CALIFORNIA HIGH-SPEED RAIL AUTHORITY

MONTHLY MEETING

TRANSCRIPT OF PROCEEDINGS

DEPARTMENT OF HEALTH CARE SERVICES AUDITORIUM

1500 CAPITOL AVENUE

SACRAMENTO, CA 95814

TUESDAY, AUGUST 4, 2015

10:00 A.M.

Reported by: Peter Petty

APPEARANCES

BOARD MEMBERS

Dan Richard, Chairman

Tom Richards, Vice Chair

Thea Selby, Vice Chair

Lynn Schenk

Lou Correa

Katherine Perez-Estolano

Daniel Curtin

STAFF

Jeff Morales, Chief Executive Officer

Janice Neibel, Secretary

Tom Fellenz

Paula Rivera

Jon Tapping

Ben Tripousis

ALSO PRESENT

Supervisor Henry Perea, Fresno County & Fresno Works

Lee Ann Eager, Fresno Works

Tony Boren, Fresno Works

Ted Hart

Rosa Jockel

APPEARANCES (CONT.)

ALSO PRESENT

Paul Guerrero, La Raza

Diana LaCome, APAC

Keith Dunn, Association for California High Speed Trains

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1 P R O C E E D I N G S

2 10:12 a.m.

3 PROCEEDINGS BEGIN AT 10:12 A.M.

4 SACRAMENTO, CALIFORNIA, TUESDAY, AUGUST 4, 2015

5 CHAIRMAN RICHARD: Good morning. Before we get
6 started I apologize for being a few minutes late. Welcome
7 to this meeting of the California High-Speed Rail Authority
8 Board.

9 Will the Secretary please call the roll?

10 MS. NEIBEL: Director Schenk?

11 BOARD MEMBER SCHENK: Here.

12 MS. NEIBEL: Vice Chair Richards?

13 VICE CHAIR RICHARDS: Here.

14 MS. NEIBEL: Vice Chair Selby?

15 VICE CHAIR SELBY: Here.

16 MS. NEIBEL: Director Rossi is absent.

17 Director Perez-Estolano?

18 BOARD MEMBER PEREZ-ESTOLANO: Here.

19 MS. NEIBEL: Director Correa?

20 BOARD MEMBER CORREA: Present.

21 MS. NEIBEL: Director Curtin?

22 BOARD MEMBER CURTIN: Here.

23 MS. NEIBEL: Chair Richard?

24 CHAIRMAN RICHARD: Here.

25 Please join me in honoring America with the

1 Pledge of Allegiance.
2 (The Pledge of Allegiance is made.)
3 CHAIRMAN RICHARD: So I'd like to say that I was
4 somewhat chagrined this morning to see this physical
5 layout, because I like to think that our Board is a very
6 unified Board that works well together. But we've been
7 split asunder by the staff, but I understand it's for good
8 reasons, because we have a projector here. So I don't want
9 anyone to draw any conclusions about the less important
10 colleagues to my right. (Laughter)
11 (Colloquy between Chairman and Board.)
12 CHAIRMAN RICHARD: Okay. We'll proceed through
13 the agenda and we'll start with public comment. And I have
14 the public comment cards in front of me.
15 These are all of them? Okay. Because Supervisor
16 Perea, I know you often speak, but I don't see a card from
17 you. So that's --
18 SUPERVISOR PEREA: (Indiscernible)
19 CHAIRMAN RICHARD: It's the -- okay. It's Fresno
20 Works, there it is, I see.
21 Okay. So we do take comments in order, but we
22 start with our elected officials and as it happens that
23 Supervisor Henry Perea is part of folks coming from Fresno
24 Works along with Lee Ann Eager and Tony Boren.
25 So Supervisor Perea, good morning, welcome back.

SUPERVISOR PEREA: Good morning, Mr. Chairman, Members of the Commission. It's great to be back. When you changed your meetings to Tuesday it made it very difficult to attend, because that's when our Board meets, but I hope you know we are here in spirit with you all the time.

And again, thank you for your steadfast leadership in shepherding this very important project for the State through. And we support, obviously, what you do and what the Governor's vision is for California and transportation.

Today, we just are going to take a few minutes just to give you a brief presentation, a video of what our vision is for our Maintenance Facility, and how transformative it will be for the San Joaquin Valley.

And we all know, I mean, the number one goal of high-speed rail is to move people up and down the state with the population growing. But from a Fresno County valley perspective it's a game-changer from an economic perspective. It's going to give us the opportunity to diversify our base. And so that's what we see this as here today, also as a major infrastructure project, a major investment in the infrastructure not just of our state, but really it's going to be for our country as we move forward.

And I just want to share something that we always

1 talk about when we are talking to folks at the local level.
2 And I have to tell you, at least from my perspective, the
3 opposition is getting smaller. I think people are
4 understanding that as the project's moving forward things
5 are happening. People are getting more -- are becoming
6 more accepting.
7 But just when I think about infrastructure, and I
8 think about our commitment and our vision and our goal,
9 I'll just briefly read something from George Washington
10 University, January 2013.
11 "The United States has invested more
12 reconstructing Iraq and Afghanistan than it did rebuilding
13 Germany after World War II. $60.45 billion has been spent
14 in Iraq, over $100 billion has been spent in Afghanistan,
15 rebuilding those two countries' infrastructure. For
16 comparison, the U.S. spent less than $35 billion in today’s
17 dollars in Germany from 1946 to 1952."
18 It's about priorities. It's about the investment
19 of our money. And yes, maybe we have obligations around
20 this world, but our number one obligation is to ourselves.
21 And I believe the Governor and his vision and the State
22 Legislature and you as the shepherds of this project are
23 doing the right thing. And we thank you for all your
24 efforts.
25 CHAIRMAN RICHARD: Thank you, Supervisor.

1 Ms. Eager?
2 MS. EAGER: Hello, good morning. We just wanted
3 to give you a little update on what we're doing in Fresno
4 with our Fresno Works Group.
5 And for those of you who don't know this was a
6 group of community leaders that came together in 2009 to
7 look at the Heavy Maintenance Facility and what we wanted
8 to do going forward. And we haven't stopped working on
9 that since 2009. We have traveled around the world looking
10 at maintenance facilities, seeing what it is that we want
11 to bring to Fresno County.
12 We have committees that have met regularly. Our
13 Education Committee meets monthly and what they do is they
14 really look at curriculum and start training people now for
15 the jobs for high-speed rail. We have a Safety Committee.
16 We have a Real Estate Committee. And I think we are
17 probably the only group in the State of California that has
18 been steadfast and had continued to work on this for the
19 last six years.
20 So part of what we have done is ensure that we
21 have a site that's perfect for the Maintenance Facility.
22 And Tony Boren, who's the Executive Director of our COG,
23 has been the Chief of our Real Estate Committee, and he's
24 going to tell you about that site.
25 MR. BOREN: Good morning, everyone. Yeah, we

1 believe -- and I know you've seen the proposal -- we found
2 an excellent location on the south side of the City of
3 Fresno in an area that's planned for industrial. We're
4 going to show you a video right here, I think, that
5 captures everything that we have in the proposal.
6 I think my message this morning would just be to
7 you folks that Fresno COG and the Fresno region is
8 committed to high-speed rail and committed to pursue the
9 Heavy Maintenance Facility. And to the point that we're
10 willing to pledge $25 million of our Measure C sales tax
11 dollars to make this deal happen for us. So I'll just stop
12 right there and show the video.
13 CHAIRMAN RICHARD: Thank you.
14 BOARD MEMBER CORREA: Through the Chair, before
15 you do, I just wanted to ask --
16 CHAIRMAN RICHARD: Yes, Mr. Correa?
17 BOARD MEMBER CORREA: -- Supervisor Perea if he
18 could please submit your comments in written form to this
19 Committee?
20 MS. EAGER: Yes.
21 BOARD MEMBER CORREA: Thank you.
22 (VIDEO: Opens with music followed by voice over.)
23 "Offering the promise of a brighter tomorrow,
24 California's High-Speed Rail System and related Heavy
25 Maintenance Infrastructure will provide significant

1 economic benefits to our region that will serve as a game-
2 changer for the Fresno Community and the San Joaquin Valley
3 Region. Working together with the California High-Speed
4 Rail Authority the Fresno County Region is working
5 collaboratively to create a system and maintenance
6 facilities that will truly be a global showcase for high-
7 speed rail drawing investment and commerce from around the
8 world and making Fresno the epicenter for high-speed rail
9 in this country."
10 CHAIRMAN RICHARD: Thank you very much. Very
11 nice, Lee Ann, thank you.
12 (Applause)
13 CHAIRMAN RICHARD: Well, I just want to take a
14 moment and thank the representatives from Fresno for coming
15 here today. It's just nice to see that a community has a
16 vision of what this could mean, so we appreciate that.
17 Moving on through public comment, next we'll have
18 Mr. Ted Hart followed by Rose (sic) Jockel and then Paul
19 Guerrero.
20 Mr. Hart, good morning.
21 MR. HART: Good morning, let me get in front of
22 one of mics here.
23 I come before you today going back to May, which
24 I had written a letter. Chairman Richard and I ran into
25 each other and he has now said that he would be responding

1 to that, so I'm going to skip forward on some of it. But
2 the issue that I have spoken to you over a period of the
3 last five years, I think it's important to provide the
4 public with a total overall estimated cost of what you
5 anticipate the system may be.
6 Now, I realize that anything of this magnitude is
7 difficult. However, we know that -- or we have in place
8 the estimate for Segment 1, so what we're really missing is
9 Segment 2. And that should be very easy to put together in
10 the sense that after I've spent 60 years in the
11 construction industry -- you have people up here on the
12 Board that would be more than well qualified to sit down
13 and come up with some sort of an estimated cost. And I
14 think the public has been looking for this for some time.
15 In addition to that I now will go over to you're
16 going to be required to do this under Public Utilities Code
17 185033. It says that the Authority shall provide a
18 chronology at each publication of a business plan for a
19 price on the segments independent and collectively. So in
20 essence, what that says is that it's required that you
21 provide a price for Segment 2. Now, of course we don't
22 have this at this time, but that's been in place for
23 awhile. And what I'm really trying to say is I'm not
24 interested in saying, "Okay. Look, you have to do this."
25 You should just want to come forward and do it. What's

1 required under this is secondary to the position that it
2 really presents something that's important.
3 You know, I have been monitoring this project for
4 five years. And I'm just from the public. I do this,
5 because of my family, my great-grandchildren who are sixth-
6 generation Californians. And I can appreciate the amount
7 of work that goes into all of this. I've sat through some
8 of the Finance Committee meetings and I know how complex it
9 is. Having been in business my entire life, I know what's
10 there also.
11 So Chairman Richard said that he would be
12 responding to me and I appreciate that. And please give
13 consideration to these facts. Thank you.
14 CHAIRMAN RICHARD: Thank you, Mr. Hart. I don't
15 usually comment after speakers, but I will say that we did
16 have that conversation this morning. And I also told you
17 that in addition to responding to you I would talk with the
18 staff about the issues that you raise today and I will. So
19 I appreciate your interest and your comments this morning.
20 Rose, I hope I'm pronouncing it correctly, is it
21 Yokel or Yoquel or Joquel? (phonetic)
22 MS. JOCKEL: It's Rosa Jockel.
23 CHAIRMAN RICHARD: I'm so sorry. Good morning.
24 MS. JOCKEL: Good morning. I'm very happy and
25 pleased --

