

CALIFORNIA HIGH-SPEED RAIL AUTHORITY

MONTHLY MEETING

TRANSCRIPT OF PROCEEDINGS

DEPARTMENT OF HEALTH CARE SERVICES AUDITORIUM

1500 CAPITOL AVE.

SACRAMENTO, CA 95814

TUESDAY, DECEMBER 8, 2015

9:30 A.M.

Reported by: Kent Odell

APPEARANCESBOARD MEMBERS

Dan Richard, Chairman

Tom Richards, Vice Chair

Thea Selby, Vice Chair

Lynn Schenk

Michael Rossi

Daniel Curtin

STAFF

Jeff Morales, Chief Executive Officer

Jennifer Thommen, Acting Secretary

ALSO PRESENT

Brian Haddix, Chowchilla City Administrator

Ivor Samson, SunnyGem

Frank Oliveira, MEL's Farms, Mike Rosa Family Trust

Ross Browning, CCHSRA

Ted Hart

Ron Jones, Train Riders Association of California

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P R O C E E D I N G S

9:38 a.m.

PROCEEDINGS BEGIN AT 9:38 A.M.

SACRAMENTO, CALIFORNIA, TUESDAY, NOVEMBER 8, 2015

CHAIRMAN RICHARD: Good morning, everyone. This meeting of the California High-Speed Rail Authority Board will now come to session.

Will the Secretary please call the roll?

(Colloquy between Board Members.)

MS. THOMMEN: Director Schenk?

BOARD MEMBER SCHENK: Here.

MS. THOMMEN: Vice Chair Richards?

VICE CHAIR RICHARDS: Here.

MS. THOMMEN: Vice Chair Selby?

VICE CHAIR SELBY: Here.

MS. THOMMEN: Director Rossi?

BOARD MEMBER ROSSI: Here.

MS. THOMMEN: Director Correa?

BOARD MEMBER CORREA:

MS. THOMMEN: Director Curtin?

BOARD MEMBER CURTIN: Here.

MS. THOMMEN: Chair Richard?

CHAIRMAN RICHARD: I'm here.

Please join me in honoring American with the Pledge of Allegiance. We have no flag in the room, but we

1 have one projected.

2 (The Pledge of Allegiance is made.)

3 CHAIRMAN RICHARD: Thank you. And we will start,
4 as we do, with public comment. We have just a few comments
5 from members of the public.

6 And we always start with -- we take them in the
7 order we receive them, except that for elected officials or
8 municipal officials we allow them to go first. So I'm
9 going to ask Mr. Brian Haddix, City of Chowchilla to begin.
10 He'll be followed by Ivor Samson and then Frank Oliveira.

11 Good morning, sir.

12 MR. HADDIX: Good morning. And thank you for the
13 opportunity to come before you.

14 CHAIRMAN RICHARD: Excuse me, sir. I want to
15 make sure you speak into the microphone, so we can record
16 your comments. Thank you.

17 MR. HADDIX: All right, thank you for the
18 opportunity to come before your Board to share with you the
19 positions expressed by the Chowchilla City Council.

20 Before you is a handout that has multiple pages,
21 and for the sake of brevity I will speed through them
22 fairly quickly. The three key driving points are regional
23 planning, land use meaning quality of life, and jobs.
24 The second page is an overall map of Chowchilla with
25 Fairmead that gives you a sense of the lay of the land with

1 the takeaways being that prime ag land is to the west --
2 that would be the left side of the paper-- the less prime
3 to the other side, Fairmead down to the lower right corner,
4 and our business park in between Chowchilla and Fairmead.

5 The next two slides speaks to the economics of
6 Chowchilla and Fairmead. Both communities are economically
7 disadvantaged according to the U.S. Census Bureau with the
8 median household of Chowchilla being \$37,466 and Fairmead
9 \$38,750.

10 As I speed through you'll see a slide with a map
11 that shows an L-shaped red line on that. This speaks to
12 our common working together between Fairmead and
13 Chowchilla, mainly because Fairmead is within Chowchilla's
14 sphere of influence. And so this map shares how we are in
15 the process of sewerage up, so to speak, with the efforts
16 of the Regional Water Board Chowchilla, which is currently
17 on septic, to bring them on to our own wastewater system.

