

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

*Regular Joint Meetings 1<sup>st</sup>  
and 3<sup>rd</sup> Tuesday*

***Date: March 5, 2019  
REGULAR MEETING***

***Time: 5:00 P.M. (Closed Session)  
6:30 P.M. (Regular Meeting)***

**CITY COUNCIL MEMBERS**

Larry Bird, Mayor

William J. Holland, Mayor Pro Tem

Jeremiah Brosowske, Council Member

Cameron Gregg, Council Member

Rebekah Swanson, Council Member

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Nils Bentsen, City Manager

Eric L. Dunn, City Attorney



***City of Hesperia***

**Council Chambers  
9700 Seventh Avenue  
Hesperia, CA 92345**

**City Clerk's Office: (760) 947-1007**

***Agendas and Staff Reports are  
available on the City Website  
[www.cityofhesperia.us](http://www.cityofhesperia.us)***

Documents produced by the City and distributed less than 72 hours prior to the meeting, regarding items on the agendas, will be made available in the City Clerk's Office located at 9700 Seventh Avenue during normal business hours.



**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) 947-1056. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility.

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

**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 Larry Bird  
Mayor Pro Tem William J. Holland  
Council Member Jeremiah Brosowske  
Council Member Cameron Gregg  
Council Member Rebekah Swanson*

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

1. City of Hesperia v. Lake Arrowhead Community Service District, et al., Court of Appeal Case No. E067679 (Superior Court Case No. CIVDS1602017)
2. Victor Valley Wastewater Reclamation Authority v. City of Hesperia (Claim for Damages)
3. Lantsberger v. City of Hesperia

Conference with Real Property Negotiators – Property Negotiations  
Government Code Section – 54956.8

1. Negotiating Parties: Hesperia Recreation and Park District and City of Hesperia  
Location: 17970 Bangor Ave., Hesperia, CA  
Under Negotiations: Price and Terms

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

*Mayor Larry Bird  
Mayor Pro Tem William J. Holland  
Council Member Jeremiah Brosowske  
Council Member Cameron Gregg  
Council Member Rebekah Swanson*

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

## 1. Community Events Calendar

**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 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 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 7                      Consideration of the Draft Minutes from the Regular Meeting held Tuesday, February 19, 2019

**Recommended Action:**

It is recommended that the City Council approve the Draft Minutes from the Regular Meeting held Tuesday, February 19, 2019.

**Staff Person:**    City Clerk Melinda Sayre

**Attachments:**   [Draft CC Min 2019-02-19](#)

2. Page 11                      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:** Director of Finance Casey Brooksher

**Attachments:** [SR Warrant Run 3-5-2019](#)

[Attachment 1 - Warrant Runs](#)

3. Page 13 Increase to Contract - Layne Christensen

**Recommended Action:**

It is recommended that the Chair and Board Members of the Hesperia Water District authorize the City Manager to execute an increase to the current contract with Layne Christensen, for water pump repair services, in the amount of \$100,500, and with a new not-to-exceed amount of \$204,500.

**Staff Person:** Public Works Manager Mark Faherty

**Attachments:** [SR Increase to Layne Christensen Contract 3-5-2019](#)

4. Page 15 Agreement with County Service Area 64 for Bear Valley and Fish Hatchery Sewer Service Contract.

**Recommended Action:**

It is recommended that the City Council approve the amended agreement between the City of Hesperia (City) and CSA 64 to facilitate the extension of sewer service by CSA 64 to the south to serve property within the City's boundary located on the southern portion of Bear Valley Road near Fish Hatchery Road to provide service to the Rich Development project and surrounding areas and authorize the Mayor to execute said agreement.

**Staff Person:** Assistant City Manager Michael Blay

**Attachments:** [SR Fish Hatchery Sewer Service Agreement 3-5-2019](#)

[Attachment 1 - Draft Agreement](#)

[Attachment 2 - Development Area](#)

5. Page 23 Hesperia Community Development Commission Stipend

**Recommended Action:**

It is recommended that the Commissioners of the Hesperia Community Development Commission (HCDC) adopt HCDC Resolution 2019-02, to implement Commission Member stipends as prescribed by the California Health and Safety Code §34130.5.

**Staff Person:** City Clerk Melinda Sayre

**Attachments:** [SR Hesperia Community Development Commission Stipend 3-5-2019](#)

[Resolution 2019-02](#)

6. Page 27 Establishing the Time and Place of Regular Meetings of the Hesperia Fire Protection District

**Recommended Action:**

It is recommended that the City Council adopt Joint Resolution 2019-08 & HFPD 2019-02 establishing the time and place of regular meetings for the Fire Protection District resulting from the annexation and reorganization to the County of San Bernardino.

**Staff Person:** City Clerk Melinda Sayre

**Attachments:** [SR Establish Meeting Time and Place for Regular Meetings for HFPD 3-5-2019](#)  
[Attachment 1 - Joint Resolution 2019-08 and HFPD 2019-02](#)

7. Page 31 Approve the Amendment to the Term Loan Agreement Between the City of Hesperia and the San Bernardino County Transportation Authority Related to the Construction of the Ranchero Road & I-15 Interchange Project

**Recommended Action:**

It is recommended that the City Council approve Amendment No. 1 to the Term Loan Agreement, Contract No. 17-1001629, between the City of Hesperia and the San Bernardino County Transportation Authority (SBCTA), formerly the San Bernardino Associated Governments (SANBAG), related to the construction of the Ranchero Road & I-15 Interchange Project (C.O. No. 7086), and authorize the Mayor to execute the Amendment.

**Staff Person:** Assistant City Manager Michael Blay

**Attachments:** [SR Amendment to Loan Agreement SBCTA 3-5-2019](#)  
[Attachment 1 - Amendment No. 1 to Term Loan Agreement](#)

*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.*

**NEW BUSINESS**

8. Page 35 Amend Professional Services Agreement with Parsons Transportation Group, Inc.

**Recommended Action:**

It is recommended that the City Council and Board of Directors of the Water District 1) authorize an amendment to Professional Services Agreement (PSA) 2007-08-077 with Parsons Transportation Group, Inc. in the amount of \$543,259 for a total PSA amount of \$3,603,259; 2) authorize a one-year extension of the PSA; and 3) authorize the City Manager to execute said amendment.

**Staff Person:** Assistant City Manager Michael Blay

**Attachments:** [SR Amend Professional Service Agreement with Parsons 3-5-2019](#)

### **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, Melinda Sayre, City Clerk of the City of Hesperia, California do hereby certify that I caused to be posted the foregoing agenda on Thursday, February 28, 2019 at 5:30 p.m. pursuant to California Government Code §54954.2.*

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Melinda Sayre,  
City Clerk

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# City of Hesperia

## Meeting Minutes - Draft

### City Council

City Council Chambers  
9700 Seventh Ave.  
Hesperia CA, 92345

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Tuesday, February 19, 2019

6:30 PM

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

**NO CLOSED SESSION**

**CALL TO ORDER - 6:30 PM**

- A. Invocation by Bill Burnett of New Life Church
- B. Pledge of Allegiance to the Flag
- C. Roll Call

**Present:** 5 - Mayor Bird, Mayor Pro Tem William J. Holland, Council Member Brosowski, Council Member Gregg and Council Member Swanson

- D. Agenda Revisions and Announcements by City Clerk - *None*
- E. Closed Session Reports by City Attorney- *None*