1 CHAIRMAN RICHARD: Could you speak into the
2 microphone, please? Thank you.
3 MS. JOCKEL: Good morning, my name is Rosa
4 Jockel. I'm very happy and pleased to stand before you.
5 And I just want to let you know that a great high-speed
6 rail education took place on the 4th of July.
7 I was a host of a booth at the River Park
8 Neighborhood Association on the 4th of July celebration and
9 I helped kids build a high-speed train out of gum drops and
10 toothpicks.
11 CHAIRMAN RICHARD: We're trying to do the same.
12 (Laughter)
13 MS. JOCKEL: Kids are very creative. While I was
14 helping the kids build their train out of gum drops and
15 tooth picks I was also showing the parents a YouTube video
16 of the High-Speed Rail Train coming into Sacramento. They
17 also were very interested.
18 Another experience that I have is last week my
19 in-laws, currently in their mid-70s, they drove over 14
20 hours, almost 800 miles just to take the grandchildren to
21 Southern California. Can you imagine a four-hour -- how
22 much relaxing and efficient a four hours fast train ride
23 would have been for them?
24 And another comment that I have is we're
25 celebrating my boyfriend's grandma's 100th birthday later

1 this month. So I would appreciate if you guys just get the
2 train up and running, so she can ride it in her lifetime if
3 possible. Thank you.
4 CHAIRMAN RICHARD: Thank you, very much.
5 Paul Guerrero followed by Diana LaCome.
6 MR. GUERRERO: Good morning. I know Diana was
7 going to talk about Caltrans and I just want to preface her
8 remarks with I know you have a new small business advocate
9 and I hope she works with the contractors that are working
10 with Caltrans to make sure that they get paid timely. I'm
11 not saying Caltrans there doesn't pay timely, but I know
12 contractors who would make that statement. So we hope that
13 those contractors get paid on time.
14 About three months ago I addressed you and showed
15 you this and said that we were working on this with the
16 Department of General Services. And I'll tell you that it
17 is now being implemented and this will be on the State
18 website with the red, green and blue. And you'll be able
19 to take and click on any agency and see exactly where
20 they're at with their small business participation.
21 CHAIRMAN RICHARD: Mr. Guerrero, there are a lot
22 of people who follow us, just listening on audio, so why
23 don't you take a second and say what "this" is that you're
24 holding up?
25 MR. GUERRERO: Okay. This right here is a layout

1 of State. It starts with the Governor -- well actually it
2 starts with the people of California and goes down to the
3 Governor. And then it goes down to the various agencies
4 and it works across the page to the Director of the
5 Transportation Agency and flows down, shows you Highway
6 Patrol, which is totally in red and has not met any small
7 business or dba goal. Department of Motor Vehicles, which
8 is in the green, Department of Transportation in the green,
9 Board of Port Commissioners totally in the red, High-Speed
10 Rail in the green and in amber.
11 And amber is the caution light, which means you
12 have not met the goal, but you're close. And so you're at
13 24 percent right now instead of 25 and so we hope that your
14 person can bring that up, because I like to brag about,
15 "Well, the High-Speed Rail, you know, is doing 30 percent."
16 And they say, "Oh, yeah? Take a look at this." And so let
17 me go back to bragging and I would really appreciate it.
18 CHAIRMAN RICHARD: Ms. LaCome, good morning.
19 MS. LACOME: Good morning, Chairman Richard,
20 Members of the Board
21 As Paul Guerrero mentioned Caltrans, we have
22 brought to this Authority the fact that Caltrans on the
23 realignment of 99, Route 99, that we had requested that
24 they follow the 30 percent small business goal. And we
25 were told through various different directors that they

1 didn't have to follow it. But I was very happy to see that
2 in today's Finance and Audit Committee performance metric
3 you have it here, in writing, that Caltrans is not
4 currently meeting, but intends to meet it by the end of the
5 realignment project. So thank you for that, for not
6 ignoring this in the achievement.
7 The other is I wanted to thank staff and some
8 volunteers: Diana Gomez, Lee Ann, for the tour that they
9 gave us as members of the Business Council. They gave us a
10 tour of Fresno and it was really eye-opening. We're used
11 to seeing it all in paper, black and white, and reading it.
12 But it's really something when you actually see it, you
13 know? A brick and mortar type of thing, something is being
14 dismantled. Something else is being built and so on. So
15 it was very exciting to see it all like finally coming to
16 fruition, so I wanted to thank you for that.
17 And I hope that the Board also takes these -- I
18 don't know if all of you have done that, but it was a very
19 interesting and eye-opening trip that we took. So I want
20 to thank you for that. Thank you.
21 CHAIRMAN RICHARD: Thank you, Ms. LaCome.
22 The last speaker card I have is from Mr. Keith
23 Dunn.
24 MR. DUNN: Thank you, Mr. Chairman, Board
25 Members, Keith Dunn here on behalf of the Association for

1 California High-Speed Trains.
2 I just wanted to give the Board an update. Like
3 Fresno, we have prepared a video that hopefully will be
4 completed by your next Board meeting, which we'd like to
5 share with you. We did not secure Neil Diamond to do the
6 background music, but we're working on it.
7 CHAIRMAN RICHARD: I'm not sure they did either,
8 but --
9 MR. DUNN: Yeah, well I'm sure that they took all
10 appropriate measures to secure those rights. But it's in
11 an effort to go out and reach out to specifically the
12 middle, high school and younger college students promoting
13 high-speed rail, the project, and what it does for our
14 environment. So we're three-quarters of the way done with
15 that approval process. We're also updating our website,
16 which hopefully will be an interactive tool that they can
17 use for social media and everything else.
18 So we just wanted to keep you informed on what
19 we're doing. We're planning on going up and down the state
20 visiting the Central Valley, but also in Los Angeles and
21 here in the Sacramento region as well. But we'd like to
22 present that to you at your next Board meeting and just
23 wanted to thank you for your efforts and keep you in the
24 loop.
25 CHAIRMAN RICHARD: Thank you, Mr. Dunn.

1 We appreciate the comments from the public this
2 morning. Thank you, very much. So that will conclude the
3 public comment section of the meeting.
4 We'll move on now to our regular agenda starting
5 with the consideration of approval of the Board minutes
6 from June 9th.
7 Do I have a motion?
8 BOARD MEMBER SCHENK: So moved.
9 CHAIRMAN RICHARD: It's been moved by Director
10 Schenk and?
11 BOARD MEMBER PEREZ-ESTOLANO: Second.
12 CHAIRMAN RICHARD: Second by Director Perez-
13 Estolano.
14 Will the Secretary please call the roll?
15 MS. NEIBEL: Director Schenk?
16 BOARD MEMBER SCHENK: Yes.
17 MS. NEIBEL: Vice Chair Richards?
18 VICE CHAIR RICHARDS: Yes.
19 MS. NEIBEL: Director Perez-Estolano?
20 BOARD MEMBER PEREZ-ESTOLANO: Yes.
21 MS. NEIBEL: Vice Chair Selby?
22 VICE CHAIR SELBY: Yes.
23 MS. NEIBEL: Director Correa?
24 BOARD MEMBER CORREA: Yes.
25 MS. NEIBEL: Director Curtin?

1 BOARD MEMBER CURTIN: Yes.
2 MS. NEIBEL: Chair Richard?
3 CHAIRMAN RICHARD: Yes.
4 Thank you.
5 Item two, consider issuing a request for
6 qualifications for environmental and engineering services
7 on the San Francisco to San Jose and San Jose to Merced
8 Project sections.
9 Mr. Tripousis, good morning.
10 MR. TRIPOUSIS: Good morning, thank you, Mr.
11 Chair and members. Ben Tripousis, Northern California
12 Regional Director.
13 I'm pleased to present, for your approval, the
14 release of a Request For Qualifications for the completion
15 of environmental and engineering services in the San
16 Francisco to San Jose and San Jose to Merced Project
17 Corridors. It should be noted that this single review
18 effort will produce two separate environmental documents.
19 You will recall that the Authority initiated
20 review of these corridors in December of 2008, with the
21 goal of achieving environmental clearance in the 2009 to
22 2011 timeframe as a fully built out, independent alignment
23 for high-speed rail in the Bay Area. As you know, since
24 that time we've embarked on the development of a blended
25 system in the Caltrain Peninsula Corridor and have

1 partnered with the Caltrain Joint Powers Board on the
2 electrification of the Peninsula Rail Corridor.
3 In order to accommodate future high-speed rail
4 service in the Bay Area it is necessary to complete a
5 follow-on environmental review of both the San Francisco to
6 San Jose and the San Jose to Merced Project Corridors.
7 Significant work has been completed to date and this effort
8 will build on that work to complete the environmental
9 review. This RFQ will facilitate that review by enlisting
10 consultant support, who along with the Authority and Rail
11 Delivery partner staff will complete environmental analysis
12 and achieve a Record of Decision by December of 2017.
13 The detailed evaluation of the Bay Area corridors
14 will include the following: rail infrastructure and safety
15 improvements in the San Francisco to San Jose Corridor,
16 location and viability of passing sitings, any necessary
17 station and platform modifications and improvements at 4th
18 and King, Millbrae, San Jose and Gilroy stations, initial
19 geotechnical analysis through the Pacheco Pass to the
20 Central Valley Wyes. It is important to note that the work
21 currently underway in the Central Valley Wyes and north of
22 the Wyes will be referenced, but not replicated in this
23 evaluation.
24 The budget for this environmental review is $36
25 million. The work will be completed through a rigorous

1 task order process where the specific activities necessary
2 to achieve a Record of Decision will be assigned to the
3 appropriate member of the selected consultant team, with a
4 detailed budget and schedule associated with each task.
5 This effort will achieve the following
6 milestones: a drafted EIR/EIS by November of 2016, a draft
7 final EIR/EIS by November of 2017, and a Record of
8 Decision, as I mentioned, by December of 2017.
9 Staff will complete the procurement process for
10 this effort according to the schedule outlined in this
11 staff report with an expectation to award and execute the
12 agreement for consultant services in November of this year.
13 Staff recommends the approval of the release of the RFQ for
14 environmental and engineering services in the Bay Area
15 corridors. And I'd be happy to answer any questions.
16 CHAIRMAN RICHARD: Okay. I do have some, but
17 turning first to my colleagues let me just go right to
18 left. Any questions?
19 BOARD MEMBER PEREZ-ESTOLANO: I do.
20 CHAIRMAN RICHARD: Ms. Perez-Estolano?
21 BOARD MEMBER PEREZ-ESTOLANO: Good morning.
22 First of all, thank you for the memo. I just have a
23 question. The timing of the EIR is you expect to have the
24 EIRs in circulation by fall of next year for San Francisco
25 to San Jose and then the next section, segment, winter of

1 2016. I just want to make sure that these allow -- because
2 I'm coming from Southern California, and we've had to make
3 sure that we allow for plenty of public review. I'm just
4 wanting to make sure that we have enough built-in time for
5 community participation and the kind of rigorous
6 involvement that we're accustomed to in the program.
7 MR. TRIPOUSIS: Thank you, Director. Yes, in
8 fact we're initiating that stakeholder and community
9 outreach in advance of bringing the consultant teams on
10 board.
11 BOARD MEMBER PEREZ-ESTOLANO: Great.
12 MR. TRIPOUSIS: We've already scheduled community
13 and stakeholder meetings in the Bay Area in the September
14 timeframe. We will building on those and expanding those,
15 it is really our intent to have at least a year-long
16 conversation with the community before we begin to get into
17 the detail of alternatives analysis and preferred
18 alternatives and the like. This analytical effort can go
19 on in parallel to that community conversation
20 BOARD MEMBER PEREZ-ESTOLANO: Okay. Thank you.
21 CHAIRMAN RICHARD: Okay. Vice Chair Selby?
22 VICE CHAIR SELBY: Thank you for this. This is
23 great. Being in the Bay Area myself, I know that we can be
24 a contentious bunch. And I'm interested in knowing -- I
25 know you said you've got a two-year timeframe basically