18 The map with the multiple lines, the entitled map
19 of Chowchilla and Fairmead, really shows how the alignments
20 impact our two communities. The takeaway message from this
21 would be to not drive a wedge between the communities, but
22 rather go around so it doesn't split right through the
23 middle of our sphere of influence.

24 A key element for our community, San Joaquin
25 Valley high unemployment, is jobs. So the next few maps

1 speaks to the strong advantage of the two major highways
2 coming together in Chowchilla accessing quite a bit of the
3 Valley to the Bay Area. And what we strive for is a highly
4 visible, unobstructed view of our businesses from these
5 highways.

6 And we have the Chowchilla Industrial Center,
7 nice glossy picture of their vision with a narrative
8 describing it. The map after that -- the blue, pink and
9 chartreuse -- shows their various layouts of it. And then
10 the one after that shows how the alignment on 152 would cut
11 right through their vision.

12 The map that follows that is another residential
13 hospitality and retail development where Highway 233 to
14 West Robertson Boulevard intersects Highway 152. And the
15 one that we don't have on here was a recent discussion with
16 the GO-Biz that wanted to place a battery electric car
17 facility at the northwest corner of 152 and 99, again right
18 on 152.

19 It's key -- jobs is key. And as I told my
20 Council, "Three key words you need to remember: jobs, jobs,
21 and jobs," because of the struggles we have in the Valley.

22 The Council then held two special meetings to
23 collect the sentiment of the public. And through those the
24 Council then restated its position from 2010, which is
25 support for Avenue 21. So the rail alignment on 21 and

1 then up Road 13, which is to the west of Chowchilla. This
2 avoids impacting Chowchilla, Fairmead, as well as the
3 business park. And this position's also shared by the
4 Chamber of Commerce, which has stated this position since
5 2010. And by the community of Fairmead, which I believe
6 you heard from at your last Board meeting.

7 What follows are the various resolutions that are
8 full of "much whereases" and "therefore be it resolved"
9 that staff loves to generate.

10 And at the conclusion, you'll see one that came
11 forward just recently, from the Greenhills Master's
12 Association. This is a home development to the immediate
13 east of Chowchilla within close proximity to the Road 19
14 alignment. There's been various petitions circulating,
15 some pro, some con. So the Master's Association weighed in
16 with a vote, they being the elected body for the community
17 there, the HOA. And they weighed in support Avenue 21,
18 Road 13.

19 And I appreciate your time and I appreciate your
20 consideration. Thank you very much.

21 CHAIRMAN RICHARD: Thank you, Mr. Haddix. We
22 appreciate you trekking up here in the fog today and
23 presenting this information. Thank you very much, sir.

24 MR. HADDIX: Thank you.

25 CHAIRMAN RICHARD: Next will be Ivor Samson

1 representing SunnyGem.

2 Good morning, Mr. Samson.

3 MR. SAMSON: Thank you, Mr. Chairman. My name is
4 Ivor Samson, I represent SunnyGem. I appeared before this
5 Board on November 17th in Fresno and want to follow up very
6 briefly on that meeting.

7 I sent a letter to Chairman Richard and to Mr.
8 Morales, which I have extra copies, but I'm assuming that
9 will be circulated to the members of the Board. That
10 letter describes in detail how the present location of the
11 high-speed rail right-of-way on the west side of the
12 existing BNSF right-of-way in the City of Wasco is going to
13 destroy the SunnyGem facility, which is worth something on
14 the order of \$100 million. And will result in the loss of
15 200 jobs.

16 The exhibits attached to this letter -- there's
17 two aerials that I think are quite telling. We have worked
18 over the last two months or so to identify a potential new
19 route on the east side of the BNSF right-of-way, which will
20 not adversely impact SunnyGem, in effect just flipping it
21 over on the other side of the existing right-of-way.

22 And we believe, and there's citations in the
23 letter, that that can be done with a minimal -- I'm going
24 to call it minimal CEQA and NEPA procedures. It will not
25 necessarily open up the world to environmental review.

