

CALIFORNIA HIGH-SPEED RAIL AUTHORITY

BOARD MEETING

TRANSCRIPT OF PROCEEDINGS

METROPOLITAN WATER DISTRICT BOARD ROOM

700 N. ALAMEDA STREET

LOS ANGELES, CA 90012

TUESDAY, APRIL 17, 2018

10:00 A.M.

Reported by:
Martha Nelson

APPEARANCESBOARD MEMBERS

Dan Richard, Chairman

Tom Richards, Vice Chair (Absent)

Lynn Schenk

Lorraine Paskett (Absent)

Michael Rossi

Daniel Curtin

Nancy Miller

Bonnie Lowenthal (Absent)

Ernest Camacho

EX OFFICIO BOARD MEMBERS

Assemblymember, Dr. Joaquin Arambula (Absent)

Senator, Jim Beall (Absent)

STAFF

Brian Kelly, Chief Executive Officer

Krista Jensen, Board Secretary

Joseph Hedges, Chief Operating Officer

Tom Fellenz, Chief Counsel

Michelle Boehm, Southern California Regional Director

Mark McLoughlin, Director, Environmental Services

APPEARANCES (Cont.)PRESENTERS:

Joseph Hedges, Chief Operating Officer

Tom Fellenz, Chief Counsel

Michelle Boehm, Southern California Regional Director

Mark McLoughlin, Director of Environmental Services

Brian P. Kelly, Chief Executive Officer

PUBLIC COMMENT - SESSION NO. 1

Art Leahy, Metrolink

Jeanet Owens, Metro

Trini Jimenez, BNSF Railway

Michael Behen, City Of Palmdale

Kome Ajise, SCAG

PUBLIC COMMENT - SESSION NO. 2

Michael Murphy, City of Santa Clarita

Kathleen Trinity, Acton, CA

Mike O'Gara, Self

Gary Aggas, Self

Victor Lindenheim, Santa Clarita Valley Chamber of Commerce

Bill Eick, S.A.F.E Coalition

David Leggett, CPUC

APPEARANCES (Cont.)

PUBLIC COMMENT - SESSION NO. 2 (Cont.)

Kelly Decker, Kagel Canyon Civic Association

Cindy Bloom, S.A.F.E Coalition

Lynne Toby, S.A.F.E Coalition

Katharine Paull, Self

Charles Follette, Self

Joe Adams, S.A.F.E - Shadow Hills

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P R O C E E D I N G S

10:12 a.m.

PROCEEDINGS BEGIN AT 10:12 A.M.

LOS ANGELES, CALIFORNIA, TUESDAY, APRIL 17, 2018

CHAIRMAN RICHARD: Good morning. Welcome to this meeting of the California High-speed Rail Authority.

Can you folks hear okay back there, or is there too much feedback? Okay. They've got their thumbs up. That's good.

(Off mic colloquy.)

Okay. Well, as I'm sitting here, it's loud. Okay. Is that better? Okay.

Good morning. The meeting will come to order. Will the Secretary please call the roll?

MS. JENSEN: Good morning. Director Schenk?

BOARD MEMBER SCHENK: Here.

MS. JENSEN: Vice Chair Richards?

VICE CHAIR RICHARDS: (Absent).

MS. JENSEN: Director Rossi?

BOARD MEMBER ROSSI: Here.

MS. JENSEN: Director Curtin?

BOARD MEMBER CURTIN: Here.

MS. JENSEN: Director Paskett?

BOARD MEMBER PASKETT: (Absent).

MS. JENSEN: Director Lowenthal?

1 BOARD MEMBER LOWENTHAL: (Absent).

2 MS. JENSEN: Director Camacho?

3 BOARD MEMBER CAMACHO: Here.

4 MS. JENSEN: Director Miller?

5 BOARD MEMBER MILLER: Here.

6 MS. JENSEN: Senator Beall?

7 EX OFFICIO BOARD MEMBER BEALL: (Absent).

8 MS. JENSEN: Assemblymember Arambula?

9 EX OFFICIO BOARD MEMBER ARAMBULA: (Absent).

10 MS. JENSEN: Chair Richard?

11 CHAIRMAN RICHARD: Thank you.

12 Ms. Miller, I'm sorry. Did you want to say
13 something? They can't hear?

14 MS. JENSEN: She said say, "Here."

15 CHAIRMAN RICHARD: Here. (Laughter).

16 You know I'm wondering whether MWD actually did
17 go through the tunnels, because I can't hear a thing that's
18 going on up here. (Laughter). But all right, Ms. Miller,
19 would you please lead us in the Pledge of Allegiance, the
20 flag being over here?

21 BOARD MEMBER MILLER: Yes. Please stand and
22 remove your hats.

23 (The Pledge of Allegiance is made.)

24 CHAIRMAN RICHARD: Before we start on the agenda,
25 I'd like to do two things this morning.

1 First of all, I'd like to give people a sense of
2 how this meeting is structured today. It's slightly
3 different than what we've done in the past. As noted on
4 the agenda, there are two public comment sessions for
5 today's meeting. And we did this to give the public
6 appropriate opportunities to address different subjects.

7 The first public comment session will take place
8 at the beginning of the meeting. And it'll be limited to
9 comments on the three action items that are the Board
10 agenda today. And that's the approval of the March meeting
11 minutes, the item to consider adjusting the Construction
12 Package 1 third-party utility provisional sums. And the
13 third item is amending a legal services agreement with
14 Caltrans. So if you wish to comment during the first
15 public comment session, you should have filled out a white
16 comment card.

17 We'll then move on to the staff presentation and
18 Board deliberation on those agenda items. Following the
19 action items, we'll move on to two informational staff
20 reports. One relates to the schedule for the environmental
21 work and the decisions on an alignment for the high-speed
22 rail line through Southern California. That's of interest
23 to a number of people in this community.

24 And the second is a report on the Draft 2018
25 Business Plan.

1 Now, the Draft Plan is out. We are required by
2 law to hold at least one public hearing on the Draft Plan.
3 We've already held one public hearing in Northern
4 California. We felt it would be beneficial to the public
5 to afford them to have an opportunity to have a public
6 hearing on it here in Southern California.

7 So those two items, the Southern California
8 Alignment Schedule and the Draft 2018 Business Plan will be
9 considered in the informational staff reports. If you have
10 comments on those two informational items, the Alignment
11 Schedule or the Draft Business Plan, if you haven't done so
12 already, please fill out a green comment card and present
13 it to our Authority staff.

14 If you're viewing the meeting from the overflow
15 room, which I think is probably not the case here and have
16 submitted a comment card, please be advised that the feed
17 of the meeting is slightly delayed.

18 I'll be calling speakers three at a time, so come
19 to the main room the first time your name is called.

20 By holding a public comment on these items after
21 they were presented, we wanted to provide the public with
22 the benefit of the staff presentations, to help inform your
23 comments before us today. And our intent and hope is that
24 this particular approach will be more conducive to full
25 public participation. So thank you for your patience with

1 that.

2 Before I do turn to the first items on the
3 agenda, of the action items, there's one other thing that
4 I'd like to do. And it involves the recognition of an
5 extraordinary individual, who played a not well known, but
6 actually very significant role in the furtherance of the
7 California High-speed Rail Program.

8 Many of you may know that Nancy McFadden, who
9 served effectively as the Chief of Staff to Governor Brown
10 passed away, due to cancer, a few weeks ago. There have
11 been many, many tributes to Ms. McFadden including an
12 obituary in the *New York Times*, the nation's newspaper of
13 record. And that is really quite an accomplishment for
14 someone who was not herself an elected official.

15 She has been instrumental in many, many of the
16 legislative and other successes of the Administration in
17 the last seven years, including the Water Bond issue what
18 was very important for all of California, including the
19 extension of Cap and Trade.

20 And early on, when Governor Brown was first
21 elected, he asked her along with his wife, to review the
22 California High-Speed Rail Program and to help him
23 determine what position he wanted to take on it, whether he
24 wanted to listen to the entreaties of some people to move
25 away from the program or to get fully behind it.

1 And at that time, I spent a lot of time with
2 Ms. McFadden. We had known each other through previous
3 professional associations. She was always brilliant,
4 diligent, had a huge heart, was always there for any friend
5 in need and was really one of the most extraordinary people
6 that I've ever met. And I would just say she exemplified
7 the commitment to public service. She spent most of her
8 life in the public sector, a significant period of time in
9 the public sector, and she exemplified that sense of
10 sacrifice and calling.

11 So I'm going to ask that we adjourn today's
12 meeting in memory of Nancy E. McFadden. And I'd like to
13 just take a moment, several of my colleagues were very
14 important in her life. And I'd like to turn first to
15 Director Lynn Schenk, who brought Ms. McFadden to
16 California. And Lynn, if you wanted to add a few words,
17 please.

18 BOARD MEMBER SCHENK: I would like to. There it
19 is, thank you. She was much more technologically apt than
20 I.

21 Dan, thank you. That was a beautiful tribute to
22 a wonderful person. When I was Chief of Staff to Governor
23 Davis, the Clinton Administration was coming to an end and
24 I joked with the Governor. And I said I'm going to
25 Washington D.C. to go talent shopping. And there were so

1 many very bright public policy people that were coming out
2 of the Clinton Administration and I interviewed a number of
3 them, including Nancy, who just was remarkable in every way
4 as a brilliant strategist, as an understanding of the human
5 condition, as a warm and charming person. And she wanted
6 to come back to California. She was a Californian. And
7 we were able to agree that she would come into the
8 Governor's Office.

9 She took ill the first time during her tenure
10 with us, but came back, beat her disease, came back and I
11 made her the Deputy Chief of Staff. And she was literally
12 my right arm, the Governor's right arm in the energy crisis
13 with the then high-speed rail bill that was being carried
14 by then Senator Jim Costa.

15 We just could not have -- I can't imagine what
16 those years would have been like without Nancy. And she
17 was a dear friend, thoughtful. We had our differences of
18 opinion on a number of occasions. She did it respectfully
19 with, as I say with charm, with dignity, and I will be
20 among those who will miss her dearly.

21 CHAIRMAN RICHARD: Thank you, Ms. Schenk.

22 Nancy Miller has a long personal friendship with
23 Ms. McFadden. Director Miller?

24 BOARD MEMBER MILLER: Thank you, Dan. It's hard
25 for me to even look at these pictures of her in front of

1 us, but for those of you in the audience that didn't know
2 this woman she was a remarkable public servant. Someone
3 who I met, I'm kind of looking at Lynn. We were on
4 opposite sides of an issue for many years when she worked
5 at PG&E (indiscernible: audio cuts out) and she would just
6 love the fact that people were involved in public service.

7 We are here today to talk about an issue that was
8 something that was very close to her heart, but she
9 understood the challenges of it. She was very pragmatic
10 and realistic about her approach to government. And she
11 was also one of these people that you would not hear a lot
12 about her, even though she championed most of the major
13 issues that our Governor, our current Governor championed.
14 And really she was, I think, the driving force in many
15 instances of accomplishing a lot of those issues.

16 So I thank you, Dan, for honoring her today.

17 CHAIRMAN RICHARD: Well, thank you.

18 A number of us dealt with her in a number of
19 different capacities and she touched a lot of lives. So
20 Nancy, we'll miss you. Thank you.

21 We'll move now to our agenda on Public Comment on
22 Session I. And I'm going to take the speakers in the order
23 that we have received these, so the first three speakers
24 will be the incomparable Art Leahy from Metrolink followed
25 by Jeanet Owens and Trini Jimenez.

1 MR. LEAHY: Thank you and welcome. I've never
2 been called incomparable before.

3 CHAIRMAN RICHARD: You haven't been called a
4 number of things.

5 MR. LEAHY: Yes, indeed. (Laughter). Usually
6 multi-syllabic, but congratulations to Brian having taken
7 on the new role, and best of luck.

8 I want to make a few personal observations about
9 this place, about Los Angeles where I grew up. And then
10 talk about the High-Speed Rail Project in just a minute. I
11 became a bus operator for Metro back in 1971 and I worked a
12 line that would terminate at Union Station, right out here.
13 And I would go inside the station, I'm 22 years old, to use
14 the restroom. So I go inside and I'm where the two grand
15 halls meet and I would stand there and look at how
16 beautiful it was. There were two people in the building.
17 Me and one Amtrak guy selling tickets. The place is empty.
18 There wasn't a newspaper rack in there.

19 Today, it's 80,000 people a day go through there.
20 Los Angeles is a different place than it was back then.
21 I'm looking forward to working with High-Speed Rail as you
22 come further south. I think the future is bright for all
23 the services that we all provide and will provide. And I
24 look forward to making sure that we coordinate things along
25 the corridor which we're going to be sharing with you in

1 the future.

2 You know, I appreciate what's been done in the
3 Draft Business Plan regarding Southern California. I like
4 to tell people that half the population of the state lives
5 south of Ventura Boulevard. This is the center of the
6 state. It's the center of the Metrolink system. And it
7 will be the center of the high-speed system when you get
8 down here. Now I know it's not the geographic center. But
9 it will be the spiritual center, because there's a lot of
10 passengers down here who don't have room on the freeways,
11 because the freeways are done.

12 We are working hard on the SCORE Program, the
13 Southern California Optimized Rail Expansion Program. We
14 look forward to working with you. As I said, the freeways
15 here are fixed. So we have a growing population, which is
16 spreading out. Trip lengths are getting longer and the
17 freeways are done. There won't be any more widening.

18 I do want to just note that one more story about
19 Los Angeles and this is a true story. During the Civil
20 War, the government sent troops down, federal troops down
21 from San Francisco. They were stationed across the street
22 in the pueblo. And the reason they were there is they were
23 fearful that Los Angeles and Southern California would
24 secede from the Union and join the South or they even
25 discussed a new country called Pacifica. I want to

1 reassure you that all this trouble was not the result of
2 the High-Speed Rail Program. It had nothing to do with
3 that.

