

**HESPERIA CITY COUNCIL
SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY
HOUSING AUTHORITY
COMMUNITY DEVELOPMENT COMMISSION
WATER DISTRICT
HESPERIA FIRE PROTECTION DISTRICT - SPECIAL MEETING**



Meeting Agenda

Tuesday, May 20, 2025

Closed Session - 5:00 PM

Regular Meeting - 6:30 PM

**City Council Chambers
9700 Seventh Ave., Hesperia CA, 92345
City Clerk's Office: (760) 947-1007**

City Council Members

**Allison Lee, Mayor
Cameron Gregg, Mayor Pro Tem
Brigit Bennington, Council Member
Chris Ochoa, Council Member
Josh Pullen, Council Member**

**Rachel Molina, City Manager
Pam K. Lee, City Attorney**



NOTE: In compliance with the Americans with Disability Act, if you need special assistance to participate in this meeting, please contact the City Clerk's Office at (760) 947-1007 or (760) 947-1026. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility.

To leave a Public Comment by phone, call and leave a recorded message at (760) 947-1026 up to 5:30 pm on the day of the scheduled meeting. City Council meetings may be viewed live or after the event on the City's website at www.cityofhesperia.us.

**NOTICE AND CALL OF SPECIAL MEETING
HESPERIA FIRE PROTECTION DISTRICT**

NOTICE IS HEREBY GIVEN that a special meeting of Hesperia Fire Protection District will be held on Tuesday, May 20, 2025, at 6:30 p.m. in the City Council Chambers, at 9700 Seventh Avenue, Hesperia, CA 92345.



Allison Lee, Mayor

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**REGULAR MEETING AGENDA
HESPERIA CITY COUNCIL
SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY
HESPERIA HOUSING AUTHORITY
HESPERIA COMMUNITY DEVELOPMENT COMMISSION
HESPERIA WATER DISTRICT
HESPERIA FIRE PROTECTION DISTRICT - SPECIAL MEETING**

9700 7th Avenue, Council Chambers, Hesperia, CA 92345

As a courtesy, please silence your cell phones and other electronic devices while the meeting is in session. Thank you.

Prior to action of the Council, any member of the audience will have the opportunity to address the legislative body on any item listed on the agenda, including those on the Consent Calendar.

Individuals wishing to speak during General Public Comments or on a particular numbered item must submit a speaker slip to the City Clerk with the agenda item noted. Speaker slips should be turned in prior to the public comment portion of the agenda or before an agenda item is discussed. Comments will be limited to three minutes for General Public Comments, Consent Calendar items and New Business items. Comments are limited to five minutes for Public Hearing items.

In compliance with the Brown Act, the City Council may not discuss or take action on non-agenda items or engage in question and answer sessions with the public. The City Council may ask brief questions for clarification; provide a reference to staff or other resources for factual information and direct staff to add an item to a subsequent meeting.

CLOSED SESSION - 5:00 PM

Roll Call

*Mayor Allison Lee
Mayor Pro Tem Cameron Gregg
Council Member Brigit Bennington
Council Member Chris Ochoa
Council Member Josh Pullen*

Conference with Legal Counsel – Existing Litigation
Government Code Section 54956.9(d)1

1. *Sully-Miller Contracting, et al. v. City of Hesperia et al., SBSC Case No. CIVSB2410614*
2. *NAS69 Ventures LLC, et al. v. City of Hesperia, et al., SBSC Case No. CIVSV2438493*

Personnel Matters - Performance Evaluations
Government Code Section 54958

1. Performance Evaluation - City Attorney
2. Performance Evaluation - City Manager

CALL TO ORDER - 6:30 PM

A. Invocation

B. Pledge of Allegiance to the Flag**C. Roll Call**

Mayor Allison Lee
 Mayor Pro Tem Cameron Gregg
 Council Member Brigit Bennington
 Council Member Chris Ochoa
 Council Member Josh Pullen

D. Agenda Revisions and Announcements by City Clerk**E. Closed Session Reports by City Attorney****ANNOUNCEMENTS/PRESENTATIONS**

1. Presentation to the Oak Hills High School Bull Dogs Team for placing first at the High Desert Hispanic Chamber of Commerce Legislative Power Lunch Event.

GENERAL PUBLIC COMMENTS (For items and matters not listed on the agenda)

Individuals wishing to speak during General Public Comments or on a particular numbered item are requested to submit a speaker slip to the City Clerk with the agenda item noted. Speaker slips should be turned in prior to the public comment portion of the joint agenda or before an agenda item is discussed. Comments will be limited to three minutes for General Public Comments, Consent Calendar items and New Business items. Comments are limited to five minutes for Public Hearing items.

In compliance with the Brown Act, the City Council may not discuss or take action on non-agenda items or engage in question and answer sessions with the public. The City Council may ask brief questions for clarification; provide a reference to staff or other resources for factual information and direct staff to add an item to a subsequent meeting.

JOINT CONSENT CALENDAR

1. Page 9 Consideration of the Draft Minutes from the Special Meeting held Tuesday, May 6, 2025.

Recommended Action:

It is recommended that the City Council approve the Draft Minutes from the Special Meeting held Tuesday, May 6, 2025.

Staff Person: Deputy City Manager/City Clerk Melinda Sayre

Attachments: [Draft CC Min 2025-05-06](#)

2. Page 15 Warrant Run Report (City- Successor Agency- Housing Authority- Community Development Commission- Water)

Recommended Action:

It is recommended that the Council/Board ratify the warrant run and payroll report for the City, Successor Agency to the Hesperia Community Redevelopment Agency, Hesperia Housing Authority, Community Development Commission, and Water District.

Staff Person: Assistant City Manager Casey Brooksher

Attachments: [SR Warrant Run 5-20-2025](#)

[Attachment 1 - Warrant Run](#)

3. Page 17 Treasurer's Cash Report for the unaudited period ended March 31, 2025

Recommended Action:

It is recommended that the Council/Board accept the Treasurer's Cash Report for the City, Successor Agency to the Hesperia Community Redevelopment Agency, Hesperia Housing Authority, Community Development Commission, and Water District.

Staff Person: Assistant City Manager Casey Brooksher

Attachments: [SR Treasurer's Report 5-20-2025](#)

[Attachment 1 - Treasurer's Report](#)

4. Page 27 Agreement for the Acquisition of Wastewater Infrastructure Assets from Silverwood Development Phase 1, LLC

Recommended Action:

It is recommended that the City Council and the Board of Directors of the Hesperia Water District authorize the City Manager to execute an Agreement for the Purchase and Sale Agreement with Silverwood Development Phase 1, LLC (the Developer) in the amount of \$6,332,931 for the acquisition of wastewater infrastructure assets constructed to support the Silverwood master-planned community.

Staff Person: Assistant City Manager Casey Brooksher

Attachments: [SR Wastewater Infrastructure Assets Silverwood Development 5-20-2025](#)

[Attachment 1 - Agreement for Purchase & Sale](#)

[Attachment 2 - Technical Memorandum - Silverwood](#)

5. Page 51 Contract with Printing Services- Wirz and Company Printing, Inc.

Recommended Action:

It is recommended that the City Council and Board of Directors of the Hesperia District Water District authorize the City Manager to enter into a one-year contract with Wirz and Company Printing, Inc., in a not-to-exceed amount of \$80,000 for printing services.

Staff Person: Assistant City Manager Casey Brooksher

Attachments: [SR Wirz and Company Printing, Inc. 5-20-2025](#)

6. Page 53 Acceptance of American Rescue Plan Act (ARPA) Grant- Citywide Sidewalk Repairs Phase I

Recommended Action:

It is recommended that the City Council accept the completed Citywide Sidewalk Repairs Phase I project and authorize staff to record a "Notice of Completion" and release all withheld retention amounts after a minimum of thirty (30) calendar days from the date of recordation.

Staff Person: Director of Public Works/City Engineer Cassandra Sanchez

Attachments: [SR Acceptance of Citywide Sidewalk Repairs Phase I 5-20-2025](#)
[Attachment 1 - Notice of Completion](#)

7. Page 57 Acceptance of American Rescue Plan Act (ARPA) Grant- Citywide Sidewalk Repairs Phase II

Recommended Action:

It is recommended that the City Council accept the completed Citywide Sidewalk Repairs Phase II project and authorize staff to record a "Notice of Completion" and release all withheld retention amounts after a minimum of thirty (30) calendar days from the date of recordation.

Staff Person: Director of Public Works/City Engineer Cassandra Sanchez

Attachments: [SR Acceptance of Citywide Sidewalk Repairs Phase II 5-20-2025](#)
[Attachment 1 - Notice of Completion](#)

8. Page 61 Acceptance of American Rescue Plan Act (ARPA) Grant- Tamarisk Storm Water Basin Rehabilitation

Recommended Action:

It is recommended that the City Council accept the completed Tamarisk Storm Water Basin Rehabilitation project and authorize staff to record a "Notice of Completion" and release all withheld retention amounts after a minimum of thirty (30) calendar days from the date of recordation.

Staff Person: Director of Public Works/City Engineer Cassandra Sanchez

Attachments: [SR Acceptance of Tamarisk Storm Water Basin Rehabilitation 5-20-2025](#)
[Attachment 1 - Notice of Completion](#)

9. Page 65 Iconix Waterworks- New Contract

Recommended Action:

It is recommended that the Board of Directors of the Hesperia Water District authorize the City Manager to enter into a one (1) year agreement with Iconix Waterworks in a not-to-exceed amount of \$150,000, for the purchase of A.Y. McDonald manufactured water products.

Staff Person: Director of Public Works/City Engineer Cassandra Sanchez

Attachments: [SR Iconix Waterworks Contract 5-20-2025](#)

10. Page 67 Acceptance of American Rescue Plan Act (ARPA) Grant- Roofing Replacement and Repairs - Plant 5, 18, 24, & 26, C.O. No. 8093

Recommended Action:

It is recommended that the City Council and Board of Directors of the Hesperia Water District accept the completed Roofing Replacement and Repairs - Plant 5, 18, 24, & 26, C.O. No. 8093 project and authorize staff to record a "Notice of Completion" and release all withheld retention amounts after a minimum of thirty (30) calendar days from the date of recordation.

Staff Person: Director of Public Works/City Engineer Cassandra Sanchez

Attachments: [SR Acceptance of Roof Replacment CO 8093 5-20-2025](#)

[Attachment 1 - Notice of Completion](#)

11. Page 71 Approve the FY 2025-26 SB-1 Funding Project List

Recommended Action:

It is recommended that the City Council approve Resolution No. 2025-14 approving the Fiscal Year 2025-26 Project List to be funded by SB-1: The Road Repair and Accountability Act.

Staff Person: Director of Public Works/City Engineer Cassandra Sanchez

Attachments: [SR FY 2025-26 SB-1 Funding Project List 5-20-2025](#)

[Resolution 2025-14](#)

12. Page 77 City Council Designation for a Representative at the Southern California Association of Governments (SCAG)

Recommended Action:

It is recommended that the City Council designate Council Member Chris Ochoa as the City's representative for the Southern California Association of Governments (SCAG).

Staff Person: Assistant to the City Manager Tammy Pelayes

Attachments: [SR SCAG City Council Representative 5-20-2025](#)

13. Page 79 One-Year Contract with Nobel Systems, Inc. for Citywide GIS Integrations

Recommended Action:

It is recommended that the City Council and Board of Directors of the Hesperia Water District authorize the City Manager to enter into a one-year contract with Nobel Systems, Inc. (Nobel), for a total not-to-exceed contract amount of \$93,502, for the City's Geographical Information Systems (GIS) software and associated services.

Staff Person: Deputy Human Resources/Risk Management Director Rita Perez

Attachments: [SR Nobel Systems, Inc. Contract 5-20-2025](#)

14. Page 81 Three-Year Service Agreement with Assured Data Protection, Inc.

Recommended Action:

It is recommended that the City Council authorize the City Manager to execute a three-year professional services agreement with Assured Data Protection, Inc. for a total not-to-exceed contract amount of \$259,320 for the cloud-based Disaster Recovery as a Service (DRaaS) solution that provides comprehensive protection for the City's critical applications and data.

Staff Person: Deputy Human Resources/Risk Management Director Rita Perez

Attachments: [SR Assured Data Protection, Inc. Agreement 5-20-2025](#)

CONSENT ORDINANCES*WAIVE READING OF ORDINANCES*

Approve the reading by title of all ordinances and declare that said titles which appear on the public agenda shall be determined to have been read by title and further reading waived.

- 15.** Page 83 Development Code Amendment DCA25-00001; Applicant: City of Hesperia;
Area affected: City-wide

Recommended Action:

Place on second reading and adopt by title waiving the text of Ordinance No. 2025-01, approving Development Code Amendment DCA25-00001, which modifies development standards related to Accessory Dwelling Units (ADUs) and Junior Accessory Dwelling Units (Junior ADUs).

Staff Person: Principal Planner Ryan Leonard

Attachments: [SR ADU Development Standards Update 5-6-2025](#)

[Ordinance 2025-01](#)

[Attachment 2 - Exhibit A: HMC Modifications](#)

PUBLIC HEARING

Individuals wishing to comment on public hearing items must submit a speaker slip to the City Clerk with the numbered agenda item noted. Speaker slips should be turned in prior to an agenda item being taken up. Comments will be limited to five minutes for Public Hearing items.

WAIVE READING OF ORDINANCES

Approve the reading by title of all ordinances and declare that said titles which appear on the public agenda shall be determined to have been read by title and further reading waived.

- 16.** Page 91 FY 2025-26 Budget Workshop #2 - Vacancies, Recruitment Efforts, and
Retention Strategies as Required by California Assembly Bill 2561

Recommended Action:

It is recommended that the City Council/Board receive this report on the City of Hesperia proposed staffing for Fiscal Year (FY) 2025-26 and hold a public hearing of a comprehensive overview of current job vacancies, recruitment efforts, and retention strategies as required by California Assembly Bill 2561.

Staff Person: Assistant City Manager Casey Brooksher

Attachments: [SR Budget Workshop #2 & Job Vacancies Required by AB 2561 5-20-2025](#)

NEW BUSINESS

17. Page 93 Construction Contract for Maple Avenue Sewer Line Replacement , C.O. No. 9018

Recommended Action:

It is recommended that the City Council and Board of Directors of the Hesperia Water District:

1) Award a construction contract for the Maple Avenue Sewer Line Replacement project, C.O. No. 9018, to the responsive and responsible bidder, CEM Construction, for the bid amount of \$1,341,200, add Alternate A for the amount of \$20,000, plus a 10% contingency of \$136,120 for a not-to-exceed total of \$1,497,320.

2) Approve the project as represented by the plans and specifications; and

3) Authorize the City Manager or designee to execute the contract and any other necessary documents related to the project.

Staff Person: Director of Public Works/City Engineer Cassandra Sanchez

Attachments: [SR Maple Ave Sewer Line Replacement CO 9018 5-20-2025](#)

[Attachment 1 - Bid Results](#)

18. Page 97 Overview of the City of Hesperia's Response to Fireworks

Recommended action

It is recommended that the City Council receive, and file information related to City, County Fire and Police response efforts related to illegal fireworks.

Staff Person: Assistant Chief Kelly Anderson and Lieutenant Robert Arrieta

Attachments: [SR City of Hesperia's Response to Fireworks 5-20-2025](#)

COUNCIL COMMITTEE REPORTS AND COMMENTS

The Council may report on their activities as appointed representatives of the City on various Boards and Committees and/or may make comments of general interest or report on their activities as a representative of the City.

CITY MANAGER/CITY ATTORNEY/STAFF REPORTS

The City Manager, City Attorney or staff may make announcements or reports concerning items of interest to the Council and the public.

ADJOURNMENT

I, Jessica Giber, Assistant City Clerk of the City of Hesperia, California do hereby certify that I caused to be posted the foregoing agenda on Thursday May 15, 2025 at 5:30 p.m. pursuant to California Government Code §54954.2.

*Jessica Giber,
Assistant City Clerk*

Documents produced by the City and distributed less than 72 hours prior to the meeting regarding items on the agenda will be made available in the City Clerk's Office during normal business hours.



City of Hesperia Meeting Minutes – Draft City Council

City Council Chambers
9700 Seventh Ave.
Hesperia CA, 92345

Tuesday, May 6, 2025

6:30 PM

**REGULAR MEETING AGENDA
HESPERIA CITY COUNCIL
SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY
HESPERIA HOUSING AUTHORITY
HESPERIA COMMUNITY DEVELOPMENT COMMISSION
HESPERIA WATER DISTRICT
HESPERIA FIRE PROTECTION DISTRICT - SPECIAL MEETING**

CLOSED SESSION - 5:00 PM

Roll Call

Present: 5 - Mayor Lee, Mayor Pro Tem Gregg, Council Member Bennington, Council Member Ochoa and Council Member Pullen

Conference with Legal Counsel - Potential Litigation: Government Code Section 54956.9(d)2 & (e)(1)

1. One (1) Case

Conference with Legal Counsel – Existing Litigation
Government Code Section 54956.9(d)1

1. *Sully-Miller Contracting, et al. v. City of Hesperia et al., SBSC Case No. CIVSB2410614*

Personnel Matters - Performance Evaluations
Government Code Section 54957

1. Performance Evaluation - City Attorney
2. Performance Evaluation - City Manager

CALL TO ORDER - 6:38 PM

- A. Invocation
- B. Pledge of Allegiance to the Flag
- C. Roll Call

Present: 5 - Mayor Lee, Mayor Pro Tem Gregg, Council Member Bennington, Council Member Ochoa and Council Member Pullen

D. Agenda Revisions and Announcements by City Clerk – None

E. Closed Session Reports by City Attorney- None

ANNOUNCEMENTS/PRESENTATIONS

1. Presentation by Hesperia High School Career Technical Education Business Class of a donation to the Hesperia Animal Shelter.

GENERAL PUBLIC COMMENTS (For items and matters not listed on the agenda)

The following people commented:

Resident via voicemail

Resident Sandy via voicemail

Kimberly Koones via voicemail

Bob Nelson

Kim Jones

Gina Whelan

Robert Davie

Dr. Cisneros

Sean Bozarth

Angulo Family

Jerri Pike

Bill Jensen

JOINT CONSENT CALENDAR

A motion was made by Gregg, seconded by Pullen that the Joint Consent Calendar minus item 6 be approved. The motion carried by the following vote:

Aye: 5 - Gregg, Bennington, Lee, Ochoa, and Pullen

Nay: 0

1. Consideration of the Draft Minutes from the Regular Meeting held Tuesday, April 15, 2025.

Recommended Action:

It is recommended that the City Council approve the Draft Minutes from the Regular Meeting held Tuesday, April 15, 2025.

Sponsors: Deputy City Manager/City Clerk Melinda Sayre

2. Warrant Run Report (City - Successor Agency - Housing Authority - Community Development Commission - Water)

Recommended Action:

It is recommended that the Council/Board ratify the warrant run and payroll report for the City, Successor Agency to the Hesperia Community Redevelopment Agency, Hesperia Housing Authority, Community Development Commission, and Water District.

Sponsors: Assistant City Manager Casey Brooksher

3. Off-Highway Motor Vehicle Grant Application to the California Department of Parks and Recreation

Recommended Action:

It is recommended that the City Council approve and adopt Resolution No. 2025-11 authorizing the submission of a California Off-Highway Motor Vehicle (OHV) Grant Application to the California Department of Parks and Recreation for a total of \$104,216.00 and authorize the City Manager and the San Bernardino County Sheriff's Department to execute the Application and any amendments thereto on behalf of the City.

Sponsors: Captain Steve Allen

4. Three-Year Service Agreement with Vector Resources, Inc. dba VectorUSA

Recommended Action:

It is recommended that the City Council authorize the City Manager to execute a three-year professional services agreement with Vector Resources, Inc. dba VectorUSA for a total not-to-exceed contract amount of \$140,376 for the provision and installation of Fortinet firewalls, WiFi access points, and associated licensing.