1 We had discussed a potential eastside route with
2 Ms. Diana Gomez, but that has been summarily rejected. We
3 have met with the eastside property owners and they are
4 willing to have the high-speed rail on their property. We
5 have met with the City of Wasco and Wasco supports putting
6 -- at least at the staff and two council member level --
7 supports putting the alignment on the east side of the
8 right-of-way.

9 I'm going to be driving down to Wasco tonight, in
10 the fog, where the Wasco City Council is considering a
11 resolution supporting an eastside location.

12 CHAIRMAN RICHARD: I bet you wish you had a
13 faster way to get down there.

14 MR. SAMSON: Pardon?

15 CHAIRMAN RICHARD: I'll bet you wish you had a
16 faster way to get down there.

17 MR. SAMSON: Yes. You know, many times when I've
18 driven down there I thought, "I wish there was an easier
19 way."

20 But putting that aside for the moment, quite
21 frankly we've done a lot of work here to try and come up
22 with a reasonable alternative. We're not opposed to the
23 high-speed rail. We just want to try and save jobs for
24 SunnyGem and create an optimal solution for everyone. But
25 time is running out.

1 We've taken the initiative to work with the
2 property owners. We've taken the initiative to work with
3 the City of Wasco. And I'm here respectfully to ask the
4 opportunity to meet with you, Mr. Richard, or Mr. Morales,
5 whoever's appropriate, to see if we can work together
6 constructively to develop a mutually agreeable solution to
7 this problem. Thank you.

8 CHAIRMAN RICHARD: Thank you, Mr. Samson.

9 And colleagues, I did pull Mr. Samson aside this
10 morning and say that I've been talking with the staff about
11 this. And if there's a way to work together to address
12 these issues we'll certainly try to do that.

13 MR. SAMSON: Thank you.

14 CHAIRMAN RICHARD: Also trekking a long distance
15 is our next speaker, Frank Oliveira, followed by Ross
16 Browning.

17 Good morning, Mr. Oliveira.

18 MR. OLIVEIRA: Good morning.

19 Today I'm going to make a personal request. I'm
20 representing MEL's Farms and Mike Rosa Family Trust,
21 (phonetic) which are my family.

22 Dear Governor Brown, Board Members and Chief
23 Executive Officer Morales we are requesting your assistance
24 to properly value the MEL's Farms and Mike Rosa Family
25 Trust properties that will be acquired by the California

1 High-Speed Train Project.

2 We request that you work closely with the
3 Division of Oil, Gas and Geothermal Resources, otherwise
4 known as DOGGR, to determine the oil and gas development
5 potential of our properties that will soon be acquired by
6 the project. Based on official maps and published
7 professional articles, our property to be acquired by the
8 project, are part of the vast of the Monterey shale deposit
9 in the Central Valley that potentially could be tapped for
10 oil and gas exploration and production in the future.

11 Our properties currently are zoned for
12 agriculture use, but as demonstrated by the placement of
13 the project on our property, land uses can easily be
14 changed in the future. That said it seems reasonable that
15 the Authority consider this potential future development of
16 our property, and the fair market valuation of our
17 property, that would be lost to the project. And that we
18 would be compensated accordingly.

19 Our request seems even more reasonable after it
20 came to our attention that the Governor of the State of
21 California recently directed the DOGGR to provide him maps
22 and information about the potential of developing oil and
23 gas resources on his personal property located near
24 Williams, California.

25 We're not aware of the land use zoning of the

1 Governor's property, but the property has repeatedly been
2 referred to as his ranch, so we will assume it is also in
3 an agricultural lands use zoning. It is also our
4 understanding that the DOGGR fulfilled the Governor's
5 direction. We also are aware that the Governor has stated
6 in several media interviews about the matter that the DOGGR
7 service was available to everyone.

8 In a recent *San Jose Mercury News* interview, the
9 Governor also suggested that his direction to the DOGGR was
10 a reasonable accounting of the many attributes of his ranch
11 property that belonged to his forbearers. And he
12 encouraged others to follow his actions.

13 There seems to be many similarities between the
14 Governor's property and ours -- our property. Our property
15 is also rural agricultural land that belonged to our
16 forbearers and is important to us. The Governor's
17 statement seems to reinforce the reasonableness of our
18 request and reflect that we have more in common with him
19 than we previously thought.