**ANNOUNCEMENTS/PRESENTATIONS**

1. Public Works Employee of the Quarter to Mark Tuthill, Maintenance Worker-Water Distribution by Matt Parker, Maintenance Crew Supervisor- Water Distribution
2. City Hall Employee of the Quarter to Kathy Ramirez, Animal Care Technician by Mike Blay, Assistant City Manager
3. Community Events Calendar- *Used Oil Filter Exchange & Recycling event Saturday from 9am – 2pm at the AutoZone on East Main Street, accepting applications for Pride Enhancement Program, applications are available for Military Banner, follow the City of Hesperia on Facebook and Like us on Twitter for information about City programs, projects, road closures and emergency alerts.*

*City Manager Nils Bentsen provided information regarding Animal Control's recent work to safely tranquilize and release a mountain lion into the wild.*

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

*Bob Nelson commented on first amendment rights.  
Daniel Krist commented on an event at the library.  
Bill Jensen commented on the election.*

## **JOINT CONSENT CALENDAR**

**A motion was made by Brosowske, seconded by Swanson, that the Consent Calendar be approved.  
The motion carried by the following vote:**

**Aye:** 5 - Bird, Holland, Brosowske, Gregg and Swanson

**Nay:** 0

1. Consideration of the Draft Minutes from the Regular Meeting held Tuesday, February 5, 2019

### **Recommended Action:**

It is recommended that the City Council approve the Draft Minutes from the Regular Meeting held Tuesday, February 5, 2019.

**Sponsors:** City Clerk Melinda Sayre

2. Warrant Run Report (City - Successor Agency - Housing Authority - Community Development Commission - Fire - 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, Fire District, and Water District.

**Sponsors:** Director of Finance Casey Brooksher

3. Treasurer's Cash Report for the unaudited period ended December 31, 2018

### **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.

**Sponsors:** Director of Finance Casey Brooksher

4. Modifications to the Non-Represented Employees' Compensation and Benefit Plan

### **Recommended Action:**

It is recommended that the City Council, Hesperia Housing Authority, Community Development Commission, Hesperia Fire Protection District, and Hesperia Water District Council/Boards/Commissions adopt Joint Resolution No. 2019-03, HHA 2019-02, CDC 2019-01, and HWD 2019-01, modifying the Non-Represented Employees' Compensation and Benefit Plan.

**Sponsors:** Assistant City Manager Michael Blay

5. Award a contract to Match Corporation for the FY 2018-19 Street Improvement Project

### **Recommended Action:**

It is recommended that the City Council award a construction contract to the lowest responsive/responsible bidder, Match Corporation, for the FY 2018-19 Street Improvement Project in the amount of \$1,359,850; approve a 10% contingency in the amount of \$135,985; approve the design of the project represented by the plans and specifications; and authorize the City Manager to execute the contract.

**Sponsors:** Assistant City Manager Michael Blay

## **PUBLIC HEARING**

### 6. Vacate Northern Portion of Darwin Avenue

#### **Recommended Action:**

It is recommended that the City Council hold a public hearing to receive public comments pursuant to Section 8320, subdivision (a) of the California Streets and Highways Code, and adopt Resolution 2019-005 to vacate a portion of Darwin Avenue as described in attachments Exhibit "A" and Exhibit "B".

**Sponsors:** Assistant City Manager Michael Blay

*The public hearing was opened. The following individuals commented on item 6:*

*Kelly Gregg, Douglass Cox*

*There being no further public comment the public hearing was closed.*

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

**Aye:** 4 - Holland, Brosowske, Gregg and Swanson

**Nay:** 1 - Bird

## **NEW BUSINESS**

### 7. Fiscal Year 2018-19 Mid-Year Budget Review

#### **Recommended Action:**

It is recommended that the Fiscal Year 2018-19 Mid-Year Budget Review be received and filed and the related following resolutions, which amend the respective Fiscal Year 2018-19 Budgets for the City of Hesperia, and the Hesperia Fire Protection District be approved:

- 1) City of Hesperia Resolution No. 2019-06
- 2) Hesperia Fire Protection District HFPD 2019-01

**Sponsors:** Director of Finance Casey Brooksher and Deputy Finance Director Anne Duke

**A motion was made by Brosowske, seconded by Swanson, that this item be approved. The motion carried by the following vote:**

**Aye:** 5 - Bird, Holland, Brosowske, Gregg and Swanson

**Nay:** 0

### 8. Consideration of Annual Update of the City Council Procedures Manual

#### **Recommended Action:**

It is recommended that the City Council review the draft 2019 City Council Procedures Manual update and provide direction to staff.

**Sponsors:** City Clerk Melinda Sayre

*Bob Nelson commented on item 8.*

**A motion was made by Swanson, seconded by Holland, that this item be approved as amended to include language for the training for Advisory Committee Members to accommodate work program changes, incorporate applicable municipal code, include that Advisory recommendations be forwarded to the Council for final decision, and the process for selecting a new Mayor Pro Tem**

should a tie vote occur resulting from the succession of a new Mayor due to the former Mayors incapacitation. The motion carried by the following vote:

**Aye:** 4 - Bird, Holland, Gregg and Swanson

**Nay:** 1 - Brosowske

### **COUNCIL COMMITTEE REPORTS AND COMMENTS**

*Council Member Brosowske commented on attendance at the Hesperia Chamber Luncheon and comments made during public comment.*

*Council Member Swanson commented on the City budget and water rights, attendance at upcoming Tri-Agency meeting and COP dinner, City street lights, and drainage resulting from the recent storm.*

*Council Member Gregg commented on attendance at League of California Cities division meeting, thanked staff for work done during the recent storm, and concerns he heard about a possible council member recall.*

*Mayor Pro Tem Holland commented on thanked staff for work done during the recent storm and flood control issues with the County road areas that flood (Rocksprings Road), and addressed comments made during public comment.*

*Mayor Bird commented on elections and recalls, requested that an items be agendized to discuss apartment size regulations within the City and current and past policies of how long developers are allowed to not proceed with their approved project. Mayor Bird commented on attendance at the VVTA meeting, attendance at the Chamber of Commerce Luncheon, upcoming YIGD event, attendance at the upcoming COP dinner, and commented on successes in Hesperia school sports.*

### **CITY MANAGER/CITY ATTORNEY/STAFF REPORTS**

*None*

### **ADJOURNMENT**

*Meeting adjourned in honor of Mayor Pro Tem Holland's 37<sup>th</sup> wedding anniversary at 9:03 p.m.*

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*Melinda Sayre,  
City Clerk*

# City of Hesperia STAFF REPORT



**DATE:** March 5, 2019

**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:** Nils Bentsen, City Manager

**BY:** Casey Brooksher, Director of Finance  
Anne Duke, Deputy Finance Director  
Keith Cheong, Financial Analyst

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

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## 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 January 26, 2019 through February 8, 2019.

<u>Agency/District</u>	<u>Accounts Payable</u>	<u>Payroll</u>	<u>Wires</u>	<u>Totals</u>
City of Hesperia	\$781,016.48	\$235,603.11	\$0.00	\$1,016,619.59
Successor Agency	0.00	0.00	0.00	0.00
Housing Authority	6,365.99	2,025.99	0.00	8,391.98
Community Development Commission	4,505.68	3,911.50	0.00	8,417.18
Water	206,998.60	95,244.28	36,339.41	338,582.29
<b>Totals</b>	<b>\$998,886.75</b>	<b>\$336,784.88</b>	<b>\$36,339.41</b>	<b>\$1,372,011.04</b>

The wire amounts are as follows:

- \$21,207.77 to Bank of America, N.A. for Hesperia Water Swap Interest Payment.
- \$15,131.64 to U.S. Bank Trust N.A. for Hesperia Water 1998A Interest Payment.