Sponsors: Assistant City Manager Casey Brooksher

5. Contract with Badger Meter, Inc.

Recommended Action:

It is recommended that the Board of Directors of the Hesperia Water District authorize the City Manager to approve a contract for Fiscal Year (FY) 2025-26 with Badger Meter, Inc. in the not-to-exceed amount of \$900,000. An anticipated \$600,000 will be expended for the purchase of cellular endpoints and registers for automated meter reading infrastructure. An additional \$300,000 is allocated for the purchase of water meters and related water meter parts.

Sponsors: Director of Public Works/City Engineer Cassandra Sanchez

6. Ad-Hoc Committee Collaboration Opportunity

Recommended Action:

It is recommended that the City Council approve the addition of a discussion item for the City / Hesperia Recreation and Park District (HRPD) Ad Hoc Committee, regarding the proposed Hesperia Animal Shelter Play Yard Capital Improvement Project.

Sponsors: Assistant to the City Manager Tammy Pelayes

Dr. Cisneros commented on this item.

A motion was made by Gregg, seconded by Ochoa, that this item be tabled. The motion carried by the following vote:

Aye: 5 - Lee, Gregg, Bennington, Ochoa and Pullen

Nay: 0

PUBLIC HEARING

7. Development Code Amendment DCA25-00001; Applicant: City of Hesperia; Area affected: City-wide

Recommended Action:

The Planning Commission recommends that the City Council introduce and place on first reading Ordinance No. 2025-01, approving Development Code Amendment DCA25-00001, which modifies development standards related to Accessory Dwelling Units (ADUs) and Junior Accessory Dwelling Units (Junior ADUs).

Sponsors: Principal Planner Ryan Leonard

Bill Jensen commented on this item.

A motion was made by Ochoa, seconded by Bennington, that this item be approved. The motion carried by the following vote:

Aye: 4 - Lee, Bennington, Ochoa and Pullen

Nay: 1 - Gregg

8. Appeal Hearing for the Revocation of Business License No. BL-50006 held by HSP Hotels, LLC

Recommended Action:

It is recommended that the City Council conduct an appeal hearing regarding the revocation of Business License No. BL-50006, held by HSP Hotels, LLC, doing business as Holiday Inn Express ("Operator"), located at 9750 Key Point Avenue.

Following the hearing, it is further recommended that the City Council determine that the Operator is in violation of Hesperia Municipal Code Section 3.10.050 due to its failure to remit Transient Occupancy Tax ("TOT"), thereby causing financial harm to the City and its taxpayers. Based on this finding, the City Council should uphold the revocation of Business License No. BL-50006 in accordance with Hesperia Municipal Code Section 5.04.140(A)(4).

Sponsors: Director of Development Services Nathan Freeman

The following individuals commented on this item:

Sean Bozarth - Attorney for HSP Hotels, LLC

Timothy Lyrons

Timothy Crane

Patrick Crane

Bill Jensen

Dr. Cisneros

Meeting went into Recess

Meeting Reconvened

A motion was made by Gregg, seconded by Ochoa to uphold the revocation of the business license, subject to the issuance of a conditional business license to continue operating the hotel with the following conditions:

- a. Starting with the April 2025 TOT, the hotel operator shall remit the full payment for every month of TOT owed to the City on or before the 15th day of the following month for the next six months; and
- b. The hotel operator shall remit the full payment of all prior TOT owed to the City on or before the 31st day of October 2025; and

- c.If the hotel operator remits payment of all amounts of TOT within the required timeframe, the conditional business license shall continue until the regular business license is issued to the hotel operator; and
- d.If the hotel operator fails to remit payment of any amount of TOT within the required timeframe, the conditional business license shall be revoked, and the hotel operator shall not be entitled to any appeal of the conditional business license revocation.

The motion carried by the following vote:

Aye: 5 - Lee, Gregg, Bennington, Ochoa and Pullen
Nay: 0

- 9. Resolution to consider approving the issuance of Tax-Exempt Bonds for the benefit of La Verne Elementary Preparatory Academy, and/or Related Entity

Recommended Action:

It is recommended that the City Council:

- 1. Conduct a public hearing regarding the proposed issuance of tax-exempt financing, in an amount not to exceed \$22,000,000, for the benefit of 9966 I Ave, LLC, a California limited liability company whose sole member is LaVerne Elementary Preparatory Academy Foundation, a California nonprofit public benefit corporation, and/or a related entity (the "Borrower"). The financing would be used to (a) finance and/or refinance the costs of acquiring, constructing, installing, improving, furnishing, and equipping charter school facilities located at 16955 Lemon Street, Hesperia, California 92345, in the amount of \$21,000,000, and 9966 I Avenue, Hesperia, California 92345, in the amount of \$1,000,000; (b) fund a debt service reserve and related working capital; (c) paying capitalized interest on the bonds; and (d) pay issuance and other related costs associated with the project; and
- 2. Adopt a resolution approving the issuance of tax-exempt bonds in an amount not to exceed \$22,000,000 by the California Public Finance Authority (CalPFA).

Sponsors: Director of Development Services Nathan Freeman

A motion was made by Bennington, seconded by Pullen, that this item be approved. The motion carried by the following vote:

Aye: 5 - Lee, Gregg, Bennington, Ochoa and Pullen
Nay: 0

NEW BUSINESS

- 10. FY 2025-26 Budget Workshop #1- Operating Budget

Recommended Action:

It is recommended that the City Council/Board receive and file this staff report, which provides information about the current status of the City of Hesperia's proposed operating budget for Fiscal Year (FY) 2025-26.

Sponsors: Assistant City Manager Casey Brooksher

Receive and file item.

11. Reestablishing Healthy Hesperia

Recommended Action:

It is recommended that the City Council provide direction to staff on opportunities to reestablish the previously adopted Healthy Hesperia initiative.

Sponsors: Public Relations Analyst Kelly Brady

Receive and file item.

12. 2024 Local Hazard Mitigation Plan Update

Recommended Action:

It is recommended that the City Council adopt Resolution No. 2025-12, approving the 2024 Local Hazard Mitigation Plan (LHMP) Update, and authorize staff to make future non-substantive revisions to the plan as needed.

Sponsors: Management Analyst Jacquelyn Castillo

A motion was made by Bennington, seconded by Gregg, that this item be approved. The motion carried by the following vote:

Aye: 5 - Lee, Gregg, Bennington, Ochoa and Pullen

Nay: 0

COUNCIL COMMITTEE REPORTS AND COMMENTS

The Mayor, Mayor Pro Tem and Council Members reported on various events and Committees.

Council Member Ochoa requested to be the SCAG representative.

Council Member Bennington appointed Leticia Cisneros to the City Council Advisory Committee.

Council Member Pullen appointed Gregory Lugo to the City Council Advisory Committee.

Mayor Lee requested to recognize the winners of Gas to go to Class.

CITY MANAGER/CITY ATTORNEY/STAFF REPORTS

No comments

ADJOURNMENT

The meeting was adjourned at 10:41 p.m.

Jessica Giber,
Assistant City Clerk

City of Hesperia STAFF REPORT



DATE: May 20, 2025

TO: Mayor and Council Members
City Council, as Successor Agency to the Hesperia Community Redevelopment Agency
Chair and Commissioners, Hesperia Housing Authority
Chair and Commissioners, Community Development Commission
Chair and Board Members, Hesperia Water District

FROM: Rachel Molina, City Manager

BY: Casey Brooksher, Assistant City Manager
Anne Duke, Deputy Finance Director
Verenise Fierros, Accountant

SUBJECT: Warrant Run Report (City – Successor Agency – Housing Authority – Community Development Commission – Water)

RECOMMENDED ACTION

It is recommended that the Council/Board ratify the warrant run and payroll report for the City, Successor Agency to the Hesperia Community Redevelopment Agency, Hesperia Housing Authority, Community Development Commission, and Water District.

BACKGROUND

The Warrant Run totals represented below are for the period April 5, 2025 through April 18, 2025.

Agency/District	Accounts Payable	Payroll	Wires	Totals
City of Hesperia	\$3,054,080.30	\$300,817.06	\$0.00	\$3,354,897.36
Successor Agency	0.00	0.00	0.00	0.00
Housing Authority	41.83	156.32	0.00	198.15
Community Development Commission	0.00	0.00	0.00	0.00
Water	1,027,466.34	140,656.67	0.00	1,168,123.01
Totals	\$4,081,588.47	\$441,630.05	\$0.00	\$4,523,218.52

* Includes debt service payments made via Automated Clearing House (ACH) electronic deposit of funds.

CITY GOAL SUPPORTED BY THIS ITEM

Financial Health – Maintain a balanced budget and adequate reserves.

ATTACHMENT(S)

1. Warrant Runs

City of Hesperia
WARRANT RUNS
4/5/2025-4/18/2025

Attachment 1

FUND #	FUND NAME	W/E	W/E	WARRANT	Wires	YEAR-TO	PRIOR FY YTD
		4/11/2025	4/18/2025	TOTALS		DATE	DATE
						TOTALS *	TOTALS
Accounts Payable							
100	GENERAL	\$ 100,268.84	\$ 2,079,327.36	\$ 2,179,596.20	\$ -	\$ 30,889,674.74	\$ 27,210,505.63
105	PENSION OBLIGATION TRUST	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
106	OPEB TRUST	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
110	SILVERWOOD	\$ -	\$ -	\$ -	\$ -	\$ 123,707.24	\$ -
200	HESPERIA FIRE DISTRICT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
204	MEASURE I - RENEWAL	\$ -	\$ 14,700.79	\$ 14,700.79	\$ -	\$ 52,676.69	\$ 509,371.09
207	LOCAL TRANSPORT-SB 325	\$ -	\$ -	\$ -	\$ -	\$ 1.64	\$ 967,882.81
209	GAS TAX-RMRA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
210	HFPD (PERS)	\$ -	\$ -	\$ -	\$ -	\$ 1,755,819.00	\$ 907,316.00
241	CFD 2021-1 Resid Maint. & Serv	\$ 640.00	\$ -	\$ 640.00	\$ -	\$ 1,920.00	\$ -
242	CFD 2022-1 Non-Resd Maint & Serv	\$ 640.00	\$ -	\$ 640.00	\$ -	\$ 1,920.00	\$ -
243	CFD 2023-1 Silverwood Maint	\$ 640.00	\$ -	\$ 640.00	\$ -	\$ 1,920.00	\$ -
251	CDBG	\$ 79.43	\$ 5,405.25	\$ 5,484.68	\$ -	\$ 3,104,940.63	\$ 349,604.24
254	AB2766 - TRANSIT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
255	AB3229 SUPPLEMENTAL LAW	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
256	ENVIRONMENTAL PROGRAMS GRANT	\$ 3,435.75	\$ -	\$ 3,435.75	\$ -	\$ 40,240.62	\$ 22,630.25
262	SB 1383 LOCAL ASSISTANCE GRANT	\$ -	\$ -	\$ -	\$ -	\$ 104,497.49	\$ 28,389.96
263	STREETS MAINTENANCE	\$ 19,388.64	\$ 2,592.73	\$ 21,981.37	\$ -	\$ 2,211,463.94	\$ 1,722,188.28
300	DEV. IMPACT FEES - STREET	\$ -	\$ -	\$ -	\$ -	\$ 182,329.26	\$ 82,056.38
301	DEV. IMPACT FEES - STORM DRAIN	\$ -	\$ -	\$ -	\$ -	\$ 149,218.71	\$ -
306	DEV. IMPACT FEES - 2018-STREETS	\$ -	\$ -	\$ -	\$ -	\$ 1,307,740.77	\$ 1,670,593.65
307	DIF 2018-DRAINAGE FACILITIES	\$ -	\$ -	\$ -	\$ -	\$ 175,199.30	\$ -
309	DIF 2018-CITY HALL FACILITIES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
312	DIF 2018-POLICE FACILITIES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
313	DIF A-04 DRAINAGE	\$ -	\$ -	\$ -	\$ -	\$ 1,154,638.51	\$ 320,448.35
402	WATER RIGHTS ACQUISITION	\$ -	\$ -	\$ -	\$ -	\$ 1,912,552.24	\$ 1,493,015.59
403	2013 REFUNDING LEASE REV BONDS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 571,151.39
404	2023 REFUNDING LEASE REV BONDS	\$ -	\$ 174,034.97	\$ 174,034.97	\$ -	\$ 176,534.97	\$ 170,118.51
504	CITY WIDE STREETS - CIP	\$ -	\$ 4,797.50	\$ 4,797.50	\$ -	\$ 2,791,462.04	\$ 10,402,189.18
509	CITY FACILITIES CIP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
800	EMPLOYEE BENEFITS	\$ 407,378.13	\$ 116,551.70	\$ 523,929.83	\$ -	\$ 7,921,253.62	\$ 7,142,410.19
801	TRUST/AGENCY	\$ 336.12	\$ 120,193.00	\$ 120,529.12	\$ -	\$ 1,430,615.68	\$ 1,677,956.26
802	AD 91-1 AGENCY	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
804	TRUST-INTEREST BEARING	\$ -	\$ -	\$ -	\$ -	\$ 42,669.21	\$ 268,407.60
807	CFD 2005-1	\$ 3,670.09	\$ -	\$ 3,670.09	\$ -	\$ 1,189,973.06	\$ 1,270,184.16
808	HFPD (TRANSITION)	\$ -	\$ -	\$ -	\$ -	\$ 317,435.02	\$ 347,796.19
815	PLAN REVIEW TRUST - FRONTIER	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	CITY	\$ 536,477.00	\$ 2,517,603.30	\$ 3,054,080.30	\$ -	\$ 57,040,404.38	\$ 57,134,215.71
163	REDEVELOP OBLIG RETIREMENT-2018	\$ -	\$ -	\$ -	\$ -	\$ 9,690,950.62	\$ 9,949,902.79
	SUCCESSOR AGENCY	\$ -	\$ -	\$ -	\$ -	\$ 9,690,950.62	\$ 9,949,902.79
370	HOUSING AUTHORITY	\$ 41.83	\$ -	\$ 41.83	\$ -	\$ 44,987.76	\$ 36,578.77
	HOUSING AUTHORITY	\$ 41.83	\$ -	\$ 41.83	\$ -	\$ 44,987.76	\$ 36,578.77
170	COMMUNITY DEVELOPMENT COMMISSION	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	COMMUNITY DEVELOPMENT COMMISSION	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
700	WATER OPERATING	\$ 281,493.22	\$ 284,466.82	\$ 565,960.04	\$ -	\$ 11,693,999.37	\$ 8,922,227.91
705	WATER PENSION OBLIGATION TRUST	\$ -	\$ -	\$ -	\$ -	\$ 1,250,000.00	\$ -
706	WATER OPEB TRUST	\$ -	\$ -	\$ -	\$ -	\$ 250,000.00	\$ -
701	WATER CAPITAL	\$ -	\$ -	\$ -	\$ -	\$ 16,473.00	\$ 320,389.00
710	SEWER OPERATING	\$ 371,063.89	\$ 89,222.02	\$ 460,285.91	\$ -	\$ 5,831,743.95	\$ 5,175,747.35
711	SEWER CAPITAL	\$ 27.02	\$ -	\$ 27.02	\$ -	\$ 2,001,602.31	\$ 1,249,376.35
720	RECLAIMED WATER OPERATIONS	\$ 127.56	\$ 1,065.81	\$ 1,193.37	\$ -	\$ 279,539.47	\$ 274,530.69
	WATER	\$ 652,711.69	\$ 374,754.65	\$ 1,027,466.34	\$ -	\$ 21,323,358.10	\$ 15,942,271.30
	ACCOUNTS PAYABLE TOTAL	\$ 1,189,230.52	\$ 2,892,357.95	\$ 4,081,588.47	\$ -	\$ 88,099,700.86	\$ 83,062,968.57
REG. PAYROLL							
	City	\$ 300,817.06	\$ -	\$ 300,817.06	\$ -	\$ 6,739,885.29	\$ 6,339,164.62
	Housing Authority	\$ 156.32	\$ -	\$ 156.32	\$ -	\$ 5,137.50	\$ 4,063.31
	Water	\$ 140,656.67	\$ -	\$ 140,656.67	\$ -	\$ 3,127,653.06	\$ 2,719,005.45
	PAYROLL TOTAL	\$ 441,630.05	\$ -	\$ 441,630.05	\$ -	\$ 9,872,675.85	\$ 9,062,233.38

City of Hesperia STAFF REPORT



DATE: May 20, 2025

TO: Mayor and Council Members
City Council, Serving as Successor Agency to the Hesperia
Community Redevelopment Agency
Chair and Commissioners, Hesperia Housing Authority
Chair and Commissioners, Community Development Commission
Chair and Board Members, Hesperia Water District

FROM: Rachel Molina, City Manager

BY: Casey Brooksher, Assistant City Manager
Anne Duke, Deputy Finance Director
Jonathan Settle, Accountant

SUBJECT: Treasurer's Cash Report for the unaudited period ended March 31, 2025

RECOMMENDED ACTION

It is recommended that the Council/Board accept the Treasurer's Cash Report for the City, Successor Agency to the Hesperia Community Redevelopment Agency, Hesperia Housing Authority, Community Development Commission, and Water District.

BACKGROUND

This report is presented to the City Council pursuant to Government Code Section 53646 (b) setting forth the City's investment portfolio.

ISSUES/ANALYSIS

The Treasurer's Cash Reports are presented on the following pages for each agency.

CITY GOAL SUPPORTED BY THIS ITEM

Financial Health – Maintain a balanced budget and adequate reserves.

FISCAL IMPACT

These reports reflect unaudited cash balances as of March 31, 2025.

ALTERNATIVE(S)

Provide alternative direction to staff.