20 The appraiser parcel -- well the FB numbers are
21 FB 160026, FB 160027, FB 160028, FB 160033 and FB 160031.

22 We are making this request for -- our request for
23 services directly to the DOGGR-- and are only requesting
24 that you, the Authority, work with the DOGGR in good faith
25 to include the valuation of our properties based on what

1 the DOGGR information reveals.

2 Please respond to our request in writing. We're
3 looking forward to working with you and your staff on this
4 matter. Please include this request in the Board meeting
5 record for December 2015.

6 And I've included a letter with copies of the
7 Governor's interviews pertaining to this matter for your
8 review.

9 CHAIRMAN RICHARD: Okay. Thank you, Mr.
10 Oliveira.

11 MR. OLIVEIRA: Thank you.

12 CHAIRMAN RICHARD: Mr. Browning followed by Ted
13 Hart.

14 MR. BROWNING: Good morning.

15 Dear Governor Brown, Board Members and Chief
16 Executive Officer Morales, last summer the California High-
17 Speed Rail Authority formally requested that the
18 international mega infrastructure construction and
19 operating communities provide you with advice on how to
20 build and operate your proposed inland initial operating
21 segment of the high-speed train system. The international
22 community studied your plans and responded to your request.

23 At the November 17th, 2015 Board meeting the
24 public formally asked you to explain these responses. Your
25 Chairman dismissed the public requests saying that they did

1 not understand what the Authority had requested.

2 Due to the Chairman's comments we reexamined the
3 matter to ensure that what the public had requested was
4 appropriate and valid. That done, we now respectfully re-
5 request that the Authority Board publicly explain why,
6 after studying the Authority's plans, the following list of
7 international mega infrastructure builders and operations
8 expressed detailed concerns about your ability to finance,
9 construct, secure investment or even attempt to operate a
10 high-speed rail system.

11 This list of over 16 individuals firms resulted
12 in more than 13 responses from firms such as Japan
13 California High Speed Rail Commission, Parsons
14 Transportation Group, China Railway International and DB
15 International GmbH, a German outfit. There's a list of
16 more here, which I'm not going to go into.

17 Continuing with the public explanation -- excuse
18 me -- please explain in detail why all of the builders and
19 operators listed above told you your plans would require
20 guaranteed revenue, secured payments or subsidies to be
21 given to private investors in order to be successful when
22 such actions are clearly and specifically prohibited by
23 Prop 1A.

24 I respectfully submit that this request be
25 entered into the document in the December 8th Board meeting

1 minutes. Thank you.

2 CHAIRMAN RICHARD: Thank you, Mr. Browning.

3 MR. BROWNING: I'll leave a copy of this with the
4 Secretary.

5 CHAIRMAN RICHARD: All right.

6 Mr. Hart will be followed by Ron Jones from
7 Madera.

8 MR. HART: Good morning.

9 CHAIRMAN RICHARD: Good morning, sir.

10 MR. HART: I first would like to express my
11 appreciation to the Board for posting the paper dealing
12 with the myth that 4,300 miles of new freeway lanes would
13 be required if Phase 1 Blended was not built. A paper I
14 submitted as public comment at your last Board meeting.

15 Today I'm submitting two more papers as public
16 comment. The first of these is "Population Growth and the
17 Need for High-Speed Rail," exposes the fact that your
18 contractors when drafting the statewide EIR, which this
19 Board certified in 2005, used an obsolete California
20 population growth report written in 1998, as opposed to a
21 newer report written in 2004 predicting only half the
22 population growth of the 1998 report.

23 It was your contractors doubling of the rate of
24 growth, and then exaggerating the infrastructure needs of
25 that fictitious population, that resulted in the contractor

1 claiming in the statewide EIR that 2,900 miles of new
2 freeway lanes -- most of which would be needed by January
3 1, 2016 -- would be required if high-speed rail was not
4 built. This is a claim that will decidedly be known as
5 false at your next Board meeting.

6 Your contractors, with approval, continue to
7 published exaggerated population -- oh, I'm sorry, I
8 must've hit something. I apologize.

9 (Technical issues briefly interrupts meeting.)