4 Welcome again to Los Angeles and Southern
5 California. We look forward to working with you in the
6 coming years.

7 And Brian, best of luck.

8 MR. KELLY: Thank you, Artie.

9 CHAIRMAN RICHARD: And I don't usually comment on
10 speakers, because it's your time to comment, but there was
11 a serious omission in your remarks, Mr. Leahy, because you
12 left out the pivotal role you had in the transformation of
13 L.A. Union Station. So we should recognize that.

14 (Applause).

15 MR. LEAHY: You're very kind. Well, actually
16 thank you. And one more comment on that, people are griping
17 about the High-Speed Rail Project and how long it's going
18 to take. From my personal perspective the first time I
19 worked on a rail project was in 1976. We were trying to
20 get the Ford Administration to approve a grant. I was a
21 COO at Metro when we opened up the Blue Line and in '93 the
22 Red Line. And I was CEO there when we opened the Expo
23 Line. So after all those decades we're still working on
24 it, just like you guys will be. So take heart.

25 CHAIRMAN RICHARD: Thank you, Art.

1 Jeanet Owens, I hope I -- did I pronounce your
2 first name correctly? And you'll be followed by Trini
3 Jimenez and Mike Murphy.

4 MS. OWENS: Good afternoon Chair and Directors.
5 My name is Jeanet Owens, Senior Executive Officer here at
6 Metro Regional Rail. We want to welcome you here in
7 Southern California. We love having you here. We hope you
8 can be here more often.

9 With that being said, we would like to thank you
10 for your investment at the Proposition 1A bookend funds to
11 the Rosecrans/Marquardt Grade Separation and Linking and
12 Station Project. We want to stress that these early
13 infrastructure investments to California -- from the
14 California High-speed Rail to these projects provide
15 immediate and much needed improvements to our existing
16 passenger rail and freight services, while accommodating
17 the future high-speed rail.

18 High-Speed Rail Authority has been a great
19 partner with Metro, the Burlington Northern Santa Fe Rail
20 and the Santa Fe Springs as well as with Metrolink Southern
21 California Regional Rail and the LOSSAN.

22 These improvements along this corridor,
23 especially on the Los Angeles to Anaheim Corridor where it
24 is the second busiest rail corridor, is important to us.
25 And we welcome the opportunity to work with High-Speed Rail

1 for future investments here in Southern California to our
2 existing rail service.

3 I apologize if I broke a little protocol in
4 mentioning some of the second line item on the second
5 session, but I thought it was important, especially since
6 these are vital improvements to Southern California.

7 CHAIRMAN RICHARD: We'll figure out your penalty
8 later (Laughter). Thank you very much for your comments.

9 Trini Jimenez followed by Mike Murphy and then
10 Michael Behen.

11 MR. JIMENEZ: Good morning Mr. Chair and
12 Directors. My name's Trini Jimenez. I'm the Director of
13 Government Affairs for the BNSF Railway Company here in
14 Southern California. And I'm here to voice our support in
15 working with Metro, Metrolink and High-Speed Rail in going
16 forward with much of our joint urban corridor work.

17 As mentioned the Rosecrans/Marquardt improvement
18 is of importance to us as well. And we firmly believe that
19 working together with all of the relevant agencies
20 involved, as a team going forward, we will certainly
21 accomplish much more than we could individually.

22 So I just want to thank you for working with us.
23 And we also look forward to partnering with all of you,
24 moving forward. Thank you very much.

25 CHAIRMAN RICHARD: Thank you, sir.

1 Next up Mike Murphy from the City of Santa
2 Clarita followed by Michael Behen.

3 Good morning.

4 MR. MURPHY: Mr. Chairman, my remarks are
5 designed for item number four. So if I could defer my
6 comments until that time, it would be appreciated.

7 CHAIRMAN RICHARD: Yes, that's fine, sir. I'll
8 recycle your card there. Okay?

9 Michael Behen, City of Palmdale and he'll be
10 followed by Kome Ajisme.

11 MR. BEHAN: Good morning. I might fall into that
12 same category, Mr. Chairman, for item four, but I can go
13 now though.

14 CHAIRMAN RICHARD: You guys are all a bunch of
15 reprobates, everybody's in the wrong -- no that's fine.

16 MR. BEHAN: We're rebels.

17 Good morning. Michael Behen from the City of
18 Palmdale, Department of Public Works. First of all, I want
19 to say thank you for coming to Los Angeles for your Board
20 meeting. It means a lot to us. We appreciate it.

21 So for this morning, it took me three hours to
22 get here from Palmdale from door-to-door and it wasn't fun.
23 I can tell you that. And right now, in the Antelope Valley
24 between Palmdale, Lancaster and unincorporated L.A. County
25 in the area we've got about 75,000 people that are

1 commuting each day to the Los Angeles Basin.
2 And now, we're at the longest commute times in the country.
3 We're talking about four hours a day in the car, so high-
4 speed rail makes sense.

5 Thirty minutes from Palmdale to Union Station.
6 That is a game changer that changes lives, it reduces
7 stress, it makes people happier. We need alternative modes
8 of transportation. High-speed rail is one of those modes.
9 Expansion of Metrolink service, Amtrak, Greyhound,
10 everything you can think of. We can't rely only on
11 vehicles any more.

12 As you know, we've been long supporters of high-
13 speed rail and continue to be supporters. We will continue
14 to work with staff and come up with alternatives that
15 create the least amount of local impact and are mutually
16 beneficial.

17 And we are wrapping up our station planning
18 grant. We again appreciate the grant funds for that.
19 We'll present that to our Council in the winter of 2018.
20 And I would just say, as a collective group, we stay the
21 course. We stay in the fight and we bring high-speed rail
22 to Southern California. And I thank you for your time.

23 CHAIRMAN RICHARD: Thank you, Mr. Behen.

24 The last speaker on this round is Kome Ajise from
25 Southern California Association of Governments. Good

1 morning sir.

2 MR. AJISE: Good morning Chair Richards and good
3 morning Board Members. My name is Kome Ajise. I'm the
4 Director of planning at the Southern California Association
5 Governments.

6 I fear that my comments are also designed for the
7 last two items, but since I'm already up if you don't mind,
8 create indulgence to continue.

9 On behalf of the SCAG Regional Council and
10 Executive Director, Hasan Ikhata, I just wanted to just
11 say that we appreciate the fact that one, you're here in
12 Southern California. We've been looking forward to the
13 meeting. We had hoped it would have been closer to our
14 offices, actually in our office. And we're also glad that
15 we had Secretary Kelly -- I still call him the boss --
16 Secretary Kelly. We're glad to have had Secretary Kelly at
17 our last Regional Council. And I think the Board, our
18 Board, appreciated the presentation on the directions, the
19 new direction of high-speed rail.

20 You've already heard that everybody's happy that
21 you're in Southern California, we in Southern California
22 more so. Just to borrow off of Mr. Leahy's point having
23 half of the population, the SCAG Region represents 19
24 million people. And our current Regional Transmission
25 Plan, the 2016 RTP yes counts on the implementation of a

1 high-speed rail system to actually have sustainable
2 communities into the future. And I would dare say that as
3 we have begun work on the 2020 Plan, we will continue to
4 look forward to the implementation of the high-speed rail
5 into the future. So we're really excited to see the
6 Business Plan continue to push in that direction.

7 Now the Business Plan, for one thing we
8 appreciate the fact that it was more so conservative and
9 transparent in its approach to representing the current
10 cost and potential cost adjustments. I think that's really
11 admirable and serves to continue to create credibility
12 around the program, as we would want to see.

13 Understandably, the Plan focuses on an IOS going forth
14 to the north first and delaying implementation in Southern
15 California. We understand that even though we feel like we
16 dearly and desperately need for this to be implemented in
17 Southern California. And so we'll continue to work with
18 you, with the staff and with the Board to bring about the
19 implementation of the initial projects, the bookend
20 projects in Southern California, and really appreciate you
21 being here and the opportunity to speak to you today.

22 CHAIRMAN RICHARD: Thank you for your comments,
23 Mr. Ajise. I have no other comment cards for these items.
24 And so with that the first public comment period is closed.

25 We'll now move on to the regular agenda.

1 Starting with -- oh, I'm sorry. Ms. Schenk?

2 BOARD MEMBER SCHENK: Just that moment of
3 personal privilege if I might?

4 CHAIRMAN RICHARD: Of course.

5 BOARD MEMBER SCHENK: We have in the audience
6 Libby Bradley, who is a graduate student at the UCLA Luskin
7 School of Public Affairs and like 19. And this is she has
8 a great interest in transportation and high-speed rail and
9 made her way from the Westside to join us here. So I'd
10 just wanted to acknowledge her presence.

11 CHAIRMAN RICHARD: Welcome, Ms. Bradley. You've
12 got a great mentor here.

13 So okay, thank you, Ms. Schenk.

14 We'll move to item one, which is consideration of
15 the Board minutes from the March 20, 2018 Board meeting.

16 BOARD MEMBER CAMACHO: Moved.

17 BOARD MEMBER ROSSI: Second.

18 BOARD MEMBER SCHENK: Second.

19 CHAIRMAN RICHARD: Okay. It was moved by
20 Director Camacho, and the first second I heard was from
21 Director Rossi. Please call the roll.

22 MS. JENSEN: Director Schenk?

23 BOARD MEMBER SCHENK: Yes.

24 MS. JENSEN: Director Rossi?

25 BOARD MEMBER ROSSI: Yes.

1 MS. JENSEN: Director Curtin?

2 BOARD MEMBER CURTIN: Yes.

3 MS. JENSEN: Director Camacho?

4 BOARD MEMBER CAMACHO: Yes.

5 MS. JENSEN: Director Miller?

6 BOARD MEMBER MILLER: I'm going to abstain since
7 I was not present.

8 MS. JENSEN: Chair Richard?

9 CHAIRMAN RICHARD: Yes.

10 Is that five?

11 MS. JENSEN: Uh-huh.

12 CHAIRMAN RICHARD: Yeah, great. Thank you.

13 Item two, consideration of increasing the
14 Construction Package 1 or CP1 design/build contract
15 provisional sums for what are called excluded third-party
16 items, the utility relocation.

17 Mr. Hedges?

18 MR. HEDGES: Good morning Sir and Board. I'm Joe
19 Hedges. I'm the new Chief Operating Officer for the High-
20 Speed Rail Authority.

21 CHAIRMAN RICHARD: I'm sorry. I should have
22 introduced you as such. I guess we introduced you at the
23 last meeting and I just assumed that, so anyway go ahead.

24 MR. HEDGES: Yeah. Let me start just basically
25 with the name, CP1, Construction Package 1, excluded

1 because this original task was not included in TPZP's
2 original proposal. And with regards to third-party
3 relocations, it's for AT&T and PG&E.

4 As you remember, back in December of 2016 Change
5 Order 48 included this task into TPZP's tasking and giving
6 them a modification of approximately \$158 million.

7 Now, the work is ongoing. There's critical paths
8 work and then \$40 million is a bridge basically, from FY17
9 to FY18, as to allow that work to continue and not to
10 impede critical path and to incur delay costs. So what I'm
11 asking for right now is \$40 million, your authorization of
12 \$40 million in FY2017.

13 And here's what's new, okay? I want to stress
14 that now when we come before the Board I want to give you
15 the EAC, the Estimate at Completion, which is the budget
16 and the ETC, the Estimate to Complete remaining of that
17 money.

18 So the EAC for this amount is \$396 million, which
19 is fully accounted for in the new baseline budget with an
20 ETC, an Estimate to Complete, of approximately 169. That
21 40 is included in the Estimate to Complete.

22 So you have full disclosure with regards to the
23 total line item costs and the amounts required to complete
24 this.

25 CHAIRMAN RICHARD: Questions for Mr. Hedges.

1 Director Schenk?

2 BOARD MEMBER SCHENK: I do. I have two
3 questions. Saying that this is going to be a shift of 40
4 million from fiscal 2017-'18 for a CP1 DB contract, how
5 does that impact the CP1 DB contract, that shift. Is there
6 any impact?

7 MR. HEDGES: What it does is that it doesn't
8 upset anything. This is a relocation of unallocated funds
9 from which would be Construction Package 5 that we're going
10 to use.

11 So we're going to borrow from Construction
12 Package 5, allowing basically for 48 million additional
13 funds that will allow the critical path work to continue.
14 Right now, with regards to the critical path for CP1 right
15 now, is in the relocation of the relocation of
16 predominantly PG&E utilities in the Fresno area.

17 BOARD MEMBER SCHENK: I have a follow up if I
18 may? Will PG&E and AT&T be upgrading? Are we just
19 reallocating what's there, or will they be upgrading and if
20 so, are they paying for that?

21 MR. HEDGES: It's predominantly, it's moving
22 utilities out of the right of way with regards to power
23 lines and communication lines.

24 BOARD MEMBER SCHENK: I understand that. But
25 will they be using this opportunity to upgrade?

1 MR. HEDGES: No, there's no betterments. There's
2 no betterments here. The betterments are the
3 responsibility of those utilities.

4 BOARD MEMBER SCHENK: Well, I understand that.

5 MR. HEDGES: This is the report back to what we
6 know.

7 BOARD MEMBER SCHENK: But are they going to use
8 the opportunity to do any upgrades?

9 MR. HEDGES: I'm not sure, ma'am. I can ask
10 Terry.

11 BOARD MEMBER SCHENK: I'd like to know that. No,
12 you don't need to tell me this minute, but as a follow up.

13 MR. HEDGES: Well, we'll reply back.

14 BOARD MEMBER SCHENK: Thank you.

15 BOARD MEMBER ROSSI: Mr. Chairman?

16 CHAIRMAN RICHARD: Director Rossi?

17 BOARD MEMBER ROSSI: A follow up to Lynn's --

18 COURT REPORTER: Mic on, please.

19 BOARD MEMBER ROSSI: Oh, I'm sorry, it is on.

20 I just wanted to follow up. What I understood
21 you to say for Lynn's question was, and correct me if I'm
22 wrong --

23 (Off mic colloquy re: audio issues.)