ATTACHMENT(S)

1. City of Hesperia Investment Report
2. Successor Agency to the Hesperia Community Redevelopment Agency Investment Report
3. Hesperia Housing Authority Investment Report
4. Community Development Commission Investment Report
5. Hesperia Water District Investment Report

CITY OF HESPERIA

<u>FUND</u>	<u>VALUE</u>
General Fund (100 & 800)	26,558,504.02
Pension Obligation Trust (105)	81,506.27
OPEB Trust (106)	-
Silverwood	29,155.42
HFPD (PERS) (210)	1,697,181.80
CFD 2021-1 Resid Maint & Serv	2,606.22
CFD 2022-1 Non-Resid Maint & Serv	2,606.22
CFD 2023-1 Silverwood Maint	3,021.95
AB27666 - Transit (254)	25,903.66
AB3229 Supplemental Law (255)	464,699.41
AD No. 91-1 (802)	403,637.14
Beverage Recycling Grant (256)	321,339.95
CFD 2005-1 (807)	2,029,935.83
HFPD Transition (808)	-
City Wide-Capital Projects (504)	(10,447,137.98)
Community Dev Block Grant (251, 252, & 253)	771,868.53
American Rescue Plan Grant (261)	25,299,848.23
SB 1383 Local Assistance Grant (262)	250,437.00
Development Impact Fund (300-304)	5,103,360.05
Development Impact Fund 2018 (306-312)	27,750,565.46
Development Impact Fund A-04 Drainage (313)	590,604.52
Disaster (260)	62,742.64
Gas Tax Fund (205)	2,383,269.45
Gas Tax - RMRA (209)	9,710,420.04
Gas Tax Swap (206)	1,815,145.07
Local Transportation SB325 (207)	1,628,400.79
Measure I - Renewal (204)	13,848,645.05
Public Works Street Maint (263)	168,545.39
Public Art (230)	264,531.83
Trust Fund (801, 803-806, & 815)	1,312,440.41
2012 Water Rights Acquisition (402)	1,875,405.69
2023 Refunding Lease Rev Bonds (404)	1,695,602.06
TOTAL CITY FUNDS	<u>\$ 115,704,792.12</u>

SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY

<u>FUND</u>	<u>VALUE</u>
RORF Retention - (163)	<u>\$ 1,560,946.55</u>

HESPERIA HOUSING AUTHORITY

<u>FUND</u>	<u>VALUE</u>
Hesperia Housing Authority Fund (370)	\$ 4,363,910.17
VVEDA Housing Authority (371)	1,986,592.85
TOTAL HOUSING AUTHORITY FUNDS	<u>\$ 6,350,503.02</u>

COMMUNITY DEVELOPMENT COMMISSION

<u>FUND</u>	<u>VALUE</u>
Community Development Commission Fund (170)	<u>\$ 3,589,556.34</u>

WATER

<u>FUND</u>	<u>VALUE</u>
Water Operating (700)	\$ 15,475,596.49
Water Capital (701)	5,761,191.87
Water Capital Rehab and Replace (703)	4,396,878.28
Water Contamination Mitigation (704)	2,715,703.31
Water Pension Obligation Trust (705)	11,128.58
Water OPEB Trust (706)	-
Sewer Operating (710)	12,579,836.79
Sewer Capital (711)	1,510,899.39
Sewer Capital Rehab and Replace (713)	837,769.39
Reclaimed Water Operations (720)	247,050.54
TOTAL WATER FUNDS	<u>\$ 43,536,054.64</u>

City of Hesperia Investment Report Unaudited

March 31, 2025

Type of Investment	Institution/ Fiscal Agent	Interest Rate	Date of Purchase	Date of Maturity	Par Value at Maturity	Book Value	Market Value	Account Description
Local Agency Investment Funds	Slate of Calif.	4.313%	31-Mar-25	Demand	\$ 101,647,155.25	101,647,155.25	101,647,155.25	
Local Bank Checking Accounts	U.S. Bank	n/a	31-Mar-25	Demand	14,057,636.87	14,057,636.87	14,057,636.87	
Total Unaudited Investments under the direction of the City:						\$ 115,704,792.12	\$ 115,704,792.12	
Investments under the direction of fiscal agents:								
2012 Lease Revenue Bonds	US Bank	0.356%	31-Mar-25	Demand	248,449.37	248,449.37	248,449.37	2012 - Water Rights Revenue Fund
2012 Lease Revenue Bonds	US Bank	0.362%	31-Mar-25	Demand	77,876.51	77,876.51	77,876.51	2012 - Water Rights Interest Fund
2012 Lease Revenue Bonds	US Bank	0.363%	31-Mar-25	Demand	1,485,559.73	1,485,559.73	1,485,559.73	2012 - Water Rights Reserve Fund
2012 Lease Revenue Bonds	US Bank	0.361%	31-Mar-25	Demand	1,047.56	1,047.56	1,047.56	2012 - Water Rights Surplus Revenue Fund
2023 Refunding Lease Revenue Bonds	US Bank	0.328%	31-Mar-25	Demand	1,066.98	1,066.98	1,066.98	2023 Refunding Lease Revenue Bonds Revenue Fund
2023 Refunding Lease Revenue Bonds	US Bank	0.349%	31-Mar-25	Demand	23.05	23.05	23.05	2023 Refunding Lease Revenue Interest Funds
2024 CFD 2005-1 Refunding	US Bank	0.052%	31-Mar-25	Demand	89,178.03	89,178.03	89,178.03	2024 CFD 05-1 - Bond Fund
2024 CFD 2005-1 Refunding	US Bank	0.294%	31-Mar-25	Demand	1,259,909.94	1,259,909.94	1,259,909.94	2024 CFD 05-1 - Reserve Fund
Deposits - Workers' Comp	PERMA	n/a	31-Mar-25	n/a	995,111.37	995,111.37	995,111.37	GL 1352
Sully Miller Retention - Rancho	US Bank	0.000%	31-Mar-25	n/a	1.08	1.08	1.08	Rancho Road - Escrow Account
City of Hesperia Stabilized Trust	Charles Schwab	n/a	31-Mar-25	n/a	4,477,758.47	4,477,758.47	4,477,758.47	City Pension
City of Hesperia OPEB Trust	Charles Schwab	n/a	31-Mar-25	n/a	823,923.06	823,923.06	823,923.06	City OPEB
Hesperia Fire Protection PST	Charles Schwab	n/a	31-Mar-25	n/a	1,444,222.86	1,444,222.86	1,444,222.86	Fire Pension
City of Hesperia Settlement Escrow Account	US Bank	0.000%	31-Mar-25	n/a	-	-	-	Settlement Escrow Account
Total Unaudited Investments under the direction of fiscal agents						\$ 10,904,128.01	\$ 10,904,128.01	

Please Note: All market value data is provided courtesy of the City's fiscal agent, US Bank.

I certify that this investment portfolio is in compliance with the statement of investment policy of the City of Hesperia and the investment program provides sufficient liquidity to meet expenditure requirements for the next six months, as required by the California Government Code sections 53646(b)(2) and (3), respectively.

* Note: 2005 Certificates of Participation began in May 2005 for the financing of the Civic Plaza.



Marc Morales, Senior Accountant

Successor Agency to the Redevelopment Agency
Investment Report
Unaudited

March 31, 2025

Type of Investment	Issuer/ Institution	Interest Rate	Date of Purchase	Date of Maturity	Par Value at Maturity	Book Value	Market Value	Account Description
Investments under the direction of the City:								
Local Agency Investment Funds	State of Calif.	4.313%	31-Mar-25	Demand	\$ 1,371,298.23	\$ 1,371,298.23	1,371,298.23	
Local Bank Checking Accounts	U.S. Bank	n/a	31-Mar-25	Demand	189,648.32	189,648.32	189,648.32	
Total Unaudited Investments under the direction of the City						\$ 1,560,946.55	\$ 1,560,946.55	
Investments under the direction of fiscal agents:								
2018 Refunding Bonds	US Bank	3.591%	31-Mar-25	Demand	11.14	11.14	11.14	2018A & 2018B - Debt Service Account
2018 Refunding Bonds	US Bank	0.376%	31-Mar-25	Demand	1,921.47	1,921.47	1,921.47	2018A & 2018B - Interest Account
2018 Refunding Bonds	US Bank	0.000%	31-Mar-25	Demand	1.00	1.00	1.00	2018A & 2018B - Reserve Account
Total Unaudited Investments under the direction of fiscal agents						\$ 1,933.61	\$ 1,933.61	

Please Note: All market value data is provided courtesy of the City's fiscal agent US Bank. The 2018 Refunding Bonds are supported by a \$9,799,443.76 bond insurance policy.

I certify that this investment portfolio is in compliance with the statement of investment policy of the City of Hesperia and the investment program provides sufficient liquidity to meet expenditure requirements for the next six months, as required by the California Government Code sections 53646(b)(2) and (3), respectively.



Marc Morales, Senior Accountant


* Note: The 2005 and 2007 Series Bonds were refinanced to 2018 Series Bonds in November 2018.

Hesperia Housing Authority
Investment Report
Unaudited

March 31, 2025

<u>Type of Investment</u>	<u>Issuer/ Institution</u>	<u>Interest Rate</u>	<u>Date of Purchase</u>	<u>Date of Maturity</u>	<u>Par Value at Maturity</u>	<u>Book Value</u>	<u>Market Value</u>
Local Agency Investment Funds	State of California	4.313%	31-Mar-25	Demand	\$ 5,578,944.09	5,578,944.09	5,578,944.09
Local Bank Checking Accounts	U.S. Bank	n/a	31-Mar-25	Demand	771,558.93	771,558.93	771,558.93
Total Unaudited Investments under the direction of the City					\$ 6,350,503.02	\$ 6,350,503.02	\$ 6,350,503.02

I certify that this investment portfolio is in compliance with the statement of investment policy of the City of Hesperia and the investment program provides sufficient liquidity to meet expenditure requirements for the next six months, as required by the California Government Code sections 53646(b)(2) and (3), respectively.



 Marc Morales, Senior Accountant

Hesperia Community Development Commission
Investment Report
Unaudited

March 31, 2025

<u>Type of Investment</u>	<u>Issuer/ Institution</u>	<u>Interest Rate</u>	<u>Date of Purchase</u>	<u>Date of Maturity</u>	<u>Par Value at Maturity</u>	<u>Book Value</u>	<u>Market Value</u>
Local Agency Investment Funds	State of California	4.313%	31-Mar-25	Demand	\$ 3,153,440.61	3,153,440.61	3,153,440.61
Local Bank Checking Accounts	U.S. Bank	n/a	31-Mar-25	Demand	436,115.73	436,115.73	436,115.73
Total Unaudited Investments under the direction of the City					\$ 3,589,556.34	\$ 3,589,556.34	\$ 3,589,556.34

Investments under the direction of the City:

I certify that this investment portfolio is in compliance with the statement of investment policy of the City of Hesperia and the investment program provides sufficient liquidity to meet expenditure requirements for the next six months, as required by the California Government Code sections 53646(b)(2) and (3), respectively.



Marc Morales, Senior Accountant

Hesperia Water District
Investment Report
Unaudited

March 31, 2025

Type of Investment	Issuer/ Institution	Interest Rate	Date of Purchase	Date of Maturity	Par Value at Maturity	Book Value	Market Value	Account Description
Investments under the direction of the City:								
Local Agency Investment Funds	State of California	4.313%	31-Mar-25	Demand	\$ 38,246,610.40	38,246,610.40	38,246,610.40	
Local Bank Checking Accounts	U.S. Bank	n/a	31-Mar-25	Demand	5,289,444.24	5,289,444.24	5,289,444.24	
Total Unaudited Investments under the direction of the City						\$ 43,536,054.64	\$ 43,536,054.64	
Investments under the direction of fiscal agents:								
Hesperia Water District PST	Charles Schwab	n/a	31-Mar-25	n/a	1,238,011.32	1,238,011.32	1,238,011.32	HWD Pension
Hesperia Water District OPEB	Charles Schwab	n/a	31-Mar-25	n/a	248,599.49	248,599.49	248,599.49	HWD OPEB
Deposits - Workers' Comp	PERMA	n/a	31-Mar-25	n/a	1,205,782.88	1,205,782.88	1,205,782.88	GL 1352
Total Unaudited Investments under the direction of fiscal agents						\$ 2,692,393.69	\$ 2,692,393.69	

Please Note: All market value data is provided courtesy of the City's fiscal agent, US Bank.

I certify that this investment portfolio is in compliance with the statement of investment policy of the City of Hesperia and the investment program provides sufficient liquidity to meet expenditure requirements for the next six months, as required by the California Government Code sections 53646(b)(2) and (3), respectively.



Marc Morales, Senior Accountant

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City of Hesperia STAFF REPORT



DATE: May 20, 2025

TO: Mayor and Council Members
Chair and Board Members, Hesperia Water District

FROM: Rachel Molina, City Manager

BY: Casey Brooksher, Assistant City Manager

SUBJECT: Agreement for the Acquisition of Wastewater Infrastructure Assets from Silverwood Development Phase 1, LLC

RECOMMENDED ACTION

It is recommended that the City Council and the Board of Directors of the Hesperia Water District authorize the City Manager to execute an Agreement for the Purchase and Sale Agreement with Silverwood Development Phase 1, LLC (the Developer) in the amount of \$6,332,931 for the acquisition of wastewater infrastructure assets constructed to support the Silverwood master-planned community.

BACKGROUND

Silverwood (formerly known as the Tapestry Development) is a master-planned community located in the City of Hesperia. As part of the development obligations, Silverwood was initially required to construct a wastewater treatment plant (WWTP) to handle project flows. On May 17, 2022, the City and the Developer agreed to an Operating Memorandum – 1, whereby the City/Hesperia Water District (City) would construct the wastewater treatment plant, and the Developer would pay a fair share.

During FY 2022-23, the City issued a request for qualifications (RFQ) for interested firms to design and construct a wastewater treatment plant. The original project estimates totaled \$82,000,000, which increased to \$95 million. The growth in the projected cost resulted in a higher amount that needed to be financed, rising from an assumed \$14 million to \$29 million. The ratepayers would bear this amount, which would be funded. This means that the annual debt service for thirty (30) years would increase from approximately \$0.7 million to \$1.7 million. The increase in annual debt service would increase the yearly household sewer billing from roughly \$1,000 to \$5,000 for customers outside the Silverwood Development and \$8,000 for Silverwood Development customers.

Due to the projected cost increases, the City and the Developer determined that the best approach was to return the obligation to construct the WWTP and related infrastructure to the Developer. This was memorialized on April 9, 2024

During this period, the Developer engineered and constructed interim wastewater infrastructure, including upgrades to lift stations and conveyance systems, thereby enabling wastewater flow capacity for approximately 500 to 700 residential units. These assets were initially designed to interconnect with the City's existing wastewater system following the City's initial decision to pursue a single wastewater treatment plant (WWTP) located at the northern end of the City. These improvements included increasing the capacity of Lift Station 2 (LS2), located on I Avenue

near the golf course, as well as the conveyance line running south of LS2 to the Silverwood project on Rancho Road.

The infrastructure components constructed are no longer necessary for the Developer's ongoing use but have significant public utility value for the City's wastewater system.

ISSUES/ANALYSIS

The City and Developer have negotiated a purchase agreement for the infrastructure assets, which include sewer lift stations, force mains, and other conveyance facilities that have been verified to meet applicable City, State, and Federal construction standards. These improvements were necessary to enable the connection of Silverwood's initial development phases to the City's water and sewer systems.

The associated technical memorandum prepared by PACE Advanced Water Engineering (dated January 26, 2024) outlines the design rationale, alignment revisions, and detailed costs incurred due to the shift in wastewater treatment approach. The memo substantiates that over \$7 million in infrastructure costs were borne by the Developer, exceeding the negotiated purchase price of \$6,332,931.

The City's Engineering Division has reviewed the contract documentation and associated expenditures submitted by the Developer. It has been confirmed that the scope of work, infrastructure constructed, and costs incurred are consistent with standard public works construction and engineering practices. This internal review supports the conclusion that the purchase price is fair and reasonable.

The purchase price is to be paid in two equal installments:

- \$3,166,466 by June 30, 2025
- \$3,166,465 by September 30, 2025

The infrastructure assets are depicted in Exhibit A of the agreement, and the cost justification is detailed in Exhibit B (PACE Tech Memo).

In the longer term, once Silverwood constructs and operates its wastewater treatment plant, the increased wastewater flows through the City's system are expected to enhance operational efficiencies and revenue recovery for the City's regional wastewater infrastructure. This represents a mutual benefit aligned with both the City's infrastructure utilization goals and the developer's long-range project phasing.

CITY GOAL SUPPORTED BY THIS ITEM

Infrastructure – Maintain and enhance a safe, reliable, and sustainable infrastructure system.

Financial Health – Maintain a balanced budget and adequate reserves.

FISCAL IMPACT

The total purchase cost of \$6,332,931 will be funded through Water District funds. The cost is structured in two equal payments:

- The first payment is due on or before June 30, 2025
- The second payment is due on or before September 30, 2025

Both payments will be included in the Proposed FY 2025-26 Budget. Upon acquisition, the infrastructure assets will be added to the City's wastewater system inventory and maintained as Water District assets.

ALTERNATIVE(S)

1. Provide alternative direction to staff.

ATTACHMENT(S)

1. Draft Agreement for Purchase and Sale of Wastewater Infrastructure Assets
2. Technical Memorandum – Silverwood WWTP Relocation Costs (PACE, Jan. 2024)

AGREEMENT FOR PURCHASE AND SALE
OF WASTEWATER INFRASTRUCTURE ASSETS

THIS AGREEMENT FOR PURCHASE AND SALE OF WASTEWATER INFRASTRUCTURE ASSETS (“**Agreement**”) is made this ___ day of _____, 2025 (“**Agreement Date**”) by and between the CITY OF HESPERIA, a general law city & municipal corporation (“**Buyer**” or “**City**”) and SILVERWOOD DEVELOPMENT PHASE 1, LLC, a Delaware limited liability company (“**Seller**” or “**Developer**”). Reference herein is made to each individually as “**Party**” or collectively as “**Parties**.”

RECITALS:

A. City and Hesperia Venture 1, LLC (“**Hesperia**”) entered into that certain Development Agreement dated January 30, 2018 and recorded in the Official Records of San Bernardino County on January 30, 2008 as Document No. 2018-0033139, as assigned to Developer with respect to a portion of the real property described thereunder pursuant to that certain Assignment and Assumption Agreement, dated August 17, 2021, approved by City and recorded in the Official Records of San Bernardino County on May 31, 2022, as Document No. 2022-0198589, as clarified by Operating Memorandum No. 1, dated May 17, 2022, between City, Hesperia, and Developer, Operating Memorandum No. 2, dated February 28, 2023, between City and Developer, Operating Memorandum No. 3, dated October 19, 2023, between City and Developer, and Operating Memorandum No. 4, dated April 9, 2024 between City and Developer (the “**Development Agreement**”).

B. Operating Memorandum No. 1 provided that the City would construct a regional wastewater treatment facility (“**Facility**”), including other appurtenances, in place of the Developer’s obligation to do so for its development.

C. Operating Memorandum No. 4 reversed the City’s responsibility and returned the obligation to construct a wastewater treatment facility and other appurtenances to the Developer as provided in the Development Agreement.

D. In reliance on the City’s agreement to construct the Facility, the Developer has completed improvements, including upgrades to a lift station, enabling wastewater flow for between 500 to 700 residential units, necessary to enable the Developer to connect its initial development phases to the City’s water and sewer systems. The wastewater improvements are described and depicted in further detail in Exhibit A to this Agreement (“**Infrastructure Assets**”).

E. It has been determined that, with the requirement that the Developer construct a wastewater treatment facility, the Infrastructure Assets will no longer be needed by Developer, but will instead be beneficial to the City and its residents.

F. The City desires to purchase Infrastructure Assets as public infrastructure assets.

G. The Developer has provided documentation of total costs for the Infrastructure Assets exceeding the agreed purchase price of \$6,332,931, as detailed in the technical and cost memos provided to the City, a copy of which are attached hereto as Exhibit B.

H. The City, as Buyer, and the Developer, as Seller, have negotiated in good faith and mutually agreed for the acquisition of the Infrastructure Assets by the Buyer pursuant to the terms of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants set forth herein, the Parties hereto agree as follows:

TERMS AND CONDITIONS

1. PURCHASE AND SALE OF INFRASTRUCTURE ASSETS

Buyer hereby agrees to purchase from Seller, and Seller agrees to sell to Buyer, the Infrastructure Assets, upon the terms and conditions set forth in this Agreement.

2. PURCHASE PRICE

2.1 *Purchase Price*

The purchase price for the Infrastructure Assets is Six Million Three Hundred Thirty-Two Thousand Nine Hundred Thirty-One Dollars (\$6,332,931.00) ("**Purchase Price**").

2.2 *Payment.*

Buyer hereby agrees to pay the Purchase Price to Seller as follows:

(a) First Payment: \$3,166,465.50 due on or before **June 30, 2025**.

(b) Second Payment: \$3,166,465.50 due on or before **September 30, 2025**.

2.3 *Good Funds.*

Buyer's payment of the Purchase Price to Seller shall be in "Good Funds" which means a wire transfer of funds to an account specified by Seller in writing or cashier's or certified check drawn on or issued by the offices of a financial institution located in the State of California and made out to Seller.

3. CONDITIONS PRECEDENT; DOCUMENTS REQUIRED FROM BUYER AND SELLER

3.1 Of Seller

Seller agrees to provide an executed bill of sale in the form of Exhibit C ("**Bill of Sale**"). Buyer agrees to provide an executed Certificate of Acceptance in the form attached to the Bill of Sale ("**Certificate of Acceptance**"). Seller shall deliver the Bill of Sale to Buyer concurrently with Buyer's delivery of the Second Payment to Seller. Seller's delivery of the Bill of Sale to Buyer is conditioned on Buyer's timely payment in full of the Purchase Price and Buyer's delivery of the executed Certificate of Acceptance to Seller.