10 MR. HART: Okay. Your contractors, with your
11 approval, continue to publish exaggerated population growth
12 data to make a case for their train and their continued
13 employment. Specifically, their June 2015 "California
14 High-Speed Rail Big Picture" brochure, as did your 2012
15 Business Plan, continues to claim that within the next 30
16 to 40 years California will grow by the current population
17 of New York State and reach 58 million.

18 Again, your contractors rely on obsolete data.
19 Current population projections indicate that California's
20 population might never reach 58 million.

21 My second submittal, "The Green Train," focuses
22 on claims made in your June 2013 high-speed train
23 greenhouse gas emissions report and discloses just how
24 dirty and brown your train will be.

25 Your contractors tell you that construction

1 emissions can be mitigated by planting trees, but hide
2 important data such as the emissions associated with the
3 fabrication and transportation of construction materials,
4 which might account for 90 percent of total construction
5 emissions. Their stated reason for hiding this data is
6 their claim that precise quantities and source of materials
7 are not known.

8 However, they told you a year before writing
9 their emission report that construction of just Phase 1
10 Blended would require 276,000 tons of rail, 6,500 miles of
11 electrical wires and cable, and enough concrete for 190
12 grade separations, and over 100 miles of elevated concrete
13 viaducts. These are pretty precise numbers.

14 You contractors fail to tell you how many trees
15 would be enough trees to sequester total construction
16 emissions. This paper estimates 5 million new trees. One-
17 sixth of all the trees in Oregon's private and public
18 forests might have to be grown and kept alive in perpetuity
19 to sequester construction emission for the statewide
20 system.

21 Your contractors tell you that your train will
22 run 100 percent -- on a 100 percent renewable energy paid
23 for with a 3 cent per kilowatt hour surcharge. This paper
24 refutes this absurd claim and concludes that a surcharge
25 ten times this amount would be necessary to fund green

1 energy projects costing over 2 billion just to meet the
2 need for the energy in the year 2029.

3 Your contractors continue to misinform you and
4 the public, so that they can keep this unnecessary project
5 alive. They do this because it is in their corporation's
6 best interests.

7 The Board needs to ask tough questions of your
8 contractors of your contractors and stop spending millions
9 of dollars every month on your contractors until these
10 questions are answered. Any one of you could be a hero
11 with millions of Californians right now if you just put
12 forth a motion demanding a new supplemental statewide EIR.
13 And halt construction activities until the true costs are
14 arrived at.

15 Thank you very much for your time.

16 CHAIRMAN RICHARD: Thank you, Mr. Hart.

17 Our last speaker is Mr. Ron Jones from Madera.

18 MR. JONES: Good morning, Board Members and
19 Executive Officer Morales, my name is Ron Jones. As a
20 concerned citizen I just wanted to follow up on some of the
21 comments from the last meeting in Fresno and make a
22 request.

23 Dear Governor Brown, Board Members and Chief
24 Executive Officer Morales, last summer the California High-
25 Speed Rail Authority formally requested the international

1 infrastructure construction and operations communities to
2 provide you with advice on how to build and operate your
3 proposed initial operating section of the high-speed rail
4 train system. The international community studies your
5 plans and responded to your request.

6 On September 17th (sic) the public formally asked
7 you, at your last Board meeting, to explain the responses
8 that you received. Your Chairman dismissed the public as
9 not understanding what the Authority had requested. Due to
10 the Chairman's comments we reviewed the matter to assure
11 that the public requested was appropriate.

12 That done, we now respectfully request the
13 Authority Board to publicly explain why after studying the
14 Authority's plans the following international mega
15 infrastructure builders and operators expressed detailed
16 concerns about your ability to do some of all of the
17 following: finance, construct, secure investors or operate
18 a high-speed rail system.

19 Those are the following: Cintra Infraestructuras-
20 Ferroviales Agroman-US Corp, Meridiam Infrastructure North
21 America, AECOM, Isolux Corsan, VINCI Concessions, Globalvia
22 Inversiones, Acumen Building Enterprises, ACS
23 Infrastructure, Dragados, Cobra Industrial Services, OHL
24 Infrastructure, Ashurst, Kiewitt, and finally Indra USA.