1 from the time that you start to the time that you finish.
2 You know, is there some room if there's any slippage one
3 way or the other, so that the program and the project can
4 continue as it should? Because I know you're going to be
5 doing some great community work, but there's also other
6 things going on, particularly in the San Francisco area,
7 that I know you're aware of. But I just want to make sure
8 that we have a little bit of buffer there, if possible.
9 MR. TRIPOUSIS: Thank you, Director Selby. We're
10 committed to minimizing the slippage. We are absolutely
11 committed to having a Record of Decision by December of
12 2017. Given what we know today we believe that we can meet
13 that goal.
14 At the same time we're working with our community
15 partners, certainly with Caltrain, with the City of San
16 Francisco. And I'm sure you're alluding to the rail study
17 that is currently underway. Our expectation is, because
18 those efforts are ongoing and very active, that we'll be
19 able to incorporate any outcomes that come from those
20 efforts into our analysis and incorporate it in a way that
21 doesn't affect our schedule.
22 CHAIRMAN RICHARD: Other questions?
23 BOARD MEMBER CURTIN: Yeah.
24 CHAIRMAN RICHARD: Mr. Curtin?
25 BOARD MEMBER CURTIN: This is my second meeting,

1 so you'll have to forgive me, but the last meeting we
2 issued a contract that was very closely contested among two
3 highly qualified firms and it was a considerable contract.
4 This is not insignificant either, but I just wanted to ask
5 a little bit about the procurement process, the evaluation
6 process.
7 Is this just a sort of a formula that is
8 traditionally used? And I'm looking at the technical
9 evaluation criteria and then the discussion interview
10 evaluation criteria, because to issue or to offer -- I
11 mean, it seems so just mechanical in terms of the numbers
12 in the last contract.
13 It made me a little concerned, because I'm
14 looking at 30 points out of the technical evaluation for
15 organization, key personnel and roles. I mean, if a firm
16 doesn't have organization, key personnel and roles they
17 probably shouldn't be even at the evaluation point. To
18 offer 30 points for that seems a little high.
19 And I know I'm nitpicking, but what I'm getting
20 at is perhaps you should take a look at the point
21 evaluation and make it more specific to the project itself.
22 Understanding project requirements is pretty important, I
23 gathered all that. But it seemed that there's -- if you've
24 been through this process you already know and you have a
25 good understanding of the project -- if you're coming from

1 the outside and trying to get in, you may not appear to
2 have the same level of understanding. So these points can
3 be pretty critical among competing teams.
4 So the second point though, discussion into
5 interview evaluation criteria, it just basically says it's
6 a carryover from the technical criteria and that's 60
7 points. And I don't quite understand that, so maybe you
8 can explain that a little bit to me? And why we're
9 offering 30 points for what should be almost an entry level
10 kind of criteria. Past performance seems to me to be very,
11 very critical and a good review of what's been done in the
12 past would be a high-point standard for me.
13 But having the right personnel or the key
14 personnel or enough personnel almost seems like well you
15 could be the greatest team on the planet, but if you don't
16 have the personnel you're not going to be qualified. So
17 I'm wondering if this could be another -- take a look at
18 this for a little bit more focused way you distribute the
19 points.
20 MR. TRIPOUSIS: Director Curtin, we certainly
21 could look at the way the numbers are allocated.
22 In general, the values that you see here are
23 maximum values and they're applied by the selection team
24 that's appointed through our Authority-adopted process as
25 an opportunity to address the scale that you've identified.

1 That each team will have its own discreet level of
2 capabilities and staff and skills that they bring to bear
3 as part of their procurement.
4 In terms of assessing past performance or
5 applying past performance, strictly speaking, we try very
6 hard not to do that in the procurement process. That each
7 procurement is an opportunity for each offerer to submit
8 their skills and interest in the particular procurement
9 anew. But we'd certainly be able to --
10 BOARD MEMBER CURTIN: Well, you don't stress past
11 performance, which would seem to me a good indication of
12 future performance?
13 CHIEF EXECUTIVE OFFICER MORALES: I would say we
14 do. It's not a specific factor.
15 I mean, so for instance in the evaluation of the
16 organization, personnel and roles what we're looking for is
17 not just that Company A has done this work ten different
18 places, but we want to actually see the people who are
19 there committing to this project. What their expertise is,
20 what their performance has been in delivering it, meeting
21 the kind of schedules that we want to see happen, that they
22 can integrate with our organization effectively, that they
23 (indiscernible) --
24 BOARD MEMBER CURTIN: Well, I see though --
25 CHIEF EXECUTIVE OFFICER MORALES: So it's woven

1 in to a lot of these factors; it's not a discreet element.
2 BOARD MEMBER CURTIN: Well, I see that in the
3 second section, which is important, the key staff that
4 you're going to commit. But what I'm sort of missing is do
5 you bring the skill set that's required for this particular
6 project? And then, of course, are you going apply your
7 personnel to this project in a fashion that we're
8 comfortable with?
9 So it just seems awfully high and I don't want to
10 nitpick, but we had a very, very close competition last
11 time. And I'm just hoping the right questions get
12 answered, you know, maybe just for the future procurement
13 process as well.
14 MR. TRIPOUSIS: And if I may? Part of the way
15 that we were trying to get at -- the Authority's policy
16 where our CFO, Mr. Fong, helps select the right people for
17 each respective procurement, so we ensure that we have the
18 right level of technical expertise and understanding on the
19 panel for each discrete procurement. So bringing that
20 level of expertise to bear will help, I believe, address
21 that.
22 BOARD MEMBER CURTIN: Okay. Well, I just wanted
23 to raise it, so people start thinking about it. Because it
24 seems very formulaic, 30-30-30-10 and if there's not a lot
25 of thought in each of those categories it could be

1 misleading. And, you know, with these numbers we are
2 handing out I wanted to make sure we got the right people
3 in the right place, obviously.
4 CHAIRMAN RICHARD: Other questions before I raise
5 mine?
6 VICE CHAIR RICHARDS: Mr. Chairman?
7 CHAIRMAN RICHARD: Vice Chair Richards?
8 VICE CHAIR RICHARDS: Thank you.
9 I have three questions, Mr. Tripousis, the first
10 with regards to the quantitative risk analysis that you
11 mentioned of the schedule and the budget and which would be
12 performed and then the management plan development. When
13 will that occur and how does that impact this whole process
14 and what's it mean to us?
15 MR. TRIPOUSIS: Part of the expectation is that
16 the consultant team, once on board, will perform that risk
17 analysis as part of their evaluation and really our
18 evaluation of their ability to deliver under the standards
19 that we've established. So they will lay out with us, and
20 with support from our RDP team, exactly how they'll arrive
21 at that.
22 VICE CHAIR RICHARDS: So that’s after the
23 consultants go back --
24 CHIEF EXECUTIVE OFFICER MORALES: Once we see
25 their plan for delivering and meeting the schedule we do

1 that risk analysis then and determine whether we're
2 comfortable with what they're doing or whether we believe
3 we need to make changes in that approach.
4 VICE CHAIR RICHARDS: Okay. I think I may have
5 stepped over you in my ears here, so is that done before
6 the contract has been executed or is that after the
7 contract's executed with the consultant?
8 CHIEF EXECUTIVE OFFICER MORALES: After the
9 contract.
10 VICE CHAIR RICHARDS: After. Okay. And so we're
11 confident that after having made that selection that
12 whatever comes of this is a matter of just ensuring that
13 they are compliant with the goals and necessities of what
14 we have to do to move the project forward?
15 CHIEF EXECUTIVE OFFICER MORALES: Yes, the
16 evaluation criteria above including understanding of
17 project requirements and things, each of the proposers will
18 have to commit to meeting the schedule and provide their
19 plan for doing it. What the risk analysis will do will
20 then really do the deep dive into the details on it.
21 VICE CHAIR RICHARDS: Okay. That's what I really
22 wanted to hear. Thanks.
23 The second one really gets to my colleague, his
24 discussion of the points. What concerned me in looking at
25 this was in the second set of numbers that really up to 60

1 percent of the 100 or 60 points are really a carryover from
2 the statement of qualification. So it seemed to me that it
3 kind of undervalues the importance of the evaluation
4 through the actual presentation portion. So I'm not sure
5 of how that occurred either. I think that's part of what
6 you were talking about also.
7 CHIEF EXECUTIVE OFFICER MORALES: Yeah.
8 VICE CHAIR RICHARDS: It seems like it
9 deemphasizes the importance of this portion of the
10 selection process?
11 MR. TRIPOUSIS: Well, we're certainly, as I
12 mentioned, willing to look at the allocation of the scores.
13 But again, I want to emphasize that those are maximums as
14 they're applied by the Panel.
15 VICE CHAIR RICHARDS: Is it just because you just
16 -- in general you don't put that much weight on the oral
17 presentation?
18 CHIEF EXECUTIVE OFFICER MORALES: There is,
19 right. If you look, the combination is there's a combined
20 heavier weight on the submitted materials and that's
21 intentional. I think it's consistent. We want to see --
22 well, look at it the other way; we don't want to be wowed
23 by a slick presentation necessarily. And so we want to
24 really make sure that they understand the project.
25 They've put the work into compiling and assessing

1 the team members, developing the approach. The interview
2 is really then meant to make sure that we understand what
3 they've proposed, that they're committed to what they're
4 doing. That they've actually -- give us the chance to
5 interact with the people that they're proposing, the key
6 players, so there is an intentional heavier weight overall
7 on the statement of qualifications portion.
8 VICE CHAIR RICHARDS: So if we were to act on
9 this today, and you were willing to consider a change in
10 the breakdown that's identified here, that would need to be
11 incorporated somehow in the motion, right?
12 CHIEF EXECUTIVE OFFICER MORALES: Right, because
13 we'd need to put that out in the RFQ, right.
14 VICE CHAIR RICHARDS: Okay. And then finally I'm
15 trying to understand the role of the CEO in all of this,
16 which is below where we talk about the Selection Committee
17 will recommend the top ranking offer to the Authority CEO.
18 And then it then goes on to state that the top-ranking
19 offerer will be the one who's selected, so I'm not quite
20 sure what your role is, Jeff?
21 CHIEF EXECUTIVE OFFICER MORALES: Was that a
22 general statement or --
23 VICE CHAIR RICHARDS: If you want to take it that
24 way, sure.
25 CHAIRMAN RICHARD: Depending on your answer it

1 can become that.
2 CHIEF EXECUTIVE OFFICER MORALES: That’s really
3 just a process then of bringing it forward to the Board for
4 its approval. I don't second-guess the Panel unless I see
5 something that just looks abjectly wrong in the process.
6 VICE CHAIR RICHARDS: And does this give you the
7 authority then to second guess; I mean, if you think that
8 it's wrong?
9 CHIEF EXECUTIVE OFFICER MORALES: I can certainly
10 go back and question the Panel about it if there's a
11 discrepancy in scores that looks odd or something like
12 that. But I'm not participating directly in the
13 procurement.
14 VICE CHAIR RICHARDS: Okay. I guess from my own
15 perspective I'd rather see you have a more active role. We
16 know we've often talked about just wanting to make sure
17 that we've got the most capable people sitting on the
18 selection committees and that we see that as part of your
19 role also; at least I do. So that's all I had. Thank you.
20 CHAIRMAN RICHARD: Yes, Ms. Schenk?
21 BOARD MEMBER SCHENK: By the way, I take that as
22 a vote of confidence. So my concern just really echoes
23 what Katherine has brought up and we know that there are
24 two major ongoing issues. One is timing and the other is
25 cost. And I just want to make sure that we have the

adequate staff, both in terms of number as well as own qualification, to oversee this process.

MR. TRIPOUSIS: Thank you, Director Schenk. We believe that as we bring this consultant team on board, as I mentioned in partnership with Authority staff and RDP staff, Rail Delivery Partner staff, that we have in place we do, in fact, have the time that can deliver the Record of Decision on the schedule that we've identified.

At the same time we have a significant body of work that's already been established, certainly from San Jose to the Central Valley Wyes, that we'll build upon. And in the Caltrain Corridor, as you know, the Caltrain Joint Powers Board is moving forward with their electrification project, their design-build project. And we have a good amount of information already established there. So we believe that we're in a position where we can do just that and we do have the right people on board and will have with adding this team.

