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CALIFORNIA HIGH-SPEED RAIL AUTHORITY
MONTHLY MEETING

TRANSCRIPT OF PROCEEDINGS

Sacramento City Hall
915 I Street, City Council Chambers
Sacramento, California 95814

Friday, March 29, 2013

9:05 a.m.

BRITTANY FLORES
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A P P E A R A N C E S

BOARD MEMBERS

- Mr. Dan Richard, Chairman
- Mr. Tom Richards, Vice-Chair
- Ms. Lynn Schenk, Vice-Chair
- Mr. Jim Hartnett
- Mr. Michael Rossi
- Mr. Thomas Umberg

STAFF

- Ms. Geny Baldini, Board Secretary

ALSO PRESENT

- Mr. Jeff Morales, CEO
- Mr. Thomas Fellenz, Esq., Legal Counsel

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I N D E X

Page

Public comment

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Item 1, Approval of Minutes from March 18, 2013

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Item 2, Election of Officers

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Item 3, Consideration of request to the

High-Speed Passenger Train Finance Committee

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1 SACRAMENTO, CALIFORNIA, March 29, 2013

2 9:05 a.m.

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6 MR. FELLEENZ: Okay. Dan's not here yet, so
7 Tom Umberg is just going to start the meeting with the
8 Pledge of Allegiance and then go through the minutes of
9 the last meeting, and then we'll have a closed session.
10 So we're just going to go ahead and proceed. So I'm
11 going to have someone come in here and turn on the mic,
12 and then you'll be live in the main room.

13 MR. RICHARDS: Okay. So what we're going to
14 do is we'll open the meeting with the Pledge of
15 Allegiance, we'll have public comment, and then we'll go
16 into closed session; is that what we're doing?

17 MR. FELLEENZ: Yes. We'll keep public
18 comment. There's not many people here. If we get
19 through that, and Dan's not here, we'll go to Agenda
20 Item 1, Approval of the Minutes from the last meeting,
21 and then we'll go into closed session.

22 MR. HARTNETT: Okay. This is Jim Hartnett.
23 We also have no members of the public here.

24 MS. SCHENK: We did not have any in Orange
25 County either.

1 MR. RICHARDS: We do have members of the
2 public here along with the supervisor.

3 MR. UMBERG: This is Tom Umberg in
4 Sacramento. Can everyone hear me in Fresno, Orange
5 County, and in Redwood City? Apparently so.

6 So I see Chair Richard coming in. I was about to
7 stage a coup, but he has just entered the room. So as
8 Chair Richards enters, if we could rise for the Pledge
9 of Allegiance.

10

11 (Pledge of Allegiance recited.)

12

13 MR. UMBERG: All right. So let me ask
14 Commissioner Schenk, is the treaty okay in Orange
15 County?

16 Uh-Oh. No response.

17 MS. SCHENK: We can't hear.

18 MR. HARTNETT: Mr. Umberg, this is Jim
19 Hartnett. I think you need to get closer to the
20 microphone.

21 MR. UMBERG: How about now? This is Tom
22 Umberg in Sacramento.

23 MR. RICHARDS: It still needs to be closer
24 if you can.

25 MR. UMBERG: I am right on top of

1 the microphone. Okay.

2 MR. RICHARDS: Well, that's better.

3 MR. UMBERG: Maybe turn up the volume there
4 so -- all right.

5 Ms. Schenk, are the treaties okay in Orange
6 County?

7 MS. SCHENK: Ah, yes.

8 MR. UMBERG: All right. Well, I'll turn it
9 over to Chair Richard.

10 CHAIRMAN RICHARD: Good morning. Thank you
11 very much, Mr. Umberg. I apologize for being a few
12 minutes late, but I appreciate your picking up the
13 slack. And we will -- let me just do a sound checkoff
14 of my microphone.