## ATTACHMENT(S)

1. Warrant Runs

**City of Hesperia**  
**WARRANT RUNS**  
**01/26/2019 - 02/08/2019**

FUND #	FUND NAME	W/E 2/1/2019	W/E 2/8/2019	WARRANT TOTALS	Wires	YEAR-TO DATE TOTALS *	PRIOR FY YTD DATE TOTALS
<b>Accounts Payable</b>							
100	GENERAL	\$ 72,107.60	\$ 69,655.56	\$ 141,763.16	\$ -	\$ 12,649,295.20	\$ 13,237,088.68
200	HESPERIA FIRE DISTRICT	\$ -	\$ 136.00	\$ 136.00	\$ -	\$ 352,934.18	\$ 6,925,902.23
204	MEASURE I - RENEWAL	\$ -	\$ -	\$ -	\$ -	\$ 260,011.40	\$ 801,032.67
205	GAS TAX	\$ -	\$ -	\$ -	\$ -	\$ 4,795.00	\$ 127,818.54
207	LOCAL TRANSPORT-SB 325	\$ -	\$ -	\$ -	\$ -	\$ 205,736.43	\$ 23,016.86
209	GAS TAX-RMRA	\$ -	\$ -	\$ -	\$ -	\$ 24,895.99	\$ -
251	CDBG	\$ 1,180.47	\$ 21,713.16	\$ 22,893.63	\$ -	\$ 165,935.61	\$ 213,487.13
254	AB2766 - TRANSIT	\$ -	\$ -	\$ -	\$ -	\$ 27,600.00	\$ 30,000.00
256	ENVIRONMENTAL PROGRAMS GRANT	\$ 69.23	\$ 181.84	\$ 251.07	\$ -	\$ 22,974.53	\$ 18,133.82
257	NEIGHBORHOOD STABILIZATION PROG	\$ -	\$ 294.25	\$ 294.25	\$ -	\$ 22,225.59	\$ 9,506.84
260	DISASTER PREPARED GRANT	\$ -	\$ 76.02	\$ 76.02	\$ -	\$ 7,318.43	\$ 4,061.35
263	STREETS MAINTENANCE	\$ 10,731.37	\$ 25,042.05	\$ 35,773.42	\$ -	\$ 1,274,505.99	\$ 1,226,662.50
300	DEV. IMPACT FEES - STREET	\$ 2,170.67	\$ -	\$ 2,170.67	\$ -	\$ 147,490.60	\$ 635,980.56
301	DEV. IMPACT FEES - STORM DRAIN	\$ -	\$ -	\$ -	\$ -	\$ 23,395.00	\$ 12,000.00
402	WATER RIGHTS ACQUISITION	\$ -	\$ -	\$ -	\$ -	\$ 1,030,554.10	\$ 1,026,111.10
403	2013 REFUNDING LEASE REV BONDS	\$ -	\$ -	\$ -	\$ -	\$ 559,827.92	\$ 537,593.63
502	FIRE STATION BUILDING	\$ -	\$ -	\$ -	\$ -	\$ 6,790,888.41	\$ 295,806.66
504	CITY WIDE STREETS - CIP	\$ -	\$ -	\$ -	\$ -	\$ 22,567.23	\$ 890.00
509	CITY FACILITIES CIP	\$ -	\$ -	\$ -	\$ -	\$ 364,159.82	\$ -
800	EMPLOYEE BENEFITS	\$ 154,005.87	\$ 182,662.89	\$ 336,668.76	\$ -	\$ 4,575,936.96	\$ 4,196,408.16
801	TRUST/AGENCY	\$ 2,280.75	\$ 236,483.75	\$ 238,764.50	\$ -	\$ 1,290,652.48	\$ 1,852,318.33
802	AD 91-1 AGENCY	\$ -	\$ -	\$ -	\$ -	\$ 367.50	\$ 951.50
804	TRUST-INTEREST BEARING	\$ -	\$ -	\$ -	\$ -	\$ 67.50	\$ 40,740.59
807	CFD 2005-1	\$ -	\$ 2,225.00	\$ 2,225.00	\$ -	\$ 814,490.72	\$ 794,920.63
	<b>CITY</b>	\$ 242,545.96	\$ 538,470.52	\$ 781,016.48	\$ -	\$ 30,638,626.59	\$ 32,010,431.78
160	REDEVELOP OBLIG RETIREMENT - PA1	\$ -	\$ -	\$ -	\$ -	\$ 5,306,154.96	\$ 5,254,836.13
161	REDEVELOP OBLIG RETIREMENT - PA2	\$ -	\$ -	\$ -	\$ -	\$ 426,569.15	\$ 425,241.63
162	REDEVELOP OBLIG RETIREMENT-HOUSING	\$ -	\$ -	\$ -	\$ -	\$ 2,476,736.59	\$ 2,461,078.63
173	SUCCESSOR AGENCY ADMINISTRATION	\$ -	\$ -	\$ -	\$ -	\$ 4,005.00	\$ -
	<b>SUCCESSOR AGENCY</b>	\$ -	\$ -	\$ -	\$ -	\$ 8,213,465.70	\$ 8,141,156.39
370	HOUSING AUTHORITY	\$ 192.19	\$ 6,173.80	\$ 6,365.99	\$ -	\$ 119,984.01	\$ 70,889.29
	<b>HOUSING AUTHORITY</b>	\$ 192.19	\$ 6,173.80	\$ 6,365.99	\$ -	\$ 119,984.01	\$ 70,889.29
170	COMMUNITY DEVELOPMENT COMMISSION	\$ 2,570.84	\$ 1,934.84	\$ 4,505.68	\$ -	\$ 179,880.94	\$ 183,016.43
	<b>COMMUNITY DEVELOPMENT COMMISSION</b>	\$ 2,570.84	\$ 1,934.84	\$ 4,505.68	\$ -	\$ 179,880.94	\$ 183,016.43
700	WATER OPERATING	\$ 23,627.65	\$ 160,275.94	\$ 183,903.59	\$ 36,339.41	\$ 5,022,495.48	\$ 5,895,361.36
701	WATER CAPITAL	\$ 15,206.33	\$ 2,441.82	\$ 17,648.15	\$ -	\$ 4,230,383.09	\$ 203,864.84
710	SEWER OPERATING	\$ 528.95	\$ 1,917.91	\$ 2,446.86	\$ -	\$ 2,673,179.82	\$ 784,852.81
711	SEWER CAPITAL	\$ -	\$ 3,000.00	\$ 3,000.00	\$ -	\$ 67,510.70	\$ 1,927.50
	<b>WATER</b>	\$ 39,362.93	\$ 167,635.67	\$ 206,998.60	\$ 36,339.41	\$ 11,993,569.09	\$ 6,886,006.51
	<b>ACCOUNTS PAYABLE TOTAL</b>	\$ 284,671.92	\$ 714,214.83	\$ 998,886.75	\$ 36,339.41	\$ 51,145,526.33	\$ 47,291,500.40
<b>REG. PAYROLL</b>							
	City	\$ -	\$ 235,603.11	\$ 235,603.11	\$ -	\$ 3,819,670.61	\$ 3,606,515.03
	Housing Authority	\$ -	\$ 2,025.99	\$ 2,025.99	\$ -	\$ 34,833.61	\$ 60,407.04
	Community Development Commission	\$ -	\$ 3,911.50	\$ 3,911.50	\$ -	\$ 66,063.34	\$ 104,337.35
	Water	\$ -	\$ 95,244.28	\$ 95,244.28	\$ -	\$ 1,587,454.14	\$ 1,553,742.23
	<b>PAYROLL TOTAL</b>	\$ -	\$ 336,784.88	\$ 336,784.88	\$ -	\$ 5,508,021.70	\$ 5,325,001.65

\* The year to date totals for this Warrant Report are for the 2018-19 fiscal year starting July 1, 2018.

