

DRAFT

FINANCE AND AUDIT COMMITTEE MEETING MINUTES

November 19, 2019

**California Board of Accountancy Building
2450 Venture Oaks Way
4th Floor Conference room (Suite 420)
Sacramento, CA 95833**

The meeting of the California High-Speed Rail Authority (Authority) Finance and Audit Committee Meeting was called to order on November 19th at 8:30 A.M. at 2450 Ventura Oaks Way, Sacramento, CA. The Meeting Minutes were prepared in the order items were presented during the meeting.

Committee Members Present:

Mr. Tom Richards, Committee Chair
Mr. Ernest Camacho, Committee Member
Ms. Nancy Miller, Committee Member

Board Members Present:

Mr. Lenny Mendonca, Board Chair
Mr. Henry R. Perea, Sr., Board Member
Ms. Lynn Schenk, Board Member
Mr. James Ghielmetti, Board Member

Staff Present:

Mr. Brian Kelly, Chief Executive Officer
Mr. Brian Annis, Chief Financial Officer
Mr. Joseph Hedges, Chief Operating Officer
Ms. Alicia Fowler, Chief Counsel
Ms. Patti Nisonger, Chief Information Officer
Ms. Paula Rivera, Chief Auditor
Mr. Daniel Horgan, Deputy Chief Operating Officer

Public Comment

An opportunity for public comment was made at the outset of the meeting.

Item #1 – October Meeting Minutes

The October 15, 2019 Meeting Minutes were moved for approval by F&A Committee Member Ernest Camacho, seconded by Committee Member Nancy Miller, and approved unanimously. Member Camacho

also requested that questions asked by F&A Committee Members be included in meeting minutes going forward.

Item #2 – Audit Plan and Quality Assessment Update

Chief Auditor Paula Rivera presented the Audit Plan for FY2019-20 and reported the Internal Audit Quality Assessment results for FY2018-19. No questions were asked by F&A Committee Members.

Item #3 – Financial Reports Executive Summary

Chief Financial Officer Brian Annis presented the Financial Report Executive Summary to the F&A Committee Members.

Questions Posed by Committee Members:

Member Richards asked if there is any way to forecast the closure rate on the Authority's state vacancies and where we will be at the end of the fiscal year. Member Richards asked for details on the process that is followed for items over \$25 million for contingency use.

Mr. Annis responded to the questions.

Item #4 – Project Update Report

Chief Operating Officer Joe Hedges presented the Central Valley Status Report to the F&A Committee Members.

Questions Posed by Committee Members:

Member Miller asked if there is any significant delay in schedule or cost that he would like to point out.

Member Camacho asked if the PG&E issues are related to Third Party Agreements.

Member Miller asked if the Authority has adequate staff to support efforts of land conveyance with PG&E.

Member Camacho commented that we will not meet the ARRA deadline at the current spend rate and asked if there is a plan B to accelerate the work rate.

Member Camacho asked if there is a reserve in the baseline for acceleration.

Member Camacho inquired whether decisions related to paying for acceleration will come back to the F&A Committee.

Member Camacho commented that it appears that CP 1 and CP 4 appear to be progressing, and CP2-3 is the biggest risk.

Mr. Hedges responded to the questions.

Having no further business, the meeting was adjourned at 9:20 AM.

The Authority additionally posts on its website transcripts from F&A meetings, which detail the discussion, questions, and answers from the meeting.