15 Mr. Hartnett, Redwood City?

16 MR. HARTNETT: Yes, we can hear you.

17 CHAIRMAN RICHARD: Okay. And Vice-Chair
18 Schenk in Costa Mesa?

19 MS. SCHENK: Yes, I can hear you.

20 CHAIRMAN RICHARD: Very good. Okay. Great.
21 First item up is the -- oh, I'm sorry. Tom Richards in
22 Fresno.

23 MR. RICHARDS: Yes, we hear you here.

24 CHAIRMAN RICHARD: Okay. So the first thing
25 is we'll ask the secretary to please take the roll.

1 MS. BALDINI: Vice-Chair Schenk.

2 MS. SCHENK: Yes.

3 MS. BALDINI: Vice-Chair Richards.

4 MR. RICHARDS: Here.

5 MS. BALDINI: Mr. Umberg.

6 MR. UMBERG: Here.

7 MS. BALDINI: Mr. Hartnett.

8 MR. HARTNETT: Here.

9 MS. BALDINI: Mr. Rossi.

10 MR. ROSSI: Here.

11 MS. BALDINI: Chairman Richard.

12 CHAIRMAN RICHARD: Here. Okay. The first
13 item we have is the approval of minutes from the last --
14 I have public comment cards on top of that item. I'm
15 sorry. Okay. The first item we have is public comment,
16 and let me just go around the state, and we have three
17 comment cards here, which we'll take in order in just a
18 moment.

19 Ms. Schenk, Vice-Chair Schenk, in Costa Mesa, do
20 you have members of the public who wish to speak?

21 MS. SCHENK: No, we do not, Chairman.

22 CHAIRMAN RICHARD: Mr. Hartnett in Redwood
23 City, do you have members of the public who wish to
24 speak?

25 MR. HARTNETT: No, we do not.

1 CHAIRMAN RICHARD: Vice-Chair Richards in
2 Fresno, do you have members of the public who wish to
3 speak?

4 MR. RICHARDS: Yes, we do Mr. Chairman. We
5 have five.

6 CHAIRMAN RICHARD: All right. Why don't I
7 ask you then, we'll start -- we have three here and five
8 in Fresno. So why don't you start with one of the
9 speakers in Fresno. We'll do two there, and then we'll
10 take the ones here.

11 MR. RICHARDS: All right. Mr. Chairman, in
12 Fresno, we have Supervisor Henry Perea

13 CHAIRMAN RICHARD: Okay. Good morning,
14 Supervisor.

15 MR. PEREA: Good morning. I just wanted to
16 wish you all a happy Easter and glad to be here with you
17 all today.

18 CHAIRMAN RICHARD: Thank you.

19 MR. RICHARDS: Were you able to hear that,
20 Mr. Chairman?

21 CHAIRMAN RICHARD: We were. We appreciate
22 his good wishes for a happy Easter holiday.

23 MR. RICHARDS: All right. In Fresno, we'll
24 start with Mr. John Young.

25 Mr. Young, if you can come up there, it will be

1 helpful for everybody to hear you.

2 MR. YOUNG: All I have is a question on some
3 more specific info on a route between Bakersfield and
4 Fresno and from Bakersfield to Lancaster, and I, I
5 brought some maps here and I -- just a suggestion so
6 that you don't have to go through Tehachapi, and maybe
7 you can tell me a good or bad reason why my suggestion
8 to go from Bakersfield toward the curve around clockwise
9 and go up the north side of the mountains between LA and
10 Bakersfield and up the back and then go east to
11 Lancaster -- that way, you don't have to climb a high
12 altitude that way, and you don't get in the way of the
13 freight trains. So that's all I need is just an answer.

14 MR. RICHARDS: All right. Thank you,
15 Mr. Young. And we will forward the maps to the members
16 that Mr. Young has left with us.

17 Next in Fresno is Maureen Fagundes.

18 If you wouldn't mind coming over here -- I'm
19 sorry -- come around the table, it will be easier for
20 everybody.

21 MS. FAGUNDES: Good morning from Fresno. I
22 have attended many of the public meetings before, and
23 I'm here thinking, public comment doesn't make any
24 difference at all. I'm going to make it anyway. But I
25 was thinking in terms of projects, whether it be large

1 or small, you always have a process and a product, and
2 over the time I have been with this project, I feel as
3 though possibly the Authority has lost sight of the
4 process, and it's more involved in the product than the
5 process, and I encourage the Authority and its board
6 members to go back and revisit Proposition 1-A and what
7 are the constraints. I encourage the board members to
8 question why they serve and who they serve. In a
9 private conversation with Mr. Richard, he did say that
10 the board served the people, and I feel as though the
11 board members do need to listen to the will of the
12 people whether it be big or small. I think there are --
13 we are willing to sit down and listen to both sides. I
14 thank you very much.