BOARD MEMBER SCHENK: Okay. But having been through more than a few of this kind of process, I would like you to be very skeptical. I would like you to be looking at this with a pretty jaundiced eye about slippage and timing rather than -- sort of a glass half-empty rather than half-full. I think that's always served me well.

MR. TRIPOUSIS: While I certainly like to be

1 optimistic, part of the reason that we are taking the task
2 order approach to this effort is that's so we can
3 rigorously drive the activities that will happen on this
4 corridor. That we establish clear schedules and clear
5 costs for each of the activities that we need to get to a
6 record of decision. So it's through that effort, that
7 rigorous oversight, that we expect to keep both our
8 schedule and keep our costs down.
9 BOARD MEMBER SCHENK: I for one, would like to
10 have very regular reports, you know, granular reports on
11 timing rather than just say, "Well, we've got the schedule
12 and yes, we're adhering to it." I'd like to get down in
13 the weeds on it.
14 MR. TRIPOUSIS: And I'd be happy to provide
15 those.
16 BOARD MEMBER SCHENK: Thank you.
17 CHIEF EXECUTIVE OFFICER MORALES: Just on that
18 point, we're developing a reporting mechanism through the
19 Finance and Audit Committee that will provide information
20 to the full Board on the pace of the environmental work.
21 BOARD MEMBER SCHENK: Great, thank you.
22 CHIEF EXECUTIVE OFFICER MORALES: And so you will
23 see that. And I would also just point out, this proposal
24 in the way we've put it together and the way we'll
25 administer it, takes into account the revised structure we

1 have with the rail delivery partner and the capabilities
2 that they bring. It will frankly, be a much more
3 efficient, more focused environmental process than we've
4 had before. And which will help us meet the schedule and
5 make sure that we have adequate public participation in it
6 at the same time.
7 BOARD MEMBER SCHENK: Thank you.
8 CHIEF EXECUTIVE OFFICER MORALES: Thank you.
9 CHAIRMAN RICHARD: Okay. So I'm going to turn to
10 my questions now. First, I want to say just for context --
11 so Ben, I don't want you to get the wrong impression here,
12 because I think all of us have tremendous confidence in
13 you. But I really want to drill down on this, because all
14 of our contracts are important, but the environmental
15 analysis is the long pole in the tent for developing the
16 northern initial operating segment of the two IOSes that we
17 look at.
18 And so we can't do anything until we have the
19 environmental clearance done. We can't access the bonds.
20 We can't move forward with the project, so the efficiency
21 with which this is done is very, very important to the
22 overall project. So I think it merits the kind of analysis
23 and questions that you've been hearing from Board members
24 today.
25 So on that point, I have about four questions.

1 So my first question picks up on what the CEO just said.
2 Who is managing this effort once this team is brought on
3 board?
4 MR. TRIPOUSIS: At the end of the day I'm the
5 accountable manager for the program --
6 CHAIRMAN RICHARD: I understand that, but you
7 have --
8 MR. TRIPOUSIS: -- as part of the team --
9 CHAIRMAN RICHARD: -- a lot of responsibilities.
10 MR. TRIPOUSIS: Yeah.
11 CHAIRMAN RICHARD: And so I'm trying to
12 understand who is going to be -- whose job is it from the
13 time they get to work in the morning until the time they
14 leave to be in charge of this particular process?
15 MR. TRIPOUSIS: My Deputy Director Lillian Hames
16 helps me lead the effort on the ground. Each project
17 section, San Francisco to San Jose and San Jose to the
18 Central Valley Wyes will have an individual project lead,
19 project manager, to manage the day-to-day activities on
20 those efforts. And their teams will -- they'll have
21 specific teams dedicated to just the delivery of those
22 project segments.
23 CHAIRMAN RICHARD: Okay. And the reason I ask
24 this question is that it strikes me, you know, picking up
25 on comments made by Ms. Perez-Estolano and others, you know

1 there -- and I'm familiar enough with environmental
2 analysis -- there is the technical part of it that is
3 meeting all the requirements of the California
4 Environmental Quality Act. And then there is the other
5 part of it that involves public engagement and making sure
6 that there is full participation. And then there's the
7 other part of it, which is the project management part,
8 which says this is part and parcel of a larger, if you
9 will, PERT Chart of how this project's getting built and so
10 all those things need to be accomplished simultaneously.
11 So I guess what I'll be looking for -- and I
12 don't expect you to answer it today -- is where does the
13 emphasis lie? Is this going to be a person who is just an
14 overall project management person? Is this going to be a
15 person who has specific expertise in CEQA analysis or
16 whatever? So I think it's going to be very important for
17 us to understand how the management of this is taking
18 place, but little things that slip are going to multiply
19 and add up.
20 So that's my first comment on that. I don't know
21 if you want to -- you don't need to respond.
22 MR. TRIPOUSIS: No, if I may Mr. Chair, I would
23 answer that in part by saying that we have every
24 expectation to bring all of our resources to bear. We have
25 program management staff and support, here in Sacramento,

1 that are part of the Northern California team. There are
2 technical experts on the Rail Delivery Partner team that
3 are part of the Northern California team. Obviously, they
4 are participating in other parts of the program, but we
5 have all of our resources or we intend to bring all of our
6 resources to bear as part of this effort.
7 CHAIRMAN RICHARD: Well, let me channel my inner
8 Mike Rossi, even though I ran out of the house without my
9 pocket square this morning. But I think he would say, "If
10 everybody's in charge then nobody's in charge." So I mean,
11 I think we need a more specific sense of -- yes, of course,
12 there's got to be multiple resources, but somebody needs to
13 be in charge of this effort who's accountable to the CEO
14 and to us to make sure that this thing is moving forward.
15 MR. TRIPOUSIS: At the end of the day that's me.
16 CHAIRMAN RICHARD: Okay.
17 MR. TRIPOUSIS: But on the ground it is -- I have
18 specific individuals who will be managing each project
19 section.
20 CHAIRMAN RICHARD: Okay. The second thing is my
21 next two questions both get to the issue of balance.
22 Ms. Perez-Estolano raised the issue of getting public
23 engagement, making sure we have time for public engagement.
24 I want to do all that, but I also want to make sure that
25 the schedule that you've laid out gets met. And it's just

1 one small thing, but we're saying that we're going to have
2 a very strong emphasis on the schedule.
3 I appreciated the clarity with which you laid
4 that out, but I note that that's a two-year schedule and
5 it's a three-year contract. Now, I'm just saying that if
6 I'm a contractor and I've got a three-year contract I have
7 a different mentality than if I'm a contractor and I have a
8 two-year contract if there's a two-year schedule. And I do
9 understand that we don't want to be ridiculous about it,
10 because things do happen and things slip. But I would just
11 ask the staff to go back and consider whether or not it's
12 appropriate to have a three-year contract for a two-year
13 schedule.
14 CHIEF EXECUTIVE OFFICER MORALES: Yes, but the
15 reason for having the length of the contract exceed is
16 there's work that needs to be done after the ROD is secured
17 where we need the team that has helped secure the ROD to be
18 able to answer questions and provide support beyond it.
19 It's not intended, honestly, to relax the schedule. I'll
20 just tell you I'm --
21 CHAIRMAN RICHARD: Yeah.
22 CHIEF EXECUTIVE OFFICER MORALES: -- you'll note
23 in the memo we have "not later than" dates.
24 CHAIRMAN RICHARD: I do.
25 CHIEF EXECUTIVE OFFICER MORALES: Our intent is

1 to, in fact, beat those schedules. But we do need to make
2 sure we have the consultant available to perform any
3 necessary follow-up work, clarification, etcetera after the
4 case. That's what we've done on the other environmental
5 contracts and that's the reason for the difference in time.
6 CHAIRMAN RICHARD: Okay. I mean, that's fair.
7 Again, I'm --
8 CHIEF EXECUTIVE OFFICER MORALES: And that would
9 be, as has been the case in other segments it's a greatly,
10 greatly reduced level of effort done on their post-ROD.
11 CHAIRMAN RICHARD: Okay.
12 CHIEF EXECUTIVE OFFICER MORALES: It's again,
13 just to be a resource.
14 CHAIRMAN RICHARD: Well, I think I'm also trying
15 to communicate to the prospective contractor community that
16 we have a certain mindset in mind. And so I'd want to make
17 sure that they're locked into that.
18 And then finally -- no I'm sorry -- an ultimate
19 question is how can I get comfortable with the work that
20 has to be done here as compared to the work that's already
21 been done? And I understand some of that probably needs to
22 be refreshed and so forth. But it does seem to me that
23 given the length of time in which we've been dealing with
24 these environmental questions that there's a great
25 opportunity for kind of going back and reinventing the

1 wheel.
2 And I understand that the staff report here says
3 well we're going to build on that and we're going to do all
4 this other stuff, but especially if you're assembling a
5 team and it includes people from the Rail Delivery Partner
6 who maybe weren't here before, how do we get comfortable
7 knowing that this contractor is not going to be going back
8 and doing stuff that's already been done? Who's forcing
9 the integration to really look at what that baseline is and
10 what next needs to be done? Because I think this is -- you
11 know, somebody once said that any fool can build a bridge.
12 It takes an engineer to build a bridge that barely stands
13 up, meaning that he uses only enough materials to not
14 overdo it. We want to have an absolutely comprehensive and
15 well-done EIR. I don't want to spend five years doing the
16 EIR, because then we're just getting chewed up.
17 So where does that integration place? Who's
18 really going to make sure that this is done as efficiently
19 as possible, not reinventing what's been done before?
20 MR. TRIPOUSIS: Mr. Chair, I couldn't agree with
21 you more. What we are going to do at the outset of this
22 agreement is have that conversation with the selected
23 consultant team. As I mentioned, there's a great deal of
24 work that's already occurred between San Jose and the
25 Central Valley Wyes. The work that occurred between San

1 Francisco and San Jose initially was the full build-out
2 work, so what we're building on is the environmental review
3 and the electrification project that's currently underway
4 that Caltrain is leading.
5 The important point here is that whether we're
6 looking at the San Francisco to San Jose Project section or
7 San Jose to the Wyes we have comparatively a relative few
8 options that we are able to look at. We're going to drive
9 the process. Again, part of the reason that we've taken
10 this task order approach is to really emphasize the fact
11 that we have a fairly narrow window in terms of what we can
12 build and where we can build it.
13 The Caltrain Corridor is the Caltrain Corridor.
14 We're staying substantially within that right-of-way. San
15 Jose to Gilroy has, essentially, the Union Pacific Right-
16 of-Way or somewhere adjacent to it. And Gilroy to the
17 Central Valley is roughly the 152 Corridor. Much of that
18 work, certainly San Jose to the Central Valley Wyes has
19 gone as far as the Checkpoint B Process, so it's fairly
20 well-advanced work. So much of that direction has already
21 been done and our direction to the consultant team, the
22 Authority's and the Rail Delivery Partner's direction will
23 be we've done that, we've established these baselines,
24 we're working further forward, not as you suggest starting
25 from scratch.

1 CHAIRMAN RICHARD: Now, is there somebody on your
2 team who's been through those earlier things who can sit
3 there and say, "We have done this," and point to things in
4 those documents?
5 MR. TRIPOUSIS: Besides me? Yes, there are
6 several people.
7 CHAIRMAN RICHARD: Well, I'm just -- the thing is
8 you've been with us for several years, but I mean some of
9 the stuff predates you. That's what I was really referring
10 to.
11 MR. TRIPOUSIS: Well, thank you. And really what
12 I'm referencing is my last life with the City of San Jose I
13 was engaged as San Jose's point person on high-speed rail
14 through all of those community meetings and all of that
15 outreach and all of the discussion about the alignments and
16 how it was going to come through San Jose and how the
17 corridor was going to work. And I'm trying to apply some
18 of those lessons learned as much as possible from my
19 perspective, but we also have team members. And really
20 look -- one of the criteria that I think we'll look for in
21 the teams are teams that can express some of that
22 understanding and experience.
23 CHIEF EXECUTIVE OFFICER MORALES: Mr. Chair, if I
24 could just?
25 CHAIRMAN RICHARD: Yes, please.