# City of Hesperia STAFF REPORT



**DATE:** March 5, 2019

**TO:** Chair and Board Members, Hesperia Water District

**FROM:** Nils Bentsen, City Manager

**BY:** Mark Faherty, Public Works Manager  
Jeremy McDonald, Public Works Supervisor/Water

**SUBJECT:** Increase to Contract – Layne Christensen

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## RECOMMENDED ACTION

It is recommended that the Chair and Board Members of the Hesperia Water District authorize the City Manager to execute an increase to the current contract with Layne Christensen, for water pump repair services, in the amount of \$100,500, and with a new not-to-exceed amount of \$204,500.

## BACKGROUND

Layne Christensen provides well maintenance for the various sites operated by the District. In addition to the general maintenance, Layne Christensen provides emergency services, which include video survey, inspection, and replacement of failed components. The District currently maintains seventeen (17) wells and six (6) booster stations to purvey water throughout the City.

## ISSUES/ANALYSIS

Recently, Well 14A failed and is currently inoperable. Well 14A is located in the northwest quadrant of the City, in an area that is a significant contributor to maintaining satisfactory reservoir levels during peak demand in the summer months. Layne Christensen removed a series of components including the bowl assembly, casing, and drive shaft in order to diagnose the issue. The funds needed will be used to replace the inoperable components which include the installation of a new pump.

## FISCAL IMPACT

Funding for the portion of work that has been completed, and \$50,000 has already been allocated under the Fiscal Year 2018-19 Budget. Staff will work to identify savings to fund this increase; however, if needed a budget amendment will be presented to the Board upon the quarterly amendment process. Staff estimates the new not-to-exceed amount will be sufficient in completing the repairs to Well 14A.

## ALTERNATIVE(S)

1. Provide alternative direction to staff.

## ATTACHMENT(S)

None.

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# City of Hesperia STAFF REPORT



**DATE:** March 5, 2019

**TO:** Mayor and Council Members

**FROM:** Nils Bentsen, City Manager

**BY:** Michael Blay, Assistant City Manager  
Jamie Carone, Administrative Analyst

**SUBJECT:** Rich Development at Bear Valley and Fish Hatchery Sewer Service Agreement with County Service Area 64 – Spring Valley Lake (CSA 64).

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## RECOMMENDED ACTION

It is recommended that the City Council approve the amended agreement between the City of Hesperia (City) and CSA 64 to facilitate the extension of sewer service by CSA 64 to the south to serve property within the City's boundary located on the southern portion of Bear Valley Road near Fish Hatchery Road to provide service to the Rich Development project and surrounding areas and authorize the Mayor to execute said agreement.

## BACKGROUND

The property owner and the applicant (Rich Development) have requested a Conditional Use Permit (CUP) to develop a shopping center on a parcel located on the southern portion of Bear Valley Road near Fish Hatchery Road, the subject property is zoned General Commercial (C-2). The City does not have any sewer facilities in the project area; however, CSA 64 sewer system exists north of the project in close proximity.

The City completed a sewer system analysis dated August 14, 2017 of CSA 64's system and determined that sufficient capacity exists in the CSA 64 system to serve Rich Development's project and surrounding areas.

CSA 64 can only provide service beyond its boundaries with LAFCO's approval. On October 10, 2018, the Local Agency Formation Commission (LAFCO) approved an exemption pursuant to Government Code Section 56133(e) and determined that the agreement between the City and CSA 64 was exempt from further review. It is exempt because the agreement is between two public agencies; services are already being provided by both agencies; and the level of service to be provided is consistent with the level of service contemplated by the existing provider.

At the August 21, 2018 Hesperia City Council Meeting, the subject agreement was approved. The agreement was amended in September to change the agreeing party from San Bernardino County Special Districts to CSA 64 as requested by LAFCO. This amended agreement was approved at the September 18, 2018 Council Meeting.

This request for approval and authorization amends the agreement a second time to include final changes made by San Bernardino County Special Districts; the execution of this agreement is contingent upon the requested changes.

## **ISSUES/ANALYSIS**

This request approves the final amendments to the original agreement that was approved by City Council in August and in September of 2018 and authorizes the Mayor to execute the final version of this agreement.

## **FISCAL IMPACT**

There is no fiscal impact associated with this request.

## **ALTERNATIVE(S)**

Provide alternative direction to staff.

## **ATTACHMENT(S)**

1. Draft Agreement
2. Development Area

**AGREEMENT  
BETWEEN  
CITY OF HESPERIA  
AND  
COUNTY SERVICE AREA 64 (SPRING VALLEY LAKE) FOR  
SEWER SERVICE**

THIS AGREEMENT is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2019, by and between the City of Hesperia, herein referred to as CITY, and County Service Area 64 Spring Valley Lake, herein referred to as CSA 64.

**WITNESSETH**

**WHEREAS**, portions of the **CITY** in the Northeast area near Bear Valley Road and Mojave Fish Hatchery Road are available for development, herein referred to as Development Area, which is more particularly described and depicted herein as Exhibit A; and

**WHEREAS**, no **CITY** sewer service is available in or near the Development Area – it is more than 6,500 feet away from existing **CITY** sewer facilities; and

**WHEREAS**, **CSA 64** operates a sewer system immediately north of Bear Valley Road and Mojave Fish Hatchery Road in Spring Valley Lake; and

**WHEREAS**, the **CITY** has completed, and **CSA 64** has reviewed, a sewer system capacity study dated August 14, 2017 of **CSA 64**'s sewer collection system that will be impacted by sewer flow from the Development Area that determined sufficient capacity exists in the system to provide sewer service to **CITY** for the Development Area (A copy of the August 14, 2017 sewer system capacity study is attached hereto as Exhibit B).

**NOW THEREFORE**, in consideration of the above, and in consideration of the terms, covenants, and conditions herein set forth, the parties mutually agree as follows:

1. **CSA 64** will provide sewer service to the **CITY** for the Development Area.

2. Parties will collaborate on processing an Out-of-Agency Service Contract with Local Agency Formation Commission for San Bernardino (LAFCO). The **CITY** will prepare all LAFCO applications and attachments thereto including mapping, letter requests, and related documents. **CSA 64** will also prepare letters as needed to complete the LAFCO application. The **City** shall be responsible for all costs related to the LAFCO application and/or approval.

3. **CSA 64** authorizes the **CITY** and/or its contractors to construct a connection to **CSA 64's** sewer collection system at the location shown on Exhibit C. The work shall include, but not be limited to, installation of an 8" pipeline, connection to the **CSA 64** system and related facilities (Project).

4. The **CITY**, or its contractors, shall be responsible for the preparation of engineering plans, related documents, permit acquisition, and construction of the Project. Prior to commencement of construction, the **CITY** shall submit a material list, engineering plans and profile of the sewer main pipeline and appurtenances to be installed for CSA 64 for review and approval.

5. The Project shall be completed within one year from LAFCO's approval. The sewer main pipeline and infrastructure located on Bear Valley Road, including the connections to the Development Area will be the responsibility and property of the **CITY** to own, operate, and maintain and any expenses related thereto shall be the responsibility of the **City**.