24 BOARD MEMBER ROSSI: It says it's on.

25 CEO KELLY: IT ISN'T.

1 BOARD MEMBER ROSSI: I, you know, I can read
2 (laughter).

3 CEO KELLY: You got it now.

4 BOARD MEMBER ROSSI: I may not be able to do much
5 else, but I can read - I don't move my lips (laughter).
6 I'm sorry, do you want me to - let's try this one (he moved
7 to another microphone). (Off mic colloquy).

8 MR. HEDGES: I can just come closer.

9 BOARD MEMBER ROSSI: I can come closer. Can you
10 hear?

11 MR. HEDGES: Yes sir, I can hear you fine.

12 BOARD MEMBER ROSSI: When Lynn asked her first
13 question, in your opening remarks, if understood you
14 correctly what you said was that in the new baselining
15 there is a number, 300 and whatever it is, which will cover
16 this?

17 MR. HEDGES: Yes, sir. It's \$169 million --

18 BOARD MEMBER ROSSI: Right.

19 MR. HEDGES: -- so restore the 40 back to where
20 they were borrowed on CP5.

21 BOARD MEMBER ROSSI: And that's what I wanted to
22 clarify.

23 MR. HEDGES: Yes, sir.

24 BOARD MEMBER ROSSI: Because when you further
25 answered her question, you said you're borrowing it from 5.

1 You're actually taking the funds from 5, but it is in the
2 new baseline, which hasn't been approved until this
3 Business Plan is approved.

4 MR. HEDGES: That'll be the in the 2018, and
5 that's why I cover bridge strategy here.

6 BOARD MEMBER ROSSI: Right, yeah so it is
7 covered. It is, as you said your cost to complete is X,
8 whatever that number was. This is all part of that and
9 will be part of that approval process. But until that
10 time, you're moving funds from 5 to get this done, not to
11 impede critical path. Is that -- do I understand that
12 correctly?

13 MR. HEDGES: That's an absolute correct
14 statement, sir.

15 BOARD MEMBER ROSSI: It'd be the first time in a
16 long time, for me, not you. And the second question I have
17 is have you done all the risk analysis on this piece that
18 we're now approving?

19 MR. HEDGES: There's no dispute here. This is
20 for basically to continue on the work. I'm not sure
21 exactly what the question is.

22 BOARD MEMBER ROSSI: I'm talking about the risk
23 analysis of this amount that is the right amount. It's
24 that it --

25 MR. HEDGES: I'm confident that the staff has

1 done their job to the EAC of 396, as we close. We have a
2 definite visibility to the end, right now, so hopefully
3 there's no more increments. And that's what we're
4 managing, trying to manage right now to that budget.

5 BOARD MEMBER ROSSI: Like Director Schenk,
6 whenever you find that detail out I'd like to understand
7 that.

8 MR. HEDGES: Absolutely, sir. We'll reply back.

9 BOARD MEMBER ROSSI: Thank you.

10 BOARD MEMBER CURTIN: Help me out here, Joe, a
11 little bit. So the Estimate at Completion is the total
12 cost for these third-party movements?

13 MR. HEDGES: Total costs for all of the third-
14 party excluded relocations, sir.

15 BOARD MEMBER CURTIN: In CP1?

16 MR. HEDGES: Yes, sir.

17 BOARD MEMBER CURTIN: And so the amount that's
18 left is 169?

19 MR. HEDGES: Approximately, sir.

20 BOARD MEMBER CURTIN: Okay. I got that. That's
21 good.

22 The question that I really have is where did the
23 69 million come from, the original estimate, that the
24 third-party utilities are going to actually --

25 MR. HEDGES: Sir, I don't know. I wasn't here.

1 BOARD MEMBER CURTIN: Okay. Good enough, then.

2 MR. HEDGES: I'm assuming that --

3 BOARD MEMBER CURTIN: I just wanted to raise it.

4 MR. HEDGES: -- as with all of the relocations of
5 the utilities, that the scope was significantly
6 underestimated.

7 BOARD MEMBER CURTIN: Yeah, I'd say so. But
8 thank you for pulling it together and clarifying it.
9 Thanks.

10 BOARD MEMBER CAMACHO: One final question?

11 CHAIRMAN RICHARD: Yes, Director Camacho.

12 BOARD MEMBER CAMACHO: Joe, is the work being
13 done by utilities or are we doing that now?

14 MR. HEDGES: The work is going to be done by the
15 utilities and their subcontractors, sir.

16 BOARD MEMBER CAMACHO: So we're going to be
17 paying the utilities?

18 MR. HEDGES: We're paying the utility. What ends
19 up happening is we pay TPZP who then has reached agreement
20 with the utilities, who then is paying the utilities.
21 That's how this is working.

22 CHAIRMAN RICHARD: Well, then I'm looking at our
23 Chief Counsel, Mr. Fellenz?

24 MR. HEDGES: We will pay TPZP directly. Yes,
25 sir. It is part of Modification 48 that included this

1 work.

2 CEO KELLY: Well, just to clarify --

3 CHAIRMAN RICHARD: Yeah, why don't you. I was
4 about to, but I think you're probably in a better position
5 to clarify.

6 CEO KELLY: As I understand it, Tom look to you
7 as well, but I believe that we pay the contractor. They
8 use subcontractors that are approved by the utility to do
9 the work on this, these assets. But the subcontractor is
10 paid through that.

11 MR. FELLEENZ: That is correct. It's part of the
12 design-build contract, TPZP's design-build contract. And
13 the portion that is a part of this whole provisional sum,
14 those provisional sums are used to relocate two excluded
15 utility companies utilities, AT&T and PG&E.

16 And the way we use those provisional sums is we
17 issue task orders. The contractor submits a draft task
18 order with scope and budget in it. And then we approve
19 those task orders and pay for that work and then oversee it
20 as a time and material. The utility companies do oversee
21 that as well, because the utilities are being relocated and
22 we want to make sure that it's done correctly. But it's
23 not a direct payment to the utility companies. It's a
24 payment to the design-build contractor through the
25 provisional sums.

1 CHAIRMAN RICHARD: Right. Yeah, I want that on
2 the record, because in the past I've recused myself on
3 items having to do with the utilities, because of my past
4 work at PG&E and the pension. But as I understand it, no
5 money now with this contract structure, will flow through
6 the hands of the utilities.

7 It'll go to the Tutor Perini/Zachary joint
8 venture and they'll hire subcontractors approved by the
9 utilities, if I understand our CEO correctly, so we're not
10 making payments to PG&E or AT&T.

11 MR. FELLEENZ: Correct. Correct. That is
12 correct. And it's not done through a contract between
13 AT&T, PG&E, and the Authority.

14 CHAIRMAN RICHARD: Right. Okay.

15 MR. FELLEENZ: This is through the contract, the
16 design-build contract.

17 CHAIRMAN RICHARD: So the privity of contract is
18 with TPZ.

19 BOARD MEMBER ROSSI: Do you want a motion, Mr.
20 Chair?

21 CHAIRMAN RICHARD: Director Schenk had one
22 question.

23 BOARD MEMBER SCHENK: Yeah, but the more I think
24 about it going back to my second question, I'm a great
25 believer in trust but verify. And I really want to make

1 sure that the utilities through their approved
2 subcontractors are not using this as an opportunity to
3 upgrade at our expense. That if there are changes in fiber
4 optics or whatever they're doing, that that is going to be
5 at their expense.

6 MR. HEDGES: We'll ensure the statute is strictly
7 adhered to.

8 CHAIRMAN RICHARD: That's good.

9 Mr. Fellenz, did you want to add anything?

10 MR. FELLEENZ: There are agreements directly with
11 the utility companies who are under the purview of the PUC.
12 And we also have some statutes that prevent the betterment
13 when there's a utility relocation, such as we're talking
14 about here. There aren't any betterments. It's just a
15 replacement.

16 So we do have some mechanisms, contract
17 mechanisms, some statutory mechanisms to make sure that
18 this Authority is not paying for any betterment to the
19 utility company for these relocations.

20 CHAIRMAN RICHARD: Okay. Well, I like Ms.
21 Schenk's approach, not the least of which is to hear her
22 quoting Ronald Regan, is always a good moment. (Laughter).

23 BOARD MEMBER ROSSI: So moved.

24 CHAIRMAN RICHARD: Moved my Director Rossi.

25 BOARD MEMBER CAMACHO: Second.

1 BOARD MEMBER SCHENK: Second.

2 CHAIRMAN RICHARD: Seconded by Director Camacho.

3 And Secretary, please call the roll.

4 MR. HEDGES: Thank you.

5 CHAIRMAN RICHARD: Thank you, Mr. Hedges.

6 MS. JENSEN: Director Schenk?

7 BOARD MEMBER SCHENK: Yes.

8 MS. JENSEN: Director Rossi?

9 BOARD MEMBER ROSSI: Yes.

10 MS. JENSEN: Director Curtin?

11 BOARD MEMBER CURTIN: Yes.

12 MS. JENSEN: Director Camacho?

13 BOARD MEMBER CAMACHO: Yes.

14 MS. JENSEN: Director Miller?

15 BOARD MEMBER MILLER: Yes.

16 MS. JENSEN: Chair Richard?

17 CHAIRMAN RICHARD: Yes.

18 Okay. That item is done. Next item is

19 consideration of amending the interagency agreement with
20 Caltrans regarding legal services in support of right-of-
21 way acquisition.

22 Okay. Mr. Fellenz?

23 MR. FELLEENZ: Good morning Chairman Richard and
24 board members. I'm Tom Fellenz, the Chief Counsel for the
25 High-speed Rail Authority. This agenda item is a request

1 to augment the interagency agreement we have with Caltrans
2 for legal services for the delivery of right-of-way. And
3 it's to include the eminent domain process that we would go
4 through for some of these parcels as well as inverse
5 condemnation services.

6 This contract began in 2012, and it's now
7 extending to June 30th, 2018. We're asking -- the present
8 value of the contract, which is an interagency agreement,
9 is 12.4 million. We're asking to augment it by 15.5
10 million and add three years to the contract.

11 We have been using the Caltrans Legal Services
12 since 2012 to do this type of work. The rates that we
13 receive from Caltrans are very good rates. Caltrans is
14 very well qualified to do this type of legal services. To
15 give you an idea of the great value we're getting is the
16 rate that they're charging per hour is \$122, which is
17 significantly less than what we would pay in the private
18 sector for similar services by as much as 60 percent.

19 And we have also a number of parcels noted in the
20 memo. There's 1,918 total parcels at this point in time.
21 At the time of writing this memo there were 607 parcels
22 left for acquisition. And part of that acquisition process
23 includes the need to go through these legal services to get
24 us into the eminent domain process.

25 We'll negotiate with property owners of course

1 the entire duration of the property acquisition effort, all
2 the way through trial. The reasons that the term is out a
3 couple of years to 2021 is because the eminent domain
4 process would include eminent domain trials potentially.
5 And we project that the completion of all the acquisition
6 process could take us out that long, because of court
7 dates. And I'm happy to answer any questions.

8 CHAIRMAN RICHARD: Questions for Mr. Fellenz?
9 Director Schenk?

10 BOARD MEMBER SCHENK: Tom, this would include
11 litigation?

12 MR. FELLEENZ: Yes.

13 BOARD MEMBER SCHENK: Yes. So Tom, this would
14 include litigation?

15 MR. FELLEENZ: Yes. Yes.

16 BOARD MEMBER SCHENK: Too, yeah. I just want to
17 really take a moment and say the Caltrans lawyers don't get
18 enough credit for what they do. In this area, there isn't
19 any lawyer that I can think of that is better. My days in
20 the AG's Office dealing with Caltrans lawyers, my days as
21 Secretary of BT&H, even Mr. Fellenz came from Caltrans.
22 And I'm sure Secretary Kelly would agree, we really get our
23 monies' worth out of these Caltrans lawyers.

24 And so I'd be happy to make the motion.

25 MR. FELLEENZ: Thank you.

1 CHAIRMAN RICHARD: Thank you, Ms. Schenk. I
2 think that's very appropriate.

3 And just before you do, I wanted to clarify,
4 because you used the number of the 1,900 parcels, 1,918,
5 607 outstanding. Because our previous item just related to
6 Construction Package 1, in the write-up it makes it clear
7 that those numbers were for the entirety of the first
8 construction segment, right? The 119 miles.

9 MR. FELLEENZ: Correct.

10 CHAIRMAN RICHARD: Right. Okay. So it's a lot
11 of parcels.

12 MR. FELLEENZ: For CPs 1 through 4. Yes.
13 Correct.

14 CHAIRMAN RICHARD: Yeah. Okay, any other
15 questions at this point.

16 Director Curtin?

17 BOARD MEMBER CURTIN: While I'm always interested
18 in bringing costs down this is a minimal cost in terms of
19 the overall costs that we just spoke about, for instance.
20 And I know getting our right-of-way issues organized in a
21 timely fashion is critical to saving costs overall.

22 And I know it's been a problem in many respects
23 in both CP1, CP2 and 3. Are we getting our hands around
24 delivering these right-of-ways in a timely fashion?
25 Because while I have no concerns about the quality of the

1 work, it's the timing of the work and the choosing of the
2 particular right-of-ways that's the real issue. And maybe
3 we need more people doing it? Maybe there's another
4 process? I don't know.

5 I'm just wanting to know if we have this under
6 control, so that these right-of-ways will be delivered in a
7 way that doesn't hold up the project delivery.

8 MR. HEDGES: I'll take that question.

9 MR. FELLEENZ: Sure.

10 MR. HEDGES: Sir, we made some fundamental change
11 in our right-of-way group. We consolidated our dispersed
12 right-of-ways groups into a single group. We are now using
13 a concept of critical path where we have analyzed all three
14 of the CPs. We're tacting (phonetic) the third-party
15 agreements in right-of-way that's on the critical path and
16 that's our focus.