1 CHIEF EXECUTIVE OFFICER MORALES: An important
2 element in all of this again is the front-end work that we
3 will do within the Authority, and with the RDP as a
4 partner, to really define the project. And then assign the
5 task to go out and clear that and do what's necessary to
6 clear it.
7 CHAIRMAN RICHARD: Okay.
8 CHIEF EXECUTIVE OFFICER MORALES: And so it's
9 going to be much more rigorous on the front-end of the
10 process, which I think will help address a lot of the
11 issues. That's the intent as to really redesign how we do
12 this process.
13 CHAIRMAN RICHARD: Okay. And I mean, I think
14 what you're hearing from me and my colleagues is just to
15 really make sure that the attention is paid to this,
16 because this is an opportunity to really do a very good EIR
17 efficiently or to come back a year from now and find out
18 that we've got huge problems and things are languishing.
19 And I want to just -- my last point, I want to
20 pick up on the point that Mr. Curtin raised, because I
21 think it's important and I think he raises a very important
22 point that's difficult. And this is where we talk about
23 balance. It strikes me that for an area like this in doing
24 environmental analysis, there's a limited universe -- it
25 may not be a small universe -- but there's a limited

1 universe of companies that provide these kinds of services.
2 And they have track records.
3 And I'm very familiar in the public sphere,
4 particularly in the energy side, with the environmental
5 analyses that have gone horribly wrong and have led to
6 projects spending three, four, five years at the Public
7 Utilities Commission, for example, without being able to
8 get a certified EIR.
9 So I do think that the past performance is
10 important. And I think that there are probably some
11 companies out there who have a pretty abysmal track record
12 time after time, of getting behind and maybe not having the
13 right people on it. And it's not that we're going to be
14 able to, even if we wanted to, debar them from public work.
15 But I don't want to be the next victim either. And so I
16 really want to emphasize that I think in the evaluation
17 process, asking people how they have addressed complex
18 situations like this, what they've done to maintain
19 schedule, to maintain integrity, whether or not their work
20 product stood up to the inevitable challenges, the legal
21 challenges and others.
22 So I don't think it really makes sense for us to
23 tell you to change the point criteria, but I would say that
24 in adopting this I'd like to ask the staff to just go back
25 one more time and really take a hard look at that. Because

again, this is a long pole in the tent and getting the right person here could make a difference of a year or more in terms of our ability to move forward on this project.

And I do think that sometimes public agencies put on blinders to what has happened with companies in their past work with public agencies. And I don't think that we need to bind ourselves to that. So it's really just expressing my opinion on this, but it was prompted by Mr. Curtin's statements, which I think go to the heart of something very important.

Mr. Morales?

CHIEF EXECUTIVE OFFICER MORALES: First, I'd ask Mr. Fellenz if he could comment whether -- I just want to make sure we don't have any legal restrictions or anything else in terms of looking at past performance?

CHAIRMAN RICHARD: That's why I asked you to go back and look at it, because I didn't want to be prescriptive, because I figured there were probably some limitations.

CHIEF EXECUTIVE OFFICER MORALES: Right. And I think there may be, but I would say perhaps we could -- whether it's just built into the understanding of the Board or whether we modify the resolution to note that these criteria will clearly specify addressing similar issues on previous projects. We build these things into the scoring

1 and I think --
2 CHAIRMAN RICHARD: Or maybe the way to do it is
3 to re-characterize it as demonstrates an ability to --
4 CHIEF EXECUTIVE OFFICER MORALES: Demonstrated
5 ability, yes.
6 CHAIRMAN RICHARD: -- demonstrated or problem-
7 solving ability or an ability to address complex situations
8 like this or something where basically they have to come
9 forward and say, "This is what we are able to do on this."
10 Mr. Curtin, did you want --
11 BOARD MEMBER CURTIN: I thought your comment on
12 the legal track record was pretty spot on as well, because
13 if there's a history of losing in court on your analysis
14 that's pretty important to know ahead of time.
15 CHAIRMAN RICHARD: Yeah.
16 Mr. Fellenz, you don't have to say anything, but
17 if you'd like to you can.
18 MR. FELLENZ: Just there is no restriction on --
19 CHAIRMAN RICHARD: Why don't you say it into the
20 microphone? Your words are too important to be lost to
21 posterity. Yes, thank you. I was thinking posterior.
22 MR. FELLENZ: Mr. Chairman and Board Members,
23 there is not restriction on looking at past performance and
24 typically in these types of procurement evaluations you
25 look at past performance. And, in fact, oftentimes they're

1 set up, so that references must be submitted as part of the
2 evaluation process. And then staff calls the references,
3 asks a lot of rigorous questions, gets information about
4 prior experience. So that is very typical in these types
5 of procurements to go through and look at past performance
6 and actually talk to the public entity officials or even in
7 the private entity owners who worked with these companies
8 and saw the performance and can give honest comment back to
9 us.
10 CHAIRMAN RICHARD: Okay. All right, any other
11 questions? If not, pleasure of the Board?
12 BOARD MEMBER CURTIN: I'll move it.
13 CHAIRMAN RICHARD: Tom, did you want to add
14 anything before?
15 VICE CHAIR RICHARDS: Only that I just don't want
16 you to underestimate the value of the oral presentation. I
17 find it -- over the course of time the difference between
18 what appears on paper and what is in reality, and
19 especially when you're dealing with a consulting firm in
20 the sense this is going to be so directly involved with
21 dealing with stakeholders and the public. So I think it
22 really merits your strong consideration of the importance
23 of the oral presentation.
24 MR. TRIPOUSIS: Yes, sir. We'll incorporate
25 that.

1 BOARD MEMBER PEREZ-ESTOLANO: Chair? Is it
2 possible that we just ask staff to kind of take all of the
3 comments and issues that we've raised, and that you
4 incorporate that into the process, so that we have a kind
5 of comfort level? And maybe he comes back and shares,
6 because I don't think we want to interrupt what they're --
7 the timeline, because they're clearly on a timeline. But
8 we also want to make sure that the issues that have been
9 raised are addressed.
10 CHAIRMAN RICHARD: Yeah. I agree with that and I
11 think that's what I was trying to get at before when I said
12 I didn't think it was appropriate for us to try to be
13 prescriptive in the resolution, but that I would ask the
14 staff in good faith to take these comments under
15 advisement. And, you know, before you issue the final
16 point scoring, before you do this, if you guys come back
17 and say, "We've thought about it and we want to proceed."
18 Well, then that's fine. You're accountable for the result
19 at the end. But if you think about it a little bit more
20 and want to make some adjustments or change wording that's
21 fine.
22 But I think we're on the same page, Ms. Perez-
23 Estolano, which is not to be prescriptive in the
24 resolution, but to ask and expect the staff to just reflect
25 on the thoughts from the Board today.

1 BOARD MEMBER PEREZ-ESTOLANO: I'll second.
2 CHAIRMAN RICHARD: Okay. So it was moved by, I
3 think, Mr. Curtin?
4 BOARD MEMBER CURTIN: Yes.
5 CHAIRMAN RICHARD: Do we have a second?
6 BOARD MEMBER PEREZ-ESTOLANO: I'll second.
7 (Whispered colloquy off mic.)
8 CHAIRMAN RICHARD: Okay. Hold on one second.
9 I'm sorry, Mr. Morales is raising a point.
10 CHIEF EXECUTIVE OFFICER MORALES: Let me just say
11 I think too, we want to make sure we reflect what the Board
12 does, but also make sure that the Board action then ties
13 with what we ultimately do. And so what I would suggest is
14 in the resolution we include some sort of direction, some
15 latitude to reflect past performance and oral
16 presentations, but not making a material change to what's
17 been presented here.
18 CHAIRMAN RICHARD: Well, I guess I think what
19 you're asking is, if now that this document's been
20 presented to us if you change something are you putting
21 yourself at risk?
22 CHIEF EXECUTIVE OFFICER MORALES: Correct.
23 CHAIRMAN RICHARD: I don't see anything. I mean,
24 I think the resolution would be the operative --
25 CHIEF EXECUTIVE OFFICER MORALES: Well, but I

1 believe the RFQ has the scoring in it, right?
2 CHAIRMAN RICHARD: Yeah, but that hasn't been
3 issued yet.
4 CHIEF EXECUTIVE OFFICER MORALES: No, but you're
5 giving us approval to issue the RFQ.
6 CHAIRMAN RICHARD: And possibly change that,
7 okay.
8 CHIEF EXECUTIVE OFFICER MORALES: I just want to
9 make sure we have the latitude to change it consistent with
10 Board direction.
11 CHAIRMAN RICHARD: Okay. So let me just take a
12 quick second here, sorry. "The Board authorizes...to seek
13 qualified teams...by issuing a Request for Qualifications."
14 CHIEF EXECUTIVE OFFICER MORALES: I mean, the
15 main priority here is make appropriate and -- if the Board
16 concurs that a slightly higher waiting on the interviews,
17 for instance, would not be a substantive change then I
18 think we're okay with it as is.
19 CHAIRMAN RICHARD: Okay. Just give me one
20 second. "So Authority staff is authorized to make..."
21 Well see, somebody could argue that they're not non-
22 substantive. "...authorized..." Well, let's just strike
23 the word "non-substantive." "...is authorized to make"
24 strike "all." "...is authorized to make appropriate
25 changes to the Request for Qualifications as part of the

1 procurement process." I think that --
2 MR. FELLENZ: Mr. Chairman? I would suggest that
3 you could list some of the changes that you have --
4 CHAIRMAN RICHARD: Hang on. I don't want to
5 spend the next 20 minutes on word-smithing. I'm trying to
6 -- as we want to do with this contract, I'm trying to be as
7 efficient as possible.
8 MR. FELLENZ: Right, right, right.
9 CHAIRMAN RICHARD: So I was just thinking, Tom,
10 if we just said on that last sentence: "Authority staff is
11 authorized to make appropriate changes to the Request for
12 Qualifications as part of the procurement process." Then
13 Mr. Morales and the staff could decide, based on this
14 conversation today, whether they want to make any changes.
15 I think the word "non-substantive" -- I mean, I
16 understand that, but "appropriate" and "non-substantive"
17 are probably --
18 BOARD MEMBER SCHENK: I think that covers it.
19 CHAIRMAN RICHARD: Yes, it covers it.
20 MR. FELLENZ: Yes, "appropriate" I think I agree
21 with that. That should do it.
22 BOARD MEMBER SCHENK: Yeah.
23 CHAIRMAN RICHARD: Yeah. And so that gives you
24 the latitude to do what you need to do and the Board has
25 authorized you to make those changes, okay?

1 So if the maker of the motion will accept that as
2 a friendly amendment we, in the last sentence, strike the
3 word "all" and the word "non-substantive."
4 BOARD MEMBER CURTIN: Let me think about that.
5 Yes.
6 BOARD MEMBER PEREZ-ESTOLANO: And I'll second it.
7 BOARD MEMBER CURTIN: That's a motion.
8 BOARD MEMBER PEREZ-ESTOLANO: And I'll second
9 that.
10 CHAIRMAN RICHARD: Okay. All right, so it's been
11 moved by Mr. Curtin, seconded by Ms. Perez-Estolano.
12 Secretary, please call the roll.
13 MS. NEIBEL: Director Schenk?
14 BOARD MEMBER SCHENK: Yes.
15 MS. NEIBEL: Vice Chair Richards?
16 VICE CHAIR RICHARDS: Yes.
17 MS. NEIBEL: Director Perez-Estolano?
18 BOARD MEMBER PEREZ-ESTOLANO: Yes.
19 MS. NEIBEL: Vice Chair Selby?
20 VICE CHAIR SELBY: Yes.
21 MS. NEIBEL: Director Correa?
22 BOARD MEMBER CORREA: Yes.
23 MS. NEIBEL: Director Curtin?
24 BOARD MEMBER CURTIN: Yes.
25 MS. NEIBEL: Chair Richard?

