



**BOARD MEETING MINUTES
SEPTEMBER 11, 2012**

**Sacramento City Hall
915 I Street
Sacramento, CA 95814
9:00 AM (Closed Session)/10:00 AM (Open Session)**

The public meeting of the California High-Speed Rail Authority Board was called to order on September 11, 2012 at 9:08 a.m. at the Sacramento City Hall, Sacramento, CA.

Members Present: Dan Richard, Chair
Lynn Schenk, Vice-Chair
Tom Richards, Vice-Chair
Thomas Umberg
Jim Hartnett

Members Absent: Mike Rossi
Bob Balgenorth

Pledge of allegiance was administered by Chair Dan Richard.

Minutes prepared in the order items were presented during the meeting.

The Board adjourned into Closed Session at 9:15 a.m.

The Board reconvened from Closed Session into Open Session at 10:13 a.m.

A Moment of Silence was observed in remembrance of September 11th.

Agenda Item #1-Closed Session Pertaining to Litigation

The Board returned from Closed Session with nothing to report.

Public Comment

An opportunity was made for public comment. Speakers commented on a variety of topics.

Agenda Item #2-Approval of Meeting Minutes from August 2, 2012 Meeting

Mr. Richards asked that the meeting minutes be amended to reflect that during the presentation of Agenda Item #2 (Approval of Caltrans Inter-Agency Agreement for the Relocation of Hwy 99) Mr. Richards recused himself from the room. With the amendment made, Vice-Chair Schenk moved for approval. Chair Richard seconded the motion. The meeting minutes were approved unanimously (5-0).

Agenda Item #3-Industry Forum Update

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For further information you may visit the California High-Speed Rail Authority Web site at
www.cahighspeedrail.ca.gov

Mr. Robert Padilla provided an update on the Industry Forums held during the past few months. The purposes of the forums were to contact, communicate, and engage local contract communities, on the upcoming contracting opportunities for the HSRA.

Mr. Padilla reported that staff had received many positive comments from the attendees, practitioners, and business owners. Among the positive comments were the applauding of the HSRA's thirty percent small business goal that is inclusive of the three percent disabled veteran business enterprise, and the ten percent disadvantaged business enterprise goal.

Mr. Padilla also reported that there were comments regarding barriers for small business participation such as access to securing bonding, access to capital, and access to liability insurance. Other issues presented were on workforce selection; retention programs, nonunion contractor participation, and assistance in business development and marketing. Certification continues to be a very challenging issue, as well as prompt payment.

Next steps will include hands-on certification workshops where people arrive, sit at a computer, and walk away certified from the event. The HSRA would like to continue to host more entry forums and networking opportunities, proposals of conferences, design-build contracts, partnering with stakeholders, participating chambers and business trade associations. The HSRA will continue to update their website to better communicate with and to contact business owners.

Agenda Item #4-Caltrain Modernization Economic Benefits Presentation

Dr. Jon Haveman, chief economist at the Bay Area Council, presented to the Board the economic benefits associated with modernizing Caltrain. Dr. Haveman discussed that the Caltrain modernization is made up of acquiring new electric trains, overhead contact systems, and the installation of the positive train control system.

Dr. Haveman explained that the cost of the project is broken down into three parts. First is the electrification of the infrastructure, \$785 million. Second is the advanced signaling system that will cost another \$231 million. Third are the EMU trains including many of professional services regarding installation locally will amount to about \$440 million. In total \$1.456 billion.

Dr. Haveman further explained to the Board that the economic benefits are derived from local jobs and economic activities that will improve during the construction, the installation of the advanced signaling and overhead electrical system, changes in real property values for those who live in close proximity to the station, and the economic value associated with improved service.

Dr. Haveman listed the economic benefits with modernizing Caltrain. \$1.1 billion adding construction benefits is approximately 45 hundred FTE job years in the construction sector. The second benefit will be in property values. Those who live in close proximity to the stations will experience significant increase in value to their properties. The third economic benefit Dr. Haveman discussed with the Board was that the improved service provided, will attract more riders and increase revenue and pull people off of the streets, reducing congestion in a very congested area.

Agenda Item #5-Agricultural Impacts Process Presentation

Mr. Bart Bohn presented to the Board regarding the Agricultural Impacts process, and discussed the current outreach strategy to make formal presentations to the public. Mr. Bohn discussed a recommended outreach strategy that includes continuing to provide accurate information and ways to reduce uncertainty with enhanced outreach. The outreach strategy will continue to discuss property owner rights and benefits, as well as the land acquisition process. The outreach strategy will continue to stress the point that each land acquisition action is unique and can only be resolved through an interactive process through the property owner and the right-of-way agent.