17 We're making good progress in achieving that and
18 what you're going to see as a result of that is a
19 substantial work in all three CPs being able to be advanced
20 by this summer. So the idea right now is to focus right-
21 of-way and not just be concerned with gross numbers, but be
22 concerned with effective numbers. And to define what a
23 critical parcel is that's associated to something that is
24 on critical path.

25 BOARD MEMBER CURTIN: That's my answer. Thank

1 you.

2 CHAIRMAN RICHARD: Very good.

3 Director Rossi?

4 BOARD MEMBER ROSSI: Come here Joe.

5 CHAIRMAN RICHARD: Joe.

6 MR. HEDGES: Oh, step up (laughter). Tom, don't
7 go far (laughter).

8 BOARD MEMBER ROSSI: I think that's great what
9 you just said. I think it's perfectly appropriate and I
10 agree with Danny.

11 My only question to you is, and I know you are
12 new, but yet we were told numerous times before we would do
13 it. So I just wanted to be sure in fact that as you move
14 through your course, down the path of checking everything
15 that's getting done, that you are cognizant of the fact
16 that we had at plots, critical paths, blue, green and
17 yellow parcels, all tiered to what was going to be built
18 next. That in fact that is happening now in a real sense
19 to get to the glide path we're talking about.

20 MR. HEDGES: Sir, I don't care about blue, green.
21 What I care about is critical path. Those parcels are on
22 the critical path, identified by the State and the
23 contractor to go to work. So I'm not looking at sheer
24 numbers, I'm looking at basically getting people to work
25 and keeping them to work.

1 I personally am down in the Valley every other
2 week with a huge contingency of headquarter staff, to
3 include Chief Counsel, Chief Engineer, Head of Rail, all
4 right? We're down there to solve problems. And to focus
5 not just on the right-of-way, but on all of the impediments
6 that's keeping us from advancing the Construction Packages
7 from moving forward.

8 BOARD MEMBER ROSSI: Thank you.

9 CHAIRMAN RICHARD: Okay.

10 Ms. Schenk had asked to move this item after her
11 and I think --

12 BOARD MEMBER SCHENK: So moved.

13 BOARD MEMBER CAMACHO: Second.

14 CHAIRMAN RICHARD: -- yeah, we want to do that.
15 Okay. It was moved by Ms. Schenk, seconded by Director --
16 move by Director Schenk, seconded by Director Camacho.

17 Will the Secretary please call the roll?

18 MS. JENSEN: Director Schenk?

19 BOARD MEMBER SCHENK: Yes.

20 MS. JENSEN: Director Rossi?

21 BOARD MEMBER ROSSI: Yes.

22 MS. JENSEN: Director Curtin?

23 BOARD MEMBER CURTIN: Yes.

24 MS. JENSEN: Director Camacho?

25 BOARD MEMBER CAMACHO: Yes.

1 MS. JENSEN: Director Miller?

2 BOARD MEMBER MILLER: Yes.

3 MS. JENSEN: Chair Richard?

4 CHAIRMAN RICHARD: Yes. Thank you.

5 Okay. We'll now move on to items four and five.

6 And as we said, we're going to have presentations first and
7 then public comment.

8 But as Ms. Boehm is coming up with the Mr.
9 McLoughlin, I do want to make one -- address one comment to
10 members of the public who are here today. We're very aware
11 of the fact that the alignment through Southern California
12 is of a great concern, particularly to people in the
13 northeast corner of the Los Angeles Basin, Shadow Hills,
14 Lake View Terrace and the surrounding communities that
15 include Santa Clarita, San Fernando, Pacoima.

16 And we also are very aware that many of you took
17 time from busy schedules to come here today. And we're
18 further aware that many people were desirous of this Board
19 holding any meeting that would affect properties or
20 communities in that area, in the San Fernando Valley. So I
21 wanted to assure you that today's meeting is to give you an
22 update on our schedule and process. It is not an item in
23 which decisions will be made.

24 I also want to tell you that in response to
25 strong inquiries from your local County Supervisor,

1 Supervisor Barger as well as Councilwoman Rodriguez, I've
2 committed that before we do have a decision, even a
3 decision on an intermediate step like the selection of a
4 preferred alignment path for further analysis, that meeting
5 of this Board would occur in your communities, somewhere in
6 the San Fernando Valley.

7 So I just wanted to assure the public of that.
8 That we want to make sure that we're providing people a
9 maximum opportunity to participate in the process. And
10 today's decision will update you, but -- or meeting will
11 update you, but it will not involve a decision item.

12 So with that let's turn to item four. Ms. Boehm,
13 can you give us a Southern California update, please?

14 MS. BOEHM: Thank you. Board Chair and Board
15 Members, I will provide some maps and information on the
16 Southern California sections. You can refer to your Board
17 item for details.

18 One of the things that we heard very eloquently
19 from some of the folks that commented at the beginning of
20 this meeting, was how important it is to work together and
21 the fact that we can do more together than we can
22 separately. And so one of the things that this agency has
23 been moving on, since 2012, is certainly the concept of
24 statewide rail modernization. And the fact that high-speed
25 rail is part of an integrated, multi-tiered rail network.

1 It forms an electric backbone of that network.

2 And as such, we have been advancing our work in
3 Southern California very much with that at the forefront of
4 our thinking. And there have been a number of
5 contributions to the Southern California network that have
6 been made by High-Speed Rail. You can see those listed
7 out. You heard about a couple, Rosecrans/Marquardt and
8 Link US. And we continue to look at our Southern
9 California projects down here for opportunities to support
10 our local agencies in things that they may want to do ahead
11 of us being able to introduce high-speed rail service to
12 Southern California. So that's very much on our minds, as
13 we move forward.

14 Specifically, we're moving forward with four
15 Phase 1 project sections. And I'll go through several
16 slides that just have a map of that for your reference.

17 The first section that is under progress in
18 Southern California, is the Bakersfield to Palmdale
19 section. You can see the map of that here, with
20 Bakersfield in the north, Palmdale in the south. This is
21 approximately 80 miles long and it crosses the Tehachapi
22 mountains. Lots of things to consider with that. Open
23 spaces, ranches, etcetera. We've been advancing work,
24 studying route alternatives there for the last several
25 years. And we've conducted a geotechnical and seismic

1 field evaluation of that section.

2 So we are preparing ourselves to complete,
3 basically the environmental process for that section.

4 The next section, which we probably have the most
5 community representatives here today to talk about, is the
6 Palmdale to Burbank section. From Palmdale in the north to
7 Burbank in the south, this is approximately 40 miles long.
8 We have been studying several routes. We've studied
9 literally hundreds of routes over the last several years.
10 We are now studying several routes and looking forward to
11 the comments of the folks here in the room about those
12 several routes. We continue to do studies.

13 And we did conduct a preliminary geotechnical
14 drilling program, drilled as deep as 2,700 feet into the
15 forest.

16 Burbank to Los Angeles is the next project
17 section. Now we are in the urban shared corridor. That's
18 approximately 15 miles with Burbank in the north, L.A.
19 Union Station in the south. You heard folks speak very
20 eloquently about the place of L.A. Union Station and
21 mobility within Southern California. And so we are really,
22 really working very closely with the partners, some of whom
23 spoke earlier, in order to advance the concept to improve
24 and increase their service as well as open up the
25 opportunity to introduce high-speed rail.

1 And finally, the fourth and most southerly
2 project that we are working on for the Phase 1 of Southern
3 California is Los Angeles to Anaheim. You can see it's
4 approximately 30 miles. Again, going from Los Angeles down
5 to ARTIC, which is the first fully built high-speed rail
6 station in the state, so it's very cool. Again, working
7 very closely with our partners to bring forward a concept
8 that would allow us all to band together to begin to
9 deliver improvements in this corridor that ultimately lead
10 to the introduction of high-speed rail.

11 And with that, I will turn it over to Mark
12 McLoughlin, who is our Director of Environmental Services.
13 And he'll tell you a little bit about the timeline for the
14 decisions that will be made in the future. Mark?

15 MR. MCLOUGHLIN: Thanks, Michelle.

16 Mark McLoughlin, I'm the Director of
17 Environmental Services for the Authority. We're going to
18 go through a little bit of an overview for the program
19 today and then also addressing some Southern California
20 points.

21 As Joe mentioned, right now the Authority has two
22 Record of Decisions: Merced-Fresno and Fresno-Bakersfield,
23 where we're under construction in the Central Valley. We
24 have an imminent Fresno-Bakersfield LGA, locally generated
25 alternative, that we look to bring to the Board sometime in

1 the fall. And then imminently releasing the draft for the
2 Central Valley Wye this year, so lots of progress being
3 made specifically to address Central Valley and then the
4 rest of the program with the north and the south.

5 And specifically today, this is kind of a high-
6 level overview of our process and along with the FRA, our
7 federal partners in the NEPA context, and a state in the
8 CEQA context of where we are currently in the project for
9 most of the alternatives that remain.

10 We're still doing preliminary engineering and
11 environmental reviews to get to the staff preliminary
12 preferred as Dan had mentioned, the Chair had mentioned
13 earlier, of trying to get to that place and public
14 involvement.

15 And our process is definitely a public
16 transparent process as much as we can make it. Public
17 meetings, stakeholders, we have agency partners, local
18 electeds and definitely stakeholders within each region.
19 And Michelle and her group in Southern California and in
20 the north and even in the Central Valley continue to meet
21 with stakeholders to address those concerns as it relates
22 to alignments in their communities.

23 So as I mentioned before we have a definite
24 commitment with the FRA to complete our environmental
25 reviews. And we'll come to you providing staff

1 recommendations for our preliminary preferred alternatives,
2 including here in Southern California. And I had mentioned
3 before, we have agency partners, our stakeholders.

4 And also, before we release drafts we have public
5 hearings to ensure that the public is engaged to know
6 what's going to happen as it goes through the process.
7 What the process means of timeframes, public comments and
8 how they can address those topics.

9 And also, as the Chair mentioned before, we'll be
10 coming back to the Board with updated schedules and the
11 reviews specifically for alternatives here in Southern
12 California.

13 Also, those Board meetings will be held, as the
14 Chair mentioned, in those communities especially in the
15 north also. So we are committed to doing that in those
16 local jurisdictions.

17 And with that --

18 CHAIRMAN RICHARD: Could we just go back to your
19 last slide for one second?

20 MR. MCLOUGHLIN: Sure.

21 CHAIRMAN RICHARD: And again, because I know we
22 have a number of members of the public here who are
23 interested in this.

24 I just to make one statement to see if it's
25 correct, which is I know sometimes people are frustrated by

1 the number of alternatives that we have to consider. But
2 it's my understanding that we're commanded by the
3 environmental review process at both the federal and the
4 state level to look at practical alternative alignments.
5 And that we have to get to a certain point of understanding
6 those, without just presumptively or preemptively
7 dismissing them.

8 But that than the process does allow us when we
9 get to a certain point, having done baseline analysis, it
10 does allow us to select what we consider to be a preferred
11 alternative, which would then go to the finish line of the
12 fully in-depth analysis.

13 I would look at you and also our Chief Counsel.
14 Is that an accurate description of the environmental
15 process?

16 MR. MCLOUGHLIN: That's correct.

17 And then coming forth with that preliminary
18 preferred, we have a pretty good idea of putting that in a
19 draft document. It still goes through the public comment.
20 We have cooperating agencies that we deal with: the Corps,
21 and the EPA and others.

22 And then we have a current checkpoint process
23 where we also eventually get through to the preferred
24 alternative for something in the 404(b)(1) analysis in NEPA
25 as it relates to a range of alternatives in the preliminary

1 LEDPA, least environmentally damaging practical
2 alternative, which we can permit. And actually get to
3 build and enable construction.

4 So there is pieces along the line. The public
5 gets to look at the draft, make comments of the preferred
6 as you mentioned. We have agency partners commenting on
7 that in the regulatory context. And then the Board comes
8 to the Board and the FRA for the NOD and the ROD decision.

9 CHAIRMAN RICHARD: And while the preliminary
10 preferred alignment is not a slam dunk, because further
11 analysis might show some show stopper, but it does signal
12 to the public and to the other relevant agencies that this
13 is the alignment that we believe meets the legal standard.
14 Is that?

15 MR. MCLOUGHLIN: That's correct.

16 CHAIRMAN RICHARD: Okay. I just thought that was
17 important, because sometimes it's hard to explain that if
18 we drop these things too quickly we could be subject to
19 litigation from people to have to go back and restart the
20 process and do it again.

21 So I think that what you've laid out here on this
22 page, should basically explain the process that we go
23 through. But we would like to get to the point of picking
24 a preliminary preferred alternative, because I think it at
25 least signals to the community where our thinking is with

1 the alignment is likely to work.

2 Okay. Thank you for that.

3 Questions from my colleagues on the Board?

4 Ms. Miller?

5 BOARD MEMBER MILLER: On the environmental
6 review, I know on the alternatives you do some design work.
7 Are you also doing a cost analysis? Or how is that wrapped
8 into the alternative analysis?

9 MR. MCLOUGHLIN: There's a cost analysis and a
10 cost estimate as it relates. We have to have that for the
11 environmental review of all the alternatives that are
12 considered and the range of alternatives. So we do have
13 that.

14 BOARD MEMBER MILLER: Will that be presented to
15 us at the time of the preliminary preferred alternative?

16 MR. MCLOUGHLIN: Yes. We can do that.

17 BOARD MEMBER MILLER: Okay. I think that'll -- I
18 just knowing this Board, they're going to want to know what
19 alternatives cost.

20 MR. MCLOUGHLIN: Sure.

21 CHAIRMAN RICHARD: Are there any other questions,
22 Director Curtin?

23 BOARD MEMBER CURTIN: Just a clarification. So
24 the environmental reviews and the engineering and design
25 are wrapped together for this purpose. But is there sort

1 of an independent look that without environmental concerns
2 for a moment that would say here's the alternatives here,
3 one is far superior in terms of design for the system,
4 economics. And the other two are alternatives, but not
5 nearly as cost effective and efficient for the system.