25 I submit this request to be entered into the

1 December Board meeting record and I truly appreciate the
2 time. Thank you.

3 CHAIRMAN RICHARD: Thank you, sir.

4 Okay. Thank you to citizens who came before us
5 today. That concludes the public comment period.

6 We'll now turn to the regular agenda. And the
7 first item is the approval of the minutes from both the
8 November 9th and November 17th meetings.

9 BOARD MEMBER ROSSI: So moved.

10 VICE CHAIR SELBY: Second.

11 CHAIRMAN RICHARD: Okay. It's been moved by
12 Mr. Rossi, seconded by Vice Chair Selby.

13 Will the Secretary please call the roll?

14 MS. THOMMEN: Director Schenk?

15 BOARD MEMBER SCHENK: Yes.

16 MS. THOMMEN: Vice Chair Richards?

17 VICE CHAIR RICHARDS: Yes.

18 MS. THOMMEN: Vice Chair Selby?

19 VICE CHAIR SELBY: Yes.

20 MS. THOMMEN: Director Rossi?

21 BOARD MEMBER ROSSI: Yes.

22 MS. THOMMEN: Director Correa?

23 BOARD MEMBER CORREA:

24 MS. THOMMEN: Director Curtin?

25 BOARD MEMBER CURTIN: Yes.

1 MS. THOMMEN: Chair Richard?

2 CHAIRMAN RICHARD: Yes.

3 Before we turn to the next item, which is the
4 last public item, I just want to take a moment logistically
5 to check with Board members. We have a closed session and
6 I know that some people are going to have to leave at some
7 point, so while the year end review is important stuff, I
8 want to make sure that we have adequate time for the closed
9 session. So the only question is --

10 BOARD MEMBER SCHENK: I don't have to leave until
11 12:30.

12 CHAIRMAN RICHARD: 12:30, okay.

13 And Mr. Morales, how long do you think your
14 presentation is?

15 CHIEF EXECUTIVE OFFICER MORALES: Eight minutes
16 and forty-seven seconds if Mr. Rossi has his way. Less
17 than ten minutes.

18 CHAIRMAN RICHARD: Okay. That's good. Then
19 fine, let's go ahead and proceed with that. I appreciate
20 just taking a moment to just make sure we're good.

21 BOARD MEMBER SCHENK: Thank you.

22 CHAIRMAN RICHARD: Yeah. Okay, carry on.

23 CHIEF EXECUTIVE OFFICER MORALES: Thank you,
24 Mr. Chair and Board Members.

25 You know, as we go through the monthly meetings

1 and take care of business I think it's hard to keep sight
2 of just how much is going on with this program and how much
3 progress is being made. So I thought that this being the
4 end of the year would be a good opportunity to just do a
5 recap of where we are in the program, what's happened over
6 the last year, and where we're heading in the coming year
7 in a few key areas in terms of the business before this
8 Board.

9 Over the course of the last year, you have
10 approved and we have executed contracts for Construction
11 Package 2-3 for the Rail Delivery Partner, for
12 environmental and engineering contracts on segments between
13 Palmdale to Burbank, Los Angeles-Anaheim, San Francisco-San
14 Jose, San Jose and Merced.

15 And last week we received the proposals from five
16 bidders for Construction Package 4. And we'll be coming to
17 the Board, our intent is to come in January, seeking
18 approval to move forward and execute that contract.

19 Construction is well under way. You've seen
20 pictures of what's underway and over the course of the next
21 six weeks or so we'll have an additional half dozen to
22 seven major sites under construction. All of the
23 significant structures, viaducts, bridges, trench work in
24 CP1 will be underway over the coming weeks. And what
25 that'll translate into is significant job growth, more

1 opportunities for local small businesses, which we'll talk
2 about more. But construction is well under way.

3 And that, of course, is due in part to progress
4 we've made, significant progress, in terms of property
5 acquisition right-of-way process. Last year, at the start
6 of the year for Construction Package 1 we had fewer than 90
7 properties acquired. We're now at 376. And by the end of
8 the year, by the end of this month, we should surpass 400.

9 On CP2-3 we started the year with 0 properties,
10 we're now at 128 and counting. And our projections are
11 that in the months of -- this month and next month, 50
12 additional parcels should be transferred to the design-
13 builders. And we are beginning to acquire property in CP4
14 as well, so we're making significant progress there.