1 CHAIRMAN RICHARD: Yes.
2 Mr. Tripousis, I just want you to remember that
3 it is indifference that is the opposite of love, not
4 anything else, so.
5 MR. TRIPOUSIS: Thank you, Mr. Chair.
6 (Colloquy between Chair, Board Members and staff.)
7 CHAIRMAN RICHARD: Okay, yes. We're now moving
8 on to item three. Consider approving the Fiscal Year 2015-
9 2016 Audit Plan and acknowledging the Internal Quality
10 Assurance Self-Assessment November 2013 through June 2015.
11 Paula Rivera.
12 And Ms. Rivera, before you start, I just want to
13 say that as one of the Board members reviewing some of your
14 recent work we're very lucky to have you.
15 MS. RIVERA: Thank you. Good morning, Chairman
16 Richard, Board Members, and Mr. Morales. I'm Paula Rivera
17 with the Audit Division. And I'm here to present you with
18 the Internal Audit Plan for this fiscal year. And
19 presenting it to you is required by internal audit
20 standards. The Plan contains 16 audit activities and was
21 developed based on executive management input.
22 We currently have five audits or reviews in
23 progress, a follow-up on prior Small Business Utilization
24 Review and a follow-up on Prompt Payment. We have a Right-
25 Of-Way Reporting Process Audit going on, a continuation of

1 the Contract Management Audit and an audit of the Design-
2 Build Stipends and Advanced Technical Concepts. Audit
3 results will be provided to the Finance and Audit Committee
4 as is our practice.
5 I'd also like to present you with the results of
6 our Internal Quality Assurance Self-Assessment, which is a
7 review of a sample of our audit work papers to assess
8 compliance with audit standards. The review reported no
9 significant exceptions.
10 To provide the international standards for the
11 professional practice of internal auditing require, as a
12 matter of auditor independence, that internal audit
13 activity plans and resources are reviewed and approved by
14 the Board. In addition, internal audit organizations are
15 required to maintain the Quality Assurance Program with
16 internal and external assessments and communicate the
17 results of those assessments to the Board.
18 Do you have any questions or is there anything I
19 can add?
20 CHAIRMAN RICHARD: I thought it was good.
21 CHIEF EXECUTIVE OFFICER MORALES: Mr. Chair, just
22 one point --
23 CHAIRMAN RICHARD: Yes?
24 CHIEF EXECUTIVE OFFICER MORALES: -- to make sure
25 Board members are aware. In addition, as you'll see in the

1 Plan there are 16 specific audits, but then there's also a
2 reservation of specialty to take up audits as they are
3 deemed necessary over the course of the year, based on
4 either Board inquiry or things that we determine on the
5 management level. So there is that room to adjust during
6 the course of the year.
7 MS. RIVERA: Yes.
8 CHAIRMAN RICHARD: Ms. Perez-Estolano?
9 BOARD MEMBER PEREZ-ESTOLANO: Paula, just for my
10 clarification Number 6, is that an abbreviation or is that
11 a report that's an audit requirement?
12 MS. RIVERA: Sorry, it is an abbreviation. It's
13 an audit requirement. It's in government code that every
14 other year each state entity performs a self-assessment of
15 their risks and that gets reported to the Department of
16 Finance and it's our role as auditors to facilitate that
17 self-assessment. So it's really Management's risk
18 assessment. We solicit the input. I help them through the
19 risk ranking of it. We audit the controls that are in
20 place surrounding those risks and then we report back on
21 whether or not the controls in place mitigate the risks.
22 BOARD MEMBER PEREZ-ESTOLANO: So is that an
23 acronym for something?
24 MS. RIVERA: Yes, Financial Integrity State
25 Manager Accountability Act.

1 BOARD MEMBER PEREZ-ESTOLANO: Got you.
2 CHAIRMAN RICHARD: I'm glad you're on it.
3 BOARD MEMBER PEREZ-ESTOLANO: Thank you. I tried
4 to guess it, I didn't get that, so that's all I -- just for
5 clarification.
6 CHAIRMAN RICHARD: Ms. Schenk?
7 BOARD MEMBER SCHENK: Yeah, so thank you. My
8 question is also with the Number 6. I'd like to see what
9 are the risk areas that you're going to be auditing in this
10 next winter 2015, so either tell me or we can get it
11 submitted to us.
12 MS. RIVERA: Okay. Management identifies what
13 the risks to the Authority are. Primarily they're
14 administrative risks and then they'll be risk ranked. And
15 then the -- like there's a heat map that we do and things
16 that are high impact, high probability, those are the risks
17 that we'll move forward. And we're in that process, so
18 what we're reporting is the risks and we're auditing the
19 controls surrounding those risks.
20 BOARD MEMBER SCHENK: It's just administrative?
21 MS. RIVERA: Yes.
22 BOARD MEMBER SCHENK: Not project or program?
23 MS. RIVERA: Correct. And then Jon Tapping as
24 the Risk Manager has an entire program set up to be
25 identifying and addressing project risks and program risks.

1 Ours is things like for the prior report two years ago,
2 control agency delegations was a risk, records management
3 was a risk, the lack of an adequate financial management
4 system was a risk. So they're administrative risks, but
5 they do have an effect on the program.
6 BOARD MEMBER SCHENK: So if I could just pursue
7 that a little bit.
8 CHAIRMAN RICHARD: Okay, sure.
9 BOARD MEMBER SCHENK: What I'm used to with
10 internal audit, because you are the independent reporting
11 directly to Finance and Audit and thus to the Board and
12 administratively as I understand it to the CEO, that the
13 oversight should also be of every aspect including the
14 project risk areas. So is that something that you want to
15 address?
16 CHIEF EXECUTIVE OFFICER MORALES: Yes. FISMA
17 under the law specifically is really geared toward those
18 administrative types of things. If you look at the rest of
19 the Plan you'll see the project-related areas that Audits
20 is looking at: right-of-way, the design-build oversight,
21 incurred costs, those types of things. So there the full
22 scope of the Audit Plan looks at the project risks. This
23 FISMA piece is specifically directed by law.
24 BOARD MEMBER SCHENK: It's a separate rule, okay.
25 MS. RIVERA: Correct.

1 BOARD MEMBER SCHENK: And one other more general
2 question again, that I asked your colleague. Do you feel
3 that you have adequate staff to fully look at all of these
4 risk areas and do you feel you're getting the cooperation
5 that you need internally?
6
7 MS. RIVERA: We currently have a vacancy, but
8 we're working with Caltrans. They are loaning us two
9 auditors for the next fiscal year and we have two retired
10 auditors who will be also working with us for the next
11 fiscal year while we try and work on our resources. It's a
12 -- I don't want to say adventurous -- it's an aggressive
13 Audit Plan. But we believe that with the combination of
14 state staff, Caltrans loan staff, and retired annuitants
15 that we have the resources we need. And yes, we do get the
16 full cooperation.
17 BOARD MEMBER SCHENK: Okay. Thank you.
18 CHAIRMAN RICHARD: Ms. Rivera, I had -- oh, I'm
19 sorry, Ms. Selby go ahead.
20 VICE CHAIR SELBY: Yeah, I had a question. I
21 think you may have already said this, but on Number 10 for
22 this year, the small business follow-up in progress, where
23 can I read that when it's completed; the audit?
24 MS. RIVERA: The original review or the follow-
25 up?

1 VICE CHAIR SELBY: Both.
2 MS. RIVERA: We can provide that. I can point
3 you directly to where it is. It'll be in the Finance and
4 Audit Committee meeting I believe from last May. I can get
5 you a copy of the report, but each time we issue a report
6 it's provided to the Finance and Audit Committee the
7 following month.
8 VICE CHAIR SELBY: Okay.
9 MS. RIVERA: And our Small Business Report, we
10 have a draft that we're fact-checking right now and we hope
11 to issue this week.
12 VICE CHAIR SELBY: Thank you.
13 CHAIRMAN RICHARD: Ms. Rivera, just one thing
14 came to mind. Item 11, the Caltrans SR99 Construction
15 Contract, should I ask -- is it appropriate to make sure
16 that the auditors that we're borrowing from Caltrans are
17 not auditing the Caltrans Project?
18 MS. RIVERA: Correct. The auditors that we're
19 borrowing from Caltrans will be working on Number 7 and not
20 Number 10.
21 CHAIRMAN RICHARD: All right.
22 MS. RIVERA: Or Number 11.
23 CHAIRMAN RICHARD: Thank you. I also noted at
24 first, just on the level of being a wise guy I noted that
25 we have 800 hours associated to Caltrans and then 400 hours

1 on Number 14 for project construction management. And I
2 wondered about the relative risk there, but then I think I
3 realized that Number 14 is only a subset and that actually
4 it's the thousand hours in Number 1 that really looks at
5 our --
6 MS. RIVERA: Yes.
7 CHAIRMAN RICHARD: Okay. So it's a shame,
8 because there was just a great opportunity to make
9 comparative risk comment that apparently is not borne out
10 by the facts.
11 MS. RIVERA: We still do it.
12 CHAIRMAN RICHARD: Yeah, okay.
13 Any other questions?
14 VICE CHAIR RICHARDS: Yes, Mr. Chairman.
15 CHAIRMAN RICHARD: Yes, Vice Chair Richards?
16 VICE CHAIR RICHARDS: I just wanted to let my
17 colleagues know that the members of the Audit and Finance
18 Committee have been closely monitoring the preparation of
19 this plan. In fact, some of the items are items that we
20 have requested by audited in this fiscal year. And the
21 Plan itself has been a part of the materials presented
22 today at our Finance and Audit Committee. And it is with
23 our strong recommendation as members of that committee that
24 the Board supports and approves this Audit Plan. And thank
25 you, Paula, very much for what you've done here.

1 CHAIRMAN RICHARD: Would you like to move it,
2 Tom?
3 VICE CHAIR RICHARDS: Yes, I'll make that motion.
4 CHAIRMAN RICHARD: Okay. Motion for approval of
5 the 2015-2016 Audit Plan's been made by Vice Chair
6 Richards.
7 VICE CHAIR SELBY: Second.
8 CHAIRMAN RICHARD: Second by Vice Chair Selby.
9 Secretary, please call the roll.
10 MS. NEIBEL: Director Schenk?
11 BOARD MEMBER SCHENK: Yes.
12 MS. NEIBEL: Vice Chair Richards?
13 VICE CHAIR RICHARDS: Yes.
14 MS. NEIBEL: Director Perez-Estolano?
15 BOARD MEMBER PEREZ-ESTOLANO: Yes.
16 MS. NEIBEL: Vice Chair Selby?
17 VICE CHAIR SELBY: Yes.
18 MS. NEIBEL: Director Correa?
19 BOARD MEMBER CORREA: Yes.
20 MS. NEIBEL: Director Curtin?
21 BOARD MEMBER CURTIN: Yes.
22 MS. NEIBEL: Chair Richard?
23 CHAIRMAN RICHARD: Yes. Thank you, very much.
24 Okay. Next we have an informational presentation
25 on Planned Safety and Security Systems for California High-

1 Speed Rail. Our Chief Risk Officer, Mr. Tapping, good
2 morning.
3 MR. TAPPING: Good morning, Chairman Richard,
4 Board Members. It's my pleasure to be before you again.
5 My name is Jon Tapping. I'm the Director of Risk --
6 CHAIRMAN RICHARD: Did you really mean that?
7 MR. TAPPING: Yes, it is a pleasure always.
8 CHAIRMAN RICHARD: Yeah, okay.
9 (Colloquy between Board Members and staff.)
10 MR. TAPPING: One of my roles as Risk Manager is
11 actually on I have purview of the Authority's Safety and
12 Security Program. And I think one of the strengths before
13 we get into the presentation of the Authority's program, is
14 the fact that I'm autonomous from project delivery, from
15 Operations and Maintenance. It's an independent program
16 and I report directly to Jeff, CEO Morales, in that
17 fashion. So I think that's a real strength. And in terms
18 of the culture of the Authority it's very strong top-down
19 robust safety systems in place.
20 So the title is "Planned Safety and Security
21 Systems," but we are implementing safety and security
22 systems. One of our mantras is prevention through
23 prevention through design. So as we're going through it
24 doing the project delivery we are doing hazard assessments
25 and implementing safety designs into the design.