6 MR. MCLOUGHLIN: Right.

7 BOARD MEMBER CURTIN: I know we have to review
8 options, but is the same level of analysis needed? Or is
9 it better to take a look at this from the perspective of
10 what's the best for the system. And then see if there's
11 disqualifying environmental issues?

12 MR. MCLOUGHLIN: Yes. So in our NEPA integration
13 MOU, we currently have our checkpoint process, which is
14 Checkpoint A is purpose and need, Checkpoint B is a range
15 of alternatives to get through that. According to the EPA
16 are approving that along with the FRA currently and then
17 Checkpoint C, the preferred alternative.

18 That 404(b)(1) analysis takes into account what
19 you just described, cost, technology, about how we can use
20 in a regulatory context to prove, if you will, our
21 preferred alignment in a permitting context. In that
22 404(b)(1) analysis we can use different pieces as you
23 describe, especially cost, time, things like that,
24 practicability. All those are used to get to the preferred
25 alternative that we currently want to get to. And it

1 eventually enable construction, which is the most important
2 thing why we're here.

3 BOARD MEMBER CURTIN: So in essence, there is
4 this -- once we have an alternative is there much more
5 intense environmental review?

6 MR. MCLOUGHLIN: Yes.

7 BOARD MEMBER CURTIN: To make sure that we're not
8 stepping into some unknown there?

9 MR. MCLOUGHLIN: That's correct.

10 BOARD MEMBER CURTIN: But there's preliminary
11 environmental reviews on the others, even if they --

12 MR. MCLOUGHLIN: Yes.

13 BOARD MEMBER CURTIN: -- look to us as really not
14 even remotely close to preferred?

15 MR. MCLOUGHLIN: Well, in that document, in the
16 draft document. And then eventually get the final, we do
17 somewhat of the same level of analysis for all the
18 alternatives to treat them fairly. Knowing that one would
19 go further forth as we move forward through the process to
20 pick and get that permitted. We look at them equally. We
21 have to.

22 BOARD MEMBER CURTIN: Is that environmental
23 analysis?

24 MR. MCLOUGHLIN: Yes. In the draft document,
25 knowing that the preferred is where we're going eventually

1 to get to that 404(b)(1) analysis between the draft and the
2 final if we chose to do that.

3 BOARD MEMBER CURTIN: Okay. That strikes me as a
4 little interesting. I assume it's because it's required.
5 But if there's something that's clearly a straight line,
6 boom, and nothing's in the way we have to do an extensive
7 analysis of other options just for grins and giggles?

8 MR. MCLOUGHLIN: Yes, NEPA -- we do an equal
9 analysis of all of them. We have to do that in that NEPA
10 context. We might do a little bit more on that preferred
11 depending on what the context of the engineering analysis
12 might be. Is there tunneling, things like that that
13 require additional analysis.

14 BOARD MEMBER CURTIN: All right.

15 MR. MCLOUGHLIN: We try and make it -- you're
16 correct, we try and make it as straight as we can in that
17 regulatory context. You're correct.

18 CHAIRMAN RICHARD: Colleagues, other questions?

19 Just to help people follow through the jargon.
20 The checkpoint process is a specific point in the
21 environmental analysis under the federal NEPA, National
22 Environmental Policy Act, where we check in with other
23 agencies, right? You mention the Environmental Protection
24 Agency.

25 MR. MCLOUGHLIN: Yes. We have an integration MOU

1 with the Corps, the EPA and the FRA.

2 CHAIRMAN RICHARD: Right.

3 MR. MCLOUGHLIN: And that integration MOU is a
4 much more of a streamlining approach. And we're currently
5 -- we have been doing what this current Administration is
6 advocating for streamlining through the NEPA combined
7 process.

8 CHAIRMAN RICHARD: NEPA's simultaneous review,
9 right?

10 MR. MCLOUGHLIN: That's correct.

11 CHAIRMAN RICHARD: And you mentioned 404(b),
12 that's section 404(b) of the Clean --

13 MR. MCLOUGHLIN: 404(b)(1) of the Clean Water
14 Act, that's correct.

15 CHAIRMAN RICHARD: Clean Water Act, which is
16 administered by the Army Corps of Engineers.

17 MR. MCLOUGHLIN: Correct.

18 CHAIRMAN RICHARD: Okay. Complicated process. I
19 appreciate the cogent -- I think, Director Schenk, were you
20 -- or wanted to ask a question?

21 CHAIRMAN RICHARD: Well, I want to make or ask
22 Michelle a question, but it's only tangentially related to
23 this. So maybe it's better after the motion on this to
24 keep it clean? It's up to you.

25 CHAIRMAN RICHARD: That's fine.

1 MS. BOEHM: There no motion here. This is
2 information only.

3 BOARD MEMBER SCHENK: Oh, there is no motion.
4 Okay. Thank you. If I --

5 CHAIRMAN RICHARD: Yeah, go ahead.

6 BOARD MEMBER SCHENK: And with full permission to
7 the Chairman and Michelle to roll their eyes, but there are
8 many people who are --

9 BOARD MEMBER CURTIN: What about these other
10 Board Members, can I roll my eyes? -(Laughter).

11 BOARD MEMBER SCHENK: No, no. You haven't heard
12 this yet. You haven't heard this. There are a few people
13 who haven't heard this and I take every opportunity that I
14 can to ask the question about San Diego to L.A. I know
15 it's Phase 2.

16 A little bit of history for not you but for
17 others, when the concept of high-speed rail in this state
18 started in 1981 when I was Secretary of Business,
19 Transportation and Housing and Governor Jerry Brown was in
20 -- Jerry Brown 2.0 -- that's when this started. And it
21 started with the idea that the train, the high-speed rail
22 would be between San Diego, Los Angeles, because even then
23 it was the second busiest Amtrak corridor in the country.

24 When the votes were taken on the alignments, well
25 frankly the politics was in the north, even though the

1 people were in the south. But we have San Diego to L.A. in
2 Phase 2 and we've made sort of a moral commitment here to
3 try and do everything we can to speed that up.

4 So this is the time we're in Southern California,
5 so Michelle, I don't mean to catch you off guard, but if
6 you have something that you can add about where we stand
7 with that corridor?

8 MS. BOEHM: So I spoke about statewide rail
9 modernization in the beginning and the fact that if we work
10 together, we can achieve more. The work that we're doing
11 on the Phase 2 for L.A. to San Diego is in partnership with
12 the Inland Corridor Group, a group of agencies that have
13 come together that include Metro, San Bernardino,
14 Riverside, San Diego, Caltrans and even the San Diego
15 Airport, to take a look at what we're doing there. And try
16 to describe what we would believe is an early route
17 alternatives that we would seek to study in further depth
18 as we go down the line.

19 One of the great things that the State of
20 California has done in the last six months or so is release
21 a State Rail Plan. We released a new State Rail Plan that
22 really described a state of mobility for California, very
23 different than what we've described in there in the past.
24 And we work very closely with the state rail plan folks,
25 because they describe something very specific -- a very

1 specific vision for Southern California and for L.A. to San
2 Diego and for the importance of going through the Inland
3 Empire to provide an additional level of connectivity.

4 So one of the things that we did for L.A. to San
5 Diego is we worked very closely with them. We slowed down
6 the work we were doing, because we knew they were going to
7 put forth some policy information that would be very
8 beneficial to us.

9 We're now working on wrapping up a feasibility
10 study for L.A. to San Diego, which we're planning to
11 complete in the next couple of months, which basically
12 summarizes all of the analysis that we've done to date,
13 because several things are very important. Number one,
14 that we signal that it exists, that we are working on it.

15 And number two, that we signal to people where
16 we think it will go, so that as other agencies plan for the
17 future, they can look at planning multimodal transportation
18 hubs at the locations that high-speed rail, for instance,
19 would be looking at for our stations, which are Ontario
20 Airport, for instance, and the San Diego Airport.

21 So that's what we've been doing over the course
22 of the last couple of years. I think, obviously you
23 probably wish it was a little bit more, but I think it's
24 very effective to help us set the policy and explain to the
25 State of California why that connection is so important.

1 BOARD MEMBER SCHENK: In your guestimate, in your
2 expert opinion, your guestimate, will it be in this
3 century? I know it won't be in my lifetime, but will it be
4 in this century that we will see high-speed rail between
5 San Diego and Los Angeles?

6 MS. BOEHM: We're in the 21st century?
7 Absolutely. Absolutely, we will see it, because it is the
8 foundation ultimately of express service connections to
9 Phoenix and express service connections to Las Vegas.

10 There is a much broader mobility plan, which the
11 State Rail Plan describes for the Southwest Region of the
12 United States, in order to connect us better to really
13 serve the growth and the vision that we have for the
14 future.

15 CHAIRMAN RICHARD: Well, actually, Ms. Schenk,
16 you'll be very happy to know that I have some late breaking
17 news on this, which was about 10:00 o'clock last night,
18 over drinks, albeit Rossi was having a coke and I was
19 having a bourbon, we agreed that when our time on this
20 Authority Board is done, we're going to start a company to
21 build L.A. to San Diego high-speed rail. Mike agreed to be
22 the CFO. Curt Rainey agreed to come out of retirement, so
23 we're going to get this done.

24 BOARD MEMBER SCHENK: And where's my role?

25 CHAIRMAN RICHARD: You're the mother of the

1 project.

2 Yes?

3 BOARD MEMBER CURTIN: Mr. Chairman?

4 CHAIRMAN RICHARD: Yes.

5 BOARD MEMBER CURTIN: I'd like to add just a
6 little comment in that I share some of the frustrations
7 that you had mentioned early on.

8 My first meeting on this Board was almost three
9 years ago in Los Angeles when had a pretty healthy
10 discussion about these alternatives. And I do find that
11 it's frustrating and a bit baffling that we're still
12 grappling with even the preferred alternative points, so if
13 you could wrap this up the sooner the better. I know it's
14 controversial, unlike anything else we do for high-speed
15 rail, but I'd just like to see it done pretty quickly. So,
16 thank you.

17 CHAIRMAN RICHARD: Okay. With that, let me
18 express appreciation to Ms. Boehm and Mr. McLoughlin for
19 very cogent, but complete presentations and ask the
20 pleasure of the Board for a motion. Oh! I'm sorry.

21 BOARD MEMBER SCHENK: I thought you said there
22 was no motion?

23 CHAIRMAN RICHARD: I know. I did.

24 BOARD MEMBER SCHENK: It was that bourbon or the
25 coke did it?

1 CHAIRMAN RICHARD: Yeah. Well, it could. Only
2 one, sorry. The pleasure of the Board is let the Chairman
3 get his act together. Okay. With that, we'll move --
4 thank you both. We'll move to the last informational item,
5 which is the report on the Draft 2018 Business Plan. Our
6 CEO, Brian Kelly, is going to walk us through the elements
7 of the Plan.

8 CEO KELLY: Okay, thank you Mr. Chairman.

9 Brian Kelly, High-Speed Rail Authority. Like I
10 did at the March hearing, I thought I'd walk through a
11 summary of the Business Plan, which I know you've all seen
12 and looked at. For the public's purposes, it looks like
13 this, a copy of it is available on our website. And I'll
14 go ahead and summarize the document.

15 First, why do we do the Plan? It is required by
16 law. The Public Utilities Code represents that status of
17 the program at a certain point in time. We summarize the
18 approach to implementing the system. And it includes
19 things like updated capital costs and other estimates,
20 updated ridership and revenue forecasts. The summary of
21 our progress over the last two years. And a review of our
22 current challenges and how we will address those challenges
23 going forward.

24 This year the Final Plan is due to the
25 Legislature on June 1st. And of course we released the

1 Draft Plan on March 9th. And as the Chair indicated, this
2 is our second public hearing on the matter.

3 Importantly, the Plan reiterates our commitment
4 primarily is to deliver what the voters asked for in
5 California, in 2008. And that is the full delivery of the
6 Phase 1 system, with the approval of Proposition 1A, is the
7 San Francisco to Los Angeles, Anaheim full program,
8 statewide program.

9 Our objective is to deliver the Silicon Valley to
10 Central Valley line as soon as possible. We define that in
11 this plan as San Francisco to Bakersfield. And we note the
12 importance of Merced being a high priority as a connecting
13 point, in the Central Valley.

14 We continue to plan for Phase 2 extensions as
15 noted by the prior speaker, Merced to Sacramento in the
16 north, Los Angeles to San Diego via the Inland Empire, here
17 in Southern California.

18 And we work with our valued partners to advance
19 modern integrated statewide rail network. And I thought
20 Michelle did a fine job of describing the work we've done
21 on that, the work we have going forward. And much of that
22 is integrated in the State Rail Plan, a draft of which was
23 released in March and a final draft will be released about
24 two weeks after our Business Plan will come forward.

25 This Draft Plan, 2018, does offer a very candid

1 discussion about the challenges that are before us. We are
2 clearly implementing a series of complex integrated mega-
3 projects. And I think it's worth spending just a moment on
4 that.

5 Lost in the size and scope of a 520-mile Phase 1
6 high-speed rail system is this little stretch in the
7 Central Valley, which is 119 miles, which is a huge, huge
8 construction undertaking. If you think about that, it
9 takes two hours just to drive that construction project.
10 So this is a very large mega-project in every sense and
11 really every step of the way. We face the same challenges
12 with this project that many international projects of
13 similar magnitude and complexity have faced and have
14 successfully addressed.

15 And our Business Plan shows that our cost
16 estimates have increased, which I'll go into more detail on
17 momentarily. We need greater certainty on funding. And
18 our delivery schedule has been extended. The Draft
19 Business Plan identifies these challenges and provides
20 strategies going forward to manage those challenges.