3.2 Of Buyer

Within thirty (30) days after the Agreement Date (such period, the "**Inspection Period**"), Buyer shall inspect and confirm that the Infrastructure Assets are constructed in accordance with agreed standards and serve the capacity range (500–700 units) as claimed. Buyer shall notify Seller prior

to the expiration of the Inspection Period if Buyer disapproves of the Infrastructure Assets. If Buyer delivers such notice to Seller, this Agreement shall automatically terminate and the parties shall have no further obligations under this Agreement other than those that expressly survive termination. If Buyer fails to timely deliver such notice to Seller, Buyer shall be deemed to have confirmed that the Infrastructure Assets are acceptable and this Agreement shall remain in full force and effect.

If necessary, Buyer shall record any other required documents, including any easements for the Infrastructure Assets on any private or public property, to depict the location and ownership of the Infrastructure Assets. Any such easements on Developer's property shall be subject to Developer's reasonable approval.

Buyer by its execution of this Agreement hereby agrees that the City Manager of the Buyer or designee shall, in City Manager's sole and exclusive discretion, have authority to do the following:

- (a) Execute documents on behalf of Buyer including, but not limited to, issuing approvals, disapprovals, and extensions. Any such approval, disapproval or extension executed by the City Manager, or their designee, shall be binding on Buyer.
- (b) Make minor modifications to this Agreement to fulfill the direction of the City Council, provided that such minor modifications must be approved by the City Attorney.

4. REPRESENTATIONS AND WARRANTIES; WAIVERS; AS-IS SALE

4.1 General Representations and Warranties.

Seller hereby makes the following representations and warranties to Buyer, each of which is true in all respects as of the Agreement Date of this Agreement on the Infrastructure Assets:

- (a) To Seller's knowledge, all Infrastructure Assets were constructed to applicable City, State, and Federal standards.
- (b) To Seller's knowledge, there are no contracts, leases, claims or rights affecting the Infrastructure Assets and no agreements entered into by or under Seller that would adversely affect Buyer's rights with respect to the Infrastructure Assets except as heretofore disclosed in writing by Seller to Buyer.
- (c) To Seller's knowledge, there are no easements or encroachments onto the Infrastructure Assets by buildings or improvements on any adjoining property.
- (d) Seller has incurred costs in the construction of the Infrastructure Assets that exceed the Purchase Price, as shown in the cost spreadsheet of Seller dated March 28, 2025.
- (e) Seller has the unimpeded power to execute, deliver and perform Seller's obligations under this Agreement and the documents executed and delivered by Seller pursuant hereto.

4.2 Survival of Representations and Warranties of Seller.

The representations and warranties provided in Section 4.1 shall survive the Agreement Date for two (2) years following delivery of the Bill of Sale. If Buyer has or obtains actual knowledge prior to Seller's delivery of the Bill of Sale to Buyer that any of Seller's representations or warranties are inaccurate or untrue in any respect and Buyer nonetheless accepts the Bill of Sale from Seller, then Buyer shall be deemed to have waived such inaccuracy and such representations and warranties shall be deemed modified as of date of the Bill of Sale to reflect Buyer's actual knowledge of such information and Seller shall have no liability therefor.

4.3 Breach; Indemnification.

If, prior to the delivery of the Bill of Sale to Buyer, a breach of a representation or warranty occurs, the breach shall be grounds to terminate this Agreement. Seller agrees to indemnify, defend, protect and hold harmless Buyer, its officers, employees and agents from and against all claims, damages, costs, liabilities and expenses of any kind whatsoever paid, incurred or suffered by or asserted against the Infrastructure Assets or any indemnified party directly or indirectly arising from or attributable to: (i) any breach by Seller of any of its warranties or representations set forth in this Agreement, or (ii) any amounts expended by Buyer to secure exclusive possession of the Infrastructure Assets. Buyer's recourse against Seller for Seller's liability under this Agreement shall not extend, and no judgment or decree may be enforced against any of Seller's assets beyond Seller's interest in the Infrastructure Assets. Buyer and its successors and assigns and, without limitation, all other persons and entities, shall look solely to the interest of Seller in the Infrastructure Assets, and Buyer, on behalf of itself and its successors and assigns, hereby waives any and all recourse against any other assets of Seller. Seller's indemnification obligations shall survive the termination of this Agreement or the delivery of the Bill of Sale to Buyer for a period of one (1) year.

If Buyer breaches any of its obligations under this Agreement, Seller shall have the right to terminate this Agreement and to keep, as liquidated damages, any amounts received by Seller from Buyer prior to the date of such termination.

4.4 Waiver and Release.

The Purchase Price (defined in Section 2.1 above) to be paid by Buyer to Seller is all-inclusive of Seller's interest in the Infrastructure Assets and all damages of every kind and nature suffered, or to be suffered as a result of Buyer's acquisition of the Infrastructure Assets for public purposes. By execution of this Agreement, Seller and its successors and assigns shall be deemed to have knowingly and voluntarily waived, released and discharged Buyer from liability and responsibility for or related to any right Seller has, has had or in the future may have to any claim for compensation or damages or liability of any kind, whether known, unknown, foreseen or unforeseen, relating in any way to or arising out of Buyer's acquisition of the Infrastructure Assets. In that regard, Seller and its successors and assigns knowingly and voluntarily waive and release Buyer, its employees, agents and officers from liability as to the following: any rights or obligations which exist or may arise out of the acquisition of the Infrastructure Assets for public purposes including, without limitation, Seller's interest in the Infrastructure Assets, severance damages, relocation expenses or damages, loss of business goodwill and/or lost profits, loss or impairment of any "bonus value" attributable to any lease; damage to or loss of improvements pertaining to realty, costs, interest, attorneys' fees, and any claim whatsoever of Seller which might arise out of or relate to any respect to the acquisition of the Infrastructure Assets by Buyer.

Seller irrevocably releases and discharges the Buyer, and their employees, agents, officers and representatives, from any and all manner of actions, causes of action, in law or in equity, of any nature whatsoever, known or unknown, fixed or contingent Seller now or may hereafter have by reason of any matter, cause, or thing whatsoever occurring prior to the date of execution of this release with respect to the eminent domain process. Seller expressly agrees to waive and relinquish all rights and benefits each may have under California Civil Code Section 1542. That section reads as follows:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

Seller's Initials: _____

Buyer acknowledges and agrees that, except as specifically provided in this Agreement, Seller is selling the Infrastructure Assets to Buyer "As-Is, Where-Is" and Seller has not made, does not make and specifically negates and disclaims any representations, warranties, promises, covenants, agreements or guaranties of any kind or character whatsoever, whether express or implied, oral or written, past, present or future, of, as to, concerning or with respect to the Infrastructure Assets. As part of Buyer's agreement to purchase and accept the Infrastructure Assets "As-Is, Where-Is", and not as a limitation on such agreement, but subject to Buyer's right to rely on Seller's express representations and warranties set forth in this Agreement, Buyer hereby unconditionally and irrevocably waives any and all actual or potential rights Buyer might have regarding any form of warranty, express or implied, of any kind or type relating to the Infrastructure Assets. Such waiver is absolute, complete, total and unlimited in any way.

By execution of this Agreement, Buyer and its successors and assigns shall be deemed to have knowingly and voluntarily waived, released and discharged Seller from liability and responsibility for or related to any right Buyer has, has had or in the future may have to any claim for compensation or damages or liability of any kind, whether known, unknown, foreseen or unforeseen, relating in any way to or arising out of Buyer's acquisition of the Infrastructure Assets. In that regard, Buyer and its successors and assigns knowingly and voluntarily waive and release Seller, its members, employees, agents and officers from liability as to any claim whatsoever of Buyer which might arise out of or relate to any respect to the acquisition of the Infrastructure Assets by Buyer.

Buyer irrevocably releases and discharges the Seller, and its members, employees, agents, officers and representatives, from any and all manner of actions, causes of action, in law or in equity, of any nature whatsoever, known or unknown, fixed or contingent Buyer now or may hereafter have by reason of any matter, cause, or thing whatsoever occurring prior to the date of execution of this release with respect to the eminent domain process. Buyer expressly agrees to waive and relinquish all rights and benefits each may have under California Civil Code Section 1542. That section reads as follows:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

Buyer's Initials: _____

5. NOTICES.

Any notice which either Party may desire to give to the other Party must be in writing and may be given by personal delivery which will be deemed received the following day or by mailing the same by registered or certified mail, return receipt requested which will be deemed delivered three (3) days after depositing same in the mail, addressed to the Party to whom the notice is directed as set forth below, or such other address and to such other persons as the Parties may hereafter designate:

To Seller: Silverwood Development Phase 1, LLC
ADDRESS
ATTN:

With a Copy to: NAME
ADDRESS
ATTN

To Buyer: City of Hesperia
9700 Seventh Avenue
Hesperia, CA 92345
Attn: Development Services Director

With a Copy to: Aleshire & Wynder, LLP
1 Park Plaza, Suite 1000
Irvine, CA 92614
Attn: Pam Lee

6. GENERAL PROVISIONS

6.1 Assignment

Neither Party shall have the right to assign this Agreement or any interest or right hereunder without the prior written consent of the other Party. Subject to the foregoing, this Agreement shall be binding upon and shall inure to the benefit of Buyer and Seller and their respective heirs, personal representatives, successors and assigns.

6.2 Attorney's Fees

In any action between the Parties hereto, seeking enforcement of any of the terms and provisions of this Agreement, or in connection with the Infrastructure Assets, the prevailing Party in such action shall be entitled, to have and to recover from the other Party its reasonable attorneys' fees and other reasonable expenses in connection with such action or proceeding, in addition to its recoverable court costs.

6.3 Interpretation; Governing Law

This Agreement shall be construed according to its fair meaning and as if prepared by both Parties hereto. This Agreement shall be construed in accordance with the laws of the State of California in effect at the time of the execution of this Agreement. Titles and captions are for convenience

only and shall not constitute a portion of this Agreement. As used in this Agreement, masculine, feminine or neuter gender and the singular or plural number shall each be deemed to include the others wherever and whenever the context so dictates.

6.4 No Waiver

No delay or omission by either Party in exercising any right or power accruing upon the compliance or failure of performance by the other Party under the provisions of this Agreement shall impair any such right or power or be construed to be a waiver thereof. A waiver by either Party of a breach of any of the covenants, conditions or agreements hereof to be performed by the other Party shall not be construed as a waiver of any succeeding breach of the same or other covenants, agreements, restrictions or conditions hereof.

6.5 Modifications

Any alteration, change or modification of or to this Agreement, in order to become effective, shall be made by written instrument or endorsement thereon and in each such instance executed on behalf of each Party hereto.

6.6 Severability

If any term, provision, condition or covenant of this Agreement or the application thereof to any Party or circumstances shall, to any extent, be held invalid or unenforceable, the remainder of this instrument, or the application of such term, provisions, condition or covenant to persons or circumstances other than those as to whom or which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

6.7 Full Integration

This Agreement and other documents incorporated herein by reference contain the entire understanding between the Parties relating to the transaction contemplated hereby and all prior to contemporaneous agreements, understandings, representations and statements, oral or written, are merged herein and shall be of no further force or effect.

6.8 Execution in Counterparts

This Agreement may be executed in several counterparts, and all so executed shall constitute one agreement binding on all Parties hereto, notwithstanding that all Parties are not signatories to the original or the same counterpart.

[Signatures on following page]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement for Purchase and Sale of Wastewater Infrastructure Assets as of the date set forth above.

Note: Section 4.4 needs to be separately initialed as applicable by the Parties.

SELLER:

SILVERWOOD DEVELOPMENT PHASE 1,
LLC,
A Delaware Limited Liability company

John Ohanian, General Manager

BUYER:

CITY OF HESPERIA,
A municipal corporation

Rachel Molina, City Manager

ATTEST:

Melinda Sayre, City Clerk

APPROVED AS TO FORM:

ALESHIRE & WYNDER, LLP

Pam Lee, City Attorney

EXHIBIT A

Legal Description Of The Infrastructure Assets

EXHIBIT B

Technical Cost Memorandum

EXHIBIT C

Bill of Sale

This Bill of Sale is provided by SILVERWOOD DEVELOPMENT PHASE 1, LLC, a Delaware Limited Liability company (“**Seller**”) in favor of the CITY OF HESPERIA, a municipal corporation (“**Buyer**”), with respect to the sale and transfer of all right, title and interest in and to the Infrastructure Assets as defined in that certain Purchase and Sale Agreement For Wastewater Infrastructure Assets dated _____ (“**PSA**”), between Seller and Buyer, all of which Infrastructure Assets are set forth on Exhibit 1 attached hereto (collectively, the “**Infrastructure Assets**”).

NOW, THEREFORE, this Bill of Sale is issued by Seller in favor of Buyer in accordance with the following:

1. Seller represents, warrants and covenants to Buyer that it is the lawful owner of the Infrastructure Assets and that it has the right to sell, transfer, and convey the same to Buyer.
2. Seller hereby sells, assigns, transfers and conveys to Buyer all of Seller’s right, title and interest in and to the Infrastructure Assets as part of the consideration under that certain PSA.
3. The provisions of this Bill of Sale shall bind and benefit the successors and assigns of Buyer and Seller.
4. This Bill of Sale shall be governed by and construed in accordance with the laws of the State of California. This Bill of Sale may be executed in counterparts, each of which, when taken together, shall constitute fully executed originals.

IN WITNESS WHEREOF, Seller has executed this Bill of Sale as of _____, 2025.

SELLER:

SILVERWOOD DEVELOPMENT PHASE 1,
LLC,
A Delaware Limited Liability company

John Ohanian, General Manager

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in personal property conveyed by SILVERWOOD DEVELOPMENT PHASE 1, LLC to the CITY OF HESPERIA ("**City**"), is hereby accepted by the undersigned officer and agent of City.

Signed and dated on _____, 2025 at City of Hesperia, California.

GRANTEE

CITY OF HESPERIA, a municipal corporation

By: _____
Rachel Molina, City Manager

EXHIBIT 1 TO BILL OF SALE

Legal Description Of The Infrastructure Assets



DRAFT – TECHNICAL MEMORANDUM

Date: January 26, 2024
To: Mr. John Ohanian
From: Robert Murphy, PE – PACE
Kyle Smith, PE – PACE
Re: Draft - Silverwood WWTP Relocation Costs #A556

I. Background/Summary

The Silverwood Development (formerly Tapestry Development) is a master-planned community in the City of Hesperia (City). Initial planning documents created in 2014 proposed for all wastewater generated by the development to be conveyed to a wastewater treatment plant (WWTP) within the development. The recycled water produced by the WWTP was planned to serve the irrigation needs for open space land uses (parks, irrigated slopes, canyons, etc.) for the entire development. In addition, homes in later development phases were planned to be dual-plumbed (potable water for indoor use and recycled water for outdoor use). Homes during initial development phases were not planned to be dual-plumbed, as sufficient supply of recycled water was not anticipated to meet all residential irrigation demands.

In 2021, the City conducted a wastewater/recycled water system study and began pursuing the design and construction of its own WWTP, influenced largely by contractual changes with Victor Valley Wastewater Reclamation Authority (VWVRA). The City's desire was to construct a single WWTP which would serve the City's existing sewer flows (currently treated by VWVRA), and to meet Silverwood's sewer capacity and recycled water demands. In lieu of this single WWTP approach, PACE and the Silverwood project team recommended that the City pursue a two WWTP approach. A two plant approach would have allowed the City and Silverwood to independently meet their respective goals without impacting the project's development schedule, and without costly infrastructure needed to convey sewer and reclaimed water between Silverwood and the City WWTP. However, the City ultimately decided to proceed with the single WWTP approach, with the WWTP being located at the north end of the City.

As a result of this change in WWTP location, the Silverwood project team performed revised planning of the on-site sewer and recycled water systems. Accompanying master plans have also been approved by the City, and many of the components required to convey sewage and recycled water into and out of the development have been designed and constructed. Recently, the City has decided they will no longer construct the WWTP. The Silverwood project team must therefore reverse course and re-engineer the on-site sewer and recycled water systems to function with an on-site WWTP.

The numerous infrastructure components that were engineered and constructed to operate with the City's WWTP are no longer useful to Silverwood. The design and construction of these components added costs to Silverwood that would not have been spent if the initial plan to construct an on-site WWTP was agreed upon by the City. The intent of this technical memorandum is to summarize the system infrastructure components that were planned around the City's WWTP, and to identify the associated engineering and construction costs incurred by Silverwood.

II. Sewer System Changes and Costs

The sewer collection systems designed to operate with the City WWTP and Silverwood WWTP are shown for comparison in Figure 1. The individual components which are affected by the WWTP relocation are identified and numbered on each system. The primary difference between the two systems is that with the City WWTP system, all sewage generated for development phases 1-4 were planned to be conveyed north along Silverwood Trail and pumped out of the development via Lift Station 1 (LS1) and Lift Station 2 (LS2). In the Silverwood WWTP system, only sewage generated in the current development phase 1 is to be conveyed along Silverwood Trail to LS1, and LS1 and LS2 must pump the sewage south toward the WWTP. Sewage generated in future development phases will be diverted and conveyed along Kennedy Meadows to the WWTP. Therefore, the gravity sewers leading to each lift station, the lift stations themselves, and the sewer forcemains leaving each lift station are affected by the WWTP relocation.

The engineering and construction costs associated with the changes for each sewer system component are listed in Table 1. The current status of each component for the City WWTP system (e.g., preliminary design, approved plans, constructed) is also listed since it impacts the cost incurred.

In general, the engineering costs listed in the table are the costs to design and prepare plans for the pipelines of the City WWTP system, costs to redesign the lift stations for new hydraulic conditions, and costs to revise plans to remove components that have changed. Engineering costs for components which have not yet been designed are not included, aside from the costs to revise the sewer master plan. In addition, the costs to design and prepare new plans for the pipelines of the Silverwood WWTP system are not included, as these are costs that Silverwood would have spent from the start to design the system based around an on-site WWTP.

The construction costs listed for the Silverwood Gravity Sewer are the additional costs incurred for constructing the 24-inch sewer of the City WWTP system when only a 16-inch sewer is needed for the Silverwood WWTP system.

The interim Lift Station 1A (LS1A), the LS1A forcemain and the offsite sewer improvements (I Avenue Gravity Sewer and Lift Station Upgrades) within the table are the improvements proposed to temporarily serve the initial 500 units of Silverwood. These improvements were added as an interim solution due to delays caused by the decision process and preliminary design of the City WWTP. If Silverwood was able to proceed with construction of an on-site WWTP, these interim improvements would not have been needed.

III. Recycled Water System Changes and Costs

The recycled water distribution systems designed to operate with the City WWTP and Silverwood WWTP are shown for comparison in Figure 2. The individual components which are affected by the WWTP relocation are identified and numbered on each system. The primary difference between the two systems is that in the City WWTP system, all recycled water had to be conveyed into the development south along Silverwood Trail, and then distributed to the system via a recycled water booster pump station at Silverwood Trail and Kennedy Meadows. In the Silverwood WWTP system, the recycled water is produced at the WWTP located in the eastern area of Phase 1, and distributed to the system via a booster pump station at the WWTP. Therefore, the pipelines along Silverwood Trail and Kennedy Meadows are affected by the WWTP relocation.

In addition, since the City WWTP was planned to produce additional recycled water through the treatment of existing City sewer flows, the City WWTP system included additional in-tract recycled water distribution piping to dual-plumb and provide irrigation for all homes in Phase 1. The Silverwood WWTP will not have enough supply to serve the irrigation demand for homes in Phase 1, so this in-tract piping is no longer needed.