6. The **CITY** shall install an 8" sewer flow meter to record the wastewater flow being conveyed to CSA 64. The sewer flow meter shall be installed at the **CITY's** cost on the north side of Bear Valley Road at the point of connection to **CSA 64's** sewer collection system. The CITY shall calibrate and certify the meter once annually and submit the calibration reports to CSA 64.

7. **CSA 64** will collect meter data and bill the **CITY** for sewer service on a bimonthly basis. The **City** shall pay any such invoices within thirty (30) days of its receipt.

8. Any additional connections or increased Equivalent Dwelling Units (EDUs) resulting from further development beyond the Development Area shall require a Feasibility Study at the expense of the **CITY** in order to determine sewer system capacity of CSA 64's system.

9. **CSA 64** shall assign EDUs to the Development Area according to fixture units per the California Uniform Plumbing Code. **CSA 64** shall have the ability to assess and charge the **CITY** for wastewater flows that exceed 230 gallons per day per acre.

10. This agreement shall become effective upon approval by both parties and shall remain in effect until such time that the City redirects flows to its system or until terminated by either party with twelve (12) months written notice in advance of termination to the other party.

11. The **CITY** and its contractors shall indemnify, defend, hold harmless **CSA 64** and their authorized agents, officers, and employees against any and all claims or actions arising from the **CITY's** acts or omissions and for any cost or expenses incurred by **CSA 64** on account of any claim therefore.

12. **CSA 64** shall indemnify, defend, hold harmless **CITY** and their authorized agents, officers, and employees against any and all claims or actions arising from the **CSA 64's** acts or omissions and for any cost or expenses incurred by **CITY** on account of any claim therefore.

13. This Agreement constitutes the entire agreement of the parties. No verbal agreement or statement made by either party prior to execution hereof shall be effective unless set forth in the Agreement. Any amendments to this Agreement will be effective only if made in writing and signed by both parties hereto.

14. All notices required or permits to be given under this Agreement shall be deemed given by delivery or by mailing, postage prepaid to the recipient party to and at its current address; the present addresses of the parties are as follows:

City: City of Hesperia  
9700 Seventh Avenue  
Hesperia, CA 92345  
Attn: City Manager

CSA 64: Special District Department  
Water and Sanitation Operations  
12403 Industrial Blvd., Bldg. D, Suite 6  
Victorville, CA 92392  
Attn: General Manager

IN WITNESS WHEREOF, this Agreement is effective on the day and year first above written.

**CITY OF HESPERIA**

**COUNTY SERVICE AREA 64**

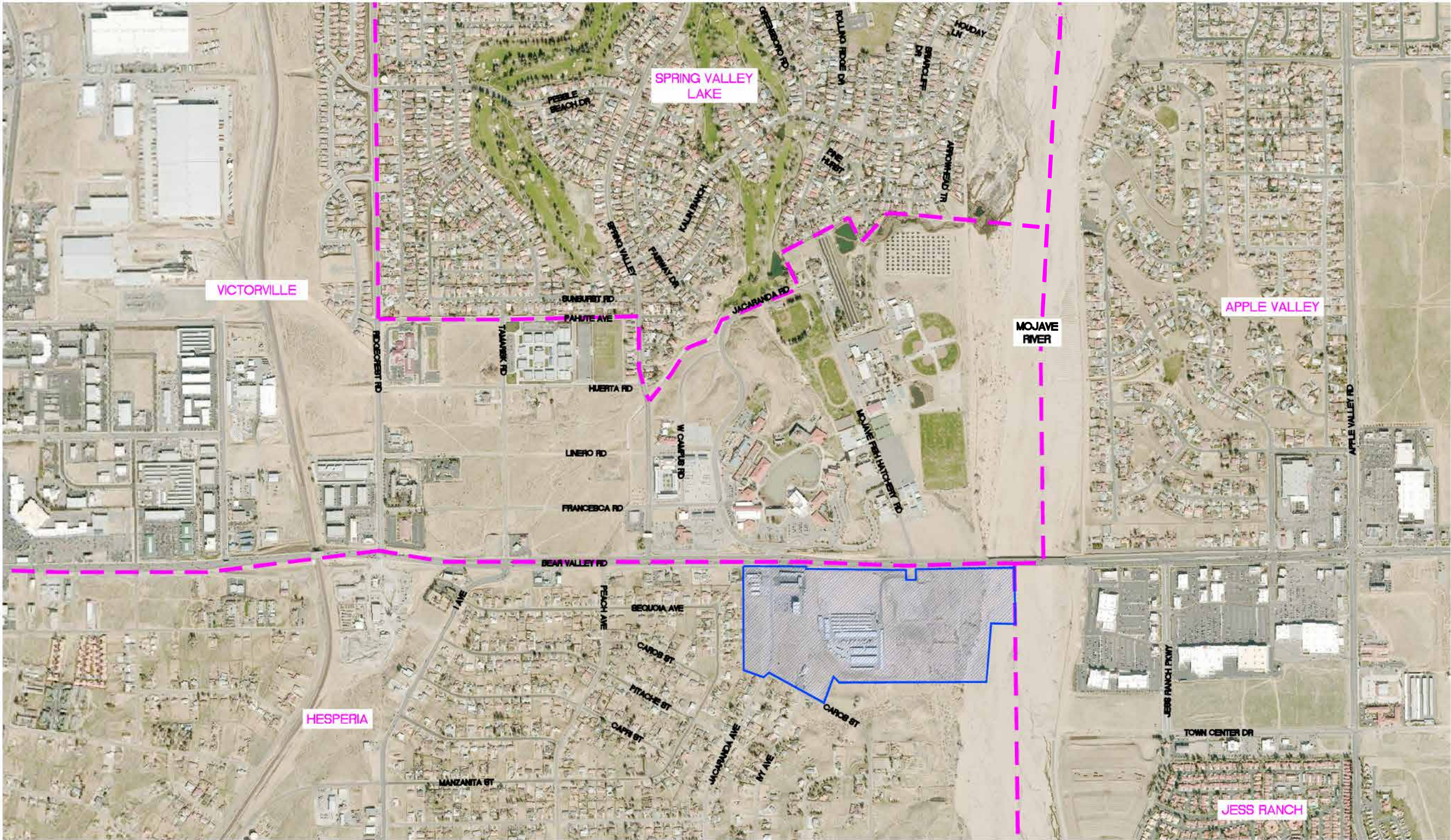
\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Chairman, Board of Supervisors

\_\_\_\_\_  
City Clerk

\_\_\_\_\_  
Clerk of the Board Supervisors





**LEGEND:**

- CITY BOUNDARY
- DEVELOPMENT AREA



<b>TKE</b> ENGINEERING	TKE ENGINEERING, INC. 2305 CHICAGO AVENUE RIVERSIDE, CA 92507 (951) 680-0440 FAX: (951) 680-0490	<b>CITY OF HESPERIA</b>
		DEVELOPMENT AREA LOCATION MAP FIGURE 1



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# City of Hesperia

## STAFF REPORT



**DATE:** March 5, 2019

**TO:** Chair and Commission Members, Hesperia Community Development Commission

**FROM:** Nils Bentsen, City Manager

**BY:** Melinda Sayre, City Clerk  
Stephanie McClure, Assistant City Clerk

**SUBJECT:** Hesperia Community Development Commission Stipend

---

### RECOMMENDED ACTION

It is recommended that the Commissioners of the Hesperia Community Development Commission (HCDC) adopt HCDC Resolution 2019-02, to implement Commission Member stipends as prescribed by the California Health and Safety Code §34130.5.