15 Partnerships and agreements, we've entered into
16 planning grants with the City of Fresno, with the City of
17 Bakersfield. Bakersfield is a significant turnaround from
18 where we've been in prior years. Not only do we have the
19 planning grant, but we are working with them on the
20 locally-generated alignment. A new alignment that we think
21 holds great promise and that the city is very encouraged
22 about moving forward with.

23 In Southern California, last month we reached
24 agreement and the L.A. Metro Board approved a revised plan
25 to ensure that high-speed rail in fact would come into

1 of the future station in Downtown Fresno.

2 MICHAEL LOMIO: We are supporting high-speed
3 rail, because we want more choices, particularly
4 sustainable choices. The actions of our generation are
5 showing elected officials that sustainable transportation
6 is important to us. This is better for our environment and
7 better for our economy.

8 We want a community that offers more choices for
9 how to travel, how to commute, and how to visit our
10 families. So as representatives of future workers, writers
11 and beneficiaries of high-speed rail we thank you for
12 investing in our future and in the future of California.

13 (In unison with others present) As our saying
14 goes, "I will ride." (Applause.)

15 GINA MCCARTHY: High-speed rail plays a critical
16 role in a sustainable future for all of us where we can
17 grow the economy, expand opportunity, and protect public
18 health and the environment all at the same time.

19 (Applause.)

20 GOVERNOR BROWN: You know, the Water Bond, which
21 my father promoted in 1960, it only won by less than 1
22 percent. The BART Bond only passed, because the
23 Legislature reduced the bond passage majority from 66 and
24 2/3rds to 60 and it got, I think, about 61 percent. So all
25 these projects are a little bit touch and go, all the way,

1 because you'll always have critics, "Why spend the..."

2 (Video cuts back to beginning then is stopped.)

3 (VIDEO: Ends.)

4 CHIEF EXECUTIVE OFFICER MORALES: Let's move on.

5 CHAIRMAN RICHARD: Yeah, I think so.

6 CHIEF EXECUTIVE OFFICER MORALES: As you would
7 have seen, we have visuals of the work underway. And one
8 of the very important aspects of this program are the
9 benefits that will come to Californians as we build the
10 program.

11 The Board has, as you know, adopted a 30 percent
12 small business goal. A key reason behind that, and a key
13 benefit of it, is that small businesses pretty much by
14 definition tend to be local businesses. So having that
15 goal and taking all the steps we are taking to ensure that
16 we meet that goal really means that we're keeping work in
17 California in the region.

18 And to date, we have 240 small businesses under
19 contract. Well over 200 of those are California small
20 businesses. You see the locations of where they are and
21 within that we have a significant number of disabled
22 veteran business enterprises, almost three dozen of them.
23 That work is staying local.

24 We're also seeing -- we're still at the front end
25 of the major employment that'll happen to individuals in

1 the area. And we're working closely with the building
2 trades, with the local workforce investment boards, to make
3 sure that we have people ready to take those jobs and come
4 in and perform that work.

5 Also should note progress we've made
6 organizationally, because obviously this organization is
7 responsible for implementing the program and delivering it.
8 We've moved forward. We do have two new Board members this
9 year that we've had. All of our key positions are filled
10 and we're now at almost 200 at the state staff level. That
11 number was, I believe, 17 when I started three years ago,
12 so we've had significant growth building up the capacity to
13 deliver this program.

14 And we're moving forward with the integration of
15 our rail delivery partner, our critical private sector
16 partners, to help deliver this program.

17 Finally, just a few notes about what's ahead for
18 2016. In February, we'll be releasing to the public and
19 for the Board's consideration the Draft Business Plan as
20 required by the Legislature. And that's due to the
21 Legislature in May of 2016.

22 On the delivery front, construction will
23 accelerate rapidly and expand covering almost 100 miles of
24 work will be underway in different forms as we go forward.
25 Right-of-way progress will continue. Key environmental

1 milestones will be met as we move forward on the rest of
2 the Phase 1 program in making sure that we can move forward
3 and deliver that.

4 We'll continue all of our stakeholder engagement
5 outreach working with partners to help deliver the program,
6 find more efficient ways of providing benefits to the State
7 of California as we go forward.

8 And continued work on how we most effectively
9 utilize the funding that has become available to us through
10 Cap and Trade to advance the program fully.