The engineering and construction costs associated with the changes for each recycled water system component are listed in Table 2. The current status of each component for the City WWTP system (e.g., preliminary design, approved plans, constructed) is also listed since it impacts the cost incurred. The engineering costs listed include costs for preparing the recycled water master plan for the City WWTP system, costs for designing the in-tract distribution piping, and costs for revising the Kennedy Meadows and Silverwood Trail improvement plans. The construction cost listed for the Silverwood Trail RW Line were the additional costs incurred for constructing the 16-inch distribution line of the City WWTP system when only 4-inch and 6-inch lines are needed for the Silverwood WWTP system.

IV. Summary

The total cost incurred by Silverwood for the relocation of the WWTP from the City back to within Silverwood is summarized in the table below. These are the engineering and construction costs that Silverwood has spent to design and construct improvements intended to operate with the City's WWTP.

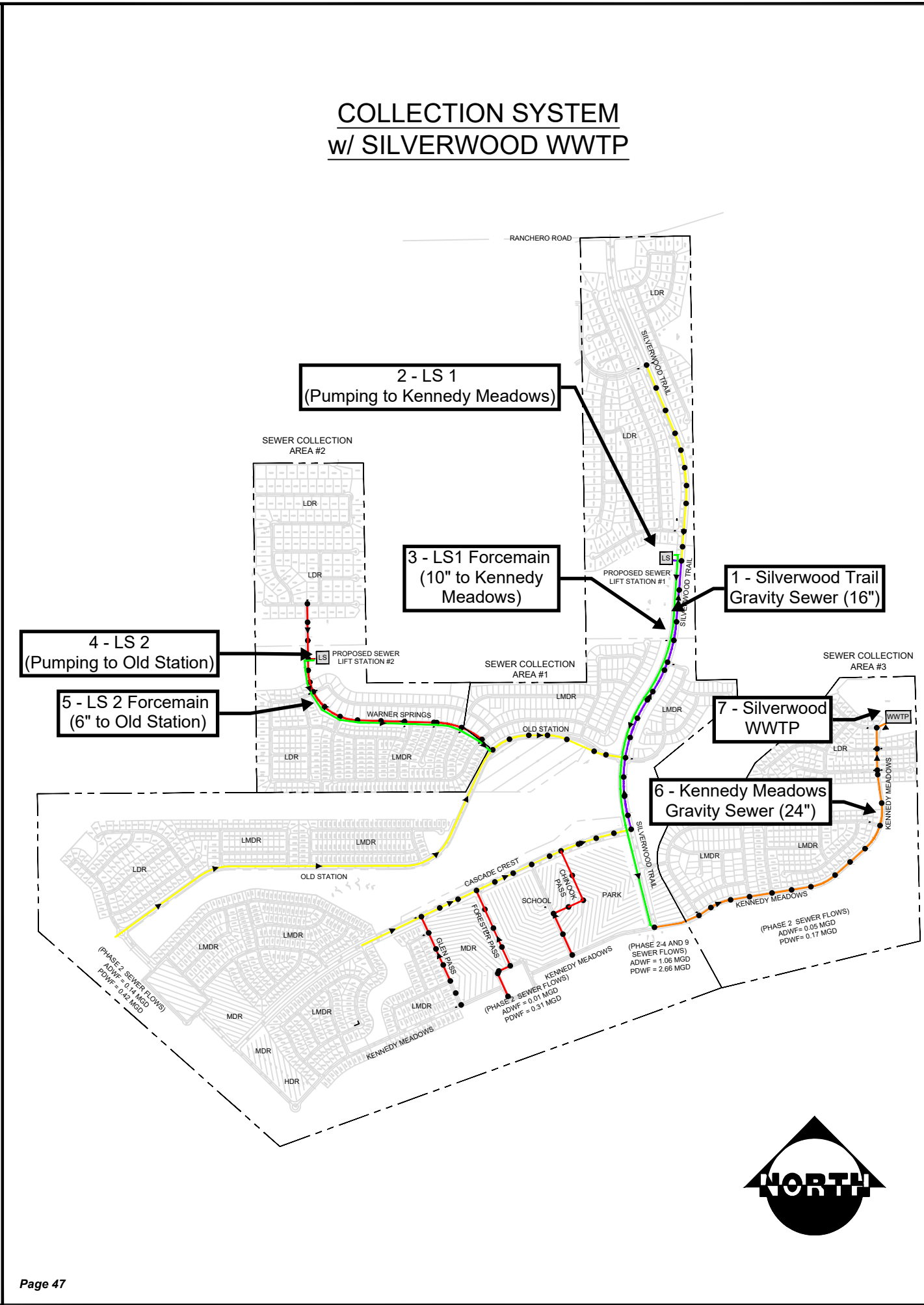
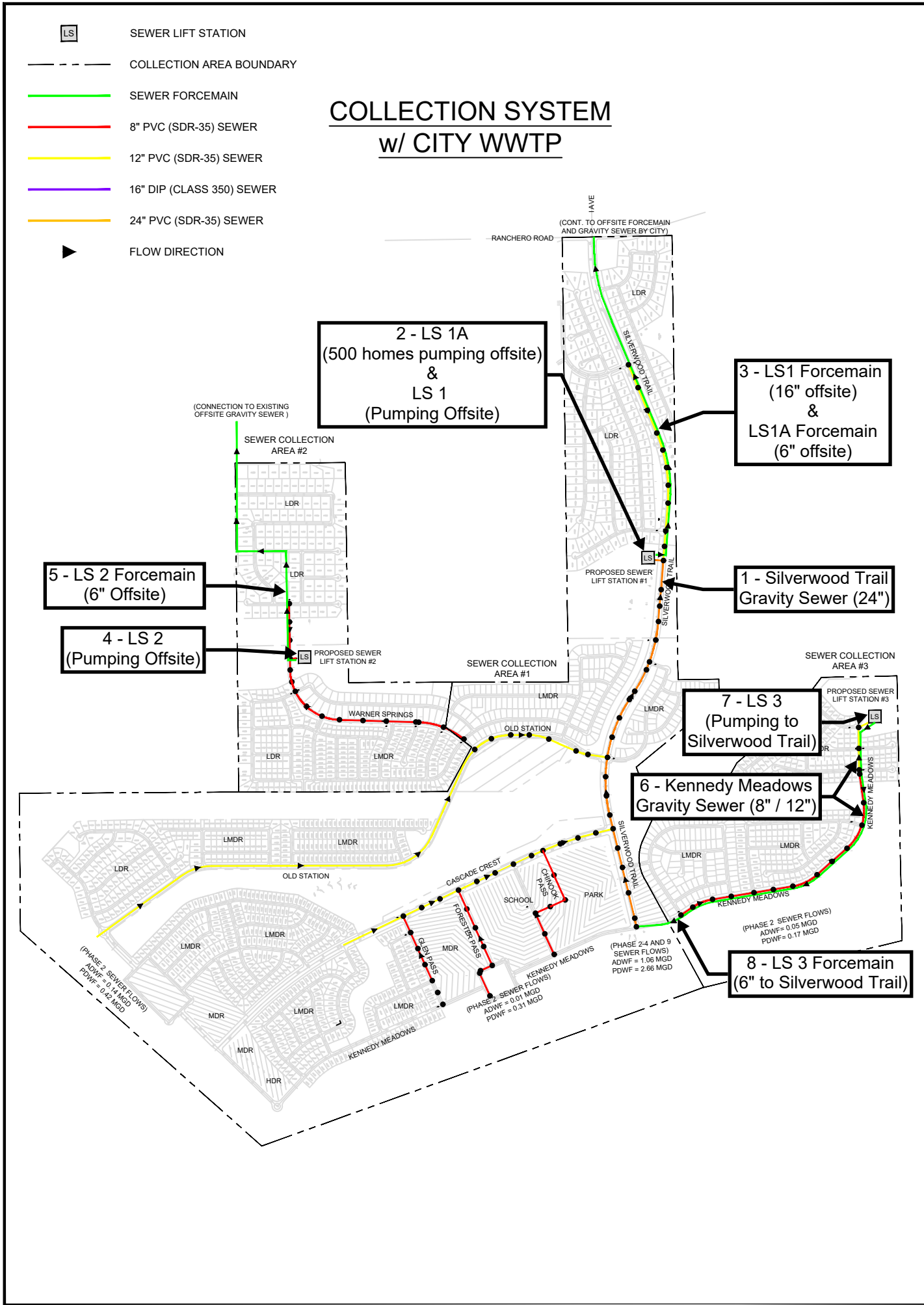
	Engineering Costs	Construction Costs	Total
Sewer System:	\$306,352	\$5,226,578	\$5,532,930
Recycled Water System:	\$155,780	\$1,335,633	\$1,491,413
Total Cost:	\$462,132	\$6,562,211	\$7,024,343

Attachments

Figure 1 – Sewer Collection System Comparison

Figure 2 – Recycled Water Distribution System Comparison

Tables 1 and 2 – Silverwood Costs Incurred for WWTP Relocation

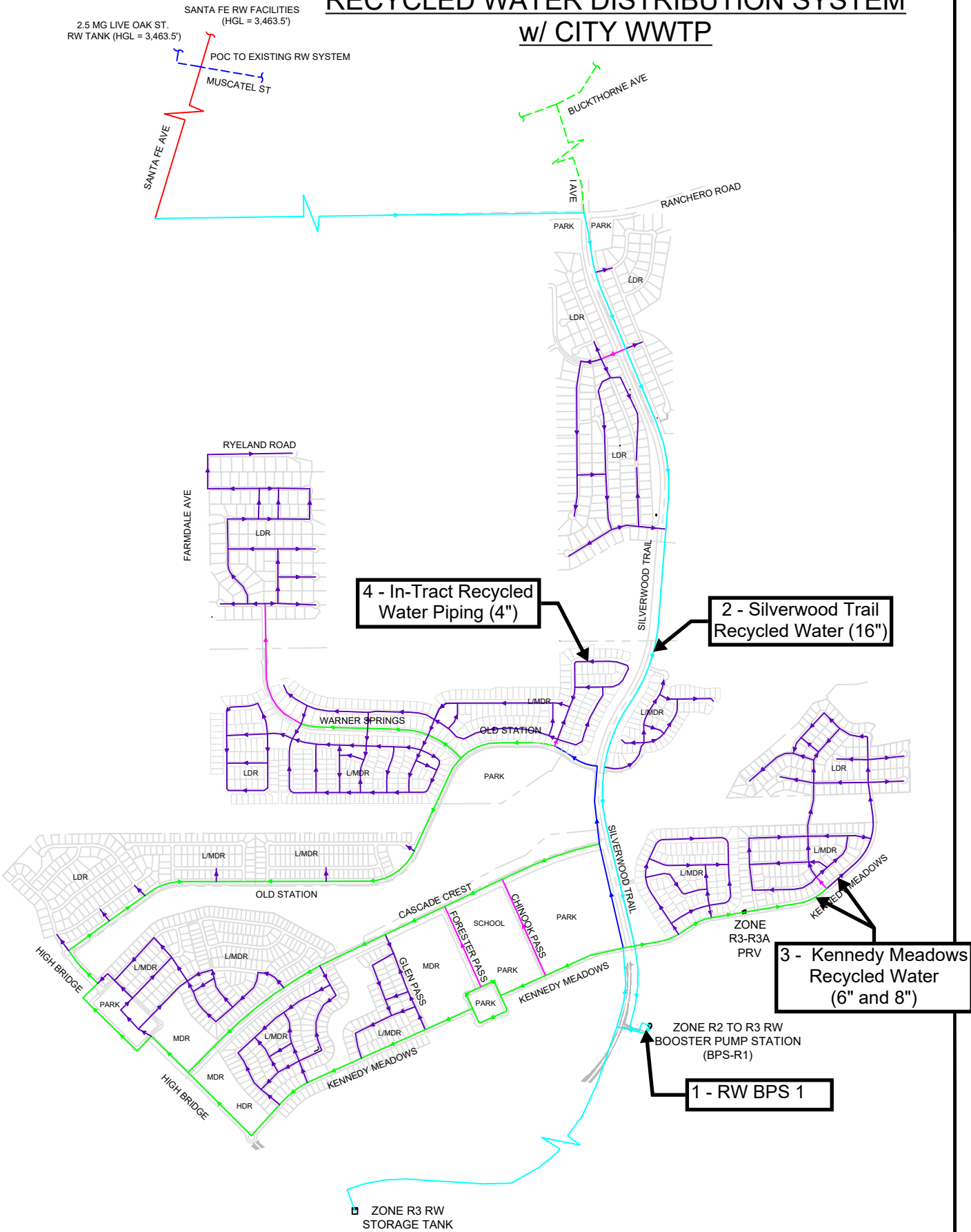


PHASE 1 SEWER COLLECTION SYSTEM COMPARISON
 SILVERWOOD - PHASE 1 SEWER COLLECTION SYSTEM MODEL
 HESPERIA
 JOB SCALE 1" = 1500'
 DESIGNED
 DRAWN KS
 CHECKED RRM
 DATE 1/2024
 JOB NO. A556
 CA

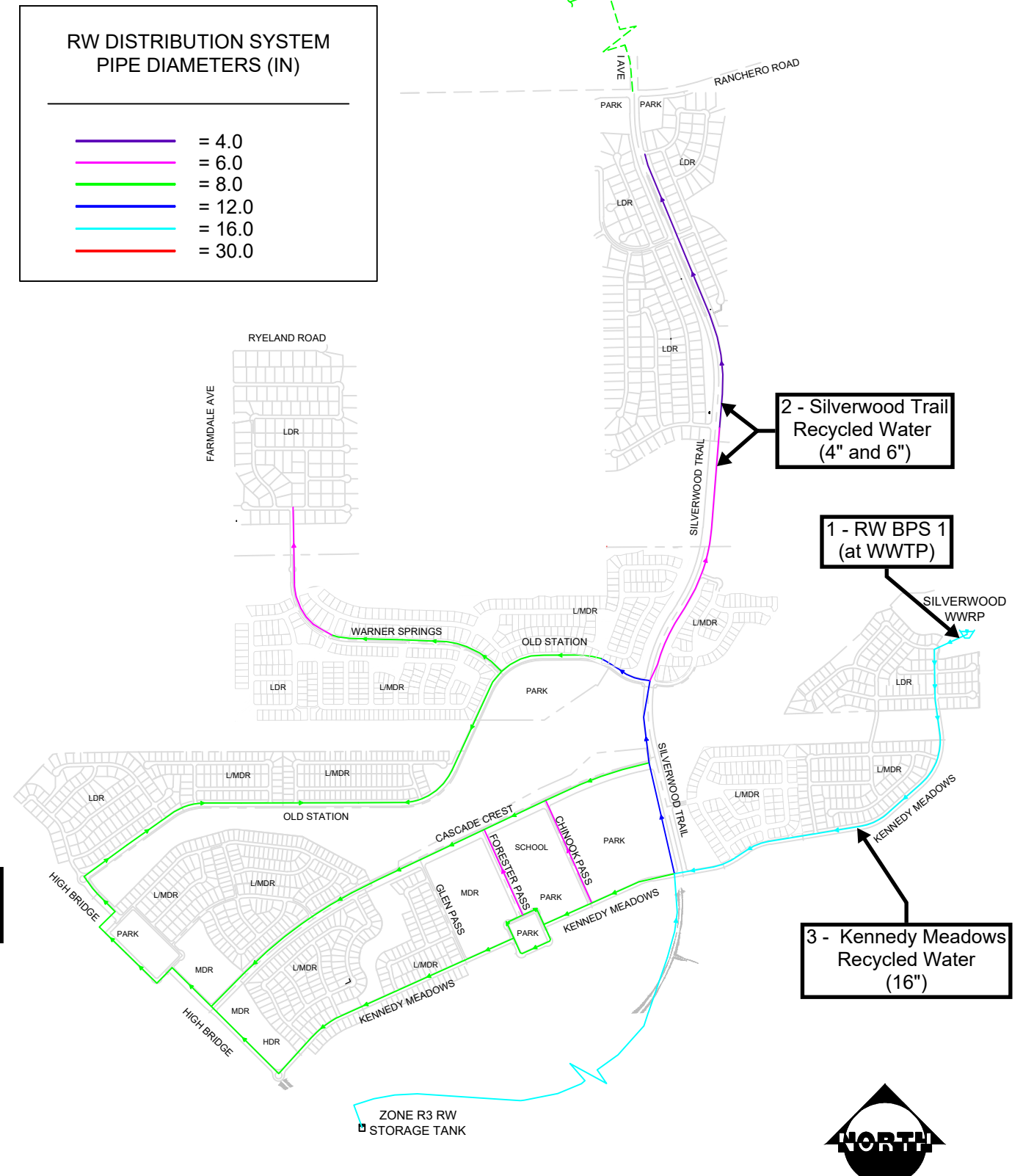
PACE
 Advanced Water Engineering
 17520 Newhops Street, Suite 200 | Fountain Valley, CA 92708
 P: (714) 481-7300 | www.pacewater.com

FIGURE 1

RECYCLED WATER DISTRIBUTION SYSTEM w/ CITY WWTP



RECYCLED WATER DISTRIBUTION SYSTEM w/ SILVERWOOD WWTP



PHASE 1 RECYCLED WATER
DISTRIBUTION SYSTEM
COMPARISON

SILVERWOOD - PHASE 1
RECYCLED WATER
DISTRIBUTION MODEL

SCALE 1" = 1500'
DESIGNED
DRAWN KS
CHECKED RRM
DATE 12/2023
JOB NO. A556

PACE
Advanced Water Engineering
17520 Newhope Street, Suite 200 | Fountain Valley, CA 92708
P: (714) 461-7300 | T: www.pacewater.com

FIGURE
2

HESPERIA CA
JOB
Revised RW System.dwg - Tab: System Comparison - by Ismith on 01/08/24 at 10:56:06 AM

Silverwood Costs Incurred for WWTP Relocation

Table 1 - SEWER COLLECTION SYSTEM CHANGES							
COMPONENT	COLLECTION SYSTEM w/ CITY WWTP		COLLECTION SYSTEM w/ SILVERWOOD WWTP		PROPOSED PROJECT DELTA		
	DESCRIPTION	STATUS	DESCRIPTION	ENGINEERING COSTS	CONSTRUCTION COSTS	TOTAL	
1	Silverwood Trail Gravity Sewer	24" from Kennedy Meadows to LS 1 (4,500 LF)	Approved Plans / Partially Constructed	16" from Cascade Crest to LS1 (3,300 LF)	\$ 10,600.00	\$ 239,482.00	\$ 250,082.00
2	LS 1A	Interim Silverwood Trail Lift Station planned to convey sewage from first 500 homes to the City (250 GPM)	Approved Plans	N/A	\$ 148,960.00	\$ 2,499,997.00	\$ 2,648,957.00
	LS 1	Silverwood Trail Lift Station planned to convey all sewage from Phases 1-4 to the City (3000 GPM)	Master Planned / Preliminary Design	Silverwood Trail Lift Station planned to convey portion of sewage from Phase 1 to Kennedy Meadows (1200 GPM)	(See Sewer Master Plan)	\$ -	\$ -
3	LS 1A Forcemain	6" FM from LS 1 to Silverwood Trail / Rancho (at connection to City FM, 4,200 LF)	Constructed	N/A	\$ 27,750.00	\$ 381,604.60	\$ 409,354.60
	LS 1 Forcemain	16" FM from LS 1 to Silverwood Trail / Rancho (at connection to City FM, 4,200 LF)	Approved Plans	10" FM from LS 1 to Kennedy Meadows (4,500 LF)	\$ 15,910.00	\$ -	\$ 15,910.00
4	LS 2	Warner Springs Lift Station planned to convey flows to offsite City sewer (300 GPM)	100% Design	Warner Springs Lift Station planned to convey flows to offsite City sewer	\$ 11,172.00	\$ -	\$ 11,172.00
5	LS 2 Forcemain	6" FM from LS 2 to Farndale Gravity Sewer offsite (3,600 LF)	Approved Plans	6" FM from LS 2 to Old Station (2,900 LF)	\$ 30,200.00	\$ -	\$ 30,200.00
6	Kennedy Meadows Gravity Sewer	8" / 12" from Silverwood Trail to LS 3 (4,600 LF)	Master Planned / Preliminary Design	24" from Silverwood Trail to WWTP (4,600 LF)	(See Sewer Master Plan)	\$ -	\$ -
7	LS 3	Kennedy Meadows Lift Station Pumping to Silverwood Trail (300 GPM)	Master Planned / Preliminary Design	N/A (Included in WWTP)	(See Sewer Master Plan)	\$ -	\$ -
8	LS 3 Forcemain	6" FM on Kennedy Meadows from LS 3 to Silverwood Trail (4,500 LF)	Master Planned / Preliminary Design	N/A	(See Sewer Master Plan)	\$ -	\$ -
9	I Ave LS Upgrades	Upgrade existing City sewer lift station to pump sewage from first 500 homes	In Construction	N/A	\$ 41,800.00	\$ 1,189,601.81	\$ 1,231,401.81
10	I Ave Gravity Sewer Upgrades	Upgrade existing City gravity sewer to convey sewage from first 500 homes	Constructed	N/A	\$ 8,200.00	\$ 915,892.50	\$ 924,092.50
11	Sewer Master Plan	Master Plan for components to convey sewage to City WWTP	Approved Plan	Master Plan for components to convey sewage to Silverwood WWTP	\$ 11,760.00	\$ -	\$ 11,760.00
Total:					\$ 306,352.00	\$ 5,226,577.91	\$ 5,532,929.91