### BACKGROUND

On April 19, 2011, the Hesperia City Council adopted Ordinance No. 2011-05 adding Chapter 2.28 to the Hesperia Municipal Code establishing the Hesperia Community Development Commission (HCDC) and its: (i) specific powers, functions, and duties; and (ii) the composition and terms of its Commissioners.

The Commissioners oversee all aspects of the HDCC, which includes the negotiation of land sales; approving the annual budget, as well as the quarterly amendments; receiving and filing the annual audited financial report; and receiving and filing the SB 341 Compliance Report, which details the low and moderate Income housing assets fund of the former Redevelopment Agency.

### ISSUES/ANALYSIS

Pursuant to California Health and Safety Code §34130.5, each Commissioner may, upon approval of the HCDC, receive compensation for meeting attendance of seventy-five (\$75) dollars per meeting for attending no more than two (2) meetings per month.

The Hesperia Community Development Commission meets twice per month at the same time that regularly scheduled City Council Meetings are held. While the Hesperia Community Development Commission was established in 2011, the legally allowable stipend was not adopted and Commissioners have not received the stipend for meeting attendance. Adoption of Resolution 2019-02 authorizes Commission Members to begin receiving the legally prescribed stipend.

### FISCAL IMPACT

The FY 2018-19 cost, assuming seven meetings, is anticipated to cost \$2,625, which will be absorbed by budgeted savings. Further, if approved, the annualized cost of compensation of \$9,000 will be included in the FY 2019-20 Budget.

**ALTERNATIVE(S)**

1. Provide alternative direction to staff.

**ATTACHMENT(S)**

1. Resolution HCDC 2019-02

**RESOLUTION HCDC NO. 2019-02**

**A RESOLUTION OF THE HESPERIA COMMUNITY DEVELOPMENT  
COMMISSION OF THE CITY OF HESPERIA, CALIFORNIA, AUTHORIZING  
COMMISSIONER COMPENSATION FOR MEETING ATTENDANCE**

**WHEREAS**, Part 1.7 of Division 24 of the California Health & Safety Code codifies the existence of community development commissions in the State of California; and

**WHEREAS**, Health & Safety Code §34110 established in each community a public body, corporate and politic, known as the community development commission; and

**WHEREAS**, On April 19, 2011, the Hesperia City Council, as the Legislative Body of the City of Hesperia, adopted Ordinance No. 2011-005 adding Chapter 2.28 to the Hesperia Municipal Code formally establishing the Hesperia Community Development Commission (HCDC) and its: (i) specific powers, functions, and duties; and (ii) the composition and terms of its commissioners; and

**WHEREAS**, The Commissioners oversee all aspects of the HDCC, which includes the negotiation of land sales; approving the annual budget, as well as the quarterly amendments; receiving and filing the annual audited financial report; and receiving and filing the SB 341 Compliance Report, which details the low and moderate Income housing assets fund of the former Redevelopment Agency.

**WHEREAS**, as set forth in Ordinance No. 2011-005, the Legislative Body, pursuant to H&SC §34120, declared itself to be the commissioners of the HCDC thus vesting all of the rights, powers, duties, privileges, and immunities vested by Part 1.7 of Division 24 of H&SC in the Legislative Body; and

**NOW THEREFORE**, BE IT RESOLVED BY THE HESPERIA COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF HESPERIA AS FOLLOWS:

Section 1. Pursuant to H&SC §34130.5, each Commissioner of the HCDC may, upon approval of the HCDC, receive actual and necessary expenses, including travel expenses incurred in the discharge of their duties and compensation for meeting attendance of seventy-five (\$75) dollars per meeting. No Commissioner may receive compensation for attending more than two (2) meetings per month.

Section 2. That the Board Secretary shall certify to the passage and adoption of this resolution and enter it into the book of original resolutions.

**ADOPTED AND APPROVED** this 5th day of March 2019.

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Larry Bird, Chair

ATTEST:

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Melinda Sayre, City Clerk

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# City of Hesperia STAFF REPORT



**DATE:** March 5, 2019

**TO:** Mayor and Council Members  
Chair and Board Members, Hesperia Fire Protection District

**FROM:** Nils Bentsen, City Manager

**BY:** Melinda Sayre, City Clerk  
Stephanie McClure, Assistant City Clerk

**SUBJECT:** Establishing the Time and Place of Regular Meetings of the Hesperia Fire Protection District

---

## RECOMMENDED ACTION

It is recommended that the City Council adopt Resolution 2019-08 & HFPD 2019-02 establishing the time and place of regular meetings for the Fire Protection District resulting from the annexation and reorganization to the County of San Bernardino.

## BACKGROUND

When the City of Hesperia was incorporated in 1988, the Hesperia Fire Protection District (HFPD) was included as a subsidiary district of the City of Hesperia. In 2004, the City contracted with the County of San Bernardino to provide fire suppression, ambulance and fire prevention services.

On November 1, 2018 the HFPD was annexed into the San Bernardino County Fire District, with a condition requiring that the HFPD retain the CalPERS retirement obligations attributed to the HFPD's CalPERS plan for all suppression, prevention and administrative HFPD employees.

## ISSUES/ANALYSIS

As a result of the annexation of the HFPD it is necessary to establish the time and place of regular meetings to allow the City Council as the Hesperia Fire Protection District Board to convene on matters relating to the Obligations for Administration of the CalPERS Legacy Retirement Contract.

Due to the annexation regular meetings will no longer be needed to be held with each regular City Council meeting. Going forward, regular meetings of the Hesperia Fire Protection District shall be held on the second meeting in February, the second meeting in June, the first meeting in July, and will meet to coincide with the City Council review of budget related items. Special meetings will be called as necessary.

## FISCAL IMPACT

There is no fiscal impact associated with this item.

## ALTERNATIVE

1. Provide alternative direction to staff.

**ATTACHMENT**

1. Joint Resolution No. 2019-08 & HFPD 2019-02

**JOINT RESOLUTION NO. 2019-08 & HFPD 2019-02**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HESPERIA,  
CALIFORNIA, ESTABLISHING THE TIME AND PLACE OF REGULAR  
MEETINGS FOR THE HESPERIA FIRE PROTECTION DISTRICT**

**WHEREAS,** The City of Hesperia was incorporated in 1988, and the Hesperia Fire Protection District (HFPD) became a subsidiary district of the City; and

**WHEREAS,** In 2004, the City of Hesperia contracted with the County of San Bernardino for fire protection services; and

**WHEREAS,** On November 1, 2018 the HFPD was annexed into the San Bernardino County Fire District, with a condition requiring that the HFPD retain the CalPERS retirement obligations attributed to the HFPD's CalPERS plan for all suppression, prevention and administrative HFPD employees; and

**WHEREAS,** The City Council desires to establish the regular meeting dates, times, and location for the Council to consider items relating to the above mentioned contract.

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

- Section 1. Regular meetings of the Hesperia Fire Protection District shall be held on the second meeting in February, the second meeting in June, the first meeting in July, and will meet to coincide with the City Council review of the first quarter budget amendments. Special meetings will be called as necessary.
- Section 2. Regular meetings shall take place at 6:30 p.m. in the Council Chambers of Hesperia City Hall located at 9700 Seventh Avenue.
- Section 3. That City Clerk shall certify to the passage and adoption of this resolution and enter it into the book of original resolutions.