15 MR. RICHARDS: Thank you, Ms. Fagundes.

16 Next, Mr. Chairman, is Allen Scott.

17 Allen, do you mind coming around the table?

18 MR. ALLEN: Good morning, Chairman and
19 members. Happy Easter. However, on this day I am
20 perplexed and confused and concerned that we're doing a
21 meeting where I don't see any urgency or any
22 emergency or a need to be here on a recognized religious
23 holiday that since my childhood, my parents' childhood,
24 a childhood before that, where this day was honored as
25 pretty much a day where people would celebrate in their

1 own faith, and I am very, very disturbed that we're
2 having the third meeting in 3 days. We're going to have
3 a fourth meeting, and again, I don't see the urgency of
4 it. I understand the background of the industry, and I
5 have a lot of papers written up, but I'm just going to
6 say that it has been referenced in Kings County, and I
7 have actually heard them. I did not go solicit them,
8 and the questions were, "Why are you meeting on Good
9 Friday?" "Why are they meeting on Good Friday?" "Why
10 are they meeting on Passover?" And my question to you
11 is you need to be able to answer that question back to
12 the people of California. This is a little bit
13 disturbing. This whole project is disturbing but the
14 bottom line is even getting involved on a national
15 holiday -- actually a worldwide holiday -- I'm not happy
16 about it and I have got people that have talked to me
17 and talked to our members that are not very pleased
18 about it, and I was at a meeting last night, and it got
19 brought up again. And I don't like coming here to bring
20 these things like this up but it's really -- it's
21 upsetting, but in the end, it's Good Friday and Passover
22 and holidays. Thank you.

23 MR. RICHARDS: Thank you, Mr. Scott.

24 And our final speaker in Fresno is Ross Browning.

25 MR. BROWNING: Yes. Good morning,

1 Mr. Chairman and board members. I also heard a lot of
2 the same things, so I won't bother to repeat it, but I
3 also raise some concern as to why it was so urgent to
4 have this meeting on this holiday. Makes no sense to me
5 as it does to someone else.

6 I, again, must say I am somewhat disappointed in
7 the board in its actions, in the high-speed rail
8 situation as it was supposed. This is not what I voted
9 for when I voted back then. I was curious whether or
10 not it could be made, be built under the parameters that
11 were outlined in the Prop 1-A, but legislature said they
12 could do it, and it was a legislature decision, and if
13 they say they can do it, well, they know. They sit
14 there and talk about nothing but "go up." Now, they
15 talk about a subsidy whether income subsidy going into
16 Prop 1-A. It's not following existing transportation
17 corridors. It's not going to be the most efficient
18 route. We can go on and on, and so I'm very
19 disappointed in the action of the High-Speed Rail
20 Authority. Thank you very much and have a very good
21 holiday.

22 MR. RICHARDS: That was the final speaker
23 from Fresno, Mr. Chairman.

24 CHAIRMAN RICHARD: All right. We will take
25 three speakers -- excuse me -- four speakers that we

1 have we in order here. And, and then I, I would like to
2 make one comment before we go into closed session.

3 So first is Robert Allen. He'll be followed by
4 Kathy Hamilton.

5 MR. ALLEN: I have given you, repeatedly, a
6 comment that the blended rail is unsafe, hazardous,
7 dangerous and I hear nothing in comment from -- or even
8 inquiry -- from the staff or the board itself. There
9 are several reasons it's hazardous. There -- with
10 operating under the commute tracks, there are 43 grid
11 crossings. There's innumerable station platforms where
12 there's no protection between people standing, waiting
13 for a train and the track. The whole concept involves a
14 lot of tunnelling, which is not part of this immediate
15 program.