Table 2 - RECYCLED WATER DISTRIBUTION SYSTEM CHANGES							
COMPONENT	DISTRIBUTION SYSTEM w/ CITY WWTP		DISTRIBUTION SYSTEM w/ SILVERWOOD WWTP		PROPOSED PROJECT DELTA		
	DESCRIPTION	STATUS	DESCRIPTION	ENGINEERING COSTS	CONSTRUCTION COSTS	TOTAL	
1	RW BPS #1	Recycled Water Booster Pump Station at Silverwood Trail and Kennedy Meadows (1800 GPM)	Master Planned / Preliminary Design	Recycled Water Booster Pump Station at WWTP	(See RW Master Plan)	\$ -	\$ -
2	Silverwood Trail RW Line	16" RW line from Rancho and Silverwood Trail (at connection point to City RW) to RW BPS #1	Constructed	4" / 6" RW line north of Old Station	\$ 21,060.00	\$ 1,335,633.00	\$ 1,356,693.00
3	Kennedy Meadows RW Line	4" / 8" RW Line on east of Silverwood Trail	Approved Plans	16" RW Line from Silverwood Trail to WWTP	\$ 3,000.00	\$ -	\$ 3,000.00
4	RW In-Tract Piping	4" RW Distribution Piping to serve residential homes in Phase 1	Approved Plans	N/A	\$ 123,000.00	\$ -	\$ 123,000.00
5	RW Master Plan	Master Plan for components to convey recycled water from City WWTP	Approved Plan	Master Plan for components to convey recycled water from Silverwood WWTP	\$ 8,720.00	\$ -	\$ 8,720.00
Total:					\$ 155,780.00	\$ 1,335,633.00	\$ 1,491,413.00

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City of Hesperia STAFF REPORT



DATE: May 20, 2025

TO: Mayor and Council Members
Chairman and Board Members, Hesperia Water District

FROM: Rachel Molina, City Manager

BY: Casey Brooksher, Assistant City Manager
Anne Duke, Deputy Finance Director
Jonathan Settle, Accountant

SUBJECT: Contract with Printing Services- Wirz and Company Printing, Inc.

RECOMMENDED ACTION

It is recommended that the City Council and Board of Directors of the Hesperia District Water District authorize the City Manager to enter into a one-year contract with Wirz and Company Printing, Inc., in a not-to-exceed amount of \$80,000 for printing services.

BACKGROUND

Departments Citywide need printed items for their various functions and utilize a City-wide agreement. These items include but are not limited to business cards, calendars, envelopes, W2 forms, inspection/violation forms, water quality reports, and newsletters. Ordering through a comprehensive agreement allows staff to operate more efficiently by streamlining printing services that are tailored to the department's needs.

ISSUES/ANALYSIS

To continue to provide printing services, the City prepared a formal bid that was released on April 9, 2025, and closed on April 30, 2025. Wirz & Company Printing, Inc. (Wirz) was the only vendor that submitted a bid. The City currently utilizes Wirz for printing services and is satisfied with their services.

CITY GOAL SUPPORTED BY THIS ITEM

Financial Health - Maintain a balanced budget and adequate reserves.

FISCAL IMPACT

Sufficient funding will be included for the various departments in the proposed Fiscal Year 2025-26 Budget.

ALTERNATIVE(S)

1. Provide alternative direction to staff.

ATTACHMENT(S)

None



DATE: May 20, 2025

TO: Mayor and Council Members

FROM: Rachel Molina, City Manager

BY: Cassandra Sanchez, Director of Public Works/City Engineer
Kevin Sin, Deputy City Engineer
Tina Souza, Senior Project Manager
Cristina Hall, Assistant Project Manager

SUBJECT: Acceptance of American Rescue Plan Act (ARPA) Grant- Citywide Sidewalk Repairs Phase I

RECOMMENDED ACTION

It is recommended that the City Council accept the completed Citywide Sidewalk Repairs Phase I project and authorize staff to record a “Notice of Completion” and release all withheld retention amounts after a minimum of thirty (30) calendar days from the date of recordation.

BACKGROUND

The Citywide Sidewalk Repairs Phase I (the “Project”) was identified in the American Rescue Plan Act (ARPA) Grant. On October 15, 2024, the City Council awarded the construction contract to H L Hitchcock Construction Inc. in the amount of \$109,190 and approved an additional 10% contingency in the amount of \$10,919, for a total construction budget of \$120,109. American Rescue Plan Act (ARPA) Grant funding was used to fund the Project.

ISSUES/ANALYSIS

All construction work was completed in January 2025 with a total expenditure of \$109,190. Upon acceptance of the Project, a Notice of Completion will be recorded, and the retention held by the City will be released after a minimum of thirty (30) days from the date of recordation. Upon City Council acceptance, the project will be under a one-year warranty.

CITY GOAL SUPPORTED BY THIS ITEM

Public Safety – Ensure public safety resources adequately protect our community.

FISCAL IMPACT

There is no fiscal impact associated with the recommended action. Funds for this project were previously allocated under the American Rescue Plan Act (ARPA) Grant. The 5% retention for \$5,460 will be held until after the required thirty (30) day minimum.

ALTERNATIVES

1. Provide alternative direction to staff.

ATTACHMENT(S)

1. Notice of Completion

RECORDING REQUESTED BY
AND
WHEN RECORDED MAIL TO:

Attn: Cristina Hall
CITY OF HESPERIA
Engineering Division
9700 Seventh Avenue
Hesperia, CA 92345

SPACE ABOVE THIS LINE FOR RECORDER'S USE
RECORDING FEE WAIVED PURSUANT TO CAL. GOV'T. CODE 27383

NOTICE OF COMPLETION

(CA Civil Code §§ 8180-8190 and 9200-9208)

NOTICE IS HEREBY GIVEN THAT:

1. The undersigned is OWNER of an interest of estate in the hereinafter described real properties.
2. The FULL NAME of the undersigned is: **City of Hesperia**
3. The FULL ADDRESS of the undersigned is: **9700 Seventh Avenue, Hesperia, California 92345.**
4. Work of improvement on the properties hereinafter described was completed and accepted as a whole on **May 20, 2025**
5. The NAME AND ADDRESS OF THE DIRECT CONTRACTOR for such work of improvement as a whole is:
H L Hitchcock Construction Inc. 10180 Victoria St. Rancho Cucamonga, CA 91701
6. There was completed upon the herein described properties a work of improvement as a whole and is described as follows:
Sidewalk Repairs Phase I
7. The real properties on which said work of improvement was completed are located in the City of Hesperia, County of San Bernardino, State of California, and are described as follows:
APN(S): **N/A – work was located within public right of way at various locations**
8. The street address(es) of said property(ies) is/are:
N/A – work was located within public right of way at various locations

Cristina Hall, Assistant Project Manager

Signature: _____

Name and Title of Person Completing this Form for the City of Hesperia, a municipal corporation of the State of California

Date: May 21, 2025

VERIFICATION

I, the undersigned authorized agent, declare under penalty of perjury under the laws of the State of California that I am the Assistant City Manager and Director of Development Services for the municipal corporation of the foregoing Notice of Completion; I make this verification on behalf of said municipal corporation, owner of the aforesaid interest of estate in the property therein described; I have read said Notice of Completion and know the contents thereof; and the facts therein stated are true and correct to the best of my knowledge.

Executed on _____, at Hesperia, California

Signed: _____
Kevin Sin, Deputy City Engineer

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DATE: May 20, 2025

TO: Mayor and Council Members

FROM: Rachel Molina, City Manager

BY: Cassandra Sanchez, Director of Public Works/City Engineer
Kevin Sin, Deputy City Engineer
Tina Souza, Senior Project Manager
Cristina Hall, Assistant Project Manager

SUBJECT: Acceptance of American Rescue Plan Act (ARPA) Grant- Citywide Sidewalk Repairs Phase II

RECOMMENDED ACTION

It is recommended that the City Council accept the completed Citywide Sidewalk Repairs Phase II project and authorize staff to record a “Notice of Completion” and release all withheld retention amounts after a minimum of thirty (30) calendar days from the date of recordation.

BACKGROUND

The Citywide Sidewalk Repairs Phase II (the “Project”) was identified in the American Rescue Plan Act (ARPA) Grant. On December 3, 2024, the City Council awarded the construction contract to H L Hitchcock Construction Inc. in the amount of \$165,510 and approved an additional 10% contingency in the amount of \$16,551, for a total construction budget of \$182,061. American Rescue Plan Act (ARPA) Grant funding was used to fund the Project.

ISSUES/ANALYSIS

All construction work was completed in February 2025 with a total expenditure of \$165,510. Upon acceptance of the Project, a Notice of Completion will be recorded, and the retention held by the City will be released after a minimum of thirty (30) days from the date of recordation. Upon City Council acceptance, the project will be under a one-year warranty.

CITY GOAL SUPPORTED BY THIS ITEM

Public Safety – Ensure public safety resources adequately protect our community.

FISCAL IMPACT

There is no fiscal impact associated with the recommended action. Funds for this project were previously allocated under the American Rescue Plan Act (ARPA) Grant. The 5% retention in the amount of \$8,276 will be held until after the required thirty (30) day minimum.

ALTERNATIVES

1. Provide alternative direction to staff.

ATTACHMENT(S)

1. Notice of Completion

RECORDING REQUESTED BY
AND
WHEN RECORDED MAIL TO:

Attn: Cristina Hall
CITY OF HESPERIA
Engineering Division
9700 Seventh Avenue
Hesperia, CA 92345

SPACE ABOVE THIS LINE FOR RECORDER'S USE
RECORDING FEE WAIVED PURSUANT TO CAL. GOV'T. CODE 27383

NOTICE OF COMPLETION

(CA Civil Code §§ 8180-8190 and 9200-9208)

NOTICE IS HEREBY GIVEN THAT:

1. The undersigned is OWNER of an interest of estate in the hereinafter described real properties.
2. The FULL NAME of the undersigned is: **City of Hesperia**
3. The FULL ADDRESS of the undersigned is: **9700 Seventh Avenue, Hesperia, California 92345.**
4. Work of improvement on the properties hereinafter described was completed and accepted as a whole on **May 20, 2025**
5. The NAME AND ADDRESS OF THE DIRECT CONTRACTOR for such work of improvement as a whole is:
H L Hitchcock Construction Inc. 10180 Victoria St. Rancho Cucamonga, CA 91701
6. There was completed upon the herein described properties a work of improvement as a whole and is described as follows:
Sidewalk Repairs Phase II
7. The real properties on which said work of improvement was completed are located in the City of Hesperia, County of San Bernardino, State of California, and are described as follows:
APN(S): **N/A – work was located within public right of way at various locations**
8. The street address(es) of said property(ies) is/are:
N/A – work was located within public right of way at various locations

Cristina Hall, Assistant Project Manager

Signature: _____

Name and Title of Person Completing this Form for the City of Hesperia, a municipal corporation of the State of California

Date: May 21, 2025

VERIFICATION

I, the undersigned authorized agent, declare under penalty of perjury under the laws of the State of California that I am the Assistant City Manager and Director of Development Services for the municipal corporation of the foregoing Notice of Completion; I make this verification on behalf of said municipal corporation, owner of the aforesaid interest of estate in the property therein described; I have read said Notice of Completion and know the contents thereof; and the facts therein stated are true and correct to the best of my knowledge.

Executed on _____, at Hesperia, California

Signed: _____
Kevin Sin, Deputy City Engineer

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DATE: May 20, 2025

TO: Mayor and Council Members

FROM: Rachel Molina, City Manager

BY: Cassandra Sanchez, Director of Public Works/City Engineer
Kevin Sin, Deputy City Engineering
Tina Sousa, Senior Project Manager
Cristina Hall, Assistant Project Manager

SUBJECT: Acceptance of American Rescue Plan Act (ARPA) Grant- Tamarisk Storm Water Basin Rehabilitation

RECOMMENDED ACTION

It is recommended that the City Council accept the completed Tamarisk Storm Water Basin Rehabilitation project and authorize staff to record a “Notice of Completion” and release all withheld retention amounts after a minimum of thirty (30) calendar days from the date of recordation.

BACKGROUND

The Tamarisk Storm Water Basin Rehabilitation (the “Project”) was identified in the American Rescue Plan Act (ARPA) Grant. On November 5, 2024, the City Council awarded the construction contract to H L Hitchcock Construction Inc. in the amount of \$602,650 and approved an additional 10% contingency in the amount of \$60,265, for a total construction budget of \$662,915. American Rescue Plan Act (ARPA) Grant funding was used to fund the Project.

ISSUES/ANALYSIS

All construction work was complete in February 2025 with a total expenditure of \$619,548. Upon acceptance of the Project, a Notice of Completion will be recorded, and the retention held by the City will be released after a minimum of thirty (30) days from the date of recordation. Upon City Council acceptance, the project will be under a one-year warranty.

CITY GOAL SUPPORTED BY THIS ITEM

Public Safety – Ensure public safety resources adequately protect our community.

FISCAL IMPACT

There is no fiscal impact associated with the recommended action. Funds for this project were previously allocated under the American Rescue Plan Act (ARPA) Grant. The 5% retention in the amount of \$30,977 will be held until after the required thirty (30) day minimum.

ALTERNATIVES

1. Provide alternative direction to staff.

ATTACHMENT(S)

1. Notice of Completion

RECORDING REQUESTED BY
AND
WHEN RECORDED MAIL TO:

Attn: Cristina Hall
CITY OF HESPERIA
Engineering Division
9700 Seventh Avenue
Hesperia, CA 92345

SPACE ABOVE THIS LINE FOR RECORDER'S USE
RECORDING FEE WAIVED PURSUANT TO CAL. GOV'T. CODE 27383

NOTICE OF COMPLETION

(CA Civil Code §§ 8180-8190 and 9200-9208)

NOTICE IS HEREBY GIVEN THAT:

1. The undersigned is OWNER of an interest of estate in the hereinafter described real properties.
2. The FULL NAME of the undersigned is: **City of Hesperia**
3. The FULL ADDRESS of the undersigned is: **9700 Seventh Avenue, Hesperia, California 92345.**
4. Work of improvement on the properties hereinafter described was completed and accepted as a whole on **May 20, 2025**
5. The NAME AND ADDRESS OF THE DIRECT CONTRACTOR for such work of improvement as a whole is:
H L Hitchcock Construction Inc. 10180 Victoria St. Rancho Cucamonga, CA 91701
6. There was completed upon the herein described properties a work of improvement as a whole and is described as follows:
Tamarisk Storm Water Basin Rehabilitation
7. The real properties on which said work of improvement was completed are located in the City of Hesperia, County of San Bernardino, State of California, and are described as follows:
APN(S): **0405-313-47**
8. The street address(es) of said property(ies) is/are:
N/A – work was located at Tamarisk Ave and Mojave Street - Northwest Corner

Cristina Hall, Assistant Project Manager

Signature: _____

Name and Title of Person Completing this Form for the City of Hesperia, a municipal corporation of the State of California

Date: May 21, 2025

VERIFICATION

I, the undersigned authorized agent, declare under penalty of perjury under the laws of the State of California that I am the Assistant City Manager and Director of Development Services for the municipal corporation of the foregoing Notice of Completion; I make this verification on behalf of said municipal corporation, owner of the aforesaid interest of estate in the property therein described; I have read said Notice of Completion and know the contents thereof; and the facts therein stated are true and correct to the best of my knowledge.

Executed on _____, at Hesperia, California

Signed: _____
Kevin Sin, Deputy City Engineer

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DATE: May 20, 2025
TO: Chair and Board Members, Hesperia Water District
FROM: Rachel Molina, City Manager
BY: Cassandra Sanchez, Director of Public Works / City Engineer
Brian Blackwell, Streets Operation Manager
Robert Worby, Fleet/Warehouse Supervisor
SUBJECT: Iconix Waterworks - New Contract

RECOMMENDED ACTION

It is recommended that the Board of Directors of the Hesperia Water District authorize the City Manager to enter into a one (1) year agreement with Iconix Waterworks in a not-to-exceed amount of \$150,000, for the purchase of A.Y. McDonald manufactured water products.

BACKGROUND

The Hesperia Water District has standardized various services and repair products to minimize the need to stock multiple products and to simplify installation processes. A.Y. McDonald water products are one of the materials the District has standardized that are compatible with existing infrastructure and meet the design standards established by the American Water Works Association. These materials are used to maintain and repair the water system, including corporation stops, curb stops, adapters, meter valves, saddles, repair clamps, and other accessories.

ISSUES/ANALYSIS

The District will procure A.Y. McDonald water products from Iconix Waterworks during Fiscal Year 2025-26. Iconix Waterworks is a sole source vendor as they are the direct distributor of water products in the region.

CITY GOAL SUPPORTED BY THIS ITEM

Financial Health - Maintain a balanced budget and adequate reserves.

FISCAL IMPACT

Sufficient funding will be included in the (FY) 2025-26 Operating Budget.

ALTERNATIVE(S)

1. Provide alternative direction to staff.

ATTACHMENT(S)

None



DATE: May 20, 2025

TO: Mayor and Council Members
Chairman and Board Members, Hesperia Water District

FROM: Rachel Molina, City Manager

BY: Cassandra Sanchez, Director of Public Works/City Engineer
Kevin Sin, Deputy City Manager
Tina Sousa, Senior Project Manager
Cristina Hall, Assistant Project Manager

SUBJECT: Acceptance of American Rescue Plan Act (ARPA) Grant- Roofing Replacement and Repairs - Plant 5, 18, 24, & 26, C.O. No. 8093

RECOMMENDED ACTION

It is recommended that the City Council and Board of Directors of the Hesperia Water District accept the completed Roofing Replacement and Repairs - Plant 5, 18, 24, & 26, C.O. No. 8093 project and authorize staff to record a "Notice of Completion" and release all withheld retention amounts after a minimum of thirty (30) calendar days from the date of recordation.

BACKGROUND

The Roofing Replacement and Repairs - Plant 5, 18, 24 & 26, C.O. No. 8093 (the "Project") was identified in the American Rescue Plan Act (ARPA) Grant. On December 3, 2024, the City Council awarded the construction contract to Best Contracting Services Inc. in the amount of \$261,130 and approved an additional 10% contingency in the amount of \$26,113, for a total construction budget of \$287,243. American Rescue Plan Act (ARPA) Grant funding was used to fund the Project.