21 Revised cost estimates and a new approach.
22 First, on the cost estimates, they're indicated below.
23 I'll go to the second bullets first here. The new baseline
24 estimates for the Central Valley construction stretch is
25 10.6 billion, which we proposed to complete by 2022. That

1 is part of our federal funding agreement with the FRA.

2 Silicon Valley to Central Valley, the Valley-to-
3 Valley line is now estimated 29.5 and a completion date of
4 2029. I'll note that there is a 1.9 billion of this number
5 is for an extension further into Bakersfield from the prior
6 stop that was just north of Bakersfield, in the Wasco area.
7 And our Phase 1 estimate is now 77.3 with completion
8 scheduled, assuming full funding, of 2033.

9 We did apply a new approach here, as we discussed
10 these cost estimates with the public and the Legislature.
11 And we put these baseline estimates in ranges and we've
12 applied what I would call for the best industry standard
13 based on where we are in project development to couch the
14 baseline estimates in both the low and a high of cost
15 ranges. Again, based on where we are in the stage of
16 project development.

17 Jumping back up, it's important to note that
18 about 83 percent of the cost that we've described below are
19 tied to really three key areas. One is the identified cost
20 increases in the Central Valley, which this Board
21 contemplated publicly in January, estimated about 2.8
22 billion. Inflation from the push out of the schedule,
23 escalation due to inflation and the cost of pushing out the
24 schedule. And the third is establishing a higher
25 contingency that better reflects risk and uncertainty

1 around sort of our unknowns going forward. That's about 83
2 percent of the total cost estimates in the Plan.

3 Moving forward with funding uncertainty, this
4 program does require that we deliver the program. It
5 involves major procurements and long lead times.
6 Currently, we're operating on a pay-as-you-go approach to
7 funding. And this Business Plan picks up a proposal that
8 was in the 2016 Plan, which is to try to finance with the
9 Cap and Trade revenue stream. It's very difficult to fund
10 a project of this size and scope on a pay-as-you-go basis.
11 We indicated in 2016 an intention to finance our revenue
12 stream, so we could pull dollars forward and meet our
13 shorter-term capital costs. We continue with that proposal
14 in 2018 Plan.

15 Important progress in the area of Cap and Trade
16 includes the passage and enactment of AB 398, last year,
17 which did extend the Cap and Trade Program to 2030. And
18 also applied the remaining 25 percent per year of that
19 revenue source to this program and so that continues
20 appropriation of 25 percent of those annual revenues
21 continues going forward.

22 Over the next two years we'll continue to advance
23 the system with our current and committed funding. And
24 we'll explore options to create an investment grade
25 financing, which involves some statutory help we'll need to

1 make sure we can issue revenue bonds against the revenue
2 stream like Cap and Trade.

3 As I mentioned earlier, we also show in this Plan
4 for the first time these costs are sort of couched in
5 ranges.

6 While we have challenges and we're very clear on
7 what those are in this Business Plan, there are some
8 principles that this Board adopted in 2016 and articulated
9 in that Business Plan that we continue forward here.

10 I think it's particularly relevant and important,
11 because we don't have all the money we need to build the
12 entirety of the system. And so you have to adopt some
13 principles going forward. And the three that were
14 indicated in the 2016 Plan that we advanced in the 2018
15 Plan is still the goals, the objectives to initiate high-
16 speed rail service as soon as possible, to make strategic
17 concurrent investments that will be linked over time and
18 provide shorter-term or more immediate mobility economic
19 and environmental benefits again at the earliest possible
20 time. And of course position ourselves to construct
21 additional segments as funding becomes available.

22 Part of that, of course, is to complete the
23 environmental work in all segments statewide as we go
24 forward with the construction the Central Valley and expand
25 out of the Central Valley. When you complete that work you

1 put ourselves in a position to take advantage of funding
2 opportunities wherever they may come up to advance the
3 program.

4 Our proposed path forward and sort of a priority
5 way that we outline in this Business Plan is a couple of
6 important steps. The first is we are reiterating a very
7 high commitment to meet our commitments to the federal
8 government, our federal funding partner.

9 So everybody knows, the federal government has
10 provided \$3.4 billion to this program. We've already spent
11 2.5 billion of that in the Central Valley. With that
12 becomes some performance requirements that the Authority
13 has, including dates by which we finish construction in the
14 Central Valley. And by when we get the environmental work
15 done. And so we really commit in this Plan that those are
16 our initial primary commitments.

17 We look to extend the Silicon Valley to Central
18 Valley line to really identify that as between San
19 Francisco and Bakersfield. As this body outlined again in
20 the 2016 Plan, that stretch from San Francisco to
21 Bakersfield is the highest revenue, highest ridership, the
22 Valley-to-Valley stretch. So we, in this Plan, clarify
23 that that's our objective.

24 We had the opportunity, although we'll have some
25 more work to do, but at the opportunity to deliver. I mean

1 I should stop and just say I think sometimes when you're
2 issuing a plan and you're issuing it in the world of
3 increased costs and delayed schedules, the public tends to
4 focus on what you cannot do. It's important to reiterate
5 in this plan what we think we might be able to do or can
6 do.

7 And one of the things we can do with the dollars
8 we have available, is deliver almost 224 miles of high-
9 speed rail ready infrastructure for passenger service we
10 hope by 2027. That's going to take some further analysis.
11 We're going to report back on that analysis in our Project
12 Update Report in March of 2019. But there's a great
13 potential to move this forward with what we have as we seek
14 to expand the program.

15 We also, in this Plan want to isolate the tunnels
16 that would connect the Silicon Valley and Gilroy stretch in
17 the west with the Central Valley in the east. Those
18 tunnels in the Pacheco Pass is the final piece to complete
19 that Valley-To-Valley service and really isolate that as
20 the issue, the unfunded amount could be funded as we go
21 forward.

22 Of course we'll continue our early bookend
23 investments in Southern and Northern California. And in
24 this Business Plan, we've identified in Southern California
25 not just our commitment and our partnership on

1 Rosecrans/Marquardt Grade Separation but in this Plan also
2 being a full funding partner on the L.A. Union Station
3 redesign. And of course we'll continue to work to complete
4 a Phase 1 system by just as soon as we can.

5 I'll go through these very quickly. I already
6 mentioned them verbally, but again our commitments to our
7 federal partner completing our construction in Central
8 Valley, all the environmental reviews for Phase 1. I
9 mentioned the phased Valley-To-Valley approach. Again, we
10 complete the 119 miles from Madera to Poplar by 2022 we can
11 expand to Bakersfield and perhaps north for Madera for a
12 Central Valley segment, expand the electrification project
13 in the west, San Francisco to San Jose to Gilroy and
14 consider some initiation of service either through our
15 partners or with us. That's subject to further analysis to
16 initiate some kind of service as soon as 2026-'27. And
17 again, isolate the Pacheco Pass tunnels as the unfunded
18 work that we need to get completed to get the Valley-To-
19 Valley done. And there's a lot of early work that we can
20 get done so further geotechnical review and design
21 refinement, finishing the environmental reviews, get all of
22 that work done so we can further de-risk that tunnel as we
23 go forward.

24 As I mentioned, Merced remains a high priority.
25 And our goal is to still attain full service in Valley-To-

1 Valley by 2029.

2 Michelle did a nice job of talking about the
3 Burbank, L.A., Anaheim bookend investments. We've covered
4 those. But again just quickly, it's about a 45-mile
5 corridor. We are already a partner, very much a partner
6 down here. This Board, prior to my arrival had approved an
7 \$18 million partnership for planning around a Link Union
8 Station improvement project. You had already approved the
9 Rosecrans/Marquardt Grade Separation for 76 million. And
10 again, we are proposing here to move the remaining \$500
11 million bookend for the L.A. Union Station project.

12 Again, this sort of repeats prior, but sort of a
13 building blocks approach to complete Phase 1 Central Valley
14 segment, all Phase 1 environmental reviews, complete the
15 bookend investments, deliver our Silicon Valley to Central
16 Valley. This says "smaller bites" but I prefer building
17 blocks. And then secure funding and financing for
18 completing Phase 1 as we go forward.

19 And again, you've got a large state commitment
20 here. If nothing else comes in, I think we estimate our
21 available revenues about 22.4 billion. There's a lot we
22 can do with that. And we look forward, going forward once
23 the environmental reviews are done everywhere to continue
24 to be a partner with our federal government for grants and
25 loans, continue to look for private partners as we go

1 forward and perhaps have the opportunity to monetize
2 proceeds from the Valley-to-Valley service.

3 There are some things that of course we've
4 learned on this project and we want to apply them going
5 forward. Again, some of these I'll roll through a bit
6 quickly. We've got an entire chapter in the Business Plan,
7 Chapter 4, dedicated to lessons learned and mitigating
8 risks going forward.

9 And the first is clearly while there are a lot of
10 benefits as our timing moving into construction, we also
11 moved before all the risks were realized and understood at
12 the time that we awarded some of those contracts. This is
13 a practice we get away from going forward on construction
14 contracts, right-of-way procurements, third-party
15 agreements, utility relocations. We'll have those more in
16 hand, understood, known to the extent we can complete it
17 and incorporate it prior to future contract awards.

18 We say we want to transform from a planning
19 organization to a project delivery organization. There's
20 still work to do in that area, bringing in Mr. Hedges, our
21 chief operating officer was the first step in that. We are
22 moving forward on filling other important vacant positions
23 in that area. I'm looking forward very soon to announcing
24 the appointment of a new Director of Real Property. And we
25 are starting interview process for the Risk Assessment

1 Director as well. But it's important to note we still have
2 to continue to be a strong planning organization as well,
3 because we have work to do going forward for future
4 segments of this project.

5 This was discussed, I think, earlier,
6 particularly in the conversation with Joe's presentation,
7 but we are getting after we adopt this Plan toward a
8 revised base line budget, which then we can use and apply
9 and manage against a scope, schedule and budget, a defined
10 budget for the remaining of the program. We'll bring that
11 to you in June after the adoption of the Business Plan in
12 May.

13 We, as I noted before in this Business Plan, we
14 are estimating our out-year project cost, not so much
15 trying to estimate by the dollar but putting it in the
16 context of ranges, giving us sort of book ends to manage
17 against going forward.

18 And as we said, we continue to move the Valley-
19 to-Valley in the some say smaller bites, again I prefer
20 building blocks, but that's our last element there.

21 It's always important, I think, to remind people
22 why we want to do this project. High-speed rail has three
23 key elements that I always think about when I think about
24 the project. And these are benefits in the area of
25 economy, environment and mobility.

1 And on the economy, of course, we are already
2 putting thousands of people to work in the Central Valley.
3 Nearly 1,800 trades people are working on that project
4 today. Joe Hedges is our lead in being dedicated to expand
5 that construction activity and expand that construction
6 site. I expect to see those numbers go up as we get into
7 the summer of '18 and we've get more and more construction
8 happening.

9 We have now, I think we estimate 437 small
10 businesses, mostly California small businesses, working on
11 the project. And we have an economic impact just in the
12 Central Valley of in excess of \$5 billion just from the
13 investments made this far.

14 Moving forward, you know, vital new linkages
15 between our economic centers. The Silicon Valley, of
16 course, has an out-of-control housing market. And there's
17 great opportunity to link the Central Valley and the
18 Silicon Valley in a way that is clean, fit much more
19 efficient, and provide some expanded affordable housing
20 opportunities for the workforce there.

21 Again, new job opportunities as companies
22 consider siting locations and what kind of infrastructure
23 is available for where they may site businesses. Great
24 opportunity for collaboration between higher education
25 universities in the Central Valley, CSU Bakersfield, UC

1 Merced, CSU Fresno, CSU Sacramento. I mean you kind of
2 role through the Central Valley and there's a lot of great
3 opportunity there.

4 And, of course, sustaining our economic
5 competitiveness in the 21st century I would just note that
6 virtually all advanced economies have some version of high-
7 speed rail. And we do not.

8 Greater mobility, this is probably my favorite
9 chart in the -- the colors could be better -- but this is
10 my favorite chart in the Rail Plan. That green bar on that
11 chart is really the estimate of travel times for high-speed
12 rail. And it is a comparison to today's travel
13 opportunities for Californians between those two points.
14 The blue is vehicle and the purple is the traditional inner
15 city rail service we provide today. And as you can simply
16 see by the chart, this is a project that proposes to cut
17 travel times for people significantly. And I think that's
18 one of the great benefits of this project and it's really a
19 transformative and game changer for how Californians will
20 get around.

21 Finally it's important to note the environmental
22 benefits of this project. This is a chart that was
23 originally in a document put out by the Air Resources Board
24 in their scoping plan. On the left, that smaller bar chart
25 is the accumulation of all GHG emission benefits from

1 investments made to date, for other investments they're
2 making with Cap and Trade dollars, and the emission
3 benefits they'll get. On the right, that larger bar chart
4 is the estimate of our emission benefits when we're at full
5 operations. And I think it shows that this is certainly a
6 sound investment for policies in the era of climate change.

7 Finally, just a bit of housekeeping here, as I
8 mentioned earlier the 60-day public comment period ends on
9 May 7th, started on March 9th when we issued the Draft
10 Plan. There are many ways to comment via online. We have
11 an email address there that folks can reach, a phone
12 number, a voice mail line is available. And, of course,
13 you can also use traditional mail.

14 And we just noted that this is our second
15 meeting. First was in Sacramento on March 20th, now this
16 one here in Los Angeles. Our next meeting will be roughly
17 in the second or third week of May in the San Jose area.

18 Next steps, again we will receive comments. Some
19 here today will be part of the comment and that as we head
20 to the May Board meeting, we will take those comments and
21 reflect some of those comments in the Draft itself. At
22 least have a sheet available to the public and the Board on
23 what comments we have received, what our responses to those
24 comments are, and where we make any changes to the draft
25 based on that public comment. And we will propose it for

1 Board adoption at the May hearing.

2 And again, under the statute, we have to provide
3 a Final Draft adopted by this body to the Legislature by
4 June 1st of this year. And that's it. Thank you.