16 An alternative, which is far safer and would
17 serve more people better, is to go from Santa Clara
18 north along the UP line used by Amtrak for many years,
19 the Amtrak coast trains, to a new BART high-speed rail
20 intermodal station where the BART track crosses over the
21 rail line in west Oakland near the interaction of
22 Interstate 880 and 7th Street. That would be far better
23 for everybody. It would serve the entire Bay Area. It
24 would provide good rail access between the peninsula,
25 San Francisco, and the entire Bay Area with trains going

1 to Sacramento. Thank you

2 CHAIRMAN RICHARD: Thank you. Kathy
3 Hamilton followed by David Schweigel.

4 MS. HAMILTON: Hi. This is Kathy Hamilton.
5 I'm here on behalf of Community Coalition on High-Speed
6 Rail. Happy Easter. Hope you all have a lovely
7 holiday. I wanted to talk to you a little bit about the
8 validation lawsuit. It seems to preempt the Prop 1-A
9 lawsuit that was filed in 2011, which indeed has
10 objections to how the voter initiative has been followed
11 in this project. There is incomplete and inaccurate
12 environmental work. The funding agreement is inaccurate
13 and premature to be filed when it was back in 2011. No
14 doubt, the validation was filed to give the FRA comfort
15 that you'll be able to use State funds, and it sort of
16 preempts -- if it's taken before the civil court case --
17 preempt Prop 1-A. I remind you that the board as well
18 as the treasury is supposed to follow the law, which is
19 A through K, and those laws have not been followed.

20 I also want to remind you in the revised funding
21 agreement that the FRA also says that you have to follow
22 the law, and the reason they say that is they want to
23 make sure that you can get the State funds. So it seems
24 to me that you should withdraw the suit, allow due
25 process on the Prop 1-A lawsuit, and not try to

1 interfere with an interpretation on a voter initiative.
2 That's not the purpose of a validation suit. You know
3 you have objections to that suit, and I would respect
4 you greatly if you would do the right thing in this
5 case. Thank you.

6 CHAIRMAN RICHARD: Ms. Hamilton, I don't
7 normally comment on people's comments, but I just have
8 to say to you since you, since you write on these
9 things, I think your underlying predicate that the
10 purpose of validation action is somehow preempt the
11 existing challenge on Prop 1-A is not a correct legal
12 analysis. So I would just leave, leave that with you in
13 that way, but thank you for your comments.

14 David Schwegel and -- followed by Dan Dolan,
15 our last speaker.

16 MR. SCHWEGEL: Good morning fellow leaders.
17 David Schwegel here to thank you for your outstanding
18 service, and I also want to acknowledge, with the
19 Authority staffed with less than 100, you're, perhaps,
20 one of the most influential per capita agencies
21 nationwide, and you are leading the way with your \$68
22 billion, bargain of the century, to a much more
23 sustainable America, and America most definitely needs
24 it. I was reading on the way in this morning that
25 America typically spends around \$133 billion per year on

1 wars fighting over oil.

2 On a different note, the American Society of
3 Civil Engineers Infrastructure report card came out last
4 week giving rail the grade of C plus in the systems of
5 freight, and then we also have aviation and roads and
6 transits coming in at a D. Interesting to note are our
7 annual invoices in America. Aviation congestion, \$22
8 billion a year. Roadway congestion, \$101 billion a
9 year. Roadway collisions \$250 billion a year. And this
10 is something interesting, deficient and deteriorating
11 transit systems -- like the one I road in on this
12 morning -- \$90 billion per year. That was okay for me
13 because I got a good 15, 20 block walk out of it, but it
14 poses challenges for some folks that may not be as open
15 to walking as I am. And, of course, 45 percent of
16 Americans lack access to transit. Look for the \$68
17 billion bargain of the century to significantly improve
18 these grades as well as overcoming these worrisome
19 statistics.

20 Finally, on the subject of the statewide
21 integrated system of mass transits stationary
22 development, our friends with the City of Roseville are
23 very pleased to learn about their downtown specific
24 plans role in such a statewide system. Thank you so
25 much. Keep up the great work

1 CHAIRMAN RICHARD: Thank you, Mr. Schwegel.
2 Our last speaker, Dan Dolan.
3 Good morning, Mr. Dolan.

4 MR. DOLAN: Good morning. Good morning to
5 all of you, CEO Jeff Morales and Chairman Dan Richards
6 and the board. I have \$20 in my pocket to pay for my
7 daughter's college tuition, but I am happy to say that
8 you, after the passage of the minutes in a few minutes,
9 will have \$3.7 billion to spend on the initial
10 construction segment. I want to remind Mr. Morales and
11 Dan Richard that you guys were in Washington D.C. on
12 January 9th when Louie Caneras explained to Tomas
13 Fellenz and John Tapping the importance and usefulness
14 of \$2.5 million title policy would be to protect those
15 \$3.6 billion funding, and I urge you to give him a call
16 and just hear him out.

