed Rail Authority is required to prepare, adopt and submit to the Legislature an updated Business Plan by May 1, 2014, and every two years thereafter;

**Whereas**, the Authority released a Draft 2024 Business Plan for public comment on February 9, 2024, which allowed the mandatory 60-day public review and comment period before Board adoption;

**Whereas**, the Draft 2024 Business Plan was presented to the Board and public at the February 29, 2024, Board meeting, providing a public forum for discussion of the Plan by the Board, staff and public, consistent with legal requirements for a public hearing and comments featured in Public Utilities Code Section 185033;

**Whereas**, the Legislature held hearings to ask questions and provide comments on the Draft 2024 Business Plan to the Authority at an Assembly Budget Subcommittee hearing on March 11, 2024, and a Joint Senate Transportation Committee hearing on March 12, 2024;

**Whereas**, the Authority received, reviewed and considered comments on the Draft 2024 Business Plan from the Legislature and a broad range of agencies, stakeholders and other interested parties, including the newly created Office of the Inspector General;

**Whereas**, as a result of public comments, Office of the Inspector General comments and Board direction, Authority staff has recommended proposed changes to the *Revised* Draft 202 Business Plan provided to the Board for its consideration;

**Whereas**, in addition, Authority staff has recommended a separate set of proposed changes to the *Revised* Draft 2024 Business Plan that would be incorporated if the Board approves Resolution #HSRA-24-04; scheduled for Board consideration on April 11, 2024;

**Whereas**, following the April 11, 2024 meeting of the Authority Board of Directors, the final 2024 Business Plan will be submitted to the Legislature on or before May 1, 2024;

**Whereas**, the Authority has historically updated cost estimates for segments under construction every one or two years based on an assessment of construction schedule and cost and consideration of the adequacy of the current budget;

**Whereas**, the Authority's long standing practice is to update cost estimates for unfunded segments of the high-speed rail project only after a significant design milestone, such as when an environmental clearance Record-of Decision for a project segment is reached—as this practice provides stakeholders with relevant updates to project cost estimates once the design of those segments has reached a level of maturity where associated cost updates benefit from a meaningful project scope definition;

**Whereas**, the Authority received a recommendation from the Authority’s Office of Inspector General (OIG) as part of its January 16, 2024, Letter reviewing the 2023 Project Update Report to create a Board policy that describes the conditions under which the Authority will update cost estimates in its annual reports; and

**Whereas**, as a result of the OIG recommendations, Authority staff recommend adopting a new policy that outlines the conditions for which the Authority updates its cost estimates in its annual reports;

**Therefore, it is resolved:**

The Board adopts the 2024 Business Plan, incorporating the edits from the Errata and Update table and the relevant changes identified in the Staff-Recommended Edits table responding to public comments. The Chief Executive Officer, or his designee, is hereby authorized and directed to make further non-policy revisions to the Business Plan as necessary and to submit the Business Plan to the Legislature on or before May 1, 2024. The Board also adopts the Capital Cost Estimates Policy for Annual Reports.

Vote:

Yes:

No:

Absent:

Date:

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