

April 21, 2017

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CHIEF EXECUTIVE OFFICER

EDMUND G. BROWN JR.
GOVERNOR



Dear Governor Brown, Board Members and Staff:

After five years of progress and with California's High-Speed Rail project now moving rapidly from concept and planning to full-scale construction, I am writing to let you know that I have decided to step down from my position as chief executive officer. While my official last day will be June 2, 2017, over the coming months, I will continue to work to advance important program initiatives and assist the Board with the identification and smooth transition of a successor. From my standpoint, now is the right time to hand over the reins of the Authority to new leadership and I am heartened to know there is strong talent – and interest – out there ready to take on this role.

It has been a true honor to be a part of this important and historic program. I am very proud of the progress we have made in advancing the nation's first high-speed rail system, against the odds and in spite of all the obstacles. We have 119 miles of construction underway through three major design-build contracts. To date, the project has supported thousands of jobs, put almost a thousand tradesmen and women to work, and injected upwards of \$4 billion into California's economy.

In the process, we have done what pusillanimous critics said we could not do, putting the American Recovery and Reinvestment Act funds to work for California workers, companies and communities. Through innovative programs, we have engaged well over 300 California small and disadvantaged businesses to date, and are putting people to work in areas that have suffered chronic unemployment rates well above the state average. We have advanced the unprecedented environmental approval of the remaining segments, and will have that monumental task completed in the coming year. We have engaged with and gained the benefit of knowledge and experience of world-class firms and operators, and are now preparing to bring on an early operator of the country's first high-speed system.

When I took on this position, we had just over a dozen state employees, with none of the key senior positions filled. At the same time that we have advanced the program, we have built a quality organization from scratch, putting people and processes into place and setting a high standard for transparency in our work. We have worked hard to rebuild relationships and restore credibility with the Legislature and stakeholders. Importantly, we have made this program a model for sustainability, both in its delivery and in its eventual operation. We have overcome the numerous legal obstacles opponents sought to put in our way, and are now able to put the Proposition 1A bonds to work as intended.

Governor Brown, Authority Board, Authority Staff
April 21, 2017

There are too many people and organizations to acknowledge for their partnership. But, I especially want to thank Governor Brown for his vision and steadfast leadership and for the support of his staff. I thank and commend our outstanding staff who have done the groundbreaking work to advance the program. I am very proud of the team that we have built, and what we have accomplished together. And, of course, I thank the Board for its commitment and support over the last five years.

Sincerely,

A handwritten signature in blue ink that reads "Jeff Morales". The signature is written in a cursive, flowing style.

Jeff Morales
Chief Executive Officer