11 And so, Mr. Chair, that was a quick update on
12 where we are, what's ahead, and I'd be happy to take any
13 questions.

14 CHAIRMAN RICHARD: All right.

15 Ms. Schenk?

16 MS. SCHENK: Thanks. Oh good, it's on.

17 So Jeff, with all this progress and it is
18 considerable, tell me what are the top things that keep you
19 awake at night with regard to this project?

20 CHIEF EXECUTIVE OFFICER MORALES: Sure.

21 Well, we don't have the luxury of focusing on any
22 one thing, because of the nature of the program. So at the
23 same time that we have to make sure we get construction
24 fully mobilized and underway, we also have to be advancing
25 the other stages of the program.

1 So to date certainly getting into construction,
2 getting into full-blown construction has been probably the
3 single biggest thing that has kept me awake, kept all of us
4 focused. And a big part of that has been right-of-way and
5 we've worked very hard over the last year to address issues
6 that have faced us in right-of-way in terms of internal
7 issues, engagement with third parties and the process that
8 we have to go through in order to acquire property. And
9 we're now on a much better track and we're seeing work
10 beginning, because of the right-of-way piece.

11 So but I think the actual really fully engaging
12 on the construction front is our highest priority.

13 BOARD MEMBER SCHENK: Okay. Just one final.

14 CHAIRMAN RICHARD: Sure.

15 BOARD MEMBER SCHENK: And in terms of the
16 staffing of the Communications area I know we've lost our
17 executive there. Has he or she been replaced?

18 CHIEF EXECUTIVE OFFICER MORALES: Yes. Lisa
19 Marie Alley is our Director of Communications now. We are
20 expanding that team. And are leveraging also through our
21 consultant forces, what we can do in terms of outreach and
22 producing material, so that's an area that we continue to
23 focus on. Yes.

24 CHAIRMAN RICHARD: Okay, other questions?

25 Okay. Well, Mr. Curtin will be happy to know

1 that he's listed under the "progress" heading.

2 BOARD MEMBER CURTIN: Yeah, I was questioning
3 that myself. One step forward, two steps back, vice versa.

4 CHAIRMAN RICHARD: Right. Okay. Thank you, Mr.
5 Morales.

6 The Board's going to enter into closed session.
7 But before we do, this is our last meeting of the year,
8 past experience has taught me that not everybody waits
9 around with baited breath for me to come out and say that
10 there were no actions taken in the closed session.

11 So as we go off to closed session I just want to
12 acknowledge this is the holiday season. That's an
13 important time of the year for many faiths and many
14 ethnicities in California, so I think on behalf of my
15 colleagues we wish you all a Merry Christmas, a Happy
16 Hanukkah, a Joyous Kwanzaa and all the blessing of the
17 holiday season. And the best for a Happy New Year.

18 So the Board will now enter into closed session
19 and we'll report back after that. Thank you.

20 (The Board convened into Closed Session at 10:17 a.m.)

21 (The Board reconvened after Closed Session and having

22 no further business the Board Meeting was adjourned by

23 Chair Person Dan Richard

24 at 12:01 p.m.)

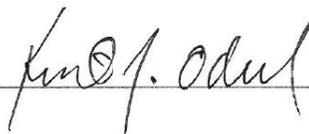
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REPORTER'S CERTIFICATE

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.

And I further certify that I am not of counsel or attorney for either or any of the parties to said hearing nor in any way interested in the outcome of the cause named in said caption.

IN WITNESS WHEREOF, I have hereunto set my hand this 16th day of December, 2015.



A handwritten signature in cursive script, appearing to read "Kent Odell", is written over a horizontal line.

Kent Odell
CER**00548

TRANSCRIBER'S CERTIFICATE

I do hereby certify that the testimony in the foregoing hearing was taken at the time and place therein stated; that the testimony of said witnesses were transcribed by me, a certified transcriber and a disinterested person, and was under my supervision thereafter transcribed into typewriting.

And I further certify that I am not of counsel or attorney for either or any of the parties to said hearing nor in any way interested in the outcome of the cause named in said caption.

IN WITNESS WHEREOF, I have hereunto set my hand this 16th day of December, 2015.



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