ISSUES/ANALYSIS

All construction work was complete in March 2025 with a total expenditure of \$264,227. Upon acceptance of the Project, a Notice of Completion will be recorded, and the retention held by the City will be released after a minimum of thirty (30) days from the date of recordation. Upon City Council acceptance, the project will be under a one-year warranty.

CITY GOALS SUPPORTED BY THIS ITEM

Public Safety – Ensure public safety resources adequately protect our community.
Capital Improvement – Continually evaluate capital improvement priorities.

FISCAL IMPACT

There is no fiscal impact associated with the recommended action. Funds for this project were previously allocated under the American Rescue Plan Act (ARPA) Grant. The 5% retention in the amount of \$13,211 will be held until after the required thirty (30) day minimum.

ALTERNATIVES

1. Provide alternative direction to staff.

ATTACHMENT(S)

1. Notice of Completion

RECORDING REQUESTED BY
AND
WHEN RECORDED MAIL TO:

Attn: Cristina Hall
CITY OF HESPERIA
Engineering Division
9700 Seventh Avenue
Hesperia, CA 92345

SPACE ABOVE THIS LINE FOR RECORDER'S USE
RECORDING FEE WAIVED PURSUANT TO CAL. GOV'T. CODE 27383

NOTICE OF COMPLETION

(CA Civil Code §§ 8180-8190 and 9200-9208)

NOTICE IS HEREBY GIVEN THAT:

1. The undersigned is OWNER of an interest of estate in the hereinafter described real properties.
2. The FULL NAME of the undersigned is: **City of Hesperia**
3. The FULL ADDRESS of the undersigned is: **9700 Seventh Avenue, Hesperia, California 92345.**
4. Work of improvement on the properties hereinafter described was completed and accepted as a whole on **May 20, 2025**
5. The NAME AND ADDRESS OF THE DIRECT CONTRACTOR for such work of improvement as a whole is:
Best Contracting Services Inc. 19027 S. Hamilton Avenue, Gardena, CA 90248
6. There was completed upon the herein described properties a work of improvement as a whole and is described as follows:
Roofing Replacement and Repairs - Plant 5,18,24 & 26
7. The real properties on which said work of improvement was completed are located in the City of Hesperia, County of San Bernardino, State of California, and are described as follows:
APN(S): **0398-227-18, 0397-012-05, 0410-231-01, & 0410-031-04**
8. The street address(es) of said property(ies) is/are:
18295 Redding Street, Hesperia, CA 92345
7292 Paisley Avenue, Hesperia, CA 92345
8601 E Avenue, Hesperia, CA 92345
17282 Mojave, Hesperia, CA 92345

Cristina Hall, Assistant Project Manager

Signature: _____

Name and Title of Person Completing this Form for the City of Hesperia, a municipal corporation of the State of California

Date: May 21, 2025

VERIFICATION

I, the undersigned authorized agent, declare under penalty of perjury under the laws of the State of California that I am the Assistant City Manager and Director of Development Services for the municipal corporation of the foregoing Notice of Completion; I make this verification on behalf of said municipal corporation, owner of the aforesaid interest of estate in the property therein described; I have read said Notice of Completion and know the contents thereof; and the facts therein stated are true and correct to the best of my knowledge.

Executed on _____, at Hesperia, California

Signed: _____
Kevin Sin, Deputy City Engineer

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City of Hesperia STAFF REPORT



DATE: May 20, 2025

TO: Mayor and Council Members

FROM: Rachel Molina, City Manager

BY: Cassandra Sanchez, Director of Public Works/ City Engineer
Kevin Sin, Deputy City Engineer
Deanna Lestina, Project Manager

SUBJECT: Approve the FY 2025-26 SB-1 Funding Project List

RECOMMENDED ACTION

It is recommended that the City Council approve Resolution No. 2025-14 approving the Fiscal Year 2025-26 Project List to be funded by SB-1: The Road Repair and Accountability Act.

BACKGROUND

On Wednesday, March 29, 2017, Governor Jerry Brown announced a transportation funding agreement. The agreement was passed by the State Legislature and signed into law in April of 2017 as Senate Bill 1 (SB-1) or the Road Repair and Accountability Act of 2017. SB-1 is funded by various mechanisms including an initial 12 cent gas excise tax increase, a reset price-based excise tax at 17.3 cents, a 20 cent diesel excise tax, a 4% diesel sales tax increase, a \$25-\$175 annual transportation improvement fee based on vehicle value, and a \$100 annual zero emissions vehicle fee, with annual increases based upon changes in the Consumer Price Index (CPI) beginning July 1, 2020. From these sources, SB-1 is expected to provide \$5.2 billion annually and \$15 billion for local streets and roads over the next ten years. Specifically, local agencies will be funded through the Road Maintenance and Rehabilitation Account (RMRA), which consists of the new gas tax, the transportation improvement fee, and part of the diesel excise tax. The local share will be split evenly between cities and counties with city revenues being allocated per capita. The City of Hesperia will receive an estimated \$2,625,961 for FY 2025-26.

SB-1 will provide investments to make significant improvements to the State's highway system as well as local transportation facilities in disrepair. Cities and Counties will use SB-1 funds for complete streets projects, railroad grade separations, traffic control devices, increasing mobility options for residents, and increasing access to multi-modal transportation options by expanding transit, bicycle, and pedestrian friendly opportunities. However, the main focus of RMRA is to improve deteriorating roads throughout the state through maintenance and rehabilitation projects, as well as critical safety projects. Therefore, SB-1 requests that, to the extent possible, local agencies prioritize basic maintenance and safety projects.

ISSUES/ANALYSIS

SB-1 includes accountability and transparency measures to ensure the residents of the City are aware of the projects proposed for funding in our community. Cities and counties will adopt a project list by resolution each year and provide year-end reporting on completed projects, including necessary amendments if applicable. Prior to receiving funds, cities are required to

annually approve a list of all projects by resolution that are proposed to receive funding from the RMRA. The project list must include a description and the location of each proposed project as well as the estimated useful life of the improvement.

City Staff will submit a list of projects to the California Transportation Commission that includes projects approved by Council. The following previously proposed and adopted projects may also use Fiscal Year 2025-26 Road Maintenance and Rehabilitation Account revenues in their delivery. With the relisting of these projects in the adopted fiscal year resolution, the City is reaffirming to the public and the State our intent to fund these projects with Road Maintenance and Rehabilitation Account revenues:

The Street Improvement Project scheduled for this year (CO 7167) consists of the following streets: Jacaranda Avenue which includes select level course and crack and cape seal on Jacaranda Avenue between Bear Valley Road and Eucalyptus Avenue which has an estimated useful life of 10 years; Seventh Avenue which includes selected removal and replacement and slurry seal and crack seal and/or grind and overlay of asphalt on Seventh Avenue between Main Street and Mesquite Street which has an estimated useful life of 10 years as well as Seventh Avenue which includes select crack and slurry seal of asphalt on Seventh Avenue between Willow Street and Cajon Street which has an estimated useful life of 10 years. Construction is anticipated to commence in late July 2025 and the anticipated completion date of this project is December 2025.

Maple Avenue Rehabilitation consists of select removal and replacement of asphalt on Maple Avenue between Main Street and Rancho Road which has an estimated useful life of 20 years. Construction is anticipated to commence in April 2026, and the anticipated completion date of this project is October 2026.

Forward planning for Fiscal Year 2025-26 will incorporate the following list of new projects anticipated to utilize Road Maintenance and Rehabilitation Account revenues:

FY 2025-26 Street Improvement Project consists of the select removal and replacement of asphalt on Seventh Avenue between Willow Street and Bear Valley Avenue which has an estimated useful life of 20 years. Construction is anticipated to commence in late July 2025 and the anticipated completion date of this project is December 2025.

CITY GOAL SUPPORTED BY THIS ITEM

Capital Improvement - Continually evaluate capital improvement priorities.

Financial Health - Maintain a balanced budget and adequate reserves.

FISCAL IMPACT

There is no direct fiscal impact as a result of this subject item. This action simply approves the FY 2025-26 SB-1 Funding Project List for the purpose of receiving and expending SB-1 RMRA funds.

ALTERNATIVE(S)

1. Provide alternative direction to staff.

ATTACHMENT(S)

1. Resolution No. 2025-14

RESOLUTION NO. 2025-14

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HESPERIA,
CALIFORNIA, ADOPTING THE FY 2025-26 PROJECT LIST TO BE FUNDED
BY SENATE BILL-1: THE ROAD REPAIR AND ACCOUNTABILITY ACT.**

WHEREAS, Senate Bill (SB-1), the Road Repair and Accountability Act of 2017 (Chapter 5, Statutes of 2017) was passed by the Legislature and signed into law by the Governor in April 2017 in order to address the significant multi-modal transportation funding shortfalls statewide; and

WHEREAS, SB-1 includes accountability and transparency provisions that will ensure the residents of our City are aware of the projects proposed for funding in our community and which projects have been completed each fiscal year; and

WHEREAS, the City must include a list of all projects proposed to receive funding from the Road Maintenance and Rehabilitation Account (RMRA), created by SB-1, in the City budget, which must include a description and the location of each proposed project, a proposed schedule for the project's completion, and the estimated useful life of the improvement; and

WHEREAS, the City will receive an estimated \$2,625,961 in RMRA funding in Fiscal Year 2025-26 from SB-1; and

WHEREAS, the City will submit a project list that includes projects to be adopted in the FY 2025-26 Capital Improvement Program Budget which will allocate all \$2,625,961 to the FY 2025-26 Street Improvement Project; and

WHEREAS, the funding from SB-1 will help the City maintain and rehabilitate streets, bridges, and add active transportation infrastructure throughout the City; and

WHEREAS, maintaining and preserving the local street and road system in good condition, as well as the installation of traffic control devices, will reduce traffic drive times and traffic congestion, which leads to a reduction on vehicle emissions helping the State achieve its air quality and greenhouse gas emission reduction goals, and will improve bicycle, pedestrian, and vehicular safety; and

WHEREAS, restoring roads before they fail also reduces construction time which results in less air pollution from heavy equipment and less water pollution from site run-off; and

WHEREAS, the SB-1 project list and overall investment in our local streets and roads infrastructure with a focus on basic maintenance and safety, investing in complete streets infrastructure, and using modern technology, materials and practices, will have significant positive benefits statewide.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HESPERIA AS FOLLOWS:

Section 1. The foregoing recitals are true and correct.

Section 2. The following previously proposed and adopted projects may also utilize Fiscal Year (FY) 2025-2026 Road Maintenance and Rehabilitation account revenues in their delivery. With the relisting of these projects in the adopted fiscal year resolution, the City is reaffirming to the public and the State our intent to fund these projects with Road Maintenance and Rehabilitation Account revenues:

Fiscal Year 2021-22 Street Improvement Project consists of the following streets: Jacaranda Avenue which includes select level course and crack and cape seal on Jacaranda Avenue between Bear Valley Road and Eucalyptus Avenue which has an estimated useful life of 10 years; Seventh Avenue which includes selected removal and replacement and slurry seal and crack seal and/or grind and overlay of asphalt on Seventh Avenue between Main Street and Mesquite Street which has an estimated useful life of 10 years as well as Seventh Avenue which includes select crack and slurry seal of asphalt on Seventh Avenue between Willow Street and Cajon Street which has an estimated useful life of 10 years. Construction is anticipated to commence in July 2025 and the anticipated completion date of this project is December 2025.

Maple Avenue Rehabilitation consists of select removal and replacement of asphalt on Maple Avenue between Main Street and Rancho Road which has an estimated useful life of 20 years. Construction is anticipated to commence in April 2026 and the anticipated completion date of this project is October 2026.

Forward planning for Fiscal Year 2025-26 will incorporate the following list of new projects anticipated to utilize Road Maintenance and Rehabilitation Account revenues:

FY 2025-26 Street Improvement Project consists of the select removal and replacement of asphalt on Seventh Avenue between Willow Street and Bear Valley Avenue which has an estimated useful life of 20 years. Construction is anticipated to commence in July 2025 and the anticipated completion date of this project is December 2025.

ADOPTED AND APPROVED this 20th day of May, 2025.

Allison Lee
Mayor

ATTEST:

Jessica Giber
Assistant City Clerk

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DATE: May 20, 2025
TO: Mayor and Council Members
FROM: Rachel Molina, City Manager
BY: Melinda Sayre, Deputy City Manager/City Clerk
Tammy Pelayes, Assistant to the City Manager
SUBJECT: City Council Designation for a Representative at Southern California Association of Governments (SCAG)

RECOMMENDED ACTION

It is recommended that the City Council designate Council Member Chris Ochoa as the City's representative for the Southern California Association of Governments (SCAG).

BACKGROUND

SCAG is a Joint Powers Authority under California state law, established as an association of local governments and agencies that voluntarily convene as a forum to address regional issues. The SCAG region encompasses six counties (Imperial, Los Angeles, Orange, Riverside, San Bernardino and Ventura) and 191 cities in an area covering more than 38,000 square miles. SCAG develops long-range regional transportation plans, including a sustainable communities strategy and a growth forecast, regional transportation improvement programs, regional housing needs allocations and a portion of the South Coast Air Quality Management Plan.

ISSUES/ANALYSIS

Individual City Council appointments to outside agency committees are designed to help facilitate a better flow of information between City Council, outside agencies and City staff.

At the May 6, 2025, City Council meeting, Council Member Chris Ochoa expressed interest in being appointed as the City's liaison to SCAG.

CITY GOAL SUPPORTED BY THIS ITEM

Future Development — Facilitate balanced growth to ensure cohesive community development and pursue economic development.

FISCAL IMPACT

There is no fiscal impact associated with approval of the recommended action.

ALTERNATIVE(S)

Provide alternative direction to staff.

ATTACHMENT(S)

None



DATE: May 20, 2025

TO: Mayor and Council Members
Chair and Board Members, Hesperia Water District

FROM: Rachel Molina, City Manager

BY: Casey Brooksher, Assistant City Manager
Rita Perez, Deputy Human Resources/Risk Management Director
Benjamin Leslie, GIS Technician

SUBJECT: One-Year Contract with Nobel Systems, Inc. for Citywide GIS Integrations

RECOMMENDED ACTION

It is recommended that the City Council and Board of Directors of the Hesperia Water District authorize the City Manager to enter into a one-year contract with Nobel Systems, Inc. (Nobel), for a total not-to-exceed contract amount of \$93,502, for the City's Geographical Information Systems (GIS) software and associated services.

BACKGROUND

Nobel has been the City's provider for GIS and GeoViewer integrations, data management, and administrative training since 2007. In 2016, Nobel also began web hosting the City's GeoViewer public system, which allows City employees access to GIS data and real-time parcel information. This system also facilitates citizen access to public GIS data through the City's website. In 2023, the contract with Nobel was amended to add Valve Exercising, DigAlert, and Unlimited Forms.

As part of the City's ongoing GIS Data Management service, Nobel provides updates for the City's GIS assets, including regular feature enhancements, security, and data, ensuring accuracy of water, sewer, storm drain, and street assets.

ISSUES/ANALYSIS

Nobel has a long-standing relationship with the City, and as such possesses extensive knowledge of the City's GIS infrastructure. As the current contract with Nobel expires on June 30, 2025, establishing a new one-year contract agreement will ensure stability & functionality of critical GIS-integrated services. This contract will also allow Nobel to continue to provide data management services to ensure the accuracy of GIS information.

CITY GOAL SUPPORTED BY THIS ITEM

Organizational Health – Foster a high-performing organization that provides opportunities for professional growth.

FISCAL IMPACT

Sufficient funding will be included in the proposed Fiscal Year (FY) 2025-26 Budget.

ALTERNATIVE(S)

1. Provide alternative direction to staff.

ATTACHMENT(S)

None



DATE: May 20, 2025
TO: Mayor and Council Members
FROM: Rachel Molina, City Manager
BY: Casey Brooksher, Assistant City Manager
Rita Perez, Deputy Human Resources/Risk Management Director
SUBJECT: Three-Year Service Agreement with Assured Data Protection, Inc.

RECOMMENDED ACTION

It is recommended that the City Council authorize the City Manager to execute a three-year professional services agreement with Assured Data Protection, Inc. for a total not-to-exceed contract amount of \$259,320 for the cloud-based Disaster Recovery as a Service (DRaaS) solution that provides comprehensive protection for the City's critical applications and data.

BACKGROUND

The City currently relies on Nutanix Xi Leap as its cloud-based Disaster Recovery as a Service (DRaaS) solution. As Nutanix Xi Leap has reached its end of life, it is necessary for the City to identify a replacement solution that is compatible with the existing virtual environment. The new solution must align with the City's strategic objective to maintain uninterrupted services and protect municipal data effectively.

An analysis of our current systems to ensure the continuity of critical operations and safeguarding the integrity and availability of essential data during potential disaster events was utilized to develop a Request for Proposals (RFP). The replacement must meet these key metrics including three days or less for the Recovery Time Objective(RTO) - the maximum allowable downtime for critical systems and applications before significant business impact occurs, 24 hours or less for Recovery Point Objective(RPO) – the maximum acceptable data loss defined as the period of time during which data could be lost due to a system outage and produce a comprehensive testing and documentation to verify that the proposed solution meets the specified RTO and RPO metrics.

ISSUES/ANALYSIS

A request for proposal was released on March 2, 2025, and closed on March 27, 2025. Four proposals were received in response to the RFP, with Assured Data Protection, Inc. (Assured) being selected after a comprehensive evaluation and panel rating. Assured will provide comprehensive protection for the City and offer on-demand assistance in emergency situations to ensure continuous coverage and support.

CITY GOAL SUPPORTED BY THIS ITEM

Organizational Health - Foster a high-performing organization that provides opportunities for professional growth.

FISCAL IMPACT

If the proposed three-year agreement in the amount of \$259,320 is approved, the first year of software maintenance and initial setup of \$6,300 will be funded from the FY 2024-25 Information Technology operating budget. Funding for the subsequent years of this agreement will be included in the Information Technology annual operating budget.

ALTERNATIVE(S)

1. Provide alternative direction to staff.

ATTACHMENT(S)

None

City of Hesperia STAFF REPORT



DATE: May 6, 2025

TO: Mayor and Council Members

FROM: Rachel Molina, City Manager **SECOND READING AND ADOPTION**

BY: Nathan R. Freeman, Director of Development Services
Ryan Leonard, Principal Planner

SUBJECT: Development Code Amendment DCA25-00001; Applicant: City of Hesperia; Area affected: City-wide

RECOMMENDED ACTION

The Planning Commission recommends that the City Council introduce and place on first reading Ordinance No. 2025-01, approving Development Code Amendment DCA25-00001, which modifies development standards related to Accessory Dwelling Units (ADUs) and Junior Accessory Dwelling Units (Junior ADUs).

BACKGROUND

On March 13, 2025, the Planning Commission voted 4-0 (with Commissioner Hodson absent) to forward this item to the City Council with a recommendation for approval. Prior to the meeting, one comment letter was received in opposition to the project from the California Housing Defense Fund (CalHDF). The letter referenced other sections of the City's existing ADU Ordinance that the organization believes do not comply with State law. During the meeting, no members of the public spoke in support or opposition to the project.

The proposed amendment responds to a need for updates to the City's existing ADU regulations to ensure compliance with evolving State law. The current ADU regulations were initially adopted by the City Council on May 19, 2020, through Ordinance No. 2020-04. Since then, the City has adopted three amendments to maintain consistency with State mandates.

Staff has identified further changes necessary to bring the ordinance into full compliance and to improve clarity and implementation. These revisions are addressed in the proposed Development Code Amendment.