1 Just an overview around the world -- as many of
2 you know many countries have high-speed rail service proven
3 and successful, safe and secure. In particular, it's
4 proven technology, which we're piggybacking on as we go
5 forward. We'll been using the best industry practices from
6 around the world. But also there's a lot of innovation in
7 the state of the practice right now. Positive Train
8 Control, I'll talk a bit about that in future, but that is
9 a great advance that we will be implementing in our system.
10 Historical perspective -- here are some very
11 successful high-speed rail systems that have been placed in
12 Japan over 50 years without one fatality, incredible.
13 France, the same, 30 years with their TGV System, and North
14 Korea, 11 years.
15 CHIEF EXECUTIVE OFFICER MORALES: South Korea.
16 MR. TAPPING: Sorry, thanks for that correction.
17 Well, they are a country also that's developing high-speed
18 rail.
19 And I might add that the derailments on these,
20 you know, have been -- while they're significant events
21 they've been kept up right through other systems that are
22 in place that prevent some of the more catastrophic
23 derailments.
24 There have been other incidents, in all fairness,
25 in China and Spain recently. And these are due to a number

1 of issues. Earthquake, for example, and also over-speed
2 events, which again systems in place in our system like
3 PTC, Positive Train Control, will go a long way towards
4 mitigating that type of risk as well as diagnostic systems.
5 So I also wanted to say that high-speed rail is
6 really one of the highest performing safety transportation
7 modes if you look across all the other modes of
8 transportation including conventional rail. So it's really
9 an exciting program. I think we have a great opportunity.
10 Much of our work is greenfield work where we have dedicated
11 facilities and we have the opportunity to design in from
12 the very beginning. Again, prevention through design.
13 This is rather a busy slide, but it's basically
14 our holistic approach to safety and security. We want to
15 do a comprehensive, proactive approach. Again, I mentioned
16 our philosophy of top-down, robust safety all the way down
17 through all of our subcontractors and consultants and even
18 our construction contractors. We have robust safety
19 provisions all throughout. So again, we're relying a lot
20 on domestic and international experience and best
21 practices, but also innovation that we are seeing as we
22 move forward.
23 Fairly unique in our program is the advent of a
24 risk-based hazard management approach to safety and
25 security. Rather than a set of standards or a set of a

1 prescriptive program we actually do much -- it kind of
2 rolls over into my other role as Risk Manager for the
3 Authority. We look at all of the risks and safety and
4 security risks associated with the rail and not just the
5 rail, all the elements of the system. So we identify,
6 eliminate, minimize and control safety and security hazards
7 as well as their resultant risks.
8 So we go through a very formalized rigid process
9 of prioritizing the risks, identifying the magnitude of the
10 risk, and if it's unacceptable we have policies and
11 procedures where we apply mitigations to the risk. And
12 raise it to an acceptable level, so we do that rigid
13 process throughout the program. And it's continuous and
14 it's going on now. And we're designing these things into
15 the program.
16 We also have, as part of that process, as I said
17 an independence of our Risk Management Program. We have
18 two committees; one is a program level committee, which I
19 chair. And one is an executive committee, which Jeff, CEO
20 Morales, chairs. And as my role is being an independent
21 occasionally there are issues that drift up where there may
22 be competing values, for example, of safety and/or
23 schedule. And a lot of these issues then are raised to the
24 highest levels of the Authority and looked at the
25 mitigations that are required to accept the risk.

1 So again, we have a robust program in place to
2 make prudent and robust risk decisions at the highest -- at
3 the lowest levels. And they raise up through the highest
4 levels when necessary.
5 Let's see, I've talked about prevention through
6 design, the committees, overarching Risk Management
7 Program. I'll talk more about policing strategy, but also
8 technology is very significant in our program right now.
9 And we are going forward with an earthquake early warning
10 system. We're in cooperation with Cal OES and industry as
11 well as academia.
12 We're proceeding with how we are going to be
13 incorporated in the earthquake early warning system that
14 will again, roll into the train systems and the Positive
15 Train Control to have -- for example, if there's an early
16 indication in an earthquake there will be provisions to
17 slow the train down. And these have proved successful in
18 Japan, so it's expanding technology.
19 And we've been working with UC San Diego,
20 Caltech, Berkeley and there's actually a beta test for a
21 product that's ongoing now and we're looped into that as
22 well. So as this technology evolves, we are going to --
23 basically we have a seat at the table and are -- integrate
24 our system into that.
25 Let's go to the next slide.

1 BOARD MEMBER CORREA: Through the Chair, before
2 you leave that slide?
3 MR. TAPPING: Yeah.
4 CHAIRMAN RICHARD: Please.
5 BOARD MEMBER CORREA: How much time in Japan, for
6 example, where they have so many earthquakes and a high-
7 speed rail system how much time do they typically have in
8 terms of an early warning even (indiscernible)?
9 MR. TAPPING: It’s a matter of seconds. It's a
10 matter of seconds, yeah.
11 BOARD MEMBER CORREA: Three, two?
12 CHIEF EXECUTIVE OFFICER MORALES: It depends on
13 the specifics, but as Jon said it's proven to be absolutely
14 invaluable.
15 BOARD MEMBER CORREA: Of course.
16 CHIEF EXECUTIVE OFFICER MORALES: In the major
17 earthquake they had in 2012, for instance, there were no
18 serious injuries, no fatalities. There were something
19 approaching two dozen high-speed trains out on the system
20 when the earthquake struck. They were able to safely bring
21 them all to -- slow them down and bring them to a stop
22 without any incident. So it's a -- and the key is tying
23 it into the systems as Jon said. It's not that someone
24 gets a warning and then has to push a button. It's all
25 automated to automatically trigger the reaction of the

1 system.
2 BOARD MEMBER CORREA: Okay. Thank you.
3 CHAIRMAN RICHARD: My understanding is that what
4 the Japanese seismic engineers have discovered is that when
5 the earthquake happens that there's something called a "P-
6 wave" or there's a preliminary wave that actually precedes
7 the ground motion. And it really is only a matter of a
8 couple of seconds, but they've put these detectors on the
9 line that will detect this P-wave before the ground
10 actually starts shaking. So it's not a seismic response to
11 shaking of ground. It's this almost kind of an analogy to
12 like an ultrasonic thing, you know, above your hearing
13 level. And when they do that then they cut the power and
14 the train starts to slow down.
15 BOARD MEMBER SCHENK: Yeah, if I might just add?
16 I had the great opportunity a few weeks ago to join CEO
17 Morales and others at UCSD, at the Scripps Institution of
18 Oceanography, and to learn about how they assess this and
19 how it gets tied in to high-speed rail. And it was, I
20 guess, comforting. What wasn't comforting was to learn how
21 much they still don't know about the earthquake faults in
22 California.
23 CHAIRMAN RICHARD: Yeah.
24 BOARD MEMBER SCHENK: But having that connection
25 with Caltech, UCSD, Berkeley, is just invaluable as of

1 their knowledge and their ongoing research.
2 MR. TAPPING: Yeah, it’s been very interesting.
3 BOARD MEMBER SCHENK: Yeah.
4 MR. TAPPING: Yeah, a lot to learn.
5 CHAIRMAN RICHARD: Okay, Jon.
6 MR. TAPPING: Okay. So implementation, we have
7 exclusive use corridors. Again, these are in our dedicated
8 line where we have exclusive use, no mixed operations,
9 intrusion detectors at high-risk locations. And there's
10 elimination of all at-grade crossings. And I have a
11 simulation later to show the advantages of elimination of
12 at-grade crossings.
13 At the shared use corridors there's more of a
14 challenge, I think. We need to have a strategic
15 collaboration with the existing systems.
16 Again, we need to do more of the on-the-ground
17 corridor specific hazard analysis. We get in and we do
18 site-specific analysis. We're looking at grade crossing
19 improvements to include potentially quad grades or other
20 protections such as median barriers or channeling. So all
21 of these options are being considered in addition to
22 eliminating the at-grade crossings as well, so all of these
23 things are underway.
24 Okay. I spoke briefly about PTC Benefits and
25 rather than go through these details, I have an excellent

video that I think could explain it quite nicely as well.

(VIDEO BEGINS: Narrator talks.)

"One of the benefits of the High-Speed Rail Project is that it will improve rail safety across the state. Already with the help of the Authority, our partners Caltrain and Metrolink, are making strides in improving their safety and efficiency by using an advanced signaling system called Positive Train Control. This state-of-the-art collision-avoidance technology is being installed on trains, tracks, and dispatch centers and allows them all to communicate using a fiber-optic network.

"Here's how it protects you. First, the train engineers will receive continuous information about speed restrictions, work zones, and other safety impacts. For example, the computer would alert an engineer approaching a crossing where the crossing arms are malfunctioning.

"Second, it helps engineers follow speed limits and the train's on-board computer displays safe braking distances based on speed, train length, weight and curvature of the track.

"And most importantly, it serves as a failsafe system. If the engineer doesn't respond, the computer takes over. It will prevent a train from running a red signal or entering a stretch of track at an unsafe speed. Federal investigators say this technology could have

1 prevented the Amtrak crash in Philadelphia that killed
2 eight people and sent hundreds to the hospital.
3 "Positive Train Control will also protect
4 everyone in the event of a disaster. Metrolink has devised
5 its system to stop all trains if an earthquake occurs. All
6 of this is the same technology that the High-Speed Rail
7 Authority will install on all of its trains and tracks
8 throughout the state."
9 MR. TAPPING: All right. That was short, but
10 very educational.
11 Moving on to grade separations, again just let me
12 say the reduction of grade separations is a very good
13 enhancement to safety and security. And you can see at the
14 regional improvements there that we are actually
15 eliminating a significant number of grade crossings
16 throughout the state.
17 You can see some of the benefits in addition to
18 safety. Here is a good simulation showing some congestion
19 there and noise. You also see this frontage road. There
20 obviously could be confusion in crossing and here is a
21 simulation of an overcrossing basically of the high-speed
22 rail system that eliminates a lot of those issues.
23 Here is an overpass, which is another design
24 option for the same type of situation. And this, I believe
25 is a simulation in Fresno -- grade, yeah.

1 BOARD MEMBER CORREA: Through the Chair, just
2 quickly. The Rosecrans crossing, is that one of the most
3 dangerous ones?
4 MR. TAPPING: Yes, the three listed are
5 significant issues with prior incidents, I understand.
6 CHIEF EXECUTIVE OFFICER MORALES: Yes, we're
7 working in partnership with the Southern California
8 agencies and those three are in the top ten of the state's
9 high-priority grade crossings to be eliminated. And so
10 we're really pleased to be able to be a part of that and
11 make it happen. And so it will benefit not just high-speed
12 rail, but the local commuter system and have huge positive
13 benefits for traffic flow as well, in those areas, and
14 safety.
15 BOARD MEMBER CORREA: Thank you.
16 MR. TAPPING: So we're looking at a similar
17 approach for system security in terms of a risk-based
18 approach. We look at threats, vulnerabilities and
19 consequences in the assessment. And throughout that
20 process then we come up with mitigations. What we are
21 contemplating is designing for optimum security. We're
22 looking at a system basically that utilizes security
23 technology such as CCTV, intrusion protection, access
24 controls and so forth, barriers, fencing, appropriate
25 glazing.