5 CHAIRMAN RICHARD: Thank you very much, Mr.
6 Kelly. I know you made a similar presentation in
7 Sacramento. So I will see if Board Members have any
8 questions at this time for Mr. Kelly?

9 Okay. Thank you.

10 MR. KELLY: Thank you.

11 CHAIRMAN RICHARD: All right. With that then we
12 turn to the second public comment period. And I'm going to
13 take the cards in the order that we got them.

14 We'll start with Mike Murphy, who was in the
15 first session, followed by Kathleen Trinity and Mike
16 O'Gara.

17 MR. MURPHY: Good morning Chairman Richard and
18 Members of the Board. I'm Michael Murphy. I'm the
19 Intergovernmental Relations Manager for the City of Santa
20 Clarita.

21 Santa Clarita is one of the communities
22 potentially impacted by the proposed alignments within the
23 Palmdale to Burbank segment. The City of Santa Clarita
24 appreciates the Board of Directors coming to Southern
25 California today. And we appreciate your commitment to a

1 future San Fernando Valley meeting.

2 We hope that as additional work moves forward on
3 the Palmdale to Burbank segment, that you will receive
4 presentations and take -- and as you receive presentations
5 actions on that segment, that there will be additional
6 meetings held in Southern California. That obviously
7 affords folks who are most impacted by the proposal the
8 opportunity to speak to you directly. And we appreciate
9 your recognition of that.

10 I would like to take this opportunity to
11 reiterate the Santa Clarita City Council's position
12 relative to the Palmdale to Burbank project segment. While
13 the City Council deeply appreciates that the Board and
14 staff have listened to the comments that have come from the
15 city and out of our community, the Council remains uneasy
16 that there's still above-ground segments on the three
17 proposed alignments.

18 On July 14th, 2015, the Santa Clarita City
19 Council adopted a position that supports only fully
20 underground alignments between Palmdale and Burbank in
21 order to minimize impacts to all of the affected
22 communities.

23 As the environmental review process continues,
24 the City Council and staff and members of the Santa Clarita
25 community look forward to continuing to work with you and

1 your staff to hear our concerns and incorporate those
2 concerns into the final environmental documents.

3 Finally, I want to highlight the City Council's
4 previous request to you that the California High-speed Rail
5 Authority Board and staff continue to work with Southern
6 California Association of Governments and its regional
7 partners to facilitate early investment in regional rail
8 infrastructure to increase interregional connectivity,
9 speed, capacity and safety.

10 Thank you so much for consideration of my
11 comments today.

12 CHAIRMAN RICHARD: Thank you Mr. Murphy.

13 Next, Kathleen Trinity followed by Mike O'Gara
14 followed by Gary -- I hope I pronounced it correctly --
15 Aggas.

16 Ms. Trinity, good morning.

17 MS. TRINITY: Good morning, Chairman Richard and
18 Board Members. I'm Kathleen Trinity from Acton.

19 As you consider the options please also consider
20 matters of the utmost value that are not just financial or
21 technical. A. Those whose lives will be deeply disrupted.
22 B. Communities who's social fabric and economic structure
23 will be rent apart. C. Environmental damage brought to
24 natural areas and wilderness.

25 We who live in the Red Rover and East Acton

1 equestrian communities understand the delicate balance
2 between nature and community and we value our natural
3 surroundings. Close relationships with other community
4 members enrich our lives and help us to live in a rural
5 area. But when entire neighborhoods will be torn apart by
6 huge viaducts with wide swaths of scraped land on either
7 side, accompanied by switching and maintenance facilities,
8 when deafening trains will be topped with electrical
9 harnesses and pass every six minutes in a mountainous echo
10 chamber frightening horses and blighting the community,
11 then we know that our values are not your values. And
12 that's a pity.

13 We realize that we are simply objects in a path
14 that may never come to fruition. But I say these are the
15 values by which we live. These are the values which must
16 predominate and an inherently flawed plan is what needs to
17 be changed. High-speed rail will be no boon to commuters
18 on the 14 Freeway. What average worker is willing to pay
19 or can pay \$80 to \$100 a day to commute to and from a job?
20 That won't take them off the roads. That's a job for
21 Caltrain, Metrolink or light rail.

22 So I ask you please do consider much less
23 destructive routes, because what I see right now is pretty
24 destructive. And will definitely change our community for
25 the worst. Thank you.

1 CHAIRMAN RICHARD: Thank you, Ms. Trinity.

2 Mike O'Gara is followed by Gary Aggas and then
3 Victor Lindenheim.

4 MR. O'GARA: My name's Mike O'Gara and I've lived
5 in Sun Valley for 45 years. I'm the Planning Committee
6 Chairman for the Sun Valley Area Neighborhood Council, but
7 I'm not here speaking for them. I'm here speaking for
8 myself.

9 I wish to recommend Route Refined ET, for the
10 route from the Burbank station to Palmdale. Do not go to
11 Palmdale on Route Refined E1 or Refined SR14, because of
12 costs. Coming above ground, surface construction will cost
13 a fortune. It'll be just if you come through the other
14 routes, you're going to create major disruption to many
15 business and residents along the San Fernando road in Sun
16 Valley, Pacoima and Arleta. Stay underground with the
17 boring machines, no cut and fill.

18 Sun Valley would also be a great place for a
19 maintenance yard.

20 When the high-speed train is built, the economy
21 on the West Coast and North America will be the third or
22 fourth largest in the world if you go from Ensenada, Mexico
23 straight up the coast to Vancouver, British Columbia. And
24 some day that'll happen long after I'm done. But you can
25 get this high-speed train get it done please. Thank you.

1 CHAIRMAN RICHARD: Thank you, sir.

2 Gary Aggas, I hope I pronounced that correctly,
3 then Victor Lindenheim, then --
4 --

5 MR. AGGUS: You're close, it's Aggas.

6 CHAIRMAN RICHARD: Aggas, Mr. Aggas my apologies.
7 Go ahead, sir.

8 MR. AGGUS: No problem, very common. You can
9 destroy that name several different ways. Thank you.

10 Good morning. I am Gary Aggas. I grew up in Sun
11 Valley. I'm a member of the neighborhood council, been
12 very active on the planning committee and have been
13 following high-speed rail very closely.

14 I'm in favor of Refined Route E2, because it is
15 underground through Sun Valley. That section should be
16 tunnel however and not trenched, fully underground. I
17 think that's the best route for Sun Valley.

18 In addition, I would like to see a maintenance
19 facility. It would be very beneficial to Sun Valley. We
20 have several areas that would be ideal. They are presently
21 occupied by auto recycling companies and former mining
22 sites. So it's been looked at in the past for a
23 maintenance yard and that would also be very beneficial to
24 Sun Valley.

25 And thank you all for your work on this project.

1 CHAIRMAN RICHARD: Thank you, sir. Victor
2 Lindenheim then Bill Eick, I believe it is and David
3 Leggett.

4 MR. LINDENHEIM: Good morning Chairman Richard
5 and Board. My name is Victor Lindenheim. I'm here
6 representing the Santa Clarita Valley Chamber of Commerce
7 today, which I co-chair the Government Affairs and
8 Transportation Committee.

9 I want to thank you for your sensitivity and
10 awareness of the issues that face the Santa Clarita Valley
11 and neighboring communities. And I particularly want to
12 shout out to Michelle Boehm and her team, who has
13 frequently come out with her to Santa Clarita Valley with
14 her outreach program and colleagues and listened to our
15 concerns.

16 My comments today will essentially echo that of
17 Mr. Murphy, representing the City of Santa Clarita. And
18 I'll just read an excerpt and I do have a letter from the
19 Chairman of the Board of the Santa Clarita Valley Chamber
20 that I'll just provide you with.

21 We represent 900 businesses in the community and
22 are opposed to any above-ground project, which will create
23 a damaging economic and environmental impact on our
24 community, which cannot be mitigated.

25 That's the essence of what we have to say and I

1 just want to add, Santa Clarita you may know, is one of the
2 fastest growing cities in the state, currently the third
3 most populous city in the County of Los Angeles. And we're
4 growing fast and continuing to grow. Thank you.

5 CHAIRMAN RICHARD: Thank you, sir.

6 Bill Eick. Did I pronounce that correctly sir,
7 followed by David Leggett and --

8 MR. EICK: You got that exactly right. Thank
9 you.

10 CHAIRMAN RICHARD: Good.

11 MR. EICK: And it's good to see you again, sir.

12 CHAIRMAN RICHARD: Thank you.

13 MR. EICK: Again, my name is Bill Eick. I
14 appreciate Mr. Rossi's comments. I too was at the meeting
15 where Mr. Rossi was first there. He was kind enough to
16 come down and actually talk to me afterwards.

17 This is about the Business Plan. If you look at
18 page 51 of the Business Plan that says, engineering and
19 environmental section states that there are unknowns about
20 tunnels and mountain terrains and that the California High-
21 Speed Rail will conduct preliminary hazard analysis. That
22 analysis has already been done.

23 You have a over 60-page report that was done in
24 March of 2017. I've attached it to my official comments.
25 And it talks about the geotechnical, you could say

1 challenges or you can say something else, about why you
2 should not drill or tunnel through the Angeles National
3 Forrest.

4 So when you're talking about alternatives and you
5 have to have a range of alternatives, you have to have a
6 range of feasible alternatives. Tunneling through the
7 Angeles National Forrest is not a feasible alternative.
8 You can check with your lawyers. I checked with my
9 lawyers, that would be me, and it's not required to discuss
10 infeasible alternatives.

11 So for instance, they talk about some of the
12 design problems through the Angeles National Forrest. It
13 specifically says, "A squeezing ground will be encountered,
14 affecting tunnel boring machines, performance and possible
15 forcing TBM rescues." That means you're going to have to
16 drill down 2,600 feet to rescue the tunnel boring machine
17 that is stuck underground.

18 Now you hired the guy from Seattle, so he should
19 have a lot of experience with Big Bertha, all right? But
20 this is a report that you prepared over a year ago. It
21 talks about linings and enlarged tunnel sections are needed
22 -- (timer sounds) may I continue?

23 CHAIRMAN RICHARD: Yes, (indiscernible)

24 MR. EICK: I'll see if I can summarize this.

25 CHAIRMAN RICHARD: That'd be good. Thank you,

1 sir.

2 MR. EICK: The problems is you're putting linings
3 for the tunnels here. There's no tunnel lining that can
4 withstand more than 25 bars. That's PSI pressure. I mean
5 over one-third, six-and-a-half miles of the E2 Route and
6 six-and-a-half miles of the E1 Route exceed that 25 bars.

7 This tunnel, these tunnels are guaranteed to
8 leak. Okay? With corrosive water you're going to end up
9 having problems with the tunnel itself, the track. And
10 this is all in your report that was done over a year ago.
11 Now, you might not have seen it because you guys get lots
12 of paper.

13 I have a couple of other things. But one is on
14 page --

15 CHAIRMAN RICHARD: Can you finish in about 15
16 seconds, sir?

17 MR. EICK: I can.

18 CHAIRMAN RICHARD: Let me point out there'll be
19 other opportunities for public comment on these.

20 MR. EICK: Okay. I think that you should remove
21 any reference to the tunnel under the Swiss Alps from the
22 Business Plan. That's granite. This is not granite. That
23 tunnel was created prior to this report in 2017, so if that
24 had any effect it would have been your technical report.
25 So talking about Swiss tunnels at 8,000 feet is

1 disingenuous.

2 Also, if I were doing a Business Plan, part of my
3 Business Plan would be "what's my exit strategy?" If I
4 don't get the money, where do I stop? How does this end?
5 There's nothing in this Business Plan that talks about
6 that.

7 Well, thank you very much.

8 CHAIRMAN RICHARD: Thank you for your comments,
9 Mr. Eick. And as I said, there'll be multiple
10 opportunities to talk about the alignments as we go
11 forward.

12 MR. EICK: Hopefully more than two minutes.

13 CHAIRMAN RICHARD: Next is David Leggett followed
14 by Kelly Decker and then Cindy Bloom.

15 MR. LEGGETT: Good morning. I'm David Leggett
16 with the California Public Utilities Commission. And I
17 just wanted to thank you for the opportunity to speak and
18 say that I'm with the Office of Rail Safety with Roger
19 Clarkston. We all will be cooperating or working in
20 conjunction with the FRA as you move forward. In general,
21 my question was about the true cost of the High-Speed Rail
22 Project. And you've mentioned a lot of things that are
23 good that I think should be considered. Our strategic
24 initiatives at CPUC are safety, reliability and
25 affordability.

1 And part of safety is climate change concerns and
2 greenhouse gasses and the cost of the significant use of
3 electricity as you move forward. And so what I haven't
4 seen is the cost of doing nothing. And in your literature
5 each said 77 billion. What is the real cost of doing
6 nothing and how do you compare that to the alternatives of
7 what impact it would have of not having high-speed rail?
8 Are there benefits of this approach, of using electrical
9 system and what is that going to save in terms of
10 greenhouse gas emissions?

11 And then also, are you really including enough
12 for safety, because that's our other major concern. Thank
13 you very much.

14 CHAIRMAN RICHARD: Thank you, sir.

15 Kelly Decker, followed by Cindy Bloom.

16 Ms. Decker, before you start I noticed I had two,
17 I had duplicate comment cards from Mr. O'Gara and Mr.
18 Aggas. And I think we're going to just assume that your
19 last comments covered both cards, but I just --

20 MR. O'GARA: Correct. Yes.

21 CHAIRMAN RICHARD: Okay. Thank you.

22 All right, excuse me, Ms. Decker. Thank you.
23 Please go ahead.

24 MS. DECKER: Hi. Thank you. I'm Kelly Decker. I
25 live in Kagel Canyon.

1 This project is supposed to link San Francisco to
2 Los Angeles, but really it's series of links. It's eight
3 or so project sections that create a chain. And just like
4 in an actual chain, if any one link fails, the entire
5 project or the entire chain fails.