**ADOPTED AND APPROVED** this 5<sup>th</sup> day of March 2019.

---

Larry Bird, Mayor

ATTEST:

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Melinda Sayre  
City Clerk



# City of Hesperia STAFF REPORT



**DATE:** March 5, 2019

**TO:** Mayor and Council Members

**FROM:** Nils Bentsen, City Manager

**BY:** Michael Blay, Assistant City Manager  
David Burkett, Project Construction Manager

**SUBJECT:** Approve the Amendment to the Term Loan Agreement Between the City of Hesperia and the San Bernardino County Transportation Authority related to the Construction of the Ranchero Road & I-15 Interchange Project

---

## RECOMMENDED ACTION

It is recommended that the City Council approve Amendment No. 1 to the Term Loan Agreement, Contract No. 17-1001629, between the City of Hesperia and the San Bernardino County Transportation Authority (SBCTA), formerly the San Bernardino Associated Governments (SANBAG), related to the construction of the Ranchero Road & I-15 Interchange Project (C.O. No. 7086), and authorize the Mayor to execute the Amendment.

## BACKGROUND

The City pursued the construction of a new interchange on Interstate 15 at Ranchero Road for many years. In order to move forward with this project, the City partnered with SBCTA during the construction phase of the project. On April 3, 2012, the City Council approved a COOP (Agreement No. C12219) with the SBCTA for construction, which was subsequently approved by the the SBCTA Board on April 4, 2012. The COOP defined the roles and responsibilities of the parties, including the funding sources for all phases of the project. The project was released for bids on September 12, 2012, bids were opened on October 18, 2012, and the construction contract was awarded to Security Paving, Inc. on November 7, 2012. Construction commenced at the beginning of January 2013, and all work was complete in June 2015, and the interchange was opened to vehicular traffic.

The Ranchero Road & I-15 Interchange project was on the SBCTA's Measure I Major Local Highway Projects (MLHP) list and was within its "10-Year Delivery Plan"; however, funding for construction was not anticipated to be available for many years. Staff met with SBCTA staff and Caltrans staff in 2012 and discussed the project status and funding options. With the adoption by SBCTA of the 10-Year Delivery Plan, bond funds had been received for specific projects that were not likely to be constructed within their original schedule. Coupled with that, the construction bidding environment at the time had allowed the state to realize savings that could be applied to other "shovel-ready" projects. The Ranchero Road/I-15 Interchange Project met SBCTA's criteria for readiness, and created a funding opportunity that allowed the project to go to construction in early 2013, by advancing or loaning the City unused "public-share dollars" SBCTA had available. SBCTA agreed to fund the City's share of the project's costs up front with Corridor Mobility Improvement Account (CMIA) transportation funds, which had to be paid back. In view of this funding opportunity, a Cooperative Funding Agreement (COOP) was executed with SBCTA prior to commencement of construction. Under the adopted Countywide

Nexus Study, the City would be held responsible for a 57.5% share of the total costs of the project and SBCTA would be responsible for the remaining 42.5%.

The COOP stipulated that upon completion of the project and reconciliation of all project costs, that the City would be responsible for re-payment of the public-share dollars advanced to the City in order to construct the interchange. The City Council approved the Term Loan Agreement for repayment of these funds at the May 1, 2018 meeting. The Term Loan Agreement stipulates the conditions and terms for repayment of the loan over a ten-year period. Funding for repayment of the loan is to come from the City's Development Impact Fees.

## **ISSUES/ANALYSIS**

As the City was unable to pay the remaining unpaid local share of project costs at the time Caltrans accepted the project on December 18, 2015, Section III, Paragraph 8 of the Agreement allowed that the amount due would be considered a loan to the City by SBCTA. The City would have ten years to pay back the loan, with interest. Payments would be made on an annual basis. Interest is calculated annually on any unpaid loan amount as of the date of Caltrans' acceptance of the project at the same percentage rate payable on investments in the State of California Local Agency Investment Fund (LAIF).

The development of the Agreement, which would begin the repayment period, was delayed almost two years until a refund from Southern California Edison was paid to the City and the final reconciliation of total project costs could be determined. The final cost and remaining local share balance owed to SBCTA of \$18,762,403.05 was agreed to by the City on September 19, 2017. The remaining balance was stipulated in the Term Loan Agreement, which was fully executed on August 8, 2018, with payment commencing on March 15, 2019.

Due to the delay in development of the Term Loan Agreement, the City requested that the SBCTA adjust the date for calculation of accrued interest from December 18, 2015 to September 19, 2017, the date that both agencies agreed upon the final reconciliation of project costs. This change would effectively reduce the first interest payment due March 15, 2019 from \$676,539.16 to \$427,957.13, saving the City \$248,582.03. Therefore, staff is recommending that the City Council approve Amendment No. 1 to the Term Loan Agreement and authorize the Mayor to sign the Amendment.

## **FISCAL IMPACT**

Approval of the Amendment will reduce the first interest payment owed to SBCTA on March 15, 2019 by \$248,582.03.

## **ALTERNATIVE(S)**

1. Provide alternative direction to staff.

## **ATTACHMENT(S)**

1. Amendment No. 1 to Term Loan Agreement 17-1001629

**AMENDMENT NO. 1 TO  
TERM LOAN AGREEMENT 17-1001629  
I-15/RANCHERO ROAD INTERCHANGE PROJECT  
(CITY OF HESPERIA PROJECT)**

This Amendment No. 1 to Term Loan Agreement 17-1001629 is entered into between the City of Hesperia (“Borrower”) and the San Bernardino County Transportation Authority (“Lender or SBCTA”) on the Effective Date with respect to the following facts.

WHEREAS, SBCTA and Borrower entered into Term Loan Agreement No. 17-1001629 (“Agreement”) on or about June 6, 2018, to loan the unpaid Local Share of Project Costs for the I-15/Ranchero Road Interchange Project (“Project”) with interest accruing from the Project Caltrans’ acceptance date of December 18, 2015, at the State of California Local Agency Investment Fund rate in equal principal payments over a ten-year period; and

WHEREAS, the unpaid Local Share of Project Costs was not finalized until Project reconciliation on September 19, 2017, which delayed the finalization and approval of the Agreement; and

WHEREAS, the Parties desire to modify the date Interest accrual begins to account for this delay.

NOW, THEREFORE, the Parties agree to amend the Agreement as follows:

1. Article One – Definitions is amended as follows:

“**Interest** means an amount calculated annually on any unpaid Original Loan Amount at the same percentage rate payable on investments in the State of California Local Agency Investment Fund (LAIF) during the twelve month period ending each December 31, as set forth in the December 31st LAIF Quarterly Apportionment Rates schedule, for the period preceding the Annual Payment due date and shall begin accruing on September 19, 2017, which is the date of final Project Cost reconciliation.”

2. Except as amended by this Amendment No. 1, all other terms and conditions of the Agreement shall remain in full force and effect and are incorporated herein by this reference.

3. This Amendment No. 1 shall be effective on the date executed by SBCTA.

-----SIGNATURES ON THE FOLLOWING PAGE-----

IN WITNESS WHEREOF, the Parties have executed this Amendment No. 1 below.