1 We're looking at a combination of sworn and
2 unsworn transit police to do the policing strategy. And
3 we've been working with CHP and all local law enforcement
4 to kind of put together a policing strategy approach as we
5 move forward. We want it to be a community-based policing
6 approach yet we see it needs to have a central management
7 as well. CHP has offered to assist us in that and so we've
8 been working with them in that regard.
9 We're not looking at any kind of earthquake
10 baggage security type of processes. You know, if you look
11 at the literature on high-speed rail, and if you look at
12 these other mitigation efforts including sworn and unsworn
13 officers, access control at the stations as well as canine
14 patrols, it's a prudent approach in going forward. So
15 that's our plan.
16 Again, we want a community-based approach here
17 and passenger-focused and coordinated with local law
18 enforcement. We've been coordinating with both federal,
19 state and local law enforcement and our security partners
20 at TSA, FBI and the CHP.
21 And again, we're also implementing lessons
22 learned both domestically and internationally about how to
23 effectively monitor rail stations and enhance their
24 security.
25 So for almost, I'd say over three years now,

1 we've had extensive outreach both locally and at the state
2 level with other agencies. And this has been very
3 informative for us and for them. You know, we've talked --
4 we've actually had table top exercises and had certain
5 security scenarios and identified gaps for example, in the
6 agencies, in the local agencies, that would need to be
7 filled. And so we all work together in this policing
8 strategy.
9 So we've again, had extensive outreach and it's
10 been very well-received. There's a lot of excitement by
11 the local law enforcement about high-speed rail and they
12 want to be involved in it. So that's been very fun to get
13 out and see that.
14 Construction safety, now we're trickling down to
15 the actual work on the ground. And again, we have real
16 robust safety provisions all the way through our contract
17 documents from a high level top-down safety policy by Jeff,
18 all the way down to our design-builder and our PCM
19 overseeing the design-builder. We have safety training
20 internally where all Authority people have been trained in
21 safety when they go out to the site. We have a extensive
22 safety and security reporting system, a database which we
23 are going to implement not only on CP1 and CP2-3, but
24 statewide and so we can have metrics and also have
25 documentation of how we respond to issues when they arise.

1 Okay. Well, with that summarizes my
2 presentation, there's a few summary slides and I'd be
3 happy, 88 percent happy, to take questions at this point.
4 CHAIRMAN RICHARD: Very good.
5 Questions from colleagues on the Board? Vice
6 Chair Selby.
7 VICE CHAIR SELBY: Thank you, very much. That
8 was really informative. And I'm wondering, because you do
9 have so many wonderful different places to look -- Japan
10 being one of my favorite, because it's sort of similar in
11 land mass and earthquakes and that it's been successful in
12 having no fatalities -- how do you prioritize or how do you
13 figure out sort of whether the domestic or whether the
14 Japanese or whether the -- you know, which safety lesson
15 you're going to take in terms of us devising our own safety
16 procedures?
17 MR. TAPPING: Yeah, I think there's a host of --
18 I think there's something to be taken from every system.
19 You know, the Japanese has been in place for 50
20 years, and certainly their Positive Train Control is
21 significant. So I'm not sure specifically I can answer
22 your question, because there's a lot of industry knowledge
23 out there. But through our RDP we have international
24 experts that work in our office that have some from, for
25 example, Taiwan. And we're looking at verification

validation on the safety portions of it and what worked and what didn't. So we're putting together those best practices through the expertise that we have on our RDP contract and so forth.

VICE CHAIR SELBY: Because I could see how maybe they could clash sometimes, that you might have to decide one over the other or that it might. And I, for one, am very happy to hear that the baggage is not going through the carousel or whatever.

MR. TAPPING: Yeah.

VICE CHAIR SELBY: You know, I think the more we become like an airplane in some ways the more unpleasant it will be.

MR. TAPPING: Well, one of the slides that was removed, because Jeff thought it was too busy, was kind of a process we go through by which we assess the risk. And there are standards, right? There's proven standards and so you can go through and identify those on certain lines. And then there's examples of systems that have worked. And you go through and you identify those, so we have a host of those from each system.

And then, if there's something particular that you don't, then you go through a very disciplined quantitative risk approach to implement it or not. So there's a systematic way by which we look at these things

1 is what I'm trying to say.
2 VICE CHAIR SELBY: Okay. Thank you.
3 CHAIRMAN RICHARD: Other comments?
4 BOARD MEMBER PEREZ-ESTOLANO: I just want to say
5 it's great, and I think an important message, for everyone
6 to understand just kind of what are the steps that we're
7 taking to increase the safety of the program.
8 And also in terms of the construction of the
9 program recently in L.A., actually I think it was San
10 Bernardino County, there was a terrible situation where we
11 had a fire that went over a freeway. The fire actually
12 engulfed cars that were on a freeway. So the fire went
13 over the freeway, but it engulfed 20 cars. The problem for
14 people in those cars was that there were sound walls, so
15 there was no exit for people to kind of just flee. They
16 had to run.
17 And so some of these issues have come up and so
18 some of the -- and I'm not saying that we can -- we have
19 to, as much as possible, plan for the event of any kind of
20 crisis. And actually, the high-speed train has been proven
21 to be very, very safe. And we've had these international
22 examples. What we're doing is we're now investigating
23 other issues that can come up.
24 And so I just want to say that I think this kind
25 of messaging is very important to the public, so that they

1 understand what steps are being taken and every
2 consideration that we are making for their safety. I think
3 that's very important.
4 CHIEF EXECUTIVE OFFICER MORALES: And one of the
5 things that Jon mentioned was the work we're doing with
6 local agencies who will be the first responders in
7 virtually all cases, so that they understand what the
8 system is. We also understand from them how they operate,
9 what they need to operate. And they understand even to the
10 point of what elevation the structure might be at. So, you
11 know, do they have trucks with ladders tall enough to reach
12 them?
13 I mean, so we're really trying to think through
14 all of these things at the front end of the process and
15 reflect that both in the design and the construction and
16 then ultimately in the operation.
17 CHAIRMAN RICHARD: Yeah, well I was just going to
18 comment on two things. First, I think that that approach
19 is terrific. And in addition to setting standards for
20 unfiltered communication with the Board Mr. Tapping also, I
21 think, gave us a very good presentation on the safety and
22 security programs. And I like the fact that you're looking
23 out across the world at best practices.
24 I do think we have to accept the fact that as
25 humans there is always that limit to what we can conceive.

1 I mean, it's the failure of imagination.
2 You know, whether it's 9-11 and people flying
3 airplanes into buildings or whatever it is, there's always
4 going to be something that nobody's thought of before.
5 And, you know, airplanes are safer today, because other
6 airplanes crashed in the past and we learned from those
7 things. So there will be that unfortunate reality that
8 that happens. But I think trying to get as far ahead of
9 that as possible, looking at as many different events.
10 And then I don't quite know how you'd do this,
11 Jon, but really trying to figure out those black swan
12 events that are not part of the normative process. But I'm
13 not saying a meteor hitting the system, but something
14 that's truly unusual. So anyway I want to commend you for
15 that.
16 I had just two quick comments. The first one is
17 I'm not an expert on security matters, but one thing that
18 always struck me as wise, intuitively, is to not be
19 completely forthcoming about what our security philosophies
20 and approaches are. Because I think creating a sense of
21 uncertainty is one of the best deterrents. People will
22 look for soft targets and if they're not sure that you're a
23 soft target or not they may look elsewhere.
24 And that was certainly an experience that I had
25 in my 12 years on the local transit district, which was to

1 just try to make sure that nobody saw any patterns in what
2 we were doing. That we just were doing things, that we'd
3 have present sometimes and not other times, but enough that
4 people knew that it was out there. And I do think that is
5 part of a philosophy.
6 And it's a little bit tricky, because we have to
7 balance our requirements to be transparent as a public
8 agency, but I think when it comes to security the public
9 understands that there's certain things that we don't want
10 to talk about in public. So I would say as you develop
11 these there may be ways to communicate with the Board, but
12 I do think we need to start to balance this as we get into
13 operation; that I don't want people really feeling like
14 they have a complete understanding of our security approach
15 and philosophy.
16 And then the last comment is just a generalized
17 comment about safety. I like every single thing that I saw
18 that you put up there today. The one little nagging
19 thought that was in the back of my head comes from another
20 experience I had in life, which was reflecting back at
21 PG&E's terrible tragedy in San Bruno which occurred five
22 years after I left PG&E.
23 But there was a safety culture, is what they
24 always said. I mean, you'd go down the street. As an
25 officer you were told if you saw a PG&E crew working

1 without cones, without hardhats, without safety vests, you
2 know, it was your job to stop and remind them that these
3 were things they had to do. Well, that was great. There
4 was a safety culture kind of with a small s safety. But
5 when it came to whether or not adequate investments had
6 been made to find the pipe that had been corroded before it
7 blew up and killed 8 people and incinerated 39 homes that
8 was missing.
9 And I've talked to others about this. A friend
10 of mine serves on the Board of Delta Airlines and she said
11 they went through the same thing where they realized that
12 they had certain things that they were telling all of their
13 pilots to do, but in the end they weren't really looking at
14 their overall budget and budget implications for safety and
15 things like that.
16 So I just want to say that I applaud every single
17 thing you're doing. But I do think it's worth stepping
18 back and saying, are there other aspects that are more
19 insidious that go beyond technology and even beyond
20 culture, that get to the kind of decisions that get made in
21 the design-build process, in the budgeting process and so
22 forth? That could, if one really thought about it, have an
23 implication for safety.
24 And I don't even know how to go any further than
25 what I just said, but I would just -- you're a very smart

1 guy that runs a very competent operation. So I'll just
2 kind of put that out there for you guys to reflect on.
3 MR. TAPPING: Thank you.
4 CHAIRMAN RICHARD: Any other questions from Board
5 Members?
6 Okay. Thanks very much, Jon. I would say there
7 was about a 94 percent chance that we like that
8 presentation.
9 Okay. The Board is going to enter into closed
10 session now for the matters that we have listed on the
11 agenda. But before we do I'd just appreciate if people
12 would take a moment.
13 Over the weekend, we received the rather
14 unfortunate news that Mr. Greg Rogers who was Executive
15 Director of the Public Works Board of the Department of
16 Finance had died suddenly, on vacation with his family.
17 While I did not know this gentleman personally,
18 because the Public Works Board has been so deeply involved
19 in the process of acquisition of parcels many, many people
20 in the High-Speed Rail Authority, I think, starting with
21 our CEO, had worked directly with him. And he was
22 universally admired and felt to be a person of very high
23 quality.
24 In the note to the Finance Department, Michael
25 Cohn described him as more than just a long-term employee,

1 but a really decent wonderful human being. So we extend
2 our condolences to his family and his friends. And we'll
3 adjourn our meeting today. And I'd like the minutes to
4 reflect that we're adjourning our meeting in the memory of
5 Greg Rogers, the former Executive Director of the Public
6 Works Board.
7 So with that we will thank you and enter into
8 closed session.
9 (The Board convened into Closed Session at 11:59 a.m.)
10 (Having no new items to report from Closed Session,
11 Chairperson Dan Richard adjourned the Public Meeting of
12 The High-Speed Rail Authority
13 at 12:59 p.m.)
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REPORTER'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 reported by me, a certified electronic court reporter and a disinterested person, and was under my supervision thereafter transcribed into typewriting.

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IN WITNESS WHEREOF, I have hereunto set my hand this 17th day of August, 2015.

PETER PETTY
CER**D-493
Notary Public

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IN WITNESS WHEREOF, I have hereunto set my hand this 17th day of August, 2015.

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Myra Severtson
Certified Transcriber
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