Mr. Bohn presented to the Board examples of agricultural land acquisition scenarios and a reasonable range of possible outcomes. Mr. Bohn stressed that the outcomes will be based on those negotiations between the property owner and the right-of-way agent.

Agenda Item #6- Agricultural White Papers Presentation

Mr. J. Diener presented to the Board regarding Agricultural White Papers. The six areas presented to the board were regarding bees and pollination, induced wind impacts, dairy impacts, movement of equipment, pesticide regulation, and irrigation. Mr. Diener discussed examples of questions that are asked regarding the high-speed rail and the owners of agricultural land.

Mr. Diener will bring the white papers to the community to review and comment as framework to stimulate discussion and to make adjustments to the white papers as needed. Although not all-inconclusive, however, this presentation will help move forward the HSRA's mandate of being responsive to the communities that are being affected by the high-speed rail.

Agenda Item #7-High-Speed Rail Organizational Conflict of Interest Policy

Mr. Tom Fellenz presented to the Board the HSRA Organizational Conflict of Interest Policy and explained that it is a policy that prescribes ethical standards for those entering into the contracts with the HSRA, and is an important policy that has been in existence for one year. The HSRA has been using it frequently, and has it on their website. The HSRA discusses it with those that contract with them. Mr. Fellenz further explained that the goals of this policy are integrity, transparency, competitiveness, and fairness. The HSRA wants to make sure that they provide a level playing field, so that competition can take place for their contracts.

Mr. Fellenz addressed a question that was presented by Ms. Diane LaCome during the public comment period on whether the HSRA's Conflict of Interest Policy is lacking in the ability to appeal. Mr. Fellenz will take a look at the question and consider whether there should be an appeal process, and what that might look like, and decide whether there should be an amendment to the policy with regards to her concern.

Agenda Item #8 Approval to Issue RFQ for CP01 PCM Contract

Mr. Tom Fellenz presented to the Board for approval to Issue RFQ for CP01 PCM Contract. The construction package goes from the Item 17 up the San Joaquin River through the City of Fresno, where there is going to be a significant amount of work overseeing this design-build contract. The HSRA is asking to issue a Request for Qualification to ask for the services from the private sector to help the HSRA monitor and provide oversight for the design-build contract. It includes recordkeeping, communications, quality, and oversight. The HSRA estimates the budget for this to be about \$25 to \$50 million.

Mr. Umberg moved to adopt the resolution. Mr. Hartnett seconded the motion. The motion passed unanimously (5-0).

Agenda Item #9 CEO Delegation of Authority Amendment

Mr. Tom Fellenz presented to the Board for consideration to amend delegation to the CEO to prepare and execute cooperative or joint development agreements with public and private entities. Mr. Fellenz recommended that delegation be changed to allow Mr. Jeff Morales (CEO of the HSRA) to have the authority to approve contracts up to \$5 million. Mr. Fellenz explained to the Board that there are a number of agreements and contracts that the HSRA is going to be entering into as the HSRA begins to ramp up toward construction. Mr. Fellenz recommended to the Board that a \$5 million mark is a reasonable amount considering the size of this project, the complexity, and the number of contracts that the HSRA will enter into. Mr. Fellenz further discussed that in the resolution, there is also a direction to the CEO that all of the procurements will be conducted in accordance with Federal and State laws and regulations and policies and comply with all applicable grant requirements.

In discussing the amendment Mr. Fellenz brought to the Board's attention that where the current resolution states, "The CEO is delegated by the authority to approve and execute changes or amendments to the contract between \$5 and \$10 million to cumulative increase of 25 percent of the original contract amount." The current resolution for approval is missing the words "or \$250,000 whichever is greater," and will need to be added to the current resolution.

The Board asked to add to the amendment a provision that the Executive Director will report to the Board a list of all new contracts or contract amendments exceeding \$10,000 in value.

The Board also requested that a provision in the amendment be made to say the foregoing delegation of authority does not apply to any contracts with Mr. Morales's immediate former employer.

Vice-Chair Schenk moved to adopt the resolution with amendment and the added recommended provisions. Mr. Hartnett seconded the motion. The motion passed unanimously (5-0).

Chairman Richard adjourned the board meeting at 12:42 p.m.