6 The Palmdale to Burbank link is a failure because
7 there's not a single alternative under consideration that
8 utilizes an existing transportation corridor. All three
9 proposed alignments go through the Angeles National
10 Forrest. In agenda item number four, Michelle Boehm wrote
11 up a summary that said the Authority is committed to making
12 the environment a top priority. If that were true, you
13 would be considering at least one alternative alignment
14 that does not go through the Angeles National Forrest.

15 And when Mr. Kelly talked about greenhouse gas
16 emissions, if you really wanted to be transparent, you
17 would publish in your Business Plan the truth. And that is
18 the construction of this infrastructure project will create
19 more greenhouse gases than will ever be reduced or recouped
20 through ridership, as long as the train is in operation.

21 The current Business Plan acknowledges that the
22 Authority doesn't even know enough about how to tunnel
23 through the San Gabriel Mountains to even come up with a
24 cost estimate for our project section. But as Bill
25 mentioned, the geotechnical investigation that was

1 conducted over a year ago concluded that tunneling was
2 technically infeasible and cost prohibitive.

3 So everybody knows that a whole is only as good
4 as the sum of its parts. And a Business Plan that includes
5 this fatally-flawed project section should not be adopted
6 as a whole. Thank you.

7 CHAIRMAN RICHARD: Excuse me, thank you, Ms.
8 Decker.

9 Cindy Bloom followed by Lynne Toby and then
10 Katherine Paull.

11 MS. BLOOM: Good afternoon, Cindy Bloom, Shadow
12 Hills.

13 Mr. Richard, you have consistently stated that
14 the Authority is merely carrying out what the voters
15 approved in 2008. Well, the fact is the voters approved
16 Prop 1A based on a \$45 billion budget, not 64 billion, not
17 68 billion and certainly not 77.3 billion. I've got it
18 right here. And this excludes interest of 10 billion that
19 must be paid to bond holders, so 77.3 billion is really
20 87.3 billion. Think about that.

21 And every month you get updates. And every month
22 you act like everything is fine. It is not fine. You are
23 all intelligent people. Do you truly believe that staff
24 and consultants really know what they're doing? Here are
25 the budgets going back to 1996 in billions: 16.5, 25, 37,

1 45, 33.6, 43, 98.1, 68.4, 67.6, 64.2 and now 77.3 billion.
2 The definition of insanity is doing the same thing over and
3 over again and expecting a different outcome.

4 And the Business Plan suggests that one way to
5 help pay for this thing is to securitize future revenue and
6 borrow against it. Won't the private investor and/or the
7 train operator have a say in this? Don't they expect to
8 receive the ridership revenue? If it's tied up as
9 collateral and they can't touch it, why would anyone want
10 to partner with you?

11 Well, the good thing is it is creating jobs for
12 lawyers. But actually the cost per job is \$1.4 million,
13 not exactly a bargain. The bottom line is, enough is
14 enough, 77.3 billion crossed the line. Five billion has
15 been spent and not a single inch of track has been laid.

16 You can't even build the easy Central Valley
17 portion on time and on budget. So how can you expect to
18 build the Palmdale to Burbank segment with 30 miles of
19 tunneling 2500 feet below ground? This project is doomed.
20 Please stop rearranging the deck chairs on the Titanic.
21 Cut the losses and turn whatever's been built into a
22 tourist attraction. Thank you.

23 CHAIRMAN RICHARD: Thank you, Ms. Bloom.

24 Lynne Toby and then Katherine Paull followed by
25 Charles Follette.

1 MS. TOBY: Good morning. My name is Lynne Toby
2 and I live in Shadow Hills, one of the last rural
3 communities in the City of Los Angeles. I'm glad to hear
4 you know the names of some of our communities, because we
5 aren't mentioned in the highly anticipated but blisteringly
6 disappointing 2018 Business Plan.

7 Our communities have been held hostage for over
8 three years to this badly flawed and completely underfunded
9 plan. I looked forward to the Business Plan with great
10 anticipation, hoping some of my questions and concerns
11 would be answered. Imagine my disappointment at the almost
12 total lack of information on the Palmdale to Burbank
13 section.

14 Was this an intentional insult directed at the
15 Northeast San Fernando residents? We're not blank spaces
16 on a map. We pay taxes, send our kids to school, worship
17 in our sanctuaries and go about our daily business, while
18 you make decisions that will tear our communities apart.

19 The Northeast San Fernando Valley has monumental
20 environmental treasures, all of which are threatened by the
21 Palmdale to Business segment that you have deemed so
22 unimportant that it's barely an afterthought in one of the
23 appendix tabs to the Plan.

24 And you do know drilling through sandstone is
25 very different from drilling through granite, because we're

1 not sure you do.

2 And now, the project's being audited by not just
3 the State of California, but by the Federal Department of
4 Transportation. We want to know where did all the billions
5 go and we're going to find out and I think you should be
6 worried about that.

7 Members of the Board, we deserve better. We
8 deserve your attention and respect, neither of which we've
9 received. For over three years the S.A.F.E Coalition has
10 repeatedly requested information, sought clarification and
11 finally demanded a local meeting, so our concerns could be
12 heard and addressed on the land that will be destroyed by
13 this project.

14 The response to date has been nothing. What
15 we've been shown is contempt, condescension and scorn.
16 We've been given falsified reports, incomplete
17 environmental studies and wagons full of empty promises.
18 The S.A.F.E Coalition will continue to demand answers,
19 pertinent information and your statement that E1, E2 and
20 SR14 are off the table. Thank you.

21 CHAIRMAN RICHARD: Thank you, Ms. Toby.

22 Katherine Paull followed by Charles Follette and
23 Joe Adams.

24 MS. PAULL: I'm Katherine Paull. I live in Kagel
25 Canyon and I'm talking about the Business Plan.

1 Although the 2018 Business Plan sounds pretty it
2 also makes ungrounded assumptions, lacks transparency and
3 contains vague assertions. I question its language and its
4 logic.

5 For example, its statement that Los Angeles
6 commuters lose 102 hours to congestion every year is
7 unrelated to high-speed rail plans.

8 For example, if one of the state's environmental
9 goals is "to protect endangered species," how will high-
10 speed rail accomplish that goal? For example, there can't
11 be mere assumptions about infill development, where is
12 specific information?

13 Another example, the Plan mentions "aggressive
14 management and mitigation strategies when acquiring land."
15 I wonder what those might be.

16 Also, while it's understandable that costs are
17 based on assumptions, it is not realistic to project
18 ridership or even maintenance costs for 2030 when the train
19 might become a reality.

20 It is important to make what has been started a
21 success, especially where real ridership is a current need
22 and can be met. After that, we should cut the losses and
23 the project and use Cap and Trade monies expediently.

24 I doubt that the framers and voters of Prop 1A,
25 ten years ago, had a realistic understanding of

1 California's geography and it's politics. I hope that the
2 Legislature will look at reality on June 1st. Thank you.

3 CHAIRMAN RICHARD: Thank you.

4 Joe Adams?

5 MR. FOLLETTE: Charles Follette, right? Wasn't I
6 next?

7 CHAIRMAN RICHARD: I was flipping, yes Charles
8 Follette. I'm sorry. I did.

9 MR. FOLLETTE: That's okay.

10 CHAIRMAN RICHARD: Excuse me, you were after Ms.
11 Paull. My apologies.

12 MR. FOLLETTE: Thank you. Good morning Chairman
13 Richard, Mr. Kelly and Board Members. My name is Charles
14 Follette from the City of Santa Monica.

15 It is my hope that you, the California
16 Legislature and the California High-speed Rail Authority
17 are successful in constructing and operating the California
18 bullet train from San Francisco to Los Angeles.

19 The primary difficulty in achieving this is the
20 segment from Bakersfield to Los Angeles. Much has been
21 written regarding the cost and time required to traverse
22 and tunnel through the Tehachapi and San Gabriel mountains,
23 to the point where many feel that Bakersfield may
24 ultimately be the final southern terminus.

25 To ensure that Los Angeles is in fact in play,

1 it's time for the Authority to think outside the box. From
2 a geological, geographical, logistical and financial
3 standpoint, there is an alignment that will enable the
4 completion of the project sooner than expected and well
5 under budget.

6 Upon study, it is likely that the most logical
7 alignment to Los Angeles is the following southwest route.
8 Depart Bakersfield to the southwest through Maricopa and
9 Ventucopa to the junction of SR 33 and Lockwood Valley
10 Road. From here tunnel under the Los Padres National
11 Forrest all the way to SR 33 Freeway between Ojai and
12 Ventura and Casitas Springs. Parallel the freeway into
13 Ventura, than head south along the already established
14 right-of-way, all the way to Los Angeles Union Station.

15 The tunneling distance will be approximately 17
16 to 20 miles, compared to a total of 36 miles of tunnels
17 along the Tehachapi San Gabriel route. One tunnel
18 measuring 17 miles in length along that route with lower
19 elevation gain to deal with in the Tehachapi route, the
20 tunnel and tracks under the Los Padres will have decreased
21 percent grade, only two-and-a-half percent, allowing for
22 maximum train speeds of 220 miles per hour.

23 Thus, it will take the HSR only about seven
24 minutes to travel under the Los Padres from Lockwood Valley
25 Road to Casitas Spring. Because the train will travel

1 under the forest, it will have no effect on the natural
2 ecosystem above the ground. The tunnels can be bored under
3 a direct line of canyons running north to south, not under
4 ridges and summits. This means shallower tunnels that
5 enable construction of escape routes at reasonable depths
6 along its entirety.

7 The biggest difference and advantage of this
8 route is the geology. The Los Padres consists of Monterey
9 shale, marine sandstone, chalk limestone, pebbly
10 conglomerate and sedimentary rock. This makeup is much
11 more suitable for boring tunnels. Through the shattered
12 granite and fault zones of the Tehachapi, San Gabriels, the
13 boring rate is only 10-to-20 feet per day the versus a
14 boring rate of 100-to-200 feet per day through the
15 sedimentary Los Padres.

16 This represents a 10-fold reduction in the time
17 to bore the tunnel, not to mention that the southwest route
18 requires one half the number of tunnel miles, as few as one
19 tenth the number of actual tunnels. The result being
20 greatly reduced construction costs and decreased
21 construction time.

22 CHAIRMAN RICHARD: Mr. Follette, sorry?

23 MR. FOLLETTE: To build the tunnel running the
24 entire 17-to 20-mile length under the Los Padres is very
25 doable, considering the Gotthard Base tunnel was completed,

1 in Switzerland, last year at a length of 35 miles.

2 CHAIRMAN RICHARD: Mr. Follette, thank you.
3 You've given us a very cogent document here and I just want
4 to make sure everybody has about an equal amount of time.
5 Can we just take this please and your comments will be
6 included in the record. And I know nothing about this, but
7 appreciate your bringing this possibility to our attention.

8 MR. FOLLETTE: Thank you, Chairman Richard.

9 CHAIRMAN RICHARD: Thank you very much, sir.
10 And then now Joe Adams.

11 MR. ADAMS: Good morning, everyone. Let me give
12 you a little personal background and thoughts and hope you
13 bear with me real quickly. But I am the Director,
14 President, CEO and all around handyman at 10322 Marybell
15 Avenue in Shadow Hills. I have been there for 25 years and
16 lived in these communities of Sunland, Tujunga and Shadow
17 Hills for just about 60.

18 I'd like to know if anyone here, by raise of
19 hands, knows where Mt. Gleason Junior High is? Well, I
20 graduated there and I was in Mr. Ryan's drafting class when
21 it was announced that President Kennedy was assassinated.
22 At Verdugo Hills High School, anyone know where that is?
23 Have you ever been there? Well, it looks like maybe our
24 communities aren't really being that well represented in
25 that respect, but that's a fond part of my past.

1 We know that I even received a corsage from my
2 high school prom from the florist shop on McVine and
3 Foothill by Mrs. Hildegard Hillman, who I'll never forget.
4 These are fond memories.

5 We also have or are subject to, as many areas
6 are, natural disasters. Sylmar earthquake, my sister
7 wanted on February 9th to have something different and she
8 got here wish. Northridge '94 earthquake, big Tujunga
9 flood was I think around 1962, in which people were
10 isolated due to a washout of roads.

11 Past fires to recently, the creek fire -- excuse
12 me -- La Tuna fire almost had our family evacuated. We
13 were packed ready to go, but we were spared. Then came the
14 creek fire. We were packed and we left. We had to go,
15 obviously.

16 We've heard the statement that costs have
17 increased 83 percent. We've had mention of other cost
18 overrides, I just want to bring that to home. If you were
19 to go to a car lot and you wanted to pick out a particular
20 car, you had agreed at a price. And then by the time when
21 you came to signing on the bottom line and it had been
22 three, five, ten times more, that would make sense.

23 I can't imagine billions, but I can imagine these
24 things. And that's how we're being affected. And I would
25 just hope that you reconsider this, because I don't believe

1 that the current plans are the best plan for the Northeast
2 San Fernando Valley. Thank you.

3 CHAIRMAN RICHARD: Thank you, Mr. Adams.

4 I'd like to thank all the citizens who came to
5 speak this morning. And with that the second public
6 comment period is closed.

7 I don't think we have any other items that of
8 business. And members, we have the closed session memo
9 from the General Counsel, but I don't feel the need for a
10 discussion of that unless other members would disagree.

11 So with that, I will thank everybody and this
12 meeting of the California High-Speed Rail Authority Board
13 is adjourned. Thank you.

14 (Chairman Dan Richards adjourned the Board Meeting
15 at 12:14 p.m.)
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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 7th day of May, 2018.



MARTHA L. NELSON, CERT**367

TRANSCRIBER'S CERTIFICATE

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.

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Myra Severtson
Certified Transcriber
AAERT No. CET**D-852