17 MR. CHAIRMAN: Thank you, Mr. Dolan.

18 That concludes our public comment period. I'd
19 like to just make one brief comment about today's
20 special board meeting. I certainly do understand the
21 comments that people made about meeting today, which is
22 a sacred day for many people. It is not an official
23 State holiday, and we were informed that even though the
24 Bond Act provides that that \$950 million of
25 interconnectivity funds that were inherent in

1 Proposition 1-A are to be distributed by the California
2 Transportation Commission, it is their province to
3 decide how that money is spent. In fact, the mechanical
4 process of seeking to have the money authorized and
5 moved into the, the realm of the treasurer, who would
6 issue this bonds, has to start with this body, and it
7 further turned out that there are a number of critical
8 interconnection projects, which, again, were sponsored
9 by the California Transportation Commission that are
10 moving forward and need to move into the bond sale
11 process. And so we were asked to accelerate our efforts
12 to authorize -- or request the authorization of those
13 dollars so that there would be no disruption in
14 important needed local project which have a connectivity
15 relationship with high-speed rail but are not the
16 high-speed rail project themselves. That was why it was
17 requested that we meet today to process this request.

18 So I wanted to give people that context so they
19 would understand. In fact, as part of the transparency
20 of this board, we are meeting again next week in various
21 locations to consider -- a real concentration in the
22 Valley, in Fresno -- to consider very important
23 questions about potential alignments, and that, I hope,
24 will provide further information for people like the
25 Fagundes Family and the Browning Family and so forth as

1 we consider various alignment options that could have a
2 greater or lesser impact on those communities, and we
3 intend to have a very full meeting there with
4 presentations by staff and participation by the public.
5 And that's the kind of meeting that we wanted to make
6 sure had adequate notice and adequate opportunity for
7 people to access the meeting.

8 So I wanted to put today's proceeding in context
9 in terms of what it is and also in relation to upcoming
10 proceedings of the board. So with that, the board will
11 now enter into closed session.

12 MR. HARTNETT: Mr. Chair, this is Jim
13 Hartnett. I may have missed it, but did we approve the
14 minutes? I don't think so.

15 MS. SCHENK: No, we have not. Same question
16 here.

17 MR. HARTNETT: I move the minutes.

18 MR. UMBERG: Second.

19 CHAIRMAN RICHARD: It was moved by
20 Mr. Hartnett, seconded by Mr. Umberg.

21 Will the secretary please call the roll.

22 MS. BALDINI: Vice-chair Schenk.

23 MS. SCHENK: Let me ask Mr. Fellenz, since I
24 was not at the meeting, should I abstain?

25 MR. FELLEENZ: No, Vice-Chair Schenk, you can

1 vote.

2 MS. SCHENK: Okay. I can vote on the
3 minutes, Yes.

4 MS. BALDINI: Vice-Chair Richards.

5 MR. RICHARDS: Yes.

6 MS. BALDINI: Vice-chair -- excuse me.

7 Mr. Umberg.

8 MR. UMBERG: Yes.

9 MS. BALDINI: Mr. Hartnett.

10 MR. HARTNETT: Yes

11 MS. BALDINI: Mr. Rossi.

12 MR. ROSSI: Yes

13 MS. BALDINI: Chairman Richard.

14 CHAIRMAN RICHARD: Yes.

15 Okay. Now that I'm actually looking at the
16 agenda, thank you, Mr. Hartnett, for that.

17 Now, we will enter into a closed session
18 pertaining to litigation. Our chief council tells me to
19 expect this to go no more than 30 minutes, and we'll try
20 to keep it a little tighter than that, but for those who
21 are following the proceedings, you can anticipate we'll
22 be back here between 20 and 30 minutes from now.