ISSUES/ANALYSIS

An Accessory Dwelling Unit (ADU) is an attached or detached additional dwelling unit that provides complete independent living facilities for one or more persons and is located on a lot with an existing or proposed primary dwelling. An ADU may be up to 1,200 square feet, is fully self-contained (including sanitation), and does not share internal access with the primary residence.

A Junior Accessory Dwelling Unit (Junior ADU) is a unit no larger than 500 square feet, contained entirely within an existing or proposed single-family residence. Junior ADUs must include an

efficiency kitchen, may have internal access to the primary unit, and may share sanitation facilities (such as a restroom) with the primary unit. The City's Development Code (specifically Section 16.12.360) currently allows Junior ADUs and ADUs in all single-family, multi-family, and mixed-use zoning districts.

The City is unique in that only about 20% of developed properties are connected to sewer facilities. The remaining 80% rely on onsite wastewater treatment systems (OWTS), such as septic systems. To protect groundwater resources, the State Water Resources Control Board has implemented regulations for OWTS that the City is required to enforce. For example, City regulations currently require that lots not connected to sewer must be at least one acre in size to qualify for an ADU or Junior ADU.

City staff recently met with representatives from the Lahontan Regional Water Quality Control Board to discuss the City's lot size requirements for Junior ADUs. It was determined that the existing requirement, restricting Junior ADUs to sewer-connected lots or lots of at least one acre, must be removed. Under the proposed amendment, Junior ADUs would be permitted on any lot, regardless of sewer connection or lot size.

Additionally, staff recommends revising the ADU Ordinance to require that if a Junior ADU converts the required two-car garage of a primary residence, the replacement of that required parking—in an enclosed garage—must be provided elsewhere on the property. This must conform to the size, placement, and design standards of the Development Code. Currently, the Ordinance does not require replacement parking for Junior ADUs. Staff believes this proposed change aligns with State law requirements regarding replacement parking for the primary residence.

A redlined version showing all changes to the City's existing ADU regulations is attached for reference.

Environmental: Approval of this Development Code Amendment is exempt from the California Environmental Quality Act (CEQA) under Section 15061(b)(3), as it can be seen with certainty that the project will not have a significant environmental impact. It is also exempt under Section 16.12.415(B)(10) of the City's CEQA Guidelines, which exempts Development Code Amendments that do not increase the density or intensity permitted in the General Plan. According to Government Code Section 65852.2, ADUs do not count toward allowable density and are considered a residential use consistent with the existing General Plan and zoning designation.

CITY GOAL SUPPORTED BY THIS ITEM

Future Development - Facilitate balanced growth to ensure cohesive community development and pursue economic development.

Conclusion: The proposed Ordinance aligns with the goals, policies, and objectives of the General Plan and will bring the City's ADU regulations into compliance with State law.

FISCAL IMPACT

There is no financial impact to the General Fund associated with this report.

ALTERNATIVE(S)

1. Provide alternative direction to staff.

ATTACHMENT(S)

1. Ordinance No. 2025-01
2. Exhibit "A"

ORDINANCE NO. 2025-01

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF HESPERIA, CALIFORNIA, ADOPTING A DEVELOPMENT CODE AMENDMENT MODIFYING DEVELOPMENT STANDARDS ASSOCIATED WITH ACCESSORY DWELLING UNITS (ADUs) AND JUNIOR ACCESSORY DWELLING UNITS (Junior ADUs) (DCA25-00001)

WHEREAS, on January 5, 1998, the City Council of the City of Hesperia adopted Ordinance No. 250, thereby adopting the Hesperia Municipal Code; and

WHEREAS, on May 19, 2020, the City Council adopted Ordinance No. 2020-04, establishing development standards associated with Accessory Dwelling Units (ADUs), codified in Section 16.12.360 of the Hesperia Development Code (the "ADU Ordinance"); and

WHEREAS, on June 1, 2021, the City Council adopted Ordinance No. 2021-01, modifying various sections of the ADU Ordinance to improve clarity and ensure consistency with State requirements; and

WHEREAS, on August 16, 2022, the City Council adopted Ordinance No. 2022-13, further updating the ADU Ordinance to align with State law; and

WHEREAS, on May 23, 2024, the City received a letter from the California Department of Housing and Community Development (HCD) stating that the City's existing ADU Ordinance does not comply with certain State ADU laws; and

WHEREAS, on November 19, 2024, the City Council adopted Ordinance No. 2024-13 to make additional updates to the ADU Ordinance in response to State requirements; and

WHEREAS, the City now proposes to amend Section 16.12.360 of the Hesperia Development Code to further revise regulations pertaining to Accessory Dwelling Units (ADUs) and Junior Accessory Dwelling Units (Junior ADUs); and

WHEREAS, the City Council finds that this Development Code Amendment provides necessary updates to bring the City's Development Code into compliance with State law; and

WHEREAS, the proposed Development Code Amendment is exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15061(b)(3), as it can be seen with certainty that there is no significant effect on the environment. The amendment is also exempt under Section 16.12.415(B)(10) of the City's CEQA Guidelines, which exempts Development Code Amendments that do not increase the density or intensity allowed under the General Plan; and

WHEREAS, on March 13, 2025, the Planning Commission of the City of Hesperia conducted a duly noticed public hearing on the proposed Development Code Amendment and voted 4-0 to recommend approval to the City Council; and

WHEREAS, on May 6, 2025, the City Council of the City of Hesperia conducted a duly noticed public hearing on the proposed Development Code Amendment and concluded said hearing on that date; and

WHEREAS, all legal prerequisites to the adoption of this Ordinance have occurred.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF HESPERIA DOES ORDAIN AS FOLLOWS:

Section 1. The City Council hereby finds and declares that all of the foregoing recitals are true and correct and incorporates them herein by this reference.

Section 2. Based upon substantial evidence presented to the City Council, including written and oral staff reports, the City Council finds that the proposed Development Code Amendment is consistent with the goals and objectives of the adopted General Plan.

Section 3. Based on the findings and conclusions set forth in this Ordinance, the City Council hereby adopts Development Code Amendment DCA25-00001, amending the ADU Ordinance as shown in Exhibit "A."

Section 4. This Ordinance shall take effect thirty (30) days after its adoption.

Section 5. The City Clerk shall certify to the adoption of this Ordinance and shall cause it to be posted in three (3) public places within the City of Hesperia pursuant to Resolution No. 2007-101.

ADOPTED AND APPROVED on this 20th day of May 2025.

Allison Lee, Mayor

ATTEST:

Jessica Giber, Assistant City Clerk

EXHIBIT “A”

The following are modifications to Article X of Chapter 16.12 (additions are in underlined red text and deletions are shown with ~~red and strikethrough~~):

16.12.360 - Accessory dwelling units.

F. Junior Accessory Dwelling Units.

1. Purpose-This section provides standards for the establishment of junior accessory dwelling units, an alternative to the standard accessory dwelling unit. Junior accessory dwelling units will typically be smaller than an accessory dwelling unit, will be constructed within the walls of an existing single family residence, and requires owner occupancy of the single family residence where the unit is located.
2. Development Standards- Junior accessory dwelling units shall comply with the following standards:
 - a) Lots with an existing or proposed single family residence may be permitted one (1) accessory dwelling unit and one (1) junior accessory dwelling unit.
 - b) ~~In compliance with the State of California Lahontan Regional Water Quality Control Board, lots that are not connected to sewer facilities shall be a minimum of one gross acre in size or install an approved Supplemental Treatment Septic System. For the purposes of providing service for water, sewer or power, including a connection fee, a junior accessory dwelling unit shall not be considered a separate or new dwelling unit. Lots that are not connected to sewer facilities shall meet the Lahontan Regional Water Quality Control Board regulations pertaining to minimum septic tank capacity.~~
 - c) A junior accessory dwelling unit shall not exceed 500 square feet in size and shall be contained entirely within a single family residence.
 - d) The junior accessory dwelling unit shall include a separate entrance from the main entrance to the proposed or existing single family residence.
 - e) The junior accessory dwelling unit must include an efficiency kitchen that includes a cooking facility with appliances, a food preparation counter, and storage cabinets that are of reasonable size in relation to the size of the junior accessory dwelling unit.
 - f) The junior accessory dwelling unit may have a bathroom or share with the proposed or existing single family residence. If a permitted junior accessory dwelling unit does not include a separate bathroom, then an interior entry to the main living area shall be provided.
 - g) ~~Additional parking shall not be required. A junior accessory dwelling unit shall not convert the required parking for the primary residential structure located within an attached garage without the concurrent replacement of the existing required parking within an enclosed garage elsewhere on the property in accordance with the size, placement, and design standards of the Development Code.~~
 - h) A deed restriction, in a form to be approved and provided by the City, must be recorded and filed with the City, and must include the following stipulations: i)

prohibition on the sale of the junior accessory dwelling unit separate from the sale of the single family residence; ii) restriction on the size and attributes of the junior accessory dwelling unit; iii) if the unit is rented, the unit shall not be rented for a period of less than 30 consecutive calendar days; and iv) owner occupancy of one of the units on-site is required, unless the owner is a governmental agency, land trust, or housing organization. These restrictions shall run with the land.

(Ord. 2003-05 § 4 (part), 2003; Ord. 299 § 4 (Exh. A § 3 (part)), 2000; Ord. 250 (part), 1997; Ord. 192 Exh. A (§ 83.10.020), 1994)

(Ord. No. 2009-08, § 3(Exh. A), 10-20-09; Ord. No. 2012-14, § 3(Exh. A), 8-7-12; Ord. No. 2017-12, § 3(Exh. A), 6-20-17; Ord. No. 2020-04, § 3(Exh. A), 5-19-20; Ord. No. 2021-01, 3(Exh. A), 6-1-21; Ord. No. 2022-13, § 3(Exh. A), 9-6-2022)

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DATE: May 20, 2025

TO: Mayor and Council Members
Chair and Board Members, Hesperia Housing Authority Chair and
Board Members, Hesperia Water District

FROM: Rachel Molina, City Manager

BY: Casey Brooksher, Assistant City Manager
Rita Perez, Deputy Human Resources/Risk Management Director

SUBJECT: FY 2025-26 Budget Workshop #2 - Vacancies, Recruitment Efforts, and
Retention Strategies as Required by California Assembly Bill 2561

RECOMMENDED ACTION

It is recommended that the City Council/Board receive this report on the City of Hesperia proposed staffing for Fiscal Year (FY) 2025-26 and hold a public hearing of a comprehensive overview of current job vacancies, recruitment efforts, and retention strategies as required by California Assembly Bill 2561.

BACKGROUND

In compliance with the City Council's policy direction, staff annually develops an expenditure budget. While the budget gives the City the legal authority to secure goods and services, it is also a communication tool that provides information to the citizens about the City's programs and projects. To ensure that the budget is developed to meet the City Council's direction, a series of budget workshops have been developed. The first workshop highlighted the proposed operating budget. This second workshop will highlight the proposed staffing levels.

In addition, on January 1, 2025, California Assembly Bill 2561 was enacted into law and requires public agencies to hold at least one (1) public hearing per fiscal year to discuss vacancies and recruitment and retention efforts. AB 2561 was introduced to address the issue of job vacancies in local government, which adversely affects the delivery of public services and employee workload. Among other requirements, the bill mandates that public agencies present the status of vacancies and recruitment and retention efforts during a public hearing before the agency's governing body at least once per fiscal year. The public hearing is intended to increase transparency and public awareness regarding staffing levels and the agency's ability to provide effective public services.

In compliance with the new legal obligations, the City is required to do the following:

1. **Public Hearing:** At least once each fiscal year, at a public hearing before the City Council/ Board of Directors, the City shall present information regarding the status of vacancies, recruitment and retention efforts including any necessary changes to policies, procedures, and recruitment activities that may lead to obstacles in the hiring process. This presentation must occur prior to the adoption of the final budget for the fiscal year.

2. **Employee Organization Participation:** Allow the recognized employee organization for each bargaining unit at the City to make presentations during the public hearing concerning vacancies and recruitment and retention efforts.
3. **Additional Reporting for High Vacancy Rates:** If vacancies within a single bargaining unit meet or exceed 20% of authorized full-time positions in that bargaining unit, upon request of the recognized employee organization for that bargaining unit, the City must provide additional information during the public hearing, including the following: (1) the total number of vacancies; (2) the number of applicants; (3) the average time to fill positions; and (4) opportunities to improve compensation and working conditions for employees in the bargaining unit.

ISSUES/ANALYSIS

The presentation to Council will review the current and proposed staffing level, the vacancy rates of the City's one bargaining unit, Teamsters Local 1932 as well as the non-represented positions. An overview of the 14 current vacant positions status will be provided as well as recruitment efforts to fill these vacancies.

CITY GOAL SUPPORTED BY THIS ITEM

Financial Health - Maintain a balanced budget and adequate reserves.

Organizational Health - Foster a high performing organization that provides opportunities for professional growth.

FISCAL IMPACT

There are no financial impacts at this time. During the first City Council meeting in June, the proposed annual operating budget will be presented.

ALTERNATIVE(S)

1. Provide alternative direction to staff.

ATTACHMENT(S)

None

City of Hesperia STAFF REPORT



DATE: May 20, 2025

TO: Mayor and Council Members
Chair and Board Members, Hesperia Water District

FROM: Rachel Molina, City Manager

BY: Cassandra Sanchez, Director of Public Works/City Engineer
Kevin Sin, Deputy City Manager
Tina Sousa, Senior Project Manager
Cristina Hall, Assistant Project Manager

SUBJECT: Construction Contract for Maple Avenue Sewer Line Replacement, C.O. No. 9018

RECOMMENDED ACTION

It is recommended that the City Council and Board of Directors of the Hesperia Water District:

- 1) Award a construction contract for the Maple Avenue Sewer Line Replacement project, C.O. No. 9018, to the responsive and responsible bidder, CEM Construction, for the bid amount of \$1,341,200, add Alternate A for the amount of \$20,000, plus a 10% contingency of \$136,120 for a not-to-exceed total of \$1,497,320.
- 2) Approve the project as represented by the plans and specifications; and
- 3) Authorize the City Manager or designee to execute the contract and any other necessary documents related to the project.

BACKGROUND

Maple Avenue currently contains a 12" sewer trunk line that is facing significant issues, including sagging and surcharging of the line and manholes. This line extends down Maple Avenue, connecting to sewer mains that eventually link to the Victor Valley Wastewater Reclamation Authority (VWRA) line on the east side of the railroad tracks.

The portion of the sewer line between Sultana Street and Yucca Street exhibits sagging in several areas, resulting in gravity feed failure, or retention of water and solids in the line, and subsequently, reduced flow and capacity. Consequently, surcharging occurs in the line and manholes, potentially leading to overflows. The flow in this line is approximately 287,000 gallons per day, making any overflow or surcharge event a concern. To mitigate the potential for these events, the line requires constant cleaning and maintenance to ensure it maintains moderate flows. The cause of the sag is unclear, with possible explanations including failed compaction (soil shifting or settling) or misalignment of the manholes, causing the sewer pipe to bend.

The proposed project seeks to remedy these issues by replacing the problematic sewer line and abandoning the existing sewer main. The work will include connecting the existing laterals to the new sewer main.

ISSUES/ANALYSIS

The project was advertised for bids on February 26, 2025, through Public Purchase, the City's online bidding platform. Bids were received on March 27, 2025. The bid results for the project were as indicated in Attachment 1, Bid Results Summary. The project is awarded based on these base bid amounts.

Staff reviewed the bids, evaluating accuracy, compliance with bid requirements, costs, experience, and references. Staff recommends awarding the subject project to the lowest responsive and responsible bidder, CEM Construction. With 13 years of experience, CEM Construction has delivered successful projects in Inglewood, Laguna Beach, Anaheim, and more. As specified in the bid documents, the contractor must execute and return the contract, along with other specified documents required, within ten (10) calendar days following receipt of a Notice of Award. Construction is anticipated to begin in early Summer 2025.

In addition, there was an Alternate Bid Item A to sack slurry the existing sewer main and manholes to be abandoned, which the City may award to the contractor at its discretion. Due to existing issues with the sewer line, staff is recommending to include Alternate Bid Item A in the amount of \$20,000 in the contract award. The total award is as follows:

Base Bid:	\$1,341,200
Add Alternate A:	\$ 20,000
Contingency:	<u>\$ 136,120</u>
Total Contract:	\$1,497,320

CITY GOAL SUPPORTED BY THIS ITEM

Capital Improvement – Continually evaluate capital improvement priorities.

FISCAL IMPACT

Funding in the amount of \$1,497,320 will be included in the FY 2025-26 Proposed Capital Improvement Program (CIP) Budget.

ALTERNATIVE(S)

1. Provide alternative direction to staff.

ATTACHMENT(S)

1. Attachment 1 – Bid Results Summary

Attachment 1



**City of Hesperia
Bid Results**

Date: March 27, 2025

Time: 10:00 a.m.

Project: Maple Ave Sewer Line Replacment CO 9018

Contractor	Base Bid Amount	Addendum Acknowledged	Bid Security Received
RE Chafee Construction	\$ 1,632,533.50	yes	yes
Big Ben	\$ 1,907,184.00	yes	yes
Empire Equipment Service, Inc.	\$ 1,644,955.25	yes	yes
High Desert Underground	\$ 1,368,471.00	yes	yes
CEM Construction Corp	\$ 1,341,200.00	yes	yes
American Pipeline Services	\$ 1,605,045.00	yes	yes
KEC Engineering	\$ 1,780,896.00	yes	yes

*The City is carefully evaluating all submitted bids, and the Notice of Intent will be issued in the near future.

**Tabulated By: Cristina Hall
Assistant Project Manager**

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City of Hesperia STAFF REPORT



DATE: May 20, 2025

TO: Mayor and Council Members

FROM: Rachel Molina, City Manager

BY: Kelly Anderson, Assistant Chief, San Bernardino County Fire
Robert Arrieta, Lieutenant Hesperia Police Station
Jordyn LaSarge, Administrative Analyst

SUBJECT: Overview of the City of Hesperia's Response to Fireworks

RECOMMENDED ACTION

It is recommended that the City Council receive, and file information related to City, County Fire and Police response efforts related to illegal fireworks.

BACKGROUND

At the April 1, 2025 City Council Meeting, Mayor Pro Tem Gregg requested a discussion item on firework fines.

The use, possession, or sale of fireworks within the City of Hesperia is prohibited under Hesperia Municipal Code Section 8.36. Per Ordinance No. 2020-06, Firework violations are classified as disturbances and are subject to multiple response fees. These fees are assessed starting with the first incident.

The current fine schedule for firework-related responses was last increased by the City Council on August 16, 2022, and is as follows:

- First Response: \$1,250.00
- Second Response: \$2,500.00
- Third Response: \$5,000.00
- Any Subsequent Response : \$5,000.00
- Citation Filing Fee: \$38 (charged to each response)
- Late Fees: 50% of total due

ISSUES/ANALYSIS

Despite the ordinance, unauthorized use of fireworks continues to be reported within city limits. Since January 2023, a total of 31 citations related to fireworks violations have been issued. In response to the ongoing violations, the City has developed a communications campaign aimed at increasing public awareness regarding the prohibition and associated penalties for firework use. The campaign is scheduled to launch Memorial Day weekend and continue through July 16, with messaging distributed across multiple platforms throughout the community.

Illegal Fireworks Communication Efforts Include:

- Social media posts
- Radio ads in English and Spanish
- City website updates
- Bus shelter advertisements
- Electronic message boards at key intersections
- Movie theater advertising
- Lobby display at City Hall
- Geofencing or television ads (options currently being explored)
- Digital billboard along I-15

CITY GOAL SUPPORTED BY THIS ITEM

Public Safety - Ensure public safety resources adequately protect our community.

FISCAL IMPACT

There is no fiscal impact associated with this item.

ALTERNATIVE(S)

1. Provide alternative direction to staff.

ATTACHMENT(S)

None