**SAN BERNARDINO COUNTY  
TRANSPORTATION AUTHORITY**

**CITY OF HESPERIA**

By: \_\_\_\_\_  
Darcy McNaboe  
President

By: \_\_\_\_\_  
Larry Bird  
Mayor

Date: \_\_\_\_\_

Date: \_\_\_\_\_

APPROVED AS TO FORM:

APPROVED AS TO FORM:

By: \_\_\_\_\_  
Eileen Monaghan Teichert  
SBCTA General Counsel

By: \_\_\_\_\_  
Eric L. Dunn  
City Attorney

Date: \_\_\_\_\_

Date: \_\_\_\_\_

CONCURRENCE:

ATTEST:

By: \_\_\_\_\_  
Jeffery Hill  
Procurement Manager

By: \_\_\_\_\_  
Melinda Sayre  
City Clerk

# City of Hesperia

## STAFF REPORT



**DATE:** March 5, 2019

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

**FROM:** Nils Bentsen, City Manager

**BY:** Michael Blay, Assistant City Manager  
Tina Souza, Senior Management Analyst

**SUBJECT:** Amend Professional Services Agreement with Parsons Transportation Group, Inc.

---

### RECOMMENDED ACTION

It is recommended that the City Council and Board of Directors of the Hesperia Water District 1) authorize an amendment to Professional Services Agreement (PSA) 2007-08-077 with Parsons Transportation Group, Inc. in the amount of \$543,259 for a total PSA amount of \$3,603,259; 2) authorize a one-year extension of the PSA; and 3) authorize the City Manager to execute said amendment.

### BACKGROUND

Through a Request for Proposal process, in February 2008, the City Council and Board of Directors of the Water District, along with the Board of Directors of the Hesperia Community Redevelopment Agency (HCRA), awarded a multi-year PSA to Parsons Transportation Group, Inc. (Parsons) for preliminary engineering, studies, design, and construction management services for various capital improvement projects in the amount of \$550,000. This PSA included services for 11 Capital Improvement Program (CIP) projects, including the Ranchero Road Widening Project (Ranchero) and the "G" Avenue Rail Lead Track Project (Lead Track). The initial PSA amount of \$550,000 was a lump sum to allow for services through the end of Fiscal Year 2007-2008 for the projects collectively, with the intent that future amendments to the PSA would occur as needed during progression of the various projects.

In October 2008, the City Council and Board of Directors of the Water District, along with the Board of Directors of the HCRA, authorized an amendment to the PSA in the amount of \$2,510,000 for a total PSA amount of \$3,060,000.

In addition to construction management, Parsons provides habitat mitigation for the Lead Track which is ongoing until U.S. Army Corps of Engineers (USACE) approves the mitigation efforts to date. Currently, Parsons and the City is working with USACE to obtain approval of the mitigation efforts and release of any further obligations as they relate to the Lead Track.

Parsons began preliminary design work for Ranchero in 2008 which was delayed due to the elimination of the redevelopment agency. The Ranchero project is being designed, and will be constructed in partnership with San Bernardino County (SBC), with the exception of the aqueduct crossing. A Memorandum of Understanding (MOU) with SBC was approved by the City Council in May of 2011 to share the cost of the environmental and design [plans, specifications, and

estimates (PS&E)] services. The City contracts with, and pays Parsons directly, then subsequently invoices SBC for their 50% share. The MOU will require an amendment at a later date. Ranchero is currently the City's highest priority for roadway capital construction and SBC has the costs associated with Ranchero in the approved budget.

Parsons resumed work for design and environmental clearance in July of 2011. Design of the roadway by Parsons was completed in August 2015; however, the plans were never approved by the City or SBC; as the project was not moving forward with construction due to lack of funding. In addition, right of way (ROW) identification, mapping and acquisition, as well as utility coordination were some of the major items pending. Further, the aqueduct crossing is being designed by a consulting firm that has expertise in structural design (TranSystems) under a separate PSA.

## **ISSUES/ANALYSIS**

In order to continue implementation of the required habitat mitigation for the Lead Track, at a cost of \$58,696, an amendment to the PSA is needed.

In addition, since the design for Ranchero Road began 11 years ago, costs have increased, field conditions have changed and unforeseen conditions have arisen, such as the discovery of shallow waterlines that need to be relocated. Thus, generating the need for revisions to the plans and additional design work in order for the project to be construction ready. The following are a list of vital, pending items:

- ROW Requirements – ROW documents were not finalized. Additionally, plan revisions necessitate the need for updating ROW identification accordingly.
- Roadway Revisions and Traffic Signals – During the latest job walk, changes in field conditions were discovered. Features such as existing pavement conditions, installation of the temporary additional lanes, new development, driveway improvements, fencing, new utilities, and the need for traffic signals at certain intersections are unforeseen conditions that have arisen since design began in 2008. Many of these features are public safety components for the residents as well as motorists and pedestrians traveling Ranchero Road.
- Drainage Revisions – The job walk also identified unexpected conditions of the drainage crossings along Ranchero. There are concerns over the durability and longevity of existing drain pipes as well as sheet flow of storm water currently crossing the roadway. These have raised safety concerns for motorists as well as protection of the forthcoming improvement investment.
- Utility Potholing, Geotechnical Services, Survey Verification – Because so much time has passed, new development has occurred, and plan revisions are required, these are essential to ensuring design accuracy.
- Water Line Relocation Plans – During construction of the temporary additional lanes on Ranchero Road, water lines belonging to County Special Districts, Zone J (Zone J) were unexpectedly found to be extremely shallow. This, along with further investigation, has led to the determination that the Zone J line requires relocation. Because Zone J has prior rights, this is the responsibility of the City and SBC.

Addressing several of these issues now will aide in mitigating substantial changes orders during construction and ultimately serve as a benefit to the City and SBC, as significant change orders result in additional construction time and increased project costs.

Since 2007, street improvement funding has changed with Senate Bill (SB) 1. With this funding, the City was awarded a Local Partnership Program (LPP) grant in May of 2018. The LPP grant has many milestones that must be reached by specific deadlines as required in the grant. Subsequently, the Ranchero Road Widening Project must continue progressing without delay, thus the need for the contract amendment and extension.

The hourly rates under the PSA are no longer valid and as such, Parsons has provided a new proposed, not to exceed cost of \$544,708.40 to perform the work needed going forward, requiring an amendment to the PSA. The previous Ranchero budget (not the PSA amount) was \$1,367,611. To date, there is a project budget balance of \$102,075. The total cost for services going forward is \$544,708, which includes a 10% contingency and completion of prior work yet to be performed under the existing budget. The overall project budget increase to complete the work and obtain a final revised plan set is \$442,633. The table below provides a breakdown of the project budget.

Previous Project Budget	\$1,367,611
Proposed Cost Going Forward	\$495,188
10% Contingency	\$49,520
Grand Total of Cost Going Forward	\$544,708
Less Remaining Project Budget	\$102,075
Total Project Budget Increase/Additional Work	\$442,633
50% Share of Cost Going Forward	\$272,354
Total Project Budget	\$1,810,244

As indicated in the table above, the City's and SBC's 50% share of the total cost going forward is \$272,354 each, totaling \$544,708.

Staff is recommending an amendment to the PSA in the amount of \$543,259 for a total PSA amount of \$3,603,259. The table below depicts the status of the PSA.

Original PSA	\$550,000
PSA Amendment 1	\$2,510,000
Previous PSA Total	\$3,060,000
Lead Track Expenses	-\$1,177,584
Combined Other Project Expenses	-\$556,734
Ranchero Expenses	-\$1,265,536
PSA Balance	\$60,145
Future Ranchero Expenses	\$544,708
Future Lead Track Mitigation Expenses	\$58,696

Less Remaining PSA Balance	-\$60,145
Total Amendment Request	\$543,259
New PSA Total	\$3,603,259

## **FISCAL IMPACT**

Funding for the Lead Track habitat mitigation is budgeted annually in Fund 263.

Funding for the Ranchero Project is budgeted in Fund 204, 205, 207, 300, and 504 in the Fiscal Year 2018-2019 CIP budget and will continue to be budgeted in future fiscal year CIP's contingent upon funding availability.

## **ALTERNATIVE(S)**

1. Provide alternative direction to staff.

## **ATTACHMENT(S)**

None