23 MS. SCHENK: And we need to call back in on
24 a --

25 CHAIRMAN RICHARD: On a separate line,

1 that's right.

2 MS. SCHENK: Thank you.

3

4 (Whereupon the Authority entered into closed session.)

5

6 CHAIRMAN RICHARD: Okay. So everybody is
7 back with us. We're back in open session. We have no
8 items to report from the closed session.

9 The next item on our agenda is Item 3,
10 Consideration of a Request to the High-Speed Rail
11 High-Speed Passenger Train Finance Committee to approve
12 resolutions relating to the issue of bonds and
13 Commercial Paper Notes as indicated on the agenda.

14 Mr. Fellenz, would you like to present this item?

15 MR. FELLEENZ: Yes. Chairman Richard and
16 board members, this is a request to the board to
17 authorize the issuance of -- to ask the Finance
18 Committee to authorize the issuance of bond commercial
19 paper for the conductivity fees in the bond proceeds in
20 the amount of \$810,235,000.

21 CHAIRMAN RICHARD: All right. And as I
22 indicated before, this is for the connectivity projects,
23 and I think, at this point, everybody knows what those
24 are, and they were approved last summer by the
25 California Transportation Commission.

1 Are there any questions of members with respect
2 to this item?

3 MR. RICHARDS: I don't have any questions,
4 Mr. Chairman, but I would make a motion for approval.

5 CHAIRMAN RICHARD: All right. I was just
6 going to call for a motion. It's been moved by
7 Vice-Chair Richards. Is there a second?

8 MR. ROSSI: Second.

9 CHAIRMAN RICHARD: Okay. Moved by
10 Vice-Chair Richards, seconded by Board Member Rossi.

11 Will the secretary please call the roll.

12 MS. BALDINI: Vice-Chair Schenk.

13 CHAIRMAN RICHARD: I'm sorry, Lynn. We got
14 feedback. If the Vice-Chair could again express her
15 position on this.

16 MS. SCHENK: Yeah, yes.

17 CHAIRMAN RICHARD: Thank you.

18 MS. BALDINI: Vice-Chair Richards.

19 MR. RICHARDS: Yes.

20 MS. BALDINI: Mr. Umberg.

21 MR. UMBERG: Aye.

22 MS. BALDINI: Mr. Hartnett.

23 MR. HARTNETT: Yes.

24 MS. BALDINI: Mr. Rossi.

25 MR. ROSSI: Yes.

1 MS. BALDINI: Chairman Richard.

2 CHAIRMAN RICHARD: Aye. All right. With
3 that, the matter passes, and that resolution will be
4 conveyed to the appropriate bodies.

5 Seeing no other matters to come before the board,
6 at this point, we will be -- excuse me one second. Our
7 CEO has an issue.

8 Our CEO, Mr. Morales, very appropriately asked me
9 to clarify that at our next public meeting, which is
10 next Thursday, April 4th, there will be an opportunity
11 for public comment at all of the locations that have
12 been noticed with the notice for that meeting.

13 So with that, I'd like to adjourn this meeting.
14 Wish everybody a happy holiday. Thank you.

15

16 (Whereupon the proceeding concluded at 10:04 p.m.)

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1 I, Brittany Flores, a Certified Shorthand Reporter of
2 the State of California, duly authorized to administer
3 oaths, do hereby certify:

4 That the foregoing proceedings were
5 taken before me at the time and place herein set forth;
6 that any witnesses in the foregoing proceedings, prior
7 to testifying, were duly sworn; that a record of the
8 proceedings was made by me using machine shorthand which
9 was thereafter transcribed under my direction; that the
10 foregoing transcript is a true record of the testimony
11 given.

12 Further, that if the foregoing pertains
13 to the original transcript of a deposition in a Federal
14 Case, before completion of the proceedings, review of
15 the transcript () was () was not requested.

16 I further certify I am neither
17 financially interested in the action nor a relative or
18 employee of any attorney of party to this action.

19 IN WITNESS WHEREOF, I have this date
20 subscribed my name.

21

22 Dated:

23

24

25

Brittany Flores CSR 13460